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

$6,130,000

Public School Refunding Bonds, Series 2012

Date of Closing: September 25, 2012

BOND TRANSCRIPT

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THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR
(WEST VIRGINIA)
Public School Refunding Bonds, Series 2012

RESOLUTION AND ORDER

RESOLUTION AND ORDER OF THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR (WEST VIRGINIA), AUTHORIZING THE REFUNDING OF THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR PUBLIC SCHOOL BONDS, SERIES 2003 OUTSTANDING IN THE AGGREGATE PRINCIPAL AMOUNT OF $4,375,000 AND/OR THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR PUBLIC SCHOOL BONDS, SERIES 2004, OUTSTANDING IN THE AGGREGATE PRINCIPAL AMOUNT OF $1,700,000, AND THE ISSUANCE FOR SUCH PURPOSE OF NOT TO EXCEED $7,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR, PUBLIC SCHOOL REFUNDING BONDS, SERIES 2012; AUTHORIZING AND APPROVING A BOND PURCHASE AGREEMENT, AN ESCROW AGREEMENT, A PRELIMINARY OFFICIAL STATEMENT, AN OFFICIAL STATEMENT, A CONTINUING DISCLOSURE AGREEMENT, A TAX AND NON-ARBITRAGE CERTIFICATE AND OTHER INSTRUMENTS RELATING TO THE BONDS IN SUCH FORMS AS SHALL BE APPROVED BY THE PRESIDENT OR SECRETARY OF THE BOARD OR THE SUPERINTENDENT OF THE DISTRICT; PROVIDING FOR THE APPOINTMENT OF A REGISTRAR, A PAYING AGENT, AN ESCROW AGENT AND A VERIFICATION AGENT; PROVIDING FOR THE DISPOSITION OF THE PROCEEDS OF THE BONDS AND FUNDS ON DEPOSIT WITH THE WEST VIRGINIA MUNICIPAL BOND COMMISSION; AND MAKING OTHER PROVISIONS AS TO THE BONDS AND THE REFUNDING.

WHEREAS, by a Resolution and Order Directing Issuance of Bonds adopted and entered on April 15, 2003, and a Resolution and Order Directing Issuance of Bonds adopted and entered on December 18, 2003 (the "Prior Resolutions"), and pursuant to a special election held April 5, 2003 (the "2003 Referendum"), The Board of Education of the County of Taylor (the "Board"), authorized and directed the issuance of: (i) $7,910,000 in aggregate principal amount of The Board of Education of the County of Taylor Public School Bonds, Series 2003, dated August 19, 2003 (the "Series 2003 Bonds"), currently outstanding in the aggregate principal amount of $4,375,000, and (ii) $3,080,000 in aggregate principal amount of The Board of Education of the County of Taylor Public School Bonds, Series 2004, dated March 1, 2004 (the "Series 2004 Bonds" and collectively with the Series 2003 Bonds, the "Prior Bonds"), currently outstanding in the aggregate principal amount of $1,700,000;

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

WHEREAS, it has been proposed that the Taylor County School District (the "School District" or the "District") advance refund the Prior Bonds, or only the Series 2003 Bonds or Series 2004 Bonds as shall be most advantageous to the District based upon market conditions at the time of the sale of the Refunding Bonds (the "Refunding") pursuant to the Refunding Act, through the issuance of its not to exceed $7,000,000 in aggregate principal amount of The Board of Education of the County of Taylor Public School Refunding Bonds, Series 2012 (the "Refunding Bonds"), as in this Resolution and Order (the "Resolution") provided;

WHEREAS, the Board has on deposit with the Commission funds from taxes levied and collected with respect to the Prior Bonds ("Surplus Funds");

WHEREAS, the Surplus Funds, if any, remaining on deposit with the Commission after the Refunding, less an amount to be retained in the debt service account for the Refunding Bonds, will be utilized by the District as determined by future action of this Board;

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

WHEREAS, the Board has determined that it is in the best interests of the School District and the citizens and residents thereof that the Refunding be accomplished and that the Refunding Bonds be sold to the Underwriter pursuant to the Bond Purchase Agreement the final terms of which will be approved by either the President or Secretary of the Board or the Superintendent of the District, acting together or individually (each, an "Authorized Officer"), such approval to be evidenced by the execution by an Authorized Officer of a Certificate of Determinations (the "Certificate of Determinations"), substantially in the form attached hereto as **EXHIBIT A – FORM OF CERTIFICATE OF DETERMINATIONS** and incorporated herein by reference;

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

WHEREAS, it is in the best interest of this Board to grant to an Authorized Officer the power and authority to establish the final terms and provisions of the Bonds as evidenced by the Certificate of Determinations, to execute the Bonds, the Bond Purchase Agreement, the Continuing Disclosure Agreement, the Escrow Agreement, the Tax and Non-Arbitrage Certificate, to select a bond insurer, if any, a verification agent and other participants, each as hereinafter defined;

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

1. There is hereby authorized and directed the redemption and refunding of the Prior Bonds, or such series thereof as shall be most advantageous to the School District based upon market conditions at the time of sale of the Refunding Bonds, as hereinafter provided.

2. For the purpose of providing for the Refunding, the Board, acting for and on behalf of the School District, hereby authorizes and orders the issuance of the Refunding Bonds in the aggregate principal amount not to exceed $7,000,000. The Refunding Bonds shall be designated "The Board of Education of the County of Taylor Public School Refunding Bonds, Series 2012." The Refunding Bonds shall be dated such date or dates, shall be issued in one or more series, not to exceed $7,000,000 in aggregate principal amount, shall mature on such date or dates not later than May 1, 2019, shall mature in such principal amounts on such date or dates, shall bear interest at such rate or rates of interest not to exceed four and one half percent (4.5%) per annum, payable on such date or dates and shall have such redemption provisions and other terms all as set forth in the Certificate of Determinations.

3. The principal amounts, maturity dates and interest rates on the Refunding Bonds shall not increase the total indebtedness authorized by the 2003 Referendum. The amount of debt service payable on the Refunding Bonds in each year shall be equal to or less than the amount of taxes expected to be available therefor, and such facts shall be certified by the Chairman of the Commission as a condition to issuance and delivery of the Refunding Bonds.

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

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

Officer is hereby authorized and directed to execute and deliver to DTC a Blanket Letter of Representations in the form approved by an Authorized Officer on behalf of the Board and the Board is authorized to comply with all requirements of DTC.

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

7. The Refunding Bonds shall be transferable only upon the books kept for that purpose by the Registrar by an authorized representative of the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by an authorized representative of the registered owner or his duly authorized attorney. The Refunding Bonds may also be exchanged at the option and expense of the registered owner thereof at the office of the Registrar. Upon exchange or transfer of any Refunding Bond, there shall be issued, at the option of the registered owner or the transferee, another fully registered Refunding Bond or Bonds, in such authorized denomination or denominations as may be requested, of the aggregate principal amount equal to the amount of the exchanged or transferred Refunding Bond.

8. The interest on any Refunding Bond shall be payable by check or draft mailed by the Paying Agent to the Registered Owner thereof as of the applicable Record Date (the fifteenth calendar day next preceding an interest payment date set forth in the Certificate of Determinations) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the Paying Agent by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Board maintained by the Registrar, or, at the option of any Registered Owner of at least $1,000,000 in aggregate principal amount of Refunding Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Registrar at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of a Refunding Bond for payment at the office of the Paying Agent, in Charleston, West Virginia. 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.

9. The Refunding Bonds shall be sold to the Underwriter. The Bond Purchase Agreement, in the form approved by an Authorized Officer on behalf of the Board pursuant to the Certificate of Determinations is hereby authorized and approved. An Authorized Officer shall execute and deliver the Bond Purchase Agreement with such changes, insertions and omissions as may be approved by an Authorized Officer. Execution of the Bond Purchase Agreement by an Authorized Officer shall be conclusive evidence of any approval required by this Section.

10. The Escrow Agreement by and between the Board and the Commission, as Escrow Agent, to be dated the date of issuance of the Refunding Bonds (the "Closing Date"), in the form approved by an Authorized Officer on behalf of the Board pursuant to the Certificate of Determinations is

hereby authorized, ratified and approved. An Authorized Officer shall execute and deliver the Escrow Agreement with such changes, insertions and omissions as may be approved by an Authorized Officer. Execution of the Escrow Agreement by an Authorized Officer shall be conclusive evidence of any approval required by this Section. The Board hereby directs the Escrow Agent to purchase from the United States Treasury, for the benefit of the Board, the investment securities identified in the Escrow Agreement, at the prices so stated, for deposit in the Escrow Fund established under the Escrow Agreement.

11. The Continuing Disclosure Agreement of the Board to be dated the Closing Date, in the form approved by an Authorized Officer on behalf of the Board pursuant to the Certificate of Determinations, and the execution and delivery by an Authorized Officer and/or Authorized Officers thereof shall be and the same are hereby authorized, approved and directed. An Authorized Officer and/or Authorized Officers shall execute and deliver the Continuing Disclosure Agreement with such changes, insertions and omissions as may be approved by an Authorized Officer and/or Authorized Officers. Execution of the Continuing Disclosure Agreement by an Authorized Officer and/or Authorized Officers shall be conclusive evidence of any approval required by this Section.

12. The Preliminary Official Statement and the Official Statement, to be substantially in the form approved by an Authorized Officer on behalf of the Board pursuant to the Certificate of Determinations, and the distribution of counterparts or copies thereof by the Underwriter are hereby approved. An Authorized Officer shall execute and deliver the Official Statement. The execution of the Official Statement by an Authorized Officer shall be conclusive evidence of any approval required by this Section. The distribution by the Underwriter of the Preliminary Official Statement (which is a "deemed final" official statement in accordance with SEC Rule 15c2-12), in the form approved by an Authorized Officer on behalf of the Board is hereby ratified and approved. The certificate of the Board relating to compliance with SEC Rule 15c2-12 and the execution and delivery thereof by an Authorized Officer is hereby ratified and approved.

13. If a verification agent is required for the purpose of verifying yield and the sufficiency of the Escrow Fund, such verification agent shall be named and appointed pursuant to the Certificate of Determinations.

14. The firm of Piper Jaffray & Co., Charleston, West Virginia, is hereby appointed by the Board as the Underwriter for the issuance of the Refunding Bonds. The firm of Steptoe & Johnson PLLC, Charleston, West Virginia, is hereby appointed by the Board to serve as Bond Counsel to the Board with respect to the Refunding Bonds.

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

Refunding Bonds, the Board shall allow for exonerations and delinquencies, considering the levy amount rendered to it by the Commission.

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

17. The Board will notify, by letter, the Executive Director of the Commission of its intention to accomplish the proposed Refunding and request the withdrawal of the Surplus Funds. The Surplus Funds shall be withdrawn from the respective Surplus Collections Accounts established with the Commission for the Prior Bonds, or such series of the Prior Bonds as shall be refunded pursuant to the issuance of the Refunding Bonds, on the Closing Date and shall thereafter be released from any pledge thereof in favor of the Prior Bonds. The Board shall determine, in consultation with the Commission, Bond Counsel and the Underwriter, such portion of the Surplus Funds, if any, that shall: (i) be applied to reduce the principal amount of the Refunding Bonds; (ii) remain on deposit for a period of time with the Commission in a segregated account created by the Commission for that purpose with availability to apply the same to the payment of debt service on the Refunding Bonds, but with no pledge of the same for such purpose; (iii) be deposited into the Debt Service Account for the Refunding Bonds; and/or (iv) be released on the Closing Date to the Board for application by the Board to the projects approved by the voters in the 2003 Referendum. Such matters shall be determined and directed by a supplemental resolution of the Board.

18. Proceeds of the Refunding Bonds shall be applied as approved by an Authorized Officer on behalf of the Board as set forth in the Certificate of Determinations.

19. An Authorized Officer and all other officers of the Board are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Refunding, including, if needed, subscription forms for the purchase of United States Government Securities, State and Local Government Series and any forms or documents necessary to qualify the Refunding Bonds for sale under the "Blue Sky Laws" of any state, to the end that the Refunding Bonds may be delivered at the earliest practicable date to the Underwriter.

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

21. The Board hereby finds and determines that legal provision has been made for the imposition, levy and collection of, and the Board hereby covenants to levy and collect, a direct annual tax in excess of all other taxes, on all taxable property in the School District sufficient to pay the principal of and the interest on the Refunding Bonds, as and when payable, and all other outstanding general obligation bonds heretofore issued by the Board.

22. The President of the Board is hereby authorized and directed to execute and deliver to the Executive Director of the Commission, as soon as possible, a request to certify the amount of taxes

expected to be available for the payment of the debt service on the Refunding Bonds in each year, as required by the Refunding Act.

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

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

[Remainder of Page Intentionally Blank]

Adopted and entered of record this May 22, 2012.

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

By: Nancy A. Ludwick
President

CERTIFICATION

Certified a true, correct and complete copy of a Resolution and Order duly adopted and enacted by The Board of Education of the County of Taylor at a regular meeting of the Board held on May 22, 2012, pursuant to proper notice, at which meeting a quorum was present and acting throughout.

Dated this May 22, 2012.

By: Charlotte Mayner
Secretary

EXHIBIT A

FORM OF CERTIFICATE OF DETERMINATIONS

The undersigned, [President or Secretary of The Board of Education of the County of Taylor, West Virginia (the "Board")][Superintendent of the Taylor County School District], in accordance with a Resolution and Order adopted by the Board on May 22, 2012 (the "Order"), with respect to the $_____ The Board Of Education of the County of Taylor, Public School Refunding Bonds, Series 2012 (the "Bonds"), hereby finds and determines as follows:

1. [She][He] is an Authorized Officer within the meaning of the Order.

2. The Bonds shall be dated _____, 2012.

3. The Bonds shall be issued in the aggregate principal amount of $_____ .

4. Such principal amount does not exceed $7,000,000, being the maximum principal amount authorized by the Order.

5. The Bonds shall mature in the amounts and on the dates and shall be subject to mandatory sinking fund redemption in the amounts and on the dates set forth on Schedule 1 attached hereto and incorporated herein.

6. The Bonds shall bear interest at the rates and produce the yields set forth on Schedule 1 attached hereto and incorporated herein, which rates do not exceed four and one-half percent (4.5%) per annum. Interest shall be payable on the Bonds semiannually on each May 1 and November 1, beginning on November 1, 2012 and in each year until maturity.

7. The Bonds shall be subject to optional redemption as provided in Schedule 1 attached hereto and incorporated herein.

8. The Bonds shall be sold to Piper Jaffray & Co., Charleston, West Virginia (the "Underwriter"), pursuant to the terms of the Bond Purchase Agreement by and between the Underwriter and the Board, at an aggregate purchase price of $_____ (representing par value, less an underwriting discount of $_____ [plus a net original issue premium of $_____ or less an original issue discount of $_____)), plus accrued interest of $_____ on the Bonds from _____, 2012 to _____, 2012 (the "Closing Date").

9. The proceeds of the Bonds and the funds on deposit with the West Virginia Municipal Bond Commission (the "Bond Commission") as the paying agent for the Board's outstanding Public School Bonds, Series 2003, dated August 19, 2003, issued in the original aggregate principal amount of $7,910,000 (the "Series 2003 Bonds") and the Board's outstanding Public School Bonds, Series 2004, dated March 1, 2004, issued in the original aggregate principal amount of $3,080,000 (the "Series 2004 Bonds" and collectively with the Series 2003 Bonds, the "Prior Bonds") shall be applied as set forth on Schedule 2 attached hereto and incorporated herein.

10. The form of the Bond Purchase Agreement which is attached hereto as Exhibit 1 is hereby approved, with such amendments as may be approved by an Authorized Officer (as defined in the Order), the execution and delivery thereof by an Authorized Officer being conclusive evidence of the approval of

any such amendments. The Authorized Officers are hereby authorized to execute and deliver the Bond Purchase Agreement in connection with the issuance of the Bonds.

11. The form of the Escrow Agreement which is attached hereto as Exhibit 2 is hereby approved, with such amendments as may be approved by an Authorized Officer, the execution and delivery thereof by an Authorized Officer being conclusive evidence of the approval of any such amendments. The Authorized Officers are hereby authorized to execute and deliver the Escrow Agreement in connection with the issuance of the Bonds.

12. The form of the Continuing Disclosure Agreement which is attached hereto as Exhibit 3 is hereby approved, with such amendments as may be approved by an Authorized Officer, the execution and delivery thereof by an Authorized Officer being conclusive evidence of the approval of any such amendments. The Authorized Officers are hereby authorized to execute and deliver the Escrow Agreement in connection with the issuance of the Bonds.

13. The form of the Tax and Non-Arbitrage Certificate which is attached hereto as Exhibit 4 is hereby approved, with such amendments as may be approved by an Authorized Officer, the execution and delivery thereof by an Authorized Officer being conclusive evidence of the approval of any such amendments. The Authorized Officers are hereby authorized to execute and deliver the Tax and Non-Arbitrage Certificate in connection with the issuance of the Bonds.

14. The Preliminary Official Statement of the Board dated _____, 2012, is hereby ratified and deemed final within the meaning of paragraph (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934, with such changes, omissions, insertions and revisions as the Authorized Officer shall deem advisable. Such signature to evidence approval thereof.

15. The firm of _____ is hereby appointed as the Verification Agent for the Bonds, for the purpose of verifying yield and the sufficiency of the Escrow Fund for the refunding of the Prior Bonds.

[16. ("Bond Insurer") has offered Bond Insurance for the Bonds pursuant to the terms of a commitment letter dated _____, 2012 (the "Commitment"). The Bond Insurer is approved and the Commitment for the Bond Insurance is accepted.]

The undersigned hereby certifies that the foregoing terms and conditions of the Bonds are within the limitations prescribed by the Order, and the Bonds may be issued with such terms and conditions as authorized by the Order.

WITNESS my signature this day of _____, 2012.

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

By:_____

Its: _____

Schedule 1

Maturities

Mandatory Redemption.

Optional Redemption.

Schedule 2

Application of Bond Proceeds and Funds on Deposit with Bond Commission.

EXHIBIT 1

[Form of Bond Purchase Agreement]
(Attached Hereto)

EXHIBIT 2

[Form of Escrow Agreement]
(Attached Hereto)

EXHIBIT 3

[Form of Continuing Disclosure Agreement]
(Attached Hereto)

EXHIBIT 4

[Form of Tax and Non-Arbitrage Certificate]
(Attached Hereto)

EXHIBIT B

BOND FORM

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

No. R-1

$_____

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

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP
_____%	_____	_____	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR (West Virginia), a public corporation created and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, upon presentation and surrender hereof, the Principal Amount specified above and to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, at the Interest Rate per annum specified above, semiannually, on May 1 and November 1 in each year, beginning November 1, 2012 (each an "Interest Payment Date"), until maturity. United Bank, Inc., Charleston, West Virginia, has been designated to act in the capacity of registrar and transfer agent for the Bonds (the "Registrar"), and the West Virginia Municipal Bond Commission, Charleston, West Virginia, has been appointed by the Issuer to serve in the capacity of paying agent for the Bonds (the "Paying Agent").

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

This Bond is one of a series of bonds of the Issuer designated as "Public School Refunding Bonds, Series 2012" (the "Bonds"), issued by the Issuer in the aggregate principal amount of $_____. The Bonds are in fully registered form, without coupons, and are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 13, Article 2 of the West Virginia Code of 1931, as amended (the "Act") and a Resolution and Order (the "Order") duly adopted by the Issuer on May 22, 2012, for the purpose of advance refunding the Issuer's Public School Bonds, Series 2003, currently outstanding in the aggregate principal amount of $4,375,000 (the "Series 2003 Bonds") and the Issuer's Public School Bonds, Series 2004, currently outstanding in the aggregate principal amount of $1,700,000 (the "Series 2004 Bonds" and collectively with the Series 2003 Bonds, the "Prior Bonds"). The terms and provisions of the Order are hereby incorporated by reference as if set forth fully herein.

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

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

The Bonds maturing on or after May 1, _____, are subject to redemption on or after May 1, 20___, at the option of the Issuer, in whole at any time or in part on any interest payment date, from any moneys available for such purpose, at the applicable redemption price (expressed as a percentage of

principal amount to be so redeemed) set forth in the table below, plus interest, if any, accrued to the date fixed for redemption:

Optional Redemption Period (both dates inclusive)	Redemption Price
_____ to _____	101%
_____ to _____	100

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

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

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

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

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

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

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

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

[Remainder of page intentionally left blank]

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

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

(SEAL)

By: _____
President

By: _____
Secretary

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Bond is one of the Bonds described in the within-mentioned Resolution and Order and has been duly registered in the name of the Registered Owner set forth above on the date set forth below.

Dated: _____, 2012.

UNITED BANK, INC.,
as Registrar

By: _____

Its: _____

ASSIGNMENT

Social Security or Other Identifying Number of Assignee _____

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

_____
Signature of Assignor

Dated: _____, _____.

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

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

THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR (WEST VIRGINIA) PUBLIC SCHOOL REFUNDING BONDS, SERIES 2012

SUPPLEMENTAL RESOLUTION

WHEREAS, The Board of Education of the County of Taylor, West Virginia (the "Board"), did, on May 22, 2012, adopt and enter of record a Resolution and Order (the "Resolution") authorizing the issuance of the above-captioned bonds (the "Bonds");

WHEREAS, all capitalized terms used herein and not defined herein shall have the meanings given to them in the Resolution, unless the context clearly indicates otherwise;

WHEREAS, the Resolution provided that the Board will enter into a Bond Purchase Agreement with Piper Jaffray & Co. (the "Underwriter") relating to the purchase of the entirety of the Bonds by the Underwriter;

WHEREAS, the distribution of a Preliminary Official Statement by the Underwriter will be necessary in connection with the marketing and selling of the Bonds;

WHEREAS, the Resolution provided that an Authorized Officer is authorized and directed to execute and deliver, among other documents, a Tax Certificate or similar certificate or agreement (the "Tax Certificate");

WHEREAS, the Tax Certificate, along with Tax Compliance Procedures to be implemented by the Board, will assist the Board in complying with the necessary provisions of the Internal Revenue Code of 1986, as amended (the "Code"), to ensure interest on the Bonds is and continues to be excludable from gross income of the holders thereof for federal income tax purposes; and

WHEREAS, the Board wishes to adopt this Supplemental Resolution in order to approve a Preliminary Official Statement to be used in connection with the marking and selling of the Bonds, and to approve Tax Compliance Procedures to assist the Board in complying with the requirements of the Code for the exclusion of interest on the Bonds from gross income of the holders thereof for federal income tax purposes.

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

1. The distribution by the Underwriter of a Preliminary Official Statement (which is a "deemed final" official statement in accordance with SEC Rule 15c2-12), substantially in the form submitted to this meeting, with such changes, insertions and omissions as may be approved by an Authorized Officer, in connection with the marketing and selling of the Bonds is hereby ratified and approved. The Official Statement to be substantially in the form of the Preliminary Official Statement, (with such changes, insertions and omissions as may be necessary or advisable and approved by an Authorized Officer) and the distribution of counterparts or copies thereof by the Underwriter are hereby approved. An Authorized Officer shall execute and deliver the Official Statement with such changes, insertions and omissions as may be approved. The execution of the Official Statement by an Authorized Officer shall be conclusive evidence of any approval required by this paragraph.

2. The Tax Compliance Policies, substantially in the form submitted to this meeting, are hereby approved and adopted. An Authorized Officer shall execute the Tax Compliance Policies and the executive officers and employees of the Taylor County School District are authorized and directed to implement and carry out such policies.

This Supplemental Resolution shall be effective immediately upon adoption.

Adopted and entered this July 24, 2012.

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

By: Richard Teagarden
Its ~~President~~
Vice President

CERTIFICATION

Certified a true, correct and complete copy of a Supplemental Resolution duly adopted by The Board of Education of the County of Taylor at a special meeting of the Board held at 6:00 p.m., on July 24, 2012, pursuant to proper notice, at which meeting a quorum was present and acting throughout.

Given under my hand this July 24, 2012.

By: _____
Secretary of The Board of
Education of the County of
Taylor

Cross Receipt

$6,130,000
THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR
(WEST VIRGINIA)
Public School Refunding Bonds, Series 2012

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

The undersigned Marie Prezioso, Senior Vice President of Piper Jaffray & Co. (the "Purchaser"), for and on behalf of the Purchaser, and Nancy Ludwick, President of The Board of Education of the County of Taylor, West Virginia (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

1. On September 25, 2012, in New York, New York, the Purchaser received the entire original issue of $6,130,000 in aggregate principal amount of The Board of Education of the County of Taylor (West Virginia) Public School Refunding Bonds, Series 2012 (the "Bonds"). The Bonds, as so received on original issuance, are dated September 25, 2012, are numbered, mature on May 1 of the years, bear interest at the rates and are in the respective denominations set forth in **EXHIBIT A** attached hereto and incorporated herein by reference, and are all fully registered in the name of "CEDE & CO."

2. At the time of such receipt of the Bonds upon original issuance, they had been signed by Nancy Ludwick as President of the Issuer, by her manual signature, and countersigned by Charles Maynard, Secretary of the Issuer, by his manual signature, and the seal of the Issuer had been affixed upon such Bonds and the Bonds had been manually authenticated by United Bank, Inc. as Registrar.

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

Par Amount of Bonds	$6,130,000.00
Plus: Reoffering Premium	$ 398,189.90
Less: Underwriter's Discount	(65,650.00)
TOTAL	$6,462,539.90

Payment for the Bonds was made in Federal Funds in the amount of $6,462,539.90, on the date hereof.

WITNESS our respective signatures this September 25, 2012.

PIPER JAFFRAY & CO.

By: _____
Its: Senior Vice President

THE BOARD OF EDUCATION OF THE
COUNTY OF TAYLOR

By: _____
Its: President

EXHIBIT A

$6,130,000
THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR
(WEST VIRGINIA)
Public School Refunding Bonds, Series 2012

SERIES 2012 BONDS

Bond Component	Maturity Date	CUSIP ID	Amount	Rate	Yield	Price	Premium (-Discount)
Serial Bond:							
	5/1/2013	877129CY0	835,000	3.00%	0.45%	101.525	12,733.75
	5/1/2014	877129CZ7	790,000	3.00%	0.60%	103.815	30,138.50
	5/1/2015	877129DA1	825,000	3.00%	0.75%	105.782	47,701.50
	5/1/2016	877129DB9	865,000	3.00%	0.95%	107.237	62,600.05
	5/1/2017	877129DC7	900,000	3.00%	1.10%	108.499	76,491.00
	5/1/2018	877129DD5	940,000	3.00%	1.35%	108.869	83,368.60
	5/1/2019	877129DE3	975,000	3.00%	1.60%	108.734	85,156.50
			6,130,000				398,189.90

$6,130,000
THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR
(WEST VIRGINIA)
Public School Refunding Bonds, Series 2012

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

United Bank, Inc.,
as Registrar
Charleston, West Virginia

Ladies and Gentlemen:

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

1. Bonds Nos. R-1 to R-7, inclusive, constituting the entire original issue of The Board of Education of the County of Taylor (West Virginia) Public School Refunding Bonds, Series 2012, dated September 25, 2012, in the aggregate principal amount of $6,130,000 (the "Bonds"), all as set forth in **EXHIBIT A**, attached hereto and made a part hereof, signed by the President and countersigned by the Secretary of The Board of Education of The County of Taylor, West Virginia (the "Issuer") and bearing the official seal of the Issuer. The Bonds are authorized to be issued under and pursuant to a Resolution and Order adopted by the Issuer on May 22, 2012 (the "Resolution"), as amended by that Supplemental Resolution adopted by the Issuer on July 24, 2012 (the "Supplemental Resolution").

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

3. A copy, duly certified by the Secretary, of the Supplemental Resolution.

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 and deliver the Bonds to CEDE & CO., as nominee of Depository Trust Company, on behalf of Piper Jaffray & Co., as the Purchaser thereof.

Dated this September 25, 2012.

THE BOARD OF EDUCATION OF THE
COUNTY OF TAYLOR

By: Nancy A. Lindrick
Its President

EXHIBIT A

$6,130,000
THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR
(WEST VIRGINIA)
Public School Refunding Bonds, Series 2012

SERIES 2012 BONDS

Bond Component	Maturity Date	CUSIP ID	Amount	Rate	Yield	Price	Premium (-Discount)
Serial Bond:							
	5/1/2013	877129CY0	835,000	3.00%	0.45%	101.525	12,733.75
	5/1/2014	877129CZ7	790,000	3.00%	0.60%	103.815	30,138.50
	5/1/2015	877129DA1	825,000	3.00%	0.75%	105.782	47,701.50
	5/1/2016	877129DB9	865,000	3.00%	0.95%	107.237	62,600.05
	5/1/2017	877129DC7	900,000	3.00%	1.10%	108.499	76,491.00
	5/1/2018	877129DD5	940,000	3.00%	1.35%	108.869	83,368.60
	5/1/2019	877129DE3	975,000	3.00%	1.60%	108.734	85,156.50
			6,130,000				398,189.90

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

No. R-1

SPECIMEN

$835,000

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

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP
3.00%	May 1, 2013	September 25, 2012	877129CY0

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: EIGHT HUNDRED THIRTY FIVE THOUSAND AND 00/100 DOLLARS ($835,000)

THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR (West Virginia), a public corporation created and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, upon presentation and surrender hereof, the Principal Amount specified above and to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, at the Interest Rate per annum specified above, semiannually, on May 1 and November 1 in each year, beginning May 1, 2013 (each an "Interest Payment Date"), until maturity. United Bank, Inc., Charleston, West Virginia, has been designated to act in the capacity of registrar and transfer agent for the Bonds (the "Registrar"), and the West Virginia Municipal Bond Commission, Charleston, West Virginia, has been appointed by the Issuer to serve in the capacity of paying agent for the Bonds (the "Paying Agent").

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the Paying Agent to the Registered Owner hereof as of the applicable Record Date (each April 15 and October 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the Paying Agent by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books

of the Issuer maintained by the Registrar, or, at the option of any Registered Owner of at least $1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Registrar at least 5 days prior to such Record Date. Principal shall be paid when due upon presentation and surrender of this Bond for payment at the office of the Paying Agent, in Charleston, West Virginia. The Issuer and the Registrar shall not be required to issue or transfer any Bonds during a period beginning with the close of business on the Record Date next preceding any Interest Payment Date and ending at the close of business on such Interest Payment Date.

This Bond is one of a series of bonds of the Issuer designated as "Public School Refunding Bonds, Series 2012" (the "Bonds"), issued by the Issuer in the aggregate principal amount of $6,130,000. The Bonds are in fully registered form, without coupons, and are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 13, Article 2 of the West Virginia Code of 1931, as amended (the "Act") and a Resolution and Order (the "Order") duly adopted by the Issuer on May 22, 2012, as supplemented by a Supplemental Resolution adopted by the Issuer on July 24, 2012 (the "Supplemental Resolution") for the purpose of advance refunding the Issuer's Public School Bonds, Series 2003, currently outstanding in the aggregate principal amount of $4,375,000 (the "Series 2003 Bonds") and the Issuer's Public School Bonds, Series 2004, currently outstanding in the aggregate principal amount of $1,700,000 (the "Series 2004 Bonds" and collectively with the Series 2003 Bonds, the "Prior Bonds"). The terms and provisions of the Order and the Supplemental Resolution are hereby incorporated by reference as if set forth fully herein.

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

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

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the laws of the State of West Virginia to exist, to have happened or to have been performed, precedent to or in connection with the issuance of this Bond or in the creation of the debt of which this Bond is evidence, exist, have happened and have been performed in regular and due form and manner as required by law; that this Bond is authorized by and is issued in conformity with the requirements of the Constitution and statutes of the State of West Virginia, including the Act, and that legal provision has been made by the Issuer for the levy and collection of a direct annual tax sufficient in amount to meet the

payment of the interest and principal hereof, which shall have precedence over all other taxes for any purpose whatever, except bond issues heretofore or hereafter authorized and issued under the five percent limitation provided by the Better Schools Amendment of the Constitution of West Virginia, and said tax is levied outside the limits fixed by Section 1, Article X of the Constitution of the State of West Virginia in the manner provided by Sections 8 and 10, Article X of the State Constitution; that said levies do not exceed any constitutional or statutory limitations; and that the amount of this Bond, together with all other indebtedness of the Issuer, does not exceed any statutory or constitutional limitation thereon.

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

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

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

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

This Bond is hereby designated a "qualified tax-exempt obligation" by the Issuer within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

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

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR has caused this Bond to be duly signed in its name and on its behalf by its President and countersigned by its Secretary and has caused its corporate seal to be hereto affixed in the manner provided in the Order, all as of September 25, 2012.

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

(SEAL)

By: Nancy J. Ludwick
President

SPECIMEN

By: Charles R. Magnuson
Secretary

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Bond is one of the Bonds described in the within-mentioned Resolution and Order and has been duly registered in the name of the Registered Owner set forth above on the date set forth below.

Dated: September 25, 2012.

UNITED BANK, INC.,
as Registrar

By: _____

Its: _____

ASSIGNMENT

Social Security or Other Identifying Number of Assignee _____

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

_____
Signature of Assignor

Dated: _____, _____.

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

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

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

No. R-2

SPECIMEN

$790,000

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

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP
3.00%	May 1, 2014	September 25, 2012	877129CZ7

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: SEVEN HUNDRED NINETY THOUSAND AND 00/100 DOLLARS ($790,000)

THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR (West Virginia), a public corporation created and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, upon presentation and surrender hereof, the Principal Amount specified above and to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, at the Interest Rate per annum specified above, semiannually, on May 1 and November 1 in each year, beginning May 1, 2013 (each an "Interest Payment Date"), until maturity. United Bank, Inc., Charleston, West Virginia, has been designated to act in the capacity of registrar and transfer agent for the Bonds (the "Registrar"), and the West Virginia Municipal Bond Commission, Charleston, West Virginia, has been appointed by the Issuer to serve in the capacity of paying agent for the Bonds (the "Paying Agent").

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the Paying Agent to the Registered Owner hereof as of the applicable Record Date (each April 15 and October 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the Paying Agent by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books

of the Issuer maintained by the Registrar, or, at the option of any Registered Owner of at least $1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Registrar at least 5 days prior to such Record Date. Principal shall be paid when due upon presentation and surrender of this Bond for payment at the office of the Paying Agent, in Charleston, West Virginia. The Issuer and the Registrar shall not be required to issue or transfer any Bonds during a period beginning with the close of business on the Record Date next preceding any Interest Payment Date and ending at the close of business on such Interest Payment Date.

This Bond is one of a series of bonds of the Issuer designated as "Public School Refunding Bonds, Series 2012" (the "Bonds"), issued by the Issuer in the aggregate principal amount of $6,130,000. The Bonds are in fully registered form, without coupons, and are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 13, Article 2 of the West Virginia Code of 1931, as amended (the "Act") and a Resolution and Order (the "Order") duly adopted by the Issuer on May 22, 2012, as supplemented by a Supplemental Resolution adopted by the Issuer on July 24, 2012 (the "Supplemental Resolution") for the purpose of advance refunding the Issuer's Public School Bonds, Series 2003, currently outstanding in the aggregate principal amount of $4,375,000 (the "Series 2003 Bonds") and the Issuer's Public School Bonds, Series 2004, currently outstanding in the aggregate principal amount of $1,700,000 (the "Series 2004 Bonds" and collectively with the Series 2003 Bonds, the "Prior Bonds"). The terms and provisions of the Order and the Supplemental Resolution are hereby incorporated by reference as if set forth fully herein.

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

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

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the laws of the State of West Virginia to exist, to have happened or to have been performed, precedent to or in connection with the issuance of this Bond or in the creation of the debt of which this Bond is evidence, exist, have happened and have been performed in regular and due form and manner as required by law; that this Bond is authorized by and is issued in conformity with the requirements of the Constitution and statutes of the State of West Virginia, including the Act, and that legal provision has been made by the Issuer for the levy and collection of a direct annual tax sufficient in amount to meet the

payment of the interest and principal hereof, which shall have precedence over all other taxes for any purpose whatever, except bond issues heretofore or hereafter authorized and issued under the five percent limitation provided by the Better Schools Amendment of the Constitution of West Virginia, and said tax is levied outside the limits fixed by Section 1, Article X of the Constitution of the State of West Virginia in the manner provided by Sections 8 and 10, Article X of the State Constitution; that said levies do not exceed any constitutional or statutory limitations; and that the amount of this Bond, together with all other indebtedness of the Issuer, does not exceed any statutory or constitutional limitation thereon.

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

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

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

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

This Bond is hereby designated a "qualified tax-exempt obligation" by the Issuer within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

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

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR has caused this Bond to be duly signed in its name and on its behalf by its President and countersigned by its Secretary and has caused its corporate seal to be hereto affixed in the manner provided in the Order, all as of September 25, 2012.

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

(SEAL)

By: Nancy A. Ludwick
President

SPECIMEN

By: Charles B. Maxwell
Secretary

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Bond is one of the Bonds described in the within-mentioned Resolution and Order and has been duly registered in the name of the Registered Owner set forth above on the date set forth below.

Dated: September 25, 2012.

UNITED BANK, INC.,
as Registrar

By: _____

Its: Vice Pres

ASSIGNMENT

Social Security or Other Identifying Number of Assignee _____

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

_____
Signature of Assignor

Dated: _____, _____.

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

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

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

No. R-3

SPECIMEN

$825,000

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

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP
3.00%	May 1, 2015	September 25, 2012	877129DA1

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: EIGHT HUNDRED TWENTY FIVE THOUSAND AND 00/100 DOLLARS ($825,000)

THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR (West Virginia), a public corporation created and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, upon presentation and surrender hereof, the Principal Amount specified above and to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, at the Interest Rate per annum specified above, semiannually, on May 1 and November 1 in each year, beginning May 1, 2013 (each an "Interest Payment Date"), until maturity. United Bank, Inc., Charleston, West Virginia, has been designated to act in the capacity of registrar and transfer agent for the Bonds (the "Registrar"), and the West Virginia Municipal Bond Commission, Charleston, West Virginia, has been appointed by the Issuer to serve in the capacity of paying agent for the Bonds (the "Paying Agent").

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the Paying Agent to the Registered Owner hereof as of the applicable Record Date (each April 15 and October 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the Paying Agent by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books

of the Issuer maintained by the Registrar, or, at the option of any Registered Owner of at least $1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Registrar at least 5 days prior to such Record Date. Principal shall be paid when due upon presentation and surrender of this Bond for payment at the office of the Paying Agent, in Charleston, West Virginia. The Issuer and the Registrar shall not be required to issue or transfer any Bonds during a period beginning with the close of business on the Record Date next preceding any Interest Payment Date and ending at the close of business on such Interest Payment Date.

This Bond is one of a series of bonds of the Issuer designated as "Public School Refunding Bonds, Series 2012" (the "Bonds"), issued by the Issuer in the aggregate principal amount of $6,130,000. The Bonds are in fully registered form, without coupons, and are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 13, Article 2 of the West Virginia Code of 1931, as amended (the "Act") and a Resolution and Order (the "Order") duly adopted by the Issuer on May 22, 2012, as supplemented by a Supplemental Resolution adopted by the Issuer on July 24, 2012 (the "Supplemental Resolution") for the purpose of advance refunding the Issuer's Public School Bonds, Series 2003, currently outstanding in the aggregate principal amount of $4,375,000 (the "Series 2003 Bonds") and the Issuer's Public School Bonds, Series 2004, currently outstanding in the aggregate principal amount of $1,700,000 (the "Series 2004 Bonds" and collectively with the Series 2003 Bonds, the "Prior Bonds"). The terms and provisions of the Order and the Supplemental Resolution are hereby incorporated by reference as if set forth fully herein.

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

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

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the laws of the State of West Virginia to exist, to have happened or to have been performed, precedent to or in connection with the issuance of this Bond or in the creation of the debt of which this Bond is evidence, exist, have happened and have been performed in regular and due form and manner as required by law; that this Bond is authorized by and is issued in conformity with the requirements of the Constitution and statutes of the State of West Virginia, including the Act, and that legal provision has been made by the Issuer for the levy and collection of a direct annual tax sufficient in amount to meet the

payment of the interest and principal hereof, which shall have precedence over all other taxes for any purpose whatever, except bond issues heretofore or hereafter authorized and issued under the five percent limitation provided by the Better Schools Amendment of the Constitution of West Virginia, and said tax is levied outside the limits fixed by Section 1, Article X of the Constitution of the State of West Virginia in the manner provided by Sections 8 and 10, Article X of the State Constitution; that said levies do not exceed any constitutional or statutory limitations; and that the amount of this Bond, together with all other indebtedness of the Issuer, does not exceed any statutory or constitutional limitation thereon.

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

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

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

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

This Bond is hereby designated a "qualified tax-exempt obligation" by the Issuer within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

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

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR has caused this Bond to be duly signed in its name and on its behalf by its President and countersigned by its Secretary and has caused its corporate seal to be hereto affixed in the manner provided in the Order, all as of September 25, 2012.

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

(SEAL)

By: _____
President

SPECIMEN

By: _____
Secretary

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Bond is one of the Bonds described in the within-mentioned Resolution and Order and has been duly registered in the name of the Registered Owner set forth above on the date set forth below.

Dated: September 25, 2012.

UNITED BANK, INC.,
as Registrar

By: _____

Its: _____

ASSIGNMENT

Social Security or Other Identifying Number of Assignee _____

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

_____
Signature of Assignor

Dated: _____, _____.

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

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

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

No. R-4

SPECIMEN

$865,000

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

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP
3.00%	May 1, 2016	September 25, 2012	877129DB9

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: EIGHT HUNDRED SIXTY FIVE THOUSAND AND 00/100 DOLLARS ($865,000)

THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR (West Virginia), a public corporation created and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, upon presentation and surrender hereof, the Principal Amount specified above and to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, at the Interest Rate per annum specified above, semiannually, on May 1 and November 1 in each year, beginning May 1, 2013 (each an "Interest Payment Date"), until maturity. United Bank, Inc., Charleston, West Virginia, has been designated to act in the capacity of registrar and transfer agent for the Bonds (the "Registrar"), and the West Virginia Municipal Bond Commission, Charleston, West Virginia, has been appointed by the Issuer to serve in the capacity of paying agent for the Bonds (the "Paying Agent").

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the Paying Agent to the Registered Owner hereof as of the applicable Record Date (each April 15 and October 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the Paying Agent by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books

of the Issuer maintained by the Registrar, or, at the option of any Registered Owner of at least $1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Registrar at least 5 days prior to such Record Date. Principal shall be paid when due upon presentation and surrender of this Bond for payment at the office of the Paying Agent, in Charleston, West Virginia. The Issuer and the Registrar shall not be required to issue or transfer any Bonds during a period beginning with the close of business on the Record Date next preceding any Interest Payment Date and ending at the close of business on such Interest Payment Date.

This Bond is one of a series of bonds of the Issuer designated as "Public School Refunding Bonds, Series 2012" (the "Bonds"), issued by the Issuer in the aggregate principal amount of $6,130,000. The Bonds are in fully registered form, without coupons, and are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 13, Article 2 of the West Virginia Code of 1931, as amended (the "Act") and a Resolution and Order (the "Order") duly adopted by the Issuer on May 22, 2012, as supplemented by a Supplemental Resolution adopted by the Issuer on July 24, 2012 (the "Supplemental Resolution") for the purpose of advance refunding the Issuer's Public School Bonds, Series 2003, currently outstanding in the aggregate principal amount of $4,375,000 (the "Series 2003 Bonds") and the Issuer's Public School Bonds, Series 2004, currently outstanding in the aggregate principal amount of $1,700,000 (the "Series 2004 Bonds" and collectively with the Series 2003 Bonds, the "Prior Bonds"). The terms and provisions of the Order and the Supplemental Resolution are hereby incorporated by reference as if set forth fully herein.

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

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

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the laws of the State of West Virginia to exist, to have happened or to have been performed, precedent to or in connection with the issuance of this Bond or in the creation of the debt of which this Bond is evidence, exist, have happened and have been performed in regular and due form and manner as required by law; that this Bond is authorized by and is issued in conformity with the requirements of the Constitution and statutes of the State of West Virginia, including the Act, and that legal provision has been made by the Issuer for the levy and collection of a direct annual tax sufficient in amount to meet the

payment of the interest and principal hereof, which shall have precedence over all other taxes for any purpose whatever, except bond issues heretofore or hereafter authorized and issued under the five percent limitation provided by the Better Schools Amendment of the Constitution of West Virginia, and said tax is levied outside the limits fixed by Section 1, Article X of the Constitution of the State of West Virginia in the manner provided by Sections 8 and 10, Article X of the State Constitution; that said levies do not exceed any constitutional or statutory limitations; and that the amount of this Bond, together with all other indebtedness of the Issuer, does not exceed any statutory or constitutional limitation thereon.

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

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

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

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

This Bond is hereby designated a "qualified tax-exempt obligation" by the Issuer within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

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

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR has caused this Bond to be duly signed in its name and on its behalf by its President and countersigned by its Secretary and has caused its corporate seal to be hereto affixed in the manner provided in the Order, all as of September 25, 2012.

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

(SEAL)

By: Nancy J. Ludwick
President

SPECIMEN

By: Charles L. Maynard
Secretary

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Bond is one of the Bonds described in the within-mentioned Resolution and Order and has been duly registered in the name of the Registered Owner set forth above on the date set forth below.

Dated: September 25, 2012.

UNITED BANK, INC.,
as Registrar

By: _____

Its: _____

ASSIGNMENT

Social Security or Other Identifying Number of Assignee _____

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

_____
Signature of Assignor

Dated: _____, _____.

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

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

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

No. R-5

SPECIMEN

$900,000

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

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP
3.00%	May 1, 2017	September 25, 2012	877129DC7

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: NINE HUNDRED THOUSAND AND 00/100 DOLLARS ($900,000)

THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR (West Virginia), a public corporation created and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, upon presentation and surrender hereof, the Principal Amount specified above and to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, at the Interest Rate per annum specified above, semiannually, on May 1 and November 1 in each year, beginning May 1, 2013 (each an "Interest Payment Date"), until maturity. United Bank, Inc., Charleston, West Virginia, has been designated to act in the capacity of registrar and transfer agent for the Bonds (the "Registrar"), and the West Virginia Municipal Bond Commission, Charleston, West Virginia, has been appointed by the Issuer to serve in the capacity of paying agent for the Bonds (the "Paying Agent").

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the Paying Agent to the Registered Owner hereof as of the applicable Record Date (each April 15 and October 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the Paying Agent by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by the Registrar, or, at the option of any Registered Owner of at least $1,000,000

in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Registrar at least 5 days prior to such Record Date. Principal shall be paid when due upon presentation and surrender of this Bond for payment at the office of the Paying Agent, in Charleston, West Virginia. The Issuer and the Registrar shall not be required to issue or transfer any Bonds during a period beginning with the close of business on the Record Date next preceding any Interest Payment Date and ending at the close of business on such Interest Payment Date.

This Bond is one of a series of bonds of the Issuer designated as "Public School Refunding Bonds, Series 2012" (the "Bonds"), issued by the Issuer in the aggregate principal amount of $6,130,000. The Bonds are in fully registered form, without coupons, and are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 13, Article 2 of the West Virginia Code of 1931, as amended (the "Act") and a Resolution and Order (the "Order") duly adopted by the Issuer on May 22, 2012, as supplemented by a Supplemental Resolution adopted by the Issuer on July 24, 2012 (the "Supplemental Resolution") for the purpose of advance refunding the Issuer's Public School Bonds, Series 2003, currently outstanding in the aggregate principal amount of $4,375,000 (the "Series 2003 Bonds") and the Issuer's Public School Bonds, Series 2004, currently outstanding in the aggregate principal amount of $1,700,000 (the "Series 2004 Bonds" and collectively with the Series 2003 Bonds, the "Prior Bonds"). The terms and provisions of the Order and the Supplemental Resolution are hereby incorporated by reference as if set forth fully herein.

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

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

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

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

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

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

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

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

This Bond is hereby designated a "qualified tax-exempt obligation" by the Issuer within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

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

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR has caused this Bond to be duly signed in its name and on its behalf by its President and countersigned by its Secretary and has caused its corporate seal to be hereto affixed in the manner provided in the Order, all as of September 25, 2012.

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

(SEAL)

By: Nancy A. Ludwick
President

SPECIMEN

By: Charles Maynard
Secretary

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Bond is one of the Bonds described in the within-mentioned Resolution and Order and has been duly registered in the name of the Registered Owner set forth above on the date set forth below.

Dated: September 25, 2012.

UNITED BANK, INC.,
as Registrar

By: _____

Its: _____

ASSIGNMENT

Social Security or Other Identifying Number of Assignee _____

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

_____
Signature of Assignor

Dated: _____, _____.

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

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

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

No. R-6

SPECIMEN

$940,000

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

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP
3.00%	May 1, 2018	September 25, 2012	877129DD5

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: NINE HUNDRED FORTY THOUSAND AND 00/100 DOLLARS ($940,000)

THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR (West Virginia), a public corporation created and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, upon presentation and surrender hereof, the Principal Amount specified above and to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, at the Interest Rate per annum specified above, semiannually, on May 1 and November 1 in each year, beginning May 1, 2013 (each an "Interest Payment Date"), until maturity. United Bank, Inc., Charleston, West Virginia, has been designated to act in the capacity of registrar and transfer agent for the Bonds (the "Registrar"), and the West Virginia Municipal Bond Commission, Charleston, West Virginia, has been appointed by the Issuer to serve in the capacity of paying agent for the Bonds (the "Paying Agent").

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the Paying Agent to the Registered Owner hereof as of the applicable Record Date (each April 15 and October 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the Paying Agent by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books

of the Issuer maintained by the Registrar, or, at the option of any Registered Owner of at least $1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Registrar at least 5 days prior to such Record Date. Principal shall be paid when due upon presentation and surrender of this Bond for payment at the office of the Paying Agent, in Charleston, West Virginia. The Issuer and the Registrar shall not be required to issue or transfer any Bonds during a period beginning with the close of business on the Record Date next preceding any Interest Payment Date and ending at the close of business on such Interest Payment Date.

This Bond is one of a series of bonds of the Issuer designated as "Public School Refunding Bonds, Series 2012" (the "Bonds"), issued by the Issuer in the aggregate principal amount of $6,130,000. The Bonds are in fully registered form, without coupons, and are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 13, Article 2 of the West Virginia Code of 1931, as amended (the "Act") and a Resolution and Order (the "Order") duly adopted by the Issuer on May 22, 2012, as supplemented by a Supplemental Resolution adopted by the Issuer on July 24, 2012 (the "Supplemental Resolution") for the purpose of advance refunding the Issuer's Public School Bonds, Series 2003, currently outstanding in the aggregate principal amount of $4,375,000 (the "Series 2003 Bonds") and the Issuer's Public School Bonds, Series 2004, currently outstanding in the aggregate principal amount of $1,700,000 (the "Series 2004 Bonds" and collectively with the Series 2003 Bonds, the "Prior Bonds"). The terms and provisions of the Order and the Supplemental Resolution are hereby incorporated by reference as if set forth fully herein.

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

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

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the laws of the State of West Virginia to exist, to have happened or to have been performed, precedent to or in connection with the issuance of this Bond or in the creation of the debt of which this Bond is evidence, exist, have happened and have been performed in regular and due form and manner as required by law; that this Bond is authorized by and is issued in conformity with the requirements of the Constitution and statutes of the State of West Virginia, including the Act, and that legal provision has been made by the Issuer for the levy and collection of a direct annual tax sufficient in amount to meet the

payment of the interest and principal hereof, which shall have precedence over all other taxes for any purpose whatever, except bond issues heretofore or hereafter authorized and issued under the five percent limitation provided by the Better Schools Amendment of the Constitution of West Virginia, and said tax is levied outside the limits fixed by Section 1, Article X of the Constitution of the State of West Virginia in the manner provided by Sections 8 and 10, Article X of the State Constitution; that said levies do not exceed any constitutional or statutory limitations; and that the amount of this Bond, together with all other indebtedness of the Issuer, does not exceed any statutory or constitutional limitation thereon.

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

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

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

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

This Bond is hereby designated a "qualified tax-exempt obligation" by the Issuer within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

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

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR has caused this Bond to be duly signed in its name and on its behalf by its President and countersigned by its Secretary and has caused its corporate seal to be hereto affixed in the manner provided in the Order, all as of September 25, 2012.

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

(SEAL)

By: Nancy A. Ludwick
President

SPECIMEN

By: Charles L. Maynard
Secretary

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Bond is one of the Bonds described in the within-mentioned Resolution and Order and has been duly registered in the name of the Registered Owner set forth above on the date set forth below.

Dated: September 25, 2012.

UNITED BANK, INC.,
as Registrar

By: _____

Its: _____

ASSIGNMENT

Social Security or Other Identifying Number of Assignee _____

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

_____
Signature of Assignor

Dated: _____, _____.

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

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

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

No. R-7

SPECIMEN

$975,000

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

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP
3.00%	May 1, 2019	September 25, 2012	877129DE3

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: NINE HUNDRED SEVENTY FIVE THOUSAND AND 00/100 DOLLARS ($975,000)

THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR (West Virginia), a public corporation created and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, upon presentation and surrender hereof, the Principal Amount specified above and to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, at the Interest Rate per annum specified above, semiannually, on May 1 and November 1 in each year, beginning May 1, 2013 (each an "Interest Payment Date"), until maturity. United Bank, Inc., Charleston, West Virginia, has been designated to act in the capacity of registrar and transfer agent for the Bonds (the "Registrar"), and the West Virginia Municipal Bond Commission, Charleston, West Virginia, has been appointed by the Issuer to serve in the capacity of paying agent for the Bonds (the "Paying Agent").

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the Paying Agent to the Registered Owner hereof as of the applicable Record Date (each April 15 and October 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the Paying Agent by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books

of the Issuer maintained by the Registrar, or, at the option of any Registered Owner of at least $1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Registrar at least 5 days prior to such Record Date. Principal shall be paid when due upon presentation and surrender of this Bond for payment at the office of the Paying Agent, in Charleston, West Virginia. The Issuer and the Registrar shall not be required to issue or transfer any Bonds during a period beginning with the close of business on the Record Date next preceding any Interest Payment Date and ending at the close of business on such Interest Payment Date.

This Bond is one of a series of bonds of the Issuer designated as "Public School Refunding Bonds, Series 2012" (the "Bonds"), issued by the Issuer in the aggregate principal amount of $6,130,000. The Bonds are in fully registered form, without coupons, and are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 13, Article 2 of the West Virginia Code of 1931, as amended (the "Act") and a Resolution and Order (the "Order") duly adopted by the Issuer on May 22, 2012, as supplemented by a Supplemental Resolution adopted by the Issuer on July 24, 2012 (the "Supplemental Resolution") for the purpose of advance refunding the Issuer's Public School Bonds, Series 2003, currently outstanding in the aggregate principal amount of $4,375,000 (the "Series 2003 Bonds") and the Issuer's Public School Bonds, Series 2004, currently outstanding in the aggregate principal amount of $1,700,000 (the "Series 2004 Bonds" and collectively with the Series 2003 Bonds, the "Prior Bonds"). The terms and provisions of the Order and the Supplemental Resolution are hereby incorporated by reference as if set forth fully herein.

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

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

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the laws of the State of West Virginia to exist, to have happened or to have been performed, precedent to or in connection with the issuance of this Bond or in the creation of the debt of which this Bond is evidence, exist, have happened and have been performed in regular and due form and manner as required by law; that this Bond is authorized by and is issued in conformity with the requirements of the Constitution and statutes of the State of West Virginia, including the Act, and that legal provision has been made by the Issuer for the levy and collection of a direct annual tax sufficient in amount to meet the

payment of the interest and principal hereof, which shall have precedence over all other taxes for any purpose whatever, except bond issues heretofore or hereafter authorized and issued under the five percent limitation provided by the Better Schools Amendment of the Constitution of West Virginia, and said tax is levied outside the limits fixed by Section 1, Article X of the Constitution of the State of West Virginia in the manner provided by Sections 8 and 10, Article X of the State Constitution; that said levies do not exceed any constitutional or statutory limitations; and that the amount of this Bond, together with all other indebtedness of the Issuer, does not exceed any statutory or constitutional limitation thereon.

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

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

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

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

This Bond is hereby designated a "qualified tax-exempt obligation" by the Issuer within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

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

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR has caused this Bond to be duly signed in its name and on its behalf by its President and countersigned by its Secretary and has caused its corporate seal to be hereto affixed in the manner provided in the Order, all as of September 25, 2012.

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

(SEAL)

By: Nancy H. Ludwick
President

SPECIMEN

By: Charles L. Mazzarella
Secretary

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Bond is one of the Bonds described in the within-mentioned Resolution and Order and has been duly registered in the name of the Registered Owner set forth above on the date set forth below.

Dated: September 25, 2012.

UNITED BANK, INC.,
as Registrar

By: _____

Its: _____

ASSIGNMENT

Social Security or Other Identifying Number of Assignee _____

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

_____
Signature of Assignor

Dated: _____, _____.

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

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

$6,130,000
The Board of Education of
The County of Taylor (West Virginia)
Public School Refunding Bonds, Series 2012

CERTIFICATE OF DETERMINATIONS

The undersigned Superintendent of the Taylor County School District, in accordance with a Resolution and Order adopted by The Board of Education of the County of Taylor (West Virginia) (the "Board") on May 22, 2012 (the "Order"), as supplemented by a Supplemental Resolution adopted by the Board on June 24, 2012, with respect to the $6,130,000 The Board Of Education of the County of Taylor, Public School Refunding Bonds, Series 2012 (the "Bonds"), hereby finds and determines as follows:

1. He is an Authorized Officer within the meaning of the Order.

2. The Bonds shall be dated September 25, 2012.

3. The Bonds shall be issued in the aggregate principal amount of $6,130,000 and shall be issued in book entry form.

4. Such principal amount does not exceed $7,000,000, being the maximum principal amount authorized by the Order.

5. The Bonds shall mature in the amounts and on the dates and shall be subject to mandatory sinking fund redemption in the amounts and on the dates set forth on Schedule 1 attached hereto and incorporated herein.

6. The Bonds shall bear interest at the rates and produce the yields set forth on Schedule 1 attached hereto and incorporated herein, which rates do not exceed four and one-half percent (4.5%) per annum as provided in the Order. Interest shall be payable on the Bonds semiannually on each May 1 and November 1, beginning on May 1, 2013 and in each year until maturity.

7. The Bonds shall be sold to Piper Jaffray & Co., Charleston, West Virginia (the "Underwriter"), pursuant to the terms of the Bond Purchase Agreement by and between the Underwriter and the Board, at an aggregate purchase price of $6,462,539.90 (representing par value, less an underwriting discount of $65,650, plus a net original issue premium of $398,189.90).

8. The proceeds of the Bonds shall be applied to the advance refunding of the Board's outstanding Public School Bonds, Series 2003, dated August 19, 2003, issued in the original aggregate principal amount of $7,910,000 (the "Series 2003 Bonds") and the Board's outstanding Public School Bonds, Series 2004, dated March 1, 2004, issued in the original aggregate principal amount of $3,080,000 (the "Series 2004 Bonds" and collectively with the Series 2003 Bonds, the "Prior Bonds") and to the costs of issuance of the Bonds as set forth on Schedule 2 attached hereto and incorporated herein.

9. The form of the Bond Purchase Agreement which is attached hereto as Exhibit 1 is hereby approved, with such amendments as may be approved by an Authorized Officer (as defined in the Order), the execution and delivery thereof by an Authorized Officer being conclusive evidence of the approval of any such amendments. The Authorized Officers are hereby authorized to execute and deliver the Bond Purchase Agreement in connection with the issuance of the Bonds.

10. The form of the Escrow Agreement which is attached hereto as Exhibit 2 is hereby approved, with such amendments as may be approved by an Authorized Officer, the execution and delivery thereof by an Authorized Officer being conclusive evidence of the approval of any such amendments. The Authorized Officers are hereby authorized to execute and deliver the Escrow Agreement in connection with the issuance of the Bonds.

11. The form of the Continuing Disclosure Agreement which is attached hereto as Exhibit 3 is hereby approved, with such amendments as may be approved by an Authorized Officer, the execution and delivery thereof by an Authorized Officer being conclusive evidence of the approval of any such amendments. The Authorized Officers are hereby authorized to execute and deliver the Escrow Agreement in connection with the issuance of the Bonds.

12. The form of the Tax and Non-Arbitrage Certificate which is attached hereto as Exhibit 4 is hereby approved, with such amendments as may be approved by an Authorized Officer, the execution and delivery thereof by an Authorized Officer being conclusive evidence of the approval of any such amendments. The Authorized Officers are hereby authorized to execute and deliver the Tax and Non-Arbitrage Certificate in connection with the issuance of the Bonds.

13. The Preliminary Official Statement of the Board dated September 4, 2012, is hereby ratified and deemed final within the meaning of paragraph (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934, with such changes, omissions, insertions and revisions as the Authorized Officer shall deem advisable. Such signature to evidence approval thereof.

14. The firm of Grant Thornton LLP is hereby appointed as the Verification Agent for the Bonds, for the purpose of verifying yield and the sufficiency of the Escrow Fund for the refunding of the Prior Bonds.

The undersigned hereby certifies that the foregoing terms and conditions of the Bonds are within the limitations prescribed by the Order, and the Bonds may be issued with such terms and conditions as authorized by the Order.

WITNESS my signature this day of September 11, 2012.

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

By: Charles R. Maynard

Charles R. Maynard, its Superintendent

SCHEDULE I

MATURITIES, AMOUNTS, INTEREST RATES YIELD AND PRICE

SERIES 2012 BONDS

Bond Component	Maturity Date	CUSIP ID	Amount	Rate	Yield	Price	Premium (-Discount)
Serial Bond:							
	5/1/2013	877129CY0	835,000	3.00%	0.45%	101.525	12,733.75
	5/1/2014	877129CZ7	790,000	3.00%	0.60%	103.815	30,138.50
	5/1/2015	877129DA1	825,000	3.00%	0.75%	105.782	47,701.50
	5/1/2016	877129DB9	865,000	3.00%	0.95%	107.237	62,600.05
	5/1/2017	877129DC7	900,000	3.00%	1.10%	108.499	76,491.00
	5/1/2018	877129DD5	940,000	3.00%	1.35%	108.869	83,368.60
	5/1/2019	877129DE3	975,000	3.00%	1.60%	108.734	85,156.50
			6,130,000				398,189.90

Schedule 2

Sources and Uses of Funds for Refunding of Prior Bonds

Sources:	
Bond Proceeds:	
Par Amount	$6,130,000.00
Premium	$398,189.90
Total Sources of Funds:	$6,528,189.90
Uses of Funds:	
Refunding Escrow Deposits:	
Cash Deposit	$0.57
SLGS Purchases	$6,376,471
Total Refunding Escrow Deposits:	$6,376,471.57
Total Costs of Issuance:	$86,068.33
Delivery Date Expenses:	
Underwriter's Discount	$65,650.00
Total Uses of Funds:	$6,528,189.90

EXHIBIT 1

[Form of Bond Purchase Agreement]
(Attached Hereto)

$6,130,000
The Board of Education of the
County of Taylor (West Virginia)
Public School Refunding Bonds, Series 2012

BOND PURCHASE AGREEMENT

September 11, 2012

Taylor County Board of Education
Route 2, Box 157
Grafton, West Virginia 26354

Ladies and Gentlemen:

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

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

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

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

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

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

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

Bond Counsel: Steptoe & Johnson PLLC, Charleston, West Virginia.

Closing Date: September 25, 2012, being the date of the issuance and delivery of the Securities.

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

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

DTC: The Depository Trust Company.

Effective Date and Time: September 11, 2012, 4:00 p.m. (eastern standard time) is the date and time on which this Agreement is effective.

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

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

Escrow Agreement: The Escrow Agreement for the Prior Bonds, dated on or about September 25, 2012, by the between the Issuer and the Escrow Agent.

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

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

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

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

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

(i) this Agreement,

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

Issuer's Counsel: Steptoe & Johnson PLLC, Charleston, West Virginia.

MSRB: Municipal Securities Rulemaking Board.

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

Official Statement: Official Statement dated September 11, 2012, relating to the Securities, together with all appendices or exhibits, any materials incorporated by reference therein and any amendments or supplements thereto.

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

Preliminary Official Statement: Preliminary Official Statement dated September 4, 2012, relating to the Securities, together with all appendices or exhibits, any materials incorporated by reference therein and any amendments or supplements thereto.

Prior Bonds: The Issuer's (i) Public School Bonds, Series 2003, dated August 19, 2003, issued in the original aggregate principal amount of $7,910,000 (the "2003 Bonds") and (ii) Public School Bonds, Series 2004, dated March 1, 2004, issued in the original aggregate principal amount of $3,080,000 (the "2004 Bonds").

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

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

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

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

Rule G-34 Documents: (i) the Resolution or any other authorizing document under which the Securities were issued; (ii) any amendments, extensions, renewals, replacements or terminations thereof; and (iii) any other document required to comply with MSRB Rule G-34(c),

as it may be amended from time to time; and, in each case where required to be delivered, such delivery shall be by electronic means in a word-searchable PDF file labeled with the following information: (a) CUSIP number; (b) name of issuer; (c) name of transaction; (d) name of document; and (e) whether the document is an execution version or a redacted version.

Resolution: The Resolution and Order adopted by the Issuer, dated May 22, 2012, as supplemented by the Supplemental Resolution adopted by the Issuer, dated July 24, 2012.

SEC: Securities and Exchange Commission of the United States.

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

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

State: West Virginia.

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

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

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

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

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

The Issuer acknowledges and agrees that: (i) the primary role of the Underwriter is to purchase securities for resale to investors in an arms-length commercial transaction between the

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

4. Purchase Price. The Purchase Price of the Securities is $6,462,539.90 (representing the principal amount of the Securities of $6,130,000.00, less an Underwriter's discount of $65,650.00, and plus a net original issue premium of $398,189.90). The Purchase Price shall be payable on the Closing Date by the Underwriter by wire transfer in immediately available funds to the order of Branch Banking and Trust Company, as Depository Bank (the "Depository Bank"), for the account of the West Virginia Municipal Bond Commission, as Escrow Agent. In accordance with Section **Error! Reference source not found.**, the Underwriter also will be reimbursed for those out-of-pocket expenses described therein.

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

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

7. Official Statement.

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

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

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

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

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

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

8. Representations and Warranties of Issuer. The Issuer hereby agrees with, and

makes the following representations and warranties to, the Underwriter, as of the date hereof and as of the Closing Date, which representations and warranties shall survive the Closing:

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

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

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

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

(e) The Issuer is not in breach of or default in any material respect under (if applicable) its charter documents, enabling legislation or its bylaws and rules of procedure or under any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or to which the Issuer is or any of its property or assets are otherwise subject, and no event has occurred and is continuing which constitutes or

with the passage of time or the giving of notice, or both, would constitute a material default or event of default by the Issuer under any of the foregoing.

(f) The Issuer shall on or before the Closing have entered into the Escrow Agreement pursuant to which the Escrow Fund shall be created. The Escrow Fund is to be held by the Escrow Agent in trust for the payment of the interest due on the Prior Bonds each November 1 and May 1, commencing on November 1, 2012 and continuing to and including May 1, 2014, to pay the maturing principal of the Prior Bonds on May 1, 2013 and May 1, 2014 and to advance refund and pay the redemption price of the remaining 2003 Bonds on May 1, 2013 and of the remaining 2004 Bonds on May 1, 2014.

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

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

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

(j) All authorizations, approvals, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect, the issuance of the Securities or the due performance by the Issuer of its obligations under the Resolution, the Issuer Documents and the Securities have been duly obtained or will be obtained prior to the

Closing, except that the Issuer makes no representations with respect to (A) such authorizations, approvals, consents and orders, if any, as may be required under federal or state securities laws of any jurisdiction in connection with the offering and sale of the Securities and (B) authorizations, approvals, consents and orders that are required to be obtained or renewed periodically, such as budgets, licenses and permits.

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

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

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

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

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

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

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

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

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

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

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

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

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

10. Representations and Warranties of the Underwriter. The Underwriter hereby

agrees with, and makes the following representations and warranties to, the Issuer, as of the date hereof and as of the Closing Date, which representations and warranties shall survive the Closing:

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

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

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

11. Third-Party Credit Enhancement or Support. No Policy or Support Facility will be provided with respect to the Securities.

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

13. Closing.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

16. Report of Verification Agent. The Issuer will deliver the report of a Verification Agent on or prior to the Closing Date which verifies the sufficiency of the deposit into the Escrow Fund under the Escrow Agreement in order to advance refund and pay at maturity or redeem in full the Prior Bonds on May 1, 2013 and May 1, 2014, respectively.

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

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

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

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

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

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

other requirements of the Securities Act or the Trust Indenture Act or otherwise, or would be in violation of any provision of the federal securities laws; or

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

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

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

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

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

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

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

Upon the occurrence of a Termination Event and the termination of this Agreement by the Underwriters, all obligations of the Issuer and the Underwriters under this Agreement shall

terminate, without further liability, except that the Issuer and the Underwriters shall pay their respective expenses as set forth in Section 18 of this Agreement.

18. Payment of Expenses.

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

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

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

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

Piper Jaffray & Co.
405 Capital Street, Suite 613
Charleston, WV 25301
Attn: Manager of West Virginia Public Finance

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

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

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

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

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

[Remainder of Page Intentionally Blank]

Very truly yours,

PIPER JAFFRAY & CO.

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

ACCEPTED:

ISSUER:

BOARD OF EDUCATION OF THE COUNTY
OF TAYLOR

By: _____
Name: Charles R. Maynard
Title: Superintendent

ACCEPTANCE DATE AND TIME:
September 11, 2012 at _____ p.m.

SCHEDULE I

BOND PRICING

The Board of Education of the

County of Taylor (West Virginia)

Public School Refunding Bonds, Series 2012

Bond Component	Maturity Date	CUSIP ID	Amount	Rate	Yield	Price	Premium (-Discount)
Serial Bond:							
	5/1/2013	877129CY0	835,000	3.00%	0.45%	101.525	12,733.75
	5/1/2014	877129CZ7	790,000	3.00%	0.60%	103.815	30,138.50
	5/1/2015	877129DA1	825,000	3.00%	0.75%	105.782	47,701.50
	5/1/2016	877129DB9	865,000	3.00%	0.95%	107.237	62,600.05
	5/1/2017	877129DC7	900,000	3.00%	1.10%	108.499	76,491.00
	5/1/2018	877129DD5	940,000	3.00%	1.35%	108.869	83,368.60
	5/1/2019	877129DE3	975,000	3.00%	1.60%	108.734	85,156.50
			6,130,000				398,189.90

EXHIBIT A

[SUPPLEMENTAL BOND COUNSEL OPINION OF
STEPTOE & JOHNSON PLLC]

September 25, 2012

Taylor County Board of Education
Route 2, Box 157
82 Utt Drive
Grafton, West Virginia 26354

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

Re: $6,130,000 The Board of Education of the County of Taylor (West Virginia) Public School Refunding Bonds, Series 2012

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance and sale of the above-referenced bonds (the "Bonds") by The Board of Education of the County of Taylor, West Virginia (the "Issuer"). In our capacity as Bond Counsel, we are delivering an opinion of even date herewith concerning the legality and tax-exempt status of the Bonds (the "Bond Opinion"). We have examined the documents and instruments as described in the Bond Opinion, the Official Statement, the Escrow Agreement and such other documents and matters as we have deemed necessary or appropriate to render this opinion. Words and terms used in this opinion shall have the meanings ascribed thereto in the Bond Purchase Agreement (the "Purchase Agreement") dated September 11, 2012, between the Issuer and Piper Jaffray & Co. (the "Underwriter"). Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Purchase Agreement.

Based upon the foregoing, we are of opinion that:

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

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

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

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

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

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

Very truly yours,

STEPTOE & JOHNSON PLLC

EXHIBIT B

[FORM OF OPINION OF COUNSEL TO ISSUER]

(LETTERHEAD OF STEPTOE & JOHNSON PLLC)

September 25, 2012

Taylor County Board of Education
Route 2, Box 157
82 Utt Drive
Grafton, West Virginia 26354

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

Re: $6,130,000 The Board of Education of the County of Taylor (West Virginia) Public School Refunding Bonds, Series 2012

Ladies and Gentlemen:

We have served as special project counsel to The Board of Education of the County of Taylor, West Virginia (the "Issuer") in connection with the sale of the above-referenced bonds (the "Bonds"), which are being delivered and sold pursuant to a Bond Purchase Agreement dated as of September 11, 2012 (the "Purchase Agreement"), between Piper Jaffray & Co. (the "Underwriter") and the Issuer. Any capitalized terms used herein and not defined shall have the meaning ascribed thereto in the Purchase Agreement.

In this connection, we have reviewed and examined certain proceedings and documents with respect to the Bonds, any such records, certificates and other documents as we have considered necessary or appropriate for the purposes of this opinion, including Chapter 13, Article 2 of the Code of West Virginia, 1931, as amended (the "Refunding Act"), the Resolution and Order adopted by the Issuer, dated May 22, 2012, as supplemented by the Supplemental Resolution adopted by the Issuer, dated July 24, 2012 (together, the "Resolution"), the Escrow Agreement, dated September 25, 2012 (the "Escrow Agreement"), by and between the Issuer and the West Virginia Municipal Bond Commission (the "Commission"), the Continuing Disclosure Agreement, dated September 25, 2012 (the "Continuing Disclosure Agreement"), by and between the Issuer and United Bank, Inc., as disclosure agent, the Purchase Agreement, the Preliminary Official Statement dated September 4, 2012 and the Final Official Statement dated September 11, 2012, with respect to the issuance and offering of the Bonds (collectively, the "Official Statement") and a closing certificate of the Issuer. Based on such review and such other considerations of law and fact as we believe to be relevant, we are of the opinion that:

1. The Issuer is a validly existing statutory corporation charged with the supervision and control of the Taylor County School District, which is a validly existing political subdivision of the State of West Virginia, and is authorized by the Refunding Act to issue and sell the Bonds. The Issuer is authorized by the laws of the State of West Virginia, as provided by the Refunding Act, to enter into and perform its obligations under the Resolution, the Escrow Agreement, the Continuing Disclosure Agreement, the Purchase Agreement and other documents executed and delivered by the Issuer in connection therewith with respect to the issuance of the Bonds (the "Issuer Documents").

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

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

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

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

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

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

8. To the best of our knowledge there are no legal or governmental actions, proceedings, inquiries or investigations pending or threatened by governmental authorities or to which the Issuer is a party or of which any property of the Issuer is subject, except as described in the Official Statement, which, if determined adversely to the Issuer, would individually or in the aggregate (i) materially and adversely affect the validity or the enforceability of the Bonds, the Escrow Agreement or the Purchase Agreement, (ii) otherwise materially or adversely affect the ability of the Issuer to comply with its obligations under the Escrow Agreement, the Purchase Agreement and remaining Issuer Documents or (iii) materially and adversely affect the transactions contemplated by the Official Statement to be engaged in by the Issuer.

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

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

We hereby consent to the references made to us in the Official Statement.

Very truly yours,

STEPTOE & JOHNSON PLLC

EXHIBIT C

FORM OF UNDERWRITER'S COUNSEL OPINION

[Letterhead of Spilman Thomas & Battle, PLLC]

September 25, 2012

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

Re: $6,130,000 The Board of Education of the County of Taylor (West Virginia) Public School Refunding Bonds, Series 2012

Ladies and Gentlemen:

We have acted as counsel to you, Piper Jaffray & Co. (the "Underwriter"), in connection with your purchase of the above-referenced bonds (the "Bonds") pursuant to a Bond Purchase Agreement dated September 11, 2012 (the "Purchase Agreement") between The Board of Education of the County of Taylor, West Virginia (the "Issuer") and you. Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Purchase Agreement.

In connection with rendering this opinion, we have examined the Official Statement dated September 4, 2012, the Purchase Agreement and Rule 15c2-12 of the Securities and Exchange Commission promulgated under the Securities Exchange Act of 1934, as amended and presently in effect (the "Rule").

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

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

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

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

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

Very truly yours,

Spilman Thomas & Battle, PLLC

EXHIBIT 2

[Form of Escrow Agreement]
(Attached Hereto)

ESCROW AGREEMENT

By and Between

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

and

WEST VIRGINIA MUNICIPAL BOND COMMISSION,
as Escrow Agent

Dated as of September 25, 2012

ESCROW AGREEMENT

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

WITNESETH THAT:

WHEREAS, on August 19, 2003, the Issuer issued its Public School Bonds, Series 2003, in the original aggregate principal amount of **$7,910,000**, of which **$4,375,000** is presently outstanding (the "Series 2003 Bonds");

WHEREAS, on March 31, 2004, the Issuer issued its Public School Bonds, Series 2004, in the original aggregate principal amount of **$3,080,000**, of which **$1,700,000** is presently outstanding (the "Series 2004 Bonds" and collectively with the Series 2003 Bonds, the "Prior Bonds");

WHEREAS, the Issuer has determined to issue its Public School Refunding Bonds, Series 2012 (the "Refunding Bonds"), pursuant to a Resolution and Order adopted and entered on May 22, 2012 (the "Resolution"), as amended by the Supplemental Resolution adopted and entered on July 24, 2012 (the "Supplemental Resolution"), and contemporaneously therewith, legally defease the Prior Bonds by applying proceeds of the Refunding Bonds to the purchase of obligations of the United States government to be deposited, together with certain cash amounts, in the Escrow Fund herein described;

WHEREAS, the Commission, as Escrow Agent, will cause to be purchased on behalf of the Issuer, with the proceeds of such Refunding Bonds, certain United States Treasury Obligations, State and Local Government Series (the "Government Securities") described in **EXHIBIT A** attached hereto;

WHEREAS, the Government Securities, plus residual cash amounts in the Escrow Fund, shall be in such principal amount and mature and bear interest at such rates and shall be payable at such times and in such amounts as to insure the payment, when due, of the principal of and interest on the Prior Bonds to and including May 1, 2014, to pay on May 1, 2013 (the "2003 Bonds Redemption Date") the remaining principal amount of the Series 2003 Bonds together with the premium thereon, being $_____ (the "2003 Bonds Redemption Price") and to pay on May 1, 2014 (the "2004 Bonds Redemption Date" and collectively with the 2003 Bonds Redemption Date, the "Redemption Dates") the remaining principal amount of the Series 2004 Bonds together with the premium thereon, being $_____ (the "2004 Bonds Redemption Price" and together with the 2003 Bonds Redemption Price, the "Redemption Prices");

WHEREAS, the Issuer has found it desirable to appoint the Commission as Escrow Agent and the Commission has agreed to such appointment for the purposes of holding title, as agent for the Issuer, to the Government Securities, receiving payments of the principal thereof and interest thereon when due, disbursing to the Registered Owner of the Prior Bonds, on the appropriate dates, the amounts necessary to pay the principal of and interest on the Prior Bonds as the same become due and on the Redemption Dates, to pay the respective Redemption Prices thereof, and holding and investing and reinvesting any cash balances which may at any time not be needed for immediate disbursement; and

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

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

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

2. Creation of Surplus Collections Account. In addition to the Escrow Fund, there is hereby created and established with the Commission a special account separate and apart from the Escrow Fund, hereby designated the "Surplus Collections Account", which shall be held and maintained by the Commission with respect to the Refunding Bonds.

3. Deposits to Escrow Fund. Concurrently with the delivery of the Refunding Bonds, the Issuer and the Escrow Agent shall cause Refunding Bonds proceeds in the amount of $_____ to be deposited in the Escrow Fund, and thereupon $_____ to be applied to the purchase of the Government Securities and to hold the remaining $_____ as cash, uninvested, in the Escrow Fund. Maturing principal and interest of the Government Securities, together with the uninvested cash in the Escrow Fund, if any, shall be applied solely to the payment, when due, of the principal of and interest on the Prior Bonds and on the Redemption Dates, to pay the respective Redemption Prices thereof. The Government Securities and the uninvested cash in the Escrow Fund, will be sufficient to pay, when due, the principal of and interest on the Prior Bonds and to pay the Redemption Prices on the respective Redemption Dates. The Issuer hereby authorizes and directs the Escrow Agent to purchase the Government Securities.

4. Application of Escrow Fund. The Escrow Agent, without further authorization from the Issuer, shall transfer from the Escrow Fund and pay directly to the Registered Owner of the Prior Bonds all accrued interest on the Prior Bonds on each November 1 and May 1, commencing November 1, 2012, the maturing principal of the Prior Bonds each May 1, commencing May 1, 2013 and continuing to the respective Redemption Dates of each series of the Prior Bonds and pay to the Registered Owner of the Prior Bonds the respective Redemption Prices of each series of the Prior Bonds on the respective Redemption Dates therefore, in immediately available funds. Any earnings on the investments in the Escrow Fund which are not needed to pay the principal of and interest on the Prior Bonds as the same becomes due and payable and to pay the respective Redemption Prices of the Prior Bonds on the Redemption Dates therefore shall be transferred by the Paying Agent to the Debt Service Account for the Refunding Bonds and thereupon applied to the payment of debt service on the Refunding Bonds.

Moneys in the Escrow Fund shall, and the Escrow Agent agrees such moneys will, be used solely for the purpose as above described and the deposit of such moneys into the Escrow Fund shall be irrevocable (with the exception of the transfers to the Debt Service Account for the Refunding Bonds and the transfers upon the termination of this Agreement herein described), and the Escrow Agent agrees it will not surrender or otherwise attempt to redeem or otherwise negotiate the investments in the Escrow Fund, except as they shall come due, unless such redemption or negotiation shall be in connection with the purchase of other securities permitted by the laws of the State of West Virginia, and the Escrow Agent shall have received (a) the written request of the Issuer for such purchase and setting forth the procedures to be followed, (b) an opinion by an independent certified public accountant (the "Accountant") that after such reinvestment the principal amount of the substituted securities, together with any beginning cash balance that is being held uninvested, will be sufficient to make the payments described in the first paragraph of this Section 4, and (c) an unqualified opinion of nationally recognized bond counsel (acceptable to the Issuer) familiar with the transactions contemplated by this Escrow Agreement to the effect that (i) such reinvestment will not cause the Prior Bonds or the Refunding Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code") or the regulations in effect thereunder and applicable to the Prior Bonds or the Refunding Bonds, and (ii) such reinvestment complies with the Constitution and laws of the State of West Virginia and the provisions of all relevant documents relating to the issuance of the Prior Bonds. Subject to the foregoing requirements for the use of the Escrow Fund and the moneys and investments therein, the Issuer covenants and agrees that the Escrow Agent shall have full and complete control and authority over and with respect to the Escrow Fund and moneys and investments therein and that the Issuer shall not exercise any control or authority over and with respect to the Escrow Fund and the moneys and investments therein.

5. Release of Surplus Funds for Prior Bonds; Deposit to Surplus Collections Account for the Refunding Bonds. Concurrently with the delivery of the Refunding Bonds, funds on deposit with the Commission in the respective Surplus Collections Accounts for the Prior Bonds on the Closing Date in the total aggregate amount of $_____ shall, on the Closing Date, or as soon thereafter as practical, be paid by check from the Escrow Agent to the Issuer and applied by the Issuer solely to payment of costs of capital improvements, repairs or replacements to school facilities in Taylor County School District, which were specified in the

bond referendum approved by the voters of Taylor County, West Virginia, on April 5, 2003. Such funds to be released to the Issuer are not available for or pledged to the payment of debt service on the Prior Bonds or the Refunding Bonds.

Funds on deposit in the Surplus Collections Accounts for the Prior Bonds on the Closing Date in the amount of $_____ shall be transferred on the Closing Date to the newly created Surplus Collections Account for the Refunding Bonds which is described in Section 2 of this Agreement. Funds on deposit in such Surplus Collections Account for the Refunding Bonds shall be applied in accordance with the regulations and policies of the West Virginia Municipal Bond Commission as the paying agent for the Refunding Bonds.

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

7. Timing Inefficiencies. If, at any time, the Government Securities then held as an investment in the Escrow Fund mature or payments are made thereon to the Escrow Agent or the Escrow Agent otherwise holds or receives cash in advance of the time such cash is needed to make payment on the Prior Bonds, such amounts shall be reinvested as provided in Section 4 hereof; provided that:

(a) such moneys shall be invested only in Obligations of the United States of America which mature not later than the date on which the funds invested therein will be needed to make payments on the Prior Bonds;

(b) such moneys shall be invested only in Obligations of the United States of America which mature in an amount, together with interest thereon, not less than the full amount paid by the Escrow Agent to acquire such investments; and

(c) the composite yield on such Obligations of the United States of America may not exceed the yield on the Refunding Bonds.

8. Termination of This Escrow Agreement. This Escrow Agreement shall terminate when the Prior Bonds have been discharged and cancelled in accordance with the provisions hereof and the Commission shall have disbursed all funds then on deposit with the Commission in accordance with the terms of this Agreement. If any Prior Bonds are not presented for payment when due and payable, funds for the payment of any nonpresented Prior Bonds shall be held by the Escrow Agent in accordance with the terms hereof for a period of one (1) year following the Redemption Date of such Prior Bonds and such funds shall thereafter be released to the Issuer to be held by the Issuer in accordance with the unclaimed property laws of the State of West Virginia. Any money or Government Securities held in the Escrow Fund

following the earlier of: (i) the payment in full of the Prior Bonds, or (ii) one (1) year following the Redemption Date of the Prior Bonds, and which is not required for the payment of the principal of and interest on any of the Prior Bonds shall be paid or transferred to the Issuer, or to a third party at the Issuer's written direction.

9. Earnings on Escrow Fund. Any earnings on the investments in the Escrow Fund which are not needed to pay the principal of and interest on the Prior Bonds as the same becomes due and payable and to pay the Redemption Prices of the Prior Bonds on the their respective Redemption Dates shall be transferred by the Paying Agent to the Debt Service Account for the Refunding Bonds and thereupon applied to the payment of debt service on the Refunding Bonds.

10. Escrow Agent's Fees. The Issuer agrees to pay the Escrow Agent's reasonable and customary administrative fees and to reimburse the Escrow Agent for its reasonable and customary out-of-pocket expenses and reasonable fees of counsel incurred in connection with the discharge by the Escrow Agent of its duties and responsibilities under this Escrow Agreement. The Escrow Agent expressly waives any lien upon or claim against the moneys and investments in the Escrow Fund. Under no circumstances shall the Escrow Agent have a lien on the Escrow Fund for any charges, fees or expenses, and under no circumstances shall the Escrow Agent make any claim against the Escrow Fund for any charges, fees or expenses. Earnings from reinvestment proceeds described in Section 4 above may be used to pay Escrow Agent fees and fees for the paying agent for the Prior Bonds. To the extent such earnings are insufficient for such purposes, the Issuer will pay all Escrow Agent fees and fees of the paying agent for the Prior Bonds.

11. Beneficiaries of This Escrow Agreement. This Escrow Agreement shall inure to the benefit of and shall be binding upon the Issuer and the Escrow Agent and their respective successors and permitted assigns, subject to the provisions of this Escrow Agreement. In addition, this Escrow Agreement shall constitute a third party beneficiary contract for the benefit of the registered owners of the Prior Bonds. Said third party beneficiaries shall be entitled to enforce performance and observance by the Issuer and the Escrow Agent of the respective agreements and covenants herein contained as fully and completely as if such third party beneficiaries were parties hereto. In the event the Escrow Agent is unwilling or unable to continue to serve as Escrow Agent, a successor Escrow Agent may be appointed by the Issuer which shall be any national banking association or any state bank within the State of West Virginia which is an institution insured by the Federal Deposit Insurance Corporation and which has trust powers. Any bank into which such successor Escrow Agent may be merged or with which it may be consolidated or any bank resulting from any merger or consolidation to which it shall be a party or any bank to which it may sell or transfer all or substantially all of its corporate trust business shall, unless the Issuer disapproves in writing, be the successor Escrow Agent without the execution of any document or the performance of any further act. In the event the Issuer disapproves of the successor Escrow Agent resulting from any of the events described above, the Issuer shall immediately appoint any state bank or national banking association within the State of West Virginia which is an institution insured by the Federal Deposit Insurance Corporation and which has trust powers to be the successor Escrow Agent, whereupon such

successor Escrow Agent shall immediately succeed to the respective agreements and covenants hereunder.

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

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

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

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

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

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

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

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

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

19. Notices. Unless otherwise required herein, any notices, requests, complaints, demands, communications or other papers shall be sufficiently given and shall be deemed given when delivered or mailed by registered or certified mail, postage prepaid, addressed to the parties as follows:

The Issuer:	The Board of Education of the County of Taylor 82 Utt Drive Grafton, WV 26354
The Escrow Agent:	West Virginia Municipal Bond Commission 900 Pennsylvania Avenue, Suite 1117 Charleston, West Virginia 25302

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

THE BOARD OF EDUCATION OF THE
COUNTY OF TAYLOR

By: _____
Its President

WEST VIRGINIA MUNICIPAL BOND
COMMISSION

By: _____
Its Executive Director

EXHIBIT A – DESCRIPTION OF GOVERNMENT SECURITIES

[Attach Subscription Confirmation]

EXHIBIT 3

[Form of Continuing Disclosure Agreement]
(Attached Hereto)

Continuing Disclosure Agreement

This Continuing Disclosure Agreement (this "Agreement") dated as of September 25, 2012, is by and between the Board of Education of the County of Taylor (the "Board") and United Bank, Inc., as Disclosure Agent (the "Disclosure Agent"), in connection with the issuance of the $6,130,000 The Board of Education of the County of Taylor (West Virginia) Public School Refunding Bonds, Series 2012 (the "Series 2012 Bonds"). Capitalized terms used in this Agreement shall have the respective meanings specified above, in Section 2 hereof or in the Resolution and Order adopted by the Board on May 22, 2012, as supplemented by the Supplemental Resolution adopted by the Board on July 24, 2012, authorizing issuance of the Series 2012 Bonds (together, the "Resolution"). The Board agrees as follows:

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

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

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

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

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

"Bond Purchase Agreement" shall mean the Bond Purchase Agreement dated September 11, 2012, entered into between Piper Jaffray & Co. (the "Underwriter"), and the Board, by which the Underwriter agreed to purchase the Series 2012 Bonds from the Board upon the terms set forth therein.

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

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

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

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

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

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

"Repository" shall mean each National Repository.

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

"Series 2012 Bonds" shall mean the $6,130,000 The Board of Education of the County of Taylor (West Virginia) Public School Refunding Bonds, Series 2012.

SECTION 3. Provision of Annual Reports.

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

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

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

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

SECTION 4. Content of Annual Financial Information and Audited Financial Statements. Within two hundred seventy (270) days of the Board's fiscal year ends, the Board or Disclosure Agent on its behalf shall submit to EMMA information and data of the Board for the prior fiscal year, including the Audited Financial Statements, prepared in accordance with generally accepted accounting principles in effect from time to time.

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

SECTION 5. Reporting of Significant Events.

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

1. principal and interest payment delinquencies;

2. non-payment related defaults, if material;

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

4. unscheduled draws on credit enhancements reflecting financial difficulties;

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

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

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

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

9. defeasances;

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

11. rating changes;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

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

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

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

To the Board:	The Board of Education of the County of Taylor Route 2, Box 157 Grafton, WV 23654
To the Disclosure Agent:	United Bank, Inc. ATTN: Corporate Trust 500 Virginia Street, East Charleston, WV 25301-2135

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

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

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

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

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

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

SECTION 17. Duties of Disclosure Agent. The Disclosure Agent shall have only such duties as are specifically set forth in this Agreement, and no further duties or responsibilities shall be implied. Any

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

[Remainder of Page Intentionally Left Blank]

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

THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR

By: _____
Name:
Title:

UNITED BANK, INC., as Disclosure Agent

By: _____
Name:
Title:

EXHIBIT A

NOTICE TO REPOSITORIES
OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	The Board of Education of the County of Taylor
Name of Bond Issue:	$6,130,000 The Board of Education of the County of Taylor (West Virginia) Public School Refunding Bonds, Series 2012
Date of Bond Issue:	September 25, 2012

NOTICE IS HEREBY GIVEN that the Board has not provided an Annual Report with respect to the above-named Series 2012 Bonds as required by Section 3(b) of this Continuing Disclosure Agreement dated as of September 25, 2012, to be provided. The Board anticipates that the Annual Report will be filed by _____, 20__.

Dated: _____, 20__

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

cc: Board

EXHIBIT 4

[Form of Tax and Non-Arbitrage Certificate]
(Attached Hereto)

$_____
THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR
(WEST VIRGINIA)
Public School Refunding Bonds, Series 2012

TAX AND NON-ARBITRAGE CERTIFICATE

The undersigned, VICE-PRESIDENT and the undersigned SUPERINTENDENT and SECRETARY of The Board of Education of the County of Taylor, West Virginia (the "Issuer"), being officials of the Issuer duly charged with the responsibility for the issuance of the $_____ Public School Refunding Bonds, Series 2012, of the Issuer, dated _____, 2012 (the "Bonds"), hereby certify as follows, jointly, unless otherwise stated, and all capitalized terms used herein and not otherwise defined to have the meanings ascribed thereto in the Resolution and Order adopted by the Issuer on May 22, 2012, as supplemented (the "Resolution"), pursuant to which the Bonds are issued:

A. DEFINITIONS

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

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

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

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

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

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

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

"**Bond Year**" means the one-year periods during the term of the Bonds beginning on the first day of May of any calendar year and ending on the last day of April of the succeeding calendar year, provided, that the first Bond Year shall begin on the Date of Issue of the Bonds and end on April 30, 2013.

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

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

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

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

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

(a) Underwriter's Discount;

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

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

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

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

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

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

"**Date of Issue**" means September 25, 2012.

"**Debt Service Account**" means the fund described in Section D(3) hereof.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

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

"**IRS**" means the Internal Revenue Service.

"**Issue Price**" means **$**_____, being the initial offering price to the public at which price a substantial amount of the Bonds is sold, plus interest accrued thereon from the date thereof to the date of delivery thereof. For this purpose, ten percent (10%) is a substantial amount, and the term "the public" does not include bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers. The Issue Price generally is the first price at which the Bonds are sold to the public, and the issue price will not change if part of the issue is subsequently sold at a different price. The Issue Price of bonds that are not substantially identical is determined separately. The Issue Price of a bond issue for which a bona fide public offering is made is determined as of the sale date based on reasonable expectations regarding the initial public offering price. The Issue Price of the Bonds may not exceed their fair market value as of the sale date. The "issue price" of the Bonds for purposes of IRS Form 8038-G, based upon the price paid to the Issuer, is $_____.

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

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

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

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

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

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

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

"**Prior Bonds**" means the Issuer's Public School Bonds, Series 2003, dated August 1, 2003, issued in the original aggregate principal amount of 7,910,000 ("Series 2003 Bonds"), and the Issuer's Public School Bonds, Series 2004, dated March 1, 2004, issued in the original aggregate principal amount of $3,080,000 (the "Series 2004 Bonds").

"**Proceeds**" means Sale Proceeds, Investment Proceeds, and Transferred Proceeds of an issue of bonds. Proceeds do not include amounts that are actually or constructively received that with respect to an investment that is acquired for the governmental purpose of an issue that are properly allocable to the immaterially higher yield under section 1.148-2(d) of the Regulations or section 143(g) of the Code or to qualified administrative cost recoverable under section 1.148-5(e).

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

"**Rebate Analyst**" means the entity or person chosen by the Issuer in accordance with Section E(8) hereof to determine the Rebate Amounts.

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

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

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

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

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

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

"**SLGS**" means United States Treasury Obligations, State and Local Government Series.

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

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

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

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

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

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

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

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

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

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

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

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

B. GENERAL

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

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

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

4. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on September 25, 2012, the date on which the Bonds are to be physically delivered in exchange for the issue price thereof, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

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

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

7. The Bonds were sold and delivered on September 25, 2012, to Piper Jaffray & Co., Charleston, West Virginia (the "Original Purchaser") for a purchase price of $_____ (representing the Issue Price of $_____ less an underwriting discount in the amount of $_____).

8. The Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of providing moneys necessary (i) to advance refund the Series 2003 Bonds to their first redemption date, being May 1, 2013; (ii) to advance refund the Series 2004 Bonds to their first redemption date, being May 1, 2014; and (ii) to pay costs of issuance of the Bonds and related costs. The purpose of the refunding is to achieve present value debt service savings and to make available to the Issuer accumulated tax levy moneys and earnings thereon relating to the Prior Bonds ("Surplus Funds"), which will be released to the Issuer as described in Section C(3).

9. The Prior Bonds were issued for the purposes of (i) providing funds to pay costs of constructing new public school facilities in the Taylor County School District (the "District"), and to pay costs of capital improvements, repairs and improvements to existing public school facilities in the District, which improvements and facilities, together with the location thereof, are described in the bond election order adopted by the Issuer on January 8, 2003, in connection with the issuance of the Prior Bonds and (ii) paying costs of issuance of the Prior Bonds, and the Proceeds of the Prior Bonds were applied for such purposes.

10. The face amount of the Bonds is $_____. The sources and uses of proceeds of the Bonds is as follows:

Sources		
Par Amount of the Bonds		$_____
Net Original Issue Premium on the Bonds		$_____
	TOTAL	$_____
Uses		
Deposit to Escrow Fund		$_____
Underwriter's Discount		$_____
Costs of Issuance		$_____
	TOTAL	$_____

11. The Underwriter has stated, in its certificate, a copy of which is attached hereto as **EXHIBIT A - UNDERWRITER'S CERTIFICATE** (the "Underwriter's Certificate") that all of the Bonds have been purchased directly by it at the initial offering prices set forth in the Official Statement relating to the Bonds, dated September 11, 2012. The computation of the yield on the Bonds has been determined by the Underwriter using the present value method in accordance with Section 1.148-4 of the Regulations using a 360-day year, compounding interest semiannually. The yield on the Bonds, as so computed, has been determined by the Underwriter to be _____%, based on a "purchase price" equal to the Issue Price for the Bonds. As stated in the Underwriter's Certificate, the Underwriter has calculated the weighted average maturity of the Bonds to be _____ years and the remaining weighted average maturity of the Prior Bonds to be _____ years.

C. THE REFUNDING

1. The Issuer has entered into an Escrow Agreement (the "Escrow Agreement"), dated _____, 2012, by and between the Issuer and the Bond Commission, as Escrow Agent. The Issuer and the Escrow Agent will cause Bond proceeds in the amount of $_____, to be deposited in the Escrow Fund, and thereupon $_____ to be applied to the purchase of the SLGS from the Bureau of Public Debt of the United States Treasury Department and to hold the remaining $_____ as cash, uninvested, in the Escrow Fund. The yield on the Escrow Fund will not exceed the yield on the Bonds.

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

3. $_____ from funds on deposit with the Bond Commission in the Surplus Collection Accounts for the Prior Bonds will, on the Closing Date, be withdrawn by the Issuer and deposited with a commercial bank eligible to receive such deposits, and applied solely by the Issuer to costs of capital improvements, repairs or replacements for those school facilities described in the bond election order adopted by the Issuer on January 8, 2003 in connection with the issuance of the Prior Bonds, no later than September 25, 2012. Such amount shall be subject to rebate until expended.

4. $_____ from funds on deposit with the Bond Commission in the Surplus Collection Accounts for the Prior Bonds will, on the Closing Date, be transferred by the Escrow Agent to a newly created Surplus Collections Account for the Bonds and thereafter held and applied by the Escrow Agent pursuant to the regulations and policies of the West Virginia Municipal Bond Commission as the paying agent for the Bonds.

D. THE BONDS

1. The principal amounts, interest rates, yields, purchase price and CUSIP numbers with respect to the Bonds are set forth in **EXHIBIT B** attached hereto.

2. Using the initial offering price of the Bonds as the "purchase price", the yield on the Bonds has been computed by the Underwriter to be _____% (the "Bond Yield").

3. A Debt Service Account for the Bonds is established by the Bond Commission. Moneys deposited to the Debt Service Account, including subsequent deposits thereto, will be spent within a 13-month period beginning on the date of deposit and will be depleted at least once a year, except for a reasonable carryover amount not in excess of 1/12 of the annual debt service with respect to the Bonds or as otherwise required by law. The Bonds all bear interest at a fixed interest rate. The Debt Service Account is designed to achieve a proper matching of the Issuer's revenues and debt service on the Bonds within each Bond Year. All moneys held in the Debt Service Account will be used to pay debt service on the Bonds. All Sale Proceeds of the Bonds deposited in the Debt Service Account (if any) will constitute accrued interest on the Bonds and will be applied to pay interest on the Bonds on the first interest payment date, being November 1, 2012. To the extent that the Debt Service Account qualifies as a Bona Fide Debt Service Fund, all moneys in the Debt Service Account will be invested without restriction as to yield and are not subject to rebate.

4. A Surplus Collections Account for the Bonds is also established by the Bond Commission. Pursuant to the regulations and policies of the Bond Commission, tax levy receipts and earnings thereon in excess of the amounts necessary to pay principal of and interest on the Bonds are transferred from the Debt Service Account and accumulated in the Surplus Collections Account for the Bonds. Moneys in the Surplus Collections Account are used to pay debt service on the Bonds in the event that tax levies for any particular period are insufficient therefor. All moneys in the Surplus Collections Account will be invested at a yield not to exceed the yield on the Bonds.

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

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

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

8. All amounts deposited into the Debt Service Account (other than Sale Proceeds of the Bonds that constitute accrued interest on the Bonds) will constitute Replacement Proceeds to the extent that those funds are allocable to the Bonds under Section 1.148-6 of the Regulations and will not be invested at a Yield that exceeds the Yield on the Bonds unless such moneys, or a part of such moneys, qualify as a Bona Fide Debt Service Fund. There is no accrued interest on the Bonds.

E. REBATE

1. Undertakings. The Issuer has covenanted to comply with certain requirements of the Code. The Issuer acknowledges that the United States Department of the Treasury has issued Regulations with respect to these undertakings, including the proper method for computing whether any rebate amount is due the United States under Section 148(f) of the Code (i.e., Sections 1.148-0 through 1.148-11, 1.149(d)-1, 1.149(g)-1, 1.150-1 and 1.150-2 of the Regulations). The Issuer covenants that it will undertake to determine (or have

determined on its behalf) what is required with respect to the rebate provisions contained in Section 148(f) of the Code from time to time and will undertake to comply with any requirements that may be applicable to the Bonds. The Issuer will undertake the methodology described in this Section E of this Tax Certificate, except to the extent inconsistent with any requirements of present or future law, regulations or future guidance issued by the United States Department of the Treasury or if the Issuer receives an opinion of Bond Counsel.

2. Rebate Fund. The Issuer hereby creates a special fund designated the *"Rebate Fund"* to be held by a commercial bank separate and apart from all other funds and accounts of the Issuer.

3. Recordkeeping. Detailed records with respect to each and every Nonpurpose Investment attributable to Gross Proceeds (within the meaning of Section 1.148-1(b) of the Regulations) of the Bonds must be maintained by the Issuer, including (i) purchase date, (ii) purchase price, (iii) any accrued interest paid, (iv) face amount, (v) coupon rate, (vi) date of interest payments, (vii) disposition price, (viii) any accrued interest received, (ix) disposition date, and (x) broker's fees. Such detailed record keeping is required for the calculation of the rebate amount (within the meaning of Section 1.148-3 of the Regulations) which, in part, will require a determination of the difference between the actual aggregate earnings of all Nonpurpose Investments and the amount of such earnings assuming a rate of return equal to the yield on the Bonds.

4. Rebate Amount Calculation and Payment.

(a) The Issuer represents, warrants and covenants that it will prepare or cause to be prepared a calculation of the rebate amount with respect to the Bonds consistent with the rules described in this Section 4. The Issuer will prepare or cause to be prepared a calculation of the rebate amount (i) within fifty-five (55) days after the close of the fifth Bond Year and each fifth Bond Year thereafter so long as any Bonds remain unpaid, and (ii) within fifty-five (55) days after the first date on which there are no unpaid Bonds. Not later than fifty-five (55) days after the end of the fifth Bond Year and each fifth Bond Year thereafter so long as any Bond remains unpaid, and within fifty-five (55) days after the last Bond is paid, the Issuer shall deposit in the Rebate Fund an amount so that the balance held by the Issuer in the Rebate Fund shall be equal to the rebate amount.

(b) For purposes of calculating the rebate amount (i) the aggregate amount earned with respect to a Nonpurpose Investment shall be determined by assuming that the Nonpurpose Investment was acquired for an amount equal to its value at the time it becomes a Nonpurpose Investment, and (ii) the aggregate amount earned with respect to any Nonpurpose Investment shall include any unrealized gain or loss with respect to the Nonpurpose Investment on the first date when there are no unpaid Bonds or when the investment ceases to be a Nonpurpose Investment.

(c) The Issuer shall pay to the United States Department of the Treasury out of designated funds (i) not later than sixty (60) days after the end of each fifth Bond Year, a payment equal to at least ninety percent (90%) of the rebate amount with respect to the Bonds, calculated as of the end of such fifth Bond Year, and (ii) not later than sixty (60) days after the first date when there are no unpaid Bonds, an amount equal to one hundred percent (100%) of the rebate amount (determined as of the first date when there are no unpaid Bonds) plus any actual or imputed earnings on such rebate amount, all as set forth in Sections 1.148-1 through 1.148-11 of the Regulations and as determined by or on behalf of the Issuer.

(d) Each payment required to be made pursuant hereto and relating to the Bonds shall be filed with the Internal Revenue Service Center, Philadelphia, Pennsylvania 19255, on or before the date such payment is due and shall be accompanied by Internal Revenue Service Form 8038-T. The Issuer must retain records of the calculations required by this Section 4.4 until six (6) years after the retirement of the last obligation of the Bonds.

5. Valuation of Investments.

(a) General Rule. Except as otherwise provided in this Section 5, for all purposes of Section 148 of the Code, the value of an investment allocated to the Bonds (including a payment or receipt on the investment) on a date must be determined using one of the following valuation methods:

(i) Outstanding Principal Amount Method. A plain par investment (as defined in Section 1.148-1(b) of the Regulations) may be valued at its outstanding stated principal amount, plus any accrued unpaid interest on that date.

(ii) Present Value Method. An investment whose yield is fixed and determinable on the issue date (a *"fixed rate investment"*) may be valued at its present value on that date. Present value of an investment is computed under the economic accrual method, using the same compounding interval and financial conventions used to compute the yield on the Bonds (i.e., 360-day year basis with interest compounded semiannually). The present value of an investment on a date is equal to the present value of all unconditionally payable receipts to be received from and payments to be paid for the investment after that date, using the yield on the investment as the discount rate.

(iii) Fair Market Value Method. An investment may be valued at its fair market value on that date. The fair market value of an investment is the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's-length transaction. Fair market value generally is determined on the date on which a contract to purchase or sell the nonpurpose investment becomes binding (i.e., the trade date rather than the settlement date). Except as otherwise provided in Subsections 5(e), (f) and (g) hereof, an investment that is not of a type traded on an established securities market, within the meaning of Section 1273 of the Code, is rebuttably presumed to be acquired or disposed of for a price that is not equal to its fair market value.

(b) Mandatory Valuation of Certain Investments at Fair Market Value. Except as provided in Subsections 5(c) and (d), an investment must be valued at fair market value on the date that it is first allocated to the Bonds or first ceases to be allocated to the Bonds as a consequence of a deemed acquisition or deemed disposition.

(c) Mandatory Valuation of Yield Restricted Investments at Present Value. Any yield restricted investment must be valued at present value.

(d) Transferred Proceeds Allocations, Universal Cap Allocations and Commingled Funds. Notwithstanding Subsection 5(b) hereof, an investment need not be valued at fair market value if it is allocated to the Bonds or ceases to be allocated to the Bonds as a result of the transferred proceeds allocation rule under Section 1.148-9(b) of the Regulations or the universal cap rule under Section 1.148-6(b)(2) of the Regulations. In addition, investments in a commingled fund (other than a bona fide debt service fund) need not be valued at fair market value unless it is a commingled fund described in Section 1.148-6(e)(5)(iii) of the Regulations.

(e) Certificates of Deposit. The purchase price of a certificate of deposit that has a fixed interest rate, a fixed payment schedule and a substantial penalty for early withdrawal will be treated as its fair market value on the purchase date if:

(i) the yield on the certificate of deposit is not less than the yield on reasonably comparable direct obligations of the United States; and

(ii) the yield on the certificate of deposit is not less than the highest yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public.

(f) Guaranteed Investment Contracts. The purchase price of a guaranteed investment contract will be treated as its fair market value on the purchase date if:

(i) the Issuer has made (or had made on its behalf) a bona fide solicitation for a specified guaranteed investment contract and received at least three (3) bona fide bids from providers that have no material financial interest in the Bonds;

(ii) the Issuer purchased (or had purchased on its behalf) the highest-yielding guaranteed investment contract for which a qualifying bid is made (determined net of broker's fees);

(iii) the yield on the guaranteed investment contract (determined net of broker's fees) is not less than the yield then available from the provider on reasonably comparable guaranteed investment contract, if any, offered to other persons from a source of funds other than gross proceeds of tax-exempt bonds. For purposes of computing the yield on a guaranteed investment contract acquired through a broker, any compensation received by such broker whether payable by or on behalf of the obligor or obligee of such investment contract may be taken into account in determining the cost of such guaranteed investment contract (as provided in Section 1.148-5(e)(2)(iii) of the Regulations) to the extent that the amount of compensation does not exceed the lesser of $30,000 (as indexed pursuant to Section 1.148-5(e)(2)(iii)(B)(3) of the Regulations) or 0.2% of the computational base (as defined in Section 1.148-5(e)(2)(iii)(B)(2) of the Regulations), provided that in no event shall the Issuer treat as qualified administrative costs more than $85,000 (as indexed pursuant to Section 1.148 5(e)(2)(iii)(B)(3) of the Regulations) in broker's commissions or similar fees with respect to all guaranteed investment contracts and investments for yield restricted defeasance escrows purchased with the gross proceeds of the issue.

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

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

(vi) the provider of the guaranteed investment contract certified the administrative costs that it paid (or expects to pay) to third parties in connection with the guaranteed investment contract.

(g) United States Treasury Obligations. The fair market value of a United States Treasury obligation that is purchased directly from the United States Treasury is its purchase price.

6. Segregation of Proceeds. In order to perform the calculations required by the Code, it is necessary to track separately all of the Gross Proceeds. To that end, the Issuer hereby agrees to establish

separate funds, accounts or subaccounts or take other accounting measures in order to account fully for all Gross Proceeds.

7. Filing Requirements. The Issuer shall file or cause to be filed such reports or other documents with the Internal Revenue Service as may be required by the Code from time to time (e.g., Form 8038-G and Form 8038-T).

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

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

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

F. MISCELLANEOUS

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

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

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

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

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

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

7. The Issuer shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from treatment afforded by Section 103(a) of the Code by reason of classification of the Bonds as

"private activity bonds" within the meaning of the Code. The Issuer will take all actions necessary to comply with the Code and the Treasury Regulations promulgated or to be promulgated thereunder.

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

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

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

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

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

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

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

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

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

(b) the payment of any pre-issuance accrued interest on the Bonds (there is no accrued interest on the Bonds);

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

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

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

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

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

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

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

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

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

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

20. The Issuer covenants and agrees to comply with the rebate requirements of the Code if not exempted therefrom, and with all other requirements of the Code necessary, proper or desirable to maintain the tax-exempt status of the Bonds and the interest thereon. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of the Resolution.

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

22. The Issuer hereby designates the Bonds as "Qualified Tax-Exempt Obligations" for purposes of paragraph (3) of Section 265(b) of the Code, and certifies that not more than $10,000,000 aggregate principal amount of obligations the interest on which is excludable (under Section 103(a) of the Code) from gross income for federal income taxes (excluding, however, obligations described in Section 265(b)(3)(C)(ii) of the Code), including the Bonds, have been or shall be issued by the Issuer, during

the calendar year 2012, all as determined in accordance with the Code. For purposes of this paragraph and for the purposes of applying such Section 265(b)(3) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a subordinate entity shall, for purposes of applying this paragraph and Section 265(b)(3) of the Code to each other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of Section 265(b)(3)(C) or (D) of the Code and all entities benefiting thereby shall be treated as one issuer.

23. The Issuer hereby approves the use of the Tax Compliance Policies which are attached hereto as EXHIBIT D in an effort to comply with the provisions of this Certificate and in order to monitor compliance with the Code and Regulations relating to maintaining the tax-exempt status of the Bonds.

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

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

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

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

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

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WITNESS our signatures on this September 25, 2012.

THE BOARD OF EDUCATION OF THE
COUNTY OF TAYLOR

By: _____
Its Vice-President

By: _____
Its Superintendent and Secretary

EXHIBIT A

Underwriter's Certificate

[See Bond Transcript Document No. 12]

EXHIBIT B

Series 2012 Bonds

Maturity (1)	Amount	Coupon	Price	Yield	CUSIP

EXHIBIT C

IRS Form 8038-G

[See Bond Transcript Document No. 33]

EXHIBIT D

TAX COMPLIANCE POLICIES

Purpose

Issuers of tax-exempt bonds must comply with federal tax rules pertaining to expenditure of proceeds for qualified costs, rate of expenditure, use of bond financed property, investment of proceeds in compliance with arbitrage rules, and retention of records. The following policies are intended to establish compliance by the Taylor County Board of Education (the "Issuer") with these rules in connection with the issuance of the Issuer's Public School Refunding Bonds, Series 2012 (the "Series 2012 Bonds").

Tax Requirements Associated with Sale and Issuance of Bonds

Review and retention of tax documents related to the sale and issuance of Bonds will be supervised by the Treasurer/Chief School Business Official of the Issuer or his/her designee (the "*Oversight Officer*").

- Form 8038G (tax exempt bonds) will be reviewed and filed not later than the 15th day of the 2nd calendar month following the quarter in which the bonds were issued. Filing of appropriate version or versions of Form 8038G will be confirmed with bond counsel.

Expenditure of Proceeds for Qualified Costs

The proceeds of the Series 2012 Bonds will be applied to the refunding and redemption in full of the Issuer's outstanding Public School Bonds, Series 2003, dated August 19, 2003, issued in the original aggregate principal amount of $7,910,000 (the "Series 2003 Bonds") and/or the Issuer's outstanding Public School Bonds, Series 2004, dated March 31, 2004, issued in the original aggregate principal amount of $3,080,000 (the "Series 2004 Bonds" and collectively with the Series 2003 Bonds, the "Prior Bonds"). Either or both of the Series 2003 Bonds and the Series 2004 Bonds may be refunded and redeemed depending on the market conditions at the time of issuance of the Series 2012 Bonds and the structure which is most advantageous to the Board.

Records relating to the expenditure of the proceeds of the Prior Bonds will be maintained by the Oversight Officer. In addition, expenditure of proceeds of the Series 2012 Bonds will be reviewed by the Oversight Officer. The Oversight Officer will adhere to the following procedures in connection with such expenditures:

- All requisitions of the proceeds of the Prior Bonds shall be maintained with the Issuer's records in connection with the Series 2012 Bonds and for the period in which the Issuer maintains records in connection with the Series 2012 Bonds as described herein. All disbursements of the Surplus Funds previously collected in connection with the Prior Bonds for projects approved by the voters pursuant to the 2003 Referendum will be disbursed pursuant to an approved form of requisition stating the date, amount and purpose of the disbursement.

- Requisitions must identify the financed property in conformity with the Tax Certificate and Agreement executed by the Issuer in connection with the Prior Bonds, including any certifications as to the character and average economic life of the bond-financed property.

- Requisitions for costs that were paid prior to the issuance of the Prior Bonds are, in general, limited to costs paid subsequent to, or not more than 60 days prior to, the date a "declaration of intent" to reimburse the costs was adopted by the Issuer. If proceeds of the Prior Bonds were used for reimbursement, a copy of the declaration will be obtained and included in the records for the Series 2012 Bonds, if not already part of the bond transcript.

- Requisitions for the Prior Bonds should be summarized in a "final allocation" of proceeds to uses not later than 18 months after the in-service date of the financed property (and in any event not later than 5 years and 60 days after the issuance of the Prior Bonds). Such summary shall be retained and maintained with the records and files for the Series 2012 Bonds for the period described herein for the Series 2012 Bonds.

- Expenditure of proceeds of the Prior Bonds was required to be monitored against the Tax Certificate expectations to spend or commit 5% of net sale proceeds within 6 months, to spend 85% of net sale proceeds within 3 years, and to proceed with due diligence to complete the project and fully spend the net sale proceeds of the Prior Bonds. Expected expenditure schedules, project timelines, and plans and specifications were to be maintained to support expectations. The actual expenditure schedule for the Prior Bonds shall be retained and maintained with the files and records for the Series 2012 Bonds for the period described herein for the Series 2012 Bonds. In the event that the expectations as to the expenditure schedule were not met the Issuer will maintain the documented reasons for such failure with the records and files for the Series 2012 Bonds for the period described herein for the Series 2012 Bonds.

- If the 18-month spending exception to rebate applied with respect to the Prior Bonds, expenditure of gross proceeds was to proceed within the following schedule for the arbitrage rebate exception for the issues, if applicable:

  15% within 6 months
  60% within 12 months
  100% within 18 months

- If the 2-year spending exception to rebate applied with respect to the Prior Bonds, expenditure of "available construction proceeds" was to proceed within the following schedule for the arbitrage rebate exception for construction issues if applicable:

  10% within 6 months
  45% within 12 months
  75% within 18 months
  100% within 24 months

- The Issuer will maintain with its records and files for the Series 2012 Bonds for the period described herein for the Series 2012 Bonds the actual expenditure schedule for the proceeds of the Prior Bonds and a finding as to the spending exception to rebate, if any, which applied to each respective series of the Prior Bonds.

Expenditure of Proceeds

In addition to the general review of expenditures described above, expenditure of proceeds of the Series 2012 Bonds will be reviewed by the Oversight Officer.

- Only a small portion (5%) of the proceeds of the Series 2012 Bonds can be used for operating expenses or other "working capital" costs. Accordingly, expenditures of the proceeds of the Series 2012 Bonds will be monitored to confirm that such proceeds are only applied to the refunding and redemption in full of the Prior Bonds and the payment of costs of issuance of the Series 2012 Bonds.

- Investment earnings on sale proceeds of the Series 2012 Bonds will be tracked and will be applied only to complete the refunding of the Prior Bonds and to pay debt service on the Series 2012 Bonds as the same becomes due and payable.

Use of Bond-Financed Property

Use of bond-financed property when completed and placed in service will be reviewed by the Oversight Officer.

- Average nonexempt use of bond-financed property over the life of the issue cannot exceed 10% of the proceeds.

- Agreements with business users or non-profit organizations for lease or management or services contracts, sponsored research, naming rights or any other potential nonexempt use of bond-financed property will be reviewed prior to execution of any contract to determine if property is bond-financed.

- Agreements with business users or other non-profit organizations for lease or management or services contracts or other private business use involving bond-financed property will be tracked and aggregated with other private business uses for compliance with the 10% limit, as set forth in the Tax and Arbitrage Certificate for the Series 2012 Bonds.

- No item of bond-financed property will be sold or transferred to a nonexempt party without advance arrangement of a "remedial action" under the applicable Income Tax Regulations.

Refundings

In the case of bonds used to refund one or more issues of prior bonds, continuing compliance with the expenditures of the prior bond proceeds, use of facilities financed with prior bond proceeds and arbitrage and rebate restrictions will be reviewed by the Oversight Officer.

- Current refundings - confirm that bond proceeds used to pay debt service on prior bonds within 90 days after issuance of the refunding bonds.
- Advance refundings – confirm that bond proceeds in refunding escrow are not invested at a yield higher than the bond yield.
- Bonds will not be treated as refunding bonds if, within six months before or after a person assumes obligations of an unrelated party in connection with an asset acquisition, such person refinances those obligations. This would also include a significant modification of the refunding bonds that could lead to a "reissuance" under general tax rules.

Investments and IRS Filings

Investment of proceeds of the Series 2012 Bonds in compliance with the arbitrage bond rules and rebate of arbitrage will be supervised by the Oversight Officer.

- Guaranteed investment contracts ("*GICs*") will be purchased only using the three-bid "safe harbor" of applicable Income Tax Regulations, in compliance with fee limitations on GIC brokers in the Income Tax Regulations.
- Other investments will be purchased only in market transactions.
- Refunding escrows will be established in accordance with Income Tax Regulations and yield on any transferred proceeds from prior bond issue(s) will be monitored so that they comply with yield restrictions.
- Calculations of rebate liability will be performed annually by outside consultants.
- Rebate payments will be made with Form 8038-T no later than 60 days after (a) each fifth anniversary of the date of issuance and (b) the final retirement of the issue. Compliance with rebate requirements will be reported to the bond trustee, if applicable (the Series 2012 Bonds has no bond trustee), and the issuer.
- Identify date for first rebate payment at time of issuance. Enter in records for the issue.

Records

Management and retention of records related to tax-exempt bond issues will be supervised by the Oversight Officer.

- Records will be retained for the life of the bonds plus any refunding bonds plus three years. Records may be in the form of documents or electronic copies of documents, appropriately indexed to specific bond issues and compliance functions.

- Retainable records pertaining to the Series 2012 Bonds include transcript of documents executed in connection with the issuance of the bonds (including authorizing resolutions, Form 8038G, and Tax and Arbitrage Certificate) and any amendments, and copies of rebate calculations and records of payments, including Forms 8038-T.

- Retainable records pertaining to expenditures of bond proceeds include requisitions, trustee statements and final allocation of proceeds.

- Retainable records pertaining to use of property include all agreements reviewed for nonexempt use.

- Retainable records pertaining to investments include GIC documents under the Income Tax Regulations, records of purchase and sale of other investments, and records of investment activity sufficient to permit calculation of arbitrage rebate or demonstration that no rebate is due.

Overall Responsibility

Overall administration and coordination of this policy is the responsibility of the Oversight Officer.

THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR

By: _____
Title: President

Date: July 24, 2012

$6,130,000
THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR
(WEST VIRGINIA)
Public School Refunding Bonds, Series 2012

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

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

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

1. TERMS: Except as otherwise provided, all capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meanings as in the Resolution and Order of the Issuer adopted May 22, 2012, as amended by that Supplemental Resolution adopted by the Issuer on July 24, 2012 (collectively, the "Resolution").

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

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

3. SALE OF BONDS; SIGNATURES: The Bonds were sold to the Purchaser upon a negotiated basis at a price equal to the par amount of $6,130,000, plus a reoffering premium in the amount of $398,189.90, less an underwriting discount of $65,650 (total purchase price of $6,462,539.90 (the "Purchase Price")). As of the date hereof, the Bonds were duly signed by the manual signature of the President and countersigned by the manual signature of the Secretary, and the official seal of the Issuer, which seal is impressed upon this Certificate, was affixed thereto.

4. DELIVERY AND PAYMENT: The undersigned President did, on the date hereof, deliver to the Purchaser, through The Depository Trust Company, in New York, New York, the entire issue of the Bonds, in denominations equal to the principal amounts maturing May 1, in each of the years 2013 to 2019, and numbered R-1 to R-7, inclusive.

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

Par Amount	$6,130,000.00
Plus: Original Issue Premium	398,189.90
Less: Underwriter's Discount	65,650.00
TOTAL RECEIVED	$6,462,539.90

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

Parameters Resolution and Order

Supplemental Resolution

Cross-Receipt for Bonds and Bond Proceeds

Direction to Authenticate and Deliver Bonds

Certificate of Determinations

Tax and Non-Arbitrage Certificate of the Issuer

Rule 15c2-12 Certificate

Letter of Instructions to West Virginia Municipal Bond Commission
Joint Certificate of Issuer and Escrow Agent on Sufficiency of Escrow Fund

And Discharge of Lien of Prior Bonds

Escrow Agreement

Letter of Instruction to Registrar Regarding Defeasance and Redemption Notices

Bond Purchase Agreement

Continuing Disclosure Agreement

Preliminary Official Statement

Official Statement

S&P Rating Letter

DTC Blanket Letter of Representations

Minutes on Adoption of Parameters Resolution and Order and Supplemental Resolution

IRS Information Return (Form 8038-G)

Accountants' Report Regarding Sufficiency of Escrow Fund and Debt Service Savings

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

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

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

Name and Office		Date of Commencement of Office	Date of Termination of Office
Nancy Ludwick	- President and Member	July 1, 2010	June 30, 2014
Richard Teagarden	- Vice President and Member	July 1, 2008	June 30, 2012
Julie Gregory	- Member	July 1, 2008	June 30, 2012
Melissa Knotts	- Member	July 1, 2010	June 30, 2014
Alan Depiano	- Member	July 1, 2010	June 30, 2014

The duly appointed and acting Superintendent of Schools and Board Secretary is Charles Robert Maynard. The duly appointed and acting special project counsel to the Board with respect to the issuance of the Bonds is Steptoe & Johnson PLLC, Charleston, West Virginia.

9. DEPOSIT OF FUNDS IN ESCROW FUND AND DEFEASANCE OF PRIOR BONDS: The funds on deposit in the Escrow Fund established by the Escrow Agreement by and between the Issuer and the West Virginia Municipal Bond Commission, as Escrow Agent, dated as of September 25, 2012, have been deposited as provided in the Escrow Agreement and the amount of such deposited funds is sufficient to pay the principal of and the interest on the Prior Bonds on the respective maturities and interest payment dates thereof and, on September 25, 2012, to pay the redemption price of the Bonds. Accordingly, the Prior Bonds have been discharged and the lien of the Resolution authorizing the Prior Bonds has been discharged as of the date hereof.

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

11. CERTIFICATIONS PURSUANT TO PARAGRAPH 14(c)(5) OF THE BOND PURCHASE AGREEMENT: In addition to the foregoing, the undersigned hereby certify, as follows:

(A) the Issuer has duly performed all of its obligations to be performed at or prior to the date hereof on which the Bonds are being exchanged for their Purchase Price (the "Closing") and that each of its representations and warranties contained herein are true as of Closing, (B) it has authorized, by all necessary action the execution, delivery, receipt and due performance of the Bonds, the Continuing Disclosure Agreement, the Resolution, the Escrow Agreement and all other Issuer Documents (as defined in the Bond Purchase Agreement) as may be required to be executed, delivered and received by the Issuer in order to carry out, give effect to and consummate the transactions contemplated by the Bond Purchase Agreement and by the Official Statement, (C) to the Issuer's knowledge, no litigation is pending or threatened, to restrain or enjoin the issuance or sale of the Securities or in any way affecting any authority for or the validity of the Bonds or the Resolution, (D) the execution, delivery, receipt and due performance of the Bonds, the Issuer Documents and the other agreements contemplated hereby and by the Official Statement under the circumstances contemplated thereby and the Issuer's compliance with the provisions thereof will not conflict with or constitute on the part of the Issuer a breach of or a default under any existing law, court or administrative regulation, decree or order or any agreement, indenture, mortgage, lease or other instrument to which the Issuer is subject or by which it may be bound, (E) to the best of our knowledge, no event affecting the Issuer has occurred since the date of the Official Statement that should be disclosed in the Official Statement to make the statements

and information therein not misleading in any material respect for the purposes for which it is to be used and (F) the Issuer is obligated by such Continuing Disclosure Agreement and is in full compliance with all of its prior written continuing disclosure undertakings entered into pursuant to the provisions of Rule 15c2-12(b)(5), excepting only such matters as may be described in the Continuing Disclosure section of the Official Statement;

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

13. CONTINUING DISCLOSURE AGREEMENT: The Board is obligated by the Continuing Disclosure Agreement to comply with the continuing disclosure requirements of Rule 15c2-12(b)(5). The Board is in compliance with its previous continuing disclosure agreements with the exception of those matters described in the Continuing Disclosure section of the Official Statement.

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WITNESS our signatures on this September 25, 2012.

THE BOARD OF EDUCATION OF THE
COUNTY OF TAYLOR

[SEAL]

By: _____
President

By: _____
Secretary

$6,130,000
THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR
(WEST VIRGINIA)
Public School Refunding Bonds, Series 2012

TAX AND NON-ARBITRAGE CERTIFICATE

The undersigned, PRESIDENT and the undersigned SUPERINTENDENT and SECRETARY of The Board of Education of the County of Taylor, West Virginia (the "Issuer"), being officials of the Issuer duly charged with the responsibility for the issuance of the $6,130,000 Public School Refunding Bonds, Series 2012, of the Issuer, dated September 25, 2012 (the "Bonds"), hereby certify as follows, jointly, unless otherwise stated, and all capitalized terms used herein and not otherwise defined to have the meanings ascribed thereto in the Resolution and Order adopted by the Issuer on May 22, 2012, as supplemented (the "Resolution"), pursuant to which the Bonds are issued:

A. DEFINITIONS

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

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

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

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

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

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

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

"**Bond Year**" means the one-year periods during the term of the Bonds beginning on the first day of May of any calendar year and ending on the last day of April of the succeeding calendar year, provided, that the first Bond Year shall begin on the Date of Issue of the Bonds and end on April 30, 2013.

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

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

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

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

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

(a) Underwriter's Discount;

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

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

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

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

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

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

"**Date of Issue**" means September 25, 2012.

"**Debt Service Account**" means the fund described in Section D(3) hereof.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

where:

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

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

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

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

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

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

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

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

"**IRS**" means the Internal Revenue Service.

"**Issue Price**" means $6,528,189.90, being the initial offering price to the public at which price a substantial amount of the Bonds is sold, plus interest accrued thereon from the date thereof to the date of delivery thereof. For this purpose, ten percent (10%) is a substantial amount, and the term "the public" does not include bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers. The Issue Price generally is the first price at which the Bonds are sold to the public, and the issue price will not change if part of the issue is subsequently sold at a different price. The Issue Price of bonds that are not substantially identical is determined separately. The Issue Price of a bond issue for which a bona fide public offering is made is determined as of the sale date based on reasonable expectations regarding the initial public offering price. The Issue Price of the Bonds may not exceed their fair market value as of the sale date. The "issue price" of the Bonds for purposes of IRS Form 8038-G, based upon the price paid to the Issuer, is $6,528,189.90.

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

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

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

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

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

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

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

"**Prior Bonds**" means the Issuer's Public School Bonds, Series 2003, dated August 1, 2003, issued in the original aggregate principal amount of 7,910,000 ("Series 2003 Bonds"), and the Issuer's Public School Bonds, Series 2004, dated March 1, 2004, issued in the original aggregate principal amount of $3,080,000 (the "Series 2004 Bonds").

"**Proceeds**" means Sale Proceeds, Investment Proceeds, and Transferred Proceeds of an issue of bonds. Proceeds do not include amounts that are actually or constructively received that with respect to an investment that is acquired for the governmental purpose of an issue that are properly allocable to the immaterially higher yield under section 1.148-2(d) of the Regulations or section 143(g) of the Code or to qualified administrative cost recoverable under section 1.148-5(e).

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

"**Rebate Analyst**" means the entity or person chosen by the Issuer in accordance with Section E(8) hereof to determine the Rebate Amounts.

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

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

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

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

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

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

"**SLGS**" means United States Treasury Obligations, State and Local Government Series.

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

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

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

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

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

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

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

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

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

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

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

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

B. GENERAL

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

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

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

4. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on September 25, 2012, the date on which the Bonds are to be physically delivered in exchange for the issue price thereof, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

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

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

7. The Bonds were sold and delivered on September 25, 2012, to Piper Jaffray & Co., Charleston, West Virginia (the "Original Purchaser") for a purchase price of **$6,462,539.90** (representing the Issue Price of **$6,528,189.90** less an underwriting discount in the amount of **$65,650**).

8. The Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of providing moneys necessary (i) to advance refund the Series 2003 Bonds to their first redemption date, being May 1, 2013; (ii) to advance refund the Series 2004 Bonds to their first redemption date, being May 1, 2014; and (ii) to pay costs of issuance of the Bonds and related costs. The purpose of the refunding is to achieve present value debt service savings and to make available to the Issuer accumulated tax levy moneys and earnings thereon relating to the Prior Bonds ("Surplus Funds"), which will be released to the Issuer as described in Section C(3).

9. The Prior Bonds were issued for the purposes of (i) providing funds to pay costs of constructing new public school facilities in the Taylor County School District (the "District"), and to pay costs of capital improvements, repairs and improvements to existing public school facilities in the District, which improvements and facilities, together with the location thereof, are described in the bond election order adopted by the Issuer on January 8, 2003, in connection with the issuance of the Prior Bonds and (ii) paying costs of issuance of the Prior Bonds, and the Proceeds of the Prior Bonds were applied for such purposes.

10. The face amount of the Bonds is $6,130,000. The sources and uses of proceeds of the Bonds is as follows:

Sources		
	Par Amount of the Bonds	$6,130,000.00
	Net Original Issue Premium on the Bonds	$398,189.90
	TOTAL	$6,528,189.90
Uses		
	Deposit to Escrow Fund	$6,376,471.57
	Underwriter's Discount	$65,650.00
	Costs of Issuance	$86,068.33
	TOTAL	$6,528,189.90

11. The Underwriter has stated, in its certificate, a copy of which is attached hereto as **EXHIBIT A - UNDERWRITER'S CERTIFICATE** (the "Underwriter's Certificate") that all of the Bonds have been purchased directly by it at the initial offering prices set forth in the Official Statement relating to the Bonds, dated September 11, 2012. The computation of the yield on the Bonds has been determined by the Underwriter using the present value method in accordance with Section 1.148-4 of the Regulations using a 360-day year, compounding interest semiannually. The yield on the Bonds, as so computed, has been determined by the Underwriter to be 1.2021**%**, based on a "purchase price" equal to the Issue Price for the Bonds. As stated in the Underwriter's Certificate, the Underwriter has calculated the weighted average maturity of the Bonds to be 3.7758 years and the remaining weighted average maturity of the Prior Bonds to be 3.7835 years.

C. THE REFUNDING

1. The Issuer has entered into an Escrow Agreement (the "Escrow Agreement"), dated September 25, 2012, by and between the Issuer and the Bond Commission, as Escrow Agent. The Issuer and the Escrow Agent will cause Bond proceeds in the amount of **$6,376,471.57**, to be deposited in the Escrow Fund, and thereupon **$6,376,471.00** to be applied to the purchase of the SLGS from the Bureau of Public Debt of the United States Treasury Department and to hold the remaining **$0.57** as cash, uninvested, in the Escrow Fund. The yield on the Escrow Fund will not exceed the yield on the Bonds.

2. Proceeds of the Bonds in an amount not to exceed **$86,068.33** shall, within 30 days of the Closing Date, be applied to payment of Costs of Issuance of the Bonds.

3. **$691,212.63** (less any fees to be withheld by the Bond Commission) from funds on deposit with the Bond Commission in the Surplus Collection Accounts for the Prior Bonds will, on the Closing Date, be withdrawn by the Issuer and deposited with a commercial bank eligible to receive such deposits, and applied solely by the Issuer to costs of capital improvements, repairs or replacements for those school facilities described in the bond election order adopted by the Issuer on January 8, 2003 in connection with the issuance of the Prior Bonds, no later than September 25, 2013. Such amount shall be subject to rebate until expended.

4. **$251,063** from funds on deposit with the Bond Commission in the Surplus Collection Accounts for the Prior Bonds will, on the Closing Date, be transferred by the Escrow Agent to a newly created Surplus Collections Account for the Bonds and thereafter held and applied by the Escrow Agent pursuant to the regulations and policies of the West Virginia Municipal Bond Commission as the paying agent for the Bonds.

D. THE BONDS

1. The principal amounts, interest rates, yields, purchase price and CUSIP numbers with respect to the Bonds are set forth in **EXHIBIT B** attached hereto.

2. Using the initial offering price of the Bonds as the "purchase price", the yield on the Bonds has been computed by the Underwriter to be 1.2021% (the "Bond Yield").

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

4. A Surplus Collections Account for the Bonds is also established by the Bond Commission. Pursuant to the regulations and policies of the Bond Commission, tax levy receipts and earnings thereon in excess of the amounts necessary to pay principal of and interest on the Bonds are transferred from the Debt Service Account and accumulated in the Surplus Collections Account for the Bonds. Moneys in the Surplus Collections Account are used to pay debt service on the Bonds in the event that tax levies for any particular period are insufficient therefor. All moneys in the Surplus Collections Account will be invested at a yield not to exceed the yield on the Bonds.

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

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

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

8. All amounts deposited into the Debt Service Account (other than Sale Proceeds of the Bonds that constitute accrued interest on the Bonds) will constitute Replacement Proceeds to the extent that those funds are allocable to the Bonds under Section 1.148-6 of the Regulations and will not be invested at a Yield that exceeds the Yield on the Bonds unless such moneys, or a part of such moneys, qualify as a Bona Fide Debt Service Fund. There is no accrued interest on the Bonds.

E. REBATE

1. Undertakings. The Issuer has covenanted to comply with certain requirements of the Code. The Issuer acknowledges that the United States Department of the Treasury has issued Regulations with respect to these undertakings, including the proper method for computing whether any rebate amount is due the United States under Section 148(f) of the Code (i.e., Sections 1.148-0 through 1.148-11, 1.149(d)-1, 1.149(g)-1, 1.150-1 and 1.150-2 of the Regulations). The Issuer covenants that it will undertake to determine (or have

determined on its behalf) what is required with respect to the rebate provisions contained in Section 148(f) of the Code from time to time and will undertake to comply with any requirements that may be applicable to the Bonds. The Issuer will undertake the methodology described in this Section E of this Tax Certificate, except to the extent inconsistent with any requirements of present or future law, regulations or future guidance issued by the United States Department of the Treasury or if the Issuer receives an opinion of Bond Counsel.

2. Rebate Fund. The Issuer hereby creates a special fund designated the *"Rebate Fund"* to be held by a commercial bank separate and apart from all other funds and accounts of the Issuer.

3. Recordkeeping. Detailed records with respect to each and every Nonpurpose Investment attributable to Gross Proceeds (within the meaning of Section 1.148-1(b) of the Regulations) of the Bonds must be maintained by the Issuer, including (i) purchase date, (ii) purchase price, (iii) any accrued interest paid, (iv) face amount, (v) coupon rate, (vi) date of interest payments, (vii) disposition price, (viii) any accrued interest received, (ix) disposition date, and (x) broker's fees. Such detailed record keeping is required for the calculation of the rebate amount (within the meaning of Section 1.148-3 of the Regulations) which, in part, will require a determination of the difference between the actual aggregate earnings of all Nonpurpose Investments and the amount of such earnings assuming a rate of return equal to the yield on the Bonds.

4. Rebate Amount Calculation and Payment.

(a) The Issuer represents, warrants and covenants that it will prepare or cause to be prepared a calculation of the rebate amount with respect to the Bonds consistent with the rules described in this Section 4. The Issuer will prepare or cause to be prepared a calculation of the rebate amount (i) within fifty-five (55) days after the close of the fifth Bond Year and each fifth Bond Year thereafter so long as any Bonds remain unpaid, and (ii) within fifty-five (55) days after the first date on which there are no unpaid Bonds. Not later than fifty-five (55) days after the end of the fifth Bond Year and each fifth Bond Year thereafter so long as any Bond remains unpaid, and within fifty-five (55) days after the last Bond is paid, the Issuer shall deposit in the Rebate Fund an amount so that the balance held by the Issuer in the Rebate Fund shall be equal to the rebate amount.

(b) For purposes of calculating the rebate amount (i) the aggregate amount earned with respect to a Nonpurpose Investment shall be determined by assuming that the Nonpurpose Investment was acquired for an amount equal to its value at the time it becomes a Nonpurpose Investment, and (ii) the aggregate amount earned with respect to any Nonpurpose Investment shall include any unrealized gain or loss with respect to the Nonpurpose Investment on the first date when there are no unpaid Bonds or when the investment ceases to be a Nonpurpose Investment.

(c) The Issuer shall pay to the United States Department of the Treasury out of designated funds (i) not later than sixty (60) days after the end of each fifth Bond Year, a payment equal to at least ninety percent (90%) of the rebate amount with respect to the Bonds, calculated as of the end of such fifth Bond Year, and (ii) not later than sixty (60) days after the first date when there are no unpaid Bonds, an amount equal to one hundred percent (100%) of the rebate amount (determined as of the first date when there are no unpaid Bonds) plus any actual or imputed earnings on such rebate amount, all as set forth in Sections 1.148-1 through 1.148-11 of the Regulations and as determined by or on behalf of the Issuer.

(d) Each payment required to be made pursuant hereto and relating to the Bonds shall be filed with the Internal Revenue Service Center, Philadelphia, Pennsylvania 19255, on or before the date such payment is due and shall be accompanied by Internal Revenue Service Form 8038-T. The Issuer must retain records of the calculations required by this Section 4.4 until six (6) years after the retirement of the last obligation of the Bonds.

5. Valuation of Investments.

(a) General Rule. Except as otherwise provided in this Section 5, for all purposes of Section 148 of the Code, the value of an investment allocated to the Bonds (including a payment or receipt on the investment) on a date must be determined using one of the following valuation methods:

(i) Outstanding Principal Amount Method. A plain par investment (as defined in Section 1.148-1(b) of the Regulations) may be valued at its outstanding stated principal amount, plus any accrued unpaid interest on that date.

(ii) Present Value Method. An investment whose yield is fixed and determinable on the issue date (a *"fixed rate investment"*) may be valued at its present value on that date. Present value of an investment is computed under the economic accrual method, using the same compounding interval and financial conventions used to compute the yield on the Bonds (i.e., 360-day year basis with interest compounded semiannually). The present value of an investment on a date is equal to the present value of all unconditionally payable receipts to be received from and payments to be paid for the investment after that date, using the yield on the investment as the discount rate.

(iii) Fair Market Value Method. An investment may be valued at its fair market value on that date. The fair market value of an investment is the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's-length transaction. Fair market value generally is determined on the date on which a contract to purchase or sell the nonpurpose investment becomes binding (i.e., the trade date rather than the settlement date). Except as otherwise provided in Subsections 5(e), (f) and (g) hereof, an investment that is not of a type traded on an established securities market, within the meaning of Section 1273 of the Code, is rebuttably presumed to be acquired or disposed of for a price that is not equal to its fair market value.

(b) Mandatory Valuation of Certain Investments at Fair Market Value. Except as provided in Subsections 5(c) and (d), an investment must be valued at fair market value on the date that it is first allocated to the Bonds or first ceases to be allocated to the Bonds as a consequence of a deemed acquisition or deemed disposition.

(c) Mandatory Valuation of Yield Restricted Investments at Present Value. Any yield restricted investment must be valued at present value.

(d) Transferred Proceeds Allocations, Universal Cap Allocations and Commingled Funds. Notwithstanding Subsection 5(b) hereof, an investment need not be valued at fair market value if it is allocated to the Bonds or ceases to be allocated to the Bonds as a result of the transferred proceeds allocation rule under Section 1.148-9(b) of the Regulations or the universal cap rule under Section 1.148-6(b)(2) of the Regulations. In addition, investments in a commingled fund (other than a bona fide debt service fund) need not be valued at fair market value unless it is a commingled fund described in Section 1.148-6(e)(5)(iii) of the Regulations.

(e) Certificates of Deposit. The purchase price of a certificate of deposit that has a fixed interest rate, a fixed payment schedule and a substantial penalty for early withdrawal will be treated as its fair market value on the purchase date if:

(i) the yield on the certificate of deposit is not less than the yield on reasonably comparable direct obligations of the United States; and

(ii) the yield on the certificate of deposit is not less than the highest yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public.

(f) Guaranteed Investment Contracts. The purchase price of a guaranteed investment contract will be treated as its fair market value on the purchase date if:

(i) the Issuer has made (or had made on its behalf) a bona fide solicitation for a specified guaranteed investment contract and received at least three (3) bona fide bids from providers that have no material financial interest in the Bonds;

(ii) the Issuer purchased (or had purchased on its behalf) the highest-yielding guaranteed investment contract for which a qualifying bid is made (determined net of broker's fees);

(iii) the yield on the guaranteed investment contract (determined net of broker's fees) is not less than the yield then available from the provider on reasonably comparable guaranteed investment contract, if any, offered to other persons from a source of funds other than gross proceeds of tax-exempt bonds. For purposes of computing the yield on a guaranteed investment contract acquired through a broker, any compensation received by such broker whether payable by or on behalf of the obligor or obligee of such investment contract may be taken into account in determining the cost of such guaranteed investment contract (as provided in Section 1.148-5(e)(2)(iii) of the Regulations) to the extent that the amount of compensation does not exceed the lesser of $30,000 (as indexed pursuant to Section 1.148-5(e)(2)(iii)(B)(3) of the Regulations) or 0.2% of the computational base (as defined in Section 1.148-5(e)(2)(iii)(B)(2) of the Regulations), provided that in no event shall the Issuer treat as qualified administrative costs more than $85,000 (as indexed pursuant to Section 1.148 5(e)(2)(iii)(B)(3) of the Regulations) in broker's commissions or similar fees with respect to all guaranteed investment contracts and investments for yield restricted defeasance escrows purchased with the gross proceeds of the issue.

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

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

(vi) the provider of the guaranteed investment contract certified the administrative costs that it paid (or expects to pay) to third parties in connection with the guaranteed investment contract.

(g) United States Treasury Obligations. The fair market value of a United States Treasury obligation that is purchased directly from the United States Treasury is its purchase price.

6. Segregation of Proceeds. In order to perform the calculations required by the Code, it is necessary to track separately all of the Gross Proceeds. To that end, the Issuer hereby agrees to establish

separate funds, accounts or subaccounts or take other accounting measures in order to account fully for all Gross Proceeds.

7. Filing Requirements. The Issuer shall file or cause to be filed such reports or other documents with the Internal Revenue Service as may be required by the Code from time to time (e.g., Form 8038-G and Form 8038-T).

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

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

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

F. MISCELLANEOUS

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

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

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

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

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

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

7. The Issuer shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from treatment afforded by Section 103(a) of the Code by reason of classification of the Bonds as

"private activity bonds" within the meaning of the Code. The Issuer will take all actions necessary to comply with the Code and the Treasury Regulations promulgated or to be promulgated thereunder.

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

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

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

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

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

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

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

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

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

(b) the payment of any pre-issuance accrued interest on the Bonds (there is no accrued interest on the Bonds);

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

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

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

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

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

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

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

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

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

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

20. The Issuer covenants and agrees to comply with the rebate requirements of the Code if not exempted therefrom, and with all other requirements of the Code necessary, proper or desirable to maintain the tax-exempt status of the Bonds and the interest thereon. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of the Resolution.

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

22. The Issuer hereby designates the Bonds as "Qualified Tax-Exempt Obligations" for purposes of paragraph (3) of Section 265(b) of the Code, and certifies that not more than $10,000,000 aggregate principal amount of obligations the interest on which is excludable (under Section 103(a) of the Code) from gross income for federal income taxes (excluding, however, obligations described in Section 265(b)(3)(C)(ii) of the Code), including the Bonds, have been or shall be issued by the Issuer, during

the calendar year 2012, all as determined in accordance with the Code. For purposes of this paragraph and for the purposes of applying such Section 265(b)(3) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a subordinate entity shall, for purposes of applying this paragraph and Section 265(b)(3) of the Code to each other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of Section 265(b)(3)(C) or (D) of the Code and all entities benefiting thereby shall be treated as one issuer.

23. The Issuer has previously approved and hereby approves the use of the Tax Compliance Policies which are attached hereto as EXHIBIT D in an effort to comply with the provisions of this Certificate and in order to monitor compliance with the Code and Regulations relating to maintaining the tax-exempt status of the Bonds.

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

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

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

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

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

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WITNESS our signatures on this September 25, 2012.

THE BOARD OF EDUCATION OF THE
COUNTY OF TAYLOR

By: _____
Its President

By: _____
Its Superintendent and Secretary

EXHIBIT A

Underwriter's Certificate

[See Bond Transcript Document No. 12]

EXHIBIT B

MATURITIES, AMOUNTS, INTEREST RATES YIELD AND PRICE

SERIES 2012 BONDS

Bond Component	Maturity Date	CUSIP ID	Amount	Rate	Yield	Price	Premium (-Discount)
Serial Bond:							
	5/1/2013	877129CY0	835,000	3.00%	0.45%	101.525	12,733.75
	5/1/2014	877129CZ7	790,000	3.00%	0.60%	103.815	30,138.50
	5/1/2015	877129DA1	825,000	3.00%	0.75%	105.782	47,701.50
	5/1/2016	877129DB9	865,000	3.00%	0.95%	107.237	62,600.05
	5/1/2017	877129DC7	900,000	3.00%	1.10%	108.499	76,491.00
	5/1/2018	877129DD5	940,000	3.00%	1.35%	108.869	83,368.60
	5/1/2019	877129DE3	975,000	3.00%	1.60%	108.734	85,156.50
			6,130,000				398,189.90

EXHIBIT C

IRS Form 8038-G

[See Bond Transcript Document No. 33]

EXHIBIT D

TAX COMPLIANCE POLICIES

Purpose

Issuers of tax-exempt bonds must comply with federal tax rules pertaining to expenditure of proceeds for qualified costs, rate of expenditure, use of bond financed property, investment of proceeds in compliance with arbitrage rules, and retention of records. The following policies are intended to establish compliance by the Taylor County Board of Education (the "Issuer") with these rules in connection with the issuance of the Issuer's Public School Refunding Bonds, Series 2012 (the "Series 2012 Bonds").

Tax Requirements Associated with Sale and Issuance of Bonds

Review and retention of tax documents related to the sale and issuance of Bonds will be supervised by the Treasurer/Chief School Business Official of the Issuer or his/her designee (the "*Oversight Officer*").

- Form 8038G (tax exempt bonds) will be reviewed and filed not later than the 15th day of the 2nd calendar month following the quarter in which the bonds were issued. Filing of appropriate version or versions of Form 8038G will be confirmed with bond counsel.

Expenditure of Proceeds for Qualified Costs

The proceeds of the Series 2012 Bonds will be applied to the refunding and redemption in full of the Issuer's outstanding Public School Bonds, Series 2003, dated August 19, 2003, issued in the original aggregate principal amount of $7,910,000 (the "Series 2003 Bonds") and/or the Issuer's outstanding Public School Bonds, Series 2004, dated March 31, 2004, issued in the original aggregate principal amount of $3,080,000 (the "Series 2004 Bonds" and collectively with the Series 2003 Bonds, the "Prior Bonds"). Either or both of the Series 2003 Bonds and the Series 2004 Bonds may be refunded and redeemed depending on the market conditions at the time of issuance of the Series 2012 Bonds and the structure which is most advantageous to the Board.

Records relating to the expenditure of the proceeds of the Prior Bonds will be maintained by the Oversight Officer. In addition, expenditure of proceeds of the Series 2012 Bonds will be reviewed by the Oversight Officer. The Oversight Officer will adhere to the following procedures in connection with such expenditures:

- All requisitions of the proceeds of the Prior Bonds shall be maintained with the Issuer's records in connection with the Series 2012 Bonds and for the period in which the Issuer maintains records in connection with the Series 2012 Bonds as described herein. All disbursements of the Surplus Funds previously collected in connection with the Prior Bonds for projects approved by the voters pursuant to the 2003

Referendum will be disbursed pursuant to an approved form of requisition stating the date, amount and purpose of the disbursement.

- Requisitions must identify the financed property in conformity with the Tax Certificate and Agreement executed by the Issuer in connection with the Prior Bonds, including any certifications as to the character and average economic life of the bond-financed property.

- Requisitions for costs that were paid prior to the issuance of the Prior Bonds are, in general, limited to costs paid subsequent to, or not more than 60 days prior to, the date a "declaration of intent" to reimburse the costs was adopted by the Issuer. If proceeds of the Prior Bonds were used for reimbursement, a copy of the declaration will be obtained and included in the records for the Series 2012 Bonds, if not already part of the bond transcript.

- Requisitions for the Prior Bonds should be summarized in a "final allocation" of proceeds to uses not later than 18 months after the in-service date of the financed property (and in any event not later than 5 years and 60 days after the issuance of the Prior Bonds). Such summary shall be retained and maintained with the records and files for the Series 2012 Bonds for the period described herein for the Series 2012 Bonds.

- Expenditure of proceeds of the Prior Bonds was required to be monitored against the Tax Certificate expectations to spend or commit 5% of net sale proceeds within 6 months, to spend 85% of net sale proceeds within 3 years, and to proceed with due diligence to complete the project and fully spend the net sale proceeds of the Prior Bonds. Expected expenditure schedules, project timelines, and plans and specifications were to be maintained to support expectations. The actual expenditure schedule for the Prior Bonds shall be retained and maintained with the files and records for the Series 2012 Bonds for the period described herein for the Series 2012 Bonds. In the event that the expectations as to the expenditure schedule were not met the Issuer will maintain the documented reasons for such failure with the records and files for the Series 2012 Bonds for the period described herein for the Series 2012 Bonds.

- If the 18-month spending exception to rebate applied with respect to the Prior Bonds, expenditure of gross proceeds was to proceed within the following schedule for the arbitrage rebate exception for the issues, if applicable:

  15% within 6 months
  60% within 12 months
  100% within 18 months

- If the 2-year spending exception to rebate applied with respect to the Prior Bonds, expenditure of "available construction proceeds" was to proceed within the following schedule for the arbitrage rebate exception for construction issues if applicable:

  10% within 6 months
  45% within 12 months

75% within 18 months
100% within 24 months

- The Issuer will maintain with its records and files for the Series 2012 Bonds for the period described herein for the Series 2012 Bonds the actual expenditure schedule for the proceeds of the Prior Bonds and a finding as to the spending exception to rebate, if any, which applied to each respective series of the Prior Bonds.

Expenditure of Proceeds

In addition to the general review of expenditures described above, expenditure of proceeds of the Series 2012 Bonds will be reviewed by the Oversight Officer.

- Only a small portion (5%) of the proceeds of the Series 2012 Bonds can be used for operating expenses or other "working capital" costs. Accordingly, expenditures of the proceeds of the Series 2012 Bonds will be monitored to confirm that such proceeds are only applied to the refunding and redemption in full of the Prior Bonds and the payment of costs of issuance of the Series 2012 Bonds.

- Investment earnings on sale proceeds of the Series 2012 Bonds will be tracked and will be applied only to complete the refunding of the Prior Bonds and to pay debt service on the Series 2012 Bonds as the same becomes due and payable.

Use of Bond-Financed Property

Use of bond-financed property when completed and placed in service will be reviewed by the Oversight Officer.

- Average nonexempt use of bond-financed property over the life of the issue cannot exceed 10% of the proceeds.

- Agreements with business users or non-profit organizations for lease or management or services contracts, sponsored research, naming rights or any other potential nonexempt use of bond-financed property will be reviewed prior to execution of any contract to determine if property is bond-financed.

- Agreements with business users or other non-profit organizations for lease or management or services contracts or other private business use involving bond-financed property will be tracked and aggregated with other private business uses for compliance with the 10% limit, as set forth in the Tax and Arbitrage Certificate for the Series 2012 Bonds.

- No item of bond-financed property will be sold or transferred to a nonexempt party without advance arrangement of a "remedial action" under the applicable Income Tax Regulations.

Refundings

In the case of bonds used to refund one or more issues of prior bonds, continuing compliance with the expenditures of the prior bond proceeds, use of facilities financed with prior bond proceeds and arbitrage and rebate restrictions will be reviewed by the Oversight Officer.

- Current refundings - confirm that bond proceeds used to pay debt service on prior bonds within 90 days after issuance of the refunding bonds.

- Advance refundings – confirm that bond proceeds in refunding escrow are not invested at a yield higher than the bond yield.

- Bonds will not be treated as refunding bonds if, within six months before or after a person assumes obligations of an unrelated party in connection with an asset acquisition, such person refinances those obligations. This would also include a significant modification of the refunding bonds that could lead to a "reissuance" under general tax rules.

Investments and IRS Filings

Investment of proceeds of the Series 2012 Bonds in compliance with the arbitrage bond rules and rebate of arbitrage will be supervised by the Oversight Officer.

- Guaranteed investment contracts ("*GICs*") will be purchased only using the three-bid "safe harbor" of applicable Income Tax Regulations, in compliance with fee limitations on GIC brokers in the Income Tax Regulations.

- Other investments will be purchased only in market transactions.

- Refunding escrows will be established in accordance with Income Tax Regulations and yield on any transferred proceeds from prior bond issue(s) will be monitored so that they comply with yield restrictions.

- Calculations of rebate liability will be performed annually by outside consultants.

- Rebate payments will be made with Form 8038-T no later than 60 days after (a) each fifth anniversary of the date of issuance and (b) the final retirement of the issue. Compliance with rebate requirements will be reported to the bond trustee, if applicable (the Series 2012 Bonds has no bond trustee), and the issuer.

- Identify date for first rebate payment at time of issuance. Enter in records for the issue.

Records

Management and retention of records related to tax-exempt bond issues will be supervised by the Oversight Officer.

- Records will be retained for the life of the bonds plus any refunding bonds plus three years. Records may be in the form of documents or electronic copies of documents, appropriately indexed to specific bond issues and compliance functions.

- Retainable records pertaining to the Series 2012 Bonds include transcript of documents executed in connection with the issuance of the bonds (including authorizing resolutions, Form 8038G, and Tax and Arbitrage Certificate) and any amendments, and copies of rebate calculations and records of payments, including Forms 8038-T.

- Retainable records pertaining to expenditures of bond proceeds include requisitions, trustee statements and final allocation of proceeds.

- Retainable records pertaining to use of property include all agreements reviewed for nonexempt use.

- Retainable records pertaining to investments include GIC documents under the Income Tax Regulations, records of purchase and sale of other investments, and records of investment activity sufficient to permit calculation of arbitrage rebate or demonstration that no rebate is due.

Overall Responsibility

Overall administration and coordination of this policy is the responsibility of the Oversight Officer.

THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR

By: Richard Teagarden
Title: ~~President~~ Vice-President

Date: July 24, 2012

$6,130,000 THE BOARD OF EDUCATION OF
THE COUNTY OF TAYLOR (WEST VIRGINIA)
PUBLIC SCHOOL REFUNDING BONDS, SERIES 2012

CERTIFICATE OF THE CHAIRMAN OF THE WV MUNICIPAL BOND COMMISSION

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

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

2. This certificate is delivered in response to a letter request, dated September 19, 2012, from The Taylor County Board of Education, West Virginia, and pursuant to Chapter 13, Article 2, Section 1, of the Code of West Virginia, 1931, as amended.

3. According to the information provided to the Commission, on or about September 25, 2012, the Taylor County Board of Education will issue its Series 2012 Public School Refunding Bonds, dated September 25, 2012, in the principal amount of $6,130,000, with interest rates of 3.00%. This issue will refund its Series 2003 and 2004 Public School Bonds, dated August 1, 2003 and March 1, 2004, respectively, with combined remaining principal outstanding of $6,075,000 and interest rates of 2.9% to 3.625%.

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

Tax Year Beginning July 1	Taxes Available	Projected Debt Service
2012	1,065,190	945,340
2013	1,065,190	948,850
2014	1,065,190	960,150
2015	1,065,190	975,400
2016	1,065,190	984,450
2017	1,065,190	997,450
2018	1,065,190	1,004,250
		$6,815,890

5. The total debt service on the Series 2012 Refunding Bonds will be $6,815,890 or $154,107.50 less than the remaining debt service on the Series 2003 and 2004 Bonds. The debt service due each year on the Series 2012 Refunding Bonds does not exceed the taxes expected to be available for the payment of the same, and the total debt service does not exceed the total remaining authorized levy of $8,604,961.80.

WITNESS my signature this 21 day of September 2012.

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

TAYLOR COUNTY BOARD OF EDUCATION
RR 2 BOX 157
GRAFTON, WEST VIRGINIA 26354
TELEPHONE (304) 265-2497 **FAX (304) 265-2508**

September 19, 2012

$6,130,000 The Board of Education of the County of Taylor (West Virginia)
Public School Refunding Bonds, Series 2012

Craig A. Griffith, Esquire
Chairman
West Virginia Municipal Bond Commission
1207 Quarrier Street, Suite 401
Charleston, West Virginia 25301

Dear Mr. Griffith:

As evidenced by and in accordance with the attached Resolution and Order (the "Resolution"), and the Supplemental Resolution (the "Supplemental Resolution"), the Board of Education of the County of Taylor (the "Board") intends to issue the above-referenced bonds (the "Refunding Bonds") for the purpose of refunding the Board's Public School Bonds, Series 2003, dated August 19, 2003, and the Board's Public School Bonds, Series 2004, dated March 1, 2004 (the "Prior Bonds"). The Prior Bonds had financed the construction of new public school facilities and the improvement of existing public school facilities in the Taylor County School District (the "District") pursuant to the authority of a special bond election held on April 5, 2003 (the "2003 Bond Referendum"). In accordance with Section 1, Article 2, Chapter 13, of the West Virginia Code of 1931, as amended (the "Refunding Act"), the Board hereby requests that you certify the amount of taxes expected to be available in each year for the payment of debt service on the Refunding Bonds. In accordance with the Refunding Act, the amount of taxes expected to be available in each year shall be based upon the rates of levy stipulated in the order (the "Order") directing the 2003 Bond Referendum and upon the most recent assessed valuation of the affected property prior to such election.

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

Upon Class I property, approximately .....13.33 cents
Upon Class II property, approximately .....26.66 cents

Upon Class III property, approximately ....53.32 cents
Upon Class IV property, approximately ....53.32 cents

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

Class I	$ 4,774,296
Class II	138,444,340
Class III	135,192,757
Class IV	51,416,187
TOTAL	$329,827,580

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

Respectfully yours,

THE BOARD OF EDUCATION OF THE
COUNTY OF TAYLOR

By: Charles Maynard
Superintendent

Copy to:
Tom Aman, Esq.
Ms. Marie Prezioso

$6,130,000
THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR
(WEST VIRGINIA)
Public School Refunding Bonds, Series 2012

CERTIFICATE OF REGISTRAR

The undersigned Kathy Smith, a Vice President of United Bank, Inc., Charleston, West Virginia (the "Bank"), as Registrar for the above-captioned Bonds (the "Bonds"), hereby certifies as follows, all capitalized terms used herein to have the meanings set forth in the Resolution and Order of The Board of Education of the County of Taylor (West Virginia) (the "Issuer") adopted May 22, 2012, as amended by that Supplemental Resolution adopted by the Issuer on July 24, 2012 (the "Resolution"):

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

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

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

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

Name	Title	Signature
Kathy Smith	Vice Pres.	

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

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

IN WITNESS WHEREOF, United Bank, Inc. has caused this Certificate to be executed by a duly authorized officer, this September 25, 2012.

UNITED BANK, INC.

By: _____

Its: SVP

SCHEDULE A

$6,130,000
THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR
(WEST VIRGINIA)
Public School Refunding Bonds, Series 2012

MATURITIES, AMOUNTS, INTEREST RATES YIELD AND PRICE

SERIES 2012 BONDS

Bond Component	Maturity Date	CUSIP ID	Amount	Rate	Yield	Price	Premium (-Discount)
Serial Bond:							
	5/1/2013	877129CY0	835,000	3.00%	0.45%	101.525	12,733.75
	5/1/2014	877129CZ7	790,000	3.00%	0.60%	103.815	30,138.50
	5/1/2015	877129DA1	825,000	3.00%	0.75%	105.782	47,701.50
	5/1/2016	877129DB9	865,000	3.00%	0.95%	107.237	62,600.05
	5/1/2017	877129DC7	900,000	3.00%	1.10%	108.499	76,491.00
	5/1/2018	877129DD5	940,000	3.00%	1.35%	108.869	83,368.60
	5/1/2019	877129DE3	975,000	3.00%	1.60%	108.734	85,156.50
			6,130,000				398,189.90

$6,130,000
THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR
(WEST VIRGINIA)
Public School Refunding Bonds, Series 2012

CERTIFICATE OF PAYING AGENT AND ESCROW AGENT

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

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

2. The Bond Commission has duly authorized, by all necessary action, the acceptance of all duties of the Paying Agent for the above-captioned Bonds (the "Bonds") under the Resolution and Order, adopted May 22, 2012, as amended by that Supplemental Resolution adopted by the Issuer on July 24, 2012, pursuant to which they were issued, and of Escrow Agent under the Escrow Agreement dated September 25, 2012, between The Board of Education of the County of Taylor (West Virginia) (the "Issuer") and the Bond Commission (the "Escrow Agreement").

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

4. By such execution and delivery of the Escrow Agreement and this Certificate, the Bond Commission evidenced its acceptance of, and hereby accepts the duties and obligations of Paying Agent for the Bonds and Escrow Agent as set forth in the Escrow Agreement.

5. Pursuant to the Escrow Agreement, as of this day there is on deposit in the Escrow Fund established pursuant to the Escrow Agreement, United States Treasury Obligations, State and Local Government Series in the amount of $6,376,471, and cash of $0.57 which will remain uninvested in the Escrow Fund to pay: (i) the interest which shall be due and payable on the Issuer's Public School Bonds, Series 2003 (the "Series 2003 Bonds"), which shall be payable on November 1, 2012 and May 1, 2013 and to pay the maturing principal and redemption price of the Series 2003 Bonds on May 1, 2013, and (ii) the interest which shall be due and payable on the Issuer's Public School Bonds, Series 2004 (the "Series 2004 Bonds"), which shall be payable each November 1 and May 1, commencing November 1, 2012, to pay the maturing principal of the Series 2004 Bonds on May 1, 2013 and May 1, 2014 and to pay the redemption price of the Series 2004 Bonds on May 1, 2014, all as set forth in the Escrow Agreement.

WITNESS my signature this September 25, 2012.

WEST VIRGINIA MUNICIPAL BOND
COMMISSION

By: _____
Sara Rogers
Executive Director

$6,130,000
THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR
(WEST VIRGINIA)
Public School Refunding Bonds, Series 2012

UNDERWRITER'S CERTIFICATE

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

1. At least 10% of each maturity of the Bonds have been the subject of an initial offering to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers), made pursuant to the Bond Purchase Agreement (the "Bond Purchase Agreement"), dated September 11, 2012, between The Board of Education of the County of Taylor, West Virginia (the "Issuer") and the Underwriter, at initial offering prices no higher than, or yields no lower than, those shown on the cover of the Official Statement dated September 11, 2012, relating to the Bonds. We have made a bona fide public offering of all of the Bonds at the initial offering 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.

2. The weighted average maturity of the Bonds is 3.7758 years.

3. The weighted average maturity of the bonds being advanced refunded with the proceeds of the Bonds is 3.7835 years.

4. The arbitrage yield on the Bonds is 1.2021%.

This certificate may be relied upon by the Issuer with respect to its Tax and Non-Arbitrage Certificate relating to the Bonds and by Steptoe & Johnson PLLC, Bond Counsel, in rendering their tax opinion that the interest on the Bonds is not includible in gross income of the owners thereof for federal income tax purposes.

WITNESS my signature this September 25, 2012.

PIPER JAFFRAY & CO.

By: _____
Its Senior Vice President

$6,130,000
The Board of Education of the County of Taylor
Public School Refunding Bonds, Series 2012

RULE 15c2-12 CERTIFICATE OF THE ISSUER

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

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

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

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

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

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

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

IN WITNESS WHEREOF, we have hereunto set our hands as of September 11, 2012.

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

By: _____
Its: Superintendent

TAYLOR COUNTY BOARD OF EDUCATION
RR 2 BOX 157
GRAFTON, WEST VIRGINIA 26354
TELEPHONE (304) 265-2497 **FAX (304) 265-2508**

September 19, 2012

$6,130,000
THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR
(WEST VIRGINIA)
Public School Refunding Bonds, Series 2012

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

Dear Ms. Rogers:

As bond counsel for The Board of Education of the County of Taylor (the "Issuer"), we wish to advise you that on September 25, 2012 (the "Settlement Date"), the Issuer will deliver the above-captioned refunding bonds (the "Refunding Bonds") to the purchasers thereof. Proceeds of the Refunding Bonds will be used to advance refund and legally defease the Issuer's Public School Bonds, Series 2003, dated August 19, 2003 (the "Series 2003 Bonds"), and the Issuer's Public School Bonds, Series 2004, dated March 1, 2004 (the "Series 2004 Bonds" and collectively with the Series 2003 Bonds, the "Prior Bonds"). On the Settlement Date, the Issuer will be required to fund an Escrow Fund (the "Escrow Fund"), pursuant to an Escrow Agreement dated as of the Settlement Date (the "Escrow Agreement"), by and between the Issuer and the West Virginia Municipal Bond Commission (the "Bond Commission"), as Escrow Agent.

On the Settlement Date, Piper Jaffray & Co., as purchaser of the Refunding Bonds, will cause to be wired in immediately available funds, to:

To: BB&T WV
250 East Second Avenue
Williamson, WV 25661

Account Name:	State of West Virginia
Account #:	5270517317
ABA#:	051503394
Contact Person:	Sara Rogers, Executive Director 304/558-3971
Bank Contact:	Michael Holtsclow (304.348.7078)

on behalf of the Issuer, a portion of the sale proceeds of the Refunding Bonds in the amount of **$6,376,471.57**, which amount should be deposited in the Escrow Fund established under the Escrow Agreement.

From the moneys deposited into the Escrow Fund (total of **$6,376,471.57**), you are hereby authorized and directed to purchase United States Treasury Obligations, State and Local Government Series (the "Investments"). The purchase price of the Investments is **$6,376,471**. The balance of moneys remaining in the Escrow Fund (**$.57**) shall be kept in the Escrow Fund as uninvested cash. We understand that the Purchaser will execute the order for the Investment on behalf of the Bond Commission but that the Bond Commission will be the owner of the Investment.

All funds on deposit with the Bond Commission (less any fees payable to the Bond Commission) on the Settlement Date in the Debt Service Accounts established for the Prior Bonds (as of July 31, 2012, $59,985.58 was on deposit in the Series 2003 Bonds Debt Service Account and $22,902.14 was on deposit in the Series 2004 Bonds Debt Service Account, total of $82,887.72) are to be transferred by the Bond Commission on the Settlement Date, or as soon thereafter as possible, to the Issuer and applied solely by the Issuer to payment of costs of capital improvements, repairs or replacements for school facilities in Taylor County School District, which were specified in the bond referendum approved by the voters of Taylor County, West Virginia, on April 5, 2003. Funds on deposit with the Bond Commission on the Settlement Date in the Surplus Collection Accounts for the Prior Bonds in the amount of **$251,063** shall be transferred on the Settlement Date by the Bond Commission to the Surplus Collections Account for the Refunding Bonds and thereupon applied in accordance with the regulations and policies of the Bond Commission. The remaining funds on deposit with the Bond Commission on the Settlement Date in the Surplus Collection Accounts for the Prior Bonds (balances as of July 31, 2012, $381,662.09 for 2003 Surplus and $226,662.82 for 2004 Surplus) shall be transferred on the Settlement Date, or as soon thereafter as may be practical, to the Issuer and applied solely by the Issuer to payment of costs of capital improvements, repairs or replacements for school facilities in Taylor County School District, which were specified in the bond referendum approved by the voters of Taylor County, West Virginia, on April 5, 2003.

The Board levied in Fiscal Year 2013 for $966,643 to pay debt service on the Series 2003 and Series 2004 Bonds. The Series 2012 Bonds FY 2013 debt service is $945,340. Beginning August 1, 2012, any taxes deposited at the MBC should be transferred to the 2012 GO Account.

If you have any questions regarding the foregoing, please feel free to call me at 304.933.8136.

Very truly yours,

Charles R. Maynard, Superintendent

Copy of letter to:

Ms. Marie Prezioso
Mr. Drew M. Rottgen
Mr. Brian Helmick, Esq.
Mr. Tom Aman, Esq.

$6,130,000
THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR
(WEST VIRGINIA)
Public School Refunding Bonds, Series 2012

JOINT CERTIFICATE OF ISSUER AND ESCROW AGENT

The undersigned NANCY LUDWICK, President of the Board of Education of the County of Taylor, a public corporation of the State of West Virginia (the "Issuer"), and the undersigned SARA ROGERS, Executive Director of the West Virginia Municipal Bond Commission (the "Escrow Agent"), hereby jointly certify as follows in connection with the above-captioned Bond issue:

1. We have executed the Escrow Agreement between the Issuer and the Escrow Agent, dated September 25, 2012 (the "Escrow Agreement"), on behalf of the Issuer and the Escrow Agent, respectively.

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

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

4. Based upon the amount of Bond proceeds deposited into the Escrow Fund, together with the expected earnings on the investment of such Bond proceeds, and in reliance on the verification report of Grant Thornton LLP, the deposited funds together with the anticipated earnings thereon are shown to be in amounts sufficient to fully pay the Series 2003 Bonds, including payment of the interest on the Series 2003 Bonds as the same becomes due and payable each November 1 and May 1, commencing November 1, 2012 and to pay the maturing principal of and redemption price of the Series 2003 Bonds on May 1, 2013, and the lien of the Series 2003 Bonds and the ordinances, orders and resolutions pursuant to which the Series 2003 Bonds were issued have been discharged.

5. Based upon the amount of Bond proceeds deposited into the Escrow Fund, together with the expected earnings on the investment of such Bond proceeds, and in reliance on the verification report of Grant Thornton LLP, the deposited funds together with the anticipated earnings thereon are shown to be in amounts sufficient to fully pay the Series 2004 Bonds, including payment of the interest on the Series 2004 Bonds as the same becomes due and payable each November 1 and May 1, commencing November 1, 2012, to pay the maturing principal of the Series 2004 Bonds on May 1, 2013 and May 1, 2014 and to pay the redemption price of the Series 2004 Bonds on May 1, 2014.

WITNESS our signatures this September 25, 2012.

THE BOARD OF EDUCATION OF THE COUNTY
OF TAYLOR

By: _____
President

WEST VIRGINIA MUNICIPAL BOND
COMMISSION

By: _____
Executive Director

WITNESS our signatures this September 25, 2012.

THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR

By: _____
President

WEST VIRGINIA MUNICIPAL BOND COMMISSION

By: _____
Executive Director

NOTICE OF DEFEASANCE

$7,910,000
The Board of Education of the
County of Taylor (West Virginia)
Public School Bonds, Series 2003
Dated August 19, 2003

TO ALL REGISTERED OWNERS OF THE ABOVE CAPTIONED BONDS:

NOTICE IS HEREBY GIVEN that all Public School Bonds, Series 2003, issued by The Board of Education of the County of Taylor, West Virginia, on behalf of the Taylor County School District, originally issued in the aggregate principal amount of $7,910,000 and outstanding on the date hereof in the aggregate principal amount of $4,375,000, have been refunded to their next redemption date, being May 1, 2013, and are deemed to have been paid in accordance with the provisions of Chapter 13, Article 2 of the West Virginia Code of 1931, as amended, and the lien on the ad valorem property taxes in said School District on behalf of such bonds has been defeased. Sufficient United States Treasury Obligations, State and Local Government Series have been purchased and, together with certain cash amounts that may remain uninvested, are irrevocably credited to the West Virginia Municipal Bond Commission, as escrow agent, to pay the principal of and premium and interest on such Bonds as the same become due and payable to and including May 1, 2013, and on such date, to redeem the then outstanding Bonds in full in accordance with the redemption provisions thereof.

THE BOARD OF EDUCATION OF THE
COUNTY OF TAYLOR

By: UNITED BANK, INC.

Dated: March 4, 2013

ESCROW AGREEMENT

By and Between

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

and

WEST VIRGINIA MUNICIPAL BOND COMMISSION,
as Escrow Agent

Dated as of September 25, 2012

ESCROW AGREEMENT

This ESCROW AGREEMENT, made and entered into as of September 25, 2012, by and between THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR (WEST VIRGINIA) (the "Issuer") and the WEST VIRGINIA MUNICIPAL BOND COMMISSION, as Escrow Agent (the "Commission" or the "Escrow Agent").

WITNESETH THAT:

WHEREAS, on August 19, 2003, the Issuer issued its Public School Bonds, Series 2003, in the original aggregate principal amount of **$7,910,000**, of which **$4,375,000** is presently outstanding (the "Series 2003 Bonds");

WHEREAS, on March 31, 2004, the Issuer issued its Public School Bonds, Series 2004, in the original aggregate principal amount of **$3,080,000**, of which **$1,700,000** is presently outstanding (the "Series 2004 Bonds" and collectively with the Series 2003 Bonds, the "Prior Bonds");

WHEREAS, the Issuer has determined to issue its Public School Refunding Bonds, Series 2012 (the "Refunding Bonds"), pursuant to a Resolution and Order adopted and entered on May 22, 2012 (the "Resolution"), as supplemented by the Supplemental Resolution adopted and entered on July 24, 2012 (the "Supplemental Resolution"), and contemporaneously therewith, legally defease the Prior Bonds by applying proceeds of the Refunding Bonds to the purchase of obligations of the United States government to be deposited, together with certain cash amounts, in the Escrow Fund herein described;

WHEREAS, the Commission, as Escrow Agent, will cause to be purchased on behalf of the Issuer, with the proceeds of such Refunding Bonds, certain United States Treasury Obligations, State and Local Government Series (the "Government Securities") described in **EXHIBIT A** attached hereto;

WHEREAS, the Government Securities, plus residual cash amounts in the Escrow Fund, shall be in such principal amount and mature and bear interest at such rates and shall be payable at such times and in such amounts as to insure the payment, when due, of the principal of and interest on the Prior Bonds to and including May 1, 2014, to pay on May 1, 2013 (the "2003 Bonds Redemption Date") the remaining principal amount of the Series 2003 Bonds together with the premium thereon, being $3,873,350 (the "2003 Bonds Redemption Price") and to pay on May 1, 2014 (the "2004 Bonds Redemption Date" and collectively with the 2003 Bonds Redemption Date, the "Redemption Dates") the remaining principal amount of the Series 2004 Bonds together with the premium thereon, being $1,277,650 (the "2004 Bonds Redemption Price" and together with the 2003 Bonds Redemption Price, the "Redemption Prices");

WHEREAS, the Issuer has found it desirable to appoint the Commission as Escrow Agent and the Commission has agreed to such appointment for the purposes of holding title, as agent for the Issuer, to the Government Securities, receiving payments of the principal thereof and interest thereon when due, disbursing to the Registered Owner of the Prior Bonds, on the appropriate dates, the amounts necessary to pay the principal of and interest on the Prior Bonds as the same become due and on the Redemption Dates, to pay the respective Redemption Prices thereof, and holding and investing and reinvesting any cash balances which may at any time not be needed for immediate disbursement; and

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

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

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

2. Creation of Surplus Collections Account. In addition to the Escrow Fund, there is hereby created and established with the Commission a special account separate and apart from the Escrow Fund, hereby designated the "Surplus Collections Account", which shall be held and maintained by the Commission with respect to the Refunding Bonds.

3. Deposits to Escrow Fund. Concurrently with the delivery of the Refunding Bonds, the Issuer and the Escrow Agent shall cause Refunding Bonds proceeds in the amount of **$6,376,471.57** to be deposited in the Escrow Fund, and thereupon **$6,376,471** to be applied to the purchase of the Government Securities and to hold the remaining **$.57** as cash, uninvested, in the Escrow Fund. Maturing principal and interest of the Government Securities, together with the uninvested cash in the Escrow Fund, if any, shall be applied solely to the payment, when due, of the principal of and interest on the Prior Bonds and on the Redemption Dates, to pay the respective Redemption Prices thereof. The Government Securities and the uninvested cash in the Escrow Fund, will be sufficient to pay, when due, the principal of and interest on the Prior Bonds and to pay the Redemption Prices on the respective Redemption Dates. The Issuer hereby authorizes and directs the Escrow Agent to purchase the Government Securities.

4. Application of Escrow Fund. The Escrow Agent, without further authorization from the Issuer, shall transfer from the Escrow Fund and pay directly to the

Registered Owner of the Prior Bonds all accrued interest on the Prior Bonds on each November 1 and May 1, commencing November 1, 2012, the maturing principal of the Prior Bonds each May 1, commencing May 1, 2013 and continuing to the respective Redemption Dates of each series of the Prior Bonds and pay to the Registered Owner of the Prior Bonds the respective Redemption Prices of each series of the Prior Bonds on the respective Redemption Dates therefore, in immediately available funds. Any earnings on the investments in the Escrow Fund which are not needed to pay the principal of and interest on the Prior Bonds as the same becomes due and payable and to pay the respective Redemption Prices of the Prior Bonds on the Redemption Dates therefore shall be transferred by the Paying Agent to the Debt Service Account for the Refunding Bonds and thereupon applied to the payment of debt service on the Refunding Bonds.

Moneys in the Escrow Fund shall, and the Escrow Agent agrees such moneys will, be used solely for the purpose as above described and the deposit of such moneys into the Escrow Fund shall be irrevocable (with the exception of the transfers to the Debt Service Account for the Refunding Bonds and the transfers upon the termination of this Agreement herein described), and the Escrow Agent agrees it will not surrender or otherwise attempt to redeem or otherwise negotiate the investments in the Escrow Fund, except as they shall come due, unless such redemption or negotiation shall be in connection with the purchase of other securities permitted by the laws of the State of West Virginia, and the Escrow Agent shall have received (a) the written request of the Issuer for such purchase and setting forth the procedures to be followed, (b) an opinion by an independent certified public accountant (the "Accountant") that after such reinvestment the principal amount of the substituted securities, together with any beginning cash balance that is being held uninvested, will be sufficient to make the payments described in the first paragraph of this Section 4, and (c) an unqualified opinion of nationally recognized bond counsel (acceptable to the Issuer) familiar with the transactions contemplated by this Escrow Agreement to the effect that (i) such reinvestment will not cause the Prior Bonds or the Refunding Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code") or the regulations in effect thereunder and applicable to the Prior Bonds or the Refunding Bonds, and (ii) such reinvestment complies with the Constitution and laws of the State of West Virginia and the provisions of all relevant documents relating to the issuance of the Prior Bonds. Subject to the foregoing requirements for the use of the Escrow Fund and the moneys and investments therein, the Issuer covenants and agrees that the Escrow Agent shall have full and complete control and authority over and with respect to the Escrow Fund and moneys and investments therein and that the Issuer shall not exercise any control or authority over and with respect to the Escrow Fund and the moneys and investments therein.

5. Release of Surplus Funds for Prior Bonds; Deposit to Surplus Collections Account for the Refunding Bonds. Concurrently with the delivery of the Refunding Bonds, funds on deposit with the Commission in the Surplus Collections Accounts for the Prior Bonds on the Closing Date in the amount of **$251,063** shall be transferred by the Escrow Agent to the Surplus Collections Account for the Refunding Bonds and thereafter applied in accordance with the regulations and policies of the Bond Commission. All remaining funds on deposit in the Surplus Collections Accounts for the Prior Bonds on the Closing Date ($608,324.91 balance as of July 31, 2012) shall, after payment of any applicable fees to the Bond Commission, on the Closing Date, or as soon thereafter as practical, be paid by check from the Escrow Agent to the

Issuer and thereafter applied by the Issuer solely to payment of costs of capital improvements, repairs or replacements to school facilities in Taylor County School District which were specified in the bond referendum approved by the voters of Taylor County, West Virginia, on April 5, 2003. Such funds to be released to the Issuer are not available for or pledged to the payment of debt service on the Prior Bonds or the Refunding Bonds.

6. Disposition of Debt Service Account Balances for the Prior Bonds. The Escrow Agent shall transfer all funds on deposit on the Closing Date in the respective Debt Service Accounts for the Prior Bonds ($82,887.72 balances as of July 31, 2012) by check on the Closing Date, or as soon thereafter as practical, be paid by check to the Issuer and thereafter applied by the Issuer solely to payment of costs of capital improvements, repairs or replacements to school facilities in Taylor County School District which were specified in the bond referendum approved by the voters of Taylor County, West Virginia, on April 5, 2003.

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

8. Timing Inefficiencies. If, at any time, the Government Securities then held as an investment in the Escrow Fund mature or payments are made thereon to the Escrow Agent or the Escrow Agent otherwise holds or receives cash in advance of the time such cash is needed to make payment on the Prior Bonds, such amounts shall be reinvested as provided in Section 4 hereof; provided that:

(a) such moneys shall be invested only in Obligations of the United States of America which mature not later than the date on which the funds invested therein will be needed to make payments on the Prior Bonds;

(b) such moneys shall be invested only in Obligations of the United States of America which mature in an amount, together with interest thereon, not less than the full amount paid by the Escrow Agent to acquire such investments; and

(c) the composite yield on such Obligations of the United States of America may not exceed the yield on the Refunding Bonds.

9. Termination of This Escrow Agreement. This Escrow Agreement shall terminate when the Prior Bonds have been discharged and cancelled in accordance with the provisions hereof and the Commission shall have disbursed all funds then on deposit with the Commission in accordance with the terms of this Agreement. If any Prior Bonds are not presented for payment when due and payable, funds for the payment of any nonpresented Prior Bonds shall be held by the Escrow Agent in accordance with the terms hereof for a period of one

(1) year following the Redemption Date of such Prior Bonds and such funds shall thereafter be released to the Issuer to be held by the Issuer in accordance with the unclaimed property laws of the State of West Virginia. Any money or Government Securities held in the Escrow Fund following the earlier of: (i) the payment in full of the Prior Bonds, or (ii) one (1) year following the Redemption Date of the Prior Bonds, and which is not required for the payment of the principal of and interest on any of the Prior Bonds shall be paid or transferred to the Issuer, or to a third party at the Issuer's written direction.

10. Earnings on Escrow Fund. Any earnings on the investments in the Escrow Fund which are not needed to pay the principal of and interest on the Prior Bonds as the same becomes due and payable and to pay the Redemption Prices of the Prior Bonds on the their respective Redemption Dates shall be transferred by the Paying Agent to the Debt Service Account for the Refunding Bonds and thereupon applied to the payment of debt service on the Refunding Bonds.

11. Escrow Agent's Fees. The Issuer agrees to pay the Escrow Agent's reasonable and customary administrative fees and to reimburse the Escrow Agent for its reasonable and customary out-of-pocket expenses and reasonable fees of counsel incurred in connection with the discharge by the Escrow Agent of its duties and responsibilities under this Escrow Agreement. The Escrow Agent expressly waives any lien upon or claim against the moneys and investments in the Escrow Fund. Under no circumstances shall the Escrow Agent have a lien on the Escrow Fund for any charges, fees or expenses, and under no circumstances shall the Escrow Agent make any claim against the Escrow Fund for any charges, fees or expenses. Earnings from reinvestment proceeds described in Section 4 above may be used to pay Escrow Agent fees and fees for the paying agent for the Prior Bonds. To the extent such earnings are insufficient for such purposes, the Issuer will pay all Escrow Agent fees and fees of the paying agent for the Prior Bonds.

12. Beneficiaries of This Escrow Agreement. This Escrow Agreement shall inure to the benefit of and shall be binding upon the Issuer and the Escrow Agent and their respective successors and permitted assigns, subject to the provisions of this Escrow Agreement. In addition, this Escrow Agreement shall constitute a third party beneficiary contract for the benefit of the registered owners of the Prior Bonds. Said third party beneficiaries shall be entitled to enforce performance and observance by the Issuer and the Escrow Agent of the respective agreements and covenants herein contained as fully and completely as if such third party beneficiaries were parties hereto. In the event the Escrow Agent is unwilling or unable to continue to serve as Escrow Agent, a successor Escrow Agent may be appointed by the Issuer which shall be any national banking association or any state bank within the State of West Virginia which is an institution insured by the Federal Deposit Insurance Corporation and which has trust powers. Any bank into which such successor Escrow Agent may be merged or with which it may be consolidated or any bank resulting from any merger or consolidation to which it shall be a party or any bank to which it may sell or transfer all or substantially all of its corporate trust business shall, unless the Issuer disapproves in writing, be the successor Escrow Agent without the execution of any document or the performance of any further act. In the event the Issuer disapproves of the successor Escrow Agent resulting from any of the events described above, the Issuer shall immediately appoint any state bank or national banking association within

the State of West Virginia which is an institution insured by the Federal Deposit Insurance Corporation and which has trust powers to be the successor Escrow Agent, whereupon such successor Escrow Agent shall immediately succeed to the respective agreements and covenants hereunder.

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

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

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

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

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

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

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

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

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

20. Notices. Unless otherwise required herein, any notices, requests, complaints, demands, communications or other papers shall be sufficiently given and shall be deemed given when delivered or mailed by registered or certified mail, postage prepaid, addressed to the parties as follows:

The Issuer:	The Board of Education of the County of Taylor 82 Utt Drive Grafton, WV 26354
The Escrow Agent:	West Virginia Municipal Bond Commission 900 Pennsylvania Avenue, Suite 1117 Charleston, West Virginia 25302

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

THE BOARD OF EDUCATION OF THE
COUNTY OF TAYLOR

By: Nancy J. Ludwick
Its President

WEST VIRGINIA MUNICIPAL BOND
COMMISSION

By: _____
Its Executive Director

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

THE BOARD OF EDUCATION OF THE
COUNTY OF TAYLOR

By: _____
Its President

WEST VIRGINIA MUNICIPAL BOND
COMMISSION

By: _____
Its Executive Director

EXHIBIT A – DESCRIPTION OF GOVERNMENT SECURITIES

[Attach Subscription Confirmation]

U.S. Treasury Securities
SLGS Time Deposit
Subscription View

OMB: No: 1535-0092
Date/Time: 09/11/2012 01:51 PM EDT

Issue Information

Treasury Case Number	201205680
Status	Complete
Issue Date	09/25/2012
Issue Amount	$6,376,471.00
Rate Table Date	09/11/2012

Owner

Taxpayer Identification Number	55-0549257
Underlying Bond Issue	Public School Refunding Bonds, Series 2012
Owner Name	The Board of Education of the County of Taylor (West Virginia)
Address Line 1	RR2 Box 157
Line 2	82 Utt Drive
Line 3	
City	Grafton
State	WV
Zip Code	26354
Contact Name	Drew M. Rottgen
Telephone	304-265-2497
Fax	304-265-2508
E-mail	drottgen@access.k12.wv.us

Trustee

ABA Routing Number	011001234
Bank Reference Number	
Bank Name	West Virginia Municipal Bond Commission
Address Line 1	900 Pennsylvania Avenue
Line 2	Suite 1117
Line 3	
City	Charleston
State	WV
Zip Code	25302
Contact Name	Sara L. Rogers
Telephone	304-558-3971
Fax	304-558-1280
E-mail	sara.l.rogers@wv.gov

Funds for Purchase

ABA Routing Number	011001234
Bank Name	West Virginia Municipal Bond Commission
Contact Name	Sara L. Rogers
Telephone	304-558-3971
Fax	304-558-1280
E-mail	sara.l.rogers@wv.gov

ACH Institutions & Instructions

ABA Routing Number 011001234
Bank Name West Virginia Municipal Bond Commission
Address Line 1 900 Pennsylvania Avenue
Line 2 Suite 1117
Line 3
City Charleston
State WV
Zip Code 25302
Contact Name Sara L. Rogers
Telephone 304-558-3971
Fax 304-558-1280
E-mail sara.l.rogers@wv.gov

ABA Routing Number 011001234
Account Name WVBTI - WVBF0015002
Account Number 048771
Account Type Checking

Subscriber

ABA/TIN 41-0953246
Organization Name Piper Jaffray & Co.
Address Line 1 8235 Forsyth Blvd Suite 600
Line 2
Line 3
City Clayton
State MO
Zip Code 63105
Contact Name Curtis Gilliam
Telephone 800-754-2089
Fax 314-727-2622
E-mail curtis.m.gilliam@pjc.com

Viewers

ABA/TIN	Organization Name
No Viewers Assigned	

Securities

Security Number	Security Type	Principal Amount	Interest Rate	Maturity Date	First Interest Payment Date	Security Description
1	C of I	$105,504.00	0.070000000	11/01/2012		
2	C of I	$4,728,962.00	0.130000000	05/01/2013		
3	Note	$22,169.00	0.160000000	11/01/2013	11/01/2012	
4	Note	$1,519,836.00	0.200000000	05/01/2014	11/01/2012	

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

400 White Oaks Boulevard
Bridgeport, WV 26330
(304) 933-8000 (304) 933-8183 Fax
www.steptoe-johnson.com

Writer's Contact Information

September 19, 2012

Defeasance and Redemption of The Board of Education
of the County of Taylor Public School Bonds,
Series 2003

Dated: August 19, 2003

United Bank, Inc.
Corporate Trust Services
Attn: Kathy Smith, Vice President
500 Virginia Street, East
Charleston, West Virginia 25392

Dear Ms. Smith:

As bond counsel for The Board of Education of the County of Taylor (the "Issuer"), we wish to advise you that on September 25, 2012 (the "Closing Date"), the Issuer will deliver its Public School Refunding Bonds, Series 2012 (the "Bonds") to Piper Jaffray & Co. (the "Purchaser"). Proceeds of the Bonds will be used to advance refund the Issuer's Public School Bonds, Series 2003, dated August 19, 2003, originally issued in the aggregate principal amount of $7,910,000 (the "Refunded Bonds"). United Bank, Inc. is the Registrar for the Refunded Bonds.

On the Closing Date, the Issuer will fund an Escrow Fund, pursuant to an Escrow Agreement, dated September 25, 2012, by and between the Issuer and the West Virginia Municipal Bond Commission (the "Commission"), as Escrow Agent. The Escrow Fund will be funded with United States Treasury Obligations, State and Local Government Series ("SLGS") and uninvested cash, purchased or otherwise obtained from the proceeds of the Bonds. The amounts deposited in the Escrow Fund will be applied in accordance with the Escrow Agreement. According to the verification report of Grant Thorton LLP, the receipts from the SLGS to be purchased and retained in the Escrow Fund, together with the uninvested cash balance, will be sufficient to pay the principal of and interest on the Refunded Bonds to and including their first redemption date, being May 1, 2013, and on such date, to redeem the remaining Refunded Bonds at a redemption price of 101% of the par amount.

As Registrar for the Refunded Bonds, you are hereby authorized and directed to mail defeasance and redemption notices substantially in the form attached hereto, at the times, to the addressees and otherwise in accordance with provisions of the Refunded Bonds. Please send your invoice for such services to me and I will promptly forward it to the Issuer for payment.

If you have any questions regarding the foregoing, please feel free to call me.

Very truly yours,

Thomas L. Aman, Jr.

TLA
Copy of letter with enclosure to:

Ms. Marie Prezioso, Senior Vice President
Mr. Charles Robert Maynard, Superintendent
Mr. Drew M. Rottgen, Treasurer

ATTACHMENT 1

[Notice of Defeasance]
(Attached Hereto)

NOTICE OF DEFEASANCE

$7,910,000
The Board of Education of the
County of Taylor (West Virginia)
Public School Bonds, Series 2003
Dated August 19, 2003

TO ALL REGISTERED OWNERS OF THE ABOVE CAPTIONED BONDS:

NOTICE IS HEREBY GIVEN that all Public School Bonds, Series 2003, issued by The Board of Education of the County of Taylor, West Virginia, on behalf of the Taylor County School District, originally issued in the aggregate principal amount of $7,910,000 and outstanding on the date hereof in the aggregate principal amount of $4,375,000, have been refunded to their next redemption date, being May 1, 2013, and are deemed to have been paid in accordance with the provisions of Chapter 13, Article 2 of the West Virginia Code of 1931, as amended, and the lien on the ad valorem property taxes in said School District on behalf of such bonds has been defeased. Sufficient United States Treasury Obligations, State and Local Government Series have been purchased and, together with certain cash amounts that may remain uninvested, are irrevocably credited to the West Virginia Municipal Bond Commission, as escrow agent, to pay the principal of and premium and interest on such Bonds as the same become due and payable to and including May 1, 2013, and on such date, to redeem the then outstanding Bonds in full in accordance with the redemption provisions thereof.

THE BOARD OF EDUCATION OF THE
COUNTY OF TAYLOR

_____
By: UNITED BANK, INC.

Dated: March 4, 2013

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

400 White Oaks Boulevard
Bridgeport, WV 26330
(304) 933-8000 (304) 933-8183 Fax
www.steptoe-johnson.com

Writer's Contact Information

September 19, 2012

Defeasance and Redemption of The Board of Education
of the County of Taylor Public School Bonds,
Series 2004

Dated: March 1, 2004

United Bank, Inc.
Corporate Trust Services
Attn: Kathy Smith, Vice President
500 Virginia Street, East
Charleston, West Virginia 25392

Dear Ms. Smith:

As bond counsel for The Board of Education of the County of Taylor (the "Issuer"), we wish to advise you that on September 25, 2012 (the "Closing Date"), the Issuer will deliver its Public School Refunding Bonds, Series 2012 (the "Bonds") to Piper Jaffray & Co. (the "Purchaser"). Proceeds of the Bonds will be used to advance refund the Issuer's Public School Bonds, Series 2004, dated March 1, 2004, originally issued in the aggregate principal amount of $3,080,000 (the "Refunded Bonds"). United Bank, Inc. is the Registrar for the Refunded Bonds.

On the Closing Date, the Issuer will fund an Escrow Fund, pursuant to an Escrow Agreement, dated September 25, 2012, by and between the Issuer and the West Virginia Municipal Bond Commission (the "Commission"), as Escrow Agent. The Escrow Fund will be funded with United States Treasury Obligations, State and Local Government Series ("SLGS") and uninvested cash, purchased or otherwise obtained from the proceeds of the Bonds. The amounts deposited in the Escrow Fund will be applied in accordance with the Escrow Agreement. According to the verification report of Grant Thorton LLP, the receipts from the SLGS to be purchased and retained in the Escrow Fund, together with any uninvested cash balances, will be sufficient to pay the principal of and interest on the Refunded Bonds to and including their first redemption date, being May 1, 2014, and on such date, to redeem the remaining Refunded Bonds at a redemption price of 101% of the par amount.

As Registrar for the Refunded Bonds, you are hereby authorized and directed to mail defeasance and redemption notices substantially in the form attached hereto, at the times, to the addressees and otherwise in accordance with provisions of the Refunded Bonds. Please send your invoice for such services to me and I will promptly forward it to the Issuer for payment.

If you have any questions regarding the foregoing, please feel free to call me.

Very truly yours,

Thomas L. Aman, Jr.

TLA
Copy of letter with attachment to:

Ms. Marie Prezioso
Mr. Charles Robert Maynard
Mr. Drew Rottgen

ATTACHMENT 1

[Notice of Defeasance]
(Attached Hereto)

NOTICE OF DEFEASANCE

$3,080,000
The Board of Education of the
County of Taylor (West Virginia)
Public School Bonds, Series 2004
Dated March 1, 2004

TO ALL REGISTERED OWNERS OF THE ABOVE CAPTIONED BONDS:

NOTICE IS HEREBY GIVEN that all Public School Bonds, Series 2004, issued by The Board of Education of the County of Taylor, West Virginia, on behalf of the Taylor County School District, originally issued in the aggregate principal amount of $3,080,000 and outstanding on the date hereof in the aggregate principal amount of $1,700,000, have been refunded to their next redemption date, being May 1, 2014, and are deemed to have been paid in accordance with the provisions of Chapter 13, Article 2 of the West Virginia Code of 1931, as amended, and the lien on the ad valorem property taxes in said School District on behalf of such bonds has been defeased. Sufficient United States Treasury Obligations, State and Local Government Series have been purchased and, together with certain cash amounts that may remain uninvested, are irrevocably credited to the West Virginia Municipal Bond Commission, as escrow agent, to pay the principal of and premium and interest on such Bonds as the same become due and payable to and including May 1, 2014, and on such date, to redeem the then outstanding Bonds in full in accordance with the redemption provisions thereof.

THE BOARD OF EDUCATION OF THE
COUNTY OF TAYLOR

_____

By: UNITED BANK, INC.

Dated: March 3, 2014

Cash Flow and Yield Verification Report

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

September 25, 2012

Contents

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

Grant Thornton

Audit • Tax • Advisory
Grant Thornton LLP
200 S 6th Street, Suite 500
Minneapolis, MN 55402-1459
T 612.332.0001
F 612.332.8361
www.GrantThornton.com

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

The Board of Education of the
County of Taylor
82 Utt Drive
Grafton, West Virginia

Steptoe & Johnson PLLC
707 Virginia Street East, Suite 715
Charleston, West Virginia

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

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

$6,130,000
The Board of Education of the
County of Taylor (West Virginia)
Public School Refunding Bonds, Series 2012
Dated September 25, 2012

We have performed the procedures described in this report, which were agreed to by The Board of Education of the County of Taylor (West Virginia) (the "Board") and Piper Jaffray & Co. (the "Underwriter"), to verify the mathematical accuracy of certain computations contained in the schedules attached in Appendix I provided by the Underwriter. The Underwriter is responsible for these schedules. These procedures were performed solely to assist you in the issuance of the above-captioned bond issue (the "Bonds") for the purpose of refunding the Board's outstanding Public School Bonds, Series 2003 (the "2003 Bonds") and Public School Bonds, Series 2004 (the "2004 Bonds") (collectively referred to as the "Refunded Bonds") as summarized on the next page. This engagement was performed in accordance with Statements on Standards for Attestation Engagements established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the addressees of this report who are the specified parties. Consequently, we make no representation regarding the sufficiency of the procedures described in this report either for the purpose for which this report has been requested or for any other purpose.

Series	Principal Issued	Dated	Principal Refunded	Maturities Refunded	Redemption Date	Redemption Price
2003	$7,910,000	August 1, 2003	$4,375,000	5-1-13 to 5-1-19	5-1-13	101%
2004	$3,080,000	March 1, 2004	$1,700,000	5-1-13 to 5-1-19	5-1-14	101%

VERIFICATION OF ESCROW ACCOUNT CASH FLOW SUFFICIENCY

The Underwriter provided us with schedules (Appendix I) summarizing future escrow account cash receipts and disbursements. These schedules indicate that there will be sufficient cash available in the escrow account to pay the principal, interest and redemption premium on the Refunded Bonds assuming the 2003 Bonds maturing on and after May 1, 2014 will be redeemed on May 1, 2013 at 101 percent of par plus accrued interest and the 2004 Bonds maturing on and after May 1, 2015 will be redeemed on May 1, 2014 at 101 percent of par plus accrued interest.

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

As part of our engagement to recalculate the schedules attached as Appendix I we prepared schedules attached hereto as Exhibits B through B-3 independently calculating future escrow account cash receipts and disbursements and compared the information used in our calculations to the information listed below contained in applicable pages of the following documents:

- Subscription confirmation, dated September 11, 2012, and Schedule of U.S. Treasury Securities provided by the Underwriter used to acquire certain United States Treasury Securities - State and Local Government Series (the "SLGS") insofar as the SLGS are described as to the principal amounts, interest rates, maturity dates, issuance date and first interest payment date; and

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

In addition, we compared the interest rates for each maturity of the SLGS, as shown on the Schedule of U.S. Treasury Securities, with the maximum allowable interest rates shown on the Department of Treasury, Bureau of Public Debt, SLGS Table for use on September 11, 2012 and found that the interest rates were equal to the maximum allowable interest rates for each maturity.

Our procedures, as summarized in Exhibits B through B-3, prove the mathematical accuracy of the schedules provided by the Underwriter summarizing future escrow account cash receipts and disbursements. The schedules provided by the Underwriter and those prepared by us reflect that the anticipated receipts from the SLGS, together with an initial cash deposit of

$0.57 to be deposited into the escrow account on September 25, 2012, will be sufficient to pay, when due, the principal, interest and redemption premium related to the Refunded Bonds assuming the 2003 Bonds maturing on and after May 1, 2014 will be redeemed on May 1, 2013 at 101 percent of par plus accrued interest and the 2004 Bonds maturing on and after May 1, 2015 will be redeemed on May 1, 2014 at 101 percent of par plus accrued interest.

VERIFICATION OF YIELDS

The Underwriter provided us with schedules (Appendix I) which indicate that the yield on the cash receipts from the SLGS is less than the yield on the Bonds. These schedules were prepared based on the assumed settlement date of September 25, 2012 using a 360-day year with interest compounded semi-annually. The term "yield", as used herein, means that yield which, when used in computing the present value of all payments of principal and interest to be paid or received on an obligation produces an amount equal to, in the case of the cash receipts from the SLGS, the purchase price, and in the case of the Bonds, the issue price.

As part of our engagement to recalculate the schedules attached as Appendix I we prepared schedules attached hereto as Exhibits B-1 and C independently calculating the yields on (i) the cash receipts from the SLGS calculated on Exhibit B-1, and (ii) the Bonds using the Official Statement provided by the Underwriter insofar as the Bonds are described as to the maturity and interest payment dates, dated date, principal amounts, interest rates and issue price to the public. The results of our calculations, based on the aforementioned assumptions, are summarized below:

	Yield	Exhibit
• Yield on the cash receipts from the SLGS	0.161810%	B-1
• Yield on the Bonds	1.202058%	C

Our procedures, as summarized in Exhibits B-1 and C, prove the mathematical accuracy of the schedules provided by the Underwriter summarizing the yields. The schedules provided by the Underwriter and those prepared by us reflect that the yield on the cash receipts from the SLGS is less than the yield on the Bonds.

VERIFICATION OF NET PRESENT VALUE SAVINGS

The Underwriter provided us with schedules (Appendix I) which indicate the net present value savings arising from the refunding of the Refunded Bonds. As part of our engagement to recalculate the schedules attached as Appendix I we prepared a schedule attached hereto as Exhibit D independently calculating the net present value savings using the information contained in the Official Statements for the Bonds and the Refunded Bonds and certain information and assumptions provided by the Underwriter. We express no opinion as to the reasonableness of these assumptions.

Our procedures, as summarized in Exhibit D, prove the mathematical accuracy of the schedules provided by the Underwriter summarizing the net present value savings. The schedules provided by the Underwriter and the schedule prepared by us reflect that the net present value savings arising from the refunding of the Refunded Bonds, using as a discount rate the True Interest Cost yield of 1.867444% as shown on Exhibit C-2, is $145,744.26.

* * * * * *

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

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

Grant Thornton LLP

Minneapolis, Minnesota
September 25, 2012

Exhibit A

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

SCHEDULE OF SOURCES AND USES OF FUNDS

September 25, 2012

SOURCES:	
Principal amount of the Bonds	$6,130,000.00
Original issue premium	398,189.90
	$6,528,189.90
USES:	
Purchase price of the SLGS	$6,376,471.00
Beginning cash deposit to the escrow account	0.57
Costs of issuance	86,068.33
Underwriter's discount	65,650.00
	$6,528,189.90

Exhibit B

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

ESCROW ACCOUNT CASH FLOW

Date	Cash receipts from SLGS (Exhibit B-1)	Debt service payments on Refunded Bonds (Exhibits B-2 and B-3)	Cash balance
Cash deposit on September 25, 2012			$0.57
11-01-12	$105,820.68	$105,821.25	0.00
05-01-13	4,734,171.33	4,734,171.25	0.08
11-01-13	23,706.58	23,706.25	0.41
05-01-14	1,521,355.84	1,521,356.25	0.00
	$6,385,054.43	$6,385,055.00	

Exhibit B-1

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

CASH RECEIPTS FROM AND YIELD ON THE SLGS

Receipt date	Principal	Interest rate	Interest	Cash receipts from SLGS	Present value on September 25, 2012 using a yield of 0.161810%
11-01-12	$105,504	0.070%	$316.68	$105,820.68	$105,803.57
05-01-13	4,728,962	0.130%	5,209.33	4,734,171.33	4,729,579.20
11-01-13	22,169	0.160%	1,537.58	23,706.58	23,664.44
05-01-14	1,519,836	0.200%	1,519.84	1,521,355.84	1,517,423.79
	$6,376,471		$8,583.43	$6,385,054.43	$6,376,471.00
Purchase price of the SLGS					$6,376,471.00

The sum of the present values of the cash receipts from the SLGS on September 25, 2012, using a yield of 0.161810%, is equal to the purchase price of the SLGS.

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

DEBT SERVICE PAYMENTS ON THE 2003 BONDS AND DEBT SERVICE PAYMENTS TO MATURITY ON THE 2003 BONDS

Date	Principal	Interest rate	Interest	Premium	Debt service payments
11-01-12			$79,158.75		$79,158.75
05-01-13	$4,375,000	(1)	79,158.75	$38,350.00	4,492,508.75
	$4,375,000		$158,317.50	$38,350.00	$4,571,667.50

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

Date	Principal	Interest rate	Interest	Debt service payments to maturity
11-01-12			$79,158.75	$79,158.75
05-01-13	$540,000	3.600%	79,158.75	619,158.75
11-01-13			69,438.75	69,438.75
05-01-14	565,000	3.600%	69,438.75	634,438.75
11-01-14			59,268.75	59,268.75
05-01-15	595,000	3.625%	59,268.75	654,268.75
11-01-15			48,484.38	48,484.38
05-01-16	625,000	3.625%	48,484.38	673,484.38
11-01-16			37,156.25	37,156.25
05-01-17	650,000	3.625%	37,156.25	687,156.25
11-01-17			25,375.00	25,375.00
05-01-18	685,000	3.625%	25,375.00	710,375.00
11-01-18			12,959.38	12,959.38
05-01-19	715,000	3.625%	12,959.38	727,959.38
	$4,375,000		$663,682.52	$5,038,682.52

Exhibit B-3

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

DEBT SERVICE PAYMENTS ON THE 2004 BONDS AND DEBT SERVICE PAYMENTS TO MATURITY ON THE 2004 BONDS

Date	Principal	Interest rate	Interest	Premium	Debt service payments
11-01-12			$26,662.50		$26,662.50
05-01-13	$215,000	2.750%	26,662.50		241,662.50
11-01-13			23,706.25		23,706.25
05-01-14	1,485,000	(1)	23,706.25	$12,650.00	1,521,356.25
	$1,700,000		$100,737.50	$12,650.00	$1,813,387.50

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

Date	Principal	Interest rate	Interest	Debt service payments to maturity
11-01-12			$26,662.50	$26,662.50
05-01-13	$215,000	2.750%	26,662.50	241,662.50
11-01-13			23,706.25	23,706.25
05-01-14	220,000	2.900%	23,706.25	243,706.25
11-01-14			20,516.25	20,516.25
05-01-15	230,000	2.900%	20,516.25	250,516.25
11-01-15			17,181.25	17,181.25
05-01-16	240,000	3.100%	17,181.25	257,181.25
11-01-16			13,461.25	13,461.25
05-01-17	255,000	3.250%	13,461.25	268,461.25
11-01-17			9,317.50	9,317.50
05-01-18	265,000	3.400%	9,317.50	274,317.50
11-01-18			4,812.50	4,812.50
05-01-19	275,000	3.500%	4,812.50	279,812.50
	$1,700,000		$231,315.00	$1,931,315.00

Exhibit C

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

DEBT SERVICE PAYMENTS AND YIELD ON THE BONDS

	$6,130,000 issue dated September 25, 2012				
Date	Principal	Interest rate	Interest	Total debt service	Present value on September 25, 2012 using a yield of 1.202058%
05-01-13	$835,000	3.000%	$110,340.00	$945,340.00	$938,566.67
11-01-13			79,425.00	79,425.00	78,384.81
05-01-14	790,000	3.000%	79,425.00	869,425.00	852,912.28
11-01-14			67,575.00	67,575.00	65,895.52
05-01-15	825,000	3.000%	67,575.00	892,575.00	865,191.25
11-01-15			55,200.00	55,200.00	53,186.82
05-01-16	865,000	3.000%	55,200.00	920,200.00	881,342.64
11-01-16			42,225.00	42,225.00	40,200.35
05-01-17	900,000	3.000%	42,225.00	942,225.00	891,686.78
11-01-17			28,725.00	28,725.00	27,021.86
05-01-18	940,000	3.000%	28,725.00	968,725.00	905,843.90
11-01-18			14,625.00	14,625.00	13,593.97
05-01-19	975,000	3.000%	14,625.00	989,625.00	914,363.05
	$6,130,000		$685,890.00	$6,815,890.00	$6,528,189.90

The present value of the future payments is equal to:

Principal amount of the Bonds	$6,130,000.00
Original issue premium	398,189.90
	$6,528,189.90

The sum of the present values of the debt service payments of the Bonds on September 25, 2012, using a yield of 1.202058%, is equal to the issue price of the Bonds.

Exhibit C-1

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

ORIGINAL ISSUE PREMIUM ON THE BONDS

Maturity date	Principal	Interest rate	Yield	Initial public offering price	Original issue premium
05-01-13	$835,000	3.000%	0.450%	101.525%	$12,733.75
05-01-14	790,000	3.000%	0.600%	103.815%	30,138.50
05-01-15	825,000	3.000%	0.750%	105.782%	47,701.50
05-01-16	865,000	3.000%	0.950%	107.237%	62,600.05
05-01-17	900,000	3.000%	1.100%	108.499%	76,491.00
05-01-18	940,000	3.000%	1.350%	108.869%	83,368.60
05-01-19	975,000	3.000%	1.600%	108.734%	85,156.50
	$6,130,000				$398,189.90

Exhibit C-2

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

CALCULATION OF THE TRUE INTEREST COST YIELD

	$6,130,000 issue dated September 25, 2012				
Date	Principal	Interest rate	Interest	Total debt service	Present value on September 25, 2012 using a yield of 1.867444%
05-01-13	$835,000	3.000%	$110,340.00	$945,340.00	$934,855.50
11-01-13			79,425.00	79,425.00	77,817.52
05-01-14	790,000	3.000%	79,425.00	869,425.00	843,948.61
11-01-14			67,575.00	67,575.00	64,988.07
05-01-15	825,000	3.000%	67,575.00	892,575.00	850,464.17
11-01-15			55,200.00	55,200.00	52,109.16
05-01-16	865,000	3.000%	55,200.00	920,200.00	860,638.87
11-01-16			42,225.00	42,225.00	39,126.60
05-01-17	900,000	3.000%	42,225.00	942,225.00	865,009.29
11-01-17			28,725.00	28,725.00	26,127.02
05-01-18	940,000	3.000%	28,725.00	968,725.00	872,959.47
11-01-18			14,625.00	14,625.00	13,057.29
05-01-19	975,000	3.000%	14,625.00	989,625.00	875,369.99
	$6,130,000		$685,890.00	$6,815,890.00	$6,376,471.57

The present value of the future payments is equal to:

Principal amount of the Bonds	$6,130,000.00
Original issue premium	398,189.90
Underwriter's discount	(65,650.00)
Costs of issuance	(86,068.33)
	$6,376,471.57

The sum of the present values of the debt service payments of the Bonds on September 25, 2012, using a yield of 1.867444%, is equal to the issue price of the Bonds adjusted for the Underwriter's discount and the costs of issuance.

Exhibit D

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

NET PRESENT VALUE SAVINGS

Date	Total debt service to maturity on the Refunded Bonds (Exhibits B-2 and B-3)	Total debt service on the Bonds (Exhibit C)	Difference	Present value on September 25, 2012 using a yield of 1.867444%
11-01-12	$105,821.25		$105,821.25	$105,624.73
05-01-13	860,821.25	$945,340.00	(84,518.75)	(83,581.38)
11-01-13	93,145.00	79,425.00	13,720.00	13,442.32
05-01-14	878,145.00	869,425.00	8,720.00	8,464.48
11-01-14	79,785.00	67,575.00	12,210.00	11,742.57
05-01-15	904,785.00	892,575.00	12,210.00	11,633.94
11-01-15	65,665.63	55,200.00	10,465.63	9,879.62
05-01-16	930,665.63	920,200.00	10,465.63	9,788.23
11-01-16	50,617.50	42,225.00	8,392.50	7,776.67
05-01-17	955,617.50	942,225.00	13,392.50	12,294.98
11-01-17	34,692.50	28,725.00	5,967.50	5,427.78
05-01-18	984,692.50	968,725.00	15,967.50	14,389.00
11-01-18	17,771.88	14,625.00	3,146.88	2,809.55
05-01-19	1,007,771.88	989,625.00	18,146.88	16,051.77
	$6,969,997.52	$6,815,890.00	$154,107.52	$145,744.26

Net present value savings	$145,744.26

APPENDIX I

Applicable schedules provided by Piper Jaffray & Co.

SOURCES AND USES OF FUNDS

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

Dated Date	09/25/2012
Delivery Date	09/25/2012

Sources:	
Bond Proceeds:	
Par Amount	6,130,000.00
Premium	398,189.90
	6,528,189.90

Uses:	
Refunding Escrow Deposits:	
Cash Deposit	0.57
SLGS Purchases	6,376,471.00
	6,376,471.57
Cost of Issuance:	
Bond Counsel	35,000.00
Underwriter's Counsel	30,000.00
Rating Agency (S&P)	10,000.00
Verification Agent	3,500.00
Official Statement Printing	2,000.00
Registrar / Paying Agent	650.00
Municipal Bond Commission	150.00
CUSIP Assignment	500.00
Miscellaneous	4,268.33
	86,068.33
Delivery Date Expenses:	
Underwriter's Discount	65,650.00
	6,528,189.90

Notes:
FINAL
Based on market conditions as of September 11, 2012.
'AA' rated by Standard & Poor's.

ESCROW COST

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

Type of Security	Maturity Date	Par Amount	Rate	Total Cost
SLGS	11/01/2012	105,504	0.070%	105,504.00
SLGS	05/01/2013	4,728,962	0.130%	4,728,962.00
SLGS	11/01/2013	22,169	0.160%	22,169.00
SLGS	05/01/2014	1,519,836	0.200%	1,519,836.00
		6,376,471		6,376,471.00

Purchase Date	Cost of Securities	Cash Deposit	Total Escrow Cost	Yield
09/25/2012	6,376,471	0.57	6,376,471.57	0.161810%
	6,376,471	0.57	6,376,471.57	

Notes:
FINAL
Based on market conditions as of September 11, 2012.
'AA' rated by Standard & Poor's.

ESCROW DESCRIPTIONS

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

	Type of Security	Type of SLGS	Maturity Date	First Int Pmt Date	Par Amount	Rate	Max Rate
Sep 25, 2012:							
	SLGS	Certificate	11/01/2012	11/01/2012	105,504	0.070%	0.070%
	SLGS	Certificate	05/01/2013	05/01/2013	4,728,962	0.130%	0.130%
	SLGS	Note	11/01/2013	11/01/2012	22,169	0.160%	0.160%
	SLGS	Note	05/01/2014	11/01/2012	1,519,836	0.200%	0.200%
					6,376,471		

SLGS Summary

SLGS Rates File	11SEP12
Total Certificates of Indebtedness	4,834,466.00
Total Notes	1,542,005.00
Total original SLGS	6,376,471.00

Notes:
FINAL
Based on market conditions as of September 11, 2012.
'AA' rated by Standard & Poor's.

ESCROW REQUIREMENTS

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

Period Ending	Principal	Interest	Principal Redeemed	Redemption Premium	Total
11/01/2012		105,821.25			105,821.25
05/01/2013	755,000.00	105,821.25	3,835,000.00	38,350.00	4,734,171.25
11/01/2013		23,706.25			23,706.25
05/01/2014	220,000.00	23,706.25	1,265,000.00	12,650.00	1,521,356.25
	975,000.00	259,055.00	5,100,000.00	51,000.00	6,385,055.00

Notes:
FINAL
Based on market conditions as of September 11, 2012.
'AA' rated by Standard & Poor's.

SUMMARY OF BONDS REFUNDED

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

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Series 2003:					
SERIAL	05/01/2013	3.600%	540,000.00		
	05/01/2014	3.600%	565,000.00	05/01/2013	101.000
	05/01/2015	3.625%	595,000.00	05/01/2013	101.000
	05/01/2016	3.625%	625,000.00	05/01/2013	101.000
	05/01/2017	3.625%	650,000.00	05/01/2013	101.000
	05/01/2018	3.625%	685,000.00	05/01/2013	101.000
	05/01/2019	3.625%	715,000.00	05/01/2013	101.000
			4,375,000.00		
Series 2004:					
SERIAL	05/01/2013	2.750%	215,000.00		
	05/01/2014	2.900%	220,000.00		
	05/01/2015	2.900%	230,000.00	05/01/2014	101.000
	05/01/2016	3.100%	240,000.00	05/01/2014	101.000
	05/01/2017	3.250%	255,000.00	05/01/2014	101.000
	05/01/2018	3.400%	265,000.00	05/01/2014	101.000
	05/01/2019	3.500%	275,000.00	05/01/2014	101.000
			1,700,000.00		
			6,075,000.00		

Notes:
FINAL
Based on market conditions as of September 11, 2012.
'AA' rated by Standard & Poor's.

BOND DEBT SERVICE

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

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
05/01/2013	835,000	3.000%	110,340	945,340	945,340
11/01/2013			79,425	79,425	
05/01/2014	790,000	3.000%	79,425	869,425	948,850
11/01/2014			67,575	67,575	
05/01/2015	825,000	3.000%	67,575	892,575	960,150
11/01/2015			55,200	55,200	
05/01/2016	865,000	3.000%	55,200	920,200	975,400
11/01/2016			42,225	42,225	
05/01/2017	900,000	3.000%	42,225	942,225	984,450
11/01/2017			28,725	28,725	
05/01/2018	940,000	3.000%	28,725	968,725	997,450
11/01/2018			14,625	14,625	
05/01/2019	975,000	3.000%	14,625	989,625	1,004,250
	6,130,000		685,890	6,815,890	6,815,890

Notes:
FINAL
Based on market conditions as of September 11, 2012.
'AA' rated by Standard & Poor's.

BOND SUMMARY STATISTICS

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

Dated Date	09/25/2012
Delivery Date	09/25/2012
Last Maturity	05/01/2019
Arbitrage Yield	1.202058%
True Interest Cost (TIC)	1.487182%
Net Interest Cost (NIC)	1.545511%
All-In TIC	1.867444%
Average Coupon	3.000000%
Average Life (years)	3.730
Duration of Issue (years)	3.563
Par Amount	6,130,000.00
Bond Proceeds	6,528,189.90
Total Interest	685,890.00
Net Interest	353,350.10
Total Debt Service	6,815,890.00
Maximum Annual Debt Service	1,004,250.00
Average Annual Debt Service	1,032,710.61
Underwriter's Fees (per $1000)	
Average Takedown	5.000000
Management Fee	4.893964
Other Fee	0.815661
Total Underwriter's Discount	10.709625
Bid Price	105.424794

Bond Component	Par Value	Price	Average Coupon	Average Life
Serial Bond	6,130,000.00	106.496	3.000%	3.730
	6,130,000.00			3.730

	TIC	All-In TIC	Arbitrage Yield
Par Value	6,130,000.00	6,130,000.00	6,130,000.00
+ Accrued Interest			
+ Premium (Discount)	398,189.90	398,189.90	398,189.90
- Underwriter's Discount	(65,650.00)	(65,650.00)	
- Cost of Issuance Expense		(86,068.33)	
- Other Amounts			
Target Value	6,462,539.90	6,376,471.57	6,528,189.90
Target Date	09/25/2012	09/25/2012	09/25/2012
Yield	1.487182%	1.867444%	1.202058%

Notes:
FINAL
Based on market conditions as of September 11, 2012.
'AA' rated by Standard & Poor's.

BOND PRICING

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

Bond Component	Maturity Date	CUSIP ID	Amount	Rate	Yield	Price	Premium (-Discount)
Serial Bond:							
	05/01/2013	877129CY0	835,000	3.000%	0.450%	101.525	12,733.75
	05/01/2014	877129CZ7	790,000	3.000%	0.600%	103.815	30,138.50
	05/01/2015	877129DA1	825,000	3.000%	0.750%	105.782	47,701.50
	05/01/2016	877129DB9	865,000	3.000%	0.950%	107.237	62,600.05
	05/01/2017	877129DC7	900,000	3.000%	1.100%	108.499	76,491.00
	05/01/2018	877129DD5	940,000	3.000%	1.350%	108.869	83,368.60
	05/01/2019	877129DE3	975,000	3.000%	1.600%	108.734	85,156.50
			6,130,000				398,189.90

Dated Date	09/25/2012	
Delivery Date	09/25/2012	
First Coupon	05/01/2013	
Par Amount	6,130,000.00	
Premium	398,189.90	
Production	6,528,189.90	106.495757%
Underwriter's Discount	(65,650.00)	(1.070962%)
Purchase Price	6,462,539.90	105.424794%
Accrued Interest		
Net Proceeds	6,462,539.90	

Notes:
FINAL
Based on market conditions as of September 11, 2012.
'AA' rated by Standard & Poor's.

SAVINGS

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

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 09/25/2012 @ 1.8674438%
05/01/2013	966,642.50	945,340.00	21,302.50	22,043.36
05/01/2014	971,290.00	948,850.00	22,440.00	21,906.80
05/01/2015	984,570.00	960,150.00	24,420.00	23,376.52
05/01/2016	996,331.26	975,400.00	20,931.26	19,667.85
05/01/2017	1,006,235.00	984,450.00	21,785.00	20,071.65
05/01/2018	1,019,385.00	997,450.00	21,935.00	19,816.78
05/01/2019	1,025,543.76	1,004,250.00	21,293.76	18,861.33
	6,969,997.52	6,815,890.00	154,107.52	145,744.28

Savings Summary

Dated Date	09/25/2012
Delivery Date	09/25/2012
PV of savings from cash flow	145,744.28
Net PV Savings	145,744.28

Notes:
FINAL
Based on market conditions as of September 11, 2012.
'AA' rated by Standard & Poor's.

$6,130,000
The Board of Education of the
County of Taylor (West Virginia)
Public School Refunding Bonds, Series 2012

BOND PURCHASE AGREEMENT

September 11, 2012

Taylor County Board of Education
Route 2, Box 157
Grafton, West Virginia 26354

Ladies and Gentlemen:

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

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

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

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

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

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

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

Bond Counsel: Steptoe & Johnson PLLC, Charleston, West Virginia.

Closing Date: September 25, 2012, being the date of the issuance and delivery of the Securities.

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

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

DTC: The Depository Trust Company.

Effective Date and Time: September 11, 2012, 4:00 p.m. (eastern standard time) is the date and time on which this Agreement is effective.

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

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

Escrow Agreement: The Escrow Agreement for the Prior Bonds, dated on or about September 25, 2012, by the between the Issuer and the Escrow Agent.

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

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

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

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

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

(i) this Agreement,

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

Issuer's Counsel: Steptoe & Johnson PLLC, Charleston, West Virginia.

MSRB: Municipal Securities Rulemaking Board.

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

Official Statement: Official Statement dated September 11, 2012, relating to the Securities, together with all appendices or exhibits, any materials incorporated by reference therein and any amendments or supplements thereto.

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

Preliminary Official Statement: Preliminary Official Statement dated September 4, 2012, relating to the Securities, together with all appendices or exhibits, any materials incorporated by reference therein and any amendments or supplements thereto.

Prior Bonds: The Issuer's (i) Public School Bonds, Series 2003, dated August 19, 2003, issued in the original aggregate principal amount of $7,910,000 (the "2003 Bonds") and (ii) Public School Bonds, Series 2004, dated March 1, 2004, issued in the original aggregate principal amount of $3,080,000 (the "2004 Bonds").

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

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

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

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

Rule G-34 Documents: (i) the Resolution or any other authorizing document under which the Securities were issued; (ii) any amendments, extensions, renewals, replacements or terminations thereof; and (iii) any other document required to comply with MSRB Rule G-34(c),

as it may be amended from time to time; and, in each case where required to be delivered, such delivery shall be by electronic means in a word-searchable PDF file labeled with the following information: (a) CUSIP number; (b) name of issuer; (c) name of transaction; (d) name of document; and (e) whether the document is an execution version or a redacted version.

Resolution: The Resolution and Order adopted by the Issuer, dated May 22, 2012, as supplemented by the Supplemental Resolution adopted by the Issuer, dated July 24, 2012.

SEC: Securities and Exchange Commission of the United States.

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

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

State: West Virginia.

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

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

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

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

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

The Issuer acknowledges and agrees that: (i) the primary role of the Underwriter is to purchase securities for resale to investors in an arms-length commercial transaction between the

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

4. Purchase Price. The Purchase Price of the Securities is $6,462,539.90 (representing the principal amount of the Securities of $6,130,000.00, less an Underwriter's discount of $65,650.00, and plus a net original issue premium of $398,189.90). The Purchase Price shall be payable on the Closing Date by the Underwriter by wire transfer in immediately available funds to the order of Branch Banking and Trust Company, as Depository Bank (the "Depository Bank"), for the account of the West Virginia Municipal Bond Commission, as Escrow Agent. In accordance with Section **Error! Reference source not found.**, the Underwriter also will be reimbursed for those out-of-pocket expenses described therein.

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

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

7. Official Statement.

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

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

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

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

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

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

8. Representations and Warranties of Issuer. The Issuer hereby agrees with, and

makes the following representations and warranties to, the Underwriter, as of the date hereof and as of the Closing Date, which representations and warranties shall survive the Closing:

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

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

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

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

(e) The Issuer is not in breach of or default in any material respect under (if applicable) its charter documents, enabling legislation or its bylaws and rules of procedure or under any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or to which the Issuer is or any of its property or assets are otherwise subject, and no event has occurred and is continuing which constitutes or

with the passage of time or the giving of notice, or both, would constitute a material default or event of default by the Issuer under any of the foregoing.

(f) The Issuer shall on or before the Closing have entered into the Escrow Agreement pursuant to which the Escrow Fund shall be created. The Escrow Fund is to be held by the Escrow Agent in trust for the payment of the interest due on the Prior Bonds each November 1 and May 1, commencing on November 1, 2012 and continuing to and including May 1, 2014, to pay the maturing principal of the Prior Bonds on May 1, 2013 and May 1, 2014 and to advance refund and pay the redemption price of the remaining 2003 Bonds on May 1, 2013 and of the remaining 2004 Bonds on May 1, 2014.

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

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

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

(j) All authorizations, approvals, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect, the issuance of the Securities or the due performance by the Issuer of its obligations under the Resolution, the Issuer Documents and the Securities have been duly obtained or will be obtained prior to the

Closing, except that the Issuer makes no representations with respect to (A) such authorizations, approvals, consents and orders, if any, as may be required under federal or state securities laws of any jurisdiction in connection with the offering and sale of the Securities and (B) authorizations, approvals, consents and orders that are required to be obtained or renewed periodically, such as budgets, licenses and permits.

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

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

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

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

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

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

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

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

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

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

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

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

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

10. Representations and Warranties of the Underwriter. The Underwriter hereby

agrees with, and makes the following representations and warranties to, the Issuer, as of the date hereof and as of the Closing Date, which representations and warranties shall survive the Closing:

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

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

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

11. Third-Party Credit Enhancement or Support. No Policy or Support Facility will be provided with respect to the Securities.

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

13. Closing.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

16. Report of Verification Agent. The Issuer will deliver the report of a Verification Agent on or prior to the Closing Date which verifies the sufficiency of the deposit into the Escrow Fund under the Escrow Agreement in order to advance refund and pay at maturity or redeem in full the Prior Bonds on May 1, 2013 and May 1, 2014, respectively.

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

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

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

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

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

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

other requirements of the Securities Act or the Trust Indenture Act or otherwise, or would be in violation of any provision of the federal securities laws; or

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

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

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

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

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

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

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

Upon the occurrence of a Termination Event and the termination of this Agreement by the Underwriters, all obligations of the Issuer and the Underwriters under this Agreement shall

terminate, without further liability, except that the Issuer and the Underwriters shall pay their respective expenses as set forth in Section 18 of this Agreement.

18. Payment of Expenses.

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

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

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

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

Piper Jaffray & Co.
405 Capital Street, Suite 613
Charleston, WV 25301
Attn: Manager of West Virginia Public Finance

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

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

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

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

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

[Remainder of Page Intentionally Blank]

Very truly yours,

PIPER JAFFRAY & CO.

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

ACCEPTED:

ISSUER:

BOARD OF EDUCATION OF THE COUNTY
OF TAYLOR

By: _____
Name: Charles R. Maynard
Title: Superintendent

ACCEPTANCE DATE AND TIME:
September 11, 2012 at 2:34 p.m.

SCHEDULE I

BOND PRICING

The Board of Education of the

County of Taylor (West Virginia)

Public School Refunding Bonds, Series 2012

Bond Component	Maturity Date	CUSIP ID	Amount	Rate	Yield	Price	Premium (-Discount)
Serial Bond:							
	5/1/2013	877129CY0	835,000	3.00%	0.45%	101.525	12,733.75
	5/1/2014	877129CZ7	790,000	3.00%	0.60%	103.815	30,138.50
	5/1/2015	877129DA1	825,000	3.00%	0.75%	105.782	47,701.50
	5/1/2016	877129DB9	865,000	3.00%	0.95%	107.237	62,600.05
	5/1/2017	877129DC7	900,000	3.00%	1.10%	108.499	76,491.00
	5/1/2018	877129DD5	940,000	3.00%	1.35%	108.869	83,368.60
	5/1/2019	877129DE3	975,000	3.00%	1.60%	108.734	85,156.50
			6,130,000				398,189.90

EXHIBIT A

[SUPPLEMENTAL BOND COUNSEL OPINION OF
STEPTOE & JOHNSON PLLC]

September 25, 2012

Taylor County Board of Education
Route 2, Box 157
82 Utt Drive
Grafton, West Virginia 26354

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

Re: $6,130,000 The Board of Education of the County of Taylor (West Virginia) Public School Refunding Bonds, Series 2012

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance and sale of the above-referenced bonds (the "Bonds") by The Board of Education of the County of Taylor, West Virginia (the "Issuer"). In our capacity as Bond Counsel, we are delivering an opinion of even date herewith concerning the legality and tax-exempt status of the Bonds (the "Bond Opinion"). We have examined the documents and instruments as described in the Bond Opinion, the Official Statement, the Escrow Agreement and such other documents and matters as we have deemed necessary or appropriate to render this opinion. Words and terms used in this opinion shall have the meanings ascribed thereto in the Bond Purchase Agreement (the "Purchase Agreement") dated September 11, 2012, between the Issuer and Piper Jaffray & Co. (the "Underwriter"). Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Purchase Agreement.

Based upon the foregoing, we are of opinion that:

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

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

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

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

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

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

Very truly yours,

STEPTOE & JOHNSON PLLC

EXHIBIT B

[FORM OF OPINION OF COUNSEL TO ISSUER]

(LETTERHEAD OF STEPTOE & JOHNSON PLLC)

September 25, 2012

Taylor County Board of Education
Route 2, Box 157
82 Utt Drive
Grafton, West Virginia 26354

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

Re: $6,130,000 The Board of Education of the County of Taylor (West Virginia) Public School Refunding Bonds, Series 2012

Ladies and Gentlemen:

We have served as special project counsel to The Board of Education of the County of Taylor, West Virginia (the "Issuer") in connection with the sale of the above-referenced bonds (the "Bonds"), which are being delivered and sold pursuant to a Bond Purchase Agreement dated as of September 11, 2012 (the "Purchase Agreement"), between Piper Jaffray & Co. (the "Underwriter") and the Issuer. Any capitalized terms used herein and not defined shall have the meaning ascribed thereto in the Purchase Agreement.

In this connection, we have reviewed and examined certain proceedings and documents with respect to the Bonds, any such records, certificates and other documents as we have considered necessary or appropriate for the purposes of this opinion, including Chapter 13, Article 2 of the Code of West Virginia, 1931, as amended (the "Refunding Act"), the Resolution and Order adopted by the Issuer, dated May 22, 2012, as supplemented by the Supplemental Resolution adopted by the Issuer, dated July 24, 2012 (together, the "Resolution"), the Escrow Agreement, dated September 25, 2012 (the "Escrow Agreement"), by and between the Issuer and the West Virginia Municipal Bond Commission (the "Commission"), the Continuing Disclosure Agreement, dated September 25, 2012 (the "Continuing Disclosure Agreement"), by and between the Issuer and United Bank, Inc., as disclosure agent, the Purchase Agreement, the Preliminary Official Statement dated September 4, 2012 and the Final Official Statement dated September 11, 2012, with respect to the issuance and offering of the Bonds (collectively, the "Official Statement") and a closing certificate of the Issuer. Based on such review and such other considerations of law and fact as we believe to be relevant, we are of the opinion that:

1. The Issuer is a validly existing statutory corporation charged with the supervision and control of the Taylor County School District, which is a validly existing political subdivision of the State of West Virginia, and is authorized by the Refunding Act to issue and sell the Bonds. The Issuer is authorized by the laws of the State of West Virginia, as provided by the Refunding Act, to enter into and perform its obligations under the Resolution, the Escrow Agreement, the Continuing Disclosure Agreement, the Purchase Agreement and other documents executed and delivered by the Issuer in connection therewith with respect to the issuance of the Bonds (the "Issuer Documents").

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

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

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

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

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

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

8. To the best of our knowledge there are no legal or governmental actions, proceedings, inquiries or investigations pending or threatened by governmental authorities or to which the Issuer is a party or of which any property of the Issuer is subject, except as described in the Official Statement, which, if determined adversely to the Issuer, would individually or in the aggregate (i) materially and adversely affect the validity or the enforceability of the Bonds, the Escrow Agreement or the Purchase Agreement, (ii) otherwise materially or adversely affect the ability of the Issuer to comply with its obligations under the Escrow Agreement, the Purchase Agreement and remaining Issuer Documents or (iii) materially and adversely affect the transactions contemplated by the Official Statement to be engaged in by the Issuer.

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

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

We hereby consent to the references made to us in the Official Statement.

Very truly yours,

STEPTOE & JOHNSON PLLC

EXHIBIT C

FORM OF UNDERWRITER'S COUNSEL OPINION

[Letterhead of Spilman Thomas & Battle, PLLC]

September 25, 2012

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

Re: $6,130,000 The Board of Education of the County of Taylor (West Virginia) Public School Refunding Bonds, Series 2012

Ladies and Gentlemen:

We have acted as counsel to you, Piper Jaffray & Co. (the "Underwriter"), in connection with your purchase of the above-referenced bonds (the "Bonds") pursuant to a Bond Purchase Agreement dated September 11, 2012 (the "Purchase Agreement") between The Board of Education of the County of Taylor, West Virginia (the "Issuer") and you. Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Purchase Agreement.

In connection with rendering this opinion, we have examined the Official Statement dated September 4, 2012, the Purchase Agreement and Rule 15c2-12 of the Securities and Exchange Commission promulgated under the Securities Exchange Act of 1934, as amended and presently in effect (the "Rule").

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

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

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

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

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

Very truly yours,

Spilman Thomas & Battle, PLLC

Continuing Disclosure Agreement

This Continuing Disclosure Agreement (this "Agreement") dated as of September 25, 2012, is by and between the Board of Education of the County of Taylor (the "Board") and United Bank, Inc., as Disclosure Agent (the "Disclosure Agent"), in connection with the issuance of the $6,130,000 The Board of Education of the County of Taylor (West Virginia) Public School Refunding Bonds, Series 2012 (the "Series 2012 Bonds"). Capitalized terms used in this Agreement shall have the respective meanings specified above, in Section 2 hereof or in the Resolution and Order adopted by the Board on May 22, 2012, as supplemented by the Supplemental Resolution adopted by the Board on July 24, 2012, authorizing issuance of the Series 2012 Bonds (together, the "Resolution"). The Board agrees as follows:

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

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

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

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

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

"Bond Purchase Agreement" shall mean the Bond Purchase Agreement dated September 11, 2012, entered into between Piper Jaffray & Co. (the "Underwriter"), and the Board, by which the Underwriter agreed to purchase the Series 2012 Bonds from the Board upon the terms set forth therein.

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

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

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

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

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

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

"Repository" shall mean each National Repository.

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

"Series 2012 Bonds" shall mean the $6,130,000 The Board of Education of the County of Taylor (West Virginia) Public School Refunding Bonds, Series 2012.

SECTION 3. Provision of Annual Reports.

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

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

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

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

SECTION 4. Content of Annual Financial Information and Audited Financial Statements. Within two hundred seventy (270) days of the Board's fiscal year ends, the Board or Disclosure Agent on its behalf shall submit to EMMA information and data of the Board for the prior fiscal year, including the Audited Financial Statements, prepared in accordance with generally accepted accounting principles in effect from time to time.

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

SECTION 5. Reporting of Significant Events.

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

1. principal and interest payment delinquencies;

2. non-payment related defaults, if material;

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

4. unscheduled draws on credit enhancements reflecting financial difficulties;

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

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

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

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

9. defeasances;

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

11. rating changes;

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

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

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

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

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

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

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

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

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

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

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

SECTION 8. Amendment, Waiver. Notwithstanding any other provision of this Agreement, the Board and the Disclosure Agent may amend this Agreement, and any provision of this Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Board with respect to the Series 2012 Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Series 2012 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Series 2012 Bonds in the same manner as provided in the Resolution for amendments to the Resolution, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Series 2012 Bonds.

In the event of any amendment or waiver of a provision of this Agreement, the Board shall describe such amendment in the next Annual Financial Information and Audited Financial Statements, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for any of the Listed Events under Section 5(a), and (ii) the Annual Financial Information and Audited Financial Statements for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative

form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Agreement shall be deemed to prevent the Board from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information and Audited Financial Statements or notice of occurrence of any of the Listed Events, in addition to that which is required by this Agreement. If the Board chooses to include any information in any Annual Financial Information and Audited Financial Statements or notice of occurrence of any of the Listed Events in addition to that which is specifically required by this Agreement, the Board shall have no obligation under this Agreement to update such information or include it in any future Annual Financial Information and Audited Financial Statements or notice of occurrence of any of the Listed Events.

SECTION 10. Default. In the event of a failure of the Board to comply with any provision of this Agreement, any Holder or Beneficial Owner of the Series 2012 Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Board to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed an Event of Default on the Series 2012 Bonds, and the sole remedy under this Agreement in the event of any failure of the Board to comply with this Agreement shall be an action to compel performance.

SECTION 11. Notices. Any notices or communications to or among any of the parties to the Agreement may be given as follows:

To the Board:	The Board of Education of the County of Taylor Route 2, Box 157 Grafton, WV 23654
To the Disclosure Agent:	United Bank, Inc. ATTN: Corporate Trust 500 Virginia Street, East Charleston, WV 25301-2135

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

SECTION 12. Beneficiaries. This Agreement shall inure solely to the benefit of the Board, the Disclosure Agent, the Underwriter and holders and beneficial owners from time to time of the Series 2012 Bonds, and shall create no rights in any other person or entity.

SECTION 13. Counterparts. The Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 14. Fees. The Board agrees to pay all fees and expenses of the Disclosure Agent including, without limitation, all reasonable expenses, charges, costs, attorney's fees and other disbursements in the administration and performance of the Disclosure Agent's duties.

SECTION 15. Right to Resign. The Disclosure Agent may resign at any time by providing thirty (30) days' written notice to the Board.

SECTION 16. Right to Counsel. The Disclosure Agent shall have the right to consult with counsel in carrying out its duties under the Agreement and to rely upon an opinion of counsel.

SECTION 17. Duties of Disclosure Agent. The Disclosure Agent shall have only such duties as are specifically set forth in this Agreement, and no further duties or responsibilities shall be implied. Any

corporation or association into which the Disclosure Agent in its individual capacity may be merged or converted or with which it may be consolidated, or any corporation or association resulting from any merger, conversion or consolidation to which the Disclosure Agent in its individual capacity shall be a party, or any corporation or association to which all or substantially all the corporate trust business of the Disclosure Agent in its individual capacity may be sold or otherwise transferred, shall be the Disclosure Agent under this Agreement without further act. Anything in this Agreement to the contrary notwithstanding, in no event shall the Disclosure Agent be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Disclosure Agent has been advised of such loss or damage and regardless of the form of action. The Board will, for the benefit of the Disclosure Agent and Disclosure Agent's employees, directors, agents, subsidiaries, affiliates, successors and assigns, assume all liability and/or be responsible to pay for any and all claims, demands, causes of action, losses, damages, liabilities, penalties, costs and expenses (including reasonable attorney's fees) relating to this Agreement, to the extent assessed by a court of competent jurisdiction.

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IN WITNESS WHEREOF, the Board and the Disclosure Agent have caused this Agreement to be executed by its duly authorized representatives, all as of the date first above written.

THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR

By: Nancy J. Ludwick
Name:
Title:

UNITED BANK, INC., as Disclosure Agent

By: _____
Name:
Title:

IN WITNESS WHEREOF, the Board and the Disclosure Agent have caused this Agreement to be executed by its duly authorized representatives, all as of the date first above written.

THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR

By: _____
Name:
Title:

UNITED BANK, INC., as Disclosure Agent

By: _____
Name: Kathy Smith
Title: Vice Pres

EXHIBIT A

NOTICE TO REPOSITORIES
OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	The Board of Education of the County of Taylor
Name of Bond Issue:	$6,130,000 The Board of Education of the County of Taylor (West Virginia) Public School Refunding Bonds, Series 2012
Date of Bond Issue:	September 25, 2012

NOTICE IS HEREBY GIVEN that the Board has not provided an Annual Report with respect to the above-named Series 2012 Bonds as required by Section 3(b) of this Continuing Disclosure Agreement dated as of September 25, 2012, to be provided. The Board anticipates that the Annual Report will be filed by _____, 20__.

Dated: _____, 20__

United Bank, Inc., as Disclosure Agent
on behalf of the Board

cc: Board

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

NEW ISSUE
BOOK-ENTRY ONLY

Rating: Standard & Poor's
(See "Rating" herein)

In the opinion of Bond Counsel, under existing laws, regulations, published rulings and judicial decisions of the United States of America, as presently written and applied, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, upon the conditions and subject to the limitations set forth under the caption "TAX MATTERS" herein; however, interest on the Bonds held by a corporation may be indirectly subject to alternative minimum tax because of its inclusion in adjusted current earnings of such corporate holder. In the opinion of Bond Counsel, under existing laws of the State of West Virginia, the Bonds are exempt from all taxation by the State of West Virginia or any political subdivision thereof. See "TAX MATTERS" herein

$6,150,000*
THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR (WEST VIRGINIA)
Public School Refunding Bonds, Series 2012

Dated: Date of Delivery

Due: May 1, as shown below

The Bonds are being issued by the Board pursuant to Chapter 13, Article 2 of the Code of West Virginia, 1931, as amended (the "Refunding Act") for the purposes of (i) advance refunding and redeeming in full the Board's Public School Bonds, Series 2003, dated August 19, 2003, issued in the original aggregate principal amount of $7,910,000 and currently outstanding in the aggregate principal amount of $4,375,000 (the "Series 2003 Bonds"), (ii) advance refunding and redeeming in full the Board's Public School Bonds, Series 2004, dated March 1, 2004, issued in the original aggregate principal amount of $3,080,000 and currently outstanding in the aggregate principal amount of $1,700,000 (the "Series 2004 Bonds" and collectively with the Series 2003 Bonds, the "Bonds to be Refunded") and (iii) paying costs of issuance of the Bonds.

The Bonds are general obligations of The Board of Education of the County of Taylor, West Virginia (the "Board"), which Board has the power and is obligated to levy ad valorem taxes upon all the taxable property within the Taylor 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 West Virginia Municipal Bond Commission, Charleston, West Virginia, as Paying Agent. The Board has designated United Bank, Inc., Charleston, West Virginia, as Registrar.

Interest on the Bonds will be payable May 1, 2013 and semiannually thereafter (each May 1 and November 1) in each year to maturity. The principal of and interest on the Bonds are payable by the Paying Agent to DTC, which will in turn remit such principal and interest to its Participants for subsequent distribution to the Beneficial Owners of the Bonds. See "APPENDIX D – BOOK ENTRY ONLY SYSTEM"

The Board has designated the Bonds as "qualified tax-exempt obligations," therefore, the Bonds are treated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3)(B) of the Code. See "TAX MATTERS" for more detail regarding the opinion Bond Counsel gives regarding such designation.

The Bonds are not subject to redemption.

MATURITIES, AMOUNTS, RATES, PRICES, YIELDS AND CUSIPS

Maturing (May 1)	Principal Amount ($)*	Interest Rate (%)	Price (%)	Yield (%)	CUSIP** Base #:
2013	835,000				
2014	795,000				
2015	830,000				
2016	865,000				
2017	905,000				
2018	945,000				
2019	975,000				

The Bonds are offered for delivery when, as and if issued, subject to approval of legality by Steptoe & Johnson PLLC, Charleston, West Virginia, Bond Counsel. Certain legal matters will be passed upon for the Board by Steptoe & Johnson PLLC, Charleston, West Virginia, Special Project Counsel to the Board. Certain legal matters will be passed upon for the Underwriter by Spilman Thomas & Battle, PLLC, Charleston, West Virginia, as Counsel to the Underwriter. It is expected that the Bonds will be available for delivery to DTC, New York, New York on or about September 25, 2012.

PiperJaffray®

* Preliminary, subject to change.

** CUSIP numbers have been assigned by an independent company not affiliated with the Board and are included on this cover page solely for the convenience of the Owners of the Bonds only at the time of issuance of the Bonds. Neither the Underwriter nor the Board makes any representation with respect to the accuracy of such CUSIP numbers as indicated in the above table or undertakes any responsibility for the selection of the CUSIP numbers or their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds.

$6,150,000*
The Board of Education of the
County of Taylor (West Virginia)
Public School Refunding Bonds, Series 2012

ELECTED OFFICIALS

Nancy Ludwick, President
Richard Teagarden, Vice President
Melissa Knotts, Member
Judith Barney, Member
Alan DePiano, Member

APPOINTED OFFICIALS

Charles R. Maynard, Superintendent
Sam K. McDaniel, Assistant Superintendent
Drew M. Rottgen, Treasurer-CFO

BOARD'S SPECIAL PROJECT COUNSEL

Steptoe & Johnson PLLC
Charleston, West Virginia

BOND COUNSEL

Steptoe & Johnson PLLC
Charleston, West Virginia

UNDERWRITER

Piper Jaffray & Co.
Charleston, West Virginia

UNDERWRITER'S COUNSEL

Spilman Thomas & Battle, PLLC
Charleston, West Virginia

YOU SHOULD MAKE YOUR OWN DECISION WHETHER THIS OFFERING MEETS YOUR INVESTMENT OBJECTIVES AND RISK TOLERANCE LEVEL. NO FEDERAL OR STATE SECURITIES COMMISSION HAS APPROVED, DISAPPROVED, ENDORSED OR RECOMMENDED THIS OFFERING. NO INDEPENDENT PERSON HAS CONFIRMED THE ACCURACY OR TRUTHFULNESS OF THIS DISCLOSURE, NOR WHETHER IT IS COMPLETE. THE WEST VIRGINIA SECURITIES COMMISSION HAS NOT REVIEWED THE DISCLOSURE CONTAINED HEREIN AND THE ISSUER IS RELYING ON AN EXEMPTION FROM REGISTRATION BY QUALIFICATION UNDER THE WEST VIRGINIA SECURITIES ACT.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized by The Board of Education of the County of Taylor, West Virginia, to give any information or to make any representations other than as contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the Board. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds herein described by any persons in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the Board from sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Board since the date hereof.

The information contained in this Official Statement has been obtained by the Underwriter from sources believed to be reliable, but the accuracy or completeness of such information is not guaranteed by, and should not be construed as a promise by any of the foregoing. The presentation of such information is intended to show recent historic information and is not intended to indicate future or continuing trends. No representation is made that the past experience, as shown by such financial and other information, will necessarily continue or be repeated in the future. This Official Statement contains, in part, estimates and matters of opinion, whether or not expressly stated to be such, which are not intended as statements or representations of fact or certainty, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Board.

The Resolution, as hereinafter defined, has not been qualified under the Trust Indenture Act of 1939, as amended, because of available exemptions therefrom.

The following sentence has been provided by the Underwriter for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

Forward-Looking Statements

This Official Statement, and particularly the information contained in the caption "TAYLOR COUNTY SCHOOL DISTRICT" and "CERTAIN FINANCIAL INFORMATION" contain statements relating to future results that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Preliminary Official Statement, the words "estimated," "forecasted," "intended," "expected," "anticipated," "projected" and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

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OFFICIAL STATEMENT
RELATING TO

$6,150,000*
The Board of Education of the
County of Taylor (West Virginia)
Public School Refunding Bonds, Series 2012

INTRODUCTION

This Official Statement provides certain information in connection with the sale of $6,150,000* in aggregate principal amount of The Board of Education of the County of Taylor (West Virginia) Public School Refunding Bonds, Series 2012 (the "Bonds"). A brief description of The Board of Education of the County of Taylor, West Virginia (the "Board"), the Taylor County School District (the "School District") and the County of Taylor, West Virginia (the "County" or "Taylor County"), with which the School District is coterminous, is provided, together with a description of the Bonds and sources of payment therefor.

The Bonds are being issued to provide funds which, when combined with certain monies currently on deposit in the funds and accounts established for the Bonds To Be Refunded will be applied to provide for the advance refunding of: (i) the Board's Public School Bonds, Series 2003 issued in the original aggregate principal amount of $7,910,000 ("Series 2003 Bonds") of which $4,375,000 is currently outstanding, and (ii) the Board's Public School Bonds, Series 2004 issued in the original aggregate principal amount of $3,080,000 ("Series 2004 Bonds," and together with the Series 2003 Bonds, hereinafter collectively referred to as the "Bonds To Be Refunded") of which $1,700,000 is currently outstanding. Proceeds of the Bonds will also be used to pay legal, consulting and other professional fees, printing and other issuance costs.

At a special election held on April 5, 2003, the issuance of the Bonds To Be Refunded in an amount up to $10,990,000 and the levy of property taxes upon all taxable real and personal property in the School District sufficient to pay principal of and interest on such bonds were authorized and approved for the purpose of paying the cost of certain new school buildings and modifications, improvements, renovations and equipping of various existing schools and other buildings in the School District.

The Bonds are general obligations of the Board, and, unless paid from other sources, are payable from ad valorem taxes levied upon all taxable property within the School District, without limitation as to rate or amount.

THE BONDS

General

The Bonds will be dated the date of delivery and are issued as fully registered bonds in $5,000 denominations, or integral multiples thereof, and are payable on May 1, in the years and amounts as follows:

Maturing (May 1)	Principal Amount ($)*
2013	835,000
2014	795,000
2015	830,000
2016	865,000
2017	905,000
2018	945,000
2019	975,000

* Preliminary, subject to change.

Pursuant to Chapter 13, Article 1 of the Code of West Virginia, 1931, as amended (the "Bond Act"), both the principal of and interest on the Bonds are payable at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, as its Paying Agent (the "Paying Agent"). The Board has designated United Bank, Inc., Charleston, West Virginia, as the Registrar.

Interest on the Bonds will be payable May 1, 2013 and semi-annually thereafter (each May 1 and November 1) in each year to maturity. Such interest will be paid by check to the registered owner on each such interest payment date at the address as shown on the registration books kept for that purpose by the Registrar as of the 15th day of the month preceding each such interest payment date. In the case of an owner of $1,000,000 or more of the Bonds, interest may be paid to such owner by wire transfer to a domestic bank account specified in writing to the Registrar at least five days prior to the record date for such interest payment date.

Authority and Purpose

In accordance with Article X, Sections 8 and 10, of the Constitution of the State of West Virginia (Section 10 is referred to as the "Better Schools Amendment") and the Bond Act, county boards of education may, with the consent of at least a simple majority of the voters voting at an election on such questions, issue bonds for specified purposes in an amount which, when added to the aggregate indebtedness then outstanding, will not exceed 5% of the most recent assessed valuation of taxable property in the school district. Article X, Section 8 of the Constitution and Sections 20 and 34 of the Bond Act require the annual levy and collection of a tax sufficient to pay the principal of and interest on such bonds. Pursuant to the Better Schools Amendment, the tax levy required to pay the principal of and interest on such bonds is laid separate and apart and in addition to the maximum levy rates otherwise authorized by law. Pursuant to the Bond Act and orders and resolutions duly entered and adopted by the Board, the issuance of bonds up to the amount of $10,990,000 and the levy of taxes sufficient to pay principal of and interest on such bonds were authorized and approved at a special election by 57.54% of the participating voters. Proceeds of the Bonds to be Refunded were applied, together with certain funds received by the Board from the State of West Virginia (the "State") and other sources, to the cost of acquisition and construction of certain new school buildings and modifications, improvements, renovations and equipping of various existing schools and other buildings in the School District. The ballot question limited the term of the bonds to sixteen (16) years from their date and limited the rate of interest on the bonds to a rate not exceeding 7 1/2% per annum. Pursuant to the Bond Act, the Series 2003 Bonds were issued on August 19, 2003 and designated Public School Bonds, Series 2003, and the Series 2004 Bonds were issued on March 1, 2004 and designated Public Schools Bonds, Series 2004.

The Board is issuing the Bonds pursuant to Chapter 13, Article 2 of the Code of West Virginia, 1931, as amended (the "Refunding Act") and a resolution and order of the Board adopted on May 22, 2012 (the "Resolution"). The Board is issuing the Bonds for the purpose of advance refunding the Bonds To Be Refunded. In accordance with the provisions of the Refunding Act, debt service on the Bonds will not exceed in each year the amount of taxes expected to be available for payment of such debt service in accordance with the terms approved by the voters. The Bonds To Be Refunded will be deemed paid upon the completion of the advance refunding. Certain funds of the Board on deposit with the West Virginia Municipal Bond Commission (the "Bond Commission") relating to the Bonds To Be Refunded will become surplus funds as a result of the advance refunding and will be available for release to the Board at the time of the closing on the issuance of the Bonds.

Plan of Financing

Proceeds of the Bonds in the amount of $_____* will be applied to the funding of an escrow to advance refund the Bonds to be Refunded. Such proceeds will be used to pay the interest on the Bonds To Be Refunded each November 1 and May 1, commencing May 1, 2013, and continuing to and including May 1, 2014, to pay the maturing principal of the Bonds To Be Refunded on May 1, 2013, and May 1, 2014, and to pay the redemption price of the remaining maturities of the Bonds To Be Refunded called for redemption in the amount of $_____* (which includes, for the Series 2004 Bonds, $_____* of principal to be redeemed and a redemption premium of $_____*, and for the Series 2004 Bonds, $_____* of principal to be redeemed and a redemption premium of $_____*) (the "Redemption Price"). The Series 2003 Bonds are expected to be called for redemption on or about March 4, 2013 and to be redeemed on or about May 1, 2013. The Series 2004 Bonds are expected to be called for redemption on or about March 3, 2014 and to be redeemed on or about May 1, 2014 (collectively, the "Redemption Dates"). The above referenced funds in the

total amount of $_____*, together with the earnings thereon and a cash deposit of $_____, will be held by the Bond Commission, as Escrow Agent under an Escrow Agreement to be entered into on or about September 25, 2012 (the "Escrow Agreement"), by and among the Board and the Bond Commission. During the period in which the proceeds of the Bonds are deposited with the Bond Commission pursuant to the Escrow Agreement (except amounts necessary for costs of issuance), such funds will be invested in Investment Obligations (the "Obligations"). The maturing principal of and interest on the Obligations are not pledged to and will not be available to pay the Bonds.

Sources and Uses of Funds

Sources		
Proceeds of the Bonds		$_____
[Original Issue Premium]		$_____
	TOTAL	$_____
Uses		
Deposit to Escrow Fund [1]		$_____
[Original Issue Discount]		$_____
Underwriter's Discount		$_____
Costs of Issuance[2]		$_____
	TOTAL	$_____

Nature of Obligation, Security and Source of Payments

The Bonds will constitute valid and legally binding general obligations of the Board, and, unless paid from other sources, the principal of and interest on the Bonds will be payable from ad valorem taxes levied upon all taxable property within the School District, without limitation as to rate or amount. Pursuant to the Better Schools Amendment, the tax levy required to pay the principal of and interest on such bonds is laid separate and apart and in addition to the maximum levy rates otherwise authorized by law.

Debt Administration

Pursuant to Chapter 13, Article 3 of the Code of West Virginia, the Bond Commission shall serve as fiscal agent for all issuers of general obligation bonds issued by counties, municipalities, and school districts of the State and is charged with the administration of the interest and sinking funds created to service the debt. The proceeds of taxes levied for debt service by the Board are collected by the Sheriff, who remits the proceeds to the Board Treasurer, who forwards the proceeds thereof to the Bond Commission. The Bond Commission is required by law to render annually to each political subdivision having outstanding bonds a statement showing the levy required to pay the interest on and create a sinking fund for the retirement of the outstanding bonds. The Bond Commission customarily sets the levy rates at 110% of the annual principal and interest required so as to provide a margin to cover the statutory 2 1/2% discount for early payment of taxes and any attrition occasioned by delinquencies, improper assessments and exonerations. There has not been a default on the payment of principal or interest of any general obligation bond in the State of West Virginia since the Bond Commission commenced centralized supervision and administration in 1921.

Since 1933, the annual State of West Virginia Budget Bill has embodied a protective provision for certain State agency and taxing district obligations, if deficiencies should arise. The following excerpt from the 2012 Budget Bill is indicative:

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[1] The amount set forth in the Escrow Agreement as required, together with the income thereon and funds transferred from accounts established for the Bonds To Be Refunded to effect the advance refunding of the Bonds To Be Refunded as described herein.

[2] Includes fees and expenses of Rating Agency, Bond Counsel, Underwriter's Counsel, Printing and Accountants' Verification Report, and other costs of issuing the Bonds.

Sec. 14. Sinking Fund deficiencies. - There is hereby appropriated to the governor a sufficient amount to meet any deficiencies that may arise in the mortgage finance bond insurance fund of the West Virginia housing development fund which is under the supervision and control of the state municipal bond commission as provided by Chapter 31, Article 18, Section 20-b, of the code of West Virginia, or in the funds of the state municipal bond commission because of the failure of any state agency for either general obligation or revenue bonds or any local taxing district for general obligation bonds to remit funds necessary for the payment of interest and sinking fund requirements. The Governor is authorized to transfer from time to time such amounts to the state municipal bond commission as may be necessary for these purposes.

No representation is made that subsequent Budget Bills will have such provisions or that sufficient funds will be available to satisfy any such deficiencies. There has never been a default in payment of the principal of or interest on any general obligation bonds issued by The Board of Education of the County of Taylor. 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.

TAYLOR COUNTY SCHOOL DISTRICT

General

All school districts in West Virginia are organized under the terms of legislation enacted in 1933. There is one school district in each county, the boundaries of which district are coterminous with those of the county. The Board is responsible for and is vested with the supervision and control of the School District and with the control and management of all public schools in the School District from kindergarten through the secondary school level. The Board is composed of five members nominated and elected by the voters of the County without reference to political party affiliation. The terms of the members are for four years and are staggered. The terms of two members expired on June 30, 2012 and the terms of three of the members will expire on June 30, 2014. The process will be repeated every two years thereafter.

Board Members' duties are established by State statute with the West Virginia Board of Education having regulatory powers. The Board appoints a superintendent who acts as the chief executive officer and secretary of the Board and who administers affairs of the School District in accordance with applicable laws, regulations, and local policies. The Board is a public corporation and as such may sue, plead and be impleaded, and enter into contracts. The School District is fiscally independent of the County and all other political subdivisions.

During the fiscal year 2011-2012, the Taylor County school system had a central office professional staff of 7 with the overall responsibility to coordinate and supervise the activities of 9 school administrators, 183.5 instructional staff (teachers and other professionals), and 120 service personnel. Total Full Time Equivalent positions are 345. The average pupil-teacher ratio for the 2011-2012 school year was 13.6 (combined elementary, middle and secondary schools).

Historical School Enrollment (School Year)

Grades	2007	2008	2009	2010	2011
Pre-K Universal	62	130	130	124	119
K	228	192	224	212	183
1	188	179	169	197	201
2	196	188	173	171	180
3	175	193	173	168	172
4	180	173	199	172	166
5	171	180	169	194	174
6	172	160	170	169	197
7	161	174	162	186	170
8	203	162	172	162	181
9	230	221	187	194	192

Grades	2007	2008	2009	2010	2011
10	183	202	193	166	157
11	156	147	156	165	136
12	160	163	149	170	167
Total	2,465	2,464	2,426	2,450	2,395

Rate of Increase (Decrease) in Enrollment	
2007-2012	(2.84%)
Annualized	(0.57%)

Source: Taylor County Board of Education

Projected Enrollment (School Year)

Year (October)	Enrollment
2012	2,381
2013	2,367
2014	2,354
2015	2,341

Source: Taylor County Board of Education

Facilities

School	Grades	Construction Type	Construction Date	Additions/Improvements
High Schools:				
Grafton	9-12	Masonry	1922	1940, 1976, 1983, 1985, 1994, 1996, 2004
Middle Schools:				
Taylor County	6-8	Masonry	1989	N/A
Elementary Schools:				
Anna Jarvis	Pre-K – 5	Masonry	1971	1995, 2004
Fleming	Pre-K – 5	Masonry	1939	1969
West Taylor	Pre-K – 5	Masonry	2006	N/A

Source: Taylor County Board of Education

Tax Collection Procedures

All taxes for real estate and personal property are collected by the Taylor County Sheriff (the "Sheriff") and are remitted by the Sheriff to the State and other local levying bodies. Public utility taxes are collected directly by the State Auditor (the "Auditor") and are remitted by the Auditor to the Sheriff for distribution. Tax statements are mailed by the Sheriff's office in July, and they may be paid in two installments. The first half of the tax is subject to a 2 1/2% discount if paid by September 1; thereafter, the amount payable is net until October 1, after which a 9% penalty is added. Likewise, the second half is subject to a 2 1/2% discount if paid by March 1, net to April 1, and 9% penalty thereafter. The Sheriff, after ascertaining which taxes are delinquent, shall on or before May 1 next succeeding the year for which taxes are assessed, prepare delinquent lists, which shall be posted at the front door of the courthouse and published as a legal advertisement at least two weeks prior to the presentation to the County Commission for examination. After examination and correction, the Commissioners shall certify such lists pertaining to real property to the Auditor not later than July 1. On or before September 10, the Sheriff shall prepare a second list of delinquent taxes, as of September 1, together with a notice of sale for properties upon which such taxes are due. If not redeemed before, such properties shall be sold at public auction at the courthouse on any Monday after October 14, and before November 23. No such sale shall be made for any sum less than the total amount of taxes, interest and charges then due. The former owner of any real or personal

property so purchased by the State, or any other person who is entitled to pay the taxes thereon, may redeem such real or personal property from the Auditor at any time within the eighteen months after the date of such purchase. The Auditor reports monthly to the Sheriff, the County Assessor and the Clerk of the County Commission all properties in the County which were redeemed in the Auditor's office during the preceding month. The Auditor, each month, draws a warrant upon the State treasury payable to the Sheriff of the County for that part of the taxes, interest and charges received by the Sheriff upon the redemption of the property included in the Sheriff's report which was owing to any of the taxing units in the County. The Sheriff accounts for and pays over such money as if it had been paid to the Sheriff before sale and redemption.

Tax Levies and Collections*

Year	Projected Gross Tax ($) at 100%	Projected Net Tax Collected ($) at 92-93% Less Assessors Fee	Actual ($) Collected	Actual (%) Collected
2007-2008				
General Current	2,703,033	2,466,193	2,664,702	98.58
Bond Levy	999,008	930,076	1,006,823	100.78
Excess Levy	1,598,830	1,488,511	1,605,492	100.42
2008-2009				
General Current	2,883,435	2,630,789	2,974,831	103.17
Bond Levy	1,010,689	940,951	839,019	83.01
Excess Levy	1,705,537	1,587,855	1,521,769	89.23
2009-2010				
General Current	3,162,648	2,885,537	3,226,747	102.03
Bond Levy	994,441	925,824	975,809	98.13
Excess Levy	1,870,690	1,741,612	1,660,698	88.77
2010-2011				
General Current	3,300,716	3,011,507	3,249,103	98.44
Bond Levy	995,318	947,993	1,003,768	100.85
Excess Levy	1,952,355	1,817,642	1,958,234	100.30
2011-2012				
General Current	3,348,766	3,055,347	N/A	N/A
Bond Levy	1,002,905	955,305	N/A	N/A
Excess Levy	1,980,779	1,844,105	N/A	N/A

Assessment Procedure

State statutes provide that all property must annually be assessed as of the first day of July. Assessment on this day is the basis for the following year's property taxes. The assessor must complete his compilation of the land and personal property books not later than January 30. The County Commission, not later than February 1, must meet for the purpose of sitting as a board of equalization and review of such assessment books. After completion of the review and assessment, the commission certifies and returns the property books to the assessor. Appeal of any assessment which was protested to the board of equalization and review may be made to the circuit court of the county within 30 days after adjournment of the county commission sitting as a board of equalization and review. A taxpayer can elect to have its protest of an assessment heard by the county commission sitting as a board of assessment appeals in October, rather than by the county commission sitting as a board of equalization and review in February. In order to utilize this option the taxpayer must pay the disputed taxes. The assessor annually, not later than March 3, must furnish a certified statement to certain governmental bodies in the county, including the board of education, showing the aggregate value of all real and personal property. During the month of March the county commissions, the county boards of education and municipal governments prepare their budgets for the fiscal year which begins the following July. After these budgets are approved, these governments officially set the tax rate for the coming year sufficient to pay budgeted expenses

not expected to be paid from other sources. For example, the 2011 assessment year valuations are made as of July 1, 2010, with taxes levied and collected during the fiscal year July 1, 2011, through June 30, 2012.

The State Tax Commissioner has the responsibility for preparing tentative valuations of all public utility property in the State and providing these valuations to the Board of Public Works of the State for actual assessment of such property. The Board of Public Works reviews all assessments made, makes such corrections as it deems proper, conducts hearings to entertain protests from the public utilities involved, and fixes the assessments in final form. After such assessments are made, they are allocated by the Auditor to the various counties in which the utility property is located, such allocation being approved by the Board of Public Works.

Property Classification

Article X, Section 1, of the Constitution of West Virginia and Chapter 11, Article 8, Section 5 of the Code of West Virginia, 1931, as amended, created four classifications of property for which the tax rates, but not the assessed values, are limited. These tax classifications are as follows: Class I - all tangible personal property employed exclusively in agriculture, all products of agriculture while owned by the producer; Class II - owner-occupied residential property and certain farm lands; (Article 10, Section 1b of the Constitution of the State of West Virginia and Chapter 11, Article 6B, Section 3 of the West Virginia Code, 1931, as amended, provide that the first twenty thousand dollars of assessed valuation of any real property, or of personal property in the form of a mobile home, used exclusively for residential purposes and occupied by the owner or one of the owners thereof as his residence, who is a citizen of the State and is sixty-five years of age or older or is certified as being permanently disabled, shall be exempt from ad valorem property taxation. Only one exemption shall be allowed for each homestead used and occupied exclusively for residential purposes by the owner thereof, regardless of the number of qualified owners residing therein); Class III - all real and personal property, other than Class I and II property, situate outside of municipalities; Class IV - all real, and personal property, other than Class I and II situate within municipalities. Public utility property falls within Class III or Class IV, as appropriate.

Assessed Valuations

The Taylor County School District includes all of Taylor County and has the same assessed valuation of property therein as does the entire county. Chapter 11, Article 1C of the West Virginia Code requires all assessors to appraise all property at fair market value (except for certain farm property), within three years of the approval of the county valuation plan. A county valuation plan must be submitted every three years by the assessor to the State Tax Commissioner. The State Tax Commissioner is required to monitor the assessors in the performance of their duties, and is required to perform the valuation process on industrial and natural resources property within the aforesaid three year period. Any increase in the total property taxes that could result from the new calculations is limited to one percent per year, unless, in the case of school boards, the legislature, after a public hearing, deems a greater increase is necessary. Assessors do not have the authority to implement the reappraisal described above. All property except farms and managed timberlands must be assessed at 60% of Fair Market Value.

Assessed Valuation By Property Class*

Class	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
I	0	0	0	0	0
II	241,671,278	255,719,900	280,257,732	290,265,352	298,624,795
III	190,267,020	217,590,989	223,448,142	221,610,421	246,182,254
IV	60,474,045	62,106,790	61,773,013	64,798,915	65,384,251
Total	492,412,343	535,417,679	565,478,887	576,674,688	610,191,300

Assessed Valuation By Property Category*

Category	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Real	327,212,450	359,293,750	395,089,110	408,987,970	415,436,070
Personal	102,218,717	111,972,476	101,489,445	103,434,289	127,302,837
Public Utility	62,981,176	64,151,453	68,900,332	64,252,429	67,452,393
Total	492,412,343	535,417,679	565,478,887	576,674,688	610,191,300

*Excludes property from ad valorem property taxation pursuant to the Homestead and Taxation Amendment. The amount of Class II property so excluded equaled:

$35,987,306 in 2008 – 2009 $35,987,306 in 2009 – 2010 $36,698,546 in 2010-2011
$37,060,702 in 2011 – 2012 $37,588,768 in 2012 – 2013

Largest Assessed Valuations (tax year 2011)*

Property Owner	Assessed Valuation ($)
Arch Coal dba Coalquest and ICG	33,577,334
CSX Transportation	13,266,242
Rex-Hide dba Rex-Hide, DynaTech and Dyna Mix	10,361,778
Monongahela Power Co. – Electric	8,764,305
AGC Flat Glass North America	8,002,235
Equitrans LP	7,398,324
Equitable Gas Company LLC	6,351,635
PDC Mountaineer	6,248,758
Wal-Mart	5,483,423
Eastern Associated Coal Corp.	3,339,300

Source: Taylor County Assessor

Tax Rate Comparisons

The following shows Taylor County property tax rates in cents per $100 assessed valuation (this includes all state, county and school rates, in comparison with a few select surrounding counties), for tax year 2012; Fiscal Year 2012 - 2013.

Rates of Levy*

County	Class I	Class II	Class III/IV
Taylor	54.865	109.730	219.460
Barbour	32.59	65.18	130.36
Harrison	57.85	115.70	231.40
Marion	61.33	122.66	245.32
Monongalia	48.76	97.52	195.04
Preston	49.22	98.44	196.88

*Includes the total levy for State, County and schools in each County.
Source: West Virginia State Auditor

County Tax Rates

Except as hereinafter stated, the maximum tax rates allowed by the Constitution of West Virginia for the four classifications of property are as follows: Class I - $.50 per $100 assessed valuation; Class II - $1.00 per $100 assessed valuation; Class III - $1.50 per $100 assessed valuation; Class IV - $2.00 per $100 assessed valuation.

These rates of levy may not be exceeded except that a local levying body may provide for an election to increase such rates within the respective taxing unit at either a general or special election. If at least 60% of the voters voting in the election cast their ballots in favor, property tax levy rates may be increased by up to 50% by

municipalities and counties. If at least 50% of the voters voting in the election cast their ballots in favor, property tax levy rates may be increased by up to 100% by boards of education. The increased levies may not continue for more than three years in the case of municipalities and counties, or for more than five years in the case of boards of education without resubmission to the voters.

School Tax Rates (Source: West Virginia State Auditor)

Taxes for school purposes are uniform throughout the County. In accordance with Chapter 11, Article 8, Section 6c of the Code of West Virginia, 1931, as amended, the tax limit for school current expenses and school permanent improvement purposes combined is $.2295 per $100 assessed valuation in respect to Class I, $.4590 per $100 in respect to Class II, and $.9180 per $100 in respect to Classes III and IV. By favorable vote of at least a simple majority of the voters in an election, the above limitations may be increased by up to 100% for a period of five years, after which an election must again be held. Further, a county board of education is required to levy outside the rates provided by Chapter 11, Article 8, Section 6c, sufficient to pay the principal and interest requirements on bonds issued by the school district not exceeding five percent of the assessed value of all taxable property in the school district, in the manner provided by the Better Schools Amendment.

Tax Rates - By Property Class (Cents Per $100)
School Current Levy

Class	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
I	19.40	19.40	19.40	19.40	19.40
II	38.80	38.80	38.80	38.80	38.80
III and IV	77.60	77.60	77.60	77.60	77.60

School Excess Levy

Class	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
I	11.475	11.475	11.475	11.475	11.475
II	22.95	22.95	22.95	22.95	22.95
III and IV	45.90	45.90	45.90	45.90	45.90

School Bonds

Class	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
I	6.80	6.02	5.85	5.81	5.24
II	13.60	12.04	11.70	11.62	10.48
III and IV	27.20	24.08	23.40	23.24	20.96

The maximum tax rates described above are divided among the several levying bodies by statute. Under Chapter 11, Article 8, Section 6b of the Code of West Virginia, 1931, as amended, the maximum levy rates available to the County without approval by the voters is as follows: Class I - 14.3 cents per $100 assessed valuation; Class II - 28.6 cents per $100 assessed valuation; Class III - 57.2 cents per $100 assessed valuation; and Class IV - 57.2 cents per $100 assessed valuation.

Rates of Levy (Source: West Virginia State Auditor)

The tax rates for citizens of the County, including those imposed by the Board, in cents per $100 assessed valuation for the 2012-2013 fiscal year, are as follows:

Tax Type	Class I	Class II	Class III/IV
State Current	0.25	0.50	1.00
County Current	14.30	28.60	57.20
County Excess	4.20	8.40	16.80
School Current	19.40	38.80	77.60
School Bonds	5.24	10.48	20.96
School Excess	11.475	22.95	45.90

In addition to the rates of levy established for State, County and School purposes, the municipalities within the County have additional rates of levy in effect as shown in the following table, in cents per $100 assessed valuation for the 2012-2013 fiscal year.

Municipality	Class I	Class II	Class IV
Town of Flemington	12.50	25.00	50.00
City of Grafton Current	12.50	25.00	50.00
City of Grafton Excess	2.16	4.32	8.64

As heretofore stated, under Article X, Sections 8 and 10 of the Constitution of the State of West Virginia and the Act, the Board may issue bonds for certain purposes in an amount which, when added to the aggregate indebtedness then outstanding, will not exceed 5% of the most recent assessed valuation of taxable property in the School District as of the date of bond authorization. Under such constitutional and statutory standard the computation of debt limit of the School District and its debt contracting margin are as follows:

Summary of Statistical Debt Information

Population (2010 Census)	16,895
Assessed Valuation*	$610,191,300
Debt Limit (5% of Assessed Valuation)	$30,509,565
Outstanding Debt (including the Series 2012 Bonds)**	$6,150,000
Debt Contracting Margin**	$24,359,565
Per Capita Debt**	$364
Outstanding Debt as percentage of Assessed Valuation**	1.01%

*Assessed Value is estimated to be approximately 60% of appraised or market value (Assessment Year 2012, Fiscal Year 2013).

**Preliminary, subject to change. To be revised with final Par Amount of Bonds.

Debt Service Requirements

Upon issuance of the Bonds, based on the interest rates and yields set forth on the inside cover page, the Board will have the following debt:

Schedule of Bond Indebtedness
Public School Bonds

Year Ending June 30	Series 2012 Principal	Series 2012 Interest	Total
2013			
2014			
2015			
2016			
2017			
2018			
2019			
TOTAL			

Overlapping Debt

There is no overlapping debt.

CERTAIN FINANCIAL INFORMATION

Description of Funds

The accounts of the Board are organized on the basis of funds, each of which constitutes a separate entity for accounting procedures. For reporting purposes the various funds are organized into the following major groups:

1. Debt Service Fund

The Debt Service Fund is a separate and distinct fund used only as an "Interest and Sinking Fund" to meet the demands of maturing bonds and bond interest payments.

Taxes levied on real and personal property (other than public utility property), to be used to make Debt Service Fund payments, are collected by the Sheriff, while taxes levied on public utility property to be used to make Debt Service Fund payments are collected by the Auditor and remitted to the Sheriff. Collections are transferred periodically to the Bond Commission. The Bond Commission, in turn, disburses funds to meet the payment of bonds and bond interest payments as well as paying agency fees. From time to time, the Bond Commission invests amounts in the Debt Service Fund that are in excess of payment schedules and credits the interest income to the Debt Service Fund. (See "Investment of Certain Funds").

2. Bond Construction Fund

The Bond Construction Fund is a separate and distinct fund consisting of proceeds from the sale of bonds authorized by an election, from State School Building Authority funds and from special funds that are categorically identified and authorized to supplement local bond proceeds or State School Building funds. Expenditures are generally restricted to capital outlay purposes by the bond election call, by special funding agreements or by the State Board of Education in approving specific building projects.

3. Capital Projects Fund

The Capital Projects Fund accounts for financial resources used to acquire or construct specific major capital facilities other than by the sale of bonds or the reservation of monies in a permanent improvement fund. A separate fund may be established for each specific capital project.

4. General Current Expense Fund

The General Current Expense Fund is a separate and distinct fund and is used for all general operating purposes except for revenues and expenditures that are contained in the Debt Service Fund and the Bond Construction Fund. Revenues generally come from: (1) general and special levy taxes, (2) other local or miscellaneous revenues, (3) State aid to counties for restricted and unrestricted purposes, and (4) Federal aid received directly or through the State, usually categorical or restricted.

5. Special Review Revenue Fund

Accounts for the financial resources of the Board, which are restricted either legally or by the grantor.

Investment of Certain Funds

Proceeds of tax collections relating to the Bonds which are transferred to the Bond Commission will be invested in the Consolidated Fund managed by the West Virginia State Treasurer's Office. The West Virginia Board of Treasury Investments is governed by a Board of Trustees consisting of the Governor, the State Auditor, the State Treasurer and two members appointed by the Governor. The Bond Commission currently invests its funds in The Consolidated Fund's Government Money Market Pool. Investments are limited to U.S. Government obligations, select U.S. Government Agency-guaranteed obligations or repurchase agreements with average maturities not to exceed 90 days.

Accounting Practices

The financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standard Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The district-wide statements (Statement of Net Assets and the Statement of Activities) are prepared using the economic resources measurement focus and the full accrual basis of

accounting. The governmental fund financial statements (Balance Sheet- Governmental Funds and the Statement of Revenues, Expenditures, and Changes in Fund Balances- Governmental Fund) were prepared using the current financial resources measurement focus and the modified accrual basis of accounting.

Annual Audit

An annual audit of accounts is prepared by the State Auditor or an independent certified public accounting firm approved by the State Auditor. The audit is conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. See "APPENDIX A- AUDIT REPORT OF TAYLOR COUNTY BOARD OF EDUCATION FOR THE FISCAL YEAR ENDED JUNE 30, 2011"

The State Auditor's Office has not been engaged to perform and has not performed, since the date of the Audit Report, attached hereto as APPENDIX A, any procedures on the financial statements addressed in that report. The State Auditor's Office also has not performed any procedures relating to this official statement.

Budgetary Procedures

Prior to the beginning of each fiscal year, the Board develops a fiscal plan consisting of contemplated expenditures. The annual budget development process is customarily developed along the following guidelines and in accordance with a budget calendar summarized as follows:

July	Overall goals are revised and established by the Board. Implementation and valuation of Board goals are established by the superintendent.
October	Student enrollment and personnel employee numbers are gathered system wide to determine State aid funding basis for subsequent fiscal year.
November/December-	All staffing reviewed. Personnel reductions and additions are determined by local school councils, the public, the administration and the superintendent.
January/February	Preliminary forecasts of revenues and expenditures are determined by administration. Non-salary items reviewed.
March	Assessed valuations and preliminary State aid calculations received on or about March 3. The Board is required to ascertain the fiscal condition of the School District and determine the amount to be raised by the levy of taxes. Proposed levy rates must be submitted to the State Tax Commissioner and State Board of Education by March 28.
April/May	On the third Tuesday in April, the Board officially enters all levies for the coming year by ordering the levy of taxes commencing July 1. The proposed budget must be made available for public inspection for ten days and must be published in local newspapers for two weeks prior to the budget hearing.
	A public hearing shall be held concerning the operating budget not less than 10 days after such budget has been made available for public inspection. The Board is required to submit a budget to the State Board of Education and State Tax Commissioner no earlier than 10 days after receipt of the final State aid computations.
September	Board advised of ending balances for previous fiscal year. Board and administration evaluate status for current fiscal obligations in relation to ending balances and established budgetary changes necessitated.

Internal Control

The system of internal control includes budgetary control, periodic operating reports and statistical analyses. The system checks the accuracy and reliability of its accounting data, promotes operational efficiency and encourages prescribed managerial policies.

The system provides segregation of functional responsibilities and control over assets, liabilities, revenues and expenses. Responsibilities and delegations of authority are assigned by the superintendent and Board in accordance with State Board of Education policy and advice of the State Auditor.

Statement of Revenues and Expenditures -- Budget and Actual

Revenues, Expenditures and Changes in Fund Balance – Regulatory Basis
Budget and Actual
General Current Expense Fund
Year ended June 30

	2010 Budget	2010 Actual	2011 Budget	2011* Actual	2012 Budget
Revenues Collected:					
Local Sources:					
Property Taxes	4,927,185	4,887,445	5,029,149	5,207,337	5,149,452
Other Local Sources	108,537	103,004	25,500	74,720	29,500
State Sources					
State Aid to Schools	12,848,407	13,026,108	12,688,551	12,819,850	13,502,892
Other Unrestricted					0
Federal Sources	360,164	582,498	394,069	553,518	550,000
Total Revenues Collected	18,244,293	18,599,055	18,186,489	18,658,083	19,231,844
Expenditures Paid:					
Instruction	10,427,633	11,786,021	9,644,033	10,479,572	11,055,474
Supporting Services:					
Students	528,882	599,783	736,821	825,535	747,012
Instructional Staff	378,364	425,984	375,531	412,279	396,991
Central Administration	735,013	798,726	567,006	602,761	486,778
School Administration	935,081	1,080,374	1,002,981	1,116,349	1,003,345
Business Administration	406,966	320,979	676,729	685,747	671,883
Operation & Maintenance of Facilities	2,229,774	2,358,958	2,457,403	2,414,805	2,182,640
Student Transportation	1,955,051	2,056,025	2,064,610	2,124,229	2,014,929
Food Services					0
Community Services	57,038	57,258	36,541	34,402	41,521
Capital Outlay	198,646	138,886	240,813	179,473	278,000
Debt Service:					
Principal Retirement	144,454	134,769	185,328	137,201	0
Interest & Fiscal Charges	0	9,685	0	7,252	144,454
Total Expenditures	18,000,589	19,771,761	17,987,896	19,019,605	19,023,027
Excess (Deficiency) of Revenues over Expenditures	243,704	(1,172,706)	198,593	(361,522)	208,817
Total Other Financing Sources (Uses)	(1,228,310)	(446,045)	(1,810,042)	(451,483)	(208,817)
Net change in Fund Balance	(984,606)	(1,618,751)	(1,611,449)	(813,005)	(276,739)
Fund Balance at July 1, 20__.	984,606	672,372	1,611,449	(1,066,926)	1,467,690
Fund Balance at June 30, 20__.	0	(946,379)	0	(1,879,931)	1,190,951

Source: Taylor County Board of Education

*This includes $2,678,375 OPEB Liabilities for Fiscal Year 2010 (2009-2010 Actual) and $4,862,499 OPEB Liabilities for Fiscal Year 2011 (2010-2011 Actual). Fiscal Year 2011 was the first year the Board was required to book both revenues and expenses for retirement payments. The balance excluding OPEB Liabilities for Fiscal Year 2011 Actual would be $2,982,568.

Teachers Retirement Systems*

Teachers Retirement System (Defined Benefit)

The Teachers Retirement System (TRS), established in 1941, is a multiple employer defined benefit cost sharing public employee retirement plan covering all full-time employees of the 55 county public school system, certain personnel of the 16 state-supported higher education institutions, and employees of the State Department of Education. As of July 1, 2011, there are 35,880 active members and 31,043 retirees. The plan reopened for new members as of July 1, 2005.

Members contribute 6% of annual earnings. Employers contribute 15% or 7.5% of a member's annual earnings. A member who withdraws from service for any cause other than death, retirement or disability, may request the accumulated employee contributions plus interest be refunded. TRS provides retirement benefits, as well as death and disability benefits.

The most recent actuarial valuation of TRS was performed July 1, 2011 by Buck Consultants. The asset valuation method utilizes market value to place a value on assets. The actuarial cost method valuation utilized entry age cost with individually computed accrued liabilities, including an earnings assumption of 7.5% annually, net after expenses. As of July 1, 2011, the unfunded liability of TRS was $4.370483 billion. The funded percentage was 53.7%. The State expects the TRS unfunded accrued liability to be extinguished on or about June 30, 2034.

Teachers' Defined Contribution Retirement System

The Teachers' Defined Contribution Retirement System (TDC) is a multiple employer defined contribution retirement system covering primarily full-time employees of the State's 55 county public school systems, the State Department of Education, and School for the Deaf and Blind hired after June 30, 1991. The system includes former TRS plan members, including higher education employees, who elected to transfer into or participate in TDC. The plan closed for new members as of July 1, 2005.

As of July 1, 2011, there were approximately 4,554 members in the TDC. Benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are required to participate from the date of employment. Members may choose from thirteen (13) separate investment options.

Employees contribute 4.5% of their gross compensation and employers contribute 7.5% of covered members' gross compensation from amounts allocated to the employers through the State School Aid formula. Employer contribution for each employee (and interest allocated to the employee's account) become partially vested after six (6) years and fully vested after twelve (12) years of complete service. Employer contributions and earnings thereon forfeited by employees who leave employment prior to becoming fully vested are available, in the event the employee does not return to active participant status within five (5) years, to reduce the employer's current-period contribution requirement. Benefits depend solely on the amounts contributed plus net investment earnings thereon.

TDC Transfer to TRS

In 2008, the West Virginia Legislature enacted legislation authorizing members of the TDC to elect to voluntarily transfer to TRS. For the transfer to occur the legislation required that at least 65% of members of TDC as of December 31, 2007 vote to elect the transfer. Over 78% of actively contributing TDC members elected to transfer to TRS. Approximately 15,152 TDC members were transferred to TRS on July 1, 2008.

(Source: State of West Virginia Consolidated Public Retirement Board)

Other Post-Employment Benefits (OPEB)

The Board has adopted Governmental Accounting Standards Board (GASB) Statement No. 43, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans", which among other things, requires reporting on an accrual basis the liability associated with other postemployment benefits. In conjunction with the implementation of GASB Statement No. 43, the State of West Virginia established the Retiree Health Benefit Trust Fund (RHBT), an irrevocable trust, to account for and administer the other postemployment benefits (OPEBs) provided under the multiemployer cost-sharing plan. The PEIA Finance Board was assigned

the authority to establish and amend contribution requirements of the plan members and the participating employers, and PEIA administers the plan. The legislation requires the RHBT to determine through an actuarial study the contractually required contribution (CRC) which shall be sufficient to maintain the RHBT in an actuarially sound manner. The CRC, which is reviewed and approved by the PEIA Finance Board, shall be allocated to the respective employers who are required by law to remit at least the minimum annual premium component of the CRC. The Board is required to participate in the RHBT established for the multiemployer cost-sharing plan. Details regarding this plan can be obtained by contacting West Virginia Public Employees Insurance Agency (PEIA), State Capitol Complex, Building 5, Room 1001, 1900 Kanawha Boulevard, East, Charleston, WV 25305-0710 or http://www.wvpeia.com.

Revenues collected by RHBT are used to fund current OPEB health care claims and administrative expenses with residual funds held in trust for future OPEB costs. The rates charged must generate sufficient revenues to not only meet all expected expenses, including insurance, administrative expenses, and incurred but unreported claims of the RHBT, but also include the amounts necessary to fund the unfunded obligation of the plan over an amortization period not to exceed 30 years.

In an effort to reduce OPEB obligations, after conducting public hearings around the State in November, 2011, the PEIA Finance Board met on December 13, 2011 and adopted its plan for 2012-2013 which, among other things, cut health benefits by approximately $18.4 million per year and set a cap on retiree premium subsidies of $343 per month, effective as of July 1, 2012, for those employees hired on or before July 30, 2010. The $343 retiree premium subsidy cap will increase over time for inflation, but by no more than 3% per year. This action is calculated to reduce the State of West Virginia's OPEB liability by half to $5 billion and is projected to ultimately eliminate the OPEB liability by 2040.

The OPEB liability, Actuarial Accrued Liability (AAL), for the multiple-employer-cost sharing plan, for plan year FY 2012, was estimated at $10.3 billion. This amount represents a substantial unfunded liability for the employers which are a part of the plan. The action taken by the PEIA Finance Board at its December 13, 2011 meeting is estimated to have cut the OPEB liability in half to approximately $5 billion. The PEIA 2012-2013 plan contemplates that State retirees will pay the additional $5 billion over time in the form of higher premiums or reduced benefits or both.

On February 10, 2012, the West Virginia Legislature passed Senate Bill 469 which creates a plan to address the funding of OPEB liabilities associated with the PEIA in the State of West Virginia. The Senate Bill eliminates health care insurance premium subsidies for PEIA insured employees which were hired after July 1, 2010 and sets up the Post July 1, 2010 Employee Trust Fund for the purpose of funding retirement benefits for employees hired after July 1, 2010. Under Senate Bill 469, following the elimination of the actuarial unfunded liability of the State's Workers' Compensation Trust Fund, the State will begin to apply $35 million a year from personal income tax collections as follows: $30 million a year will be deposited into the West Virginia Retiree Health Benefit Trust Fund (until the actuarial unfunded liability is eliminated or July 1, 2037, which ever is later to occur) for the purpose of paying down the remaining $5 billion of long-term OPEB liability associated with the PEIA, and (ii) $5 million a year will be deposited into the Post July 1, 2012 Employee Trust Fund to assist employees hired after July 1, 2010.

For professional employees, service personnel and professional student support personnel of the various County Boards of Education in the State, including the Board, which are employed within the limits permitted by the foundation allowance of the State school aid formula, the necessary OPEB premiums which are required to be paid to PEIA with respect to such employees shall be charged to the State of West Virginia. However, such County Boards of Education, including the Board, retain liability for payment of the necessary OPEB premiums which are required to be paid to PEIA for all professional employees, service personnel and professional student support personnel which are employed by such County Boards of Education in excess of the limits permitted by the foundation allowance of the State school aid formula.

In accordance with GASB requirements, the Board accrues OPEB costs based upon invoices received from PEIA based upon actuarially determined amounts. As of June 30, 2011, the noncurrent liability related to OPEB costs for the Board was $4,862,499. The total amount of OPEB expense incurred for the fiscal year ending June 30, 2011 was $2,677,935. The total amount of OPEB expense incurred for the fiscal year ending June 30, 2010 was $2,826,252.12. For additional information regarding the Board's liabilities and expenses, see

"APPENDIX A – Audit Report of Taylor County Board of Education for the Fiscal Year Ended June 30, 2011" and the accompanying notes to the financial statements.

Sources: (West Virginia Public Employees Insurance Agency; Taylor County Board of Education)

Insurance Coverage*

Type	Amount in Force (FY 2012)	
Deluxe Commercial Property insurance	$Per scheduled limit per building	
Deductible per occurrence	$	2,500
Machinery and Equipment insurance	$Per scheduled limit per building	
Deductible per occurrence	$	2,500
Flood insurance	$	N/A
Deductible per occurrence	$	N/A
Public official position bond: Superintendent	$	1,000,000**
Board President	$	1,000,000**
Treasurer	$	1,000,000**
Fidelity Honesty Bond	$	1,000,000**

*Source: Taylor County Board of Education
**Coverage is Coverage H. Crime Coverage, not a bond

INVESTMENT CONSIDERATIONS

Pursuant to Chapter 6, Article 9 of the Code of West Virginia, 1931, as amended (the "Audit Act"), the State Auditor, as the chief inspector and supervisor of public offices (the "Chief Inspector") is charged with the responsibility of (1) formulating, prescribing and installing a system of accountability for all local units of government in West Virginia, including municipalities and (2) examining the financial affairs of every local government office or political subdivision and all boards, commissions, authorities, agencies or other offices. The School District is a local government under the Audit Act. Accordingly, pursuant to Section 7 of the Audit Act, an audit of the School District's finances must be accomplished by the Chief Inspector or any person appointed by him. The Chief Inspector has developed procedures which allow certain local units of government in West Virginia to obtain audit services from certain approved accounting firms. The procedures developed by the Chief Inspector to procure a CPA firm for the audit require written approval of all contracts and extensions to contracts by the Chief Inspector prior to the commencement of work on the audit by the CPA firm. Additionally, the Chief Inspector is authorized to unilaterally cancel any contract between the School District and a CPA firm under certain conditions and elect to perform the audit. Accordingly, the actions or lack of actions of the Chief Inspector may adversely impact the ability of the selected CPA firm to timely complete the annual audited financial information required to be submitted to EMMA pursuant to the Continuing Disclosure Agreement. See "Continuing Disclosure" herein. Additionally, the School District has no power to require the Chief Inspector to take any action required under such procedures that would ensure the completion of the audit to meet the timely filing of such information.

TAX MATTERS

In the opinion of Bond Counsel, (a) under existing laws, regulations, published rulings and judicial decisions of the United States of America, as presently written and applied, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes, under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals or corporations upon the conditions and subject to the limitations set forth in this section; however, it should be noted that with respect to corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations, 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.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The Board has covenanted to comply with certain restrictions designed to ensure that interest on the Bonds will not be included in federal gross income. Failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Further, no assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of, or the tax status of interest on, the Bonds. Prospective purchasers of the Bonds are urged to consult their own tax advisors with respect to proposals to restructure the federal income tax.

Although Bond Counsel is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes, the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may otherwise affect an owner's federal tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the owner or the owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such future legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority 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.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry the Bonds. Bond Counsel will express no opinion regarding any such consequences.

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.

Bank Qualification

The Board has designated the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code, and, in the case of certain financial institutions (within the meaning of Code Section 265(b)(5), a deduction is allowed for 80% of that portion of such financial institutions' interest expense allocable to interest on the Bonds.

Original Issue Discount

The Bonds maturing on _____ 1, _____ through _____ 1, _____ (collectively, the "Discount Bonds") are being sold at an original issue discount. The original issue discount is the excess of the stated redemption price at maturity of such Discount Bonds over their initial offering price to the public, excluding underwriters and other intermediaries, at which price a substantial amount of the Discount Bonds of such maturity were sold. Original issue discount, to the extent properly allocable to each owner of such Discount Bonds, is excluded from gross income for federal income tax purposes with respect to such owner.

The amount of original issue discount which is treated as having accrued with respect to such Discount Bonds is added to the cost basis of the owner in determining, for federal income tax purposes, gain or loss upon disposition of such Discount Bonds (including its sale, redemption or payment at maturity). Amounts received upon disposition of such Discount Bonds which are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Bond, on days which are determined by reference to the maturity date of such Discount Bonds. The amount treated as original issue discount on such Discount Bonds for a particular semiannual accrual period is equal to the product of (i) the yield to maturity for such Discount Bonds (determined by compounding at the close of each accrual period) and (ii) the amount which would have been the tax basis of such Discount Bonds at the beginning of the particular accrual period if held by the original purchaser, less the amount of any interest payable for such Discount Bonds during the accrual period. The tax basis is determined by adding to the initial public offering price on such Discount Bonds the sum of the amounts which have been treated as original issue discount for such purposes during all prior periods. If such Discount Bonds are sold between semiannual compounding dates, original issue discount which would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Purchasers of any Discount Bond should consult their tax advisors regarding the determination and treatment of original issue discount for federal income tax purposes, and with respect to state and local tax consequences of owning such Discount Bonds.

Original Issue Premium

The Bonds maturing in _____ 1, 20__ through _____ 1, 20__ (each a "Premium Obligation" and collectively, the "Premium Obligations") are being sold at a premium. An amount equal to the excess of the issue price of a Premium Obligation over its stated redemption price at maturity constitutes premium on such Premium Obligation. An initial purchaser of a Premium Obligation must amortize any premium over such Premium Obligation's term using constant yield principles, based on the purchaser's yield to maturity (or, in the case of Premium Obligations callable prior to their maturity, by amortizing the premium to the call date, based on the purchaser's yield to the call date and giving effect to any call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period and the purchaser's basis in such Premium Obligation is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Obligation prior to its maturity. Even though the purchaser's basis may be reduced, no federal income tax deduction is allowed.

Owners of Premium Obligations should consult their own tax advisors as to the determination for federal income tax purposes of the premium properly accruable in any period with respect to such Premium Obligations and as to other federal tax consequences and the premium for state and local tax purposes.

Market Discount

The "market discount rules" of the Code apply to the Bonds. Accordingly, holders acquiring their Bonds subsequent to the initial issuance of the Bonds will generally be required to treat market discount recognized under the provisions of the Code as ordinary taxable income (as opposed to capital gain income). Holders should consult their own tax advisors regarding the application of the market discount provisions of the Code and the advisability of making any of the elections relating to market discount allowed by the Code.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest paid on debt obligations of state and local governments, including the Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the inclusion of the interest on the Bonds in gross income for Federal income tax purposes. Any amounts withheld pursuant to backup withholding may be allowed as a refund or credit against the owner's Federal income tax liability, depending on the purchaser's federal tax liability once the required information is furnished to the Internal Revenue Service.

West Virginia Tax

In the opinion of Bond Counsel, under existing laws of the State of West Virginia, the Bonds are exempt from all taxation by the State of West Virginia or any political subdivision thereof.

Possible State and Federal Legislative Changes with Respect to Tax-Exempt Bonds

Legislation has been proposed in the past, and may be proposed again in the future, to eliminate the tax-exempt status of bonds issued to finance educational facilities or to limit the extent of the current tax advantages available for tax exempt bonds or to limit the use of tax-exempt bonds. Any such limitation could reduce the Board's ability to finance future capital needs of the School District. The effect on the Board of proposed laws and regulations and future changes in federal and state laws and policies cannot be fully or accurately determined at this time.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. As one example, on September 12, 2011, the Obama Administration announced a legislative proposal entitled the American Jobs Act of 2011. For tax years beginning on or after January 1, 2013, the American Jobs Act of 2011, if enacted, would limit the exclusion from gross income of interest on obligations like the Bonds to some extent for taxpayers who are individuals and whose income is subject to higher marginal income tax rates. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

LITIGATION IN THE STATE CONCERNING THE SCHOOL FINANCING SYSTEM

The School District may be affected by litigation pending in the courts of the State of West Virginia with potential impact on local taxes for school purposes similar to the litigation which has continued in certain states, such as Serrano v. Priest in California, challenging the constitutionality of present systems of levying taxes and applying funds for public school purposes.

On May 11, 1982 in the matter entitled Pauley v. Bailey, a special judge of the Circuit Court for Kanawha County held that the West Virginia school finance system violates the West Virginia Constitution and that inequities in the levels of funding for various counties were attributable to undue reliance on excess levies which favored property rich counties. By order of March 4, 1983, a master plan prepared by the State Board of Education and State Superintendent of Schools was filed as part of the record in the case. The court expressed its intention that the master plan be viewed as a proposal to the State Legislature for implementing, by statute, a constitutional system of financing public education. No legislation resolving the question was adopted during

the 1984 legislative session, and on January 8, 1985, the plaintiffs moved the court to address the excess levy problem. On December 3, 1985, the court ordered that if the legislature did not, by July 1, 1987, replace or equalize excess levy revenues by one of the methods enumerated in such order, the court would direct a more equitable distribution. The legislature then adopted a constitutional amendment authorizing a statewide excess levy. The proposed amendment was to be submitted to the voters in a special election to be held March 5, 1988. The court entered a supplemental order on June 29, 1987, providing that if the statewide excess levy was not approved by the voters, a sum equal to 20% of each county's excess levy revenues in fiscal year 1988 89 (to be increased by an additional 20% in each of the next four fiscal years) would be withheld and distributed "on an equitable basis described by the court." The statewide excess levy amendment was defeated at the special election and the supplemental order became operative. However, on April 8, 1988, the state tax commissioner, the auditor and 33 county boards of education petitioned the Supreme Court of Appeals of West Virginia for a writ of prohibition to bar enforcement of the supplemental order. On November 23, 1988 in State ex rel. the Boards of Education of the Counties of Upshur et al, the Supreme Court of Appeals issued the writ of prohibition, and noting that the court below had plainly exceeded its legitimate powers by the entry of an unconstitutional order, found the existing excess levy provision not violative of the State Constitution. The Supreme Court of Appeals suggested therein that it would be appropriate for the lower court to consider whether a statewide reappraisal should be ordered to be implemented to remedy the school financing problem.

In May of 1995 a Motion to join the President of the State Senate and the Speaker of the State House of Delegates as defendants in Pauley was granted by the Circuit Court. The Circuit Court later reconsidered this Motion and the President of the State Senate and the Speaker of the House of Delegates are no longer defendants. Additionally, with the motion to join defendants, the plaintiffs moved the Circuit Court for an order enforcing the judgment previously entered including establishment of a timetable for implementation of the Master Plan for Public Education and a timetable for implementation of changes to the system of financing public education in West Virginia. A trial was scheduled for July 3, 2000. However, prior to going to trial, the parties reached a settlement with regard to a number of the issues.

Finally, on January 3, 2003, Pauley was dismissed and dropped from the active docket of the court. The court stated in its Memorandum of Opinion and final Order the following:

1. The plaintiff class's request to compel the West Virginia Legislature to remove the net enrollment caps in Steps 1 and 2 of the Foundation Allowance to provide additional professional and service personnel of the county as embraced within West Virginia Code §18-9A-1, et seq., and the use of a density mileage factor within the Foundation Allowance is hereby DENIED.

2. The decision of the Honorable Dan C. Robinson that the School Financing Formula as embraced within West Virginia Code §18-9A-1, et seq., was constitutionally deficient is hereby vacated and held for naught; and

3. West Virginia Code §18-2E-5 is specifically found to satisfy the requirements of W.Va. Const. Art. XII §1 to the extent that the Legislature has provided, by public law, for a thorough and efficient system of free schools.

4. There being no further need to maintain continuing jurisdiction in this matter, this case shall be dismissed and dropped from the active docket of this Court, to all of which action all parties' objection is hereby preserved.

On December 28, 1990, a class action was filed against the State Superintendent of Schools, the West Virginia Board of Education and the School Building Authority of West Virginia in the United States District Court for the Southern District of West Virginia by a group of plaintiffs alleging improper action by defendants in following a policy of approval of segregated outbuildings for special education students and expenditures therefor. (Harris et. al. v. Marockie, et. al.). The action also alleged that defendants have discriminated against the plaintiff class by failure to protect them from improper behavioral control procedures by County Boards of Education, failure to monitor or enforce educational standards and failure to provide adequately trained instructors.

Plaintiffs requested relief in the form of various declaratory and injunctive measures to remedy the alleged improprieties, including submission of a plan to alleviate alleged constitutional and legal deficiencies in

special education in the State. No monetary damages were stated in the complaint. On July 10, 1991 a Settlement Agreement was approved by the District Court. The Settlement Agreement, as approved by the District Court, provided inter alia that the State School Building Authority would, in the application process and before disbursement of monies to local boards of education, obtain sufficient information to assure that no projects approved or funded would permit segregated outbuildings, segregated schools or inappropriately located self-contained classrooms in regular buildings in which classrooms are not contiguous to or in proximity with classrooms of age appropriate, non-handicapped children or that permits a county to continue the existence of such an outbuilding, school or classroom.

In the opinion of Bond Counsel, the final resolution of the Pauley and Harris decisions by the courts of the State will not affect the validity or binding obligation, nature of the Bonds or modify the right of the holders thereof to ultimate recourse to unlimited ad valorem taxes upon all the taxable property within the School District for the payment of the Bonds if not paid from other sources.

LITIGATION

In the ordinary conduct of its affairs, the Board is party to litigation pending in the courts of the State. The Board engages counsel to represent the Board on various matters. Counsel to the Board has reviewed the current status of all pending and threatened litigation, and expresses the opinion that while the outcome of litigation cannot be predicted, it is nevertheless not probable that Board liability in any such matters is likely to have a material adverse effect on the repayment of the Bonds.

On February 22, 2010, forty-nine (49) county boards of education, including the Board, filed a Complaint in the Circuit Court of Kanawha County against the West Virginia Public Employees Insurance Agency ("PEIA"), the PEIA Finance Board and the West Virginia State Auditor seeking legislative funding through the Public School Support Program (the "Program") to offset the costs of providing other post-employment benefits to employees otherwise funded through the Program. The Circuit Court of Kanawha County dismissed the suit on the grounds that it was a political question better answered by the West Virginia Legislature. The county boards of education appealed this decision to the West Virginia Supreme Court. The West Virginia Supreme Court upheld the Circuit Court of Kanawha County's decision to dismiss the suit. The Board does not expect the result of the case to have a material adverse effect on its financial condition or its ability to pay debt service on the Bonds.

The West Virginia Legislature enacted Senate Bill 469 subsequent to the West Virginia Supreme Court's decision in the OPEB Litigation above described. Senate Bill 469 provides that OPEB premiums associated with the PEIA for certain County School Board employees which are employed within the foundation allowance of the State school aid formula are to be charged to the State of West Virginia rather than the County School Boards. However, the County School Boards retain liability for such OPEB premiums for employees which are employed outside of the foundation allowance of the State school aid formula (see Other Post Employment Benefits discussion in this Official Statement for additional detail).

The State of West Virginia's OPEB liability and the Board's OPEB liability may be subject to additional lawsuits and legislative action in the future which could have an effect on the amount of the Board's OPEB liability. No representation can be made regarding the potential outcome of any such lawsuits, if initiated, or the likelihood of any future legislative actions and any effect on the amount of the Board's OPEB liability.

At the time of payment for and delivery of the Bonds, the purchasers will be furnished with a certificate of the Secretary of the Board that there is no litigation pending or threatened affecting the validity of the Bonds or any of the proceedings taken with respect to the issuance and sale thereof or the levy or collection of any taxes to pay the principal of or interest on the Bonds. Such certificate shall also state that there is no litigation pending or threatened against the Board which materially adversely affects the financial condition of the Board.

CONTINUING DISCLOSURE

The Board has covenanted for the benefit of the Owners of the Bonds, in accordance with the Continuing Disclosure Agreement which shall be delivered in substantially the form attached hereto as APPENDIX F, to

provide financial information not later than two hundred seventy (270) days following the end of the Board's fiscal year, commencing with the report for the fiscal year ended June 30, 2012, and to provide notice of the occurrence of the enumerated events listed therein, if material (with respect to such enumerated events which provide for a determination of materiality). The Annual Information and each notice of material events will be filed electronically by United Bank, Inc., Charleston, West Virginia, as dissemination agent ("Dissemination Agent"), on behalf of the Board, with the Electronic Municipal Markets Access system maintained by the Municipal Securities Rulemaking Board ("EMMA").

This continuing disclosure obligation is being undertaken to comply with Rule 15c2-12 (the "Rule") promulgated by the Securities Exchange Commission. The Board has agreed to give notice in a timely manner to EMMA of any failure to supply the required information. However, any such failure will not constitute a default under the terms of the Bonds. Under the Continuing Disclosure Agreement, the sole remedy for such failure is to seek an order for specific performance. SEE "APPENDIX F – FORM OF CONTINUING DISCLOSURE AGREEMENT."

Due to an administrative oversight by the Board's Dissemination Agent, the Annual Report for fiscal year ending June 30, 2009, was not filed in a timely manner in accordance with previous continuing disclosure agreements. However, the failure was remedied by the Dissemination Agent on August 15, 2012.

LEGAL MATTERS

All legal matters incident to the authorization, issuance, sale and delivery of the Bonds are subject to the approval of Steptoe & Johnson PLLC, Charleston, West Virginia, Bond Counsel, whose approving legal opinion will be delivered with such Bonds. Certain legal matters will be passed upon for the Board by Steptoe & Johnson PLLC, Charleston, West Virginia, Counsel to the Board.

RATINGS

Standard & Poor's Corporation, 55 Waters Street, New York, New York, 10041, has assigned the Bonds its rating of 'AA' based on the Board's eligibility and participation in the Municipal Bond Program. The Board did not apply for any other ratings. Such rating reflects only the views of such organization and reference is made to such organization for the meaning of such rating. There is no assurance that such rating will continue for any period of time or that such rating will not be revised downward or withdrawn entirely by the assigning rating agency, if in the judgment of such rating agency, circumstances so warrant. Any downward revision or withdrawal of such rating may have an adverse effect upon the market price or value of the Bonds.

VERIFICATION AGENT

Grant Thornton LLP, 500 US Bank Plaza N, 200 S. 6th Street, Minneapolis, Minnesota has been retained as verification agent for the Bonds (the "Verification Agent"). The Verification Agent shall provide a certification that a debt service savings was obtained by refunding the Bonds To Be Refunded and verification of the sufficiency of the escrow.

UNDERWRITING

The Bonds are being purchased by Piper Jaffray & Co., as Underwriter. The Purchase Contract provides that the Underwriter will purchase all the Bonds if any are purchased, the obligation to make such purchase being subject to the terms and conditions set forth in the Purchase Contract, including the approval of certain legal matters by counsel. The initial public offering prices may be changed from time to time by the Underwriter. The Underwriter may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) and certain dealer banks acting as agents at prices lower than the public offering prices stated on the cover page hereof. The Underwriter has agreed to purchase the Bonds, subject to certain conditions, for a purchase price of $_____ (par of $_____ plus $_____ [net] original issue premium, less $_____ underwriter's discount).

Piper Jaffray & Co. and Pershing LLC, a subsidiary of The Bank of New York Mellon Corporation, entered into an agreement (the "Agreement") which enables Pershing LLC to distribute certain new issue municipal securities underwritten by or allocated to Piper Jaffray & Co., including the Bonds. Under the Agreement, Piper Jaffray & Co. will share with Pershing LLC a portion of the fee or commission paid to Piper.

CONCLUDING STATEMENT

The information furnished in this Official Statement is set forth for the benefit of prospective purchasers of the $6,150,000* in aggregate principal amount of The Board of Education of the County of Taylor Public School Refunding Bonds, Series 2012. The material contained in the Official Statement was compiled for and at the direction of The Board of Education of the County of Taylor.

All statements, estimates, assumptions and summaries of documents in this Official Statement have been made on the basis of the best information available and are believed to be correct and reliable, but no representations whatsoever are made that such statements, estimates, assumptions and summaries of documents are correct or will be realized.

This Official Statement is submitted in connection with the offering of the Bonds and may not be reproduced or used, as a whole or in part, for any other purposes. Any statements in this Official Statement involving matters of opinion or estimate, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Board and the purchasers or holders of any of the Bonds. The distribution of this Official Statement has been approved by the Board. Additional information may be obtained from the Superintendent at Route 2, Box 157, Grafton, West Virginia, 23654, telephone (304) 265-2497.

* Preliminary, subject to change.

THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR

By: _____
President

APPENDIX A

Audit Report of Taylor County Board of Education for the Fiscal Year Ended June 30, 2011

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AUDIT REPORT OF
TAYLOR COUNTY BOARD OF EDUCATION
GRAFTON, WEST VIRGINIA
For the Fiscal Year Ended June 30, 2011

AUDIT REPORT OF
TAYLOR COUNTY BOARD OF EDUCATION
For the Fiscal Year Ended June 30, 2011

This audit has been conducted pursuant to the authority and duty of the State Auditor as Chief Inspector and Supervisor of Public Offices to conduct an annual inspection of all political subdivisions of the State of West Virginia and any agency created by these subdivisions. This power is granted by West Virginia Code §6-9-1 et seq.

TAYLOR COUNTY BOARD OF EDUCATION
SCHEDULE OF FUNDS INCLUDED IN REPORT
For the Fiscal Year Ended June 30, 2011

GOVERNMENTAL FUND TYPES

MAJOR FUNDS

General Current Expense Fund

Special Revenue Funds

Restricted Projects
ARRA

Capital Projects Funds

Permanent Improvement
Bond Construction
Capital Projects

Debt Service Fund

FIDUCIARY FUND TYPE

Agency Funds

School Activity
Scholarship

TAYLOR COUNTY BOARD OF EDUCATION
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INTRODUCTORY SECTION

TAYLOR COUNTY BOARD OF EDUCATION
OFFICIALS
For the Fiscal Year Ended June 30, 2011

OFFICE	NAME	TERM
	Elective	
Board Members:	Nancy A. Ludwick	07-01-10 / 06-30-14
	Melissa D. Knotts	07-01-10 / 06-30-14
	Alan Depiano	07-01-10 / 06-30-14
	Richard Teagarden	07-01-08 / 06-30-12
	Julie Gregory	07-01-08 / 06-30-12
	Appointive	
Board President:	Nancy A. Ludwick	07-01-10 / 06-30-12
Treasurer:	Annette Hughart	

FINANCIAL SECTION

Glen B. Gainer III
State Auditor and
Chief Inspector

Stuart T. Stickel, CPA
Deputy Chief Inspector

State of West Virginia

Office of the State Auditor
Chief Inspector Division
Building 1, Room W-420
Charleston, West Virginia 25305

Toll Free: 877-982-9148
Telephone: (304) 558-2540
FAX: (304) 558-5327
Internet: http://www.wvsao.gov

INDEPENDENT AUDITOR'S REPORT

Honorable Members of the
Taylor County Board Of Education
Grafton, West Virginia

We have audited the accompanying financial statements of the governmental activities and each major fund of the Taylor County Board of Education (the Board), as of and for the year ended June 30, 2011, which collectively comprise the Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the entity's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Taylor County Board of Education, as of June 30, 2011, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

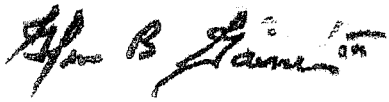
As discussed in Note 3, the Board implemented the provisions of Governmental Accounting Standards Board Statement Number 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance* and Governmental Accounting Standards Board Statement Number 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2012 on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 4 through 11 and budgetary comparison information for the General Current Expense Fund and the Special Revenue Funds on pages 50 through 54 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 conducted for the purpose of forming opinions on the financial statements that collectively comprise the Taylor County Board of Education's financial statements. The introductory section, budgetary comparison information for the Debt Service Fund and the Capital Projects Fund, and the Schedule of Changes in School Activity Funds are presented for purposes of additional analysis and are not required parts of the financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is also not a required part of the basic financial statements of the Taylor County Board of Education. Such information, with the exception of the introductory section, has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we express no opinion on it.

Respectfully submitted,



Glen B. Gainer III
West Virginia State Auditor

March 23, 2012

TAYLOR COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANAYLSIS
For the Fiscal Year Ended June 30, 2011

This narrative discussion and analysis provides an overview of the financial activities of the Taylor County Board of Education (the Board) for the fiscal year ended June 30, 2011. Please consider this discussion and analysis in conjunction with information provided in the Board's basic financial statements and the accompanying notes, which are presented immediately following this Management's Discussion and Analysis.

Financial Highlights

The assets of the Board exceeded its liabilities at the close of the most recent fiscal year by $15,071,941 (net assets).

The government's total net assets decreased by $225,877. Most of this decrease is attributable to the increase in Other Post Employment Benefits (OPEB) expense and liability for the year ended June 30, 2011.

As of the close of the current fiscal year, the Board's governmental funds reported a combined ending fund balance of $1,169,482, a decrease of $705,602 in comparison with the prior year. As with the government-wide statements, most of this decrease is due to recognition of the Other Post Employment Benefit expense and liability as required by the Governmental Accounting Standards Board's Statement No. 45 - *Accounting and Financial Reporting by Employers for Post-Employment Benefits other than Pensions* (OPEB).

As a consequence of the recognition of the OPEB liability mentioned above, the unassigned fund balance for the general fund reported a negative balance of $2,484,819 at the end of the fiscal year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Board's basic financial statements. The Board's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements - The government-wide financial statements are designed to provide readers with a broad overview of the Board's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the Board's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Board is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements can be found on pages 12 to 14 of this report.

Fund financial statements - A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The Board, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Board can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Board maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the special revenue fund, the special revenue fund for the American Recovery and Reinvestment Act (ARRA), the debt service fund, the permanent improvement fund and the capital projects fund, all of which are considered to be major funds.

The basic governmental fund financial statements can be found on pages 15 to 19 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Board's own programs.

The Board maintains two agency funds: to account for resources held for student groups and activities.

The basic fiduciary funds financial statement can be found on page 20 of this report.

Notes to the basic financial statements - The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 21 to 49 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Board, assets exceeded liabilities by $15,071,941 at the close of the most recent fiscal year.

Taylor County Board of Education's Net Assets

	Governmental activities	
	FY 2011	FY 2010
Current and other assets	$ 6,188,432	$ 5,715,387
Capital assets	22,920,979	23,338,225
Total assets	29,109,411	29,053,612
Current and other liabilities	6,807,048	5,574,704
Long term liabilities	7,230,422	8,060,543
Total liabilities	14,037,470	13,635,247
Net assets:		
Invested in capital assets, net of related debt	15,721,850	15,311,894
Restricted	1,282,218	491,770
Unrestricted	(1,932,127)	(505,846)
Total net assets	$ 15,071,941	$ 15,297,818

The largest portion of the Board's net assets, $15,721,850 or 104 %, reflects its investment in capital assets (e.g. land, site improvements, buildings, furniture and equipment, and vehicles), less any related debt used to acquire those assets that is still outstanding. The Board uses these capital assets to provide services to students; consequently, these assets are not available for future spending.

An additional portion of the Board's net assets, $1,282,218 or 9%, represents resources that are subject to external restrictions on how they may be used. The remainder may be used to meet the government's ongoing obligations to students, citizens and creditors.

The Board is not able to report positive balances in each of the three categories of net assets at the end of the current fiscal year. This was also true for the prior fiscal year.

Restricted net assets increased by $777,888 during the year ended June 30, 2011.

The Board's net assets decreased by $225,877 during the 2011 fiscal year. Most of this decrease is due to the OPEB expense and liability recognized for the period.

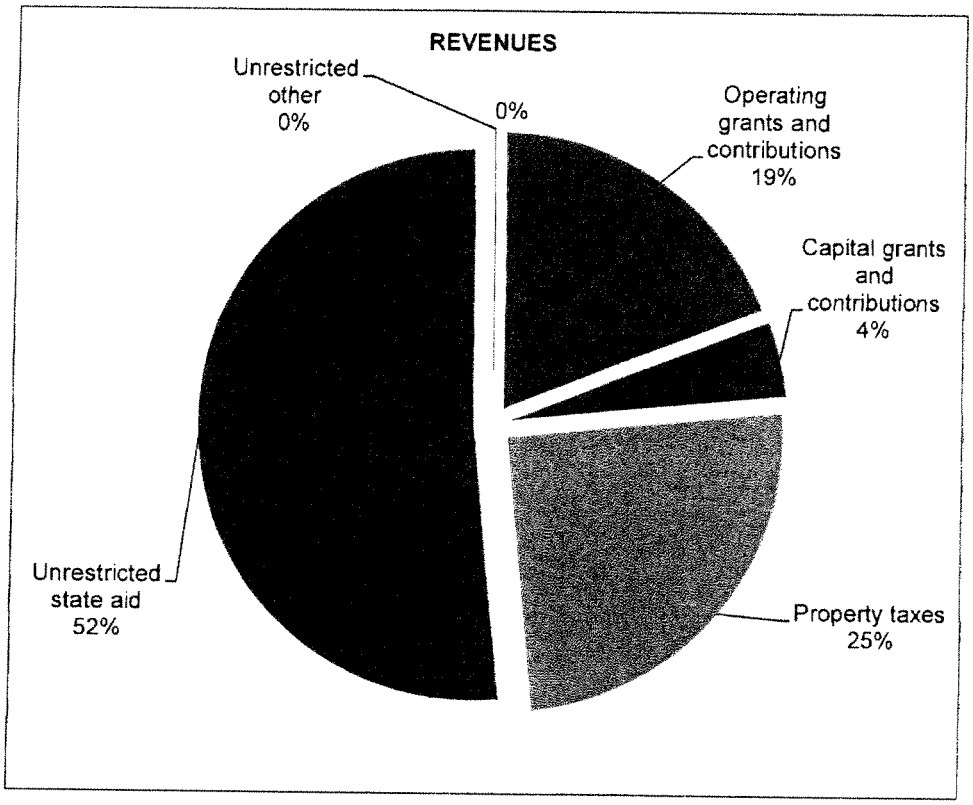
The key elements of the change in the Board's net assets for the years ended June 30:

Taylor County Board of Education's Changes in Net Assets

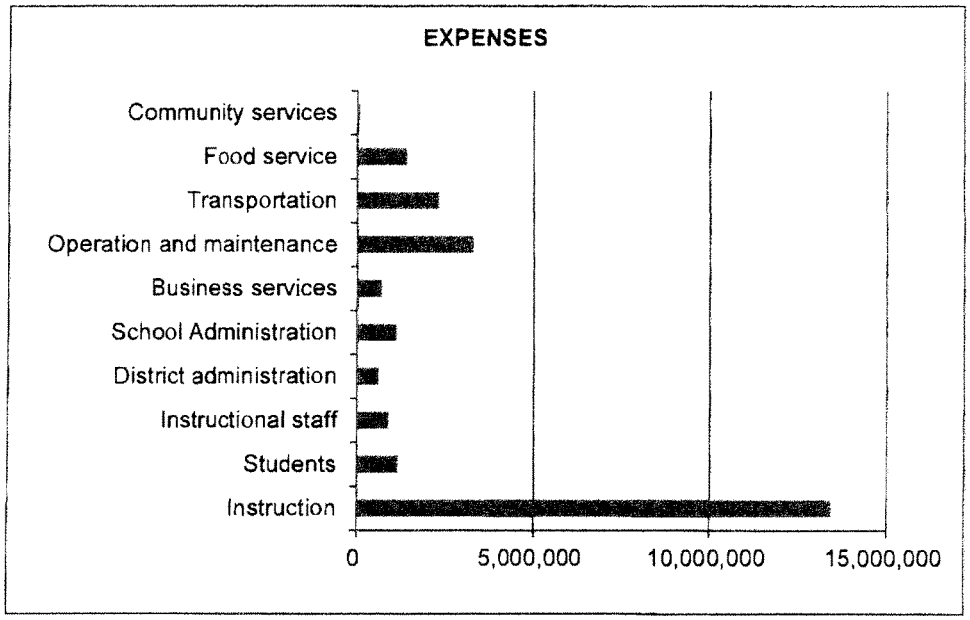
	Governmental activities	
	FY 2011	FY 2010
Revenues:		
Charges for services	$ 58,097	$ 666,773
Operating grants and contributions	4,740,420	4,255,046
Capital grants and contributions	1,100,356	426,780
Property taxes	6,210,450	5,915,364
Unrestricted state aid	12,833,505	13,039,139
Unrestricted investment earnings	16,305	10,335
Total revenues	$ 24,959,133	$ 24,313,437
Expenses:		
Instruction	$ 13,418,634	$ 15,261,692
Supporting services:		
Students	1,148,821	850,738
Instructional staff	898,936	711,907
District administration	609,229	820,654
School Administration	1,117,989	1,103,200
Business services	686,201	332,588
Operation and maintenance	3,269,252	3,135,987
Transportation	2,306,976	2,252,958
Total supporting services	10,037,404	9,208,032
Food service	1,400,326	1,308,290
Community services	57,704	82,261
Interest on long-term debt	270,942	288,417
Total expenses	25,185,010	26,148,692
Change in net assets	(225,877)	(1,835,255)
Net assets - beginning of year (as restated)	15,297,818	17,133,073
Net assets - end of year	$ 15,071,941	$ 15,297,818

The largest increase in revenues is from state aid and property tax collections. The cost for OPEB is the single largest factor affecting the increase in expenses.

The following chart shows the Board's revenues for fiscal year ended June 30, 2011 by source:



The following chart shows the Board's expenses for fiscal year ended June 30, 2011 by function:



Financial Analysis of the Board's Funds

As noted earlier, the Board uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds - The focus of the Board's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Board's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As the Board completed the year, its governmental funds reported a combined fund balance of $(1,169,482). Included in this year's change in the combined fund balance is a decrease in the General Fund of $813,005. The Debt Service Fund balance increased by $53,311 representing a decrease in payments for the retirement of long-term bonds and related interest.

Governmental funds report the differences between their assets and liabilities as fund balance, which is divided into nonspendable, restricted, committed, assigned, and unassigned portions. Nonspendable, restricted, committed, and assigned indicate the portion of the Board's fund balances that are not available for appropriation. The unassigned fund balance is available expendable financial resources in governmental funds that are available for appropriation. The Board had a deficit unassigned fund balance of $3,025,023 which was primarily a result of the OPEB liability and related expense.

The ($1,879,931) fund balance of the general fund is primarily designated for the following purpose:

❖ Restricted	$ 174,618
❖ Assigned	430,270
❖ Unassigned	(2,484,819)

General Fund Budgetary Highlights

During the year, the Board revised the budget. Budget revisions reflected changes in programs and related funding. The difference between the original budget and the final amended budget was an increase of $176,952 or 1% in total general fund expenditures. The most significant difference can be summarized as follows:

• Budget supplements to carryover earmarked, encumbered, and unspent grant funds from the prior fiscal year.

• Additional budget supplements to include in the budget new grant awards not included in the original budget

The general fund budget was not change significantly.

Capital Assets and Long-term Liabilities

Capital assets - The Board's investment in capital assets for its governmental activities as of June 30, 2011, amounts to $22,920,979 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, furniture and equipment, and vehicles. The total decrease in the Board's investment in capital assets for the current fiscal year was $417,246 or 1.8%.

No new major capital asset events during the current fiscal year.

	FY 2011	FY 2010
Land	$ 946,416	$ 946,416
Buildings and improvements	20,550,180	21,110,896
Furniture and equipment	590,130	557,921
Vehicles	834,253	722,992
Total capital assets	$ 22,920,979	$ 23,338,225

Additional information on the Board's capital assets can be found in Note 6 to the basic financial statements.

Long-term debt - At the end of the current fiscal year, the Board had total bonded debt outstanding of $6,795,000 and capital lease obligations of $404,129. Employees of the Board are eligible to receive special termination benefits in the form of convertible sick leave earned but not used prior to retirement. Upon retirement, an employee's accumulated sick leave may be converted to a greater retirement benefit or to payment of the retired employee's health insurance premiums. The cost of additional retirement benefits are the liability of the West Virginia Public Retirement Board and therefore are not recorded in the Board's financial statements. However, the cost of the health insurance premiums must be absorbed by the last agency employing the retiree. Historically, the West Virginia Legislature has appropriated funds for the Board for payment of these costs. However, because such appropriations are at the discretion of the Legislature and therefore not guaranteed, the liability for the cost of sick leave convertible to health insurance premiums is recorded in the Board's financial statements. At June 30, 2011, the liability for such costs was $4,862,499. The obligation for compensated absences for vacations was $3,533 at June 30, 2011.

The following summarizes the Board's long-term debt:

	2011 Governmental Activities	2010 Governmental Activities
General obligation bonds	$ 6,795,000	$ 7,485,000
Capital lease obligations	404,129	541,331
Compensated absences	3,533	9,138
Total debt outstanding	$ 7,202,662	$ 8,035,469

Additional information on the Board's long-term debt can be found in Note 7 to the basic financial statements.

Factors Bearing on the Board's Future

The Board also continues to pursue legal action seeking legislative funding through the West Virginia Public School Support Program to fund the rapidly increasing OPEB liability.

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 Taylor County Board of Education, RR 2 Box 157, Grafton, WV 26354, (304) 265-2497.

TAYLOR COUNTY BOARD OF EDUCATION
STATEMENT OF NET ASSETS
June 30, 2011

	Governmental Activities
ASSETS	
Current:	
Cash and cash equivalents	$ 4,008,703
Investments	875,071
Taxes receivable, net of allowance for uncollectible taxes	233,271
Food services receivable	91,828
Other receivables	197,372
Deferred Charges - issuance costs	53,352
Due from other governments:	
State aid receivable	51,673
PEIA allocation receivable	321,476
Reimbursements receivable	355,686
Total current assets:	6,188,432
Noncurrent:	
Capital Assets not being depreciated:	
Land	946,416
Capital Assets being depreciated:	
Buildings and improvements	33,520,708
Furniture and equipment	2,326,268
Vehicles	2,957,353
Less: accumulated depreciation	(16,829,766)
Total capital assets, net of depreciation	22,920,979
Total noncurrent assets:	22,920,979
Total assets	29,109,411
LIABILITIES AND NET ASSETS	
Liabilities:	
Salaries payable and related payroll liabilities	1,307,881
PEIA premiums payable	4,511
Deferred revenues	356,024
Accounts payable	276,133
Other post employment benefit payable - state aid funded employees	4,664,869
Other post employment benefit payable - all other employees	197,630
Long-term obligations:	
Due within one year:	
Bonds, capital leases, and contracts	859,690
Accrued interest	27,760
Due beyond one year:	
Bonds, capital leases, and contracts	6,339,439
Compensated absences	3,533
Total liabilities	$ 14,037,470

The notes to the financial statements are an integral part of this statement.

TAYLOR COUNTY BOARD OF EDUCATION
STATEMENT OF NET ASSETS
June 30, 2011

		Governmental Activities
Net Assets:		
Invested in capital assets, net of related debt	$	15,721,850
Restricted for:		
Debt service		1,282,218
Unrestricted		(1,932,127)
Total net assets	$	15,071,941

The notes to the financial statements are an integral part of this statement.

TAYLOR COUNTY BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2011

Functions	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense), Revenue & Changes in Net Assets Governmental Activities
Governmental activities:					
Instruction	$ 13,418,634	$ 15,867	$ 2,734,861	$ 629,183	$ (10,038,723)
Supporting services:					
Students	1,148,821	31,706	229,499	53,917	(833,699)
Instructional staff	898,936	1,063	179,384	42,144	(676,345)
District administration	609,229	722	121,775	28,609	(458,123)
School administration	1,117,989	1,321	222,942	52,377	(841,349)
Business services	686,201	824	139,105	32,681	(513,591)
Operation and maintenance of facilities	3,269,252	3,866	652,433	153,280	(2,459,673)
Student transportation	2,306,976	2,728	460,404	108,165	(1,735,679)
Food services	1,400,326	-	17	-	(1,400,309)
Community services	57,704	-	-	-	(57,704)
Interest on long-term debt	270,942	-	-	-	(270,942)
Total governmental activities	$ 25,185,010	$ 58,097	$ 4,740,420	$ 1,100,356	(19,286,137)
General revenues:					
Property taxes					6,210,450
Unrestricted state aid					12,833,505
Unrestricted investment earnings					16,305
Total general revenues					19,060,260
Change in net assets					(225,877)
Net assets - beginning (restated, Note 13)					15,297,818
Net assets - ending					$ 15,071,941

The notes to the financial statements are an integral part of this statement.

TAYLOR COUNTY BOARD OF EDUCATION
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2011

	General Current Expense	Special Revenue Fund	Special Revenue ARRA Fund	Debt Service Fund	Permanent Improvement Fund	Capital Projects Fund	Total Governmental
ASSETS							
Cash and cash equivalents	$ 3,669,254	$ 188,823	$ -	$ -	$ 150,626	$ -	$ 4,008,703
Investments	-	-	-	875,071	-	-	875,071
Taxes receivable, net	193,251	-	-	40,020	-	-	233,271
Food service receivable, net	-	91,828	-	-	-	-	91,828
Other receivables	197,372	-	-	-	-	-	197,372
Due from other governments:							
State aid receivable	51,673	-	-	-	-	-	51,673
PEIA allocation receivable	321,476	-	-	-	-	-	321,476
Reimbursements receivable	-	297,156	58,530	-	-	-	355,686
Due from other funds	272,682	-	-	-	-	-	272,682
Total assets	$ 4,705,708	$ 577,807	$ 58,530	$ 915,091	$ 150,626	$ -	$ 6,407,762
LIABILITIES AND FUND BALANCES							
Liabilities:							
Salaries payable and related payroll liabilities	$ 1,058,130	$ 161,405	$ 88,346	$ -	$ -	$ -	$ 1,307,881
Other post employment benefits payable:							
state aid funded	4,664,869	-	-	-	-	-	4,664,869
all other employees	197,630	-	-	-	-	-	197,630
PEIA premiums payable	4,511	-	-	-	-	-	4,511
Accounts payable	174,287	101,656	190	-	-	-	276,133
Deferred revenue	486,212	327,306	-	40,020	-	-	853,538
Due to other funds	-	-	119,108	153,574	-	-	272,682
Total liabilities	6,585,639	590,367	207,644	193,594	-	-	7,577,244
Fund Balances:							
Restricted	174,618	235,477	-	721,497	150,626	-	1,282,218
Assigned	430,270	131,880	11,173	-	-	-	573,323
Unassigned	(2,484,819)	(379,917)	(160,287)	-	-	-	(3,025,023)
Total fund balances	(1,879,931)	(12,560)	(149,114)	721,497	150,626	-	(1,169,482)
TOTAL LIABILITIES AND FUND BALANCES	$ 4,705,708	$ 577,807	$ 58,530	$ 915,091	$ 150,626	$ -	$ 6,407,762

The notes to the financial statements are an integral part of this statement.

TAYLOR COUNTY BOARD OF EDUCATION
RECONCILIATION OF BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
For the Fiscal Year Ended June 30, 2011

Total fund balances on the governmental fund's balance sheet	$ (1,169,482)
Amounts reported for governmental activities in the statement of net assets are different due to:	
Capital assets used in governmental activities are not financial resources and, therefore not reported in the funds. (Note 6)	22,920,979
Deferred charges are not reported in the funds	53,352
Receivable amounts that will be collected this year but are not available soon enough to pay for the current period's expenditures, and are therefore deferred in the funds.	
Taxes receivable	233,271
Medicaid receivable	122,596
E-rate receivable	49,818
Food service receivable	91,829
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds	
Bonds payable	(6,795,000)
Accrued interest on bonds	(27,760)
Capital leases payable	(404,129)
Compensated absences	(3,533)
Net assets of governmental activities	$ 15,071,941

The notes to the financial statements are an integral part of this statement.

TAYLOR COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2011

	General Current Expense	Special Revenue	Special Revenue ARRA	Debt Service Fund	Permanent Improvement Fund	Capital Projects Fund	Total Governmental
Revenues:							
Property taxes	$ 5,207,337	$ -	$ -	$1,001,255	$ -	$ -	$ 6,208,592
Other Local sources	77,378	429,111	-	2,513	-	-	509,002
State sources	12,819,850	1,037,383	-	-	-	-	13,857,233
Federal sources	553,518	2,575,226	972,077	-	336,441	-	4,437,262
Total revenues	18,658,083	4,041,720	972,077	1,003,768	336,441	-	25,012,089
Expenditures:							
Instruction	10,479,572	1,876,462	1,105,908	-	-	-	13,461,942
Supporting services:							
Students	825,535	243,181	80,105	-	-	-	1,148,821
Instructional staff	412,279	439,999	46,658	-	-	-	898,936
Central administration	602,761	11,416	-	-	-	-	614,177
School administration	1,116,349	1,640	-	-	-	-	1,117,989
Business	685,747	2,964	-	-	-	-	688,711
Operation and maintenance of facilities	2,414,805	7,961	-	-	-	-	2,422,766
Student transportation	2,124,229	291,664	-	-	-	-	2,415,893
Food services	-	1,370,070	-	-	-	-	1,370,070
Community services	34,402	23,102	200	-	-	-	57,704
Capital outlay	179,473	53,972	-	-	187,327	-	420,772
Debt service:							
Principal retirement	137,201	-	-	690,000	-	-	827,201
Interest and fiscal charges	7,252	-	-	260,457	-	-	267,709
Total expenditures	$ 19,019,605	$ 4,322,431	$ 1,232,871	$ 950,457	$ 187,327	$ -	$ 25,712,691

The notes to the financial statements are an integral part of this statement.

TAYLOR COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2011

	General Current Expense	Special Revenue	Special Revenue ARRA	Debt Service Fund	Permanent Improvement Fund	Capital Projects Fund	Total Governmental
Excess (deficiency) of revenues over expenditures	$ (361,522)	$ (280,711)	$ (260,794)	$ 53,311	$ 149,114	$ -	$ (700,602)
Other financing sources (uses):							
Transfers in	1,409,810	742,137	1,512	-	1,512	-	2,154,971
Transfers (out)	(1,861,293)	(297,570)	(468)	-	-	(640)	(2,159,971)
Total other financing sources (uses) (Note 16)	(451,483)	444,567	1,044	-	1,512	(640)	(5,000)
Net change in fund balances	(813,005)	163,856	(259,750)	53,311	150,626	(640)	(705,602)
Fund balances - beginning	(946,379)	(176,416)	110,636	668,186	-	640	(343,333)
Restatement of fund balance	(120,547)	-	-	-	-	-	(120,547)
Fund balances - beginning, as restated (Note 12)	(1,066,926)	(176,416)	110,636	668,186	-	640	(463,880)
Fund balances - ending	$ (1,879,931)	$ (12,560)	$ (149,114)	$ 721,497	$ 150,626	$ -	$ (1,169,482)

The notes to the financial statements are an integral part of this statement.

TAYLOR COUNTY BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
June 30, 2011

Amounts reported for governmental activities in the statement of activities are different due to:		
Net change in fund balances - total governmental funds		$ (705,602)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The effect on net assets is the amount by which capital outlays exceed depreciation in the current period. (Note 6)		
Depreciation expense		(1,130,826)
Capital outlays		713,580
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds, rather they are reported as deferred revenues.		
Taxes receivable	[current year $ 233,271 less prior year $231,413]	1,858
Medicaid receivable	[current year $ 122,597 less prior year $89,932]	32,665
E-rate receivable	[current year $49,819 less prior year $19,471]	30,348
Food service receivable	[current year $91,829 less prior year $91,812]	17
The repayment of the principal of long-term debt (e.g., bonds, leases) consumes the current financial resources of governmental funds. However, such repayment has no effect on net assets. (Note 7)		
Bonds payable		690,000
Capital leases payable		137,202
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. (Note 7)		
Accrued vacation payable		5,605
Amortization of bond issuance costs are reported in the statement of activities but do not require the use of current financial resources and, therefore, are not reported as expenditures in government funds		(7,176)
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.		6,452
Change in net assets of governmental activities		$ (225,877)

The notes to the financial statements are an integral part of this statement.

TAYLOR COUNTY BOARD OF EDUCATION
STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS
For the Year Ended June 30, 2011

	Agency Funds	
	School Activity Funds	Scholarship Funds
ASSETS		
Cash and cash equivalents	$ 369,413	$ 188,215
Total assets	$ 369,413	$ 188,215
LIABILITIES		
Due to Student Activities	369,413	188,215
Total liabilities	$ 369,413	$ 188,215

The notes to the financial statements are an integral part of this statement.

Note 1 - Summary of Significant Accounting Policies:

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local government units. The Governmental Accounting Standards Board (GASB) is the ultimate standard-setting body for state and local governments.

A. Reporting Entity:

The Taylor County Board of Education (the Board) is a corporation created under the authority of West Virginia Code §18-5-1 et seq. and is composed of five members nominated and elected by the voters of the county for four-year terms. The Board is responsible for the supervision and control of the county school board and has the authority, subject to State statutes and the rules and regulations of the State Board, to control and manage all of the public schools and school interests in the county.

GASB Statement No. 14 (as amended by GASB Statement No. 39) establishes the criteria for determining the governmental reporting entity and the component units that should be included within the reporting entity. Under provisions of this statement, the 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 No. 14 (as amended by GASB Statement No. 39) as other legally separate organizations for which the elected board members are financially accountable.

B. Government-wide and Fund Financial Statements:

The Government-wide financial statements (the statement of net assets and the statement of activities) display information about the Board as a whole. These statements include the financial activities of the overall government, except for fiduciary fund activities. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are specifically associated with a function or segment and, therefore, are clearly identifiable to a particular function or segment.

Depreciation expenses for capital assets that can be specifically identified with a function are included in its direct expenses. Depreciation expense for "shared" capital assets (such as a school building that may be used for instructional services, student and instructional staff support services, school administration, and child nutrition services) is distributed proportionally among the various functions. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Interest on general long-term debt liabilities is considered an indirect expense and is reported in the Statement of Activities as a separate line.

Program revenues include: grants and contributions that are restricted to meeting the operational or capital requirements of a particular function, restricted state aid, tuition, and other fees and charges paid by students. Revenues that are not considered as program revenues are classified as general revenue and include property taxes, unrestricted state aid, unrestricted investment earnings, gain on sale of capital assets, and federal and state grants not restricted to a specific purpose.

The fund financial statements provide information about the individual funds maintained by the Board. All funds maintained by the Board are considered to be major funds for reporting purposes and are presented in individual separate columns.

The funds maintained by the Board are:

General Current Expense Fund: The General Current Expense Fund is the operating fund of the Board and accounts for all revenues and expenditures not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to other funds are accounted for in this fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Current Expense Fund.

Special Revenue Fund: The Special Revenue Fund is an operating fund of the Board and accounts for all revenues and expenditures attributable to state and federal grants and other revenue sources that are legally restricted to expenditure for specific purposes.

Special Revenue Fund – American Reinvestment and Recovery Act (ARRA): A separate special revenue fund to account for all revenues and expenditures attributable to ARRA funds that are legally restricted to expenditure for specific purposes.

Debt Service Fund: The Debt Service Fund is used to account for the resources accumulated and payments made for principal, interest, and related costs on general obligation bonds issued by the Board for the acquisition of capital assets.

Capital Projects Funds: Capital Projects Funds are used to account for all resources used for the acquisition of capital facilities by the Board. These funds can include: a bond construction fund, used to account for the proceeds from the issuance of general obligation bonds; a permanent improvement fund established under the authority of West Virginia Code §18-9B-14 to account for the proceeds of resources used for the support of various building and permanent improvement projects, and; one or more capital projects funds used to account for the resources used in the construction of a specific capital facility.

Agency Funds: Agency funds are used to account for assets that the Board holds for others in an agency capacity. These include: school activity funds to account for the assets of the individual schools of the Board, the student clubs, and school support organizations; and may include a scholarship fund to account for contributions and donations made to the Board by a benefactor for the purpose of providing scholarships for graduates of the county school board.

C. Measurement Focus and Basis of Accounting:

The Government-wide statements (Statement of Net Assets and the Statement of Activities) were prepared using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows are received. Revenues and expenses resulting from exchange and exchange-like transactions are recognized when the exchange takes place; revenues and expenses resulting from non-exchange transactions, such as property taxes, federal and state grants, state aid to schools, and donations, are recognized in accordance with the requirements of GASB Statement No. 33. Property taxes are recognized in the fiscal year for which the taxes are levied; state aid to schools is recognized in the year for which the legislative appropriation is made; and grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund financial statements were prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Board considers all revenues available if they are collectible within (60) days after year-end, except taxes which are recognized if collectible within 30 days after year end. Expenditures are recorded generally when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing resources.

Fiduciary funds are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the School Board holds for others in an agency capacity.

D. Encumbrances:

Encumbrance accounting is employed in governmental funds. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of the formal budgetary process. Encumbrances outstanding at year-end are reported in the appropriate fund balance category (restricted, committed or assigned) since they do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. See Note 15 for a summary of the Board's encumbrances.

E. Cash and Investments:

Custodial Credit Risk

Cash on hand and deposits with banking institutions either in checking or savings accounts are presented as cash in the accompanying financial statements. Such deposits at June 30, 2011 were entirely covered by federal depository insurance or secured by adequate bond or other securities held by the banking institution in the Board's name.

Boards of education are authorized by statute to provide excess funds to either the State Consolidated Investment Pool or the Municipal Bond Commission for investment purposes, or to invest such funds in the following classes of securities: Obligations of the United States or any agency thereof, certificates of deposit and repurchase agreements. Funds of the Board are temporarily invested by the West Virginia Municipal Bond Commission specifically on behalf of the Board as part of the Commission's consolidated investment pool. These investments are considered cash and cash equivalents due to their liquid nature.

Investments of the Board at June 30, 2011 consisted of the following:

	Carrying Amount	Estimated Fair Value	Book Balance
Municipal Bond Commission	$ 875,071	$ 875,071	$ 875,071
Total investments	$ 875,071	$ 875,071	$ 875,071

Money market/sweep accounts with financial institutions were entirely covered by federal deposit insurance or secured by adequate bond or other securities held by the banking institution in the Board's name. **Custodial credit risk** is the risk that in the event of a bank failure, the Board's deposits may not be returned to it. The Board has limited its custodial credit risk by assuring that these deposits with financial institutions are adequately collateralized.

Interest rate risk is the risk that changes in interest rates demanded by the market will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Board manages its exposure to interest rate risk for investments is by purchasing short-term investments that are less affected by changes in market rates as compared to long-term investments.

At June 30, 2011, the Board has $875,071 invested with the West Virginia Municipal Bond Commission. Pool investments of the Municipal Bond Commission are held in a Government Money Market with the WV Board of Treasury Investments Consolidated Fund.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its

Exposure to credit risk in the Government Money Market Pool is limited to U.S. Treasury issues and U.S. government agency issues and repurchase agreements collateralized by U.S. Treasury issues and U.S. government agency issues. The pool must have at least 15% of its assets in U.S. Treasury issues.

The Board's investments in the Consolidated Fund pool and related accounts have not been rated for credit risk by any organization.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investments in a single issuer. West Virginia statutes prohibit the Consolidated Fund Pool from investing more than 5% of its assets in securities issued by a single private corporation or association. At June 30, 2011, the pool did not have investments in any one private corporation or association that represented more than 5% of assets.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The overall weighted average maturity of the investments of the Government Money Market Pool within the Consolidated Fund Pool cannot exceed 60 days. The maturity of floating rate notes is assumed to be the next interest rate reset date.

F. Food Service Receivables:

The accounts receivable for the Food Service Program has been reduced by $21,375 for uncollectible accounts to $113,203. The allowance for uncollectible accounts was calculated based upon historical data maintained by the Board.

G. Interfund Receivables and Payables:

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

H. Inventories:

Inventories are valued at cost or, if donated, at fair value when received. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

I. Capital Assets:

Capital assets, which include land, buildings and improvements, furniture and equipment, and vehicles are reported in the Government-wide financial statements. The Board defines capital assets as assets with an initial, individual cost of $5,000 or more for land, furniture, vehicles, and equipment and $100,000 for buildings with an estimated useful life in excess of two years. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extended assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is not capitalized.

Buildings and improvements, furniture and equipment, and vehicles of the Board are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	50
Site Improvements	20 – 35
Furniture and Equipment	5 – 20
Vehicles	8 – 12

J. Compensated Absences and Special Termination Benefits:

It is the Board's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation benefits can be accumulated up to (12) days for 261 day employees and carried forward to the subsequent fiscal year. The county has two 261 day employees. Sick benefits can be accumulated up to unlimited days 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 post-employment health care insurance premium. Employees also earn sick leave benefits which accumulate but do not vest.

Special Termination Benefits:

When separated from employment, employees' sick leave benefits are considered ended and no reimbursement is provided. However, upon retirement, an employee's accumulated annual sick leave may be converted to a greater retirement benefit or payment of the retired employee's health insurance premiums. The cost of the increased retirement option is the liability of the West Virginia Consolidated Public Retirement Board.

The payment of health insurance premiums must be absorbed by the last agency employing the retiree. Historically, the West Virginia State Legislature appropriates funds that are used by the Board to pay for its obligations for this special termination benefit. Because such appropriations are at the discretion of the Legislature and not guaranteed, the liability for sick leave convertible to health insurance premiums using the vesting method is recorded in the Board's financial statements. The Board will record this liability utilizing the guidance of GASB Statements No. 43 and No. 45.

K. Long-term Obligations:

In the Government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Capital lease payments are reported in the general current expense or special revenue fund.

L. Restricted Net Assets:

For the Government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Restricted assets for debt service was $1,282,218.

M. Fund Equity:

Effective July 1, 2010, the Board adopted GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions," which establishes new standards of accounting and financial reporting that are intended to improve the clarity and consistency of the fund balance information provided to financial report users. The classifications are based primarily on the extent to which the Board is bound to honor constraints on the specific purposes for which the amounts in those funds can be spent. Fund balances are reported in the following categories:

- Nonspendable fund balances include amounts that cannot be spent because they are in a nonspendable form, such as inventory, or prepaid expense amounts, or they are legally or contractually required to be maintained intact, such as the corpus of a permanent fund.

- Restricted fund balances are restricted due to legal restrictions from creditors, grantors, or laws and regulations of other governments or by legally enforceable enabling legislation or constitutional provisions.

- Committed fund balances are amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the highest level of decision-making authority, which for the county is the five-member Board. Said specific purposes and amounts are recorded in the official Board minutes of the fiscal year ended June 30, 2011. Those committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

- Assigned fund balances are constrained by the intent to use funds for specific purposes, but are neither restricted nor committed. Intent can be expressed by the five-member Board or by a body or official to which the Board has delegated the authority to assign amounts to be used for specific purposes. By reporting particular amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund, the Board has assigned those amounts to the purposes of the respective funds.

- Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. In other funds, any negative fund balances would be unassigned.

N. Elimination and Reclassifications:

In the process of aggregating data for the statement of net assets and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

O. Accounting Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

P. Restricted Resources:

Restricted resources should be applied first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. If an expense is incurred for purposes for which committed, assigned and unassigned fund balances are all available, the fund balances should be reduced in the following order: committed, assigned, and then unassigned.

Note 2 - Change in Accounting Policy:

The Board changed its method of accounting for the following items in order to comply with accounting principles generally accepted in the United States of America:

GASB 24 – As of July 1, 2010, the Board implemented GASB Statement No. 24, "Accounting and Financial Reporting for Certain Grants and Other Financial Assistance." This statement requires the Board to record as a revenue and expenditure on behalf payments made by the State to the Consolidated Public Retirement Board for the unfunded liability of the Teachers Retirement System and disclose those amounts in the accompanying notes to the financial statements.

GASB 54 – As of July 1, 2010, the Board implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This statement changed the terminology used to describe fund balances in the governmental funds and expanded the disclosure of those new definitions in the accompanying notes to the financial statements of the Board for the year ended June 30, 2011.

Note 3 - Risk Management:

The Board is exposed to various risks or loss related to torts, theft, or damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Board, pursuant to the provisions of State law, participates in the following risk management programs administered by the State.

Board of Risk and Insurance Management (BRIM): The Board participates in the West Virginia Board of Risk and Insurance Management, a common risk insurance pool for all State agencies, component units, boards of education and other local governmental agencies who wish to participate. The Board pays an annual premium to BRIM for its general insurance coverage. Fund underwriting and rate setting policies are established by BRIM. The cost of all coverage as determined by BRIM is paid by the participants. The BRIM risk pool retains the risk of the first $2 million per property event and purchases excess insurance on losses above that level. BRIM has $1 million per occurrence coverage maximum on all third-party liability claims.

Public Employees Insurance Agency (PEIA): The Board provides employees health and basic life insurance benefits through the Public Employees Insurance Agency. PEIA was established by the State of West Virginia to provide a program of health and life insurance for employees of State agencies, institutions of higher learning, boards of education, and component units of the State. In addition, local governmental agencies and certain charitable and public service organizations may request to be covered. PEIA provides a general employee benefit insurance program which includes hospital, surgical, major medical, prescription drug and basic life and accidental death. Fund underwriting and rate setting policies are established by the PEIA Finance Board. The cost of all coverage as determined by the Finance Board is paid by the participants.

Coverage under these programs is limited to $1 million lifetime for health and $10,000 of life insurance coverage. Members may purchase up to an additional $500,000 of life insurance coverage. Premiums are established by PEIA and are paid monthly. The PEIA risk pool retains the risk for the health and prescription features of its indemnity plan, has fully transferred the risks of coverage of the Managed Care Organization (MCO) Plan to the plan provider and has transferred risk of life insurance coverage to a third party insurer.

Workers Compensation Fund (WCF): West Virginia has a single private insurance company, BrickStreet Insurance, which provides workers' compensation coverage to all employers in the State. Other private insurance companies can begin to offer coverage to private-sector employers beginning July 1, 2009 and to government employers July 1, 2010. Nearly every employer in the State, including all boards of education, which have a payroll must have coverage. The cost of all coverage, as determined by BrickStreet, is paid by the employers.

The WCF risk pool retains the risk related to the compensation of injured employees under the program.

Note 4 - Property Taxes:

All property in the State is classified as follows for ad valorem tax purposes:

Class I - All tangible personal property employed exclusively in agriculture, including horticulture and grazing; all products of agriculture, including livestock, while owned by the producer.

Class II - All property owned, used and occupied by the owner exclusively for residential purposes; all farms, including land used for horticulture and grazing, occupied and cultivated by their owners or bona fide tenants.

Class III - All real and personal property situated outside of municipalities, exclusive of Class I and II property.

Class IV - All real and personal property situated inside of municipalities, exclusive of Class I and II property.

According to West Virginia Code §11-8-6c, the maximum rates that county boards of education may impose on the various classes of property are: Class I - 22.95¢ per $100 of assessed valuation; Class II - 45.90¢ per $100 of assessed valuation; Class III - 91.80¢ per $100 of assessed valuation; and Class IV - 91.80¢ per $100 of assessed valuation.

Pursuant to West Virginia Code §11-8-6f, however, the rates of levy for county boards are to be reduced uniformly statewide and proportionately for all classes of property so that the total statewide property tax revenues to be realized from the regular levy tax collections for the forthcoming year will not increase by more than one percent of the current year's projected property tax revenues, exclusive of increases due to new construction, improvements to existing real property, or newly acquired personal property, unless the State Legislature holds a public hearing. The amounts to be paid to the Assessor's Valuation Fund are also to be excluded from the calculation.

County boards of education are also authorized to impose an additional (excess) levy not to extend beyond five years if approved by at least a majority of the voters. The rates of levy cannot exceed the maximum rates specified above and must be proportional for all classes of property.

The assessed valuations and levy rates levied by the Board per $100 of assessed valuation for each class of property for the fiscal year ended June 30, 2011 were:

Class of Property	Assessed Valuations For Tax Purposes	Current Expense	Excess Levy	Bond Purposes
Class I	$ 0	19.40¢	11.475¢	5.85¢
Class II	$ 280,257,732	38.80¢	22.95¢	11.70¢
Class III	$ 223,448,142	77.60¢	45.90¢	23.40¢
Class IV	$ 61,773,013	77.60¢	45.90¢	23.40¢

The taxes on real property and the interest and other charges upon such taxes attach as an enforceable lien on the first day of July each year. There is no lien denominated as such on personal property. However, statutes provide that the sheriff of a county may distrain for delinquent taxes any goods and chattels belonging to a person assessed. All current taxes assessed on real and personal property may be paid in two installments. The first installment is payable on September first of the year for which the assessment is made, and becomes delinquent on October first, and the second installment is payable on the first day of the following March and becomes delinquent on April first.

Taxes paid on or before the date when they are payable, including both first and second installments, are subject to a discount of two and one-half percent. If taxes are not paid on or before the date on which they become delinquent, including both first and second installments, interest at the rate of nine percent per annum is added from the date they become delinquent until paid.

Taxes Receivable:

Taxes receivable as of year end for the Board's funds are as follows:

	General Fund	Special Revenue Fund
Taxes Receivable	$ 455,905	$ 89,786
Less: allowance for uncollectible	(262,654)	(49,766)
Net total taxes receivable	$ 193,251	$ 40,020

Note 5 - Excess Levy:

The Board had an excess levy in effect during the fiscal year ended June 30, 2011. The levy was authorized by the voters of the county at an election held on January 21, 2006 for the fiscal years ended June 30, 2007 through June 30, 2011 to provide funds for the following purposes:

1.	To provide funds for the purchase of instructional equipment, teaching supplies, library books, technology materials, school furniture, copying and operating expenses of school.	$137,500
2.	To provide funds for the purchase of elementary textbooks and materials.	$31,500
3.	To provide funds for the purchase of secondary textbooks and materials.	$31,500
4.	To provide funds for transportation services including extra duty and academic trips.	$47,961
5.	To provide funds for the purchase of materials and supplies for the entire county school maintenance program, including $10,000 for Flemington Elementary School that is not eligible for State SBA funding.	$170,000
6.	To provide funds to continue extracurricular academic, music, athletic and student monitoring supplements.	$145,000
7.	To provide professional and service staff needed to operate the system and not funded by the state aid formula.	$50,000
8.	To provide funds to continue extended employment supplements for professional employees and professional substitutes.	$215,000
9.	To provide funds to continue local salary supplements and benefits for certified personnel.	$220,000
10.	To provide funds to continue extracurricular contracts, extended employment, substitutes, and local salary supplements and benefits for non-certified personnel.	$170,000
11.	To provide funds for community service support for Taylor County Extension Service (4-H Club) & Camp Towles.	$8,000
12.	To provide funds for technology equipment, computers, and materials.	$15,000

A total of $1,952,182 was received by the Board from the excess levy during the fiscal year ended June 30, 2011.

Note 6 - Capital Assets:

Capital asset balances and activity for the year ended June 30, 2011 is as follows:

	Beginning Balance	Corrections	Adjusted Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, non-depreciable:						
Land	$ 946,416	$ -	$ 946,416	$ -	$ -	$ 946,416
Total non-depreciable capital assets	946,416	-	946,416	-	-	946,416
Capital assets, depreciable:						
Buildings and improvements	33,023,574	97,102	33,120,676	302,930	(97,102)	33,326,504
Furniture and equipment	2,217,430	-	2,217,430	108,838	-	2,326,268
Vehicles	2,655,541	-	2,655,541	301,812	-	2,957,353
Total depreciable capital assets	37,896,545	97,102	37,993,647	713,580	(97,102)	38,610,125
Less accumulated depreciation for:						
Buildings and improvements	(11,958,023)	(51,757)	(12,009,780)	(863,646)	97,102	(12,776,324)
Furniture and equipment	(1,659,509)	-	(1,659,509)	(76,629)	-	(1,736,138)
Vehicles	(1,932,549)	-	(1,932,549)	(190,551)	-	(2,123,100)
Total accumulated depreciation	(15,550,081)	(51,757)	(15,601,838)	(1,130,826)	97,102	(16,635,562)
Total depreciable capital assets, net	22,346,464	45,345	22,391,809	(417,246)	-	21,974,563
Total capital assets, net	$ 23,292,880	$ 45,345	$ 23,338,225	$ (417,246)	$ -	$ 22,920,979

Depreciation expense was charged to functions of the governmental activities as follows:

Instruction	$ 60,532
Supporting Services:	
Central administration	657
Operation and maintenance of facilities	846,486
Transportation	192,895
Food services	30,256
Total depreciation expense - governmental activities	$ 1,130,826

Note 7 - Long-term Debt:

Long-term liability activity for the year ended June 30, 2011 is as follows:

	Balance, Beginning of Year	Additions	Deductions	Balance, End of Year	Amounts due within one year
Bonds payable:					
General obligation debt	$ 7,485,000	$ -	$ 690,000	$ 6,795,000	$ 720,000
Compensated absences	9,138	-	5,605	3,533	-
Capital leases payable	541,331	-	137,202	404,129	139,690
Total Long-term liabilities	$ 8,035,469	$ -	$ 832,807	$ 7,202,662	$ 859,690

Bond Issue of 2003:

On August 21, 2003, the Board issued $7,910,000 in general obligation bonds to provide funds for school construction and renovations. The bonds mature in varying annual increments through June 30, 2019 and interest is payable semiannually at 3.5%. Payments on the general obligation bonds payable during the year were made from the debt service fund.

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2011, including interest payments are listed as follows:

Year	Principal	Interest	Total
2012	515,000	176,343	691,343
2013	540,000	158,318	698,318
2014	565,000	138,878	703,878
2015	595,000	118,538	713,538
2016	625,000	96,969	721,969
2017 – 2019	2,050,000	150,979	2,200,979
Total	$ 4,890,000	$ 840,025	$ 5,730,025

Total bonded indebtedness at July 1, 2010	$ 5,385,000
Maturities	(495,000)
Total bonded indebtedness at June 30, 2011	$ 4,890,000

Bond Issue of 2004:

On March 31, 2004, the Board issued $3,080,000 in general obligation bonds to provide funds for school construction and renovations. The bonds mature in varying annual increments through June 30, 2019 and interest is payable semiannually at 2.5%. Payments on the general obligation bonds payable during the year were made from the debt service fund.

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2011, including interest payments are listed as follows:

Year	Principal	Interest	Total
2012	205,000	58,963	263,963
2013	215,000	53,325	268,325
2014	220,000	47,413	267,413
2015	230,000	41,033	271,033
2016	240,000	34,363	274,363
2017 – 2019	795,000	55,181	850,181
Total	$ 1,905,000	$ 290,278	$ 2,195,278

Total bonded indebtedness at July 1, 2010	$ 2,100,000
Maturities	(195,000)
Total bonded indebtedness at June 30, 2011	$ 1,905,000

Note 8 - 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.

The Board has entered into a capital lease-purchase agreement pursuant to the provisions of West Virginia Code §18-5-9a whereby HVAC energy conservation equipment and other furniture and fixtures has been installed at Grafton High School. The equipment is leased from Comvest, Inc. for a period of ten years beginning July 1, 2004. At the end of the contract period, the Board will have ownership of the equipment. By contract, the Board has the option of discontinuing the lease purchase and returning the equipment at the end of any fiscal year, if funding for the lease payments for the next fiscal year is not available. The total commitment is for $1,230,000 of which only $1,075,298 has been drawn through June 30, 2011. The future minimum lease obligations as of June 30, 2011, are as follows:

Year	Payments
2012	$ 115,733
2013	115,733
2014	36,205
Total Minimum lease payments	267,671
Less: Amount representing interest	7,147
Present value of minimum lease payments	$ 260,524

The Board has entered into a capital lease-purchase agreement pursuant to the provisions of federal legislation which authorizes the issuance of qualified zone academy bonds (QZABs). The funding was used for equipment purchase at Anna Jarvis Elementary School and those assets are leased from Bank of America for a period of fourteen years beginning March 1, 2003. At the end of the contract period, the Board will have ownership of the equipment. By contract, the Board has the option of discontinuing the lease purchase and returning the equipment at the end of any fiscal year, if funding for the lease payments for the next fiscal year is not available.

The Board is remitting yearly payments of $28,721 for a period of fourteen years beginning in the fiscal year ended June 30, 2003. The payments will be deposited into an escrow account. The total payments paid by the Taylor County Board of Education, combined with the interest earned on the escrow account held by the Bank of America will be used to repay the debt.

The following is a summary of the future minimum required payments by year under the lease purchase agreement together with the present value of the net minimum payments as of June 30, 2011 for the Board's capital leases:

Year	Payments
2012	$ 28,721
2013	28,721
2014	28,721
2015	28,721
2016	28,721
Total minimum lease payments	$ 143,605

Note 9 - Employee Retirement System:

All full-time board of education employees are required to participate in one of two statewide, cost-sharing, multiple-employer retirement benefit plans, the Teachers' Defined Benefit Retirement System or the Teachers' Defined Contribution Retirement System. For the year ended June 30, 2011, the Board's total payroll for all employees was $13,263,158 and the payroll was $12,484,015 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.

Trend Information: Ten-year historical trend information relating to the accumulation of assets and the unfunded liability of both plans is available from the Consolidated Public Retirement Board.

Conversion of leave for post-retirement: Upon retirement, an employee's vacation and sick leave may be converted to a greater retirement benefit or payment of health insurance premiums. The cost of the increased retirement benefit or payment of health insurance premiums must be absorbed by the last agency employing the retiree.

Teachers' Defined Benefit Retirement System:

Plan Description: The Teachers' Defined Benefit Retirement System is a cost-sharing, multiple-employer public employee defined benefit retirement system which was established on July 1, 1941 and was closed for new members on July 1, 1991. Beginning July 1, 2005, all new employees become members of this plan. To qualify for full benefits, a member must be age 60 with at least five years of credited service, or be age 55 with at least 30 years of credited service or any age with at least 35 years of credited service. A member may receive a disability benefit after completing ten years of service, if the member is disabled for six months, unable to perform his or her regular occupation, and the Retirement Board expects the disability to be permanent.

Upon retirement, members select one of five benefit payment options. If a member terminates employment with at least five years of credited service, he may freeze his membership until he qualifies for retirement or he may withdraw his contributions from the plan. The employers' contributions remain with the plan. Retirement benefits are based on two percent of the average member's five highest fiscal years of total earnings from covered employment during the member's last 15 years of service.

The normal form of benefit is a single life annuity paid monthly, in an amount equal to 2% of the final average salary times years of credited service. Other forms of benefits may be elected subject to actuarial reduction: Cash Refund Annuity, 50% or 100% Contingent Joint and Survivor Annuities, and ten year Certain and Life Annuities. Pre-retirement death benefits are paid to the spouse of a deceased member who had attained the age 50 and completed 25 years of credited service. The annuity payment is computed as if the member had retired on the date of death with a 100% Joint and Survivor pension. If the member's age and service are less than that required, the sum of the accumulated member's and employer contributions with interest is paid to the member's beneficiary or estate.

Funding Status: According to the 2010 Actuarial Valuation Report of the Teachers' Retirement System, the plan's actuarial unfunded liability was $ 4.8 billion as of July 1, 2010.

Contribution Requirements and Payments Made: This is a fully qualified plan by the Internal Revenue Service. Therefore, all employee contributions are tax deferred. Participants contribute 6% of their gross compensation and the board of education contributes 15% of covered members' gross compensation to the retirement plan, for a total of 21% annually for those who became members prior to July 1, 1991. Participants who became members after July 1, 2005 contribute 6% of their gross compensation and the board of education contributes 7.5% of covered members' gross compensation to the retirement plan, for a total of 13.5% annually.

The employers' contributions are derived from State appropriations and county funds. Federally funded grant programs provide the funding for the employer contributions for salaries paid from federal grants.

The required contributions for the year ended June 30, 2011 and the two previous years were:

Year Ended June 30	2009	2010	2011
Required contributions	$ 404,547,000	$ 487,886,000	$ 471,171,000
As a % of current year covered payroll	25.89%	29.57%	28.55%

Total payments reflected in the Board's financial statements to the defined benefit plan for the fiscal year ended June 30, 2011 were:

Employees' contributions (6%)	$ 681,440
Employer's contributions (15% or 7.5%)	1,229,720
Total contributions	$ 1,911,160

Teachers' Defined Contribution Retirement System:

Plan Description: All Board employees hired after July 1, 1991 but before July 1, 2005, participated in the Teachers' Defined Contribution Retirement System. Employees in the Teachers' Defined Benefit System could freeze their benefits in the old plan and become a member of this plan. Members with less than five years of service in the old defined benefit plan could change to this plan and transfer the funds that were deposited in the old plan to this plan. Once a member transferred to the defined contribution plan, the member was not allowed to rejoin the defined benefit plan.

Effective July 1, 2005, the Teachers' Defined Contribution Plan was closed to new membership. All employees hired after that date became members of the Teachers' Defined Benefit Retirement System which was reopened for participation on July 1, 2005. Existing members of the Teachers' Defined Contribution Plan were given the option to transfer membership to the Teachers' Defined Benefit Retirement System during the fiscal year ending June 30, 2009. To earn full benefits at retirement, however, members electing to transfer are required to contribute the 1.5% difference between the two plans' employee contribution rates.

A unique feature of the Teachers' Defined Contribution Plan is that each member chooses the investment options and may make changes at the beginning of each calendar quarter. Seven investment options are provided from which a participant may choose in multiples of five percent. The investment options are: Orchard SecureFoundation Balanced, Orchard Lifetime 2015 Fund II, Orchard Lifetime 2025 Fund II, Orchard Lifetime 2035 Fund II, Orchard Lifetime 2045 Fund II, Orchard Lifetime 2055 Fund II, American Funds EuroPacific R5, Mutual Global Discovery Fund – Z, Heartland Value Plus Inst, Sentinel Small Company I, Vanguard Small-Cap Index Fund – Inv, Scout Mid Cap, Westcore Select, JHancock Large Cap Equity I, Putnam Equity Income Y, Vanguard Large Cap Index Inv, PIMCO Total Return Fund – Admin, TIAA-CREF High-Yield Inst, Vanguard Intermediate-Term Bond Index Fund and Valic Individually Allocated Fixed Annuity.

Employees are eligible to participate from the date of employment. Employee contributions are fully vested, and employer contributions and earnings vest with the member as follows: one-third after 6 years, two-thirds after 9 years, and 100% after 12 years. The member is fully vested at death or disability. As of June 30, 2011, this plan had approximately $260 million in net assets for pension benefits. Retirement or disability benefits are based solely on the accumulation of dollars in the member's individual account at the time of retirement. The accounting administration of the Plan is the responsibility of Great West, an independent third party administrator.

Funding Status: There is no unfunded liability for a defined contribution plan since a member's total maximum lifetime benefit is limited to that which has accumulated in the member's account from employee and employer contributions and all investment earnings thereon. Any forfeited, unvested employer contributions are, by statute, to be transferred to the Teachers' Defined Benefit Retirement System.

Contribution Requirements and Payments Made: This is a fully-qualified plan by the Internal Revenue Service. Therefore, all employee contributions are tax deferred. Participants contribute 4.5% of their gross salary and the board of education contributes 7.5% of covered members' gross compensation to the retirement plan, for a total of 12% annually.

Total payments reflected in the Board's financial statements to the defined contribution plan for the fiscal year ended June 30, 2011 were:

Employees' contributions (4.5%)	$	50,771
Employer's contributions (7.5%)		84,617
Total contributions	$	135,388

The Consolidated Public Employees Retirement Board issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to the Public Employee's Retirement System, 4101 MacCorkle Ave. S.E., Charleston, WV 25304-1636.

Note 10 - Post Employment Benefits Other Than Pension:

The Governmental Accounting Standards Board (GASB) issued Statement No. 45 in 2004 to establish standards for the measurement, recognition, and reporting of Other Post Employment Benefits (OPEB) expenses/expenditures and related liabilities.

Other post employment benefits in West Virginia consist mainly of: Allowing employees hired prior to July 1, 2001 to convert unused annual, sick and/or personal leave to paid-up PEIA premiums, and allowing retirees to purchase PEIA health insurance at a deeply discounted premium rate.

As a result, the West Virginia Legislature passed HB 4654 in 2006 adding a new article to the State Code, WVC §5-16D-1 et seq. The article, among other things: Created the West Virginia Retiree Health Benefit Trust Fund (RHBT) for the purpose of administering retiree post-employment health care benefits; vested the responsibility for operation of the fund with the PEIA Board of Finance; required the Board of Finance to adopt actuarial assumptions and determine the annual required contribution (ARC) rates sufficient to maintain the fund in accordance with the state plan for other post-employment benefits; required the board to have an actuarial valuation conducted at least biannually; required the Board of Finance to set the total ARC sufficient to maintain the fund in an actuarially sound manner in accordance with generally accepted accounting principles; required the Board of Finance to bill all participating employers their share of the ARC, and; required participating employers to make annual contributions to the fund in, at least, the amount of the minimum annual employer premium payment rates established by the board.

Upon retirement, the public employees who elected to participate in the PEIA insurance plan are eligible to credit unused sick or annual leave towards insurance coverage, according to the following formulas:

Retired employees who elected to participate in the PEIA insurance plan prior to July 1, 1988: those without dependents may credit two days of unused sick or annual leave towards one month of insurance coverage; the retirees with dependents may credit three days of unused sick or annual leave towards one month of insurance coverage.

Retired employees who elected to participate in the PEIA insurance plan between July 1, 1988 and June 30, 2001: those without dependents may credit two days of unused sick or annual leave towards one-half month of insurance coverage; the retirees with dependents may credit three days of unused sick or annual leave towards one-half month of insurance coverage.

Employees hired on or after July 1, 2001 may not apply any unused sick or annual leave towards the cost of health insurance premiums.

In the alternative to applying unused sick and annual leave to health insurance, all employees participating in the PEIA insurance plan, and who are members of the State Teachers' Defined Benefit Retirement System, may apply unused sick and annual leave towards an increase in the employee's retirement benefits with those days constituting additional credited service. The cost for the employees who elect this option is reflected as a liability of the State Teacher's Retirement System and not included as an OPEB obligation.

All retired employees are eligible to obtain health insurance coverage through PEIA with the retired employee's premium contribution established by the Finance Board. The Finance Board has allowed retirees to obtain health insurance coverage at essentially the same premium rate as active employees with the difference between the retirees' premium contributions and the cost of providing health care to retirees subsidized by the State. It is this subsidy that has created the major portion of the OPEB actuarial liability.

Based on the latest actuarial evaluation of the RHBT, the annual required contribution (ARC) for the State and the boards of education for fiscal year ended June 30, 2011 was determined to be:

	Total	Amount Per Policy Holder
Total Annual Required Contribution	$ 816,274,000	$ 10,844
Pay as you go - Retiree Subsidy	(145,671,196)	(1,935)
Remaining ARC	$ 670,602,804	$ 8,909

That report may be obtained by writing to: West Virginia Retiree Health Benefits Trust, Building 5, Room 1001, 1900 Kanawha Boulevard East, Charleston, West Virginia, 25305-0710.

The following summarizes the Board's OPEB activity:

Total OPEB expense	$ 6,952,418
Less:	
State appropriation allocation	510,335
Pay as you go payments and other credits	1,579,584
OPEB at year end	$ 4,862,499
Portion attributable to personnel funded through the Public School Support Program (PSSP)	4,664,869
Portion attributable to remaining personnel	197,630

Trend Information

The Board contributed the following amounts:

Fiscal Year Ended June 30,	Annual OPEB Cost	Percentage Contributed
2011	$ 2,775,663	21%
2010	2,815,923	16%
2009	1,360,832	76%

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 11 - Payments on Behalf:

The Board may receive commitments or payments made by the State or an intermediate governmental jurisdiction for the benefit of the Board or contributions of equipment or supplies. Such revenue includes the payment to a pension fund by the State or an intermediate unit on behalf of the Board's employees for services rendered to the Board. The revenues recorded as Payments on Behalf of the Board are as follows:

Retirement allocation by the State (03911)	$ 1,174,214
Other (03914)	$ 142,228

Note 12 - 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 13 - Restatement of Beginning Government-wide Balance:

The fund balance at the beginning of the year of the following fund required restatement:

	General Current Expense Fund
Fund Balance at June 30, 2010, as previously stated	$ (946,379)
Total Adjustments (See Below)	(120,547)
Fund Balance at June 30, 2011, Restated	$ (1,066,926)

The adjustments consisted of the following:

General Current Expense Fund:

The amount by which accrued local revenue is recorded decreased by $120,547 from the prior year as the result of a restatement of beginning balance due to excess levy funds.

The following governmental activities balances required restatement at the beginning of the year as follows:

	Net Assets
Governmental activities as previously stated	$ 15,373,020
Total Adjustments (See Below)	(75,202)
Governmental activities, restated	$ 15,297,818

The amount by which capital assets are recorded as increased by $45,345 from the prior year as the result of a restatement of beginning balance due to corrections of prior year capital assets and related depreciation as detailed in Note 6.

The amount by which accrued local revenue is recorded decreased by $120,547 from the prior year as the result of a restatement of beginning balance due to excess levy funds.

Note 14 – Fund Balance:

The detailed components of the various fund balance categories as of June 30, 2011 are as follows:

Fund Balance	General Current Expense Fund	Special Revenue Fund	Special Revenue ARRA Fund	Debt Service Fund	Bond Construction Fund
Restricted:					
Special projects	$ 120,547	$ 235,477	$ -	$ -	$ -
Excess levies	54,071	-	-	-	-
Residual Fund Balance	-	-	-	721,497	-
Assigned:					
Encumbrances	97,466	131,880	11,173	-	-
Medicaid Reimbursements	56,065	-	-	-	-
Amount to Balance FY12 Budget	276,739	-	-	-	-
Unassigned:					
Residual Fund Balance	(2,484,819)	(379,917)	(160,287)	-	-
Total fund balances	$ (1,879,931)	$ (12,560)	$ (149,114)	$ 721,497	$ -

	Permanent Improvement Fund	Capital Projects Fund	Total Governmental
Restricted:			
Special projects	$ -	$ -	$ 356,024
Capital projects	150,626	-	150,626
Excess levies	-	-	54,071
Restricted fund balance	-	-	721,497
Assigned:			
Encumbrances	-	-	240,519
Medicaid Reimbursements	-	-	56,065
Amount to Balance FY12 Budget	-	-	276,739
Unassigned:			
Residual Fund Balance	-	-	(3,025,023)
Total fund balances	$ 150,626	$ -	$ (1,169,482)

Note 15 - Commitments, Contingencies and Subsequent Events:

The Board had encumbrances totaling $240,519 as of June 30, 2011 in the following funds:

General Current Expense	Special Revenue Fund	Special Revenue ARRA Fund
$ 97,466	$ 131,880	$ 11,173

Encumbrances are classified as Restricted, Committed, or Assigned fund balance depending on the specific purpose of the encumbrance.

On April 5, 2003 the voters of Taylor County, WV authorized the Board to issue $10,990,000 in Bonds for the purpose of renovating existing schools and to construct a new elementary school. The Board issued $7,910,000 in bonds on August 18, 2003 for the renovation projects. The remaining bond issuance of $3,080,000 occurred on March 31, 2004 for the new elementary school. The Board also received a commitment from the School Building Authority (SBA) to contribute $3,206,000 in additional funds for the new elementary school. The renovation projects were substantially completed in August 2005. Construction of the elementary school progressed on schedule and the opening date for the school was January 2, 2006.

On July 1, 2006 the Board received a commitment from the School Building Authority (SBA) in the amount of $495,965 to fund renovation of the Grafton High School Auditorium.

During the fiscal year ended June 30, 2011, the Board continued to 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 other postemployment benefits to employees otherwise funding through the Program. If successful, the Board would receive funding sufficient to satisfy the current liability entitled "other postemployment benefits payable – state aid eligible employees" on the accompanying financial statement and to pay any future amounts billed by PEIA for state aid eligible employees.

Note 16 - Interfund Balances and Transfers:

The composition of interfund balances as of June 30, 2011 is as follows:

Due from other funds	Due to other funds	Amount
Special Revenue-ARRA	General Current Expense	$ 119,108
Debt Service	General Current Expense	153,574
Total		$ 272,682

The composition of transfers as of June 30, 2011 is as follows:

Transfer Out:	Transfer In:	Purpose	Amount
Interfund:			
General Current Expense	Special Revenue	Child Nutrition	718,877
Special Revenue	General Current Expense	Indirect Costs	150,718
Special Revenue-ARRA	General Current Expense	Indirect Costs	469
Special Revenue	General Current Expense	FY2012 State Aid Decrease	141,852
General Current Expense	Special Revenue	School Access Safety-FY2011	9,739
Capital Projects	General Current Expense	Close out Capital Projects Fund	640
General Current Expense	Special Revenue-ARRA	Taylor County Middle - Roof	1,512
Special Revenue-ARRA	Permanent Improvement	Taylor County Middle - Roof	1,512
Special Revenue	Trust	Scholarship	5,000
Intrafund:			
Special Revenue	Special Revenue	Staff Development	10,371
Special Revenue	Special Revenue	Curriculum Trips	3,150
General Current Expense	General Current Expense	Camp Towles	12,541
General Current Expense	General Current Expense	Medicaid	45,000
General Current Expense	General Current Expense	Excess Levy	40,949
General Current Expense	General Current Expense	Excess Levy	1,017,642
Total			$ 2,159,972

During the fiscal year ended June 30, 2011, the Special Revenue Fund transferred $5,000 to the Scholarship Trust Fund due to a coding error. The Scholarship Trust is a fiduciary fund type-agency fund and does not appear on the Statement of Revenues, Expenditures and Fund Balances-Governmental Funds. Therefore, transfers in are $5,000 less than transfers out.

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.

REQUIRED SUPPLEMENTARY INFORMATION

TAYLOR COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual Modified	Adjustments Budget	Actual Amounts Budget	Variance With Final Budget Favorable
	Original	Final	Accrual Basis	Basis	Basis	(Unfavorable)
Revenues:						
Property taxes	$ 5,029,149	$ 5,029,149	$ 5,207,337	$ -	$ 5,207,337	$ 178,188
Other Local sources	25,500	74,720	77,378	-	77,378	2,658
State sources	12,770,022	12,688,551	12,819,850	-	12,819,850	131,299
Federal sources	450,000	394,069	553,518	-	553,518	159,449
Total revenues	18,274,671	18,186,489	18,658,083	-	18,658,083	471,594
Expenditures:						
Instruction	10,424,640	9,644,033	10,479,572	(1,443,995)	9,035,577	608,456
Supporting services:						
Students	540,711	736,921	825,535	(109,802)	715,733	21,188
Instructional staff	360,315	375,531	412,279	(43,703)	368,576	6,955
Central administration	560,661	567,006	602,761	(64,006)	538,755	28,251
School administration	947,344	1,002,981	1,116,349	(142,091)	974,258	28,723
Business	607,344	676,729	685,747	(42,958)	642,789	33,940
Operation and maintenance of facilities	2,141,264	2,457,403	2,414,805	(150,304)	2,264,501	192,902
Student transportation	1,798,796	2,064,610	2,124,229	(185,332)	1,938,897	125,713
Community services	36,541	36,541	34,402	(1,933)	32,469	4,072
Capital outlay	208,000	240,813	179,473	-	179,473	61,340
Debt service:						
Principal retirement	185,328	185,328	137,201	-	137,201	48,127
Interest and fiscal charges	-	-	7,252	-	7,252	(7,252)
Total expenditures	$ 17,810,944	$ 17,987,896	$ 19,019,605	$ (2,184,124)	$ 16,835,481	$ 1,152,415

The notes to the required supplementary information are an integral part of this schedule.

TAYLOR COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual Modified	Adjustments Budget	Actual Amounts Budget	Variance With Final Budget Favorable
	Original	Final	Accrual Basis	Basis	Basis	(Unfavorable)
Excess (deficiency) of revenues over expenditures	$ 463,727	$ 198,593	$ (361,522)	$ 2,184,124	$ 1,822,602	$ 1,624,009
Other financing sources (uses):						
Transfers in	1,258,536	1,401,028	1,409,810	-	1,409,810	8,782
Transfers (out)	(2,260,387)	(3,211,070)	(1,861,293)	-	(1,861,293)	1,349,777
Total other financing sources (uses)	(1,001,851)	(1,810,042)	(451,483)	-	(451,483)	1,358,559
Net change in fund balance	(538,124)	(1,611,449)	(813,005)	2,184,124	1,371,119	2,982,568
Fund balance - beginning (restated, Note 12)	538,124	1,611,449	(1,066,926)	2,678,375	1,611,449	-
Fund balance - ending	$ -	$ -	$ (1,879,931)	$ 4,862,499	$ 2,982,568	$ 2,982,568

The notes to the required supplementary information are an integral part of this schedule.

TAYLOR COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual Modified	Variance With Final Budget Favorable
	Original	Final	Accrual Basis	(Unfavorable)
Revenues:				
Local sources	$ 271,044	$ 282,436	$ 429,111	$ 146,675
State sources	897,855	1,094,287	1,037,383	(56,904)
Federal sources	1,515,965	2,947,397	2,575,226	(372,171)
Total revenues	2,684,864	4,324,120	4,041,720	(282,400)
Expenditures:				
Instruction	1,009,111	2,084,197	1,876,462	207,735
Supporting services:				
Students	276,421	423,984	243,181	180,803
Instructional staff	205,192	612,416	439,999	172,417
Central administration	18,799	16,248	11,416	4,832
School administration	10,000	1,640	1,640	-
Business	2,470	3,370	2,964	406
Operation and maintenance of facilities	329,310	21,982	7,961	14,021
Student transportation	1,425,957	332,492	291,664	40,828
Food services	-	1,449,939	1,370,070	79,869
Community services	-	37,927	23,102	14,825
Capital outlay	-	106,193	53,972	52,221
Total expenditures	3,277,260	5,090,388	4,322,431	767,957
Excess (deficiency) of revenues over expenditures	$ (592,396)	$ (766,268)	$ (280,711)	$ 485,557

The notes to the required supplementary information are an integral part of this schedule.

TAYLOR COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual Modified Accrual Basis	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
Other financing sources (uses):				
Transfers in	$ 732,398	$ 742,137	$ 742,137	$ -
Transfers (out)	(140,002)	200,547	(297,570)	(498,117)
Total other financing sources (uses)	592,396	942,684	444,567	(498,117)
Net change in fund balance	-	176,416	163,856	(12,560)
Fund balance - beginning	-	(176,416)	(176,416)	-
Fund balance - ending	$ -	$ -	$ (12,560)	$ (12,560)

The notes to the required supplementary information are an integral part of this schedule.

TAYLOR COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - SPECIAL REVENUE FUND - ARRA
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance With Final Budget Favorable
	Original	Final	Amounts	(Unfavorable)
Revenues:				
Federal sources	$ 808,975	$ 2,626,120	$ 972,077	$ (1,654,043)
Total revenues	808,975	2,626,120	972,077	(1,654,043)
Expenditures:				
Instruction	808,975	1,892,953	1,105,908	787,045
Supporting services:				
Students	-	118,426	80,105	38,321
Instructional staff	-	23,898	46,658	(22,760)
Community services	-	-	200	(200)
Capital outlay	-	368,386	-	368,386
Total expenditures	808,975	2,403,663	1,232,871	1,170,792
Excess (deficiency) of revenues over expenditures	-	222,457	(260,794)	(483,251)
Other financing sources (uses):				
Transfers in	-	1,512	1,512	-
Transfers (out)	-	(334,605)	(468)	334,137
Total other financing sources (uses)	-	(333,093)	1,044	334,137
Net change in fund balance	-	(110,636)	(259,750)	(149,114)
Fund balance - beginning		110,636	110,636	-
Fund balance - ending	$ -	$ -	$ (149,114)	$ (149,114)

The notes to the required supplementary information are an integral part of this schedule.

A. Budgets and Budgetary Accounting:

All boards of education within West Virginia are required by statute to prepare annual budgets and levy rate estimates on prescribed forms and submit these for approval. Budgets are presented on the modified accrual basis of accounting for all governmental funds but do not include amounts for other post employment benefits billed by PEIA beyond the retiree subsidy (pay-as-you-go) amount because only the retiree subsidy amounts are required to be remitted according to WVC §5-16d-6(e). Budgets are not adopted for agency funds. The following procedures are followed in preparing the annual budget.

1. Pursuant to State statutes, the Board is required to hold a meeting or meetings between the seventh and twenty-eighth days of March to ascertain its financial condition and to determine the amount that is to be raised from the levy of taxes for the fiscal year commencing July 1. The Board adjourns the meeting and submits its Schedule of Proposed Levy Rates to the State Auditor's Office for approval. The Board then reconvenes its meeting on the third Tuesday of April to formally lay the approved levy.

2. The Board is also required to submit its proposed budget for the subsequent year to the State Board of Education for approval by the date established in the budget calendar. The Board is also required to hold a public hearing on the proposed budget before it is submitted for approval. The proposed budget must be made available for public inspection for at least 10 days before the public hearing is held.

B. Excess of Expenditures Over Appropriations:

For the year ended June 30, 2011, expenditures exceeded appropriations in the funds listed at the function level, which, according to State Board Policy, is the level at which budgetary controls must be maintained.

Function	Amount
Fund: General	
Debt Service:	
Interest and fiscal charges	$ (7,252)
Fund: Special Revenue	
Transfers out	(498,117)
Fund: Special Revenue-ARRA	
Supporting services:	
Instructional staff	(22,760)
Community services	(200)

The overexpenditures in these programs were funded by a reduction of expenditures in the remaining instructional programs, available beginning fund balance, and revenues received in excess of the anticipated amounts budgeted.

C. Deficiencies in Net Changes in Fund Balances and Deficit Fund Balances:

The following fund had deficiencies in net changes in fund balances for the year ended June 30, 2011:

Fund	Amount
General	$ (813,005)

The General Fund had deficiencies in net changes in fund balance of $813,005 for the year ended June 30, 2011. The fund incurred expenditures as a result of the recognition of other post employment benefits (OPEB) expense.

Fund	Amount
Special Revenue-ARRA	$ (259,750)

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.

The following funds had a deficit fund balance at June 30, 2011:

Fund	Amount
General	$ (1,879,931)

The General Fund had a deficit fund balance of $1,879,931 as of June 30, 2011. The fund incurred expenditures as a result of the recognition of other post-employment benefits (OPEB) expense.

Fund	Amount
Special Revenue-ARRA	$ (149,114)

The Special Revenue Fund-ARRA had a deficit fund balance of $149,114 as of June 30, 2011. The fund incurred a deficit fund balance because not all revenue has been received for expenses that have been paid in some projects.

Fund	Amount
Special Revenue Fund	$ (12,560)

The Special Revenue fund had a deficit fund balance of $12, 560 as of June 30, 2011.

SUPPLEMENTARY INFORMATION

TAYLOR COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual Modified	Variance With Final Budget Favorable
	Original	Final	Accrual Basis	(Unfavorable)
Revenues:				
Local sources	$ 947,993	$ 947,993	$ 1,001,255	$ 53,262
State sources	-	-	2,513	2,513
Total revenues	947,993	947,993	1,003,768	55,775
Expenditures:				
Debt service:				
Principal retirement	690,000	690,000	690,000	-
Interest and fiscal charges	257,993	257,993	260,457	(2,464)
Total expenditures	947,993	947,993	950,457	(2,464)
Excess (deficiency) of revenues over expenditures	-	-	53,311	53,311
Other financing sources (uses):				
Transfers (out)		(668,186)	-	668,186
Total other financing sources (uses)	-	(668,186)	-	668,186
Net change in fund balance	-	(668,186)	53,311	721,497
Fund balance - beginning	-	668,186	668,186	-
Fund balance - ending	$ -	$ -	$ 721,497	$ 721,497

The notes to the supplementary information are an integral part of this schedule.

TAYLOR COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - PERMANENT IMPROVEMENT FUND
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual Modified	Variance With Final Budget Favorable
	Original	Final	Accrual Basis	(Unfavorable)
Revenues:				
Federal sources	$ -	$ -	$ 336,441	$ 336,441
Total revenues	-	-	336,441	336,441
Expenditures:				
Capital outlay	-	-	187,327	(187,327)
Total expenditures	-	-	187,327	(187,327)
Excess (deficiency) of revenues over expenditures	-	-	149,114	149,114
Other financing sources (uses):				
Transfers in	-	-	1,512	1,512
Total other financing sources (uses)	-	-	1,512	1,512
Net change in fund balance	-	-	150,626	150,626
Fund balance - beginning	-	-	-	-
Fund balance - ending	$ -	$ -	$ 150,626	$ 150,626

The notes to the supplementary information are an integral part of this schedule.

TAYLOR COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CAPITAL PROJECTS FUND
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual Modified	Variance With Final Budget Favorable
	Original	Final	Accrual Basis	(Unfavorable)
Revenues:				
State sources	$ -	$ -	$ -	$ -
Total revenues	-	-	-	-
Expenditures:				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
Other financing sources (uses):				
Transfers (out)	-	(640)	(640)	-
Total other financing sources (uses)	-	(640)	(640)	-
Net change in fund balance	-	(640)	(640)	-
Fund balance - beginning	-	640	640	-
Fund balance - ending	$ -	$ -	$ -	$ -

The notes to the supplementary information are an integral part of this schedule.

TAYLOR COUNTY BOARD OF EDUCATION
SCHEDULE OF CHANGES IN SCHOOL ACTIVITY FUNDS
For the Year Ended June 30, 2011

	Cash Balance 7/1/2010	Revenues Received	Expenditures Paid	Cash Balance 6/30/2011
High Schools:				
Grafton High School	$ 166,656	$ 249,433	$ 250,872	$ 165,217
Total high schools	166,656	249,433	250,872	165,217
Middle and Junior High Schools:				
Taylor County Middle School	125,839	157,628	156,279	127,188
Total middle and junior high schools	125,839	157,628	156,279	127,188
Elementary Schools:				
Anna Jarvis Elementary School	52,483	63,669	68,356	47,796
Flemington Elementary School	8,830	6,966	7,704	8,092
West Taylor Elementary School	22,419	29,875	31,174	21,120
Total elementary schools	83,732	100,510	107,234	77,008
Total	$ 376,227	$ 507,571	$ 514,385	$ 369,413

The notes to the supplementary information are an integral part of this schedule.

A. Budgets and Budgetary Accounting:

All boards of education within West Virginia are required by statute to prepare annual budgets and levy rate estimates on prescribed forms and submit these for approval. Budgets are presented on the modified accrual basis of accounting for all governmental funds but do not include amounts for other post employment benefits billed by PEIA beyond the retiree subsidy (pay-as-you-go) amount because only the retiree subsidy amounts are required to be remitted according to WVC §5-16d-6(e). Budgets are not adopted for agency funds. The following procedures are followed in preparing the annual budget:

1. Pursuant to State statutes, the Board is required to hold a meeting or meetings between the seventh and twenty-eighth days of March to ascertain its financial condition and to determine the amount that is to be raised from the levy of taxes for the fiscal year commencing July 1. The Board adjourns the meeting and submits its Schedule of Proposed Levy Rates to the State Auditor's Office for approval. The Board then reconvenes its meeting on the third Tuesday of April to formally lay the approved levy.

2. The Board is also required to submit its proposed budget for the subsequent year to the State Board of Education for approval by the date established in the budget calendar. The Board is also required to hold a public hearing on the proposed budget before it is submitted for approval. The proposed budget must be made available for public inspection for at least 10 days before the public hearing is held.

B. Deficiencies in Net Changes in Fund Balances and Deficit Fund Balances:

The following fund had deficiencies in net changes in fund balances for the year ended June 30, 2011:

Fund	Amount
Capital Projects	$ (640)

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 fund.

SINGLE AUDIT REPORTING PACKAGE

TAYLOR COUNTY BOARD OF EDUCATION
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For the Fiscal Year Ended June 30, 2011

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Glen B. Gainer III
State Auditor and
Chief Inspector

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Members of the
Taylor County Board of Education
Grafton, West Virginia

We have audited the financial statements of the governmental activities and each major fund of the Taylor County Board of Education (the Board), as of and for the year ended June 30, 2011, which collectively comprise the Board's basic financial statements and have issued our report thereon, dated March 23, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Board is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Board's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 11-01 to 11-02 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 11-03 to 11-04.

We noted certain matters that we reported to management of the Board in a separate letter dated March 23, 2012.

The Board's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the Board's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the Board, the West Virginia Department of Education, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

Glen B. Gainer III
West Virginia State Auditor

March 23, 2012

Glen B. Gainer III
State Auditor and
Chief Inspector

Stuart T. Stickel, CPA
Deputy Chief Inspector

State of West Virginia

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REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Honorable Members of the
Taylor County Board of Education
Grafton, West Virginia

Compliance

We have audited the compliance of the Taylor County Board of Education (the Board), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. The Board's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Board's management. Our responsibility is to express an opinion on the Board's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Board's compliance with those requirements.

In our opinion, the Board complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 11-05 and 11-06.

Internal Control Over Compliance

Management of the Board is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Board's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The Board's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the Board's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the Board, the West Virginia Department of Education, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

Glen B. Gainer III
West Virginia State Auditor

March 23, 2012

TAYLOR COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2011

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Pass Through Entity ID Number	Federal CFDA Number	Total Federal Expenditures
U. S. Department of Agriculture			
Child Nutrition - Cluster:			
Pass-through West Virginia Department of Agriculture			
National School Lunch Program (Noncash - See Note 3)	88	10.555	$ 61,891
Pass-through West Virginia Department of Education			
School Breakfast Program	88	10.553	143,811
National School Lunch Program	88	10.555	429,116
Total Child Nutrition Cluster			572,927
Fresh Fruit and Vegetable Program	88	10.582	6,392
Total Pass-through West Virginia Department of Education			$ 579,319
Total U. S. Department of Agriculture			$ 641,210
U. S. Department of Education			
Pass-through West Virginia Department of Education			
Adult Education - Basic Grants to States	61	84.002	$ 28,756
Title I, Part A Cluster:			
Title I Grants to Local Educational Agencies	41	84.010	779,354
Title I Grants to Local Educational Agencies, Recovery Act	41	84.389	112,485
Total Title I, Part A Cluster			$ 891,839

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

TAYLOR COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2011

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Pass Through Entity ID Number	Federal CFDA Number	Total Federal Expenditures
Special Education Cluster (IDEA):			
Special Education -			
Grants to States (IDEA, Part B)	43	84.027	$ 533,780
Grants to States (IDEA, Part B) Recovery Act	43	84.391	250,806
Preschool Grants (IDEA Preschool)	43	84.173	45,540
Preschool Grants (IDEA Preschool) Recovery Act	43	84.392	29,074
Total Special Education Cluster (IDEA)			859,200
Career and Technical Education - Basic Grants to States	50	84.048	41,598
Safe and Drug-Free Schools and Communities - State Grants	48	84.186	2,276
Gaining Early Awareness and Readiness for Undergraduate Programs	74	84.334	87,223
Rural Education	59	84.358	96,367
English Language Acquisition Grants	45	84.365	154
Improving Teacher Quality State Grants	40	84.367	237,982
Special Education Technical Assistance on State Data Collection	43	84.373	109
Impact Aid School Construction, Recovery Act	25	84.401	256,239
Total Pass-through West Virginia Department of Education			$ 2,501,743
Pass-through West Virginia Governor's Office			
State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act (Education Stabilization Fund)	52	84.394	$ 808,975
Education Jobs Fund, Recovery Act	52	84.410	31,998
Total Pass-through West Virginia Governor's Office			$ 840,973
Total U. S. Department of Education			$ 3,342,716

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

TAYLOR COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2011

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Pass Through Entity ID Number	Federal CFDA Number	Total Federal Expenditures
Corporation for National and Community Service			
Pass-through West Virginia Department of Education			
Learn and Serve America - School and Community Based Programs	44	94.004	$ 3,416
Total Pass-through West Virginia Department of Education			$ 3,416
Total Corporation for National and Community Service			$ 3,416
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 3,987,342

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

TAYLOR COUNTY BOARD OF EDUCATION
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2011

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Board and is presented on a basis of accounting principles generally accepted in the United States of America. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations.* Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of, the financial statements.

Note 2. Child Nutrition Program

Child Nutrition Program [CFDA #10.553 and #10.555] expenditures of federal awards are based on the amount of federal funding received for each of the programs. Since the amount of total expenditures for the programs exceeds the amount of the federal awards received, it is presumed that the total received from the federal awards has been expended. The amount of expenditures funded by meal sales, sponsor's contributions and state matching funds for both programs has not been included in the Schedule of Expenditures of Federal Awards. The total combined expenditures for the two programs as funded from all sources was $1,510,542.

Note 3. Donated Food Value

Donated food distribution represents surplus agricultural commodities received from the U.S. Department of Agriculture passed through from the West Virginia Department of Agriculture. Commodities are valued based on amounts as established by the U.S. Department of Agriculture. For the year ended June 30, 2011 total value of the donated food inventories was $61,891, which is included in the Child Nutrition cluster of programs.

TAYLOR COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2011

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued :	Unqualified
Internal control over financial reporting :	
• Material weaknesses identified ?	Yes
• Significant deficiencies identified that are not considered to be material weaknesses ?	No
Noncompliance material to financial statements noted ?	Yes

Federal Awards

Internal control over major programs :	
• Material weaknesses identified ?	No
• Significant deficiencies identified that are not considered to be material weaknesses ?	No
Type of auditor's report issued on compliance for major programs :	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section §__510(a) of OMB Circular A-133 ?	Yes

Identification of major programs :

Name of Federal Program or Cluster	CFDA Numbers
Child Nutrition Cluster	10.553/10.555
Title I Cluster	84.010/84.389
Special Education Cluster	84.027/84.391/84.173/84.392
State Fiscal Stabilization Fund, Education State Grants, Recovery Act	84.394
Impact Aid, School Construction Recovery Act	84.401

Dollar threshold used to distinguish between type A and type B program :	$300,000
Auditee qualified as low-risk auditee ?	No

Section II - Financial Statement Findings

Issuance of Receipts
11-01

CONDITION:

We determined during this audit that the Taylor County Board of Education failed to ensure that all funds received were deposited into a bank depository account in a timely manner.

CONTEXT:

Specifically, we noted instances in which deposits were made as much as fourteen days after the preceding deposit.

CRITERIA:

In order to safeguard cash and reconcile deposits adequately, internal controls require that deposits should be made in a timely manner.

CAUSE:

Adequate in-office procedures were not in place to ensure that all funds collected were deposited into a bank depository account in a timely manner.

EFFECT:

The Board has increased the risk that money could be received and not properly reported or deposited.

RECOMMENDATION:

The Taylor County Board of Education should take immediate steps to correct the receipt function by establishing procedures to ensure that all money received is receipted and deposited, intact, in a timely fashion.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS:

Responsible Dept.
Finance

The finance office will make deposits, at a minimum, when total collections on hand exceed $500 or weekly, regardless of the amount of collections. This finding was corrected as of July 1, 2011.

Section II - Financial Statement Findings

Segregation of Duties
11-02

CONDITION:

The Taylor County Board of Education did not have sufficient segregation of duties within the Finance Office.

CONTEXT:

Specifically, the responsibilities for approving, executing, and recording transactions and custody of the records relating to revenue are not assigned to separate individuals.

CRITERIA:

Adequate internal control over revenue requires that staff assigned the duties of receipting, posting, depositing and all other aspects of the recording and safeguarding of revenue must be properly segregated.

CAUSE:

The Board has failed to have adequate segregation of duties in relation to revenues.

EFFECT:

Internal controls do not reduce to a relatively low level the risk that irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned duties.

RECOMMENDATION:

The Taylor County Board of Education should review the duties assigned to their staff and make every effort to properly segregate duties in such a way as to decrease the risk of error. If adequate segregation of duties cannot be obtained, the board should establish alternative procedures to increase internal controls.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS:

Responsible Dept.

Finance

For segregation of duties, the finance office will require the task of receipting and depositing to be performed by a different individual one day each quarter.

Section II - Financial Statement Findings

Expenditures
11-03

CONDITION:

Several expenditures were not properly approved, supported, classified, or recorded.

CONTEXT:

Special Education Expenditures:

During our audit we determined that the Taylor County Board of Education did not properly code stipend expenditures. Specifically, numerous stipend entries were made to non-payroll accounts rather than payroll accounts as per the *Chart of Accounts for Local Educational Agencies in the State of West Virginia.*

Specifically, we tested the following expenditures:
Of the 60 Title I expenditures sampled, the following problems were noted:

- Three expenditures or 5% in which the purchase order was issued after the invoice.

CRITERIA:

The *Purchasing Policies and Procedures Manual for Local Educational Agencies in the State of West Virginia,* states in part, that:

> "**2. Purchase Responsibilities.**
>
> 2.2. According to W.Va. Code §18-9B-10, county boards of education shall:
>
> 2.2.1. Authorize the expenditure of funds and incur obligations only in accordance with the budget and the expenditure schedule;"

Adequate control over budgets, expenditures and the financial records in general require that all expenditures are posted to the correct expenditure codes as directed by the West Virginia Department of Education in the Chart of Accounts for Local Educational Agencies in the State of West Virginia. In addition, the accuracy of the financial records and compliance with §18-9B-10 depends on accurate posting of all financial transactions.

Adequate control over expenditures and encumbrances require that all purchase orders be prepared and authorized in advance of incurring debt for goods or services and that all invoices be adequately supported with itemized invoices, authorized and verified before payment is made. Evidence that these procedures are in place and being performed is a further element of the adequate safeguarding of assets.

Section II - Financial Statement Findings

Expenditures
11-03 (continued)

CAUSE:

The Taylor County Board of Education did not have procedures in place to ensure that all expenditures were properly coded or encumbered prior to purchase.

EFFECT:

The Taylor County Board of Education has increased the risk of making expenditures for goods not properly ordered or for goods that were not as requested. The Board also has increased the risk that expenditures may exceed the budget for a line item, encumbrances are not being recorded accurately, and duplicate payments being made.

RECOMMENDATION:

The Board should establish procedures to require:

- All purchase orders be issued prior to the purchase and receipt of the invoice.
- Each expenditure be coded in accordance with the Board of Education's chart of accounts.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS:

As of July 1, 2012, the Board established procedures to require:

Responsible Dept.

Special Education

The special education director to verify for proper coding on stipend expenditures.

Responsible Dept.

Federal Programs

All purchase orders to be approved by the treasurer before purchases are made.

Section II - Financial Statement Findings

Expenditures in Excess of Amounts Allocated in the Budget
11-04

CONDITION:

The Taylor County Board of Education incurred expenditures and/or obligations for certain items in the General Current Expense Fund, Special Revenue Fund and Special Revenue Fund-ARRA in excess of the amounts allocated for those items, at the legal level of authority, in the budget as last revised.

CONTEXT:

Specifically, expenditures and/or obligations in the following program levels were in excess of the approved budget amounts:

Fund and Appropriated Account	Budget	Total Charges Against Budget	Over-Expenditure
General Current Expense Fund			
Debt Service:			
Interest and fiscal charges	$ -	$ 7,252	$ (7,252)
Special Revenue Fund			
Transfers out	200,547	(297,570)	(498,117)
Special Revenue Fund-ARRA			
Supporting services:			
Instructional staff	23,898	46,658	(22,760)
Community services	-	200	(200)

CRITERIA:

West Virginia Code §18-9B-10 states that:

"County board of education shall:

1. Authorize the expenditure of funds and incur obligations only in accordance with the budget and the expenditure schedule;

2. Make transfers between items of appropriation only with the prior written approval of the board of finance."

Section II - Financial Statement Findings

Expenditures in Excess of Amounts Allocated in the Budget
11-04 (continued)

CAUSE:

The Taylor County Board of Education has failed to maintain effective budgetary controls to prevent expenditures and/or obligations in excess of amounts allocated in the budget.

EFFECT:

The overexpenditures did not cause the total budget for the General Fund, net of expenditures related to other post employment benefits, to be overexpended. The overexpenditures did not cause the total budget for the Special Revenue Fund or the Special Revenue Fund-ARRA to be overexpended. However, the Special Revenue Fund had a deficit fund balance of $(12,560) at fiscal year end. The Special Revenue Fund-ARRA had a deficit fund balance of $(149,114). Overexpenditures can lead to serious financial difficulty for the Board, including, but not limited to, the inability to meet current obligations.

RECOMMENDATION:

The Taylor County Board of Education should implement effective budgetary controls to ensure that actual expenditures and/or obligations do not exceed the amounts allocated for those expenditures in the official budget as approved by the State Board of School Finance.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS:

As of July 1, 2010 a financial report was developed to monitor expenditures versus budgets at the program function level. This report will be run and monitored on a monthly basis.

Section III - Federal Award Findings and Questioned Costs

Activities Allowed and Allowable Costs
11-05

Grant Title: Title I Grants to Local Educational Agencies

Federal Award Number and Year / Pass-Through Entity Identifying Number : 41

CFDA #84.010, #84.389

Federal Agency:
U.S. Department of Education

Pass-through agency:
WV Department of Education

CONDITION:

We determined during our testing of disbursements that, in certain instances, there was a lack of adequate supporting documentation.

CONTEXT:

Title I Cluster:

Of the 60 expenditures sampled, the following was noted:

- Two expenditures totaling $1,472 of the $109,615 sample size, in which the Board was unable to provide adequate supporting documentation for the expenditure. The total program expenditures were $891,839.

QUESTIONED COSTS: Unknown

CRITERIA:

Office of Management and Budget (OMB) Circular A-87 (Revised 5/10/04) states in part, that:

"1. Factors affecting allowability of costs. To be allowable under Federal awards, costs must meet the following general criteria:

a. Be necessary and reasonable for proper and efficient performance and administration of Federal awards.

.....

c. Be authorized or not prohibited under State or Local laws or regulations.

.....

e. Be consistent with policies, regulations, and procedures that apply uniformly to both Federal awards and other activities of the governmental unit.

.....

j. Be adequately documented." *(emphasis added)*

Section III - Federal Award Findings and Questioned Costs

Activities Allowed and Allowable Costs
11-05 (continued)

CAUSE:

Adequate internal controls were not in place at the Taylor County Board of Education to ensure that expenditures were properly authorized and supported prior to payment.

EFFECT:

The Board has increased the risk of incurring expenditures for goods that were not properly ordered and/or for goods that were received in a manner not consistent with the order for those goods related to the federal program. The Board has also increased the risk that expenditures may exceed the budget for a given line item for the federal program. There is also an increased risk of errors and/or irregularities occurring without being detected in a timely manner.

RECOMMENDATION:

The Taylor County Board of Education should review and enhance the controls related to the provision of adequate supporting documentation for the expenditures of Federal funding. The control system should provide assurance that expenditures are made only for an authorized purpose and for those activities allowed by each federal program.

The Taylor County Board of Education should assure that a proper and adequate purchasing system is established. Some procedures that could be considered include additional training, internal reviews, cross-training of employees, and any other measures determined by the Board.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS:

Refer to the Board's Corrective Action Plan.

Section III - Federal Award Findings and Questioned Costs

Activities Allowed and Allowable Costs
11-06

Grant Title: Special Education Cluster

Federal Award Number and Year / Pass-Through Entity Identifying Number : 43

CFDA #84.027, #84.391, #84.173, #84.392

Federal Agency:
U.S. Department of Education

Pass-through agency:
WV Department of Education

CONDITION:

During our testing of cash disbursements, we noted items that were paid for contracted services that were not in accordance with the terms of the contract. Specifically, payments were made for lunch hours and travel time to schools. Additionally, we noted certain items that were not adequately supporting with documentation such as travel reimbursement forms.

CONTEXT:

Special Education Cluster

Of the 60 expenditures sampled, the following was noted:

- Twelve expenditures totaling $39,622 of the $307,950 sample size, in which a portion of the payments made for contracted services did not agree with the contract. The total program expenditures were $859,200.
- Four expenditures totaling $564.21 of the $307,950 sample size, in which the Board was unable to provide adequate supporting documentation for the expenditure. The total program expenditures were $859,200.

QUESTIONED COSTS: Unknown

Section III - Federal Award Findings and Questioned Costs

Activities Allowed and Allowable Costs
11-06, continued

CRITERIA:

Office of Management and Budget (OMB) Circular A-87 (Revised 5/10/04) states in part, that:

"1. Factors affecting allowability of costs. To be allowable under Federal awards, costs must meet the following general criteria:

a. Be necessary and reasonable for proper and efficient performance and administration of Federal awards.

.....

c. Be authorized or not prohibited under State or Local laws or regulations.

.....

other activities of the governmental unit.

.....

j. Be adequately documented." *(emphasis added)*

CAUSE:

Adequate internal controls were not in place at the Taylor County Board of Education to ensure that expenditures were properly authorized and supported prior to payment. Additionally, there were not controls present to prevent payments for contracted services that were not specifically authorized by the contract.

EFFECT:

The Board has increased the risk of incurring expenditures for goods that were not properly ordered and/or for goods that were received in a manner not consistent with the order for those goods related to the federal program. The Board has also increased the risk that expenditures may exceed the budget for a given line item for the federal program. There is also an increased risk of errors and/or irregularities occurring without being detected in a timely manner. In addition, there is an increased risk of improper payments for contracted services.

RECOMMENDATION:

The Taylor County Board of Education should review and enhance the controls related to the provision of adequate supporting documentation for the expenditures of Federal funding. The control system should provide assurance that expenditures are made only for an authorized purpose and for those activities allowed by each federal program.

The Taylor County Board of Education should assure that a proper and adequate purchasing system is established. Some procedures that could be considered include additional training, internal reviews, cross-training of employees, and any other measures determined by the Board.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS:

Refer to the Board's Corrective Action Plan.

TAYLOR COUNTY BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Fiscal Year Ended June 30, 2011

Summary Schedule of Prior Year Financial Statement Findings

Finding #10-01
Finding Title: Computer Data Information

Finding was corrected

Finding #10-02
Finding Title: Bonding of Officials

Finding was corrected

Finding #10-03
Finding Title: Federal Employer Identification Number

Finding was corrected

Finding #10-04
Finding Title: Expenditures in Excess of Amounts Allocated in the Budget

Finding was repeated, refer to current year finding #11-04

Finding #10-05
Finding Title: Expenditures

Finding was repeated, refer to current year finding #11-03

Finding #10-06
Finding Title: Food Service Collection Policies

Finding was not repeated

TAYLOR COUNTY BOARD OF EDUCATION
RR 2 BOX 157
GRAFTON, WEST VIRGINIA 26354
TELEPHONE (304) 265-2497 FAX (304) 265-2508

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Reference Number: **10-07**
Audit Finding: Activities Allowed and Allowable Costs
Contact Person: Suzanne Visk, Linda Casto

Anticipated Completion Date: 7/1/2012

Corrective Action Planned to Be Taken:

This finding was partially corrected.

The Board will review the procedures and controls related to the expenditures of Federal Award funding to ensure that all controls are identified, are in place, and are working effectively to assure that expenditures are made only for authorized purposes and for those activities allowed by each federal program.

Title I director will implement procedures to:

Assure that adequate supporting documentation is maintained for all payments and that all invoice packets are filed in the finance office.

Special education director will implement procedures to:

Verify that payments for contracted services are only authorized for services stipulated in the contract.

Assure that adequate supporting documentation is maintained for all payments and that all invoice packets are filed in the finance office.

TAYLOR COUNTY BOARD OF EDUCATION
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CORRECTIVE ACTION PLAN

Reference Number:	11-05 and 11-06
Audit Finding:	Activities Allowed and Allowable Costs
Contact Person:	Suzanne Visk, Linda Casto

Anticipated Completion Date: 7/1/2012

Corrective Action Planned to Be Taken:

The Board will review the procedures and controls related to the expenditures of Federal Award funding to ensure that all controls are identified, are in place, and are working effectively to assure that expenditures are made only for authorized purposes and for those activities allowed by each federal program.

Title I director will implement procedures to:

Assure that adequate supporting documentation is maintained for all payments and that all invoice packets are filed in the finance office.

Special education director will implement procedures to:

Verify that payments for contracted services are only authorized for services stipulated in the contract.

Assure that adequate supporting documentation is maintained for all payments and that all invoice packets are filed in the finance office.

Glen B. Gainer III
State Auditor and
Chief Inspector

Stuart T. Stickel, CPA
Deputy Chief Inspector

State of West Virginia

Office of the State Auditor
Chief Inspector Division
Building 1, Room W-420
Charleston, West Virginia 25305

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MANAGEMENT LETTER

Honorable Board Members
Taylor County Board of Education

In accordance with *Government Auditing Standards* applicable to financial audits, we have audited the financial statements of the Taylor County Board of Education, as of and for the year ended June 30, 2011, and have issued our report thereon dated March 23, 2012.

Government Auditing Standards also require that we describe the scope of our testing of compliance with laws and regulations and internal control over financial reporting and report any irregularities, illegal acts, other material noncompliance and reportable conditions in internal control, related to major federal financial assistance programs. We have issued the required report dated March 23, 2012, for the year ended June 30, 2011.

We are also submitting for your consideration the following comments that are opportunities for strengthening internal controls, improving operating efficiency and reducing expenses. These comments reflect matters that, while in our opinion do not represent material instances of noncompliance or reportable internal control conditions, we believe represent matters for which improvements in compliance or internal controls or operational efficiencies might be achieved. Due to the limited nature of our audit, we have not fully assessed the cost-benefit relationship of implementing the recommendations suggested below. However, these comments reflect our continuing desire to assist your government. We have already discussed many of these comments and suggestions with management and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. If you have any questions, please do not hesitate to contact us.

Suggestions For Improving Operations

Child Nutrition Collection Policy

It was determined during this audit that the Taylor County Board of Education did not adhere to their Child Nutrition Collection Policy. Specifically, accounts that were deemed past due were allowed to incur further debt.

Recommendation:

The Taylor County Board of Education should establish procedures to comply with the board adopted Child Nutrition Collection Policy.

In closing, on behalf of the auditor's staff, we appreciate the opportunity to present this comment for your consideration. We would like to thank management for its hospitality, cooperation, positive attitude and openness to suggestion.

Respectfully submitted,

Glen B. Gainer III
West Virginia State Auditor

March 23, 2012

APPENDIX B

Economic and Demographic Data – County of Taylor (West Virginia)

Introduction

Taylor County (the "County") is located in the north-central section of West Virginia. The City of Grafton is the County seat and is located 144 miles from the City of Charleston, the capital of the State of West Virginia, 99 miles from Pittsburgh, Pennsylvania and 94 miles from Wheeling, West Virginia.

The County is governed by, and generally acts through, The County Commission of Taylor County (the "County Commission"). The present Commissioners of the County Commission, elected on a countywide basis, are David Rusty Efew, President, Tony J. Vertri and Dave Gobel. The County has the power, pursuant to Chapter 7, Article 1 of the Code of West Virginia, 1931, as amended, to create and establish the County Commission.

Population

Year	Taylor County	West Virginia	United States
2000 Census	16,089	1,808,344	281,421,906
2010 Census	16,895	1,852,994	308,745,538
July 1, 2011 (Estimate)	16,916	1,855,364	311,591,917

Economy

The ten (10) largest employers in the County and the type of business of each company for the year 2011 are:

Employer	Product/Service
Taylor County Board of Education	Education
Grafton City Hospital	Health
Wal-Mart Associates, Inc.	Retail
West Virginia Department of Corrections	Government
Rex-Hide Industries, Inc.	Manufacturing
Rest Haven Nursing Home, Inc.	Elderly Health
Taylor County Senior Citizen's Association	Elderly Health
City of Grafton	Government
Glenn Enterprises, Inc.	Leisure and Hospitality
Taylor County Commission	Government

Additional information regarding employment, wages and income are as follows:

Average Annual Unemployment Rates (%)

Year	Taylor County	West Virginia
2007	4.5	4.2
2008	4.3	4.3
2009	7.1	7.9
2010	8.2	9.1
2011	7.7	8.0

Average Annual Employment by Industry

Industry	2007	2008	2009	2010	2011
Construction	197	210	187	167	127
Manufacturing*	222	178	n/a	n/a	n/a
Trade, Transportation & Utilities	510	513	502	519	529
Information	n/a	n/a	n/a	29	27
Financial Activities	59	53	55	52	35
Professional & Business Services	105	84	111	112	137
Education & Health Services	325	313	303	300	323
Leisure and Hospitality	252	234	261	277	287
Other Services	55	60	54	53	68
Government	1,119	1,126	1,130	1,135	1,151
Totals	**2,896**	**2,820**	**2,772**	**2,767**	**2,809**

***Manufacturing not included as separate category after 2008**

Average Employment and Annual Wage ($)

	Average Employment		Average Weekly Wage	
	2007	2011	2007	2011
Taylor County	2,896	2,755	492.19	553.40
West Virginia	708,313	701,871	653.87	751.77

Per Capita Personal Income ($)

	2001	2010	Rank in State 2010
United States	30,413	27,334	n/a
West Virginia	22,862	21,232	n/a
Taylor County	15,837	18,562	40

Wages Per Industry (2011) ($)

Industry	Total Wages	Average Weekly Wage
Construction	5,660,828	794.62
Trade, Transportation & Utilities	12,544,832	459.52
Information	773,856	531.50
Financial Activities	913,641	488.06
Professional & Business Services	4,449,016	731.27
Education & Health Services	8,163,859	477.19
Leisure and Hospitality	2,557,929	190.65
Other Services	1,278,756	390.35
Government	36,483,068	615.44
Totals	**79,281,388**	**553.40**

Total Wages ($)

Year	Taylor County	West Virginia
2007	74,119,822	24,083,126,318
2008	75,855,596	25,534,204,980
2009	77,000,483	25,528,702,813
2010	80,034,284	26,100,976,332
2011	79,281,388	27,437,330,374

Community Data

Education Facilities	
Elementary	3
Middle or Jr. High	1
Vocational Schools	1
High Schools	1
Colleges:	
Alderson-Broaddus College (Barbour County)	
Fairmont State University (Marion County)	
Salem International University (Harrison County)	
West Virginia University (Monongalia County)	

Recreational Facilities	
Parks	2
Baseball-Softball Fields	5
Basketball Courts:	
Indoor	3
Outdoor	2
Playgrounds	7
Swimming Pools	1
Auditoriums	3
Stadiums	1
Theaters:	
Indoors	1
Outdoors	2
Golf Courses	1
Tennis Courts	6
Country Clubs	0

Medical	
Hospitals	1
Beds	102
Doctors	10
Dentists	4

Transportation	
Highways:	
WV Routes	310, 76
US Routes	250, 199, 50
Motor Freight:	Carriers available, Parcel service available
Industrial Parks	1
Airports	0
Railroads:	CSXT
Motor Freight Carrier	Yes
Bus Service	No

Communications	
Newspapers	1
Telephone:	Verizon, Citizens Telecom
Radio	2

Utilities	
Electricity:	Allegheny Power
Natural Gas:	Allegheny Power

Other Date	
Child Care	5
Banks	3
Libraries	3

Sources: WorkForce West Virginia, United States Bureau of Labor Statistics, Census.Gov

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APPENDIX C

Proposed Form of Legal Opinion

September ____, 2012

$_____
The Board of Education of
The County of Taylor (West Virginia)
Public School Refunding Bonds, Series 2012

The Board of Education of the
County of Taylor
Grafton, West Virginia

Piper Jaffray & Co.
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel to The Board of Education of The County of Taylor (the "Issuer") and in connection therewith examined a record of proceedings relating to the issuance by the Issuer of its $_____ in aggregate principal amount of Public School Refunding Bonds, Series 2012, dated September ____, 2012 (the "Bonds").

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 13, Article 2 of the West Virginia Code of 1931, as amended (the "Refunding Act") and a Resolution and Order duly adopted by the Issuer on May 22, 2012, as the same has been supplemented pursuant to a Supplemental Resolution adopted by the Issuer on July 24, 2012 (collectively, the "Authorizing Resolutions") and are subject to all the terms and conditions of the Authorizing Resolutions. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Authorizing Resolutions.

The Bonds are issued in fully registered form, are dated September ___, 2012, upon original issuance, are represented by a single bond for each maturity, numbered R-1 to R-7, inclusive, with interest payable on each May 1 and November 1, commencing May 1, 2013, and principal installments payable each May 1, commencing May 1, 2013, and continuing until the maturity thereof, being May 1, 2019.

The Authorizing Resolutions provide that the issue is for the purposes of providing funds, together with other moneys of the Issuer currently on deposit with the West Virginia Municipal Bond Commission (the "Bond Commission"), to effect the advance refunding and repayment in full of the Issuer's outstanding Public School Bonds, Series 2003, dated August 19, 2003, issued in the original aggregate principal amount of $7,910,000 of which $4,375,000 is presently outstanding and the Issuer's outstanding Public School Bonds, Series 2004, dated March 1, 2004, issued in the original aggregate principal amount of $3,080,000 of which $1,700,000 is presently outstanding (the "Prior Bonds"), and to pay costs of issuance of the Bonds and other costs in connection with such refunding. Issuance of the Prior Bonds was approved by the voters of the Taylor County School District (the "District") at an election held in the District on April 5, 2003, for the purpose of financing costs of improving, constructing, erecting, renovating, furnishing and equipping certain new and existing school facilities in the District.

The Bonds have been sold to Piper Jaffray & Co., Charleston, West Virginia (the "Purchaser") pursuant to a Bond Purchase Agreement dated September ____, 2012, by and between the Issuer and the Purchaser (the "Bond Purchase Agreement").

As to questions of fact material to our opinion, we have relied upon representations of the Issuer contained in the Authorizing Resolutions, the Bond Purchase Agreement and the Escrow Agreement, dated September ____, 2012, by and between the Issuer and the Bond Commission (the "Escrow Agreement") and in the certified proceedings and other certifications of certain officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, and assuming compliance with the covenants of the Issuer contained in the Authorizing Resolutions, the Bond Purchase Agreement, the Escrow Agreement and the Tax and Non-Arbitrage Certificate of the Issuer dated the date hereof (the "Tax Certificate") and in certain other certificates delivered in connection herewith and the covenants of the Bond Commission contained in the Escrow Agreement, we are of the opinion, under existing law, as of the date hereof, that:

1. The Issuer is a duly organized and validly existing statutory corporation charged with the supervision and control of the District, which is a validly existing political subdivision of the State of West Virginia, with full power and authority to adopt the Authorizing Resolutions, enter into the Escrow Agreement and the Bond Purchase Agreement, perform its obligations under the terms and provisions thereof and to issue and sell the Bonds, all under the provisions of the Refunding Act and other applicable provisions of law.

2. The Issuer, through its governing body, has legally and effectively adopted the Authorizing Resolutions, has authorized, executed and delivered the Escrow Agreement and the Bond Purchase Agreement and has issued and delivered the Bonds to the Purchaser pursuant to the Bond Purchase Agreement. The Authorizing Resolutions are in full force and effect as of the date hereof.

3. Assuming due authorization, execution and delivery by the other parties thereto, the Escrow Agreement and the Bond Purchase Agreement constitute valid, legal, binding and enforceable instruments of the Issuer in accordance with their respective terms; and the Bonds, subject to the terms thereof, constitute valid and legally enforceable general obligations of the Issuer, the principal of and interest on which, unless paid from other sources, are payable from ad valorem taxes levied upon all taxable property within the District, without limitation as to rate or amount.

4. Under existing laws, regulations, published rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Bonds (including original issue discount properly allocable to owners of the Bonds) is excludable from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, and the regulations promulgated thereunder, as amended (the "Code"), and such interest will not be treated as a preference item in calculating the alternative minimum tax that may be imposed under the Code upon individuals and corporations. Under the Code, however, interest on the Bonds is included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax that may be imposed with respect to corporations. The opinions set forth above are subject to the condition that the Issuer comply, on a continuing basis, with all requirements of the Code that must be satisfied subsequent to issuance of the Bonds for interest thereon to be or continue to be excludable from gross income for federal income tax purposes and all certifications, covenants and representations which may affect the excludability from gross income of the interest on the Bonds set forth in the Authorizing Resolutions and the Tax Certificate. The Issuer has covenanted to comply with each such requirement. Failure to comply with certain of such Code provisions or such certifications, covenants and representations could cause the interest on the Bonds to be includable in

gross income retroactive to the date of issuance of the Bonds. Except as set forth in paragraph 6 below, we express no opinion regarding other federal tax consequences arising with respect to the Bonds.

5. Under the Refunding Act, the Bonds are exempt from all taxation by the State of West Virginia or any political subdivision thereof.

6. The Issuer has designated the Bonds as "qualified tax-exempt obligations" for purposes of the Code, and has covenanted that it, together with any subordinate entities, does not reasonably expect to issue more than $10,000,000 of tax-exempt obligations (other than private activity bonds and obligations issued to currently refund any obligation of the Issuer to the extent the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligations) during the calendar year 2012. Therefore, the Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3)(B) of the Code.

7. The Prior Bonds have been paid within the meaning and with the effect expressed in the Refunding Act, and the covenants, agreements and other obligations of the Issuer to the holders and owners of such Prior Bonds have been satisfied and discharged.

It is to be understood that the rights of the holders of the Bonds and the enforceability of the Bonds and the liens, pledges, rights or remedies with respect to the Bonds, the Authorizing Resolutions, the Escrow Agreement and the Bond Purchase Agreement are subject to any applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws heretofore or hereafter enacted affecting creditors' rights or remedies generally, and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

This opinion speaks only as of its date and we assume no obligation to update, supplement or revise this opinion following the date hereof to reflect facts or circumstances occurring after the date hereof or matters hereafter brought to our attention.

We have examined the executed and authenticated Bond No. R-1 of said issue, and in our opinion, said Bond is in proper form and has been duly executed and authenticated.

Very truly yours,

STEPTOE & JOHNSON PLLC

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APPENDIX D

Book-Entry Only System

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the 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 a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not 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.

APPENDIX E

ELECTED OFFICIALS OF THE BOARD

Miss Nancy Ludwick

Miss Ludwick was elected to the Taylor County Board of Education in May 2006 and is now serving her second term on the Board as President elected in July 2010. She is a graduate of Grafton High School and she attended Mount Vernon Nazarene College, Fairmont State College and West Virginia University. She holds an AB in education and is certified in music (grades K-9).

Nancy served on the first continuing education council, Benedium Committee, Sick Leave Bank, WVEA member for 30 years, serving on the executive committee for years. Nancy was President of the Reading Council and served as President of the Taylor County Middle School Faculty Senate and Staff Relations Committee. Nancy taught for many summers at WVU's Language Arts Camp. She also spent many summers doing private tutoring and teaching gifted classes at Summerfest (not offered in regular classrooms) at WVU for gifted students.

Nancy served on many textbook adoption committees as well as the Calendar Committee. Nancy is a member of the Grafton Blueville Nazarene Church where she served as pianist for many years. Miss Ludwick is a retired teacher with 30 years of teaching experience in Taylor County Schools and is a member of Taylor County's Retired School Personnel.

Mr. Richard Teagarden

Richard Teagarden is retired from the Taylor County school system with 33 years of experience in teaching and administration combined. While employed for Taylor County Schools he served as a Physical Education teacher at Anna Jarvis for one year before becoming a teaching Principal at Haymond Elementary School for 11 years. He then served as Principal of Flemington Elementary School for the next 12 years before being promoted to Administrator and Director of Transportation for 9 years at Taylor County's Central Office.

Dick graduated from Grafton High School in 1970. He received a BA degree in Elementary Education from Fairmont State College and a MA degree in Education Administration from West Virginia University. His certifications included Principal (Elementary – High School) with a professional teacher certificate in Elementary Education and Physical Education.

Dick has served as a Coach for many different groups: Grafton High School Varsity Golf Coach, State Golf Coach of the Year (1995), Little League and Senior League Baseball Coach, Biddy League Basketball Coach and Tennis Instructor to the youth of Taylor County. Dick has also served as a member of the Board of Directors of the Tygart Lake Country Club holding the offices of Vice President and Secretary. He represented the School System on the Memorial Day Committee and participated in the parade for 43 years. Dick served as President of the Taylor County ACS and is a member of the RESA VII Advisory Committee and the Blueville Methodist Church.

He is currently beginning his second term on the Taylor County Board of Education, having been reelected in May of 2012, where he currently serves as Vice President

Judith Barney

Judith Barney was elected to the Board of Education in 2012. Judith is currently employed by John L. Bord, Prosecuting Attorney, as Legal Assistant, where she has been employed since 1984.

In April 1997, Judith was recognized by the Department of the Treasury – Bureau of Alcohol, Tobacco and Firearms and awarded a Certificate of Appreciation for work in a felony case that resulted in convictions of two people in Taylor County, as well as leads for the same individuals for crimes in other states.

Judith is a graduate of Phillip Barbour High School and is a member of the Evans Chapel United Methodist Church in Simpson and is the adult class teacher and finance secretary for the church. Judith is Treasurer of Simpson Playground Committee and schedules all events for those who want to use the facility. Judith was recently selected to represent the Board of Education on the Public Library Board and was elected as Treasurer of the Public Library Board.

Alan DePiano

Alan DePiano was elected to the Taylor County Board of Education in May of 2010. Alan taught thirty-five years teaching social studies, special education, and gifted. While at Grafton High School he served as head of the social studies and special education departments. Coach "D", as Alan was called by everyone, was no stranger to sports. He held the positions of Varsity boy and girls tennis coach, varsity girls volleyball coach, assistant boys basketball coach, assistant golf coach and held the position of Big Ten Coach in tennis ten times and was the NSCA Mid-Atlantic States Sectional Coach of the year in tennis. Mr. DePiano was also Teacher of the Year in 1997.

Coach "D" is a graduate of Salem College with a BA in Social Studies, Special Education and Math. His MA is from West Virginia University in Athletic Coaching and Administration. He currently coaches Salem University's NCAA Women's Bowling Team. Alan is a member of Taylor County's Retired School Personnel, WVEA, the Elks Lodge, and the National Federation of Coaches Association. Alan currently represents the Taylor County Board on the United Technical Center Advisory Council.

Melissa Knotts

Mrs. Knotts was elected to the Taylor County Board of Education in May 2006 and is currently serving her second term having been reelected in May of 2010. Melissa represents the Board on the Taylor County Extension Office and Camp Towles Advisory Board..

APPOINTED OFFICIALS OF THE BOARD

Charles R. "Bob" Maynard

Mr. Bob Maynard became Superintendent of Taylor County Schools July 1, 2011. Bob was previously Principal of Woodrow Wilson High School in Raleigh County for thirteen years. Mr. Maynard holds a BS degree from Glenville State College, and two MA degrees, one from West Virginia University and one from the University of West Virginia College of Graduate Studies.

Mr. Maynard serves as secretary to the Board and represents Taylor County on both the United Technical Center Regional Committee and the RESA VII Executive Council.

Sam K. McDaniel, Assistant Superintendent

Mr. McDaniel has been the Assistant Superintendent of the Taylor County Board of Education since July 1997. He was Director of Transportation for one year and a teacher for 8 years.

He was previously employed at the West Virginia Industrial School for Boys as a teacher and administrator for 14 years and as an engineering statistician for an oil and gas company for 3 years. He was president of a computer company in the 1980's where he developed software for school systems.

He holds a BS and two MA degrees from West Virginia University.

Drew M. Rottgen, Treasurer

Mr. Rottgen was appointed as Treasurer of the Taylor County Board of Education on June 18, 2012. Prior to joining the Taylor County Board of Education, Mr. Rottgen served as a professional accountant for the Cabell County Board of Education for two years. Mr. Rottgen graduated Summa Cum Laude from West Virginia University with a B.S. in Business Administration in May 2010.

APPENDIX F

Continuing Disclosure Agreement

This Continuing Disclosure Agreement (this "Agreement") dated as of _____, 2012, is by and between the Board of Education of the County of Taylor (the "Board") and United Bank, Inc., as Disclosure Agent (the "Disclosure Agent"), in connection with the issuance of the $_____ The Board of Education of the County of Taylor (West Virginia) Public School Refunding Bonds, Series 2012 (the "Series 2012 Bonds"). Capitalized terms used in this Agreement shall have the respective meanings specified above, in Section 2 hereof or in the Resolution and Order adopted by the Board on May 22, 2012, as supplemented by the Supplemental Resolution adopted by the Board on July 24, 2012, authorizing issuance of the Series 2012 Bonds (together, the "Resolution"). The Board agrees as follows:

SECTION 1. Purpose of Agreement. This Agreement is being executed and delivered by the Board and the Disclosure Agent for the benefit of the holders and beneficial owners of the Series 2012 Bonds and in order to assist the Underwriter in complying with SEC Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Agreement unless otherwise defined herein, the following capitalized terms shall have the following meanings:

"Annual Financial Information" means the financial information (which shall be based on financial statements prepared in accordance with generally accepted accounting principles ("GAAP")) and operating data with respect to the Board, provided at least annually, of the type included in those sections of the final official statement with respect to the Series 2012 Bonds in Appendix A entitled "Audit Report of Taylor County Board of Education for Fiscal Year Ended June 30, 2011," which Annual Financial Information shall include Audited Financial Statements if available on the due date set forth herein, and, if not then available, unaudited financial statements.

"Audited Financial Statements" means the Board's annual financial statements, prepared in accordance with GAAP, which financial statements shall have been audited by a firm of independent certified public accountants or the West Virginia Auditor's Office.

"Beneficial Owner" shall mean any person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2012 Bonds (including persons holding Series 2012 Bonds through nominees, depositories or other intermediaries).

"Bond Purchase Agreement" shall mean the Bond Purchase Agreement dated _____, 2012, entered into between Piper Jaffray & Co. (the "Underwriter"), and the Board, by which the Underwriter agreed to purchase the Series 2012 Bonds from the Board upon the terms set forth therein.

"Disclosure Agent" shall initially mean United Bank, Inc. and any later appointed Disclosure Agent or any successor Disclosure Agent designated in writing by the Board and which has filed with the Board a written acceptance of such designation.

"Disclosure Representative" shall mean the Treasurer of the Board.

"EMMA" means the Electronic Municipal Market Access system described in 1934 Act Release No. 59062 and maintained by the Municipal Securities Rulemaking Board for purposes of the Rule.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Agreement.

"National Repository" shall mean the Municipal Securities Rulemaking Board, Washington, D.C., the sole Nationally Recognized Municipal Securities Information Repository for purposes of the Rule.

"Participating Underwriter" shall mean the original underwriter of the Series 2012 Bonds who are required to comply with the Rule in connection with offering of the Series 2012 Bonds.

"Repository" shall mean each National Repository.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"Series 2012 Bonds" shall mean the $_____ The Board of Education of the County of Taylor (West Virginia) Public School Refunding Bonds, Series 2012.

SECTION 3. Provision of Annual Reports.

(a) The Board shall, or shall cause the Disclosure Agent to, not later than 270 days after the end of the Board's fiscal years (presently June 30), commencing with the reports for the Fiscal Years ending June 30, 2012(FY 2012), provide to each Repository: Annual Financial Information and Audited Financial Statements, which are consistent with the requirements of Section 4 of this Agreement. The Annual Financial Information and Audited Financial Statements may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Agreement. The Board shall provide the Disclosure Agent with a copy of each report filed under this Agreement. If the Board's fiscal years change, the Board shall give notice of such change in the same manner as for a Listed Event under Section 5(a).

(b) Not later than fifteen (15) Business Days prior to said date, the Board shall provide the Annual Financial Information and Audited Financial Statements to the Disclosure Agent. If the Board is unable to provide to the Repositories the Annual Financial Information and Audited Financial Statements by the date required in subsection (a), the Board shall, or shall cause the Disclosure Agent to, send a notice to the Repositories, in substantially the form attached as Exhibit A.

(c) The Disclosure Agent shall file a report with the Board certifying that the Annual Financial Information and Audited Financial Statements have been provided to EMMA pursuant to the Agreement and the date provided.

(d) All documents provided to EMMA shall be provided in a searchable, electronic format and shall be accompanied by identifying information as prescribed by the Securities and Exchange Commission and the Municipal Securities Rulemaking Board.

SECTION 4. Content of Annual Financial Information and Audited Financial Statements. Within two hundred seventy (270) days of the Board's fiscal year ends, the Board or Disclosure Agent on its behalf shall submit to EMMA information and data of the Board for the prior fiscal year, including the Audited Financial Statements, prepared in accordance with generally accepted accounting principles in effect from time to time.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Board or related public entities, which have been submitted to EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The Board shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Board shall give, or cause to be given, notice of the occurrence of any of the following events, if applicable, with respect to the Series 2012 Bonds:

1. principal and interest payment delinquencies;

2. non-payment related defaults, if material;

3. unscheduled draws on debt service reserves reflecting financial difficulties;

4. unscheduled draws on credit enhancements reflecting financial difficulties;

5. substitution of credit or liquidity providers, or their failure to perform;

6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2012 Bonds, or other events affecting the tax status of the Series 2012 Bonds;

7. modifications to rights of security holders, if material;

8. bond calls, if material, and tender offers;

9. defeasances;

10. release, substitution, or sale of property securing repayment of the 2012 Series Bond, if material;

11. rating changes;

12. bankruptcy, insolvency, receivership, or similar event of the Board[3];

13. the consummation of a merger, consolidation or acquisition involving the Board, or the sale of all or substantially all of the assets of the Board, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its term, if material; and

14. appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) The Disclosure Agent shall, within one (1) Business Day of obtaining actual knowledge of the occurrence of any of the Listed Events contact the Disclosure Representative, inform such person of the event, and request that the Board promptly notify the Disclosure Agent in writing whether or not to report the event pursuant to subsection (f).

(c) Whenever the Board obtains knowledge of the occurrence of a Listed Event, classified under Section 5(a) (2), (7), (8), (10), (13) or (14), because of a notice from the Disclosure Agent pursuant to subsection

[3] For the purposes of the event identified in Section 5(a)(12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Board in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Board, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Board.

(b) or otherwise, the Board shall as soon as possible determine if such event would be material under applicable federal securities laws, in any event such determination must be made and submitted to the Disclosure Agent within two (2) business days.

(d) If the Board determines that knowledge of the occurrence of any of the Listed Events, classified under Section 5(a) (2), (7), (8), (10), (13) or (14), would be material under applicable federal securities laws pursuant to subsection (b) or the Board received notice of any Listed Event that does not require a finding of materiality classified under Section 5(a) (1), (3), (4), (5), (6), (9), (11) or (12), the Board shall promptly file with the Disclosure Agent a notice of such occurrence to be provided to EMMA.

(e) If in response to a request under subsection (b), the Board determines that the Listed Event, classified under Section 5(a) (2), (7), (8), (10), (13) or (14), would not be material under applicable federal securities laws, the Board shall so notify the Disclosure Agent in writing and instruct the Disclosure Agent not to report the occurrence pursuant to subsection (f).

(f) If the Disclosure Agent has been instructed by the Board to report the occurrence of a Listed Event, the Disclosure Agent shall file a notice of such occurrence with EMMA with a copy to the Board. The Disclosure Agent must file such notice with EMMA within ten (10) business days of the occurrence of such Listed Event.

SECTION 6. Termination of Reporting Obligation. The Board's obligations under this Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2012 Bonds. If such termination occurs prior to the final maturity of the Series 2012 Bonds, the Board shall give notice of such termination in the same manner as for any of the Listed Events under Section 5(a).

SECTION 7. Disclosure Agent. United Bank, Inc. is hereby appointed as Disclosure Agent. The Board may, from time to time, appoint or engage an alternate or successor Disclosure Agent to assist it in carrying out its obligations under the Agreement, and may discharge any such Agent, with or without appointing a successor Disclosure Agent. The Disclosure Agent shall not be responsible in any manner for the content of any notice or report prepared by the Board pursuant to the Agreement.

SECTION 8. Amendment, Waiver. Notwithstanding any other provision of this Agreement, the Board and the Disclosure Agent may amend this Agreement, and any provision of this Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Board with respect to the Series 2012 Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Series 2012 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Series 2012 Bonds in the same manner as provided in the Resolution for amendments to the Resolution, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Series 2012 Bonds.

In the event of any amendment or waiver of a provision of this Agreement, the Board shall describe such amendment in the next Annual Financial Information and Audited Financial Statements, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data

being presented. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for any of the Listed Events under Section 5(a), and (ii) the Annual Financial Information and Audited Financial Statements for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Agreement shall be deemed to prevent the Board from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information and Audited Financial Statements or notice of occurrence of any of the Listed Events, in addition to that which is required by this Agreement. If the Board chooses to include any information in any Annual Financial Information and Audited Financial Statements or notice of occurrence of any of the Listed Events in addition to that which is specifically required by this Agreement, the Board shall have no obligation under this Agreement to update such information or include it in any future Annual Financial Information and Audited Financial Statements or notice of occurrence of any of the Listed Events.

SECTION 10. Default. In the event of a failure of the Board to comply with any provision of this Agreement, any Holder or Beneficial Owner of the Series 2012 Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Board to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed an Event of Default on the Series 2012 Bonds, and the sole remedy under this Agreement in the event of any failure of the Board to comply with this Agreement shall be an action to compel performance.

SECTION 11. Notices. Any notices or communications to or among any of the parties to the Agreement may be given as follows:

To the Board:	The Board of Education of the County of Taylor Route 2, Box 157 Grafton, WV 23654
To the Disclosure Agent:	United Bank, Inc. ATTN: Corporate Trust 500 Virginia Street, East Charleston, WV 25301-2135

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

SECTION 12. Beneficiaries. This Agreement shall inure solely to the benefit of the Board, the Disclosure Agent, the Underwriter and holders and beneficial owners from time to time of the Series 2012 Bonds, and shall create no rights in any other person or entity.

SECTION 13. Counterparts. The Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 14. Fees. The Board agrees to pay all fees and expenses of the Disclosure Agent including, without limitation, all reasonable expenses, charges, costs, attorney's fees and other disbursements in the administration and performance of the Disclosure Agent's duties.

SECTION 15. Right to Resign. The Disclosure Agent may resign at any time by providing thirty (30) days' written notice to the Board.

SECTION 16. Right to Counsel. The Disclosure Agent shall have the right to consult with counsel in carrying out its duties under the Agreement and to rely upon an opinion of counsel.

SECTION 17. Duties of Disclosure Agent. The Disclosure Agent shall have only such duties as are specifically set forth in this Agreement, and no further duties or responsibilities shall be implied. Any corporation or association into which the Disclosure Agent in its individual capacity may be merged or converted or with which it may be consolidated, or any corporation or association resulting from any merger, conversion or consolidation to which the Disclosure Agent in its individual capacity shall be a party, or any corporation or association to which all or substantially all the corporate trust business of the Disclosure Agent in its individual capacity may be sold or otherwise transferred, shall be the Disclosure Agent under this Agreement without further act. Anything in this Agreement to the contrary notwithstanding, in no event shall the Disclosure Agent be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Disclosure Agent has been advised of such loss or damage and regardless of the form of action. The Board will, for the benefit of the Disclosure Agent and Disclosure Agent's employees, directors, agents, subsidiaries, affiliates, successors and assigns, assume all liability and/or be responsible to pay for any and all claims, demands, causes of action, losses, damages, liabilities, penalties, costs and expenses (including reasonable attorney's fees) relating to this Agreement, to the extent assessed by a court of competent jurisdiction.

IN WITNESS WHEREOF, the Board and the Disclosure Agent have caused this Agreement to be executed by its duly authorized representatives, all as of the date first above written.

THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR

By: _____

UNITED BANK, INC., as Disclosure Agent

By: _____

Its: _____

Date: _____, 2012

EXHIBIT A

NOTICE TO REPOSITORIES
OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: The Board of Education of the County of Taylor

Name of Bond Issue: $_____ The Board of Education of the County of Taylor (West Virginia) Public School Refunding Bonds, Series 2012

Date of Bond Issue: _____, 2012

NOTICE IS HEREBY GIVEN that the Board has not provided an Annual Report with respect to the above-named Series 2012 Bonds as required by Section 3(b) of this Continuing Disclosure Agreement dated as of _____, 2012, to be provided. The Board anticipates that the Annual Report will be filed by _____, 20__.

Dated: _____, 20__

United Bank, Inc., as Disclosure Agent
on behalf of the Board

cc: Board

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THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR (WEST VIRGINIA) • PUBLIC SCHOOL REFUNDING BONDS, SERIES 2012

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FSC
www.fsc.org

Printed by: ImageMaster
www.ImageMaster.com

NEW ISSUE
BOOK-ENTRY ONLY

Rating: Standard & Poor's
(See "Rating" herein)

In the opinion of Bond Counsel, under existing laws, regulations, published rulings and judicial decisions of the United States of America, as presently written and applied, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, upon the conditions and subject to the limitations set forth under the caption "TAX MATTERS" herein; however, interest on the Bonds held by a corporation may be indirectly subject to alternative minimum tax because of its inclusion in adjusted current earnings of such corporate holder. In the opinion of Bond Counsel, under existing laws of the State of West Virginia, the Bonds are exempt from all taxation by the State of West Virginia or any political subdivision thereof. See "TAX MATTERS" herein.

$6,130,000
THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR (WEST VIRGINIA)
Public School Refunding Bonds, Series 2012

Dated: Date of Delivery

Due: May 1, as shown below

The Bonds are being issued by the Board pursuant to Chapter 13, Article 2 of the Code of West Virginia, 1931, as amended (the "Refunding Act") for the purposes of (i) advance refunding and redeeming in full the Board's Public School Bonds, Series 2003, dated August 19, 2003, issued in the original aggregate principal amount of $7,910,000 and currently outstanding in the aggregate principal amount of $4,375,000 (the "Series 2003 Bonds"), (ii) advance refunding and redeeming in full the Board's Public School Bonds, Series 2004, dated March 1, 2004, issued in the original aggregate principal amount of $3,080,000 and currently outstanding in the aggregate principal amount of $1,700,000 (the "Series 2004 Bonds" and collectively with the Series 2003 Bonds, the "Bonds to be Refunded") and (iii) paying costs of issuance of the Bonds.

The Bonds are general obligations of The Board of Education of the County of Taylor, West Virginia (the "Board"), which Board has the power and is obligated to levy ad valorem taxes upon all the taxable property within the Taylor 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 West Virginia Municipal Bond Commission, Charleston, West Virginia, as Paying Agent. The Board has designated United Bank, Inc., Charleston, West Virginia, as Registrar.

Interest on the Bonds will be payable May 1, 2013 and semiannually thereafter (each May 1 and November 1) in each year to maturity. The principal of and interest on the Bonds are payable by the Paying Agent to DTC, which will in turn remit such principal and interest to its Participants for subsequent distribution to the Beneficial Owners of the Bonds. See "APPENDIX D – BOOK ENTRY ONLY SYSTEM"

The Board has designated the Bonds as "qualified tax-exempt obligations," therefore, the Bonds are treated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3)(B) of the Code. See "TAX MATTERS" for more detail regarding the opinion Bond Counsel gives regarding such designation.

The Bonds are not subject to redemption.

MATURITIES, AMOUNTS, RATES, PRICES, YIELDS AND CUSIPS

Maturing (May 1)	Principal Amount ($)	Interest Rate (%)	Price (%)	Yield (%)	CUSIP**
2013	835,000	3.00%	101.525	0.45%	877129CY0
2014	790,000	3.00%	103.815	0.60%	877129CZ7
2015	825,000	3.00%	105.782	0.75%	877129DA1
2016	865,000	3.00%	107.237	0.95%	877129DB9
2017	900,000	3.00%	108.499	1.10%	877129DC7
2018	940,000	3.00%	108.869	1.35%	877129DD5
2019	975,000	3.00%	108.734	1.60%	877129DE3

The Bonds are offered for delivery when, as and if issued, subject to approval of legality by Steptoe & Johnson PLLC, Charleston, West Virginia, Bond Counsel. Certain legal matters will be passed upon for the Board by Steptoe & Johnson PLLC, Charleston, West Virginia, Special Project Counsel to the Board. Certain legal matters will be passed upon for the Underwriter by Spilman Thomas & Battle, PLLC, Charleston, West Virginia, as Counsel to the Underwriter. It is expected that the Bonds will be available for delivery to DTC, New York, New York on or about September 25, 2012.

PiperJaffray.

September 11, 2012

** CUSIP numbers have been assigned by an independent company not affiliated with the Board and are included on this cover page solely for the convenience of the Owners of the Bonds only at the time of issuance of the Bonds. Neither the Underwriter nor the Board makes any representation with respect to the accuracy of such CUSIP numbers as indicated in the above table or undertakes any responsibility for the selection of the CUSIP numbers or their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds.

$6,130,000
The Board of Education of the
County of Taylor (West Virginia)
Public School Refunding Bonds, Series 2012

ELECTED OFFICIALS

Nancy Ludwick, President
Richard Teagarden, Vice President
Melissa Knotts, Member
Judith Barney, Member
Alan DePiano, Member

APPOINTED OFFICIALS

Charles R. Maynard, Superintendent
Sam K. McDaniel, Assistant Superintendent
Drew M. Rottgen, Treasurer-CFO

BOARD'S SPECIAL PROJECT COUNSEL

Steptoe & Johnson PLLC
Charleston, West Virginia

BOND COUNSEL

Steptoe & Johnson PLLC
Charleston, West Virginia

UNDERWRITER

Piper Jaffray & Co.
Charleston, West Virginia

UNDERWRITER'S COUNSEL

Spilman Thomas & Battle, PLLC
Charleston, West Virginia

YOU SHOULD MAKE YOUR OWN DECISION WHETHER THIS OFFERING MEETS YOUR INVESTMENT OBJECTIVES AND RISK TOLERANCE LEVEL. NO FEDERAL OR STATE SECURITIES COMMISSION HAS APPROVED, DISAPPROVED, ENDORSED OR RECOMMENDED THIS OFFERING. NO INDEPENDENT PERSON HAS CONFIRMED THE ACCURACY OR TRUTHFULNESS OF THIS DISCLOSURE, NOR WHETHER IT IS COMPLETE. THE WEST VIRGINIA SECURITIES COMMISSION HAS NOT REVIEWED THE DISCLOSURE CONTAINED HEREIN AND THE ISSUER IS RELYING ON AN EXEMPTION FROM REGISTRATION BY QUALIFICATION UNDER THE WEST VIRGINIA SECURITIES ACT.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized by The Board of Education of the County of Taylor, West Virginia, to give any information or to make any representations other than as contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the Board. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds herein described by any persons in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the Board from sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Board since the date hereof.

The information contained in this Official Statement has been obtained by the Underwriter from sources believed to be reliable, but the accuracy or completeness of such information is not guaranteed by, and should not be construed as a promise by any of the foregoing. The presentation of such information is intended to show recent historic information and is not intended to indicate future or continuing trends. No representation is made that the past experience, as shown by such financial and other information, will necessarily continue or be repeated in the future. This Official Statement contains, in part, estimates and matters of opinion, whether or not expressly stated to be such, which are not intended as statements or representations of fact or certainty, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Board.

The Resolution, as hereinafter defined, has not been qualified under the Trust Indenture Act of 1939, as amended, because of available exemptions therefrom.

The following sentence has been provided by the Underwriter for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

Forward-Looking Statements

This Official Statement, and particularly the information contained in the caption "TAYLOR COUNTY SCHOOL DISTRICT" and "CERTAIN FINANCIAL INFORMATION" contain statements relating to future results that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Preliminary Official Statement, the words "estimated," "forecasted," "intended," "expected," "anticipated," "projected" and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

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OFFICIAL STATEMENT
RELATING TO

$6,130,000
The Board of Education of the
County of Taylor (West Virginia)
Public School Refunding Bonds, Series 2012

INTRODUCTION

This Official Statement provides certain information in connection with the sale of $6,130,000 in aggregate principal amount of The Board of Education of the County of Taylor (West Virginia) Public School Refunding Bonds, Series 2012 (the "Bonds"). A brief description of The Board of Education of the County of Taylor, West Virginia (the "Board"), the Taylor County School District (the "School District") and the County of Taylor, West Virginia (the "County" or "Taylor County"), with which the School District is coterminous, is provided, together with a description of the Bonds and sources of payment therefor.

The Bonds are being issued to provide funds which, when combined with certain monies currently on deposit in the funds and accounts established for the Bonds To Be Refunded will be applied to provide for the advance refunding of: (i) the Board's Public School Bonds, Series 2003 issued in the original aggregate principal amount of $7,910,000 ("Series 2003 Bonds") of which $4,375,000 is currently outstanding, and (ii) the Board's Public School Bonds, Series 2004 issued in the original aggregate principal amount of $3,080,000 ("Series 2004 Bonds," and together with the Series 2003 Bonds, hereinafter collectively referred to as the "Bonds To Be Refunded") of which $1,700,000 is currently outstanding. Proceeds of the Bonds will also be used to pay legal, consulting and other professional fees, printing and other issuance costs.

At a special election held on April 5, 2003, the issuance of the Bonds To Be Refunded in an amount up to $10,990,000 and the levy of property taxes upon all taxable real and personal property in the School District sufficient to pay principal of and interest on such bonds were authorized and approved for the purpose of paying the cost of certain new school buildings and modifications, improvements, renovations and equipping of various existing schools and other buildings in the School District.

The Bonds are general obligations of the Board, and, unless paid from other sources, are payable from ad valorem taxes levied upon all taxable property within the School District, without limitation as to rate or amount.

THE BONDS

General

The Bonds will be dated the date of delivery and are issued as fully registered bonds in $5,000 denominations, or integral multiples thereof, and are payable on May 1, in the years and amounts as follows:

Maturing (May 1)	Principal Amount ($)
2013	835,000
2014	790,000
2015	825,000
2016	865,000
2017	900,000
2018	940,000
2019	975,000

Pursuant to Chapter 13, Article 1 of the Code of West Virginia, 1931, as amended (the "Bond Act"), both the principal of and interest on the Bonds are payable at the office of the West Virginia Municipal Bond

Commission, Charleston, West Virginia, as its Paying Agent (the "Paying Agent"). The Board has designated United Bank, Inc., Charleston, West Virginia, as the Registrar.

Interest on the Bonds will be payable May 1, 2013 and semi-annually thereafter (each May 1 and November 1) in each year to maturity. Such interest will be paid by check to the registered owner on each such interest payment date at the address as shown on the registration books kept for that purpose by the Registrar as of the 15th day of the month preceding each such interest payment date. In the case of an owner of $1,000,000 or more of the Bonds, interest may be paid to such owner by wire transfer to a domestic bank account specified in writing to the Registrar at least five days prior to the record date for such interest payment date.

Authority and Purpose

In accordance with Article X, Sections 8 and 10, of the Constitution of the State of West Virginia (Section 10 is referred to as the "Better Schools Amendment") and the Bond Act, county boards of education may, with the consent of at least a simple majority of the voters voting at an election on such questions, issue bonds for specified purposes in an amount which, when added to the aggregate indebtedness then outstanding, will not exceed 5% of the most recent assessed valuation of taxable property in the school district. Article X, Section 8 of the Constitution and Sections 20 and 34 of the Bond Act require the annual levy and collection of a tax sufficient to pay the principal of and interest on such bonds. Pursuant to the Better Schools Amendment, the tax levy required to pay the principal of and interest on such bonds is laid separate and apart and in addition to the maximum levy rates otherwise authorized by law. Pursuant to the Bond Act and orders and resolutions duly entered and adopted by the Board, the issuance of bonds up to the amount of $10,990,000 and the levy of taxes sufficient to pay principal of and interest on such bonds were authorized and approved at a special election by 57.54% of the participating voters. Proceeds of the Bonds to be Refunded were applied, together with certain funds received by the Board from the State of West Virginia (the "State") and other sources, to the cost of acquisition and construction of certain new school buildings and modifications, improvements, renovations and equipping of various existing schools and other buildings in the School District. The ballot question limited the term of the bonds to sixteen (16) years from their date and limited the rate of interest on the bonds to a rate not exceeding 7 1/2% per annum. Pursuant to the Bond Act, the Series 2003 Bonds were issued on August 19, 2003 and designated Public School Bonds, Series 2003, and the Series 2004 Bonds were issued on March 1, 2004 and designated Public Schools Bonds, Series 2004.

The Board is issuing the Bonds pursuant to Chapter 13, Article 2 of the Code of West Virginia, 1931, as amended (the "Refunding Act") and a resolution and order of the Board adopted on May 22, 2012 (the "Resolution"). The Board is issuing the Bonds for the purpose of advance refunding the Bonds To Be Refunded. In accordance with the provisions of the Refunding Act, debt service on the Bonds will not exceed in each year the amount of taxes expected to be available for payment of such debt service in accordance with the terms approved by the voters. The Bonds To Be Refunded will be deemed paid upon the completion of the advance refunding. Certain funds of the Board on deposit with the West Virginia Municipal Bond Commission (the "Bond Commission") relating to the Bonds To Be Refunded will become surplus funds as a result of the advance refunding and will be available for release to the Board at the time of the closing on the issuance of the Bonds.

Plan of Financing

Proceeds of the Bonds in the amount of $6,376,471.57 will be applied to the funding of an escrow to advance refund the Bonds to be Refunded. Such proceeds will be used to pay the interest on the Bonds To Be Refunded each November 1 and May 1, commencing November 1, 2012, and continuing to and including May 1, 2014, to pay the maturing principal of the Bonds To Be Refunded on May 1, 2013, and May 1, 2014, and to pay the redemption price of the remaining maturities of the Bonds To Be Refunded called for redemption in the amount of $5,151,000.00 (which includes, for the Series 2003 Bonds, $3,835,000.00 of principal to be redeemed and a redemption premium of $38,350.00, and for the Series 2004 Bonds, $1,265,000.00 of principal to be redeemed and a redemption premium of $12,650.00) (the "Redemption Price"). The Series 2003 Bonds are expected to be called for redemption on or about March 4, 2013 and to be redeemed on or about May 1, 2013. The Series 2004 Bonds are expected to be called for redemption on or about March 3, 2014 and to be redeemed on or about May 1, 2014 (collectively, the "Redemption Dates"). The above referenced funds in the total amount of $6,376,471.00, together with the earnings thereon and a cash deposit of $0.57, will be held by the Bond Commission, as Escrow Agent under an Escrow Agreement to be entered into on or about September 25, 2012 (the "Escrow Agreement"), by and among the Board and the Bond Commission. During the period in which the

proceeds of the Bonds are deposited with the Bond Commission pursuant to the Escrow Agreement (except amounts necessary for costs of issuance), such funds will be invested in Investment Obligations (the "Obligations"). The maturing principal of and interest on the Obligations are not pledged to and will not be available to pay the Bonds.

Sources and Uses of Funds

Sources		
Proceeds of the Bonds		$6,130,000.00
Original Issue Premium		$398,189.90
	TOTAL	$6,528,189.90
Uses		
Deposit to Escrow Fund [1]		$6,376,471.57
Underwriter's Discount		$65,650.00
Costs of Issuance[2]		$86,068.33
	TOTAL	$6,528,189.90

Nature of Obligation, Security and Source of Payments

The Bonds will constitute valid and legally binding general obligations of the Board, and, unless paid from other sources, the principal of and interest on the Bonds will be payable from ad valorem taxes levied upon all taxable property within the School District, without limitation as to rate or amount. Pursuant to the Better Schools Amendment, the tax levy required to pay the principal of and interest on such bonds is laid separate and apart and in addition to the maximum levy rates otherwise authorized by law.

Debt Administration

Pursuant to Chapter 13, Article 3 of the Code of West Virginia, the Bond Commission shall serve as fiscal agent for all issuers of general obligation bonds issued by counties, municipalities, and school districts of the State and is charged with the administration of the interest and sinking funds created to service the debt. The proceeds of taxes levied for debt service by the Board are collected by the Sheriff, who remits the proceeds to the Board Treasurer, who forwards the proceeds thereof to the Bond Commission. The Bond Commission is required by law to render annually to each political subdivision having outstanding bonds a statement showing the levy required to pay the interest on and create a sinking fund for the retirement of the outstanding bonds. The Bond Commission customarily sets the levy rates at 110% of the annual principal and interest required so as to provide a margin to cover the statutory 2 1/2% discount for early payment of taxes and any attrition occasioned by delinquencies, improper assessments and exonerations. There has not been a default on the payment of principal or interest of any general obligation bond in the State of West Virginia since the Bond Commission commenced centralized supervision and administration in 1921.

Since 1933, the annual State of West Virginia Budget Bill has embodied a protective provision for certain State agency and taxing district obligations, if deficiencies should arise. The following excerpt from the 2012 Budget Bill is indicative:

> Sec. 14. Sinking Fund deficiencies. - There is hereby appropriated to the governor a sufficient amount to meet any deficiencies that may arise in the mortgage finance bond insurance fund of the West Virginia housing development fund which is under the supervision and control of the state municipal bond commission as provided by Chapter 31, Article 18, Section 20-b, of the code of West Virginia, or in the funds of the state municipal bond commission because of the failure of any state agency for either

[1] The amount set forth in the Escrow Agreement as required, together with the income thereon and funds transferred from accounts established for the Bonds To Be Refunded to effect the advance refunding of the Bonds To Be Refunded as described herein.

[2] Includes fees and expenses of Rating Agency, Bond Counsel, Underwriter's Counsel, Printing and Accountants' Verification Report, and other costs of issuing the Bonds.

general obligation or revenue bonds or any local taxing district for general obligation bonds to remit funds necessary for the payment of interest and sinking fund requirements. The Governor is authorized to transfer from time to time such amounts to the state municipal bond commission as may be necessary for these purposes.

No representation is made that subsequent Budget Bills will have such provisions or that sufficient funds will be available to satisfy any such deficiencies. There has never been a default in payment of the principal of or interest on any general obligation bonds issued by The Board of Education of the County of Taylor. 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.

TAYLOR COUNTY SCHOOL DISTRICT

General

All school districts in West Virginia are organized under the terms of legislation enacted in 1933. There is one school district in each county, the boundaries of which district are coterminous with those of the county. The Board is responsible for and is vested with the supervision and control of the School District and with the control and management of all public schools in the School District from kindergarten through the secondary school level. The Board is composed of five members nominated and elected by the voters of the County without reference to political party affiliation. The terms of the members are for four years and are staggered. The terms of two members expired on June 30, 2012 and the terms of three of the members will expire on June 30, 2014. The process will be repeated every two years thereafter.

Board Members' duties are established by State statute with the West Virginia Board of Education having regulatory powers. The Board appoints a superintendent who acts as the chief executive officer and secretary of the Board and who administers affairs of the School District in accordance with applicable laws, regulations, and local policies. The Board is a public corporation and as such may sue, plead and be impleaded, and enter into contracts. The School District is fiscally independent of the County and all other political subdivisions.

During the fiscal year 2011-2012, the Taylor County school system had a central office professional staff of 7 with the overall responsibility to coordinate and supervise the activities of 9 school administrators, 183.5 instructional staff (teachers and other professionals), and 120 service personnel. Total Full Time Equivalent positions are 345. The average pupil-teacher ratio for the 2011-2012 school year was 13.6 (combined elementary, middle and secondary schools).

Historical School Enrollment (School Year)

Grades	2007	2008	2009	2010	2011
Pre-K Universal	62	130	130	124	119
K	228	192	224	212	183
1	188	179	169	197	201
2	196	188	173	171	180
3	175	193	173	168	172
4	180	173	199	172	166
5	171	180	169	194	174
6	172	160	170	169	197
7	161	174	162	186	170
8	203	162	172	162	181
9	230	221	187	194	192
10	183	202	193	166	157
11	156	147	156	165	136
12	160	163	149	170	167
Total	2,465	2,464	2,426	2,450	2,395

Rate of Increase (Decrease) in Enrollment	
2007-2012	(2.84%)
Annualized	(0.57%)

Source: Taylor County Board of Education

Projected Enrollment (School Year)

Year (October)	Enrollment
2012	2,381
2013	2,367
2014	2,354
2015	2,341

Source: Taylor County Board of Education

Facilities

School	Grades	Construction Type	Construction Date	Additions/Improvements
High Schools:				
Grafton	9-12	Masonry	1922	1940, 1976, 1983, 1985, 1994, 1996, 2004
Middle Schools:				
Taylor County	6-8	Masonry	1989	N/A
Elementary Schools:				
Anna Jarvis	Pre-K – 5	Masonry	1971	1995, 2004
Fleming	Pre-K – 5	Masonry	1939	1969
West Taylor	Pre-K – 5	Masonry	2006	N/A

Source: Taylor County Board of Education

Tax Collection Procedures

All taxes for real estate and personal property are collected by the Taylor County Sheriff (the "Sheriff") and are remitted by the Sheriff to the State and other local levying bodies. Public utility taxes are collected directly by the State Auditor (the "Auditor") and are remitted by the Auditor to the Sheriff for distribution. Tax statements are mailed by the Sheriff's office in July, and they may be paid in two installments. The first half of the tax is subject to a 2 1/2% discount if paid by September 1; thereafter, the amount payable is net until October 1, after which a 9% penalty is added. Likewise, the second half is subject to a 2 1/2% discount if paid by March 1, net to April 1, and 9% penalty thereafter. The Sheriff, after ascertaining which taxes are delinquent, shall on or before May 1 next succeeding the year for which taxes are assessed, prepare delinquent lists, which shall be posted at the front door of the courthouse and published as a legal advertisement at least two weeks prior to the presentation to the County Commission for examination. After examination and correction, the Commissioners shall certify such lists pertaining to real property to the Auditor not later than July 1. On or before September 10, the Sheriff shall prepare a second list of delinquent taxes, as of September 1, together with a notice of sale for properties upon which such taxes are due. If not redeemed before, such properties shall be sold at public auction at the courthouse on any Monday after October 14, and before November 23. No such sale shall be made for any sum less than the total amount of taxes, interest and charges then due. The former owner of any real or personal property so purchased by the State, or any other person who is entitled to pay the taxes thereon, may redeem such real or personal property from the Auditor at any time within the eighteen months after the date of such purchase. The Auditor reports monthly to the Sheriff, the County Assessor and the Clerk of the County Commission all properties in the County which were redeemed in the Auditor's office during the preceding month. The Auditor, each month, draws a warrant upon the State treasury payable to the Sheriff of the County for that part of the taxes, interest and charges received by the Sheriff upon the redemption of the property included in the Sheriff's

report which was owing to any of the taxing units in the County. The Sheriff accounts for and pays over such money as if it had been paid to the Sheriff before sale and redemption.

Tax Levies and Collections

Year	Projected Gross Tax ($) at 100%	Projected Net Tax Collected ($) at 92-93% Less Assessors Fee	Actual ($) Collected	Actual (%) Collected
2007-2008				
General Current	2,703,033	2,466,193	2,664,702	98.58
Bond Levy	999,008	930,076	1,006,823	100.78
Excess Levy	1,598,830	1,488,511	1,605,492	100.42
2008-2009				
General Current	2,883,435	2,630,789	2,974,831	103.17
Bond Levy	1,010,689	940,951	839,019	83.01
Excess Levy	1,705,537	1,587,855	1,521,769	89.23
2009-2010				
General Current	3,162,648	2,885,537	3,226,747	102.03
Bond Levy	994,441	925,824	975,809	98.13
Excess Levy	1,870,690	1,741,612	1,660,698	88.77
2010-2011				
General Current	3,300,716	3,011,507	3,249,103	98.44
Bond Levy	995,318	947,993	1,003,768	100.85
Excess Levy	1,952,355	1,817,642	1,958,234	100.30
2011-2012				
General Current	3,348,766	3,055,347	N/A	N/A
Bond Levy	1,002,905	955,305	N/A	N/A
Excess Levy	1,980,779	1,844,105	N/A	N/A

Assessment Procedure

State statutes provide that all property must annually be assessed as of the first day of July. Assessment on this day is the basis for the following year's property taxes. The assessor must complete his compilation of the land and personal property books not later than January 30. The County Commission, not later than February 1, must meet for the purpose of sitting as a board of equalization and review of such assessment books. After completion of the review and assessment, the commission certifies and returns the property books to the assessor. Appeal of any assessment which was protested to the board of equalization and review may be made to the circuit court of the county within 30 days after adjournment of the county commission sitting as a board of equalization and review. A taxpayer can elect to have its protest of an assessment heard by the county commission sitting as a board of assessment appeals in October, rather than by the county commission sitting as a board of equalization and review in February. In order to utilize this option the taxpayer must pay the disputed taxes. The assessor annually, not later than March 3, must furnish a certified statement to certain governmental bodies in the county, including the board of education, showing the aggregate value of all real and personal property. During the month of March the county commissions, the county boards of education and municipal governments prepare their budgets for the fiscal year which begins the following July. After these budgets are approved, these governments officially set the tax rate for the coming year sufficient to pay budgeted expenses not expected to be paid from other sources. For example, the 2011 assessment year valuations are made as of July 1, 2010, with taxes levied and collected during the fiscal year July 1, 2011, through June 30, 2012.

The State Tax Commissioner has the responsibility for preparing tentative valuations of all public utility property in the State and providing these valuations to the Board of Public Works of the State for actual assessment of such property. The Board of Public Works reviews all assessments made, makes such corrections as it deems proper, conducts hearings to entertain protests from the public utilities involved, and fixes the

assessments in final form. After such assessments are made, they are allocated by the Auditor to the various counties in which the utility property is located, such allocation being approved by the Board of Public Works.

Property Classification

Article X, Section 1, of the Constitution of West Virginia and Chapter 11, Article 8, Section 5 of the Code of West Virginia, 1931, as amended, created four classifications of property for which the tax rates, but not the assessed values, are limited. These tax classifications are as follows: Class I - all tangible personal property employed exclusively in agriculture, all products of agriculture while owned by the producer; Class II - owner-occupied residential property and certain farm lands; (Article 10, Section 1b of the Constitution of the State of West Virginia and Chapter 11, Article 6B, Section 3 of the West Virginia Code, 1931, as amended, provide that the first twenty thousand dollars of assessed valuation of any real property, or of personal property in the form of a mobile home, used exclusively for residential purposes and occupied by the owner or one of the owners thereof as his residence, who is a citizen of the State and is sixty-five years of age or older or is certified as being permanently disabled, shall be exempt from ad valorem property taxation. Only one exemption shall be allowed for each homestead used and occupied exclusively for residential purposes by the owner thereof, regardless of the number of qualified owners residing therein); Class III - all real and personal property, other than Class I and II property, situate outside of municipalities; Class IV - all real, and personal property, other than Class I and II situate within municipalities. Public utility property falls within Class III or Class IV, as appropriate.

Assessed Valuations

The Taylor County School District includes all of Taylor County and has the same assessed valuation of property therein as does the entire county. Chapter 11, Article 1C of the West Virginia Code requires all assessors to appraise all property at fair market value (except for certain farm property), within three years of the approval of the county valuation plan. A county valuation plan must be submitted every three years by the assessor to the State Tax Commissioner. The State Tax Commissioner is required to monitor the assessors in the performance of their duties, and is required to perform the valuation process on industrial and natural resources property within the aforesaid three year period. Any increase in the total property taxes that could result from the new calculations is limited to one percent per year, unless, in the case of school boards, the legislature, after a public hearing, deems a greater increase is necessary. Assessors do not have the authority to implement the reappraisal described above. All property except farms and managed timberlands must be assessed at 60% of Fair Market Value.

Assessed Valuation By Property Class*

Class	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
I	0	0	0	0	0
II	241,671,278	255,719,900	280,257,732	290,265,352	298,624,795
III	190,267,020	217,590,989	223,448,142	221,610,421	246,182,254
IV	60,474,045	62,106,790	61,773,013	64,798,915	65,384,251
Total	492,412,343	535,417,679	565,478,887	576,674,688	610,191,300

Assessed Valuation By Property Category*

Category	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
Real	327,212,450	359,293,750	395,089,110	408,987,970	415,436,070
Personal	102,218,717	111,972,476	101,489,445	103,434,289	127,302,837
Public Utility	62,981,176	64,151,453	68,900,332	64,252,429	67,452,393
Total	492,412,343	535,417,679	565,478,887	576,674,688	610,191,300

*Excludes property from ad valorem property taxation pursuant to the Homestead and Taxation Amendment. The amount of Class II property so excluded equaled:

$35,987,306 in 2008 – 2009 $35,987,306 in 2009 – 2010 $36,698,546 in 2010-2011
$37,060,702 in 2011 – 2012 $37,588,768 in 2012 – 2013

Largest Assessed Valuations (tax year 2011)*

Property Owner	Assessed Valuation ($)
Arch Coal dba Coalquest and ICG	33,577,334
CSX Transportation	13,266,242
Rex-Hide dba Rex-Hide, DynaTech and Dyna Mix	10,361,778
Monongahela Power Co. – Electric	8,764,305
AGC Flat Glass North America	8,002,235
Equitrans LP	7,398,324
Equitable Gas Company LLC	6,351,635
PDC Mountaineer	6,248,758
Wal-Mart	5,483,423
Eastern Associated Coal Corp.	3,339,300

Source: Taylor County Assessor

Tax Rate Comparisons

The following shows Taylor County property tax rates in cents per $100 assessed valuation (this includes all state, county and school rates, in comparison with a few select surrounding counties), for tax year 2012; Fiscal Year 2012 - 2013.

Rates of Levy*

County	Class I	Class II	Class III/IV
Taylor	54.865	109.730	219.460
Barbour	32.59	65.18	130.36
Harrison	57.85	115.70	231.40
Marion	61.33	122.66	245.32
Monongalia	48.76	97.52	195.04
Preston	49.22	98.44	196.88

*Includes the total levy for State, County and schools in each County.
Source: West Virginia State Auditor

County Tax Rates

Except as hereinafter stated, the maximum tax rates allowed by the Constitution of West Virginia for the four classifications of property are as follows: Class I - $.50 per $100 assessed valuation; Class II - $1.00 per $100 assessed valuation; Class III - $1.50 per $100 assessed valuation; Class IV - $2.00 per $100 assessed valuation.

These rates of levy may not be exceeded except that a local levying body may provide for an election to increase such rates within the respective taxing unit at either a general or special election. If at least 60% of the voters voting in the election cast their ballots in favor, property tax levy rates may be increased by up to 50% by municipalities and counties. If at least 50% of the voters voting in the election cast their ballots in favor, property tax levy rates may be increased by up to 100% by boards of education. The increased levies may not continue for more than three years in the case of municipalities and counties, or for more than five years in the case of boards of education without resubmission to the voters.

School Tax Rates (Source: West Virginia State Auditor)

Taxes for school purposes are uniform throughout the County. In accordance with Chapter 11, Article 8, Section 6c of the Code of West Virginia, 1931, as amended, the tax limit for school current expenses and school permanent improvement purposes combined is $.2295 per $100 assessed valuation in respect to Class I, $.4590 per $100 in respect to Class II, and $.9180 per $100 in respect to Classes III and IV. By favorable vote of at least a simple majority of the voters in an election, the above limitations may be increased by up to 100% for a period of five years, after which an election must again be held. Further, a county board of education is required to levy

outside the rates provided by Chapter 11, Article 8, Section 6c, sufficient to pay the principal and interest requirements on bonds issued by the school district not exceeding five percent of the assessed value of all taxable property in the school district, in the manner provided by the Better Schools Amendment.

Tax Rates - By Property Class (Cents Per $100)
School Current Levy

Class	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
I	19.40	19.40	19.40	19.40	19.40
II	38.80	38.80	38.80	38.80	38.80
III and IV	77.60	77.60	77.60	77.60	77.60

School Excess Levy

Class	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
I	11.475	11.475	11.475	11.475	11.475
II	22.95	22.95	22.95	22.95	22.95
III and IV	45.90	45.90	45.90	45.90	45.90

School Bonds

Class	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013
I	6.80	6.02	5.85	5.81	5.24
II	13.60	12.04	11.70	11.62	10.48
III and IV	27.20	24.08	23.40	23.24	20.96

The maximum tax rates described above are divided among the several levying bodies by statute. Under Chapter 11, Article 8, Section 6b of the Code of West Virginia, 1931, as amended, the maximum levy rates available to the County without approval by the voters is as follows: Class I - 14.3 cents per $100 assessed valuation; Class II - 28.6 cents per $100 assessed valuation; Class III - 57.2 cents per $100 assessed valuation; and Class IV - 57.2 cents per $100 assessed valuation.

Rates of Levy (Source: West Virginia State Auditor)

The tax rates for citizens of the County, including those imposed by the Board, in cents per $100 assessed valuation for the 2012-2013 fiscal year, are as follows:

Tax Type	Class I	Class II	Class III/IV
State Current	0.25	0.50	1.00
County Current	14.30	28.60	57.20
County Excess	4.20	8.40	16.80
School Current	19.40	38.80	77.60
School Bonds	5.24	10.48	20.96
School Excess	11.475	22.95	45.90

In addition to the rates of levy established for State, County and School purposes, the municipalities within the County have additional rates of levy in effect as shown in the following table, in cents per $100 assessed valuation for the 2012-2013 fiscal year.

Municipality	Class I	Class II	Class IV
Town of Flemington	12.50	25.00	50.00
City of Grafton Current	12.50	25.00	50.00
City of Grafton Excess	2.16	4.32	8.64

As heretofore stated, under Article X, Sections 8 and 10 of the Constitution of the State of West Virginia and the Act, the Board may issue bonds for certain purposes in an amount which, when added to the aggregate indebtedness then outstanding, will not exceed 5% of the most recent assessed valuation of taxable property in

the School District as of the date of bond authorization. Under such constitutional and statutory standard the computation of debt limit of the School District and its debt contracting margin are as follows:

Summary of Statistical Debt Information

Population (2010 Census)	16,895
Assessed Valuation*	$610,191,300
Debt Limit (5% of Assessed Valuation)	$30,509,565
Outstanding Debt (including the Series 2012 Bonds)	$6,130,000
Debt Contracting Margin	$24,379,565
Per Capita Debt	$362.83
Outstanding Debt as percentage of Assessed Valuation	1.00%

*Assessed Value is estimated to be approximately 60% of appraised or market value (Assessment Year 2012, Fiscal Year 2013).

Debt Service Requirements

Upon issuance of the Bonds, based on the interest rates and yields set forth on the inside cover page, the Board will have the following debt:

Schedule of Bond Indebtedness
Public School Refunding Bonds, Series 2012

Period Ending	Series 2012 Principal	Series 2012 Interest	Semi-Annual Total	Annual Total
05/01/2013	835,000	110,340	945,340	945,340
11/01/2013		79,425	79,425	
05/01/2014	790,000	79,425	869,425	948,850
11/01/2014		67,575	67,575	
05/01/2015	825,000	67,575	892,575	960,150
11/01/2015		55,200	55,200	
05/01/2016	865,000	55,200	920,200	975,400
11/01/2016		42,225	42,225	
05/01/2017	900,000	42,225	942,225	984,450
11/01/2017		28,725	28,725	
05/01/2018	940,000	28,725	968,725	997,450
11/01/2018		14,625	14,625	
05/01/2019	975,000	14,625	989,625	1,004,250
TOTAL	6,130,000	685,890	6,815,890	6,815,890

Overlapping Debt

There is no overlapping debt.

CERTAIN FINANCIAL INFORMATION

Description of Funds

The accounts of the Board are organized on the basis of funds, each of which constitutes a separate entity for accounting procedures. For reporting purposes the various funds are organized into the following major groups:

1. Debt Service Fund

The Debt Service Fund is a separate and distinct fund used only as an "Interest and Sinking Fund" to meet the demands of maturing bonds and bond interest payments.

Taxes levied on real and personal property (other than public utility property), to be used to make Debt Service Fund payments, are collected by the Sheriff, while taxes levied on public utility property to be used to make Debt Service Fund payments are collected by the Auditor and remitted to the Sheriff. Collections are transferred periodically to the Bond Commission. The Bond Commission, in turn, disburses funds to meet the payment of bonds and bond interest payments as well as paying agency fees. From time to time, the Bond Commission invests amounts in the Debt Service Fund that are in excess of payment schedules and credits the interest income to the Debt Service Fund. (See "Investment of Certain Funds").

2. Bond Construction Fund

The Bond Construction Fund is a separate and distinct fund consisting of proceeds from the sale of bonds authorized by an election, from State School Building Authority funds and from special funds that are categorically identified and authorized to supplement local bond proceeds or State School Building funds. Expenditures are generally restricted to capital outlay purposes by the bond election call, by special funding agreements or by the State Board of Education in approving specific building projects.

3. Capital Projects Fund

The Capital Projects Fund accounts for financial resources used to acquire or construct specific major capital facilities other than by the sale of bonds or the reservation of monies in a permanent improvement fund. A separate fund may be established for each specific capital project.

4. General Current Expense Fund

The General Current Expense Fund is a separate and distinct fund and is used for all general operating purposes except for revenues and expenditures that are contained in the Debt Service Fund and the Bond Construction Fund. Revenues generally come from: (1) general and special levy taxes, (2) other local or miscellaneous revenues, (3) State aid to counties for restricted and unrestricted purposes, and (4) Federal aid received directly or through the State, usually categorical or restricted.

5. Special Review Revenue Fund

Accounts for the financial resources of the Board, which are restricted either legally or by the grantor.

Investment of Certain Funds

Proceeds of tax collections relating to the Bonds which are transferred to the Bond Commission will be invested in the Consolidated Fund managed by the West Virginia State Treasurer's Office. The West Virginia Board of Treasury Investments is governed by a Board of Trustees consisting of the Governor, the State Auditor, the State Treasurer and two members appointed by the Governor. The Bond Commission currently invests its funds in The Consolidated Fund's Government Money Market Pool. Investments are limited to U.S. Government obligations, select U.S. Government Agency-guaranteed obligations or repurchase agreements with average maturities not to exceed 90 days.

Accounting Practices

The financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standard Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The district-wide statements (Statement of Net Assets and the Statement of Activities) are prepared using the economic resources measurement focus and the full accrual basis of accounting. The governmental fund financial statements (Balance Sheet- Governmental Funds and the Statement of Revenues, Expenditures, and Changes in Fund Balances- Governmental Fund) were prepared using the current financial resources measurement focus and the modified accrual basis of accounting.

Annual Audit

An annual audit of accounts is prepared by the State Auditor or an independent certified public accounting firm approved by the State Auditor. The audit is conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. See "APPENDIX A-

AUDIT REPORT OF TAYLOR COUNTY BOARD OF EDUCATION FOR THE FISCAL YEAR ENDED JUNE 30, 2011"

The State Auditor's Office has not been engaged to perform and has not performed, since the date of the Audit Report, attached hereto as APPENDIX A, any procedures on the financial statements addressed in that report. The State Auditor's Office also has not performed any procedures relating to this official statement.

Budgetary Procedures

Prior to the beginning of each fiscal year, the Board develops a fiscal plan consisting of contemplated expenditures. The annual budget development process is customarily developed along the following guidelines and in accordance with a budget calendar summarized as follows:

July	Overall goals are revised and established by the Board. Implementation and valuation of Board goals are established by the superintendent.
October	Student enrollment and personnel employee numbers are gathered system wide to determine State aid funding basis for subsequent fiscal year.
November/December-	All staffing reviewed. Personnel reductions and additions are determined by local school councils, the public, the administration and the superintendent.
January/February	Preliminary forecasts of revenues and expenditures are determined by administration. Non-salary items reviewed.
March	Assessed valuations and preliminary State aid calculations received on or about March 3. The Board is required to ascertain the fiscal condition of the School District and determine the amount to be raised by the levy of taxes. Proposed levy rates must be submitted to the State Tax Commissioner and State Board of Education by March 28.
April/May	On the third Tuesday in April, the Board officially enters all levies for the coming year by ordering the levy of taxes commencing July 1. The proposed budget must be made available for public inspection for ten days and must be published in local newspapers for two weeks prior to the budget hearing. A public hearing shall be held concerning the operating budget not less than 10 days after such budget has been made available for public inspection. The Board is required to submit a budget to the State Board of Education and State Tax Commissioner no earlier than 10 days after receipt of the final State aid computations.
September	Board advised of ending balances for previous fiscal year. Board and administration evaluate status for current fiscal obligations in relation to ending balances and established budgetary changes necessitated.

Internal Control

The system of internal control includes budgetary control, periodic operating reports and statistical analyses. The system checks the accuracy and reliability of its accounting data, promotes operational efficiency and encourages prescribed managerial policies.

The system provides segregation of functional responsibilities and control over assets, liabilities, revenues and expenses. Responsibilities and delegations of authority are assigned by the superintendent and Board in accordance with State Board of Education policy and advice of the State Auditor.

Statement of Revenues and Expenditures -- Budget and Actual

Revenues, Expenditures and Changes in Fund Balance – Regulatory Basis
Budget and Actual
General Current Expense Fund
Year ended June 30

	2010 Budget	2010 Actual	2011 Budget	2011* Actual	2012 Budget
Revenues Collected:					
Local Sources:					
Property Taxes	4,927,185	4,887,445	5,029,149	5,207,337	5,149,452
Other Local Sources	108,537	103,004	25,500	74,720	29,500
State Sources					
State Aid to Schools	12,848,407	13,026,108	12,688,551	12,819,850	13,502,892
Other Unrestricted					0
Federal Sources	360,164	582,498	394,069	553,518	550,000
Total Revenues Collected	18,244,293	18,599,055	18,186,489	18,658,083	19,231,844
Expenditures Paid:					
Instruction	10,427,633	11,786,021	9,644,033	10,479,572	11,055,474
Supporting Services:					
Students	528,882	599,783	736,821	825,535	747,012
Instructional Staff	378,364	425,984	375,531	412,279	396,991
Central Administration	735,013	798,726	567,006	602,761	486,778
School Administration	935,081	1,080,374	1,002,981	1,116,349	1,003,345
Business Administration	406,966	320,979	676,729	685,747	671,883
Operation & Maintenance of Facilities	2,229,774	2,358,958	2,457,403	2,414,805	2,182,640
Student Transportation	1,955,051	2,056,025	2,064,610	2,124,229	2,014,929
Food Services					0
Community Services	57,038	57,258	36,541	34,402	41,521
Capital Outlay	198,646	138,886	240,813	179,473	278,000
Debt Service:					
Principal Retirement	144,454	134,769	185,328	137,201	0
Interest & Fiscal Charges	0	9,685	0	7,252	144,454
Total Expenditures	18,000,589	19,771,761	17,987,896	19,019,605	19,023,027
Excess (Deficiency) of Revenues over Expenditures	243,704	(1,172,706)	198,593	(361,522)	208,817
Total Other Financing Sources (Uses)	(1,228,310)	(446,045)	(1,810,042)	(451,483)	(208,817)
Net change in Fund Balance	(984,606)	(1,618,751)	(1,611,449)	(813,005)	(276,739)
Fund Balance at July 1,	984,606	672,372	1,611,449	(1,066,926)	1,467,690
Fund Balance at June 30,	0	(946,379)	0	(1,879,931)	1,190,951

Source: Taylor County Board of Education

*This includes $2,678,375 OPEB Liabilities for Fiscal Year 2010 (2009-2010 Actual) and $4,862,499 OPEB Liabilities for Fiscal Year 2011 (2010-2011 Actual). Fiscal Year 2011 was the first year the Board was required to book both revenues and expenses for retirement payments. The balance excluding OPEB Liabilities for Fiscal Year 2011 Actual would be $2,982,568.

Teachers Retirement Systems

Teachers Retirement System (Defined Benefit)

The Teachers Retirement System (TRS), established in 1941, is a multiple employer defined benefit cost sharing public employee retirement plan covering all full-time employees of the 55 county public school system, certain personnel of the 16 state-supported higher education institutions, and employees of the State Department of Education. As of July 1, 2011, there are 35,880 active members and 31,043 retirees. The plan reopened for new members as of July 1, 2005.

Members contribute 6% of annual earnings. Employers contribute 15% or 7.5% of a member's annual earnings. A member who withdraws from service for any cause other than death, retirement or disability, may request the accumulated employee contributions plus interest be refunded. TRS provides retirement benefits, as well as death and disability benefits.

The most recent actuarial valuation of TRS was performed July 1, 2011 by Buck Consultants. The asset valuation method utilizes market value to place a value on assets. The actuarial cost method valuation utilized entry age cost with individually computed accrued liabilities, including an earnings assumption of 7.5% annually, net after expenses. As of July 1, 2011, the unfunded liability of TRS was $4.370483 billion. The funded percentage was 53.7%. The State expects the TRS unfunded accrued liability to be extinguished on or about June 30, 2034.

Teachers' Defined Contribution Retirement System

The Teachers' Defined Contribution Retirement System (TDC) is a multiple employer defined contribution retirement system covering primarily full-time employees of the State's 55 county public school systems, the State Department of Education, and School for the Deaf and Blind hired after June 30, 1991. The system includes former TRS plan members, including higher education employees, who elected to transfer into or participate in TDC. The plan closed for new members as of July 1, 2005.

As of July 1, 2011, there were approximately 4,554 members in the TDC. Benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are required to participate from the date of employment. Members may choose from thirteen (13) separate investment options.

Employees contribute 4.5% of their gross compensation and employers contribute 7.5% of covered members' gross compensation from amounts allocated to the employers through the State School Aid formula. Employer contribution for each employee (and interest allocated to the employee's account) become partially vested after six (6) years and fully vested after twelve (12) years of complete service. Employer contributions and earnings thereon forfeited by employees who leave employment prior to becoming fully vested are available, in the event the employee does not return to active participant status within five (5) years, to reduce the employer's current-period contribution requirement. Benefits depend solely on the amounts contributed plus net investment earnings thereon.

TDC Transfer to TRS

In 2008, the West Virginia Legislature enacted legislation authorizing members of the TDC to elect to voluntarily transfer to TRS. For the transfer to occur the legislation required that at least 65% of members of TDC as of December 31, 2007 vote to elect the transfer. Over 78% of actively contributing TDC members elected to transfer to TRS. Approximately 15,152 TDC members were transferred to TRS on July 1, 2008.

(Source: State of West Virginia Consolidated Public Retirement Board)

Other Post-Employment Benefits (OPEB)

The Board has adopted Governmental Accounting Standards Board (GASB) Statement No. 43, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans", which among other things, requires reporting on an accrual basis the liability associated with other postemployment benefits. In conjunction with the implementation of GASB Statement No. 43, the State of West Virginia established the Retiree Health Benefit Trust Fund (RHBT), an irrevocable trust, to account for and administer the other postemployment

benefits (OPEBs) provided under the multiemployer cost-sharing plan. The PEIA Finance Board was assigned the authority to establish and amend contribution requirements of the plan members and the participating employers, and PEIA administers the plan. The legislation requires the RHBT to determine through an actuarial study the contractually required contribution (CRC) which shall be sufficient to maintain the RHBT in an actuarially sound manner. The CRC, which is reviewed and approved by the PEIA Finance Board, shall be allocated to the respective employers who are required by law to remit at least the minimum annual premium component of the CRC. The Board is required to participate in the RHBT established for the multiemployer cost-sharing plan. Details regarding this plan can be obtained by contacting West Virginia Public Employees Insurance Agency (PEIA), State Capitol Complex, Building 5, Room 1001, 1900 Kanawha Boulevard, East, Charleston, WV 25305-0710 or http://www.wvpeia.com.

Revenues collected by RHBT are used to fund current OPEB health care claims and administrative expenses with residual funds held in trust for future OPEB costs. The rates charged must generate sufficient revenues to not only meet all expected expenses, including insurance, administrative expenses, and incurred but unreported claims of the RHBT, but also include the amounts necessary to fund the unfunded obligation of the plan over an amortization period not to exceed 30 years.

In an effort to reduce OPEB obligations, after conducting public hearings around the State in November, 2011, the PEIA Finance Board met on December 13, 2011 and adopted its plan for 2012-2013 which, among other things, cut health benefits by approximately $18.4 million per year and set a cap on retiree premium subsidies of $343 per month, effective as of July 1, 2012, for those employees hired on or before July 30, 2010. The $343 retiree premium subsidy cap will increase over time for inflation, but by no more than 3% per year. This action is calculated to reduce the State of West Virginia's OPEB liability by half to $5 billion and is projected to ultimately eliminate the OPEB liability by 2040.

The OPEB liability, Actuarial Accrued Liability (AAL), for the multiple-employer-cost sharing plan, for plan year FY 2012, was estimated at $10.3 billion. This amount represents a substantial unfunded liability for the employers which are a part of the plan. The action taken by the PEIA Finance Board at its December 13, 2011 meeting is estimated to have cut the OPEB liability in half to approximately $5 billion. The PEIA 2012-2013 plan contemplates that State retirees will pay the additional $5 billion over time in the form of higher premiums or reduced benefits or both.

On February 10, 2012, the West Virginia Legislature passed Senate Bill 469 which creates a plan to address the funding of OPEB liabilities associated with the PEIA in the State of West Virginia. The Senate Bill eliminates health care insurance premium subsidies for PEIA insured employees which were hired after July 1, 2010 and sets up the Post July 1, 2010 Employee Trust Fund for the purpose of funding retirement benefits for employees hired after July 1, 2010. Under Senate Bill 469, following the elimination of the actuarial unfunded liability of the State's Workers' Compensation Trust Fund, the State will begin to apply $35 million a year from personal income tax collections as follows: $30 million a year will be deposited into the West Virginia Retiree Health Benefit Trust Fund (until the actuarial unfunded liability is eliminated or July 1, 2037, which ever is later to occur) for the purpose of paying down the remaining $5 billion of long-term OPEB liability associated with the PEIA, and (ii) $5 million a year will be deposited into the Post July 1, 2012 Employee Trust Fund to assist employees hired after July 1, 2010.

For professional employees, service personnel and professional student support personnel of the various County Boards of Education in the State, including the Board, which are employed within the limits permitted by the foundation allowance of the State school aid formula, the necessary OPEB premiums which are required to be paid to PEIA with respect to such employees shall be charged to the State of West Virginia. However, such County Boards of Education, including the Board, retain liability for payment of the necessary OPEB premiums which are required to be paid to PEIA for all professional employees, service personnel and professional student support personnel which are employed by such County Boards of Education in excess of the limits permitted by the foundation allowance of the State school aid formula.

In accordance with GASB requirements, the Board accrues OPEB costs based upon invoices received from PEIA based upon actuarially determined amounts. As of June 30, 2011, the noncurrent liability related to OPEB costs for the Board was $4,862,499. The total amount of OPEB expense incurred for the fiscal year

ending June 30, 2011 was $2,677,935. The total amount of OPEB expense incurred for the fiscal year ending June 30, 2010 was $2,826,252.12. For additional information regarding the Board's liabilities and expenses, see "APPENDIX A – Audit Report of Taylor County Board of Education for the Fiscal Year Ended June 30, 2011" and the accompanying notes to the financial statements.

Sources: (West Virginia Public Employees Insurance Agency; Taylor County Board of Education)

Insurance Coverage*

Type	Amount in Force (FY 2012)
Deluxe Commercial Property insurance	$Per scheduled limit per building
Deductible per occurrence	$ 2,500
Machinery and Equipment insurance	$Per scheduled limit per building
Deductible per occurrence	$ 2,500
Flood insurance	$ N/A
Deductible per occurrence	$ N/A
Public official position bond: Superintendent	$ 1,000,000**
Board President	$ 1,000,000**
Treasurer	$ 1,000,000**
Fidelity Honesty Bond	$ 1,000,000**

*Source: Taylor County Board of Education
**Coverage is Coverage H. Crime Coverage, not a bond

INVESTMENT CONSIDERATIONS

Pursuant to Chapter 6, Article 9 of the Code of West Virginia, 1931, as amended (the "Audit Act"), the State Auditor, as the chief inspector and supervisor of public offices (the "Chief Inspector") is charged with the responsibility of (1) formulating, prescribing and installing a system of accountability for all local units of government in West Virginia, including municipalities and (2) examining the financial affairs of every local government office or political subdivision and all boards, commissions, authorities, agencies or other offices. The School District is a local government under the Audit Act. Accordingly, pursuant to Section 7 of the Audit Act, an audit of the School District's finances must be accomplished by the Chief Inspector or any person appointed by him. The Chief Inspector has developed procedures which allow certain local units of government in West Virginia to obtain audit services from certain approved accounting firms. The procedures developed by the Chief Inspector to procure a CPA firm for the audit require written approval of all contracts and extensions to contracts by the Chief Inspector prior to the commencement of work on the audit by the CPA firm. Additionally, the Chief Inspector is authorized to unilaterally cancel any contract between the School District and a CPA firm under certain conditions and elect to perform the audit. Accordingly, the actions or lack of actions of the Chief Inspector may adversely impact the ability of the selected CPA firm to timely complete the annual audited financial information required to be submitted to EMMA pursuant to the Continuing Disclosure Agreement. See "Continuing Disclosure" herein. Additionally, the School District has no power to require the Chief Inspector to take any action required under such procedures that would ensure the completion of the audit to meet the timely filing of such information.

TAX MATTERS

In the opinion of Bond Counsel, (a) under existing laws, regulations, published rulings and judicial decisions of the United States of America, as presently written and applied, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes, under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals or corporations upon the conditions and subject to the limitations set forth in this section; however, it should be noted that with respect to corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations, 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.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The Board has covenanted to comply with certain restrictions designed to ensure that interest on the Bonds will not be included in federal gross income. Failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds. The opinion of Bond Counsel assumes compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Further, no assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of, or the tax status of interest on, the Bonds. Prospective purchasers of the Bonds are urged to consult their own tax advisors with respect to proposals to restructure the federal income tax.

Although Bond Counsel is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes, the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may otherwise affect an owner's federal tax liability. The nature and extent of these other tax consequences will depend upon the particular tax status of the owner or the owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such future legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority 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.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry the Bonds. Bond Counsel will express no opinion regarding any such consequences.

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.

Bank Qualification

The Board has designated the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code, and, in the case of certain financial institutions (within the meaning of

Code Section 265(b)(5), a deduction is allowed for 80% of that portion of such financial institutions' interest expense allocable to interest on the Bonds.

Original Issue Premium

The Bonds (each a "Premium Obligation" and collectively, the "Premium Obligations") are being sold at a premium. An amount equal to the excess of the issue price of a Premium Obligation over its stated redemption price at maturity constitutes premium on such Premium Obligation. An initial purchaser of a Premium Obligation must amortize any premium over such Premium Obligation's term using constant yield principles, based on the purchaser's yield to maturity (or, in the case of Premium Obligations callable prior to their maturity, by amortizing the premium to the call date, based on the purchaser's yield to the call date and giving effect to any call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period and the purchaser's basis in such Premium Obligation is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Obligation prior to its maturity. Even though the purchaser's basis may be reduced, no federal income tax deduction is allowed.

Owners of Premium Obligations should consult their own tax advisors as to the determination for federal income tax purposes of the premium properly accruable in any period with respect to such Premium Obligations and as to other federal tax consequences and the premium for state and local tax purposes.

Market Discount

The "market discount rules" of the Code apply to the Bonds. Accordingly, holders acquiring their Bonds subsequent to the initial issuance of the Bonds will generally be required to treat market discount recognized under the provisions of the Code as ordinary taxable income (as opposed to capital gain income). Holders should consult their own tax advisors regarding the application of the market discount provisions of the Code and the advisability of making any of the elections relating to market discount allowed by the Code.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest paid on debt obligations of state and local governments, including the Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the inclusion of the interest on the Bonds in gross income for Federal income tax purposes. Any amounts withheld pursuant to backup withholding may be allowed as a refund or credit against the owner's Federal income tax liability, depending on the purchaser's federal tax liability once the required information is furnished to the Internal Revenue Service.

West Virginia Tax

In the opinion of Bond Counsel, under existing laws of the State of West Virginia, the Bonds are exempt from all taxation by the State of West Virginia or any political subdivision thereof.

Possible State and Federal Legislative Changes with Respect to Tax-Exempt Bonds

Legislation has been proposed in the past, and may be proposed again in the future, to eliminate the tax-exempt status of bonds issued to finance educational facilities or to limit the extent of the current tax advantages available for tax exempt bonds or to limit the use of tax-exempt bonds. Any such limitation could reduce the Board's ability to finance future capital needs of the School District. The effect on the Board of proposed laws and regulations and future changes in federal and state laws and policies cannot be fully or accurately determined at this time.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. As one example, on September 12, 2011, the Obama Administration announced a legislative proposal entitled the American Jobs Act of 2011. For tax years beginning on or after January 1, 2013, the American Jobs Act of 2011, if enacted, would limit the exclusion from gross income of interest on obligations like the Bonds to some extent for taxpayers who are individuals and whose income is subject to higher marginal income tax rates. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

LITIGATION IN THE STATE CONCERNING THE SCHOOL FINANCING SYSTEM

The School District may be affected by litigation pending in the courts of the State of West Virginia with potential impact on local taxes for school purposes similar to the litigation which has continued in certain states, such as Serrano v. Priest in California, challenging the constitutionality of present systems of levying taxes and applying funds for public school purposes.

On May 11, 1982 in the matter entitled Pauley v. Bailey, a special judge of the Circuit Court for Kanawha County held that the West Virginia school finance system violates the West Virginia Constitution and that inequities in the levels of funding for various counties were attributable to undue reliance on excess levies which favored property rich counties. By order of March 4, 1983, a master plan prepared by the State Board of Education and State Superintendent of Schools was filed as part of the record in the case. The court expressed its intention that the master plan be viewed as a proposal to the State Legislature for implementing, by statute, a constitutional system of financing public education. No legislation resolving the question was adopted during the 1984 legislative session, and on January 8, 1985, the plaintiffs moved the court to address the excess levy problem. On December 3, 1985, the court ordered that if the legislature did not, by July 1, 1987, replace or equalize excess levy revenues by one of the methods enumerated in such order, the court would direct a more equitable distribution. The legislature then adopted a constitutional amendment authorizing a statewide excess levy. The proposed amendment was to be submitted to the voters in a special election to be held March 5, 1988. The court entered a supplemental order on June 29, 1987, providing that if the statewide excess levy was not approved by the voters, a sum equal to 20% of each county's excess levy revenues in fiscal year 1988 89 (to be increased by an additional 20% in each of the next four fiscal years) would be withheld and distributed "on an equitable basis described by the court." The statewide excess levy amendment was defeated at the special election and the supplemental order became operative. However, on April 8, 1988, the state tax commissioner, the auditor and 33 county boards of education petitioned the Supreme Court of Appeals of West Virginia for a writ of prohibition to bar enforcement of the supplemental order. On November 23, 1988 in State ex rel. the Boards of Education of the Counties of Upshur et al, the Supreme Court of Appeals issued the writ of prohibition, and noting that the court below had plainly exceeded its legitimate powers by the entry of an unconstitutional order, found the existing excess levy provision not violative of the State Constitution. The Supreme Court of Appeals suggested therein that it would be appropriate for the lower court to consider whether a statewide reappraisal should be ordered to be implemented to remedy the school financing problem.

In May of 1995 a Motion to join the President of the State Senate and the Speaker of the State House of Delegates as defendants in Pauley was granted by the Circuit Court. The Circuit Court later reconsidered this Motion and the President of the State Senate and the Speaker of the House of Delegates are no longer defendants. Additionally, with the motion to join defendants, the plaintiffs moved the Circuit Court for an order enforcing the judgment previously entered including establishment of a timetable for implementation of the Master Plan for Public Education and a timetable for implementation of changes to the system of financing public education in West Virginia. A trial was scheduled for July 3, 2000. However, prior to going to trial, the parties reached a settlement with regard to a number of the issues.

Finally, on January 3, 2003, Pauley was dismissed and dropped from the active docket of the court. The court stated in its Memorandum of Opinion and final Order the following:

1. The plaintiff class's request to compel the West Virginia Legislature to remove the net enrollment caps in Steps 1 and 2 of the Foundation Allowance to provide additional professional and service personnel of the county as embraced within West Virginia Code §18-9A-1, et seq., and the use of a density mileage factor within the Foundation Allowance is hereby DENIED.

2. The decision of the Honorable Dan C. Robinson that the School Financing Formula as embraced within West Virginia Code §18-9A-1, et seq., was constitutionally deficient is hereby vacated and held for naught; and

3. West Virginia Code §18-2E-5 is specifically found to satisfy the requirements of W.Va. Const. Art. XII §1 to the extent that the Legislature has provided, by public law, for a thorough and efficient system of free schools.

4. There being no further need to maintain continuing jurisdiction in this matter, this case shall be dismissed and dropped from the active docket of this Court, to all of which action all parties' objection is hereby preserved.

On December 28, 1990, a class action was filed against the State Superintendent of Schools, the West Virginia Board of Education and the School Building Authority of West Virginia in the United States District Court for the Southern District of West Virginia by a group of plaintiffs alleging improper action by defendants in following a policy of approval of segregated outbuildings for special education students and expenditures therefor. (Harris et. al. v. Marockie, et. al.). The action also alleged that defendants have discriminated against the plaintiff class by failure to protect them from improper behavioral control procedures by County Boards of Education, failure to monitor or enforce educational standards and failure to provide adequately trained instructors.

Plaintiffs requested relief in the form of various declaratory and injunctive measures to remedy the alleged improprieties, including submission of a plan to alleviate alleged constitutional and legal deficiencies in special education in the State. No monetary damages were stated in the complaint. On July 10, 1991 a Settlement Agreement was approved by the District Court. The Settlement Agreement, as approved by the District Court, provided inter alia that the State School Building Authority would, in the application process and before disbursement of monies to local boards of education, obtain sufficient information to assure that no projects approved or funded would permit segregated outbuildings, segregated schools or inappropriately located self-contained classrooms in regular buildings in which classrooms are not contiguous to or in proximity with classrooms of age appropriate, non-handicapped children or that permits a county to continue the existence of such an outbuilding, school or classroom.

In the opinion of Bond Counsel, the final resolution of the Pauley and Harris decisions by the courts of the State will not affect the validity or binding obligation, nature of the Bonds or modify the right of the holders thereof to ultimate recourse to unlimited ad valorem taxes upon all the taxable property within the School District for the payment of the Bonds if not paid from other sources.

LITIGATION

In the ordinary conduct of its affairs, the Board is party to litigation pending in the courts of the State. The Board engages counsel to represent the Board on various matters. Counsel to the Board has reviewed the current status of all pending and threatened litigation, and expresses the opinion that while the outcome of litigation cannot be predicted, it is nevertheless not probable that Board liability in any such matters is likely to have a material adverse effect on the repayment of the Bonds.

On February 22, 2010, forty-nine (49) county boards of education, including the Board, filed a Complaint in the Circuit Court of Kanawha County against the West Virginia Public Employees Insurance Agency ("PEIA"), the PEIA Finance Board and the West Virginia State Auditor seeking legislative funding through the Public School Support Program (the "Program") to offset the costs of providing other post-employment benefits to employees otherwise funded through the Program. The Circuit Court of Kanawha County dismissed the suit on the grounds that it was a political question better answered by the West Virginia Legislature. The county boards of education appealed this decision to the West Virginia Supreme Court. The

West Virginia Supreme Court upheld the Circuit Court of Kanawha County's decision to dismiss the suit. The Board does not expect the result of the case to have a material adverse effect on its financial condition or its ability to pay debt service on the Bonds.

The West Virginia Legislature enacted Senate Bill 469 subsequent to the West Virginia Supreme Court's decision in the OPEB Litigation above described. Senate Bill 469 provides that OPEB premiums associated with the PEIA for certain County School Board employees which are employed within the foundation allowance of the State school aid formula are to be charged to the State of West Virginia rather than the County School Boards. However, the County School Boards retain liability for such OPEB premiums for employees which are employed outside of the foundation allowance of the State school aid formula (see Other Post-Employment Benefits discussion in this Official Statement for additional detail).

The State of West Virginia's OPEB liability and the Board's OPEB liability may be subject to additional lawsuits and legislative action in the future which could have an effect on the amount of the Board's OPEB liability. No representation can be made regarding the potential outcome of any such lawsuits, if initiated, or the likelihood of any future legislative actions and any effect on the amount of the Board's OPEB liability.

At the time of payment for and delivery of the Bonds, the purchasers will be furnished with a certificate of the Secretary of the Board that there is no litigation pending or threatened affecting the validity of the Bonds or any of the proceedings taken with respect to the issuance and sale thereof or the levy or collection of any taxes to pay the principal of or interest on the Bonds. Such certificate shall also state that there is no litigation pending or threatened against the Board which materially adversely affects the financial condition of the Board.

CONTINUING DISCLOSURE

The Board has covenanted for the benefit of the Owners of the Bonds, in accordance with the Continuing Disclosure Agreement which shall be delivered in substantially the form attached hereto as APPENDIX F, to provide financial information not later than two hundred seventy (270) days following the end of the Board's fiscal year, commencing with the report for the fiscal year ended June 30, 2012, and to provide notice of the occurrence of the enumerated events listed therein, if material (with respect to such enumerated events which provide for a determination of materiality). The Annual Information and each notice of material events will be filed electronically by United Bank, Inc., Charleston, West Virginia, as dissemination agent ("Dissemination Agent"), on behalf of the Board, with the Electronic Municipal Markets Access system maintained by the Municipal Securities Rulemaking Board ("EMMA").

This continuing disclosure obligation is being undertaken to comply with Rule 15c2-12 (the "Rule") promulgated by the Securities Exchange Commission. The Board has agreed to give notice in a timely manner to EMMA of any failure to supply the required information. However, any such failure will not constitute a default under the terms of the Bonds. Under the Continuing Disclosure Agreement, the sole remedy for such failure is to seek an order for specific performance. SEE "APPENDIX F – FORM OF CONTINUING DISCLOSURE AGREEMENT."

Due to an administrative oversight by the Board's Dissemination Agent, the Annual Report for fiscal year ending June 30, 2009, was not filed in a timely manner in accordance with previous continuing disclosure agreements. However, the failure was remedied by the Dissemination Agent on August 15, 2012.

LEGAL MATTERS

All legal matters incident to the authorization, issuance, sale and delivery of the Bonds are subject to the approval of Steptoe & Johnson PLLC, Charleston, West Virginia, Bond Counsel, whose approving legal opinion will be delivered with such Bonds. Certain legal matters will be passed upon for the Board by Steptoe & Johnson PLLC, Charleston, West Virginia, Counsel to the Board.

RATINGS

Standard & Poor's Corporation, 55 Waters Street, New York, New York, 10041, has assigned the Bonds its rating of 'AA' based on the Board's eligibility and participation in the Municipal Bond Program. The Board did not apply for any other ratings. Such rating reflects only the views of such organization and reference is made to such organization for the meaning of such rating. There is no assurance that such rating will continue for any period of time or that such rating will not be revised downward or withdrawn entirely by the assigning rating agency, if in the judgment of such rating agency, circumstances so warrant. Any downward revision or withdrawal of such rating may have an adverse effect upon the market price or value of the Bonds.

VERIFICATION AGENT

Grant Thornton LLP, 500 US Bank Plaza N, 200 S. 6th Street, Minneapolis, Minnesota has been retained as verification agent for the Bonds (the "Verification Agent"). The Verification Agent shall provide a certification that a debt service savings was obtained by refunding the Bonds To Be Refunded and verification of the sufficiency of the escrow.

UNDERWRITING

The Bonds are being purchased by Piper Jaffray & Co., as Underwriter. The Purchase Contract provides that the Underwriter will purchase all the Bonds if any are purchased, the obligation to make such purchase being subject to the terms and conditions set forth in the Purchase Contract, including the approval of certain legal matters by counsel. The initial public offering prices may be changed from time to time by the Underwriter. The Underwriter may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) and certain dealer banks acting as agents at prices lower than the public offering prices stated on the cover page hereof. The Underwriter has agreed to purchase the Bonds, subject to certain conditions, for a purchase price of $6,462,539.90 (par of $6,130,000.00 plus $398,189.90 original issue premium, less $65,650.00 underwriter's discount).

Piper Jaffray & Co. and Pershing LLC, a subsidiary of The Bank of New York Mellon Corporation, entered into an agreement (the "Agreement") which enables Pershing LLC to distribute certain new issue municipal securities underwritten by or allocated to Piper Jaffray & Co., including the Bonds. Under the Agreement, Piper Jaffray & Co. will share with Pershing LLC a portion of the fee or commission paid to Piper.

CONCLUDING STATEMENT

The information furnished in this Official Statement is set forth for the benefit of prospective purchasers of the $6,130,000 in aggregate principal amount of The Board of Education of the County of Taylor Public School Refunding Bonds, Series 2012. The material contained in the Official Statement was compiled for and at the direction of The Board of Education of the County of Taylor.

All statements, estimates, assumptions and summaries of documents in this Official Statement have been made on the basis of the best information available and are believed to be correct and reliable, but no representations whatsoever are made that such statements, estimates, assumptions and summaries of documents are correct or will be realized.

This Official Statement is submitted in connection with the offering of the Bonds and may not be reproduced or used, as a whole or in part, for any other purposes. Any statements in this Official Statement involving matters of opinion or estimate, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Board and the purchasers or holders of any of the Bonds. The distribution of this Official Statement has been approved by the Board. Additional information may be obtained from the Superintendent at Route 2, Box 157, Grafton, West Virginia, 23654, telephone (304) 265-2497.

THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR

By: /s/ Nancy Ludwick
President

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APPENDIX A

Audit Report of Taylor County Board of Education for the Fiscal Year Ended June 30, 2011

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AUDIT REPORT OF
TAYLOR COUNTY BOARD OF EDUCATION
GRAFTON, WEST VIRGINIA
For the Fiscal Year Ended June 30, 2011

AUDIT REPORT OF
TAYLOR COUNTY BOARD OF EDUCATION
For the Fiscal Year Ended June 30, 2011

This audit has been conducted pursuant to the authority and duty of the State Auditor as Chief Inspector and Supervisor of Public Offices to conduct an annual inspection of all political subdivisions of the State of West Virginia and any agency created by these subdivisions. This power is granted by West Virginia Code §6-9-1 et seq.

TAYLOR COUNTY BOARD OF EDUCATION
SCHEDULE OF FUNDS INCLUDED IN REPORT
For the Fiscal Year Ended June 30, 2011

GOVERNMENTAL FUND TYPES

MAJOR FUNDS

General Current Expense Fund

Special Revenue Funds

Restricted Projects
ARRA

Capital Projects Funds

Permanent Improvement
Bond Construction
Capital Projects

Debt Service Fund

FIDUCIARY FUND TYPE

Agency Funds

School Activity
Scholarship

TAYLOR COUNTY BOARD OF EDUCATION
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INTRODUCTORY SECTION

TAYLOR COUNTY BOARD OF EDUCATION
OFFICIALS
For the Fiscal Year Ended June 30, 2011

OFFICE	NAME	TERM
	Elective	
Board Members:	Nancy A. Ludwick	07-01-10 / 06-30-14
	Melissa D. Knotts	07-01-10 / 06-30-14
	Alan Depiano	07-01-10 / 06-30-14
	Richard Teagarden	07-01-08 / 06-30-12
	Julie Gregory	07-01-08 / 06-30-12
	Appointive	
Board President:	Nancy A. Ludwick	07-01-10 / 06-30-12
Treasurer:	Annette Hughart	

FINANCIAL SECTION

Glen B. Gainer III
State Auditor and
Chief Inspector

Stuart T. Stickel, CPA
Deputy Chief Inspector

State of West Virginia

Office of the State Auditor
Chief Inspector Division
Building 1, Room W-420
Charleston, West Virginia 25305

Toll Free: 877-982-9148
Telephone: (304) 558-2540
FAX: (304) 558-5327
Internet: http://www.wvsao.gov

INDEPENDENT AUDITOR'S REPORT

Honorable Members of the
Taylor County Board Of Education
Grafton, West Virginia

We have audited the accompanying financial statements of the governmental activities and each major fund of the Taylor County Board of Education (the Board), as of and for the year ended June 30, 2011, which collectively comprise the Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the entity's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Taylor County Board of Education, as of June 30, 2011, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

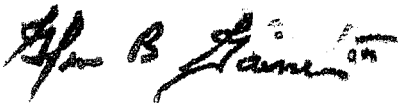
As discussed in Note 3, the Board implemented the provisions of Governmental Accounting Standards Board Statement Number 24, *Accounting and Financial Reporting for Certain Grants and Other Financial Assistance* and Governmental Accounting Standards Board Statement Number 54, *Fund Balance Reporting and Governmental Fund Type Definitions.*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2012 on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 4 through 11 and budgetary comparison information for the General Current Expense Fund and the Special Revenue Funds on pages 50 through 54 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 conducted for the purpose of forming opinions on the financial statements that collectively comprise the Taylor County Board of Education's financial statements. The introductory section, budgetary comparison information for the Debt Service Fund and the Capital Projects Fund, and the Schedule of Changes in School Activity Funds are presented for purposes of additional analysis and are not required parts of the financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and is also not a required part of the basic financial statements of the Taylor County Board of Education. Such information, with the exception of the introductory section, has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we express no opinion on it.

Respectfully submitted,



Glen B. Gainer III
West Virginia State Auditor

March 23, 2012

TAYLOR COUNTY BOARD OF EDUCATION
MANAGEMENT'S DISCUSSION AND ANAYLSIS
For the Fiscal Year Ended June 30, 2011

This narrative discussion and analysis provides an overview of the financial activities of the Taylor County Board of Education (the Board) for the fiscal year ended June 30, 2011. Please consider this discussion and analysis in conjunction with information provided in the Board's basic financial statements and the accompanying notes, which are presented immediately following this Management's Discussion and Analysis.

Financial Highlights

The assets of the Board exceeded its liabilities at the close of the most recent fiscal year by $15,071,941 (net assets).

The government's total net assets decreased by $225,877. Most of this decrease is attributable to the increase in Other Post Employment Benefits (OPEB) expense and liability for the year ended June 30, 2011.

As of the close of the current fiscal year, the Board's governmental funds reported a combined ending fund balance of $1,169,482, a decrease of $705,602 in comparison with the prior year. As with the government-wide statements, most of this decrease is due to recognition of the Other Post Employment Benefit expense and liability as required by the Governmental Accounting Standards Board's Statement No. 45 - *Accounting and Financial Reporting by Employers for Post-Employment Benefits other than Pensions* (OPEB).

As a consequence of the recognition of the OPEB liability mentioned above, the unassigned fund balance for the general fund reported a negative balance of $2,484,819 at the end of the fiscal year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Board's basic financial statements. The Board's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements - The government-wide financial statements are designed to provide readers with a broad overview of the Board's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the Board's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Board is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements can be found on pages 12 to 14 of this report.

Fund financial statements - A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The Board, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Board can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Board maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the special revenue fund, the special revenue fund for the American Recovery and Reinvestment Act (ARRA), the debt service fund, the permanent improvement fund and the capital projects fund, all of which are considered to be major funds.

The basic governmental fund financial statements can be found on pages 15 to 19 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Board's own programs.

The Board maintains two agency funds: to account for resources held for student groups and activities.

The basic fiduciary funds financial statement can be found on page 20 of this report.

Notes to the basic financial statements - The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 21 to 49 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Board, assets exceeded liabilities by $15,071,941 at the close of the most recent fiscal year.

Taylor County Board of Education's Net Assets

	Governmental activities	
	FY 2011	FY 2010
Current and other assets	$ 6,188,432	$ 5,715,387
Capital assets	22,920,979	23,338,225
Total assets	29,109,411	29,053,612
Current and other liabilities	6,807,048	5,574,704
Long term liabilities	7,230,422	8,060,543
Total liabilities	14,037,470	13,635,247
Net assets:		
Invested in capital assets, net of related debt	15,721,850	15,311,894
Restricted	1,282,218	491,770
Unrestricted	(1,932,127)	(505,846)
Total net assets	$ 15,071,941	$ 15,297,818

The largest portion of the Board's net assets, $15,721,850 or 104 %, reflects its investment in capital assets (e.g. land, site improvements, buildings, furniture and equipment, and vehicles), less any related debt used to acquire those assets that is still outstanding. The Board uses these capital assets to provide services to students; consequently, these assets are not available for future spending.

An additional portion of the Board's net assets, $1,282,218 or 9%, represents resources that are subject to external restrictions on how they may be used. The remainder may be used to meet the government's ongoing obligations to students, citizens and creditors.

The Board is not able to report positive balances in each of the three categories of net assets at the end of the current fiscal year. This was also true for the prior fiscal year.

Restricted net assets increased by $777,888 during the year ended June 30, 2011.

The Board's net assets decreased by $225,877 during the 2011 fiscal year. Most of this decrease is due to the OPEB expense and liability recognized for the period.

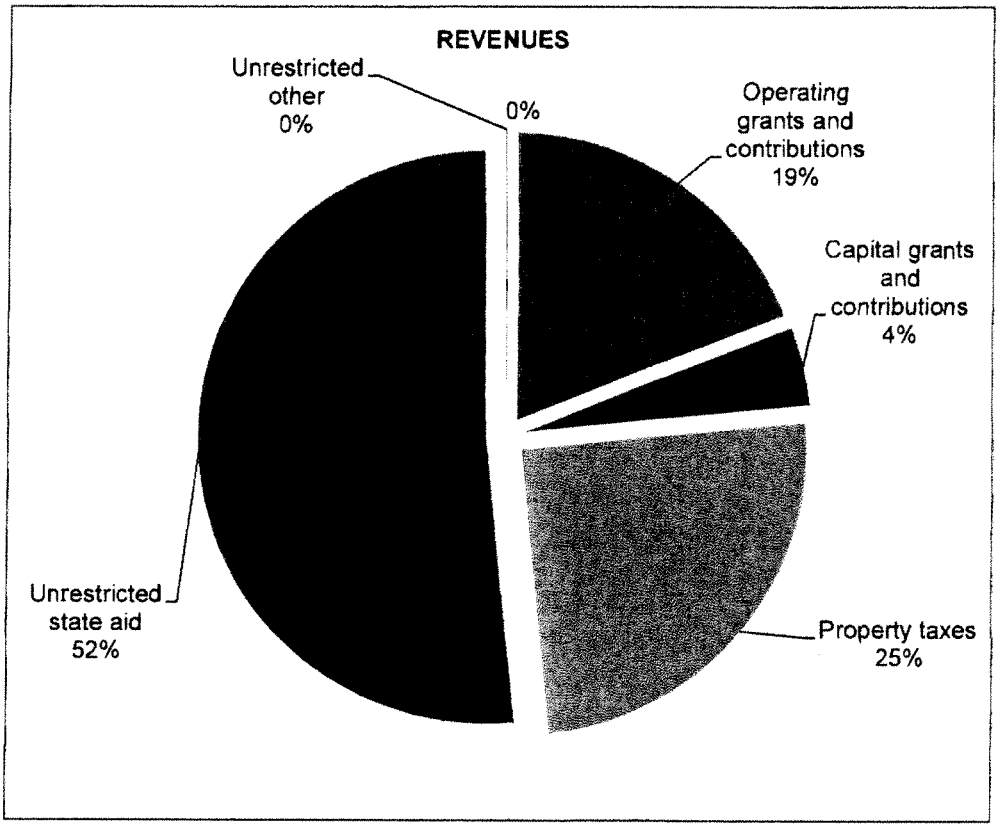
The key elements of the change in the Board's net assets for the years ended June 30:

Taylor County Board of Education's Changes in Net Assets

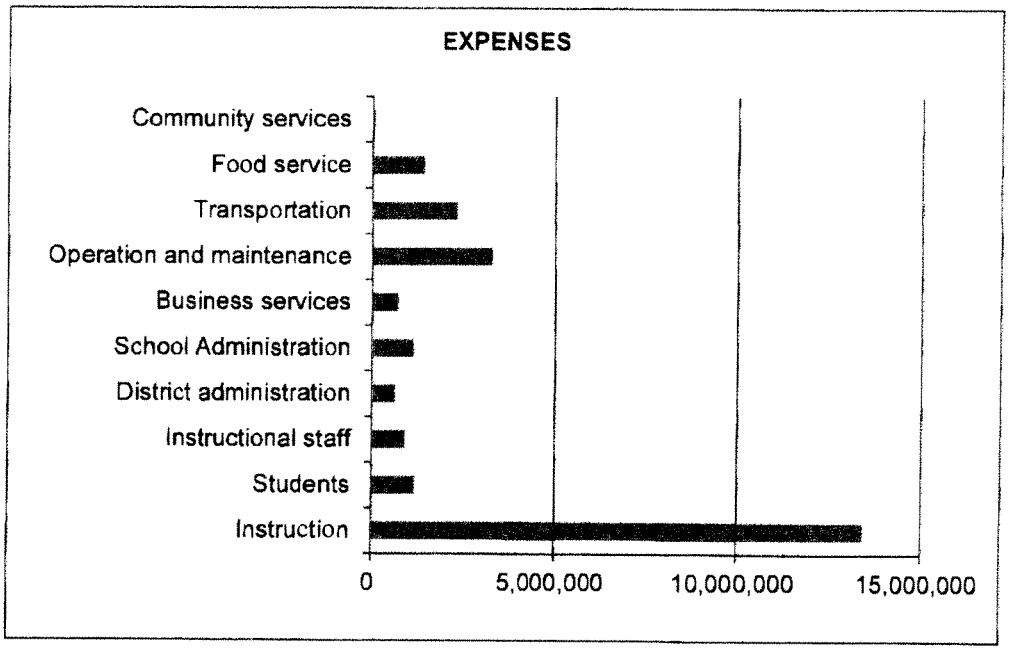
	Governmental activities	
	FY 2011	FY 2010
Revenues:		
Charges for services	$ 58,097	$ 666,773
Operating grants and contributions	4,740,420	4,255,046
Capital grants and contributions	1,100,356	426,780
Property taxes	6,210,450	5,915,364
Unrestricted state aid	12,833,505	13,039,139
Unrestricted investment earnings	16,305	10,335
Total revenues	$ 24,959,133	$ 24,313,437
Expenses:		
Instruction	$ 13,418,634	$ 15,261,692
Supporting services:		
Students	1,148,821	850,738
Instructional staff	898,936	711,907
District administration	609,229	820,654
School Administration	1,117,989	1,103,200
Business services	686,201	332,588
Operation and maintenance	3,269,252	3,135,987
Transportation	2,306,976	2,252,958
Total supporting services	10,037,404	9,208,032
Food service	1,400,326	1,308,290
Community services	57,704	82,261
Interest on long-term debt	270,942	288,417
Total expenses	25,185,010	26,148,692
Change in net assets	(225,877)	(1,835,255)
Net assets - beginning of year (as restated)	15,297,818	17,133,073
Net assets - end of year	$ 15,071,941	$ 15,297,818

The largest increase in revenues is from state aid and property tax collections. The cost for OPEB is the single largest factor affecting the increase in expenses.

The following chart shows the Board's revenues for fiscal year ended June 30, 2011 by source:



The following chart shows the Board's expenses for fiscal year ended June 30, 2011 by function:



Financial Analysis of the Board's Funds

As noted earlier, the Board uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds - The focus of the Board's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Board's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As the Board completed the year, its governmental funds reported a combined fund balance of $(1,169,482). Included in this year's change in the combined fund balance is a decrease in the General Fund of $813,005. The Debt Service Fund balance increased by $53,311 representing a decrease in payments for the retirement of long-term bonds and related interest.

Governmental funds report the differences between their assets and liabilities as fund balance, which is divided into nonspendable, restricted, committed, assigned, and unassigned portions. Nonspendable, restricted, committed, and assigned indicate the portion of the Board's fund balances that are not available for appropriation. The unassigned fund balance is available expendable financial resources in governmental funds that are available for appropriation. The Board had a deficit unassigned fund balance of $3,025,023 which was primarily a result of the OPEB liability and related expense.

The ($1,879,931) fund balance of the general fund is primarily designated for the following purpose:

❖ Restricted	$ 174,618
❖ Assigned	430,270
❖ Unassigned	(2,484,819)

General Fund Budgetary Highlights

During the year, the Board revised the budget. Budget revisions reflected changes in programs and related funding. The difference between the original budget and the final amended budget was an increase of $176,952 or 1% in total general fund expenditures. The most significant difference can be summarized as follows:

• Budget supplements to carryover earmarked, encumbered, and unspent grant funds from the prior fiscal year.

• Additional budget supplements to include in the budget new grant awards not included in the original budget

The general fund budget was not change significantly.

Capital Assets and Long-term Liabilities

Capital assets - The Board's investment in capital assets for its governmental activities as of June 30, 2011, amounts to $22,920,979 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, furniture and equipment, and vehicles. The total decrease in the Board's investment in capital assets for the current fiscal year was $417,246 or 1.8%.

No new major capital asset events during the current fiscal year.

	FY 2011	FY 2010
Land	$ 946,416	$ 946,416
Buildings and improvements	20,550,180	21,110,896
Furniture and equipment	590,130	557,921
Vehicles	834,253	722,992
Total capital assets	$ 22,920,979	$ 23,338,225

Additional information on the Board's capital assets can be found in Note 6 to the basic financial statements.

Long-term debt - At the end of the current fiscal year, the Board had total bonded debt outstanding of $6,795,000 and capital lease obligations of $404,129. Employees of the Board are eligible to receive special termination benefits in the form of convertible sick leave earned but not used prior to retirement. Upon retirement, an employee's accumulated sick leave may be converted to a greater retirement benefit or to payment of the retired employee's health insurance premiums. The cost of additional retirement benefits are the liability of the West Virginia Public Retirement Board and therefore are not recorded in the Board's financial statements. However, the cost of the health insurance premiums must be absorbed by the last agency employing the retiree. Historically, the West Virginia Legislature has appropriated funds for the Board for payment of these costs. However, because such appropriations are at the discretion of the Legislature and therefore not guaranteed, the liability for the cost of sick leave convertible to health insurance premiums is recorded in the Board's financial statements. At June 30, 2011, the liability for such costs was $4,862,499. The obligation for compensated absences for vacations was $3,533 at June 30, 2011.

The following summarizes the Board's long-term debt:

	2011 Governmental Activities	2010 Governmental Activities
General obligation bonds	$ 6,795,000	$ 7,485,000
Capital lease obligations	404,129	541,331
Compensated absences	3,533	9,138
Total debt outstanding	$ 7,202,662	$ 8,035,469

Additional information on the Board's long-term debt can be found in Note 7 to the basic financial statements.

Factors Bearing on the Board's Future

The Board also continues to pursue legal action seeking legislative funding through the West Virginia Public School Support Program to fund the rapidly increasing OPEB liability.

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 Taylor County Board of Education, RR 2 Box 157, Grafton, WV 26354, (304) 265-2497.

TAYLOR COUNTY BOARD OF EDUCATION
STATEMENT OF NET ASSETS
June 30, 2011

	Governmental Activities
ASSETS	
Current:	
Cash and cash equivalents	$ 4,008,703
Investments	875,071
Taxes receivable, net of allowance for uncollectible taxes	233,271
Food services receivable	91,828
Other receivables	197,372
Deferred Charges - issuance costs	53,352
Due from other governments:	
State aid receivable	51,673
PEIA allocation receivable	321,476
Reimbursements receivable	355,686
Total current assets:	6,188,432
Noncurrent:	
Capital Assets not being depreciated:	
Land	946,416
Capital Assets being depreciated:	
Buildings and improvements	33,520,708
Furniture and equipment	2,326,268
Vehicles	2,957,353
Less: accumulated depreciation	(16,829,766)
Total capital assets, net of depreciation	22,920,979
Total noncurrent assets:	22,920,979
Total assets	29,109,411
LIABILITIES AND NET ASSETS	
Liabilities:	
Salaries payable and related payroll liabilities	1,307,881
PEIA premiums payable	4,511
Deferred revenues	356,024
Accounts payable	276,133
Other post employment benefit payable - state aid funded employees	4,664,869
Other post employment benefit payable - all other employees	197,630
Long-term obligations:	
Due within one year:	
Bonds, capital leases, and contracts	859,690
Accrued interest	27,760
Due beyond one year:	
Bonds, capital leases, and contracts	6,339,439
Compensated absences	3,533
Total liabilities	$ 14,037,470

The notes to the financial statements are an integral part of this statement.

TAYLOR COUNTY BOARD OF EDUCATION
STATEMENT OF NET ASSETS
June 30, 2011

		Governmental Activities
Net Assets:		
Invested in capital assets, net of related debt	$	15,721,850
Restricted for:		
Debt service		1,282,218
Unrestricted		(1,932,127)
Total net assets	$	15,071,941

The notes to the financial statements are an integral part of this statement.

TAYLOR COUNTY BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2011

Functions	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense), Revenue & Changes in Net Assets Governmental Activities
Governmental activities:					
Instruction	$ 13,418,634	$ 15,867	$ 2,734,861	$ 629,183	$ (10,038,723)
Supporting services:					
Students	1,148,821	31,706	229,499	53,917	(833,699)
Instructional staff	898,936	1,063	179,384	42,144	(676,345)
District administration	609,229	722	121,775	28,609	(458,123)
School administration	1,117,989	1,321	222,942	52,377	(841,349)
Business services	686,201	824	139,105	32,681	(513,591)
Operation and maintenance of facilities	3,269,252	3,866	652,433	153,280	(2,459,673)
Student transportation	2,306,976	2,728	460,404	108,165	(1,735,679)
Food services	1,400,326	-	17	-	(1,400,309)
Community services	57,704	-	-	-	(57,704)
Interest on long-term debt	270,942	-	-	-	(270,942)
Total governmental activities	$ 25,185,010	$ 58,097	$ 4,740,420	$ 1,100,356	(19,286,137)
General revenues:					
Property taxes					6,210,450
Unrestricted state aid					12,833,505
Unrestricted investment earnings					16,305
Total general revenues					19,060,260
Change in net assets					(225,877)
Net assets - beginning (restated, Note 13)					15,297,818
Net assets - ending					$ 15,071,941

The notes to the financial statements are an integral part of this statement.

TAYLOR COUNTY BOARD OF EDUCATION
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2011

	General Current Expense	Special Revenue Fund	Special Revenue ARRA Fund	Debt Service Fund	Permanent Improvement Fund	Capital Projects Fund	Total Governmental
ASSETS							
Cash and cash equivalents	$ 3,669,254	$ 188,823	$ -	$ -	$ 150,626	$ -	$ 4,008,703
Investments	-	-	-	875,071	-	-	875,071
Taxes receivable, net	193,251	-	-	40,020	-	-	233,271
Food service receivable, net	-	91,828	-	-	-	-	91,828
Other receivables	197,372	-	-	-	-	-	197,372
Due from other governments:							
State aid receivable	51,673	-	-	-	-	-	51,673
PEIA allocation receivable	321,476	-	-	-	-	-	321,476
Reimbursements receivable	-	297,156	58,530	-	-	-	355,686
Due from other funds	272,682	-	-	-	-	-	272,682
Total assets	$ 4,705,708	$ 577,807	$ 58,530	$ 915,091	$ 150,626	$ -	$ 6,407,762
LIABILITIES AND FUND BALANCES							
Liabilities:							
Salaries payable and related payroll liabilities	$ 1,058,130	$ 161,405	$ 88,346	$ -	$ -	$ -	$ 1,307,881
Other post employment benefits payable:							
state aid funded	4,664,869	-	-	-	-	-	4,664,869
all other employees	197,630	-	-	-	-	-	197,630
PEIA premiums payable	4,511	-	-	-	-	-	4,511
Accounts payable	174,287	101,656	190	-	-	-	276,133
Deferred revenue	486,212	327,306	-	40,020	-	-	853,538
Due to other funds	-	-	119,108	153,574	-	-	272,682
Total liabilities	6,585,639	590,367	207,644	193,594	-	-	7,577,244
Fund Balances:							
Restricted	174,618	235,477	-	721,497	150,626	-	1,282,218
Assigned	430,270	131,880	11,173	-	-	-	573,323
Unassigned	(2,484,819)	(379,917)	(160,287)	-	-	-	(3,025,023)
Total fund balances	(1,879,931)	(12,560)	(149,114)	721,497	150,626	-	(1,169,482)
TOTAL LIABILITIES AND FUND BALANCES	$ 4,705,708	$ 577,807	$ 58,530	$ 915,091	$ 150,626	$ -	$ 6,407,762

The notes to the financial statements are an integral part of this statement.

TAYLOR COUNTY BOARD OF EDUCATION
RECONCILIATION OF BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
For the Fiscal Year Ended June 30, 2011

Total fund balances on the governmental fund's balance sheet	$ (1,169,482)
Amounts reported for governmental activities in the statement of net assets are different due to:	
Capital assets used in governmental activities are not financial resources and, therefore not reported in the funds. (Note 6)	22,920,979
Deferred charges are not reported in the funds	53,352
Receivable amounts that will be collected this year but are not available soon enough to pay for the current period's expenditures, and are therefore deferred in the funds.	
Taxes receivable	233,271
Medicaid receivable	122,596
E-rate receivable	49,818
Food service receivable	91,829
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds	
Bonds payable	(6,795,000)
Accrued interest on bonds	(27,760)
Capital leases payable	(404,129)
Compensated absences	(3,533)
Net assets of governmental activities	$ 15,071,941

The notes to the financial statements are an integral part of this statement.

TAYLOR COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2011

	General Current Expense	Special Revenue	Special Revenue ARRA	Debt Service Fund	Permanent Improvement Fund	Capital Projects Fund	Total Governmental
Revenues:							
Property taxes	$ 5,207,337	$ -	$ -	$1,001,255	$ -	$ -	$ 6,208,592
Other Local sources	77,378	429,111	-	2,513	-	-	509,002
State sources	12,819,850	1,037,383	-	-	-	-	13,857,233
Federal sources	553,518	2,575,226	972,077	-	336,441	-	4,437,262
Total revenues	18,658,083	4,041,720	972,077	1,003,768	336,441	-	25,012,089
Expenditures:							
Instruction	10,479,572	1,876,462	1,105,908	-	-	-	13,461,942
Supporting services:							
Students	825,535	243,181	80,105	-	-	-	1,148,821
Instructional staff	412,279	439,999	46,658	-	-	-	898,936
Central administration	602,761	11,416	-	-	-	-	614,177
School administration	1,116,349	1,640	-	-	-	-	1,117,989
Business	685,747	2,964	-	-	-	-	688,711
Operation and maintenance of facilities	2,414,805	7,961	-	-	-	-	2,422,766
Student transportation	2,124,229	291,664	-	-	-	-	2,415,893
Food services	-	1,370,070	-	-	-	-	1,370,070
Community services	34,402	23,102	200	-	-	-	57,704
Capital outlay	179,473	53,972	-	-	187,327	-	420,772
Debt service:							
Principal retirement	137,201	-	-	690,000	-	-	827,201
Interest and fiscal charges	7,252	-	-	260,457	-	-	267,709
Total expenditures	$ 19,019,605	$ 4,322,431	$ 1,232,871	$ 950,457	$ 187,327	$ -	$ 25,712,691

The notes to the financial statements are an integral part of this statement.

TAYLOR COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2011

	General Current Expense	Special Revenue	Special Revenue ARRA	Debt Service Fund	Permanent Improvement Fund	Capital Projects Fund	Total Governmental
Excess (deficiency) of revenues over expenditures	$ (361,522)	$ (280,711)	$ (260,794)	$ 53,311	$ 149,114	$ -	$ (700,602)
Other financing sources (uses):							
Transfers in	1,409,810	742,137	1,512	-	1,512	-	2,154,971
Transfers (out)	(1,861,293)	(297,570)	(468)	-	-	(640)	(2,159,971)
Total other financing sources (uses) (Note 16)	(451,483)	444,567	1,044	-	1,512	(640)	(5,000)
Net change in fund balances	(813,005)	163,856	(259,750)	53,311	150,626	(640)	(705,602)
Fund balances - beginning	(946,379)	(176,416)	110,636	668,186	-	640	(343,333)
Restatement of fund balance	(120,547)	-	-	-	-	-	(120,547)
Fund balances - beginning, as restated (Note 12)	(1,066,926)	(176,416)	110,636	668,186	-	640	(463,880)
Fund balances - ending	$ (1,879,931)	$ (12,560)	$ (149,114)	$ 721,497	$ 150,626	$ -	$ (1,169,482)

The notes to the financial statements are an integral part of this statement.

TAYLOR COUNTY BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
June 30, 2011

Amounts reported for governmental activities in the statement of activities are different due to:		
Net change in fund balances - total governmental funds		$ (705,602)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The effect on net assets is the amount by which capital outlays exceed depreciation in the current period. (Note 6)		
Depreciation expense		(1,130,826)
Capital outlays		713,580
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds, rather they are reported as deferred revenues.		
Taxes receivable	[current year $ 233,271 less prior year $231,413]	1,858
Medicaid receivable	[current year $ 122,597 less prior year $89,932]	32,665
E-rate receivable	[current year $49,819 less prior year $19,471]	30,348
Food service receivable	[current year $91,829 less prior year $91,812]	17
The repayment of the principal of long-term debt (e.g., bonds, leases) consumes the current financial resources of governmental funds. However, such repayment has no effect on net assets. (Note 7)		
Bonds payable		690,000
Capital leases payable		137,202
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. (Note 7)		
Accrued vacation payable		5,605
Amortization of bond issuance costs are reported in the statement of activities but do not require the use of current financial resources and, therefore, are not reported as expenditures in government funds		(7,176)
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.		6,452
Change in net assets of governmental activities		$ (225,877)

The notes to the financial statements are an integral part of this statement.

TAYLOR COUNTY BOARD OF EDUCATION
STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS
For the Year Ended June 30, 2011

	Agency Funds	
	School Activity Funds	Scholarship Funds
ASSETS		
Cash and cash equivalents	$ 369,413	$ 188,215
Total assets	$ 369,413	$ 188,215
LIABILITIES		
Due to Student Activities	369,413	188,215
Total liabilities	$ 369,413	$ 188,215

The notes to the financial statements are an integral part of this statement.

Note 1 - Summary of Significant Accounting Policies:

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local government units. The Governmental Accounting Standards Board (GASB) is the ultimate standard-setting body for state and local governments.

A. Reporting Entity:

The Taylor County Board of Education (the Board) is a corporation created under the authority of West Virginia Code §18-5-1 et seq. and is composed of five members nominated and elected by the voters of the county for four-year terms. The Board is responsible for the supervision and control of the county school board and has the authority, subject to State statutes and the rules and regulations of the State Board, to control and manage all of the public schools and school interests in the county.

GASB Statement No. 14 (as amended by GASB Statement No. 39) establishes the criteria for determining the governmental reporting entity and the component units that should be included within the reporting entity. Under provisions of this statement, the 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 No. 14 (as amended by GASB Statement No. 39) as other legally separate organizations for which the elected board members are financially accountable.

B. Government-wide and Fund Financial Statements:

The Government-wide financial statements (the statement of net assets and the statement of activities) display information about the Board as a whole. These statements include the financial activities of the overall government, except for fiduciary fund activities. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are specifically associated with a function or segment and, therefore, are clearly identifiable to a particular function or segment.

Depreciation expenses for capital assets that can be specifically identified with a function are included in its direct expenses. Depreciation expense for "shared" capital assets (such as a school building that may be used for instructional services, student and instructional staff support services, school administration, and child nutrition services) is distributed proportionally among the various functions. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Interest on general long-term debt liabilities is considered an indirect expense and is reported in the Statement of Activities as a separate line.

Program revenues include: grants and contributions that are restricted to meeting the operational or capital requirements of a particular function, restricted state aid, tuition, and other fees and charges paid by students. Revenues that are not considered as program revenues are classified as general revenue and include property taxes, unrestricted state aid, unrestricted investment earnings, gain on sale of capital assets, and federal and state grants not restricted to a specific purpose.

The fund financial statements provide information about the individual funds maintained by the Board. All funds maintained by the Board are considered to be major funds for reporting purposes and are presented in individual separate columns.

The funds maintained by the Board are:

General Current Expense Fund: The General Current Expense Fund is the operating fund of the Board and accounts for all revenues and expenditures not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to other funds are accounted for in this fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Current Expense Fund.

Special Revenue Fund: The Special Revenue Fund is an operating fund of the Board and accounts for all revenues and expenditures attributable to state and federal grants and other revenue sources that are legally restricted to expenditure for specific purposes.

Special Revenue Fund – American Reinvestment and Recovery Act (ARRA): A separate special revenue fund to account for all revenues and expenditures attributable to ARRA funds that are legally restricted to expenditure for specific purposes.

Debt Service Fund: The Debt Service Fund is used to account for the resources accumulated and payments made for principal, interest, and related costs on general obligation bonds issued by the Board for the acquisition of capital assets.

Capital Projects Funds: Capital Projects Funds are used to account for all resources used for the acquisition of capital facilities by the Board. These funds can include: a bond construction fund, used to account for the proceeds from the issuance of general obligation bonds; a permanent improvement fund established under the authority of West Virginia Code §18-9B-14 to account for the proceeds of resources used for the support of various building and permanent improvement projects, and; one or more capital projects funds used to account for the resources used in the construction of a specific capital facility.

Agency Funds: Agency funds are used to account for assets that the Board holds for others in an agency capacity. These include: school activity funds to account for the assets of the individual schools of the Board, the student clubs, and school support organizations; and may include a scholarship fund to account for contributions and donations made to the Board by a benefactor for the purpose of providing scholarships for graduates of the county school board.

C. Measurement Focus and Basis of Accounting:

The Government-wide statements (Statement of Net Assets and the Statement of Activities) were prepared using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows are received. Revenues and expenses resulting from exchange and exchange-like transactions are recognized when the exchange takes place; revenues and expenses resulting from non-exchange transactions, such as property taxes, federal and state grants, state aid to schools, and donations, are recognized in accordance with the requirements of GASB Statement No. 33. Property taxes are recognized in the fiscal year for which the taxes are levied; state aid to schools is recognized in the year for which the legislative appropriation is made; and grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund financial statements were prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Board considers all revenues available if they are collectible within (60) days after year-end, except taxes which are recognized if collectible within 30 days after year end. Expenditures are recorded generally when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing resources.

Fiduciary funds are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the School Board holds for others in an agency capacity.

D. Encumbrances:

Encumbrance accounting is employed in governmental funds. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of the formal budgetary process. Encumbrances outstanding at year-end are reported in the appropriate fund balance category (restricted, committed or assigned) since they do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. See Note 15 for a summary of the Board's encumbrances.

E. Cash and Investments:

Custodial Credit Risk

Cash on hand and deposits with banking institutions either in checking or savings accounts are presented as cash in the accompanying financial statements. Such deposits at June 30, 2011 were entirely covered by federal depository insurance or secured by adequate bond or other securities held by the banking institution in the Board's name.

Boards of education are authorized by statute to provide excess funds to either the State Consolidated Investment Pool or the Municipal Bond Commission for investment purposes, or to invest such funds in the following classes of securities: Obligations of the United States or any agency thereof, certificates of deposit and repurchase agreements. Funds of the Board are temporarily invested by the West Virginia Municipal Bond Commission specifically on behalf of the Board as part of the Commission's consolidated investment pool. These investments are considered cash and cash equivalents due to their liquid nature.

Investments of the Board at June 30, 2011 consisted of the following:

	Carrying Amount	Estimated Fair Value	Book Balance
Municipal Bond Commission	$ 875,071	$ 875,071	$ 875,071
Total investments	$ 875,071	$ 875,071	$ 875,071

Money market/sweep accounts with financial institutions were entirely covered by federal deposit insurance or secured by adequate bond or other securities held by the banking institution in the Board's name. **Custodial credit risk** is the risk that in the event of a bank failure, the Board's deposits may not be returned to it. The Board has limited its custodial credit risk by assuring that these deposits with financial institutions are adequately collateralized.

Interest rate risk is the risk that changes in interest rates demanded by the market will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Board manages its exposure to interest rate risk for investments is by purchasing short-term investments that are less affected by changes in market rates as compared to long-term investments.

At June 30, 2011, the Board has $875,071 invested with the West Virginia Municipal Bond Commission. Pool investments of the Municipal Bond Commission are held in a Government Money Market with the WV Board of Treasury Investments Consolidated Fund.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its

Exposure to credit risk in the Government Money Market Pool is limited to U.S. Treasury issues and U.S. government agency issues and repurchase agreements collateralized by U.S. Treasury issues and U.S. government agency issues. The pool must have at least 15% of its assets in U.S. Treasury issues.

The Board's investments in the Consolidated Fund pool and related accounts have not been rated for credit risk by any organization.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investments in a single issuer. West Virginia statutes prohibit the Consolidated Fund Pool from investing more than 5% of its assets in securities issued by a single private corporation or association. At June 30, 2011, the pool did not have investments in any one private corporation or association that represented more than 5% of assets.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The overall weighted average maturity of the investments of the Government Money Market Pool within the Consolidated Fund Pool cannot exceed 60 days. The maturity of floating rate notes is assumed to be the next interest rate reset date.

F. Food Service Receivables:

The accounts receivable for the Food Service Program has been reduced by $21,375 for uncollectible accounts to $113,203. The allowance for uncollectible accounts was calculated based upon historical data maintained by the Board.

G. Interfund Receivables and Payables:

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

H. Inventories:

Inventories are valued at cost or, if donated, at fair value when received. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

I. Capital Assets:

Capital assets, which include land, buildings and improvements, furniture and equipment, and vehicles are reported in the Government-wide financial statements. The Board defines capital assets as assets with an initial, individual cost of $5,000 or more for land, furniture, vehicles, and equipment and $100,000 for buildings with an estimated useful life in excess of two years. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extended assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is not capitalized.

Buildings and improvements, furniture and equipment, and vehicles of the Board are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	50
Site Improvements	20 – 35
Furniture and Equipment	5 – 20
Vehicles	8 – 12

J. Compensated Absences and Special Termination Benefits:

It is the Board's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation benefits can be accumulated up to (12) days for 261 day employees and carried forward to the subsequent fiscal year. The county has two 261 day employees. Sick benefits can be accumulated up to unlimited days 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 post-employment health care insurance premium. Employees also earn sick leave benefits which accumulate but do not vest.

Special Termination Benefits:

When separated from employment, employees' sick leave benefits are considered ended and no reimbursement is provided. However, upon retirement, an employee's accumulated annual sick leave may be converted to a greater retirement benefit or payment of the retired employee's health insurance premiums. The cost of the increased retirement option is the liability of the West Virginia Consolidated Public Retirement Board.

The payment of health insurance premiums must be absorbed by the last agency employing the retiree. Historically, the West Virginia State Legislature appropriates funds that are used by the Board to pay for its obligations for this special termination benefit. Because such appropriations are at the discretion of the Legislature and not guaranteed, the liability for sick leave convertible to health insurance premiums using the vesting method is recorded in the Board's financial statements. The Board will record this liability utilizing the guidance of GASB Statements No. 43 and No. 45.

K. Long-term Obligations:

In the Government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Capital lease payments are reported in the general current expense or special revenue fund.

L. Restricted Net Assets:

For the Government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Restricted assets for debt service was $1,282,218.

M. Fund Equity:

Effective July 1, 2010, the Board adopted GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions," which establishes new standards of accounting and financial reporting that are intended to improve the clarity and consistency of the fund balance information provided to financial report users. The classifications are based primarily on the extent to which the Board is bound to honor constraints on the specific purposes for which the amounts in those funds can be spent. Fund balances are reported in the following categories:

- Nonspendable fund balances include amounts that cannot be spent because they are in a nonspendable form, such as inventory, or prepaid expense amounts, or they are legally or contractually required to be maintained intact, such as the corpus of a permanent fund.

- Restricted fund balances are restricted due to legal restrictions from creditors, grantors, or laws and regulations of other governments or by legally enforceable enabling legislation or constitutional provisions.

- Committed fund balances are amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the highest level of decision-making authority, which for the county is the five-member Board. Said specific purposes and amounts are recorded in the official Board minutes of the fiscal year ended June 30, 2011. Those committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

- Assigned fund balances are constrained by the intent to use funds for specific purposes, but are neither restricted nor committed. Intent can be expressed by the five-member Board or by a body or official to which the Board has delegated the authority to assign amounts to be used for specific purposes. By reporting particular amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund, the Board has assigned those amounts to the purposes of the respective funds.

- Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. In other funds, any negative fund balances would be unassigned.

N. Elimination and Reclassifications:

In the process of aggregating data for the statement of net assets and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

O. Accounting Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

P. Restricted Resources:

Restricted resources should be applied first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available. If an expense is incurred for purposes for which committed, assigned and unassigned fund balances are all available, the fund balances should be reduced in the following order: committed, assigned, and then unassigned.

Note 2 - Change in Accounting Policy:

The Board changed its method of accounting for the following items in order to comply with accounting principles generally accepted in the United States of America:

GASB 24 – As of July 1, 2010, the Board implemented GASB Statement No. 24, "Accounting and Financial Reporting for Certain Grants and Other Financial Assistance." This statement requires the Board to record as a revenue and expenditure on behalf payments made by the State to the Consolidated Public Retirement Board for the unfunded liability of the Teachers Retirement System and disclose those amounts in the accompanying notes to the financial statements.

GASB 54 – As of July 1, 2010, the Board implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This statement changed the terminology used to describe fund balances in the governmental funds and expanded the disclosure of those new definitions in the accompanying notes to the financial statements of the Board for the year ended June 30, 2011.

Note 3 - Risk Management:

The Board is exposed to various risks or loss related to torts, theft, or damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Board, pursuant to the provisions of State law, participates in the following risk management programs administered by the State.

Board of Risk and Insurance Management (BRIM): The Board participates in the West Virginia Board of Risk and Insurance Management, a common risk insurance pool for all State agencies, component units, boards of education and other local governmental agencies who wish to participate. The Board pays an annual premium to BRIM for its general insurance coverage. Fund underwriting and rate setting policies are established by BRIM. The cost of all coverage as determined by BRIM is paid by the participants. The BRIM risk pool retains the risk of the first $2 million per property event and purchases excess insurance on losses above that level. BRIM has $1 million per occurrence coverage maximum on all third-party liability claims.

Public Employees Insurance Agency (PEIA): The Board provides employees health and basic life insurance benefits through the Public Employees Insurance Agency. PEIA was established by the State of West Virginia to provide a program of health and life insurance for employees of State agencies, institutions of higher learning, boards of education, and component units of the State. In addition, local governmental agencies and certain charitable and public service organizations may request to be covered. PEIA provides a general employee benefit insurance program which includes hospital, surgical, major medical, prescription drug and basic life and accidental death. Fund underwriting and rate setting policies are established by the PEIA Finance Board. The cost of all coverage as determined by the Finance Board is paid by the participants.

Coverage under these programs is limited to $1 million lifetime for health and $10,000 of life insurance coverage. Members may purchase up to an additional $500,000 of life insurance coverage. Premiums are established by PEIA and are paid monthly. The PEIA risk pool retains the risk for the health and prescription features of its indemnity plan, has fully transferred the risks of coverage of the Managed Care Organization (MCO) Plan to the plan provider and has transferred risk of life insurance coverage to a third party insurer.

Workers Compensation Fund (WCF): West Virginia has a single private insurance company, BrickStreet Insurance, which provides workers' compensation coverage to all employers in the State. Other private insurance companies can begin to offer coverage to private-sector employers beginning July 1, 2009 and to government employers July 1, 2010. Nearly every employer in the State, including all boards of education, which have a payroll must have coverage. The cost of all coverage, as determined by BrickStreet, is paid by the employers.

The WCF risk pool retains the risk related to the compensation of injured employees under the program.

Note 4 - Property Taxes:

All property in the State is classified as follows for ad valorem tax purposes:

Class I -	All tangible personal property employed exclusively in agriculture, including horticulture and grazing; all products of agriculture, including livestock, while owned by the producer.
Class II -	All property owned, used and occupied by the owner exclusively for residential purposes; all farms, including land used for horticulture and grazing, occupied and cultivated by their owners or bona fide tenants.
Class III -	All real and personal property situated outside of municipalities, exclusive of Class I and II property.
Class IV -	All real and personal property situated inside of municipalities, exclusive of Class I and II property.

According to West Virginia Code §11-8-6c, the maximum rates that county boards of education may impose on the various classes of property are: Class I - 22.95¢ per $100 of assessed valuation; Class II - 45.90¢ per $100 of assessed valuation; Class III - 91.80¢ per $100 of assessed valuation; and Class IV - 91.80¢ per $100 of assessed valuation.

Pursuant to West Virginia Code §11-8-6f, however, the rates of levy for county boards are to be reduced uniformly statewide and proportionately for all classes of property so that the total statewide property tax revenues to be realized from the regular levy tax collections for the forthcoming year will not increase by more than one percent of the current year's projected property tax revenues, exclusive of increases due to new construction, improvements to existing real property, or newly acquired personal property, unless the State Legislature holds a public hearing. The amounts to be paid to the Assessor's Valuation Fund are also to be excluded from the calculation.

County boards of education are also authorized to impose an additional (excess) levy not to extend beyond five years if approved by at least a majority of the voters. The rates of levy cannot exceed the maximum rates specified above and must be proportional for all classes of property.

The assessed valuations and levy rates levied by the Board per $100 of assessed valuation for each class of property for the fiscal year ended June 30, 2011 were:

Class of Property	Assessed Valuations For Tax Purposes	Current Expense	Excess Levy	Bond Purposes
Class I	$ 0	19.40¢	11.475¢	5.85¢
Class II	$ 280,257,732	38.80¢	22.95¢	11.70¢
Class III	$ 223,448,142	77.60¢	45.90¢	23.40¢
Class IV	$ 61,773,013	77.60¢	45.90¢	23.40¢

The taxes on real property and the interest and other charges upon such taxes attach as an enforceable lien on the first day of July each year. There is no lien denominated as such on personal property. However, statutes provide that the sheriff of a county may distrain for delinquent taxes any goods and chattels belonging to a person assessed. All current taxes assessed on real and personal property may be paid in two installments. The first installment is payable on September first of the year for which the assessment is made, and becomes delinquent on October first, and the second installment is payable on the first day of the following March and becomes delinquent on April first.

Taxes paid on or before the date when they are payable, including both first and second installments, are subject to a discount of two and one-half percent. If taxes are not paid on or before the date on which they become delinquent, including both first and second installments, interest at the rate of nine percent per annum is added from the date they become delinquent until paid.

Taxes Receivable:

Taxes receivable as of year end for the Board's funds are as follows:

	General Fund	Special Revenue Fund
Taxes Receivable	$ 455,905	$ 89,786
Less: allowance for uncollectible	(262,654)	(49,766)
Net total taxes receivable	$ 193,251	$ 40,020

Note 5 - Excess Levy:

The Board had an excess levy in effect during the fiscal year ended June 30, 2011. The levy was authorized by the voters of the county at an election held on January 21, 2006 for the fiscal years ended June 30, 2007 through June 30, 2011 to provide funds for the following purposes:

1.	To provide funds for the purchase of instructional equipment, teaching supplies, library books, technology materials, school furniture, copying and operating expenses of school.	$137,500
2.	To provide funds for the purchase of elementary textbooks and materials.	$31,500
3.	To provide funds for the purchase of secondary textbooks and materials.	$31,500
4.	To provide funds for transportation services including extra duty and academic trips.	$47,961
5.	To provide funds for the purchase of materials and supplies for the entire county school maintenance program, including $10,000 for Flemington Elementary School that is not eligible for State SBA funding.	$170,000
6.	To provide funds to continue extracurricular academic, music, athletic and student monitoring supplements.	$145,000
7.	To provide professional and service staff needed to operate the system and not funded by the state aid formula.	$50,000
8.	To provide funds to continue extended employment supplements for professional employees and professional substitutes.	$215,000
9.	To provide funds to continue local salary supplements and benefits for certified personnel.	$220,000
10.	To provide funds to continue extracurricular contracts, extended employment, substitutes, and local salary supplements and benefits for non-certified personnel.	$170,000
11.	To provide funds for community service support for Taylor County Extension Service (4-H Club) & Camp Towles.	$8,000
12.	To provide funds for technology equipment, computers, and materials.	$15,000

A total of $1,952,182 was received by the Board from the excess levy during the fiscal year ended June 30, 2011.

Note 6 - Capital Assets:

Capital asset balances and activity for the year ended June 30, 2011 is as follows:

	Beginning Balance	Corrections	Adjusted Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, non-depreciable:						
Land	$ 946,416	$ -	$ 946,416	$ -	$ -	$ 946,416
Total non-depreciable capital assets	946,416	-	946,416	-	-	946,416
Capital assets, depreciable:						
Buildings and improvements	33,023,574	97,102	33,120,676	302,930	(97,102)	33,326,504
Furniture and equipment	2,217,430	-	2,217,430	108,838	-	2,326,268
Vehicles	2,655,541	-	2,655,541	301,812	-	2,957,353
Total depreciable capital assets	37,896,545	97,102	37,993,647	713,580	(97,102)	38,610,125
Less accumulated depreciation for:						
Buildings and improvements	(11,958,023)	(51,757)	(12,009,780)	(863,646)	97,102	(12,776,324)
Furniture and equipment	(1,659,509)	-	(1,659,509)	(76,629)	-	(1,736,138)
Vehicles	(1,932,549)	-	(1,932,549)	(190,551)	-	(2,123,100)
Total accumulated depreciation	(15,550,081)	(51,757)	(15,601,838)	(1,130,826)	97,102	(16,635,562)
Total depreciable capital assets, net	22,346,464	45,345	22,391,809	(417,246)	-	21,974,563
Total capital assets, net	$ 23,292,880	$ 45,345	$ 23,338,225	$ (417,246)	$ -	$ 22,920,979

Depreciation expense was charged to functions of the governmental activities as follows:

Instruction	$ 60,532
Supporting Services:	
Central administration	657
Operation and maintenance of facilities	846,486
Transportation	192,895
Food services	30,256
Total depreciation expense - governmental activities	$ 1,130,826

Note 7 - Long-term Debt:

Long-term liability activity for the year ended June 30, 2011 is as follows:

	Balance, Beginning of Year	Additions	Deductions	Balance, End of Year	Amounts due within one year
Bonds payable:					
General obligation debt	$ 7,485,000	$ -	$ 690,000	$ 6,795,000	$ 720,000
Compensated absences	9,138	-	5,605	3,533	-
Capital leases payable	541,331	-	137,202	404,129	139,690
Total Long-term liabilities	$ 8,035,469	$ -	$ 832,807	$ 7,202,662	$ 859,690

Bond Issue of 2003:

On August 21, 2003, the Board issued $7,910,000 in general obligation bonds to provide funds for school construction and renovations. The bonds mature in varying annual increments through June 30, 2019 and interest is payable semiannually at 3.5%. Payments on the general obligation bonds payable during the year were made from the debt service fund.

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2011, including interest payments are listed as follows:

Year	Principal	Interest	Total
2012	515,000	176,343	691,343
2013	540,000	158,318	698,318
2014	565,000	138,878	703,878
2015	595,000	118,538	713,538
2016	625,000	96,969	721,969
2017 – 2019	2,050,000	150,979	2,200,979
Total	$ 4,890,000	$ 840,025	$ 5,730,025

Total bonded indebtedness at July 1, 2010	$ 5,385,000
Maturities	(495,000)
Total bonded indebtedness at June 30, 2011	$ 4,890,000

Bond Issue of 2004:

On March 31, 2004, the Board issued $3,080,000 in general obligation bonds to provide funds for school construction and renovations. The bonds mature in varying annual increments through June 30, 2019 and interest is payable semiannually at 2.5%. Payments on the general obligation bonds payable during the year were made from the debt service fund.

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2011, including interest payments are listed as follows:

Year	Principal	Interest	Total
2012	205,000	58,963	263,963
2013	215,000	53,325	268,325
2014	220,000	47,413	267,413
2015	230,000	41,033	271,033
2016	240,000	34,363	274,363
2017 – 2019	795,000	55,181	850,181
Total	$ 1,905,000	$ 290,278	$ 2,195,278

Total bonded indebtedness at July 1, 2010	$ 2,100,000
Maturities	(195,000)
Total bonded indebtedness at June 30, 2011	$ 1,905,000

Note 8 - 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.

The Board has entered into a capital lease-purchase agreement pursuant to the provisions of West Virginia Code §18-5-9a whereby HVAC energy conservation equipment and other furniture and fixtures has been installed at Grafton High School. The equipment is leased from Comvest, Inc. for a period of ten years beginning July 1, 2004. At the end of the contract period, the Board will have ownership of the equipment. By contract, the Board has the option of discontinuing the lease purchase and returning the equipment at the end of any fiscal year, if funding for the lease payments for the next fiscal year is not available. The total commitment is for $1,230,000 of which only $1,075,298 has been drawn through June 30, 2011. The future minimum lease obligations as of June 30, 2011, are as follows:

Year	Payments
2012	$ 115,733
2013	115,733
2014	36,205
Total Minimum lease payments	267,671
Less: Amount representing interest	7,147
Present value of minimum lease payments	$ 260,524

The Board has entered into a capital lease-purchase agreement pursuant to the provisions of federal legislation which authorizes the issuance of qualified zone academy bonds (QZABs). The funding was used for equipment purchase at Anna Jarvis Elementary School and those assets are leased from Bank of America for a period of fourteen years beginning March 1, 2003. At the end of the contract period, the Board will have ownership of the equipment. By contract, the Board has the option of discontinuing the lease purchase and returning the equipment at the end of any fiscal year, if funding for the lease payments for the next fiscal year is not available.

The Board is remitting yearly payments of $28,721 for a period of fourteen years beginning in the fiscal year ended June 30, 2003. The payments will be deposited into an escrow account. The total payments paid by the Taylor County Board of Education, combined with the interest earned on the escrow account held by the Bank of America will be used to repay the debt.

The following is a summary of the future minimum required payments by year under the lease purchase agreement together with the present value of the net minimum payments as of June 30, 2011 for the Board's capital leases:

Year	Payments
2012	$ 28,721
2013	28,721
2014	28,721
2015	28,721
2016	28,721
Total minimum lease payments	$ 143,605

Note 9 - Employee Retirement System:

All full-time board of education employees are required to participate in one of two statewide, cost-sharing, multiple-employer retirement benefit plans, the Teachers' Defined Benefit Retirement System or the Teachers' Defined Contribution Retirement System. For the year ended June 30, 2011, the Board's total payroll for all employees was $13,263,158 and the payroll was $12,484,015 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.

Trend Information: Ten-year historical trend information relating to the accumulation of assets and the unfunded liability of both plans is available from the Consolidated Public Retirement Board.

Conversion of leave for post-retirement: Upon retirement, an employee's vacation and sick leave may be converted to a greater retirement benefit or payment of health insurance premiums. The cost of the increased retirement benefit or payment of health insurance premiums must be absorbed by the last agency employing the retiree.

Teachers' Defined Benefit Retirement System:

Plan Description: The Teachers' Defined Benefit Retirement System is a cost-sharing, multiple-employer public employee defined benefit retirement system which was established on July 1, 1941 and was closed for new members on July 1, 1991. Beginning July 1, 2005, all new employees become members of this plan. To qualify for full benefits, a member must be age 60 with at least five years of credited service, or be age 55 with at least 30 years of credited service or any age with at least 35 years of credited service. A member may receive a disability benefit after completing ten years of service, if the member is disabled for six months, unable to perform his or her regular occupation, and the Retirement Board expects the disability to be permanent.

Upon retirement, members select one of five benefit payment options. If a member terminates employment with at least five years of credited service, he may freeze his membership until he qualifies for retirement or he may withdraw his contributions from the plan. The employers' contributions remain with the plan. Retirement benefits are based on two percent of the average member's five highest fiscal years of total earnings from covered employment during the member's last 15 years of service.

The normal form of benefit is a single life annuity paid monthly, in an amount equal to 2% of the final average salary times years of credited service. Other forms of benefits may be elected subject to actuarial reduction: Cash Refund Annuity, 50% or 100% Contingent Joint and Survivor Annuities, and ten year Certain and Life Annuities. Pre-retirement death benefits are paid to the spouse of a deceased member who had attained the age 50 and completed 25 years of credited service. The annuity payment is computed as if the member had retired on the date of death with a 100% Joint and Survivor pension. If the member's age and service are less than that required, the sum of the accumulated member's and employer contributions with interest is paid to the member's beneficiary or estate.

Funding Status: According to the 2010 Actuarial Valuation Report of the Teachers' Retirement System, the plan's actuarial unfunded liability was $ 4.8 billion as of July 1, 2010.

Contribution Requirements and Payments Made: This is a fully qualified plan by the Internal Revenue Service. Therefore, all employee contributions are tax deferred. Participants contribute 6% of their gross compensation and the board of education contributes 15% of covered members' gross compensation to the retirement plan, for a total of 21% annually for those who became members prior to July 1, 1991. Participants who became members after July 1, 2005 contribute 6% of their gross compensation and the board of education contributes 7.5% of covered members' gross compensation to the retirement plan, for a total of 13.5% annually.

The employers' contributions are derived from State appropriations and county funds. Federally funded grant programs provide the funding for the employer contributions for salaries paid from federal grants.

The required contributions for the year ended June 30, 2011 and the two previous years were:

Year Ended June 30	2009	2010	2011
Required contributions	$ 404,547,000	$ 487,886,000	$ 471,171,000
As a % of current year covered payroll	25.89%	29.57%	28.55%

Total payments reflected in the Board's financial statements to the defined benefit plan for the fiscal year ended June 30, 2011 were:

Employees' contributions (6%)	$ 681,440
Employer's contributions (15% or 7.5%)	1,229,720
Total contributions	$ 1,911,160

Teachers' Defined Contribution Retirement System:

Plan Description: All Board employees hired after July 1, 1991 but before July 1, 2005, participated in the Teachers' Defined Contribution Retirement System. Employees in the Teachers' Defined Benefit System could freeze their benefits in the old plan and become a member of this plan. Members with less than five years of service in the old defined benefit plan could change to this plan and transfer the funds that were deposited in the old plan to this plan. Once a member transferred to the defined contribution plan, the member was not allowed to rejoin the defined benefit plan.

Effective July 1, 2005, the Teachers' Defined Contribution Plan was closed to new membership. All employees hired after that date became members of the Teachers' Defined Benefit Retirement System which was reopened for participation on July 1, 2005. Existing members of the Teachers' Defined Contribution Plan were given the option to transfer membership to the Teachers' Defined Benefit Retirement System during the fiscal year ending June 30, 2009. To earn full benefits at retirement, however, members electing to transfer are required to contribute the 1.5% difference between the two plans' employee contribution rates.

A unique feature of the Teachers' Defined Contribution Plan is that each member chooses the investment options and may make changes at the beginning of each calendar quarter. Seven investment options are provided from which a participant may choose in multiples of five percent. The investment options are: Orchard SecureFoundation Balanced, Orchard Lifetime 2015 Fund II, Orchard Lifetime 2025 Fund II, Orchard Lifetime 2035 Fund II, Orchard Lifetime 2045 Fund II, Orchard Lifetime 2055 Fund II, American Funds EuroPacific R5, Mutual Global Discovery Fund – Z, Heartland Value Plus Inst, Sentinel Small Company I, Vanguard Small-Cap Index Fund – Inv, Scout Mid Cap, Westcore Select, JHancock Large Cap Equity I, Putnam Equity Income Y, Vanguard Large Cap Index Inv, PIMCO Total Return Fund – Admin, TIAA-CREF High-Yield Inst, Vanguard Intermediate-Term Bond Index Fund and Valic Individually Allocated Fixed Annuity.

Employees are eligible to participate from the date of employment. Employee contributions are fully vested, and employer contributions and earnings vest with the member as follows: one-third after 6 years, two-thirds after 9 years, and 100% after 12 years. The member is fully vested at death or disability. As of June 30, 2011, this plan had approximately $260 million in net assets for pension benefits. Retirement or disability benefits are based solely on the accumulation of dollars in the member's individual account at the time of retirement. The accounting administration of the Plan is the responsibility of Great West, an independent third party administrator.

Funding Status: There is no unfunded liability for a defined contribution plan since a member's total maximum lifetime benefit is limited to that which has accumulated in the member's account from employee and employer contributions and all investment earnings thereon. Any forfeited, unvested employer contributions are, by statute, to be transferred to the Teachers' Defined Benefit Retirement System.

Contribution Requirements and Payments Made: This is a fully-qualified plan by the Internal Revenue Service. Therefore, all employee contributions are tax deferred. Participants contribute 4.5% of their gross salary and the board of education contributes 7.5% of covered members' gross compensation to the retirement plan, for a total of 12% annually.

Total payments reflected in the Board's financial statements to the defined contribution plan for the fiscal year ended June 30, 2011 were:

Employees' contributions (4.5%)	$	50,771
Employer's contributions (7.5%)		84,617
Total contributions	$	135,388

The Consolidated Public Employees Retirement Board issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to the Public Employee's Retirement System, 4101 MacCorkle Ave. S.E., Charleston, WV 25304-1636.

Note 10 - Post Employment Benefits Other Than Pension:

The Governmental Accounting Standards Board (GASB) issued Statement No. 45 in 2004 to establish standards for the measurement, recognition, and reporting of Other Post Employment Benefits (OPEB) expenses/expenditures and related liabilities.

Other post employment benefits in West Virginia consist mainly of: Allowing employees hired prior to July 1, 2001 to convert unused annual, sick and/or personal leave to paid-up PEIA premiums, and allowing retirees to purchase PEIA health insurance at a deeply discounted premium rate.

As a result, the West Virginia Legislature passed HB 4654 in 2006 adding a new article to the State Code, WVC §5-16D-1 et seq. The article, among other things: Created the West Virginia Retiree Health Benefit Trust Fund (RHBT) for the purpose of administering retiree post-employment health care benefits; vested the responsibility for operation of the fund with the PEIA Board of Finance; required the Board of Finance to adopt actuarial assumptions and determine the annual required contribution (ARC) rates sufficient to maintain the fund in accordance with the state plan for other post-employment benefits; required the board to have an actuarial valuation conducted at least biannually; required the Board of Finance to set the total ARC sufficient to maintain the fund in an actuarially sound manner in accordance with generally accepted accounting principles; required the Board of Finance to bill all participating employers their share of the ARC, and; required participating employers to make annual contributions to the fund in, at least, the amount of the minimum annual employer premium payment rates established by the board.

Upon retirement, the public employees who elected to participate in the PEIA insurance plan are eligible to credit unused sick or annual leave towards insurance coverage, according to the following formulas:

Retired employees who elected to participate in the PEIA insurance plan prior to July 1, 1988: those without dependents may credit two days of unused sick or annual leave towards one month of insurance coverage; the retirees with dependents may credit three days of unused sick or annual leave towards one month of insurance coverage.

Retired employees who elected to participate in the PEIA insurance plan between July 1, 1988 and June 30, 2001: those without dependents may credit two days of unused sick or annual leave towards one-half month of insurance coverage; the retirees with dependents may credit three days of unused sick or annual leave towards one-half month of insurance coverage.

Employees hired on or after July 1, 2001 may not apply any unused sick or annual leave towards the cost of health insurance premiums.

In the alternative to applying unused sick and annual leave to health insurance, all employees participating in the PEIA insurance plan, and who are members of the State Teachers' Defined Benefit Retirement System, may apply unused sick and annual leave towards an increase in the employee's retirement benefits with those days constituting additional credited service. The cost for the employees who elect this option is reflected as a liability of the State Teacher's Retirement System and not included as an OPEB obligation.

All retired employees are eligible to obtain health insurance coverage through PEIA with the retired employee's premium contribution established by the Finance Board. The Finance Board has allowed retirees to obtain health insurance coverage at essentially the same premium rate as active employees with the difference between the retirees' premium contributions and the cost of providing health care to retirees subsidized by the State. It is this subsidy that has created the major portion of the OPEB actuarial liability.

Based on the latest actuarial evaluation of the RHBT, the annual required contribution (ARC) for the State and the boards of education for fiscal year ended June 30, 2011 was determined to be:

	Total	Amount Per Policy Holder
Total Annual Required Contribution	$ 816,274,000	$ 10,844
Pay as you go - Retiree Subsidy	(145,671,196)	(1,935)
Remaining ARC	$ 670,602,804	$ 8,909

That report may be obtained by writing to: West Virginia Retiree Health Benefits Trust, Building 5, Room 1001, 1900 Kanawha Boulevard East, Charleston, West Virginia, 25305-0710.

The following summarizes the Board's OPEB activity:

Total OPEB expense	$ 6,952,418
Less:	
State appropriation allocation	510,335
Pay as you go payments and other credits	1,579,584
OPEB at year end	$ 4,862,499
Portion attributable to personnel funded through the Public School Support Program (PSSP)	4,664,869
Portion attributable to remaining personnel	197,630

Trend Information

The Board contributed the following amounts:

Fiscal Year Ended June 30,	Annual OPEB Cost	Percentage Contributed
2011	$ 2,775,663	21%
2010	2,815,923	16%
2009	1,360,832	76%

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 11 - Payments on Behalf:

The Board may receive commitments or payments made by the State or an intermediate governmental jurisdiction for the benefit of the Board or contributions of equipment or supplies. Such revenue includes the payment to a pension fund by the State or an intermediate unit on behalf of the Board's employees for services rendered to the Board. The revenues recorded as Payments on Behalf of the Board are as follows:

Retirement allocation by the State (03911)	$ 1,174,214
Other (03914)	$ 142,228

Note 12 - 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 13 - Restatement of Beginning Government-wide Balance:

The fund balance at the beginning of the year of the following fund required restatement:

	General Current Expense Fund
Fund Balance at June 30, 2010, as previously stated	$ (946,379)
Total Adjustments (See Below)	(120,547)
Fund Balance at June 30, 2011, Restated	$ (1,066,926)

The adjustments consisted of the following:

General Current Expense Fund:

The amount by which accrued local revenue is recorded decreased by $120,547 from the prior year as the result of a restatement of beginning balance due to excess levy funds.

The following governmental activities balances required restatement at the beginning of the year as follows:

	Net Assets
Governmental activities as previously stated	$ 15,373,020
Total Adjustments (See Below)	(75,202)
Governmental activities, restated	$ 15,297,818

The amount by which capital assets are recorded as increased by $45,345 from the prior year as the result of a restatement of beginning balance due to corrections of prior year capital assets and related depreciation as detailed in Note 6.

The amount by which accrued local revenue is recorded decreased by $120,547 from the prior year as the result of a restatement of beginning balance due to excess levy funds.

Note 14 – Fund Balance:

The detailed components of the various fund balance categories as of June 30, 2011 are as follows:

Fund Balance	General Current Expense Fund	Special Revenue Fund	Special Revenue ARRA Fund	Debt Service Fund	Bond Construction Fund
Restricted:					
Special projects	$ 120,547	$ 235,477	$ -	$ -	$ -
Excess levies	54,071	-	-	-	-
Residual Fund Balance	-	-	-	721,497	-
Assigned:					
Encumbrances	97,466	131,880	11,173	-	-
Medicaid Reimbursements	56,065	-	-	-	-
Amount to Balance FY12 Budget	276,739	-	-	-	-
Unassigned:					
Residual Fund Balance	(2,484,819)	(379,917)	(160,287)	-	-
Total fund balances	$ (1,879,931)	$ (12,560)	$ (149,114)	$ 721,497	$ -

	Permanent Improvement Fund	Capital Projects Fund	Total Governmental
Restricted:			
Special projects	$ -	$ -	$ 356,024
Capital projects	150,626	-	150,626
Excess levies	-	-	54,071
Restricted fund balance	-	-	721,497
Assigned:			
Encumbrances	-	-	240,519
Medicaid Reimbursements	-	-	56,065
Amount to Balance FY12 Budget	-	-	276,739
Unassigned:			
Residual Fund Balance	-	-	(3,025,023)
Total fund balances	$ 150,626	$ -	$ (1,169,482)

Note 15 - Commitments, Contingencies and Subsequent Events:

The Board had encumbrances totaling $240,519 as of June 30, 2011 in the following funds:

General Current Expense	Special Revenue Fund	Special Revenue ARRA Fund
$ 97,466	$ 131,880	$ 11,173

Encumbrances are classified as Restricted, Committed, or Assigned fund balance depending on the specific purpose of the encumbrance.

On April 5, 2003 the voters of Taylor County, WV authorized the Board to issue $10,990,000 in Bonds for the purpose of renovating existing schools and to construct a new elementary school. The Board issued $7,910,000 in bonds on August 18, 2003 for the renovation projects. The remaining bond issuance of $3,080,000 occurred on March 31, 2004 for the new elementary school. The Board also received a commitment from the School Building Authority (SBA) to contribute $3,206,000 in additional funds for the new elementary school. The renovation projects were substantially completed in August 2005. Construction of the elementary school progressed on schedule and the opening date for the school was January 2, 2006.

On July 1, 2006 the Board received a commitment from the School Building Authority (SBA) in the amount of $495,965 to fund renovation of the Grafton High School Auditorium.

During the fiscal year ended June 30, 2011, the Board continued to 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 other postemployment benefits to employees otherwise funding through the Program. If successful, the Board would receive funding sufficient to satisfy the current liability entitled "other postemployment benefits payable – state aid eligible employees" on the accompanying financial statement and to pay any future amounts billed by PEIA for state aid eligible employees.

Note 16 - Interfund Balances and Transfers:

The composition of interfund balances as of June 30, 2011 is as follows:

Due from other funds	Due to other funds	Amount
Special Revenue-ARRA	General Current Expense	$ 119,108
Debt Service	General Current Expense	153,574
Total		$ 272,682

The composition of transfers as of June 30, 2011 is as follows:

Transfer Out:	Transfer In:	Purpose	Amount
Interfund:			
General Current Expense	Special Revenue	Child Nutrition	718,877
Special Revenue	General Current Expense	Indirect Costs	150,718
Special Revenue-ARRA	General Current Expense	Indirect Costs	469
Special Revenue	General Current Expense	FY2012 State Aid Decrease	141,852
General Current Expense	Special Revenue	School Access Safety-FY2011	9,739
Capital Projects	General Current Expense	Close out Capital Projects Fund	640
General Current Expense	Special Revenue-ARRA	Taylor County Middle - Roof	1,512
Special Revenue-ARRA	Permanent Improvement	Taylor County Middle - Roof	1,512
Special Revenue	Trust	Scholarship	5,000
Intrafund:			
Special Revenue	Special Revenue	Staff Development	10,371
Special Revenue	Special Revenue	Curriculum Trips	3,150
General Current Expense	General Current Expense	Camp Towles	12,541
General Current Expense	General Current Expense	Medicaid	45,000
General Current Expense	General Current Expense	Excess Levy	40,949
General Current Expense	General Current Expense	Excess Levy	1,017,642
Total			$ 2,159,972

During the fiscal year ended June 30, 2011, the Special Revenue Fund transferred $5,000 to the Scholarship Trust Fund due to a coding error. The Scholarship Trust is a fiduciary fund type-agency fund and does not appear on the Statement of Revenues, Expenditures and Fund Balances-Governmental Funds. Therefore, transfers in are $5,000 less than transfers out.

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.

REQUIRED SUPPLEMENTARY INFORMATION

TAYLOR COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual	Adjustments	Actual Amounts	Variance With Final Budget
	Original	Final	Modified Accrual Basis	Budget Basis	Budget Basis	Favorable (Unfavorable)
Revenues:						
Property taxes	$ 5,029,149	$ 5,029,149	$ 5,207,337	$ -	$ 5,207,337	$ 178,188
Other Local sources	25,500	74,720	77,378	-	77,378	2,658
State sources	12,770,022	12,688,551	12,819,850	-	12,819,850	131,299
Federal sources	450,000	394,069	553,518	-	553,518	159,449
Total revenues	18,274,671	18,186,489	18,658,083	-	18,658,083	471,594
Expenditures:						
Instruction	10,424,640	9,644,033	10,479,572	(1,443,995)	9,035,577	608,456
Supporting services:						
Students	540,711	736,921	825,535	(109,802)	715,733	21,188
Instructional staff	360,315	375,531	412,279	(43,703)	368,576	6,955
Central administration	560,661	567,006	602,761	(64,006)	538,755	28,251
School administration	947,344	1,002,981	1,116,349	(142,091)	974,258	28,723
Business	607,344	676,729	685,747	(42,958)	642,789	33,940
Operation and maintenance of facilities	2,141,264	2,457,403	2,414,805	(150,304)	2,264,501	192,902
Student transportation	1,798,796	2,064,610	2,124,229	(185,332)	1,938,897	125,713
Community services	36,541	36,541	34,402	(1,933)	32,469	4,072
Capital outlay	208,000	240,813	179,473	-	179,473	61,340
Debt service:						
Principal retirement	185,328	185,328	137,201	-	137,201	48,127
Interest and fiscal charges	-	-	7,252	-	7,252	(7,252)
Total expenditures	$ 17,810,944	$ 17,987,896	$ 19,019,605	$ (2,184,124)	$ 16,835,481	$ 1,152,415

The notes to the required supplementary information are an integral part of this schedule.

TAYLOR COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual Modified	Adjustments Budget	Actual Amounts Budget	Variance With Final Budget Favorable
	Original	Final	Accrual Basis	Basis	Basis	(Unfavorable)
Excess (deficiency) of revenues over expenditures	$ 463,727	$ 198,593	$ (361,522)	$ 2,184,124	$ 1,822,602	$ 1,624,009
Other financing sources (uses):						
Transfers in	1,258,536	1,401,028	1,409,810	-	1,409,810	8,782
Transfers (out)	(2,260,387)	(3,211,070)	(1,861,293)	-	(1,861,293)	1,349,777
Total other financing sources (uses)	(1,001,851)	(1,810,042)	(451,483)	-	(451,483)	1,358,559
Net change in fund balance	(538,124)	(1,611,449)	(813,005)	2,184,124	1,371,119	2,982,568
Fund balance - beginning (restated, Note 12)	538,124	1,611,449	(1,066,926)	2,678,375	1,611,449	-
Fund balance - ending	$ -	$ -	$ (1,879,931)	$ 4,862,499	$ 2,982,568	$ 2,982,568

The notes to the required supplementary information are an integral part of this schedule.

TAYLOR COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual Modified Accrual Basis	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues:				
Local sources	$ 271,044	$ 282,436	$ 429,111	$ 146,675
State sources	897,855	1,094,287	1,037,383	(56,904)
Federal sources	1,515,965	2,947,397	2,575,226	(372,171)
Total revenues	2,684,864	4,324,120	4,041,720	(282,400)
Expenditures:				
Instruction	1,009,111	2,084,197	1,876,462	207,735
Supporting services:				
Students	276,421	423,984	243,181	180,803
Instructional staff	205,192	612,416	439,999	172,417
Central administration	18,799	16,248	11,416	4,832
School administration	10,000	1,640	1,640	-
Business	2,470	3,370	2,964	406
Operation and maintenance of facilities	329,310	21,982	7,961	14,021
Student transportation	1,425,957	332,492	291,664	40,828
Food services	-	1,449,939	1,370,070	79,869
Community services	-	37,927	23,102	14,825
Capital outlay	-	106,193	53,972	52,221
Total expenditures	3,277,260	5,090,388	4,322,431	767,957
Excess (deficiency) of revenues over expenditures	$ (592,396)	$ (766,268)	$ (280,711)	$ 485,557

The notes to the required supplementary information are an integral part of this schedule.

TAYLOR COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - SPECIAL REVENUE FUND
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual Modified	Variance With Final Budget
	Original	Final	Accrual Basis	Favorable (Unfavorable)
Other financing sources (uses):				
Transfers in	$ 732,398	$ 742,137	$ 742,137	$ -
Transfers (out)	(140,002)	200,547	(297,570)	(498,117)
Total other financing sources (uses)	592,396	942,684	444,567	(498,117)
Net change in fund balance	-	176,416	163,856	(12,560)
Fund balance - beginning	-	(176,416)	(176,416)	-
Fund balance - ending	$ -	$ -	$ (12,560)	$ (12,560)

The notes to the required supplementary information are an integral part of this schedule.

TAYLOR COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - SPECIAL REVENUE FUND - ARRA
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final	Amounts	Favorable (Unfavorable)
Revenues:				
Federal sources	$ 808,975	$ 2,626,120	$ 972,077	$ (1,654,043)
Total revenues	808,975	2,626,120	972,077	(1,654,043)
Expenditures:				
Instruction	808,975	1,892,953	1,105,908	787,045
Supporting services:				
Students	-	118,426	80,105	38,321
Instructional staff	-	23,898	46,658	(22,760)
Community services	-	-	200	(200)
Capital outlay	-	368,386	-	368,386
Total expenditures	808,975	2,403,663	1,232,871	1,170,792
Excess (deficiency) of revenues over expenditures	-	222,457	(260,794)	(483,251)
Other financing sources (uses):				
Transfers in	-	1,512	1,512	-
Transfers (out)	-	(334,605)	(468)	334,137
Total other financing sources (uses)	-	(333,093)	1,044	334,137
Net change in fund balance	-	(110,636)	(259,750)	(149,114)
Fund balance - beginning		110,636	110,636	-
Fund balance - ending	$ -	$ -	$ (149,114)	$ (149,114)

The notes to the required supplementary information are an integral part of this schedule.

A. Budgets and Budgetary Accounting:

All boards of education within West Virginia are required by statute to prepare annual budgets and levy rate estimates on prescribed forms and submit these for approval. Budgets are presented on the modified accrual basis of accounting for all governmental funds but do not include amounts for other post employment benefits billed by PEIA beyond the retiree subsidy (pay-as-you-go) amount because only the retiree subsidy amounts are required to be remitted according to WVC §5-16d-6(e). Budgets are not adopted for agency funds. The following procedures are followed in preparing the annual budget.

1. Pursuant to State statutes, the Board is required to hold a meeting or meetings between the seventh and twenty-eighth days of March to ascertain its financial condition and to determine the amount that is to be raised from the levy of taxes for the fiscal year commencing July 1. The Board adjourns the meeting and submits its Schedule of Proposed Levy Rates to the State Auditor's Office for approval. The Board then reconvenes its meeting on the third Tuesday of April to formally lay the approved levy.

2. The Board is also required to submit its proposed budget for the subsequent year to the State Board of Education for approval by the date established in the budget calendar. The Board is also required to hold a public hearing on the proposed budget before it is submitted for approval. The proposed budget must be made available for public inspection for at least 10 days before the public hearing is held.

B. Excess of Expenditures Over Appropriations:

For the year ended June 30, 2011, expenditures exceeded appropriations in the funds listed at the function level, which, according to State Board Policy, is the level at which budgetary controls must be maintained.

Function	Amount
Fund: General	
Debt Service:	
Interest and fiscal charges	$ (7,252)
Fund: Special Revenue	
Transfers out	(498,117)
Fund: Special Revenue-ARRA	
Supporting services:	
Instructional staff	(22,760)
Community services	(200)

The overexpenditures in these programs were funded by a reduction of expenditures in the remaining instructional programs, available beginning fund balance, and revenues received in excess of the anticipated amounts budgeted.

C. Deficiencies in Net Changes in Fund Balances and Deficit Fund Balances:

The following fund had deficiencies in net changes in fund balances for the year ended June 30, 2011:

Fund	Amount
General	$ (813,005)

The General Fund had deficiencies in net changes in fund balance of $813,005 for the year ended June 30, 2011. The fund incurred expenditures as a result of the recognition of other post employment benefits (OPEB) expense.

Fund	Amount
Special Revenue-ARRA	$ (259,750)

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.

The following funds had a deficit fund balance at June 30, 2011:

Fund	Amount
General	$ (1,879,931)

The General Fund had a deficit fund balance of $1,879,931 as of June 30, 2011. The fund incurred expenditures as a result of the recognition of other post-employment benefits (OPEB) expense.

Fund	Amount
Special Revenue-ARRA	$ (149,114)

The Special Revenue Fund-ARRA had a deficit fund balance of $149,114 as of June 30, 2011. The fund incurred a deficit fund balance because not all revenue has been received for expenses that have been paid in some projects.

Fund	Amount
Special Revenue Fund	$ (12,560)

The Special Revenue fund had a deficit fund balance of $12, 560 as of June 30, 2011.

SUPPLEMENTARY INFORMATION

TAYLOR COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DEBT SERVICE FUND
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual Modified	Variance With Final Budget
	Original	Final	Accrual Basis	Favorable (Unfavorable)
Revenues:				
Local sources	$ 947,993	$ 947,993	$ 1,001,255	$ 53,262
State sources	-	-	2,513	2,513
Total revenues	947,993	947,993	1,003,768	55,775
Expenditures:				
Debt service:				
Principal retirement	690,000	690,000	690,000	-
Interest and fiscal charges	257,993	257,993	260,457	(2,464)
Total expenditures	947,993	947,993	950,457	(2,464)
Excess (deficiency) of revenues over expenditures	-	-	53,311	53,311
Other financing sources (uses):				
Transfers (out)		(668,186)	-	668,186
Total other financing sources (uses)	-	(668,186)	-	668,186
Net change in fund balance	-	(668,186)	53,311	721,497
Fund balance - beginning	-	668,186	668,186	-
Fund balance - ending	$ -	$ -	$ 721,497	$ 721,497

The notes to the supplementary information are an integral part of this schedule.

TAYLOR COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - PERMANENT IMPROVEMENT FUND
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual Modified Accrual Basis	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues:				
Federal sources	$ -	$ -	$ 336,441	$ 336,441
Total revenues	-	-	336,441	336,441
Expenditures:				
Capital outlay	-	-	187,327	(187,327)
Total expenditures	-	-	187,327	(187,327)
Excess (deficiency) of revenues over expenditures	-	-	149,114	149,114
Other financing sources (uses):				
Transfers in	-	-	1,512	1,512
Total other financing sources (uses)	-	-	1,512	1,512
Net change in fund balance	-	-	150,626	150,626
Fund balance - beginning	-	-	-	-
Fund balance - ending	$ -	$ -	$ 150,626	$ 150,626

The notes to the supplementary information are an integral part of this schedule.

TAYLOR COUNTY BOARD OF EDUCATION
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CAPITAL PROJECTS FUND
For the Fiscal Year Ended June 30, 2011

	Budgeted Amounts		Actual Modified Accrual Basis	Variance With Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues:				
State sources	$ -	$ -	$ -	$ -
Total revenues	-	-	-	-
Expenditures:				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
Other financing sources (uses):				
Transfers (out)	-	(640)	(640)	-
Total other financing sources (uses)	-	(640)	(640)	-
Net change in fund balance	-	(640)	(640)	-
Fund balance - beginning	-	640	640	-
Fund balance - ending	$ -	$ -	$ -	$ -

The notes to the supplementary information are an integral part of this schedule.

TAYLOR COUNTY BOARD OF EDUCATION
SCHEDULE OF CHANGES IN SCHOOL ACTIVITY FUNDS
For the Year Ended June 30, 2011

	Cash Balance 7/1/2010	Revenues Received	Expenditures Paid	Cash Balance 6/30/2011
High Schools:				
Grafton High School	$ 166,656	$ 249,433	$ 250,872	$ 165,217
Total high schools	166,656	249,433	250,872	165,217
Middle and Junior High Schools:				
Taylor County Middle School	125,839	157,628	156,279	127,188
Total middle and junior high schools	125,839	157,628	156,279	127,188
Elementary Schools:				
Anna Jarvis Elementary School	52,483	63,669	68,356	47,796
Flemington Elementary School	8,830	6,966	7,704	8,092
West Taylor Elementary School	22,419	29,875	31,174	21,120
Total elementary schools	83,732	100,510	107,234	77,008
Total	$ 376,227	$ 507,571	$ 514,385	$ 369,413

The notes to the supplementary information are an integral part of this schedule.

A. Budgets and Budgetary Accounting:

All boards of education within West Virginia are required by statute to prepare annual budgets and levy rate estimates on prescribed forms and submit these for approval. Budgets are presented on the modified accrual basis of accounting for all governmental funds but do not include amounts for other post employment benefits billed by PEIA beyond the retiree subsidy (pay-as-you-go) amount because only the retiree subsidy amounts are required to be remitted according to WVC §5-16d-6(e). Budgets are not adopted for agency funds. The following procedures are followed in preparing the annual budget:

1. Pursuant to State statutes, the Board is required to hold a meeting or meetings between the seventh and twenty-eighth days of March to ascertain its financial condition and to determine the amount that is to be raised from the levy of taxes for the fiscal year commencing July 1. The Board adjourns the meeting and submits its Schedule of Proposed Levy Rates to the State Auditor's Office for approval. The Board then reconvenes its meeting on the third Tuesday of April to formally lay the approved levy.

2. The Board is also required to submit its proposed budget for the subsequent year to the State Board of Education for approval by the date established in the budget calendar. The Board is also required to hold a public hearing on the proposed budget before it is submitted for approval. The proposed budget must be made available for public inspection for at least 10 days before the public hearing is held.

B. Deficiencies in Net Changes in Fund Balances and Deficit Fund Balances:

The following fund had deficiencies in net changes in fund balances for the year ended June 30, 2011:

Fund	Amount
Capital Projects	$ (640)

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 fund.

SINGLE AUDIT REPORTING PACKAGE

TAYLOR COUNTY BOARD OF EDUCATION
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For the Fiscal Year Ended June 30, 2011

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Members of the
Taylor County Board of Education
Grafton, West Virginia

We have audited the financial statements of the governmental activities and each major fund of the Taylor County Board of Education (the Board), as of and for the year ended June 30, 2011, which collectively comprise the Board's basic financial statements and have issued our report thereon, dated March 23, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Board is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Board's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 11-01 to 11-02 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 11-03 to 11-04.

We noted certain matters that we reported to management of the Board in a separate letter dated March 23, 2012.

The Board's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the Board's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the Board, the West Virginia Department of Education, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

Glen B. Gainer III
West Virginia State Auditor

March 23, 2012

Glen B. Gainer III
State Auditor and
Chief Inspector

Stuart T. Stickel, CPA
Deputy Chief Inspector

State of West Virginia

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REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Honorable Members of the
Taylor County Board of Education
Grafton, West Virginia

Compliance

We have audited the compliance of the Taylor County Board of Education (the Board), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. The Board's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Board's management. Our responsibility is to express an opinion on the Board's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Board's compliance with those requirements.

In our opinion, the Board complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 11-05 and 11-06.

Internal Control Over Compliance

Management of the Board is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Board's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The Board's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the Board's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the Board, the West Virginia Department of Education, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

Glen B. Gainer III
West Virginia State Auditor

March 23, 2012

TAYLOR COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2011

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Pass Through Entity ID Number	Federal CFDA Number	Total Federal Expenditures
U. S. Department of Agriculture			
Child Nutrition - Cluster:			
Pass-through West Virginia Department of Agriculture			
National School Lunch Program (Noncash - See Note 3)	88	10.555	$ 61,891
Pass-through West Virginia Department of Education			
School Breakfast Program	88	10.553	143,811
National School Lunch Program	88	10.555	429,116
Total Child Nutrition Cluster			572,927
Fresh Fruit and Vegetable Program	88	10.582	6,392
Total Pass-through West Virginia Department of Education			$ 579,319
Total U. S. Department of Agriculture			$ 641,210
U. S. Department of Education			
Pass-through West Virginia Department of Education			
Adult Education - Basic Grants to States	61	84.002	$ 28,756
Title I, Part A Cluster:			
Title I Grants to Local Educational Agencies	41	84.010	779,354
Title I Grants to Local Educational Agencies, Recovery Act	41	84.389	112,485
Total Title I, Part A Cluster			$ 891,839

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

TAYLOR COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2011

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Pass Through Entity ID Number	Federal CFDA Number	Total Federal Expenditures
Special Education Cluster (IDEA):			
Special Education -			
Grants to States (IDEA, Part B)	43	84.027	$ 533,780
Grants to States (IDEA, Part B) Recovery Act	43	84.391	250,806
Preschool Grants (IDEA Preschool)	43	84.173	45,540
Preschool Grants (IDEA Preschool) Recovery Act	43	84.392	29,074
Total Special Education Cluster (IDEA)			859,200
Career and Technical Education - Basic Grants to States	50	84.048	41,598
Safe and Drug-Free Schools and Communities - State Grants	48	84.186	2,276
Gaining Early Awareness and Readiness for Undergraduate Programs	74	84.334	87,223
Rural Education	59	84.358	96,367
English Language Acquisition Grants	45	84.365	154
Improving Teacher Quality State Grants	40	84.367	237,982
Special Education Technical Assistance on State Data Collection	43	84.373	109
Impact Aid School Construction, Recovery Act	25	84.401	256,239
Total Pass-through West Virginia Department of Education			$ 2,501,743
Pass-through West Virginia Governor's Office			
State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act (Education Stabilization Fund)	52	84.394	$ 808,975
Education Jobs Fund, Recovery Act	52	84.410	31,998
Total Pass-through West Virginia Governor's Office			$ 840,973
Total U. S. Department of Education			$ 3,342,716

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

TAYLOR COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2011

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Pass Through Entity ID Number	Federal CFDA Number	Total Federal Expenditures
Corporation for National and Community Service			
Pass-through West Virginia Department of Education			
Learn and Serve America - School and Community Based Programs	44	94.004	$ 3,416
Total Pass-through West Virginia Department of Education			$ 3,416
Total Corporation for National and Community Service			$ 3,416
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 3,987,342

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

TAYLOR COUNTY BOARD OF EDUCATION
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2011

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Board and is presented on a basis of accounting principles generally accepted in the United States of America. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations.* Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of, the financial statements.

Note 2. Child Nutrition Program

Child Nutrition Program [CFDA #10.553 and #10.555] expenditures of federal awards are based on the amount of federal funding received for each of the programs. Since the amount of total expenditures for the programs exceeds the amount of the federal awards received, it is presumed that the total received from the federal awards has been expended. The amount of expenditures funded by meal sales, sponsor's contributions and state matching funds for both programs has not been included in the Schedule of Expenditures of Federal Awards. The total combined expenditures for the two programs as funded from all sources was $1,510,542.

Note 3. Donated Food Value

Donated food distribution represents surplus agricultural commodities received from the U.S. Department of Agriculture passed through from the West Virginia Department of Agriculture. Commodities are valued based on amounts as established by the U.S. Department of Agriculture. For the year ended June 30, 2011 total value of the donated food inventories was $61,891, which is included in the Child Nutrition cluster of programs.

TAYLOR COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2011

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued :	Unqualified
Internal control over financial reporting :	
• Material weaknesses identified ?	Yes
• Significant deficiencies identified that are not considered to be material weaknesses ?	No
Noncompliance material to financial statements noted ?	Yes

Federal Awards

Internal control over major programs :	
• Material weaknesses identified ?	No
• Significant deficiencies identified that are not considered to be material weaknesses ?	No
Type of auditor's report issued on compliance for major programs :	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section §__510(a) of OMB Circular A-133 ?	Yes

Identification of major programs :

Name of Federal Program or Cluster	CFDA Numbers
Child Nutrition Cluster	10.553/10.555
Title I Cluster	84.010/84.389
Special Education Cluster	84.027/84.391/84.173/84.392
State Fiscal Stabilization Fund, Education State Grants, Recovery Act	84.394
Impact Aid, School Construction Recovery Act	84.401

Dollar threshold used to distinguish between type A and type B program :	$300,000
Auditee qualified as low-risk auditee ?	No

Section II - Financial Statement Findings

Issuance of Receipts
11-01

CONDITION:

We determined during this audit that the Taylor County Board of Education failed to ensure that all funds received were deposited into a bank depository account in a timely manner.

CONTEXT:

Specifically, we noted instances in which deposits were made as much as fourteen days after the preceding deposit.

CRITERIA:

In order to safeguard cash and reconcile deposits adequately, internal controls require that deposits should be made in a timely manner.

CAUSE:

Adequate in-office procedures were not in place to ensure that all funds collected were deposited into a bank depository account in a timely manner.

EFFECT:

The Board has increased the risk that money could be received and not properly reported or deposited.

RECOMMENDATION:

The Taylor County Board of Education should take immediate steps to correct the receipt function by establishing procedures to ensure that all money received is receipted and deposited, intact, in a timely fashion.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS:

Responsible Dept.
Finance

The finance office will make deposits, at a minimum, when total collections on hand exceed $500 or weekly, regardless of the amount of collections. This finding was corrected as of July 1, 2011.

Section II - Financial Statement Findings

Segregation of Duties
11-02

CONDITION:

The Taylor County Board of Education did not have sufficient segregation of duties within the Finance Office.

CONTEXT:

Specifically, the responsibilities for approving, executing, and recording transactions and custody of the records relating to revenue are not assigned to separate individuals.

CRITERIA:

Adequate internal control over revenue requires that staff assigned the duties of receipting, posting, depositing and all other aspects of the recording and safeguarding of revenue must be properly segregated.

CAUSE:

The Board has failed to have adequate segregation of duties in relation to revenues.

EFFECT:

Internal controls do not reduce to a relatively low level the risk that irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned duties.

RECOMMENDATION:

The Taylor County Board of Education should review the duties assigned to their staff and make every effort to properly segregate duties in such a way as to decrease the risk of error. If adequate segregation of duties cannot be obtained, the board should establish alternative procedures to increase internal controls.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS:

Responsible Dept.

Finance

For segregation of duties, the finance office will require the task of receipting and depositing to be performed by a different individual one day each quarter.

Section II - Financial Statement Findings

Expenditures
11-03

CONDITION:

Several expenditures were not properly approved, supported, classified, or recorded.

CONTEXT:

Special Education Expenditures:

During our audit we determined that the Taylor County Board of Education did not properly code stipend expenditures. Specifically, numerous stipend entries were made to non-payroll accounts rather than payroll accounts as per the *Chart of Accounts for Local Educational Agencies in the State of West Virginia.*

Specifically, we tested the following expenditures:
Of the 60 Title I expenditures sampled, the following problems were noted:

- Three expenditures or 5% in which the purchase order was issued after the invoice.

CRITERIA:

The *Purchasing Policies and Procedures Manual for Local Educational Agencies in the State of West Virginia,* states in part, that:

> **"2. Purchase Responsibilities.**
>
> 2.2. According to W.Va. Code §18-9B-10, county boards of education shall:
>
> 2.2.1. Authorize the expenditure of funds and incur obligations only in accordance with the budget and the expenditure schedule;"

Adequate control over budgets, expenditures and the financial records in general require that all expenditures are posted to the correct expenditure codes as directed by the West Virginia Department of Education in the Chart of Accounts for Local Educational Agencies in the State of West Virginia. In addition, the accuracy of the financial records and compliance with §18-9B-10 depends on accurate posting of all financial transactions.

Adequate control over expenditures and encumbrances require that all purchase orders be prepared and authorized in advance of incurring debt for goods or services and that all invoices be adequately supported with itemized invoices, authorized and verified before payment is made. Evidence that these procedures are in place and being performed is a further element of the adequate safeguarding of assets.

Section II - Financial Statement Findings

Expenditures
11-03 (continued)

CAUSE:

The Taylor County Board of Education did not have procedures in place to ensure that all expenditures were properly coded or encumbered prior to purchase.

EFFECT:

The Taylor County Board of Education has increased the risk of making expenditures for goods not properly ordered or for goods that were not as requested. The Board also has increased the risk that expenditures may exceed the budget for a line item, encumbrances are not being recorded accurately, and duplicate payments being made.

RECOMMENDATION:

The Board should establish procedures to require:

- All purchase orders be issued prior to the purchase and receipt of the invoice.
- Each expenditure be coded in accordance with the Board of Education's chart of accounts.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS:

As of July 1, 2012, the Board established procedures to require:

Responsible Dept.

Special Education

The special education director to verify for proper coding on stipend expenditures.

Responsible Dept.

Federal Programs

All purchase orders to be approved by the treasurer before purchases are made.

Section II - Financial Statement Findings

Expenditures in Excess of Amounts Allocated in the Budget
11-04

CONDITION:

The Taylor County Board of Education incurred expenditures and/or obligations for certain items in the General Current Expense Fund, Special Revenue Fund and Special Revenue Fund-ARRA in excess of the amounts allocated for those items, at the legal level of authority, in the budget as last revised.

CONTEXT:

Specifically, expenditures and/or obligations in the following program levels were in excess of the approved budget amounts:

Fund and Appropriated Account	Budget	Total Charges Against Budget	Over-Expenditure
General Current Expense Fund			
Debt Service:			
Interest and fiscal charges	$ -	$ 7,252	$ (7,252)
Special Revenue Fund			
Transfers out	200,547	(297,570)	(498,117)
Special Revenue Fund-ARRA			
Supporting services:			
Instructional staff	23,898	46,658	(22,760)
Community services	-	200	(200)

CRITERIA:

West Virginia Code §18-9B-10 states that:

"County board of education shall:

1. Authorize the expenditure of funds and incur obligations only in accordance with the budget and the expenditure schedule;

2. Make transfers between items of appropriation only with the prior written approval of the board of finance."

Section II - Financial Statement Findings

Expenditures in Excess of Amounts Allocated in the Budget
11-04 (continued)

CAUSE:

The Taylor County Board of Education has failed to maintain effective budgetary controls to prevent expenditures and/or obligations in excess of amounts allocated in the budget.

EFFECT:

The overexpenditures did not cause the total budget for the General Fund, net of expenditures related to other post employment benefits, to be overexpended. The overexpenditures did not cause the total budget for the Special Revenue Fund or the Special Revenue Fund-ARRA to be overexpended. However, the Special Revenue Fund had a deficit fund balance of $(12,560) at fiscal year end. The Special Revenue Fund-ARRA had a deficit fund balance of $(149,114). Overexpenditures can lead to serious financial difficulty for the Board, including, but not limited to, the inability to meet current obligations.

RECOMMENDATION:

The Taylor County Board of Education should implement effective budgetary controls to ensure that actual expenditures and/or obligations do not exceed the amounts allocated for those expenditures in the official budget as approved by the State Board of School Finance.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS:

As of July 1, 2010 a financial report was developed to monitor expenditures versus budgets at the program function level. This report will be run and monitored on a monthly basis.

Section III - Federal Award Findings and Questioned Costs

Activities Allowed and Allowable Costs
11-05

Grant Title: Title I Grants to Local Educational Agencies

Federal Award Number and Year / Pass-Through Entity Identifying Number : 41

CFDA #84.010, #84.389

Federal Agency:
U.S. Department of Education

Pass-through agency:
WV Department of Education

CONDITION:

We determined during our testing of disbursements that, in certain instances, there was a lack of adequate supporting documentation.

CONTEXT:

Title I Cluster:

Of the 60 expenditures sampled, the following was noted:

- Two expenditures totaling $1,472 of the $109,615 sample size, in which the Board was unable to provide adequate supporting documentation for the expenditure. The total program expenditures were $891,839.

QUESTIONED COSTS: Unknown

CRITERIA:

Office of Management and Budget (OMB) Circular A-87 (Revised 5/10/04) states in part, that:

"1. Factors affecting allowability of costs. To be allowable under Federal awards, costs must meet the following general criteria:

a. Be necessary and reasonable for proper and efficient performance and administration of Federal awards.

.....

c. Be authorized or not prohibited under State or Local laws or regulations.

.....

e. Be consistent with policies, regulations, and procedures that apply uniformly to both Federal awards and other activities of the governmental unit.

.....

j. Be adequately documented." *(emphasis added)*

Section III - Federal Award Findings and Questioned Costs

Activities Allowed and Allowable Costs
11-05 (continued)

CAUSE:

Adequate internal controls were not in place at the Taylor County Board of Education to ensure that expenditures were properly authorized and supported prior to payment.

EFFECT:

The Board has increased the risk of incurring expenditures for goods that were not properly ordered and/or for goods that were received in a manner not consistent with the order for those goods related to the federal program. The Board has also increased the risk that expenditures may exceed the budget for a given line item for the federal program. There is also an increased risk of errors and/or irregularities occurring without being detected in a timely manner.

RECOMMENDATION:

The Taylor County Board of Education should review and enhance the controls related to the provision of adequate supporting documentation for the expenditures of Federal funding. The control system should provide assurance that expenditures are made only for an authorized purpose and for those activities allowed by each federal program.

The Taylor County Board of Education should assure that a proper and adequate purchasing system is established. Some procedures that could be considered include additional training, internal reviews, cross-training of employees, and any other measures determined by the Board.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS:

Refer to the Board's Corrective Action Plan.

Section III - Federal Award Findings and Questioned Costs

Activities Allowed and Allowable Costs
11-06

Grant Title: Special Education Cluster

Federal Award Number and Year / Pass-Through Entity Identifying Number : 43

CFDA #84.027, #84.391, #84.173, #84.392

Federal Agency:
U.S. Department of Education

Pass-through agency:
WV Department of Education

CONDITION:

During our testing of cash disbursements, we noted items that were paid for contracted services that were not in accordance with the terms of the contract. Specifically, payments were made for lunch hours and travel time to schools. Additionally, we noted certain items that were not adequately supporting with documentation such as travel reimbursement forms.

CONTEXT:

Special Education Cluster

Of the 60 expenditures sampled, the following was noted:

- Twelve expenditures totaling $39,622 of the $307,950 sample size, in which a portion of the payments made for contracted services did not agree with the contract. The total program expenditures were $859,200.
- Four expenditures totaling $564.21 of the $307,950 sample size, in which the Board was unable to provide adequate supporting documentation for the expenditure. The total program expenditures were $859,200.

QUESTIONED COSTS: Unknown

Section III - Federal Award Findings and Questioned Costs

Activities Allowed and Allowable Costs
11-06, continued

CRITERIA:
Office of Management and Budget (OMB) Circular A-87 (Revised 5/10/04) states in part, that:

"1. Factors affecting allowability of costs. To be allowable under Federal awards, costs must meet the following general criteria:

a. Be necessary and reasonable for proper and efficient performance and administration of Federal awards.

.....

c. Be authorized or not prohibited under State or Local laws or regulations.

.....

other activities of the governmental unit.

.....

j. Be adequately documented." *(emphasis added)*

CAUSE:

Adequate internal controls were not in place at the Taylor County Board of Education to ensure that expenditures were properly authorized and supported prior to payment. Additionally, there were not controls present to prevent payments for contracted services that were not specifically authorized by the contract.

EFFECT:

The Board has increased the risk of incurring expenditures for goods that were not properly ordered and/or for goods that were received in a manner not consistent with the order for those goods related to the federal program. The Board has also increased the risk that expenditures may exceed the budget for a given line item for the federal program. There is also an increased risk of errors and/or irregularities occurring without being detected in a timely manner. In addition, there is an increased risk of improper payments for contracted services.

RECOMMENDATION:
The Taylor County Board of Education should review and enhance the controls related to the provision of adequate supporting documentation for the expenditures of Federal funding. The control system should provide assurance that expenditures are made only for an authorized purpose and for those activities allowed by each federal program.

The Taylor County Board of Education should assure that a proper and adequate purchasing system is established. Some procedures that could be considered include additional training, internal reviews, cross-training of employees, and any other measures determined by the Board.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS:
Refer to the Board's Corrective Action Plan.

TAYLOR COUNTY BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Fiscal Year Ended June 30, 2011

Summary Schedule of Prior Year Financial Statement Findings

Finding #10-01
Finding Title: Computer Data Information

Finding was corrected

Finding #10-02
Finding Title: Bonding of Officials

Finding was corrected

Finding #10-03
Finding Title: Federal Employer Identification Number

Finding was corrected

Finding #10-04
Finding Title: Expenditures in Excess of Amounts Allocated in the Budget

Finding was repeated, refer to current year finding #11-04

Finding #10-05
Finding Title: Expenditures

Finding was repeated, refer to current year finding #11-03

Finding #10-06
Finding Title: Food Service Collection Policies

Finding was not repeated

TAYLOR COUNTY BOARD OF EDUCATION
RR 2 BOX 157
GRAFTON, WEST VIRGINIA 26354
TELEPHONE (304) 265-2497 FAX (304) 265-2508

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Reference Number:	**10-07**
Audit Finding:	Activities Allowed and Allowable Costs
Contact Person:	Suzanne Visk, Linda Casto

Anticipated Completion Date: 7/1/2012

Corrective Action Planned to Be Taken:

This finding was partially corrected.

The Board will review the procedures and controls related to the expenditures of Federal Award funding to ensure that all controls are identified, are in place, and are working effectively to assure that expenditures are made only for authorized purposes and for those activities allowed by each federal program.

Title I director will implement procedures to:

Assure that adequate supporting documentation is maintained for all payments and that all invoice packets are filed in the finance office.

Special education director will implement procedures to:

Verify that payments for contracted services are only authorized for services stipulated in the contract.

Assure that adequate supporting documentation is maintained for all payments and that all invoice packets are filed in the finance office.

TAYLOR COUNTY BOARD OF EDUCATION
RR 2 BOX 157
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CORRECTIVE ACTION PLAN

Reference Number:	11-05 and 11-06
Audit Finding:	Activities Allowed and Allowable Costs
Contact Person:	Suzanne Visk, Linda Casto

Anticipated Completion Date: 7/1/2012

Corrective Action Planned to Be Taken:

The Board will review the procedures and controls related to the expenditures of Federal Award funding to ensure that all controls are identified, are in place, and are working effectively to assure that expenditures are made only for authorized purposes and for those activities allowed by each federal program.

Title I director will implement procedures to:

Assure that adequate supporting documentation is maintained for all payments and that all invoice packets are filed in the finance office.

Special education director will implement procedures to:

Verify that payments for contracted services are only authorized for services stipulated in the contract.

Assure that adequate supporting documentation is maintained for all payments and that all invoice packets are filed in the finance office.

Glen B. Gainer III
State Auditor and
Chief Inspector

Stuart T. Stickel, CPA
Deputy Chief Inspector

State of West Virginia

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MANAGEMENT LETTER

Honorable Board Members
Taylor County Board of Education

In accordance with *Government Auditing Standards* applicable to financial audits, we have audited the financial statements of the Taylor County Board of Education, as of and for the year ended June 30, 2011, and have issued our report thereon dated March 23, 2012.

Government Auditing Standards also require that we describe the scope of our testing of compliance with laws and regulations and internal control over financial reporting and report any irregularities, illegal acts, other material noncompliance and reportable conditions in internal control, related to major federal financial assistance programs. We have issued the required report dated March 23, 2012, for the year ended June 30, 2011.

We are also submitting for your consideration the following comments that are opportunities for strengthening internal controls, improving operating efficiency and reducing expenses. These comments reflect matters that, while in our opinion do not represent material instances of noncompliance or reportable internal control conditions, we believe represent matters for which improvements in compliance or internal controls or operational efficiencies might be achieved. Due to the limited nature of our audit, we have not fully assessed the cost-benefit relationship of implementing the recommendations suggested below. However, these comments reflect our continuing desire to assist your government. We have already discussed many of these comments and suggestions with management and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. If you have any questions, please do not hesitate to contact us.

Suggestions For Improving Operations

Child Nutrition Collection Policy

It was determined during this audit that the Taylor County Board of Education did not adhere to their Child Nutrition Collection Policy. Specifically, accounts that were deemed past due were allowed to incur further debt.

Recommendation:

The Taylor County Board of Education should establish procedures to comply with the board adopted Child Nutrition Collection Policy.

In closing, on behalf of the auditor's staff, we appreciate the opportunity to present this comment for your consideration. We would like to thank management for its hospitality, cooperation, positive attitude and openness to suggestion.

Respectfully submitted,

Glen B. Gainer III
West Virginia State Auditor

March 23, 2012

APPENDIX B

Economic and Demographic Data – County of Taylor (West Virginia)

Introduction

Taylor County (the "County") is located in the north-central section of West Virginia. The City of Grafton is the County seat and is located 144 miles from the City of Charleston, the capital of the State of West Virginia, 99 miles from Pittsburgh, Pennsylvania and 94 miles from Wheeling, West Virginia.

The County is governed by, and generally acts through, The County Commission of Taylor County (the "County Commission"). The present Commissioners of the County Commission, elected on a countywide basis, are David Rusty Efew, President, Tony J. Vertri and Dave Gobel. The County has the power, pursuant to Chapter 7, Article 1 of the Code of West Virginia, 1931, as amended, to create and establish the County Commission.

Population

Year	Taylor County	West Virginia	United States
2000 Census	16,089	1,808,344	281,421,906
2010 Census	16,895	1,852,994	308,745,538
July 1, 2011 (Estimate)	16,916	1,855,364	311,591,917

Economy

The ten (10) largest employers in the County and the type of business of each company for the year 2011 are:

Employer	Product/Service
Taylor County Board of Education	Education
Grafton City Hospital	Health
Wal-Mart Associates, Inc.	Retail
West Virginia Department of Corrections	Government
Rex-Hide Industries, Inc.	Manufacturing
Rest Haven Nursing Home, Inc.	Elderly Health
Taylor County Senior Citizen's Association	Elderly Health
City of Grafton	Government
Glenn Enterprises, Inc.	Leisure and Hospitality
Taylor County Commission	Government

Additional information regarding employment, wages and income are as follows:

Average Annual Unemployment Rates (%)

Year	Taylor County	West Virginia
2007	4.5	4.2
2008	4.3	4.3
2009	7.1	7.9
2010	8.2	9.1
2011	7.7	8.0

Average Annual Employment by Industry

Industry	2007	2008	2009	2010	2011
Construction	197	210	187	167	127
Manufacturing*	222	178	n/a	n/a	n/a
Trade, Transportation & Utilities	510	513	502	519	529
Information	n/a	n/a	n/a	29	27
Financial Activities	59	53	55	52	35
Professional & Business Services	105	84	111	112	137
Education & Health Services	325	313	303	300	323
Leisure and Hospitality	252	234	261	277	287
Other Services	55	60	54	53	68
Government	1,119	1,126	1,130	1,135	1,151
Totals	**2,896**	**2,820**	**2,772**	**2,767**	**2,809**

***Manufacturing not included as separate category after 2008**

Average Employment and Annual Wage ($)

	Average Employment		Average Weekly Wage	
	2007	2011	2007	2011
Taylor County	2,896	2,755	492.19	553.40
West Virginia	708,313	701,871	653.87	751.77

Per Capita Personal Income ($)

	2001	2010	Rank in State 2010
United States	30,413	27,334	n/a
West Virginia	22,862	21,232	n/a
Taylor County	15,837	18,562	40

Wages Per Industry (2011) ($)

Industry	Total Wages	Average Weekly Wage
Construction	5,660,828	794.62
Trade, Transportation & Utilities	12,544,832	459.52
Information	773,856	531.50
Financial Activities	913,641	488.06
Professional & Business Services	4,449,016	731.27
Education & Health Services	8,163,859	477.19
Leisure and Hospitality	2,557,929	190.65
Other Services	1,278,756	390.35
Government	36,483,068	615.44
Totals	**79,281,388**	**553.40**

Total Wages ($)

Year	Taylor County	West Virginia
2007	74,119,822	24,083,126,318
2008	75,855,596	25,534,204,980
2009	77,000,483	25,528,702,813
2010	80,034,284	26,100,976,332
2011	79,281,388	27,437,330,374

Community Data

Education Facilities	
Elementary	3
Middle or Jr. High	1
Vocational Schools	1
High Schools	1
Colleges:	
Alderson-Broaddus College (Barbour County)	
Fairmont State University (Marion County)	
Salem International University (Harrison County)	
West Virginia University (Monongalia County)	

Recreational Facilities	
Parks	2
Baseball-Softball Fields	5
Basketball Courts:	
Indoor	3
Outdoor	2
Playgrounds	7
Swimming Pools	1
Auditoriums	3
Stadiums	1
Theaters:	
Indoors	1
Outdoors	2
Golf Courses	1
Tennis Courts	6
Country Clubs	0

Medical	
Hospitals	1
Beds	102
Doctors	10
Dentists	4

Transportation	
Highways:	
WV Routes	310, 76
US Routes	250, 199, 50
Motor Freight:	Carriers available, Parcel service available
Industrial Parks	1
Airports	0
Railroads:	CSXT
Motor Freight Carrier	Yes
Bus Service	No

Communications	
Newspapers	1
Telephone:	Verizon, Citizens Telecom
Radio	2

Utilities	
Electricity:	Allegheny Power
Natural Gas:	Allegheny Power

Other Date	
Child Care	5
Banks	3
Libraries	3

Sources: WorkForce West Virginia, United States Bureau of Labor Statistics, Census.Gov

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APPENDIX C

Proposed Form of Legal Opinion

September 25, 2012

$6,130,000
The Board of Education of
The County of Taylor (West Virginia)
Public School Refunding Bonds, Series 2012

The Board of Education of the
County of Taylor
Grafton, West Virginia

Piper Jaffray & Co.
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel to The Board of Education of The County of Taylor (the "Issuer") and in connection therewith examined a record of proceedings relating to the issuance by the Issuer of its $6,130,000 in aggregate principal amount of Public School Refunding Bonds, Series 2012, dated September 25, 2012 (the "Bonds").

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 13, Article 2 of the West Virginia Code of 1931, as amended (the "Refunding Act") and a Resolution and Order duly adopted by the Issuer on May 22, 2012, as the same has been supplemented pursuant to a Supplemental Resolution adopted by the Issuer on July 24, 2012 (collectively, the "Authorizing Resolutions") and are subject to all the terms and conditions of the Authorizing Resolutions. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Authorizing Resolutions.

The Bonds are issued in fully registered form, are dated September 25, 2012, upon original issuance, are represented by a single bond for each maturity, numbered R-1 to R-7, inclusive, with interest payable on each May 1 and November 1, commencing May 1, 2013, and principal installments payable each May 1, commencing May 1, 2013, and continuing until the maturity thereof, being May 1, 2019.

The Authorizing Resolutions provide that the issue is for the purposes of providing funds, together with other moneys of the Issuer currently on deposit with the West Virginia Municipal Bond Commission (the "Bond Commission"), to effect the advance refunding and repayment in full of the Issuer's outstanding Public School Bonds, Series 2003, dated August 19, 2003, issued in the original aggregate principal amount of $7,910,000 of which $4,375,000 is presently outstanding and the Issuer's outstanding Public School Bonds, Series 2004, dated March 1, 2004, issued in the original aggregate principal amount of $3,080,000 of which $1,700,000 is presently outstanding (the "Prior Bonds"), and to pay costs of issuance of the Bonds and other costs in connection with such refunding. Issuance of the Prior Bonds was approved by the voters of the Taylor County School District (the "District") at an election held in the District on April 5, 2003, for the purpose of financing costs of improving, constructing, erecting, renovating, furnishing and equipping certain new and existing school facilities in the District.

The Bonds have been sold to Piper Jaffray & Co., Charleston, West Virginia (the "Purchaser") pursuant to a Bond Purchase Agreement dated September 11, 2012, by and between the Issuer and the Purchaser (the "Bond Purchase Agreement").

As to questions of fact material to our opinion, we have relied upon representations of the Issuer contained in the Authorizing Resolutions, the Bond Purchase Agreement and the Escrow Agreement, dated September 25, 2012, by and between the Issuer and the Bond Commission (the "Escrow Agreement") and in the certified proceedings and other certifications of certain officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, and assuming compliance with the covenants of the Issuer contained in the Authorizing Resolutions, the Bond Purchase Agreement, the Escrow Agreement and the Tax and Non-Arbitrage Certificate of the Issuer dated the date hereof (the "Tax Certificate") and in certain other certificates delivered in connection herewith and the covenants of the Bond Commission contained in the Escrow Agreement, we are of the opinion, under existing law, as of the date hereof, that:

1. The Issuer is a duly organized and validly existing statutory corporation charged with the supervision and control of the District, which is a validly existing political subdivision of the State of West Virginia, with full power and authority to adopt the Authorizing Resolutions, enter into the Escrow Agreement and the Bond Purchase Agreement, perform its obligations under the terms and provisions thereof and to issue and sell the Bonds, all under the provisions of the Refunding Act and other applicable provisions of law.

2. The Issuer, through its governing body, has legally and effectively adopted the Authorizing Resolutions, has authorized, executed and delivered the Escrow Agreement and the Bond Purchase Agreement and has issued and delivered the Bonds to the Purchaser pursuant to the Bond Purchase Agreement. The Authorizing Resolutions are in full force and effect as of the date hereof.

3. Assuming due authorization, execution and delivery by the other parties thereto, the Escrow Agreement and the Bond Purchase Agreement constitute valid, legal, binding and enforceable instruments of the Issuer in accordance with their respective terms; and the Bonds, subject to the terms thereof, constitute valid and legally enforceable general obligations of the Issuer, the principal of and interest on which, unless paid from other sources, are payable from ad valorem taxes levied upon all taxable property within the District, without limitation as to rate or amount.

4. Under existing laws, regulations, published rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Bonds (including original issue discount properly allocable to owners of the Bonds) is excludable from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, and the regulations promulgated thereunder, as amended (the "Code"), and such interest will not be treated as a preference item in calculating the alternative minimum tax that may be imposed under the Code upon individuals and corporations. Under the Code, however, interest on the Bonds is included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax that may be imposed with respect to corporations. The opinions set forth above are subject to the condition that the Issuer comply, on a continuing basis, with all requirements of the Code that must be satisfied subsequent to issuance of the Bonds for interest thereon to be or continue to be excludable from gross income for federal income tax purposes and all certifications, covenants and representations which may affect the excludability from gross income of the interest on the Bonds set forth in the Authorizing Resolutions and the Tax Certificate. The Issuer has covenanted to comply with each such requirement. Failure to comply with certain of such Code provisions or such certifications, covenants and representations could cause the interest on the Bonds to be includable in

gross income retroactive to the date of issuance of the Bonds. Except as set forth in paragraph 6 below, we express no opinion regarding other federal tax consequences arising with respect to the Bonds.

5. Under the Refunding Act, the Bonds are exempt from all taxation by the State of West Virginia or any political subdivision thereof.

6. The Issuer has designated the Bonds as "qualified tax-exempt obligations" for purposes of the Code, and has covenanted that it, together with any subordinate entities, does not reasonably expect to issue more than $10,000,000 of tax-exempt obligations (other than private activity bonds and obligations issued to currently refund any obligation of the Issuer to the extent the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligations) during the calendar year 2012. Therefore, the Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3)(B) of the Code.

7. The Prior Bonds have been paid within the meaning and with the effect expressed in the Refunding Act, and the covenants, agreements and other obligations of the Issuer to the holders and owners of such Prior Bonds have been satisfied and discharged.

It is to be understood that the rights of the holders of the Bonds and the enforceability of the Bonds and the liens, pledges, rights or remedies with respect to the Bonds, the Authorizing Resolutions, the Escrow Agreement and the Bond Purchase Agreement are subject to any applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws heretofore or hereafter enacted affecting creditors' rights or remedies generally, and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

This opinion speaks only as of its date and we assume no obligation to update, supplement or revise this opinion following the date hereof to reflect facts or circumstances occurring after the date hereof or matters hereafter brought to our attention.

We have examined the executed and authenticated Bond No. R-1 of said issue, and in our opinion, said Bond is in proper form and has been duly executed and authenticated.

Very truly yours,

STEPTOE & JOHNSON PLLC

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APPENDIX D

Book-Entry Only System

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the 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 a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not 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.

APPENDIX E

ELECTED OFFICIALS OF THE BOARD

Miss Nancy Ludwick

Miss Ludwick was elected to the Taylor County Board of Education in May 2006 and is now serving her second term on the Board as President elected in July 2010. She is a graduate of Grafton High School and she attended Mount Vernon Nazarene College, Fairmont State College and West Virginia University. She holds an AB in education and is certified in music (grades K-9).

Nancy served on the first continuing education council, Benedium Committee, Sick Leave Bank, WVEA member for 30 years, serving on the executive committee for years. Nancy was President of the Reading Council and served as President of the Taylor County Middle School Faculty Senate and Staff Relations Committee. Nancy taught for many summers at WVU's Language Arts Camp. She also spent many summers doing private tutoring and teaching gifted classes at Summerfest (not offered in regular classrooms) at WVU for gifted students.

Nancy served on many textbook adoption committees as well as the Calendar Committee. Nancy is a member of the Grafton Blueville Nazarene Church where she served as pianist for many years. Miss Ludwick is a retired teacher with 30 years of teaching experience in Taylor County Schools and is a member of Taylor County's Retired School Personnel.

Mr. Richard Teagarden

Richard Teagarden is retired from the Taylor County school system with 33 years of experience in teaching and administration combined. While employed for Taylor County Schools he served as a Physical Education teacher at Anna Jarvis for one year before becoming a teaching Principal at Haymond Elementary School for 11 years. He then served as Principal of Flemington Elementary School for the next 12 years before being promoted to Administrator and Director of Transportation for 9 years at Taylor County's Central Office.

Dick graduated from Grafton High School in 1970. He received a BA degree in Elementary Education from Fairmont State College and a MA degree in Education Administration from West Virginia University. His certifications included Principal (Elementary – High School) with a professional teacher certificate in Elementary Education and Physical Education.

Dick has served as a Coach for many different groups: Grafton High School Varsity Golf Coach, State Golf Coach of the Year (1995), Little League and Senior League Baseball Coach, Biddy League Basketball Coach and Tennis Instructor to the youth of Taylor County. Dick has also served as a member of the Board of Directors of the Tygart Lake Country Club holding the offices of Vice President and Secretary. He represented the School System on the Memorial Day Committee and participated in the parade for 43 years. Dick served as President of the Taylor County ACS and is a member of the RESA VII Advisory Committee and the Blueville Methodist Church.

He is currently beginning his second term on the Taylor County Board of Education, having been reelected in May of 2012, where he currently serves as Vice President

Judith Barney

Judith Barney was elected to the Board of Education in 2012. Judith is currently employed by John L. Bord, Prosecuting Attorney, as Legal Assistant, where she has been employed since 1984.

In April 1997, Judith was recognized by the Department of the Treasury – Bureau of Alcohol, Tobacco and Firearms and awarded a Certificate of Appreciation for work in a felony case that resulted in convictions of two people in Taylor County, as well as leads for the same individuals for crimes in other states.

Judith is a graduate of Phillip Barbour High School and is a member of the Evans Chapel United Methodist Church in Simpson and is the adult class teacher and finance secretary for the church. Judith is Treasurer of Simpson Playground Committee and schedules all events for those who want to use the facility. Judith was recently selected to represent the Board of Education on the Public Library Board and was elected as Treasurer of the Public Library Board.

Alan DePiano

Alan DePiano was elected to the Taylor County Board of Education in May of 2010. Alan taught thirty-five years teaching social studies, special education, and gifted. While at Grafton High School he served as head of the social studies and special education departments. Coach "D", as Alan was called by everyone, was no stranger to sports. He held the positions of Varsity boy and girls tennis coach, varsity girls volleyball coach, assistant boys basketball coach, assistant golf coach and held the position of Big Ten Coach in tennis ten times and was the NSCA Mid-Atlantic States Sectional Coach of the year in tennis. Mr. DePiano was also Teacher of the Year in 1997.

Coach "D" is a graduate of Salem College with a BA in Social Studies, Special Education and Math. His MA is from West Virginia University in Athletic Coaching and Administration. He currently coaches Salem University's NCAA Women's Bowling Team. Alan is a member of Taylor County's Retired School Personnel, WVEA, the Elks Lodge, and the National Federation of Coaches Association. Alan currently represents the Taylor County Board on the United Technical Center Advisory Council.

Melissa Knotts

Mrs. Knotts was elected to the Taylor County Board of Education in May 2006 and is currently serving her second term having been reelected in May of 2010. Melissa represents the Board on the Taylor County Extension Office and Camp Towles Advisory Board..

APPOINTED OFFICIALS OF THE BOARD

Charles R. "Bob" Maynard

Mr. Bob Maynard became Superintendent of Taylor County Schools July 1, 2011. Bob was previously Principal of Woodrow Wilson High School in Raleigh County for thirteen years. Mr. Maynard holds a BS degree from Glenville State College, and two MA degrees, one from West Virginia University and one from the University of West Virginia College of Graduate Studies.

Mr. Maynard serves as secretary to the Board and represents Taylor County on both the United Technical Center Regional Committee and the RESA VII Executive Council.

Sam K. McDaniel, Assistant Superintendent

Mr. McDaniel has been the Assistant Superintendent of the Taylor County Board of Education since July 1997. He was Director of Transportation for one year and a teacher for 8 years.

He was previously employed at the West Virginia Industrial School for Boys as a teacher and administrator for 14 years and as an engineering statistician for an oil and gas company for 3 years. He was president of a computer company in the 1980's where he developed software for school systems.

He holds a BS and two MA degrees from West Virginia University.

Drew M. Rottgen, Treasurer

Mr. Rottgen was appointed as Treasurer of the Taylor County Board of Education on June 18, 2012. Prior to joining the Taylor County Board of Education, Mr. Rottgen served as a professional accountant for the Cabell County Board of Education for two years. Mr. Rottgen graduated Summa Cum Laude from West Virginia University with a B.S. in Business Administration in May 2010.

APPENDIX F

Continuing Disclosure Agreement

This Continuing Disclosure Agreement (this "Agreement") dated as of September 25, 2012, is by and between the Board of Education of the County of Taylor (the "Board") and United Bank, Inc., as Disclosure Agent (the "Disclosure Agent"), in connection with the issuance of the $6,130,000 The Board of Education of the County of Taylor (West Virginia) Public School Refunding Bonds, Series 2012 (the "Series 2012 Bonds"). Capitalized terms used in this Agreement shall have the respective meanings specified above, in Section 2 hereof or in the Resolution and Order adopted by the Board on May 22, 2012, as supplemented by the Supplemental Resolution adopted by the Board on July 24, 2012, authorizing issuance of the Series 2012 Bonds (together, the "Resolution"). The Board agrees as follows:

SECTION 1. Purpose of Agreement. This Agreement is being executed and delivered by the Board and the Disclosure Agent for the benefit of the holders and beneficial owners of the Series 2012 Bonds and in order to assist the Underwriter in complying with SEC Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Agreement unless otherwise defined herein, the following capitalized terms shall have the following meanings:

"Annual Financial Information" means the financial information (which shall be based on financial statements prepared in accordance with generally accepted accounting principles ("GAAP")) and operating data with respect to the Board, provided at least annually, of the type included in those sections of the final official statement with respect to the Series 2012 Bonds in Appendix A entitled "Audit Report of Taylor County Board of Education for Fiscal Year Ended June 30, 2011," which Annual Financial Information shall include Audited Financial Statements if available on the due date set forth herein, and, if not then available, unaudited financial statements.

"Audited Financial Statements" means the Board's annual financial statements, prepared in accordance with GAAP, which financial statements shall have been audited by a firm of independent certified public accountants or the West Virginia Auditor's Office.

"Beneficial Owner" shall mean any person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2012 Bonds (including persons holding Series 2012 Bonds through nominees, depositories or other intermediaries).

"Bond Purchase Agreement" shall mean the Bond Purchase Agreement dated September 11, 2012, entered into between Piper Jaffray & Co. (the "Underwriter"), and the Board, by which the Underwriter agreed to purchase the Series 2012 Bonds from the Board upon the terms set forth therein.

"Disclosure Agent" shall initially mean United Bank, Inc. and any later appointed Disclosure Agent or any successor Disclosure Agent designated in writing by the Board and which has filed with the Board a written acceptance of such designation.

"Disclosure Representative" shall mean the Treasurer of the Board.

"EMMA" means the Electronic Municipal Market Access system described in 1934 Act Release No. 59062 and maintained by the Municipal Securities Rulemaking Board for purposes of the Rule.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Agreement.

"National Repository" shall mean the Municipal Securities Rulemaking Board, Washington, D.C., the sole Nationally Recognized Municipal Securities Information Repository for purposes of the Rule.

"Participating Underwriter" shall mean the original underwriter of the Series 2012 Bonds who are required to comply with the Rule in connection with offering of the Series 2012 Bonds.

"Repository" shall mean each National Repository.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"Series 2012 Bonds" shall mean the $6,130,000 The Board of Education of the County of Taylor (West Virginia) Public School Refunding Bonds, Series 2012.

SECTION 3. Provision of Annual Reports.

(a) The Board shall, or shall cause the Disclosure Agent to, not later than 270 days after the end of the Board's fiscal years (presently June 30), commencing with the reports for the Fiscal Years ending June 30, 2012(FY 2012), provide to each Repository: Annual Financial Information and Audited Financial Statements, which are consistent with the requirements of Section 4 of this Agreement. The Annual Financial Information and Audited Financial Statements may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Agreement. The Board shall provide the Disclosure Agent with a copy of each report filed under this Agreement. If the Board's fiscal years change, the Board shall give notice of such change in the same manner as for a Listed Event under Section 5(a).

(b) Not later than fifteen (15) Business Days prior to said date, the Board shall provide the Annual Financial Information and Audited Financial Statements to the Disclosure Agent. If the Board is unable to provide to the Repositories the Annual Financial Information and Audited Financial Statements by the date required in subsection (a), the Board shall, or shall cause the Disclosure Agent to, send a notice to the Repositories, in substantially the form attached as Exhibit A.

(c) The Disclosure Agent shall file a report with the Board certifying that the Annual Financial Information and Audited Financial Statements have been provided to EMMA pursuant to the Agreement and the date provided.

(d) All documents provided to EMMA shall be provided in a searchable, electronic format and shall be accompanied by identifying information as prescribed by the Securities and Exchange Commission and the Municipal Securities Rulemaking Board.

SECTION 4. Content of Annual Financial Information and Audited Financial Statements. Within two hundred seventy (270) days of the Board's fiscal year ends, the Board or Disclosure Agent on its behalf shall submit to EMMA information and data of the Board for the prior fiscal year, including the Audited Financial Statements, prepared in accordance with generally accepted accounting principles in effect from time to time.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Board or related public entities, which have been submitted to EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The Board shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Board shall give, or cause to be given, notice of the occurrence of any of the following events, if applicable, with respect to the Series 2012 Bonds:

1. principal and interest payment delinquencies;

2. non-payment related defaults, if material;

3. unscheduled draws on debt service reserves reflecting financial difficulties;

4. unscheduled draws on credit enhancements reflecting financial difficulties;

5. substitution of credit or liquidity providers, or their failure to perform;

6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2012 Bonds, or other events affecting the tax status of the Series 2012 Bonds;

7. modifications to rights of security holders, if material;

8. bond calls, if material, and tender offers;

9. defeasances;

10. release, substitution, or sale of property securing repayment of the 2012 Series Bond, if material;

11. rating changes;

12. bankruptcy, insolvency, receivership, or similar event of the Board[3];

13. the consummation of a merger, consolidation or acquisition involving the Board, or the sale of all or substantially all of the assets of the Board, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its term, if material; and

14. appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) The Disclosure Agent shall, within one (1) Business Day of obtaining actual knowledge of the occurrence of any of the Listed Events contact the Disclosure Representative, inform such person of the event, and request that the Board promptly notify the Disclosure Agent in writing whether or not to report the event pursuant to subsection (f).

(c) Whenever the Board obtains knowledge of the occurrence of a Listed Event, classified under Section 5(a) (2), (7), (8), (10), (13) or (14), because of a notice from the Disclosure Agent pursuant to subsection

[3] For the purposes of the event identified in Section 5(a)(12) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Board in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Board, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Board.

(b) or otherwise, the Board shall as soon as possible determine if such event would be material under applicable federal securities laws, in any event such determination must be made and submitted to the Disclosure Agent within two (2) business days.

(d) If the Board determines that knowledge of the occurrence of any of the Listed Events, classified under Section 5(a) (2), (7), (8), (10), (13) or (14), would be material under applicable federal securities laws pursuant to subsection (b) or the Board received notice of any Listed Event that does not require a finding of materiality classified under Section 5(a) (1), (3), (4), (5), (6), (9), (11) or (12), the Board shall promptly file with the Disclosure Agent a notice of such occurrence to be provided to EMMA.

(e) If in response to a request under subsection (b), the Board determines that the Listed Event, classified under Section 5(a) (2), (7), (8), (10), (13) or (14), would not be material under applicable federal securities laws, the Board shall so notify the Disclosure Agent in writing and instruct the Disclosure Agent not to report the occurrence pursuant to subsection (f).

(f) If the Disclosure Agent has been instructed by the Board to report the occurrence of a Listed Event, the Disclosure Agent shall file a notice of such occurrence with EMMA with a copy to the Board. The Disclosure Agent must file such notice with EMMA within ten (10) business days of the occurrence of such Listed Event.

SECTION 6. Termination of Reporting Obligation. The Board's obligations under this Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2012 Bonds. If such termination occurs prior to the final maturity of the Series 2012 Bonds, the Board shall give notice of such termination in the same manner as for any of the Listed Events under Section 5(a).

SECTION 7. Disclosure Agent. United Bank, Inc. is hereby appointed as Disclosure Agent. The Board may, from time to time, appoint or engage an alternate or successor Disclosure Agent to assist it in carrying out its obligations under the Agreement, and may discharge any such Agent, with or without appointing a successor Disclosure Agent. The Disclosure Agent shall not be responsible in any manner for the content of any notice or report prepared by the Board pursuant to the Agreement.

SECTION 8. Amendment, Waiver. Notwithstanding any other provision of this Agreement, the Board and the Disclosure Agent may amend this Agreement, and any provision of this Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Board with respect to the Series 2012 Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Series 2012 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Series 2012 Bonds in the same manner as provided in the Resolution for amendments to the Resolution, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Series 2012 Bonds.

In the event of any amendment or waiver of a provision of this Agreement, the Board shall describe such amendment in the next Annual Financial Information and Audited Financial Statements, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data

being presented. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for any of the Listed Events under Section 5(a), and (ii) the Annual Financial Information and Audited Financial Statements for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Agreement shall be deemed to prevent the Board from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information and Audited Financial Statements or notice of occurrence of any of the Listed Events, in addition to that which is required by this Agreement. If the Board chooses to include any information in any Annual Financial Information and Audited Financial Statements or notice of occurrence of any of the Listed Events in addition to that which is specifically required by this Agreement, the Board shall have no obligation under this Agreement to update such information or include it in any future Annual Financial Information and Audited Financial Statements or notice of occurrence of any of the Listed Events.

SECTION 10. Default. In the event of a failure of the Board to comply with any provision of this Agreement, any Holder or Beneficial Owner of the Series 2012 Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Board to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed an Event of Default on the Series 2012 Bonds, and the sole remedy under this Agreement in the event of any failure of the Board to comply with this Agreement shall be an action to compel performance.

SECTION 11. Notices. Any notices or communications to or among any of the parties to the Agreement may be given as follows:

To the Board:	The Board of Education of the County of Taylor Route 2, Box 157 Grafton, WV 23654
To the Disclosure Agent:	United Bank, Inc. ATTN: Corporate Trust 500 Virginia Street, East Charleston, WV 25301-2135

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

SECTION 12. Beneficiaries. This Agreement shall inure solely to the benefit of the Board, the Disclosure Agent, the Underwriter and holders and beneficial owners from time to time of the Series 2012 Bonds, and shall create no rights in any other person or entity.

SECTION 13. Counterparts. The Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 14. Fees. The Board agrees to pay all fees and expenses of the Disclosure Agent including, without limitation, all reasonable expenses, charges, costs, attorney's fees and other disbursements in the administration and performance of the Disclosure Agent's duties.

SECTION 15. Right to Resign. The Disclosure Agent may resign at any time by providing thirty (30) days' written notice to the Board.

SECTION 16. Right to Counsel. The Disclosure Agent shall have the right to consult with counsel in carrying out its duties under the Agreement and to rely upon an opinion of counsel.

SECTION 17. Duties of Disclosure Agent. The Disclosure Agent shall have only such duties as are specifically set forth in this Agreement, and no further duties or responsibilities shall be implied. Any corporation or association into which the Disclosure Agent in its individual capacity may be merged or converted or with which it may be consolidated, or any corporation or association resulting from any merger, conversion or consolidation to which the Disclosure Agent in its individual capacity shall be a party, or any corporation or association to which all or substantially all the corporate trust business of the Disclosure Agent in its individual capacity may be sold or otherwise transferred, shall be the Disclosure Agent under this Agreement without further act. Anything in this Agreement to the contrary notwithstanding, in no event shall the Disclosure Agent be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Disclosure Agent has been advised of such loss or damage and regardless of the form of action. The Board will, for the benefit of the Disclosure Agent and Disclosure Agent's employees, directors, agents, subsidiaries, affiliates, successors and assigns, assume all liability and/or be responsible to pay for any and all claims, demands, causes of action, losses, damages, liabilities, penalties, costs and expenses (including reasonable attorney's fees) relating to this Agreement, to the extent assessed by a court of competent jurisdiction.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Board and the Disclosure Agent have caused this Agreement to be executed by its duly authorized representatives, all as of the date first above written.

THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR

By: _____
Name:
Title:

UNITED BANK, INC., as Disclosure Agent

By: _____
Name:
Title:

EXHIBIT A

NOTICE TO REPOSITORIES
OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	The Board of Education of the County of Taylor
Name of Bond Issue:	$6,130,000 The Board of Education of the County of Taylor (West Virginia) Public School Refunding Bonds, Series 2012
Date of Bond Issue:	September 25, 2012

NOTICE IS HEREBY GIVEN that the Board has not provided an Annual Report with respect to the above-named Series 2012 Bonds as required by Section 3(b) of this Continuing Disclosure Agreement dated as of September 25, 2012, to be provided. The Board anticipates that the Annual Report will be filed by _____, 20__.

Dated: _____, 20__

United Bank, Inc., as Disclosure Agent
on behalf of the Board

cc: Board

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RATINGS SERVICES

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Summary:

Taylor County Board Of Education, West Virginia; School State Program

Primary Credit Analyst:
Danielle L Leonardis, New York (1) 212-438-2053; danielle_leonardis@standardandpoors.com

Secondary Contact:
Hilary A Sutton, New York (1) 212-438-7093; hilary_sutton@standardandpoors.com

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Summary:

Taylor County Board Of Education, West Virginia; School State Program

Credit Profile

US$6.145 mil pub sch bnds ser 2012 due 05/01/2019		
Long Term Rating	AA/Stable	New
Taylor Cnty Brd of Ed GO		
Long Term Rating	AA/Stable	Affirmed

Rationale

Standard & Poor's Ratings Services assigned its 'AA' rating and stable outlook to Taylor County Board of Education, W.Va.'s series 2012 public school refunding bonds and affirmed its 'AA' rating, with a stable outlook, on the board's parity debt.

The rating reflects our view of the board's eligibility for, and participation in, the West Virginia Municipal Bond Commission program. The rating also reflects our assessment of the state's strong debt service oversight and the legislature's replenishment provision for the bond commission's sinking fund. Under the program, West Virginia annually appropriates sufficient funds to meet any shortfall in an issuer's debt service payment to bondholders.

Standing appropriation programs

Standard & Poor's rates four different types of state programs, in more than 20 states, that provide enhancement for school bond issues. These program types include state guarantee, permanent fund, standing or annual appropriation, and state intercept or withholding programs. We analyze each state program according to the program type and we base the rating on the characteristics of the particular program and funding mechanisms. West Virginia is one of five states with Standard & Poor's-rated standing appropriation programs, along with California, Minnesota, New Jersey, and Texas. Because appropriation programs are dependent on the ability of a state to use its cash reserves to make up any debt service deficiencies, a program rating is directly linked to the state's own credit quality. Therefore, the program rating will move in tandem with its related state rating, keeping the relative rating differential between the program rating and the state rating constant. The outlook on the program will always reflect our outlook on the state.

West Virginia's Municipal Bond Program

As authorized by Chapter 13, Article 3, of the West Virginia Code, the state's bond commission serves as the bond trust agent, administering the general obligation (GO) debt sinking funds for the state's school districts and municipalities. Also, the commission has debt service levy oversight. All funds collected to meet debt service on a municipality's GO bonds are turned over to the commission for payment of debt service.

In addition to this statutory provision, the commission's administrative guidelines include notifying the local government unit 35 days before a debt service payment, if available funds are insufficient for debt service. If sufficient

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funds are not on hand 15 days before the debt service payment, the entity is contacted again. Whenever the amount deposited for any issuer is not sufficient to meet the interest or principal due, it shall be the duty of the school district's treasurer, upon being notified of that fact by the commission, to immediately remit all funds in his possession that have been earmarked by the issuer for the purpose of amortizing bonded indebtedness plus such additional funds as are necessary to meet the interest or principal due. Since 1921, the state legislature has made an annual blanket appropriation in the budget authorizing the governor to meet any deficiency in the state sinking fund because of a school district or governmental unit's failure to meet its debt service obligations.

Taylor County Board of Education

The district is coterminous with Taylor County in north-central West Virginia, approximately 144 miles from the state capital of Charleston in eastern West Virginia. The district provides K-12 education to a 2012 student enrollment of 2,395 through three elementary schools, one middle school, and one high school. District projections have enrollment remaining level for the near term. Officials intend to use bond proceeds from this issue to refund all of the district's series 2003 and 2004 GO bonds.

Outlook

The stable outlook reflects Standard & Poor's opinion of the outlook on the state's GO debt rating.

Related Criteria And Research

USPF Criteria: State Credit Enhancement Programs, Nov. 13, 2008

Complete ratings information is available to subscribers of RatingsDirect on the Global Credit Portal at www.globalcreditportal.com. All ratings affected by this rating action can be found on Standard & Poor's public Web site at www.standardandpoors.com. Use the Ratings search box located in the left column.

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STANDARD
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RATINGS SERVICES

55 Water Street, 38th Floor
New York, NY 10041-0003
tel 212 438-2066
reference no.: 1226600

August 13, 2012

Taylor County Board of Education
1 Propsect Street
PO Box 160
Grafton, WV 26354
Attention: Mr. Drew M. Rottgen, Treasurer

Re: ***US$6,145,000 Taylor County Board of Education, West Virginia, Public School Bonds, Series 2012***

Dear Mr. Rottgen:

Pursuant to your request for a Standard & Poor's rating on the above-referenced issuer, we have reviewed the information submitted to us and, subject to the enclosed *Terms and Conditions,* have assigned a rating of "AA". Standard & Poor's views the outlook for this rating as stable. A copy of the rationale supporting the rating is enclosed.

The rating is not investment, financial, or other advice and you should not and cannot rely upon the rating as such. The rating is based on information supplied to us by you or by your agents but does not represent an audit. We undertake no duty of due diligence or independent verification of any information. The assignment of a rating does not create a fiduciary relationship between us and you or between us and other recipients of the rating. We have not consented to and will not consent to being named an "expert" under the applicable securities laws, including without limitation, Section 7 of the Securities Act of 1933. The rating is not a "market rating" nor is it a recommendation to buy, hold, or sell the obligations.

This letter constitutes Standard & Poor's permission to you to disseminate the above-assigned rating to interested parties. Standard & Poor's reserves the right to inform its own clients, subscribers, and the public of the rating.

Standard & Poor's relies on the issuer/obligor and its counsel, accountants, and other experts for the accuracy and completeness of the information submitted in connection with the rating. This rating is based on financial information and documents we received prior to the issuance of this letter. Standard & Poor's assumes that the documents you have provided to us are final. If any subsequent changes were made in the final documents, you must notify us of such changes by sending us the revised final documents with the changes clearly marked.

To maintain the rating, Standard & Poor's must receive all relevant financial information as soon as such information is available. Placing us on a distribution list for this information would

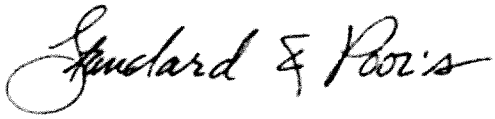
facilitate the process. You must promptly notify us of all material changes in the financial information and the documents. Standard & Poor's may change, suspend, withdraw, or place on CreditWatch the rating as a result of changes in, or unavailability of, such information. Standard & Poor's reserves the right to request additional information if necessary to maintain the rating.

Please send all information to:

Standard & Poor's Ratings Services
Public Finance Department
55 Water Street
New York, NY 10041-0003

Standard & Poor's is pleased to be of service to you. For more information on Standard & Poor's, please visit our website at www.standardandpoors.com. If we can be of help in any other way, please call or contact us at nypublicfinance@standardandpoors.com.Thank you for choosing Standard & Poor's and we look forward to working with you again.

Sincerely yours,



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al
enclosures
cc: Ms. Marie Prezioso
Mr. Vince Collins

STANDARD
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RATINGS SERVICES

Standard & Poor's Ratings Services
Terms and Conditions Applicable To Public Finance Ratings

You understand and agree that:

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All Rating Actions in Ratings Services' Sole Discretion. Ratings Services may assign, raise, lower, suspend, place on CreditWatch, or withdraw a rating, and assign or revise an Outlook, at any time, in Ratings Services' sole discretion. Ratings Services may take any of the foregoing actions notwithstanding any request for a confidential or private rating or a withdrawal of a rating, or termination of this Agreement. Ratings Services will not convert a public rating to a confidential or private rating, or a private rating to a confidential rating.

Publication. Ratings Services reserves the right to use, publish, disseminate, or license others to use, publish or disseminate the rating provided hereunder and any analytical reports, including the rationale for the rating, unless you specifically request in connection with the initial rating that the rating be assigned and maintained on a confidential or private basis. If, however, a confidential or private rating or the existence of a confidential or private rating subsequently becomes public through disclosure other than by an act of Ratings Services or its affiliates, Ratings Services reserves the right to treat the rating as a public rating, including, without limitation, publishing the rating and any related analytical reports. Any analytical reports published by Ratings Services are not issued by or on behalf of you or at your request. Notwithstanding anything to the contrary herein, Ratings Services reserves the right to use, publish, disseminate or license others to use, publish or disseminate analytical reports with respect to public ratings that have been withdrawn, regardless of the reason for such withdrawal. Ratings Services may publish explanations of Ratings Services' ratings criteria from time to time and nothing in this Agreement shall be construed as limiting Ratings Services' ability to modify or refine its ratings criteria at any time as Ratings Services deems appropriate.

Information to be Provided by You. For so long as this Agreement is in effect, in connection with the rating provided hereunder, you warrant that you will provide, or cause to be provided, as promptly as practicable, to Ratings Services all information requested by Ratings Services in accordance with its applicable published ratings criteria. The rating, and the maintenance of the rating, may be affected by Ratings Services' opinion of the information received from you or your agents or advisors. You further warrant that all information provided to Ratings Services by you or your agents or advisors regarding the rating or, if applicable, surveillance of the rating, as of the date such information is provided, (i) is true, accurate and complete in all material respects and, in light of the circumstances in which it was provided, not misleading and (ii) does not infringe or violate the intellectual property rights of a third party. A material breach of the warranties in this paragraph shall constitute a material breach of this Agreement.

Confidential Information. For purposes of this Agreement, "Confidential Information" shall mean verbal or written information that you or your agents or advisors have provided to Ratings Services and, in a specific and particularized manner, have marked or otherwise indicated in writing (either prior to or promptly following such disclosure) that such information is "Confidential". Notwithstanding the foregoing, information disclosed by you or your agents or advisors

to Ratings Services shall not be deemed to be Confidential Information, and Ratings Services shall have no obligation to treat such information as Confidential Information, if such information (i) was known by Ratings Services or its affiliates at the time of such disclosure and was not known by Ratings Services to be subject to a prohibition on disclosure, (ii) was known to the public at the time of such disclosure, (iii) becomes known to the public (other than by an act of Ratings Services or its affiliates) subsequent to such disclosure, (iv) is disclosed to Ratings Services or its affiliates by a third party subsequent to such disclosure and Ratings Services reasonably believes that such third party's disclosure to Ratings Services or its affiliates was not prohibited, (v) is developed independently by Ratings Services or its affiliates without reference to the Confidential Information, (vi) is approved in writing by you for public disclosure, or (vii) is required by law or regulation to be disclosed by Ratings Services or its affiliates. Ratings Services is aware that U.S. and state securities laws may impose restrictions on trading in securities when in possession of material, non-public information and has adopted securities trading and communication policies to that effect.

Ratings Services' Use of Information. Except as otherwise provided herein, Ratings Services shall not disclose Confidential Information to third parties. Ratings Services may (i) use Confidential Information to assign, raise, lower, suspend, place on CreditWatch, or withdraw a rating, and assign or revise an Outlook, and (ii) share Confidential Information with its affiliates engaged in the ratings business who are bound by appropriate confidentiality obligations; in each case, subject to the restrictions contained herein, Ratings Services and such affiliates may publish information derived from Confidential Information. Ratings Services may also use, and share Confidential Information with any of its affiliates or agents engaged in the ratings or other financial services businesses who are bound by appropriate confidentiality obligations ("Relevant Affiliates and Agents"), for modelling, benchmarking and research purposes; in each case, subject to the restrictions contained herein, Ratings Services and such affiliates may publish information derived from Confidential Information. With respect to structured finance ratings not maintained on a confidential or private basis, Ratings Services may publish data aggregated from Confidential Information, excluding data that is specific to and identifies individual debtors ("Relevant Data"), and share such Confidential Information with any of its Relevant Affiliates and Agents for general market dissemination of Relevant Data; you confirm that, to the best of your knowledge, such publication would not breach any confidentiality obligations you may have toward third parties. Ratings Services will comply with all applicable U.S. and state laws, rules and regulations protecting personally-identifiable information and the privacy rights of individuals. Ratings Services acknowledges that you may be entitled to seek specific performance and injunctive or other equitable relief as a remedy for Ratings Services' disclosure of Confidential Information in violation of this Agreement. Ratings Services and its affiliates reserve the right to use, publish, disseminate, or license others to use, publish or disseminate any non-Confidential Information provided by you, your agents or advisors.

Ratings Services Not an Expert, Underwriter or Seller under Securities Laws. Ratings Services has not consented to and will not consent to being named an "expert" or any similar designation under any applicable securities laws or other regulatory guidance, rules or recommendations, including without limitation, Section 7 of the U.S. Securities Act of 1933. Ratings Services is not an "underwriter" or "seller" as those terms are defined under applicable securities laws or other regulatory guidance, rules or recommendations, including without limitation Sections 11 and 12(a)(2) of the U.S. Securities Act of 1933. Rating Services has not performed the role or tasks associated with an "underwriter" or "seller" under the United States federal securities laws or other regulatory guidance, rules or recommendations in connection with this engagement.

Office of Foreign Assets Control. As of the date of this Agreement, (a) neither you nor the issuer (if you are not the issuer) or any of your or the issuer's subsidiaries, or any director or corporate officer of any of the foregoing entities, is the subject of any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury ("OFAC Sanctions"), (b) neither you nor the issuer (if you are not the issuer) is 50% or more owned or controlled, directly or indirectly, by any person or entity ("parent") that is the subject of OFAC Sanctions, and (c) to the best of your knowledge, no entity 50% or more owned or controlled by a direct or indirect parent of you or the issuer (if you are not the issuer) is the subject of OFAC sanctions. For so long as this Agreement is in effect, you will promptly notify Ratings Services if any of these circumstances change.

Ratings Services' Use of Confidential and Private Ratings. Ratings Services may use confidential and private ratings in its analysis of the debt issued by collateralized debt obligation (CDO) and other investment vehicles. Ratings Services

may disclose a confidential or private rating as a confidential credit estimate or assessment to the managers of CDO and similar investment vehicles. Ratings Services may permit CDO managers to use and disseminate credit estimates or assessments on a limited basis and subject to various restrictions; however, Ratings Services cannot control any such use or dissemination.

Entire Agreement. Nothing in this Agreement shall prevent you, the issuer (if you are not the issuer) or Ratings Services from acting in accordance with applicable laws and regulations. Subject to the prior sentence, this Agreement, including any amendment made in accordance with the provisions hereof, constitutes the complete and entire agreement between the parties on all matters regarding the rating provided hereunder. The terms of this Agreement supersede any other terms and conditions relating to information provided to Ratings Services by you or your agents and advisors hereunder, including without limitation, terms and conditions found on, or applicable to, websites or other means through which you or your agents and advisors make such information available to Ratings Services, regardless if such terms and conditions are entered into before or after the date of this Agreement. Such terms and conditions shall be null and void as to Ratings Services.

Limitation on Damages. Ratings Services does not and cannot guarantee the accuracy, completeness, or timeliness of the information relied on in connection with a rating or the results obtained from the use of such information. RATINGS SERVICES GIVES NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. Ratings Services, its affiliates or third party providers, or any of their officers, directors, shareholders, employees or agents shall not be liable to you, your affiliates or any person asserting claims on your behalf, directly or indirectly, for any inaccuracies, errors, or omissions, in each case regardless of cause, actions, damages (consequential, special, indirect, incidental, punitive, compensatory, exemplary or otherwise), claims, liabilities, costs, expenses, legal fees or losses (including, without limitation, lost income or lost profits and opportunity costs) in any way arising out of or relating to the rating provided hereunder or the related analytic services even if advised of the possibility of such damages or other amounts except to the extent such damages or other amounts are finally determined by a court of competent jurisdiction in a proceeding in which you and Ratings Services are parties to result from gross negligence, intentional wrongdoing, or willful misconduct of Ratings Services. In furtherance and not in limitation of the foregoing, Ratings Services will not be liable to you, your affiliates or any person asserting claims on your behalf in respect of any decisions alleged to be made by any person based on anything that may be perceived as advice or recommendations. In the event that Ratings Services is nevertheless held liable to you, your affiliates, or any person asserting claims on your behalf for monetary damages under this Agreement, in no event shall Ratings Services be liable in an aggregate amount in excess of US$5,000,000 except to the extent such monetary damages directly result from Ratings Services' intentional wrongdoing or willful misconduct. The provisions of this paragraph shall apply regardless of the form of action, damage, claim, liability, cost, expense, or loss, whether in contract, statute, tort (including, without limitation, negligence), or otherwise. Neither party waives any protections, privileges, or defenses it may have under law, including but not limited to, the First Amendment of the Constitution of the United States of America.

Termination of Agreement. This Agreement may be terminated by either party at any time upon written notice to the other party. Except where expressly limited to the term of this Agreement, these Terms and Conditions shall survive the termination of this Agreement.

No Third–Party Beneficiaries. Nothing in this Agreement, or the rating when issued, is intended or should be construed as creating any rights on behalf of any third parties, including, without limitation, any recipient of the rating. No person is intended as a third party beneficiary of this Agreement or of the rating when issued.

Binding Effect. This Agreement shall be binding on, and inure to the benefit of, the parties hereto and their successors and assigns.

Severability. In the event that any term or provision of this Agreement shall be held to be invalid, void, or unenforceable, then the remainder of this Agreement shall not be affected, impaired, or invalidated, and each such term and provision shall be valid and enforceable to the fullest extent permitted by law.

Amendments. This Agreement may not be amended or superseded except by a writing that specifically refers to this Agreement and is executed manually or electronically by authorized representatives of both parties.

Reservation of Rights. The parties to this Agreement do not waive, and reserve the right to contest, any issues regarding sovereign immunity, the applicable governing law and the appropriate forum for resolving any disputes arising out of or relating to this Agreement.

EXHIBIT C

The Depository Trust Company

A subsidiary of The Depository Trust & Clearing Corporation

BLANKET ISSUER LETTER OF REPRESENTATIONS

[To be Completed by Issuer]

THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR (West Virginia)
$7,910,000 Public School Bonds, Series 2003

[Name of Issuer]

July 29, 2003

[Date]

[For Municipal Issues:
Underwriting Department—Eligibility; 50th Floor]
[For Corporate Issues:
General Counsel's Office; 49th Floor]
The Depository Trust Company
55 Water Street
New York, NY 10041-0099

Ladies and Gentlemen:

This letter sets forth our understanding with respect to all issues (the "Securities") that Issuer shall request be made eligible for deposit by The Depository Trust Company ("DTC").

To induce DTC to accept the Securities as eligible for deposit at DTC, and to act in accordance with DTC's Rules with respect to the Securities, Issuer represents to DTC that Issuer will comply with the requirements stated in DTC's Operational Arrangements, as they may be amended from time to time.

Note:

Schedule A contains statements that DTC believes accurately describe DTC, the method of effecting book-entry transfers of securities distributed through DTC, and certain related matters.

Very truly yours,

THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR (West Virginia)

(Issuer)

By: Jane M. Reynolds

(Authorized Officer's Signature)

Jane M. Reynolds

(Print Name)

1 Prospect Street

(Street Address)

Grafton, WV, USA, 26354

(City) (State) (Country) (Zip Code)

(304) 265-2497

(Phone Number)

skmcdan1@access.k12.wv.us

(E-mail Address)

Received and Accepted:
THE DEPOSITORY TRUST COMPANY

By: _____

The Depository Trust & Clearing Corporation

[2/02]

SCHEDULE A

(To Blanket Issuer Letter of Representations)

SAMPLE OFFERING DOCUMENT LANGUAGE DESCRIBING BOOK-ENTRY-ONLY ISSUANCE

(Prepared by DTC—bracketed material may be applicable only to certain issues)

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the"Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue,and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 85 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at **www.dtcc.com.**

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner")is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity

of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]

[**6.** Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.]

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC [nor its nominee], Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

[**9.** A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.]

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

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Writer's Contact Information

September 25, 2012

$6,130,000
The Board of Education of
The County of Taylor (West Virginia)
Public School Refunding Bonds, Series 2012

The Board of Education of the
County of Taylor
Grafton, West Virginia

Piper Jaffray & Co.
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel to The Board of Education of The County of Taylor (the "Issuer") and in connection therewith examined a record of proceedings relating to the issuance by the Issuer of its $6,130,000 in aggregate principal amount of Public School Refunding Bonds, Series 2012, dated September 25, 2012 (the "Bonds").

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 13, Article 2 of the West Virginia Code of 1931, as amended (the "Refunding Act") and a Resolution and Order duly adopted by the Issuer on May 22, 2012, as the same has been supplemented pursuant to a Supplemental Resolution adopted by the Issuer on July 24, 2012 (collectively, the "Authorizing Resolutions") and are subject to all the terms and conditions of the Authorizing Resolutions. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Authorizing Resolutions.

The Bonds are issued in fully registered form, are dated September 25, 2012, upon original issuance, are represented by a single bond for each maturity, numbered R-1 to R-7, inclusive, with interest payable on each May 1 and November 1, commencing May 1, 2013, and principal installments payable each May 1, commencing May 1, 2013, and continuing until the maturity thereof, being May 1, 2019.

The Authorizing Resolutions provide that the issue is for the purposes of providing funds, together with other moneys of the Issuer currently on deposit with the West Virginia Municipal Bond Commission (the "Bond Commission"), to effect the advance refunding and repayment in full of the Issuer's outstanding Public School Bonds, Series 2003, dated August 19, 2003, issued in the original aggregate principal amount of $7,910,000 of which $4,375,000 is presently outstanding and the Issuer's outstanding Public School Bonds, Series 2004, dated March 1, 2004, issued in the original aggregate principal amount of $3,080,000 of which $1,700,000 is presently outstanding (the "Prior Bonds"), and to pay costs of issuance of the Bonds and other costs in connection with such refunding. Issuance of the Prior Bonds was approved by the voters of the Taylor County School District (the "District") at an election held in the District on April 5, 2003, for the purpose of financing costs of improving,

constructing, erecting, renovating, furnishing and equipping certain new and existing school facilities in the District.

The Bonds have been sold to Piper Jaffray & Co., Charleston, West Virginia (the "Purchaser") pursuant to a Bond Purchase Agreement dated September 11, 2012, by and between the Issuer and the Purchaser (the "Bond Purchase Agreement").

As to questions of fact material to our opinion, we have relied upon representations of the Issuer contained in the Authorizing Resolutions, the Bond Purchase Agreement and the Escrow Agreement, dated September 25, 2012, by and between the Issuer and the Bond Commission (the "Escrow Agreement") and in the certified proceedings and other certifications of certain officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, and assuming compliance with the covenants of the Issuer contained in the Authorizing Resolutions, the Bond Purchase Agreement, the Escrow Agreement and the Tax and Non-Arbitrage Certificate of the Issuer dated the date hereof (the "Tax Certificate") and in certain other certificates delivered in connection herewith and the covenants of the Bond Commission contained in the Escrow Agreement, we are of the opinion, under existing law, as of the date hereof, that:

1. The Issuer is a duly organized and validly existing statutory corporation charged with the supervision and control of the District, which is a validly existing political subdivision of the State of West Virginia, with full power and authority to adopt the Authorizing Resolutions, enter into the Escrow Agreement and the Bond Purchase Agreement, perform its obligations under the terms and provisions thereof and to issue and sell the Bonds, all under the provisions of the Refunding Act and other applicable provisions of law.

2. The Issuer, through its governing body, has legally and effectively adopted the Authorizing Resolutions, has authorized, executed and delivered the Escrow Agreement and the Bond Purchase Agreement and has issued and delivered the Bonds to the Purchaser pursuant to the Bond Purchase Agreement. The Authorizing Resolutions are in full force and effect as of the date hereof.

3. Assuming due authorization, execution and delivery by the other parties thereto, the Escrow Agreement and the Bond Purchase Agreement constitute valid, legal, binding and enforceable instruments of the Issuer in accordance with their respective terms; and the Bonds, subject to the terms thereof, constitute valid and legally enforceable general obligations of the Issuer, the principal of and interest on which, unless paid from other sources, are payable from ad valorem taxes levied upon all taxable property within the District, without limitation as to rate or amount.

4. Under existing laws, regulations, published rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Bonds (including original issue discount properly allocable to owners of the Bonds) is excludable from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, and the regulations promulgated thereunder, as amended (the "Code"), and such interest will not be treated as a preference item in calculating the alternative minimum tax that may be imposed under the Code upon individuals and corporations. Under the Code, however, interest on the Bonds is included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax that may be imposed with respect to corporations. The opinions set forth above are subject to the condition that the Issuer comply, on a continuing basis, with all requirements of the Code that must be satisfied subsequent to issuance of the Bonds for interest thereon to be or continue to be excludable from gross income for federal income tax purposes and all certifications, covenants and representations which may affect the excludability from gross income of the interest on the Bonds set forth in the Authorizing

Resolutions and the Tax Certificate. The Issuer has covenanted to comply with each such requirement. Failure to comply with certain of such Code provisions or such certifications, covenants and representations could cause the interest on the Bonds to be includable in gross income retroactive to the date of issuance of the Bonds. Except as set forth in paragraph 6 below, we express no opinion regarding other federal tax consequences arising with respect to the Bonds.

5. Under the Refunding Act, the Bonds are exempt from all taxation by the State of West Virginia or any political subdivision thereof.

6. The Issuer has designated the Bonds as "qualified tax-exempt obligations" for purposes of the Code, and has covenanted that it, together with any subordinate entities, does not reasonably expect to issue more than $10,000,000 of tax-exempt obligations (other than private activity bonds and obligations issued to currently refund any obligation of the Issuer to the extent the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligations) during the calendar year 2012. Therefore, the Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3)(B) of the Code.

7. The Prior Bonds have been paid within the meaning and with the effect expressed in the Refunding Act, and the covenants, agreements and other obligations of the Issuer to the holders and owners of such Prior Bonds have been satisfied and discharged.

It is to be understood that the rights of the holders of the Bonds and the enforceability of the Bonds and the liens, pledges, rights or remedies with respect to the Bonds, the Authorizing Resolutions, the Escrow Agreement and the Bond Purchase Agreement are subject to any applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws heretofore or hereafter enacted affecting creditors' rights or remedies generally, and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

This opinion speaks only as of its date and we assume no obligation to update, supplement or revise this opinion following the date hereof to reflect facts or circumstances occurring after the date hereof or matters hereafter brought to our attention.

We have examined the executed and authenticated Bond No. R-1 of said issue, and in our opinion, said Bond is in proper form and has been duly executed and authenticated.

Very truly yours,

Steptoe & Johnson PLLC

STEPTOE & JOHNSON PLLC

STEPTOE & JOHNSON PLLC
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Writer's Contact Information

September 25, 2012

Taylor County Board of Education
Route 2, Box 157
82 Utt Drive
Grafton, West Virginia 26354

Piper Jaffray & Co.
405 Capital Street, Suite 613
Charleston, WV 25301

Re: $6,130,000 The Board of Education of the County of Taylor (West Virginia) Public School Refunding Bonds, Series 2012

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance and sale of the above-referenced bonds (the "Bonds") by The Board of Education of the County of Taylor, West Virginia (the "Issuer"). In our capacity as Bond Counsel, we are delivering an opinion of even date herewith concerning the legality and tax-exempt status of the Bonds (the "Bond Opinion"). We have examined the documents and instruments as described in the Bond Opinion, the Official Statement, the Escrow Agreement and such other documents and matters as we have deemed necessary or appropriate to render this opinion. Words and terms used in this opinion shall have the meanings ascribed thereto in the Bond Purchase Agreement (the "Purchase Agreement") dated September 11, 2012, between the Issuer and Piper Jaffray & Co. (the "Underwriter"). Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Purchase Agreement.

Based upon the foregoing, we are of opinion that:

(1) The Purchase Agreement has been duly authorized, executed and delivered by the Issuer, and, assuming due authorization, execution and delivery by the other party thereto, is a legal, valid, binding and enforceable obligation of the Issuer (except to the extent that enforceability may be limited by bankruptcy, insolvency or other laws or equitable principles affecting creditors' rights generally and to the exercise of judicial discretion).

(2) The Issuer, under the Act, has full power and authority to adopt the Resolution, enter into the Escrow Agreement and the Purchase Agreement and perform its obligations thereunder.

(3) The Issuer has duly ratified the distribution of the Preliminary Official Statement, the Official Statement has been duly approved, executed and delivered by the Issuer,

and the Issuer has authorized the distribution of the Official Statement and the use thereof by the Underwriter in connection with the sale of the Bonds.

(4) The statements and information contained in the Official Statement under the captions or subcaptions "Introduction," "The Bonds," "Tax Matters," "Legal Matters," "Ratings," and "Appendix C" do not contain any untrue statement of a material fact or omit to state any material fact necessary to make such statements, in light of the circumstances under which they were made, not misleading in any material respect.

(5) The Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended, and the Resolution is exempt from qualification as an indenture pursuant to the Trust Indenture Act of 1939, as amended.

(6) Based on the foregoing, we are of the opinion that the Prior Bonds have been legally defeased and the covenants, agreements and other obligations of the Issuer to the holders of the Prior Bonds have been discharged and satisfied, and that such refunding will not adversely affect the excludability of the interest on the Prior Bonds or the Bonds from gross income for federal income taxation.

Very truly yours,

Steptoe & Johnson PLLC

STEPTOE & JOHNSON PLLC

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September 25, 2012

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Route 2, Box 157
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Grafton, West Virginia 26354

Piper Jaffray & Co.
405 Capital Street, Suite 613
Charleston, WV 25301

Re: $6,130,000 The Board of Education of the County of Taylor (West Virginia) Public School Refunding Bonds, Series 2012

Ladies and Gentlemen:

We have served as special project counsel to The Board of Education of the County of Taylor, West Virginia (the "Issuer") in connection with the sale of the above-referenced bonds (the "Bonds"), which are being delivered and sold pursuant to a Bond Purchase Agreement dated as of September 11, 2012 (the "Purchase Agreement"), between Piper Jaffray & Co. (the "Underwriter") and the Issuer. Any capitalized terms used herein and not defined shall have the meaning ascribed thereto in the Purchase Agreement.

In this connection, we have reviewed and examined certain proceedings and documents with respect to the Bonds, any such records, certificates and other documents as we have considered necessary or appropriate for the purposes of this opinion, including Chapter 13, Article 2 of the Code of West Virginia, 1931, as amended (the "Refunding Act"), the Resolution and Order adopted by the Issuer, dated May 22, 2012, as supplemented by the Supplemental Resolution adopted by the Issuer, dated July 24, 2012 (together, the "Resolution"), the Escrow Agreement, dated September 25, 2012 (the "Escrow Agreement"), by and between the Issuer and the West Virginia Municipal Bond Commission (the "Commission"), the Continuing Disclosure Agreement, dated September 25, 2012 (the "Continuing Disclosure Agreement"), by and between the Issuer and United Bank, Inc., as disclosure agent, the Purchase Agreement, the Preliminary Official Statement dated September 4, 2012 and the Final Official Statement dated September 11, 2012, with respect to the issuance and offering of the Bonds (collectively, the "Official Statement") and a closing certificate of the Issuer. Based on such review and such other considerations of law and fact as we believe to be relevant, we are of the opinion that:

1. The Issuer is a validly existing statutory corporation charged with the supervision and control of the Taylor County School District, which is a validly existing political subdivision of the State of West Virginia, and is authorized by the Refunding Act to issue and

sell the Bonds. The Issuer is authorized by the laws of the State of West Virginia, as provided by the Refunding Act, to enter into and perform its obligations under the Resolution, the Escrow Agreement, the Continuing Disclosure Agreement, the Purchase Agreement and other documents executed and delivered by the Issuer in connection therewith with respect to the issuance of the Bonds (the "Issuer Documents").

2. The Issuer has full power and authority to consummate all transactions contemplated by the Bonds and the Issuer Documents to which the Issuer is a party.

3. The Issuer has duly authorized all action necessary to be taken by it or on its behalf for (i) the execution and delivery of the Escrow Agreement, the Purchase Agreement and other Issuer Documents; (ii) the approval of the distribution of the Official Statement; (iii) the ratification of the actions of the Issuer and the issuance and delivery of the Bonds upon the terms set forth in the Resolution; and (iv) the carrying out, giving effect to and consummation of the transactions contemplated thereby.

4. The Escrow Agreement, the Purchase Agreement and other Issuer Documents have been duly and validly authorized, executed and delivered by the Issuer and the same are in full force and effect as of the date hereof and are valid and legally binding obligations of the Issuer, enforceable against the Issuer in accordance with their respective terms, except to the extent the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting creditors' rights generally and to the exercise of judicial discretion.

5. The Resolution authorizing issuance of the Bonds has been duly adopted and entered at meetings of the Issuer which were called and held pursuant to law and in accordance with all applicable open meeting laws and at which a quorum was present and acting at the time of such adoption.

6. The execution and delivery of the Escrow Agreement, the Purchase Agreement and remaining Issuer Documents by the Issuer and the performance of its obligations thereunder do not and will not result in a violation of any provision of, or in default under, the West Virginia statutes organizing and governing the Issuer or, to the best of our knowledge based solely upon representations of the Issuer, any agreement or other instrument to which the Issuer is a party or by which it or its properties are bound.

7. All actions necessary to be taken by the Issuer have been taken, and no additional approval, authorization, consent or other order of the Issuer or any public board or body is legally required to allow the Issuer to enter into and perform its obligations under the Escrow Agreement, the Purchase Agreement or remaining Issuer Documents or as described in the Official Statement.

8. To the best of our knowledge there are no legal or governmental actions, proceedings, inquiries or investigations pending or threatened by governmental authorities or to which the Issuer is a party or of which any property of the Issuer is subject, except as described in the Official Statement, which, if determined adversely to the Issuer, would individually or in

the aggregate (i) materially and adversely affect the validity or the enforceability of the Bonds, the Escrow Agreement or the Purchase Agreement, (ii) otherwise materially or adversely affect the ability of the Issuer to comply with its obligations under the Escrow Agreement, the Purchase Agreement and remaining Issuer Documents or (iii) materially and adversely affect the transactions contemplated by the Official Statement to be engaged in by the Issuer.

9. Based upon our experience as special project counsel to the Issuer and on our review of the Official Statement, and after inquiry and discussions with representatives of the Issuer, but without having undertaken to verify the same through independent investigation, nothing has come to our attention which would lead us to believe that the statements and information contained in the Official Statement under the captions or subcaptions "Taylor County School District," "Litigation in the State Concerning the School Financing System," "Litigation," "Legal Matters," "Appendix B" and "Appendix E" contain any untrue statement of a material fact or omit to state any material fact necessary to make such statements, in light of the circumstances under which they were made, not misleading in any material respect, it being understood, that in rendering such opinion we express no opinion regarding financial, accounting, statistical or economic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, any management discussion and analysis or any information relating to The Depository Trust Company and the book entry only system contained in the Official Statement and its Appendices included therein, which we expressly exclude from the scope of this paragraph.

This opinion may be relied upon by all counsel to this transaction as if specifically addressed to them.

We hereby consent to the references made to us in the Official Statement.

Very truly yours,

Steptoe & Johnson PLLC

STEPTOE & JOHNSON PLLC

SPILMAN THOMAS & BATTLE, PLLC
ATTORNEYS AT LAW

September 25, 2012

Piper Jaffray & Co.
405 Capitol Street, Suite 613
Charleston, WV 25301

Re: $6,130,000 The Board of Education of the County of Taylor (West Virginia) Public School Refunding Bonds, Series 2012

Ladies and Gentlemen:

We have acted as counsel to you, Piper Jaffray & Co. (the "Underwriter"), in connection with your purchase of the above-referenced bonds (the "Bonds") pursuant to a Bond Purchase Agreement dated September 11, 2012 (the "Purchase Agreement") between The Board of Education of the County of Taylor, West Virginia (the "Issuer") and you. Capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Purchase Agreement.

In connection with rendering this opinion, we have examined the Official Statement dated September 4, 2012, the Purchase Agreement and Rule 15c2-12 of the Securities and Exchange Commission promulgated under the Securities Exchange Act of 1934, as amended and presently in effect (the "Rule").

Based upon the foregoing review, we are of the opinion that the Purchase Agreement has been validly authorized, executed and delivered by the Underwriter and, assuming due authorization, execution and delivery by the Issuer, constitutes a valid and binding agreement, enforceable in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws affecting the respective parties, the exercise of judicial discretion or the availability of equitable remedies.

It is also our opinion that the Continuing Disclosure Agreement, which provides for an undertaking for the benefit of the holders, including beneficial holders, of the Bonds to provide certain annual financial information and event notices to repositories at the times and in the manner required by the Rule, satisfies as to form in all material respects the requirements of subparagraph (b)(5) of the Rule in effect as of the date hereof and applicable to Continuing Disclosure Agreements.

In addition, we are of the opinion under existing law that the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and that the Resolution is exempt from qualification as an indenture pursuant to the Trust Indenture Act of 1939, as amended.

We are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of any of the statements in the Official Statement and make no

representation that we have independently verified the accuracy, completeness or fairness of any such statements. However, to assist you in your investigation concerning the Official Statement, we have reviewed certain documents and have participated in conferences in which the contents of the Official Statement and related matters were discussed. During the course of our work on this matter, no facts have come to the attention of attorneys in our firm rendering legal services in connection with such issuance that cause us to believe that the Official Statement (except for any financial, accounting, statistical or economic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, any management discussion and analysis or any information relating to The Depository Trust Company and the book entry only system contained in the Official Statement and its Appendices included therein, which we expressly exclude from the scope of this sentence) contains as of the date hereof any untrue statements of a material fact or omits to state any material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

This opinion is solely for the benefit of, and may be relied upon only by, the Underwriter; and it is not to be used, circulated, quoted or otherwise referred to for any other purpose, except that a copy hereof may be included in the transcript of closing documents pertaining to the delivery of the Bonds.

Very truly yours,

Spilman Thomas & Battle, PLLC

Spilman Thomas & Battle, PLLC

Date: May 22, 2012 **Kind of Meeting: Regular**
Where Held: Taylor County Board of Education
Presiding Officer: Miss Nancy Ludwick

Members Present:	**Members Absent:**
Richard Teagarden	Julie Gregory via phone
Melissa Knotts	**Also Attending:**
Nancy Ludwick	Sam McDaniel, Asst. Superintendent
Alan DePiano	Annette Hughart, Treasurer
Charles Maynard, Superintendent	Gatha Costilow, Secretary

I. **CALL TO ORDER** – Miss Ludwick called the meeting to order at 6:00 p.m.

II. **ROLL CALL** – Members present: Nancy Ludwick, Richard Teagarden, Alan DePiano, Melissa Knotts, and Charles R. Maynard, Superintendent. Julie Gregory participated via phone.

(It is the practice of our Board of Education to begin our meetings with prayer and the Pledge of Allegiance. We invite you to bow your heads for prayer and stand to join us in the pledge if you so choose.)

III. **INVOCATION** – Mr. DePiano gave the invocation.

IV. **PLEDGE OF ALLEGIANCE** – Mrs. Knotts led the Pledge of Allegiance.

V. **APPROVAL OF THE AGENDA AND AGENDA ADJUSTMENT**
The superintendent respectfully requested approval of the agenda as presented.
Recommendation: Motion: Mr. Teagarden 2nd: Mrs. Knotts Yeas 5 Nays 0

12-11-1000 INFORMATION

Recognition of Young Writers Winners – Linda Casto
Recognition of Letters About Literature Winners – Lynn Smith
Recognition of Golden Horseshoe Winners – Valerie Morral
Recognition of Grafton High School Tennis Team – Sara DePiano
Board Committee Reports

United Technical Center – Mr. DePiano
Mr. DePiano informed the Board that the United Technical Center met on May 18, 2012 and the following items were discussed: overages of special education, summer school, and the school calendar.

Camp Towles – Mrs. Knotts
None

Library – Ms. Gregory
Ms. Gregory informed the Board that she will give the Library Committee meeting report at the next regular board meeting. Ms. Gregory noted that the next Library Meeting will be on June 11, 2012.

RESA VII – Mr. Teagarden
Mr. Teagarden informed the Board that the RESA VII council met on May 17, 2012 at West Virginia Wesleyan College in Buckhannon and the following items were discussed: nomination of council replacements, Bullying Conference, Policy 4373, CIP Training, summer training, new evaluation process, and Affordable Care Act which is income based insurance for all. The next meeting will be held in Marion County on Jun3 14, 2012.

12-11-2000 MINUTES – POLICIES – CONTRACTS – AGREEMENTS

MINUTES

The superintendent respectfully requested approval of the minutes for the special meeting on May 2, 2012 and the regular meeting on May 7, 2012.

Recommendation: Motion: Mrs. Knotts 2nd: Ms. Gregory Yeas 5 Nays 0
Item pulled____

POLICIES

FIRST READING – (Volume 4 Number 2)

2294	1520 -	Employment Of Administrative Staff
2295	1613 -	Student Supervision And Welfare
2296	2112 -	Bill Of Rights And Responsibilities For Students And School Personnel
2297	2250 -	Innovative Programs
2298	2260.01 -	Section 504/ADA Prohibition Against Discrimination Based on Disability
2299	2412 -	Homebound/Hospital Instruction Program
2300	2451 -	Alternative School Programs

2301	2461 -	Recording Of IEP Team Meetings
2302	2700 -	School Report Card
2303	3120.02 -	Prospective Employable Professional Personnel Reserve List
2304	3120.12 -	Substitutes In Areas Of Critical Need And Shortage
2305	3120.13 -	Areas of Critical Need And Shortage
2306	3131.02 -	Preferred Recall List
2307	3160.02 -	Physical Examination For School Bus Operators
2308	3215 -	Use Of Tobacco By Professional Staff
2309	3213 -	Student Supervision And Welfare By Professional Staff
2310	3242.01 -	Tuition Reimbursement
2311	3440 -	Job-Related Expenses
2312	4131.02 -	Preferred Recall List
2313	4213 -	Student Supervision And Welfare
2314	4215 -	Use Of Tobacco By Service Personnel
2315	4420 -	Benefits
2316	4440 -	Job-Related Expenses
2317	5111.02 -	Educational Opportunity For Military Children
2318	5512 -	Use Of Tobacco By Students
2319	5530.01 -	Student Activity Drug Testing
2320	5610.02 -	In-School Suspension
2321	5610.03 -	Emergency Removal Of Students
2322	5722 -	School-Sponsored Publications And Productions
2323	5751 -	Parental-Married Status Of Students
2324	6423 -	Use Of Credit And Purchasing Cards
2325	6550 -	Travel Payment And Reimbursement
2326	7240 -	Site Acquisition
2327	7434 -	Use of Tobacco On School Premises
2328	7440.01 -	Video Surveillance And Electronic Monitoring
2329	7460 -	Conservation Of Natural And Material Resources
2330	7540.03 -	Student Network And Internet Acceptable Use An Safety
2331	7540.05 -	Electronic Mail
2332	8315 -	Information Management
2333	8431 -	Preparedness For Toxic Hazard And Asbestos Hazard
2334	9150 -	School Visitors

AGREEMENT

2335 The superintendent respectfully requested approval of an agreement with Fairmont State University and the Taylor County Board of Education for the purpose of the placement of student nurses in the school system during the 2012-2013 and 2013-2014 fiscal year. This is a renewal of a previous agreement.

The superintendent respectfully requested approval of items **2294** - **2335** in the 2000 series.
mmendation: Motion: Mrs. Knotts 2nd: Mr. Teagarden Yeas 5 Nays 0

CONSENT CALENDAR

ORDER

Mountaineer Power, in the amount of $7,695.00 for the purchase of a zero turn Cub Cadet "Tank" lawn mower with a 60" deck and a 27 HP engine. Funding source: General Current

ONE LIST

GHS – HSTA (2)
Ammons, Brandi
Bays, Crystal

UT OF STATE FIELD TRIP

Brandi Ammons, with Grafton High School HSTA, requested permission to take approximately 14 students to ltimore, MD on June 4 & 5, 2012 for the Health Sciences Technology Academy. The group will be traveling West Virginia University Coach Bus. Funding source: Area Health Education Center and HSTA

REQUESTS TO USE FACILITIES

3296 Robert Angus, with Arch Coal Girl's Youth Softball, requested permission to use Grafton High School's Girls' Softball Field and restrooms every Wednesday night from 6:00 p.m. – 8:30 p.m. beginning May 23, 2012 and continuing through August 29, 2012 for girls' softball practice and games.

3297 Derek Phillips, with Message of Freedom Church, requested permission to use Grafton High School Softball Field on Sundays from May 27, 2012 through July 29, 2012 for softball practice. Practice contingent upon Grafton High School schedule. A certificate of liability has been requested.

3298 Mike Crutchfield, with Taylor County Youth League, requested permission to use Grafton High School gymnasiums beginning June 18, 2012 and continuing through June 22, 2012 from 10:00 a.m. – 12:00 p.m. for a basketball camp. A renewal certificate of liability has been requested.

3299 Matt Dillion, Grafton High School Baseball Coach, requested permission to use Grafton High School Baseball Field, Lights, and Concession Stand on June 22, 23, 24, 2012 from 8:00 a.m. – 10:00 p.m. daily for the Triple Crown National Babe Ruth Tournament. A certificate of liability has been requested.

3300 Larry Craig, Child Evangelist Fellowship and Hepzibah Baptist Church, requested permission to use West Taylor Elementary School from 3:00 p.m. – 4:15 p.m. beginning October 2, 2012 through May 15, 2013 for Good News Club.

3301 Jody Streets requested permission to use Camp Towles on June 8, 2012 from 3:00 p.m. – 11:00 p.m. for a graduation party.

The superintendent respectfully requested approval of all items in the 3000 series.
Recommendation: Motion: Mrs. Knotts 2nd: Mr. Teagarden Yeas 5 Nays 0
Item pulled ____

12-11-4000 FINANCIAL

Voucher's Payable Totaling $556,993.59
Budget Supplements Totaling $14,708.00
Budget Transfers Totaling $723,738.00
Treasurer's Report

The superintendent respectfully requested approval of all items in the 4000 series.
Recommendation: Motion: Mr. Teagarden 2nd: Mrs. Knotts Yeas 5 Nays 0
Item pulled____

12-11-5000 PERSONNEL – STUDENT MATTERS – LEGAL MATTERS

GAL MATTERS

5301 The superintendent respectfully requested adoption of a Resolution and Order of the Board which authorizes the issuance by the Board of its Public School Refunding Bonds, Series 2012, in an amount not to exceed $7,000,000.00, for the purposes of refunding in full the board's outstanding Public School Bonds, Series 2003 and Public School bonds, Series 2004 and paying the costs of issuance of such Bonds, within the parameters set forth in such Resolution and Order.

5302 The superintendent respectfully requested Resolution on Open Governmental Proceedings Rules for the purpose of updating the Board's Rules of Procedure.

EXECUTIVE SESSION

The Board convened in executive session to discuss personnel specifically the director of maintenance at 6:54

ommendation: Motion: Miss Ludwick 2nd: Mr. Teagarden Yeas 5 Nays 0

NVENED

oard reconvened in regular session at 7:34 p.m.

ONAL PERSONNEL

MPLOYMENT

ther Moran, itinerant preschool/preschool special needs special education teacher at Anna Jarvis mentary School. Effective the beginning of the 2012-2013 school year. Funding source: General Current

rew Rottgen, treasurer/chief school business official. Effective June 18, 2012 pending release from Cabell nty Board of Education.

RANSFER

5305 **Tammy Daniels,** 3rd grade teacher at Flemington Elementary School from 4th grade teacher at Anna Jarvis Elementary School. Effective the beginning of the 2012-2013 school year.

SUMMER EMPLOYMENT

5306 **Donald Kenyon,** technology specialist for 1st and 2nd semester of summer school at Grafton High School. Effective June 11-29, 2012 (14 days) and July 2-20, 2012 (14 days), excluding June 20 and July 4, 2012. Funding source: GEAR UP/Step 7

5307 **Diana Thompson,** math teacher for summer school at Taylor County Middle School. Effective July 2-20, 2012 (14 sessions), 8:00 a.m.-2:00 p.m., Monday – Friday, excluding July 4, 2012. Funding source: Critical Skills Grant

5308 **Randy McKinley, Drew Toth,** reading/math teachers for summer school at Anna Jarvis Elementary School. Effective July 9-27, 2012 (15 sessions), 8:00 a.m. – 2:00 p.m., Monday-Friday. Funding source: Critical Sk Grant

RETIREMENT

5309 **Pam Poling,** retirement from 5th grade teacher position at Taylor County Middle School. Last day und contract will be August 31, 2012.

RESIGNATIONS

5310 **David Silvers,** resignation from ALC/GED Option teacher at Grafton High School. Last day under contrac be June 30, 2012.

5311 **Arthur Moore,** resignation from assistant principal at Grafton High School. Last day under contract w 30, 2012.

5312 **Arthur Moore,** resignation from boys' varsity basketball coach at Taylor County Middle School. Las contract will be June 30, 2012.

5313 **Alicia Kinsey,** resignation from position as substitute teacher. Effective May 3, 2012.

5314 **Jon Cochran,** resignation from position as substitute teacher. Effective May 7, 2012.

SERVICE PERSONNEL

EMPLOYMENT

5315 **John Ware,** custodian III Taylor County Middle School, 220 day employment, 3:00 p.m. – 11:00 p.m. Effective July 1, 2012.

TRANSFERS

5316 **Karen Anderson,** executive secretary/accountant III (240 day employment) at the central office with assignment to the office of special services from executive secretary at the central office with assignment to receptionist, special services, and transportation (200 day employment). Effective July 1, 2012.

5317 **Jim Wolfe,** custodian III at Flemington Elementary School/West Taylor Elementary School, 220 day employment, 2:00 p.m. – 10:00 p.m., from custodian III at West Taylor Elementary School/Taylor County Middle School, 220 day employment, 3:00 p.m. – 11:00 p.m. Effective July 1, 2012.

5318 **Karilynne Pryor,** custodian III at Grafton High School, 220 day employment, 3:00 p.m. – 11:00 p.m., from custodian IV at Flemington Elementary School, 220 day employment. Effective July 1, 2012.

SUMMER EMPLOYMENT

5319 **Betty Robinson,** cook III for summer band camp at Grafton High School. Effective July 23 – July 26, 2012, Monday – Thursday with flexible hours necessary for breakfast and lunch preparation and clean-up. Funding source: Summer Food Service and/or GHS Band Boosters

5320 **Betty Robinson,** .5 cook III for summer band camp at Taylor County Middle School. Effective July 16 – July 19, 2012, Monday – Thursday with flexible hours necessary for lunch preparation and clean-up. Funding source: Summer Food Service and/or Band Boosters and/or Mary Battle

RESIGNATION

5321 **Karen Anderson,** resignation from executive secretary position for summer employment to provide secretarial services for the special education department. Effective May 23, 2012.

RETIREMENT

5322 **Don Keller,** retirement from position as supervisor of maintenance. Last day under contract will be June 30, 2012.

5323 **Richard Bolyard,** retirement from position as custodian at Grafton High School/Central Office. Effective May 22, 2012. Last day under contract is May 21, 2012.

5324 **James Thompson,** retirement from plumber position with the maintenance department. Last day under contract will be June 30, 2012.

The superintendent respectfully requested approval of items **5303** - **5324** in the 5000 series.
Recommendation: Motion: Mrs. Knotts 2nd: Ms. Gregory Yeas 5 Nays 0
Item pulled ____

12-11-8000 DISCUSSION

Update on Friends of McKinney Field – Bob Maynard

Mr. Maynard informed the Board that the Friends of McKinney Field had formed committees in the following areas: finance (including one representative from each activity using the football field), addresses of previous graduates, and public relations. The group is working with Mr. Whitescarver to obtain their Tax Free exemption status at which the next meeting for the group will be set.

12-11-9000 FUTURE MEETINGS

June 12, 2012	6:00 p.m.	TCBE
June 26, 2012	6:00 p.m.	TCBE
July 2. 2012 (Monday)	6:00 p.m.	TCBE (Mandatory)

ADJOURNMENT: Motion by Ms. Gregory, 2nd by Mr. Teagarden to adjourn the meeting, all members concurring therein the meeting adjourned at 7:53 p.m.

ATTESTED:

Charles Maynard
Secretary of the Board

Nancy A. Ludwick
President of the Board

Date: July 24, 2012 **Kind of Meeting: Regular**
Where Held: Taylor County Board of Education
Presiding Officer: Richard Teagarden

Members Present:	**Members Absent:**
Richard Teagarden	Nancy Ludwick
Melissa Knotts	**Also Attending:**
Judith Barney	Sam McDaniel, Asst. Superintendent
Alan DePiano	Drew Rottgen, Treasurer
Charles Maynard, Superintendent	Gatha Costilow, Secretary

I. **CALL TO ORDER** – Mr. Teagarden called the meeting to order at 6:00 p.m.

II. **ROLL CALL** – Members present: Richard Teagarden, Alan DePiano, Melissa Knotts, Judith Barney, and Charles R. Maynard, Superintendent. Members absent: Nancy Ludwick

(It is the practice of our Board of Education to begin our meetings with prayer and the Pledge of Allegiance. We invite you to bow your heads for prayer and stand to join us in the pledge if you so choose.)

III. **INVOCATION** - Mrs. Barney gave the invocation.

IV. **PLEDGE OF ALLEGIANCE** – Mr. DePiano led the Pledge of Allegiance.

V. **APPROVAL OF THE AGENDA AND AGENDA ADJUSTMENT**
The superintendent respectfully requested approval of the agenda as presented.
Recommendation: Motion: Mrs. Knotts 2nd: Mrs. Barney Yeas 4 Nays 0

13-01-1000 INFORMATION

Board Committee Reports

President's Retreat – Mr. DePiano
Mr. DePiano attended the President's Retreat held at the Bridgeport Conference Center on July 14, 2012 and informed the Board of the following topics that were discussed: AYP waivers, 43 week limit in the school calendar, possible changes to the state formula, a template for conducting a board meeting that would make all 55 counties consistent, executive sessions, and phone conferences.

Extension Services – Mrs. Knotts
Mrs. Knotts gave board members a handout pertaining to the robotics program that the extension office would like to incorporate into our elementary schools for grades 2-4. The extension office is also asking for additional funding assistance for the robotics program from the Board of Education.

United Technical Center – Mr. Maynard
Mr. Maynard informed the Board that the United Technical Center met on July 20, 2012 and the main topic for the meeting was the purchase of the land where the technical center is located. The land was purchased by the state in the early 80's. The state wants the United Technical Center to continue with business as usual.

13-01-2000 MINUTES – POLICIES – CONTRACTS – AGREEMENTS

MINUTES

The superintendent respectfully requested approval of the minutes for the special meeting on July 2, 2012, and the regular meeting on June 26, 2012 and July 10, 2012.

Recommendation: Motion: Mrs. Knotts 2nd: Mrs. Barney Yeas 4 Nays 0
Item pulled____

CONTRACTS

2055 The superintendent respectfully requested approval of a contract with Alfred Nickles Bakery for the distribution of Bread and Bakery Product Supplies for the 2012-2013 school year at a cost of $15,317.65. Funding source: Child Nutrition Services

2056 The superintendent respectfully requested approval of a contract with United Dairy of Fairmont, WV for the distribution of Milk and Dairy Products for the 2012-2013 school year at a cost of $121,781.09. Funding source: Child Nutrition Services

AGREEMENTS

2057 **West Virginia University,** in the amount of $5,000.00 for the 2012-2013 school year for Professional Development with the Benedum Collaborative Five-Year Teacher Education Program. Funding source: Title VI

2058 **Student Assurance Services, Inc. by Security Life**, to provide student accident insurance as a voluntary parent paid expense at the rates shown below for the 2012-2013 school year:

Coverage	Low Plan	Middle Plan	High Plan
At-School	$ 12.00	$ 20.00	$ 58.00
24-Hour	$ 68.00	$ 98.00	$ 225.00
Varsity Football	$ 95.00	$160.00	N/A
Extended Dental	$ 9.00	$ 9.00	$ 9.00

2059 The Superintendent respectfully requested approval of a contract with Travelers Insurance to provide Workers Compensation Insurance coverage for the 2012-2013 school year for an annual fee of $89,574.00. This is an increase of $2,664.00. Funding source: General Current The following bids were received for consideration

Insurance Company	Annual Premium
Travelers Insurance*	$89,574
Liberty Mutual	$106,030
Companion Property & Casualty	$113,181

The superintendent respectfully requested approval of items **2055** - **2059** in the 2000 series.
Recommendation: Motion: Mrs. Barney 2nd: Mrs. Knotts Yeas 4 Nays 0
Item pulled ____

13-01-3000 CONSENT CALENDAR
PURCHASE ORDERS

The Superintendent respectfully requests approval of the following purchase orders:

3001 **Guttman Oil Company,** in the amount of $245,450.00 for diesel fuel, gasoline, oil and lubricants for vehicles for the 2012-2013 school year. Funding source: General Current.

3002 **Lambert Occupational Therapy,** in the amount of $30,000.00 to provide occupational therapy services for the 2012-2013 school year. Funding source: Special Education.

3003 **Apple Inc.,** in the amount of $6,790.00 to purchase IPAD's for special education teachers for the school year 2012-2013. Funding source: Special Education.

3004 **McQuay Factory Service,** in the amount of $6,358.14 for parts and labor to replace an obsolete refrigerant valve assembly with updated current production parts for the chillers at Grafton High School. Funding source: General Current

3005 **Alfred Nickles Bakery,** in the amount of $10,000.00 for bread and bakery products during the first semester of the 2012-2013 school year. Funding Source: 2012-2013 Child Nutrition Services

3006 **United Dairy,** in the amount of $75,000.00 for milk and dairy products during the first semester of the 2012-2013 school year. Funding Source: 2012-2013 Child Nutrition Services

3007 **SYSCO Pittsburgh,** in the amount of $250,000.00 for main dish, selected pizza items, cheese & frozen eggs, frozen food, portion packed items, canned foods, staples & spices, paper products, cleaning supplies and small wares during the first semester of the 2012-2013 school year. Funding Source: 2012-2013 Child Nutrition Services

3008 **USDA Donated Foods - WV,** in the amount of $35,000.00 for processing and hauling fees assessed on donated food items for the Child Nutrition program during the first semester of the 2012-2013 school year. Funding Source: 2012-2013 Child Nutrition Services

3009 **City National Bank,** in the amount of $10,000.00 for Lockbox Services for meal statements for the first semester of the 2012-2013 school year. Funding Source: 2012-2013 Child Nutrition Services

3010 **Bank of America N.A.**, in the amount of $28,721.00 for QZAB Capital Lease. Funding source: Excess Levy

3011 **TRA, Inc.**, in the amount of $3,144.00 for the renewal of School Funds Online annual license, maintenance and support fees for 07/01/12 – 06/30/13, administrator annual license, maintenance and support fees for 07/01/12 – 06/30/13, annual remote server hosting fee for 07/01/12 – 06/30/13. Funding source: General Current

3012 **West Virginia Wesleyan College**, in the amount of $16,000.00 to provide athletic training services at Grafton High School for the 2012-2013 school year. Funding source: General Current

Date: July 24, 2012 **Kind of Meeting: Regular**
Where Held: Taylor County Board of Education

3013 **Education Funding Group, Inc.,** in the amount of $9,000.00 for the renewal of e-rate funding, telecommunications, and internet access. Funding source: General Current.

3014 **Purchase Power (Pitney Bowes Bank, Inc.),** in the amount of $12,000.00 for postage on the p for the 2012-2013 school year. Funding source: General Current.

3015 **Comdoc,** in the amount of $85,260.00 for renewal of the annual county wide document agreeme 2012-2013 school year. Funding Source: Excess Levy

3016 **BB & T,** in the amount of $17,701.68 for renewal of the U.S. Cellular data and phone line for the July June 30, 2013. Funding Source: General Current

3017 **Northwest Evaluation Association,** in the amount of $7,080.00 for an on-site MAP (Reading & Math Assessment Training Program) workshop. Funding source: Title VI

3018 **Northwest Evaluation Association,** in the amount of $19,237.50 for license renewal for MAP Assessment the 2012-2013 school year. Funding source: Title I, Title VI

3019 **United Technical Center,** in the amount of $25,000.00 for the 2012-2013 school year student enrollmen Funding source: Critical Skills Grant

3020 **Pierpont Community and Technical College,** in the amount of $6,000.00 for the 2012-2013 school year student dual tuition expenses for Business/Administration class and Health Occupation class at Taylor Co Technical Center. Funding source: Step 7

CHAPERONE LIST
3021

GHS Band (93)
Baker, Brad
Baker, Sarah
Baker, Teresa
Barnes, Joe
Barnes, Tammy
Boggs, Misty
Bolyard, Ed
Bolyard, Sherelene
Boyce, Donna
Boylen, Paula
Boylen, Scott
Bradley, Brenda
Bradley, Dwight
Brown, Bob
Brown, Keith
Brown, Kim
Buczynski, Duane
Buczynski, Melissa
Carlyle, Melinda
Carter, Shannon
Chambers, Sharry
Clarkson, DeAnna
Clarkson, Gerald
Cochran, Leslie
Cochran, Steve
Coole, Jeanette
Defenbaugh, LeaAnn
Duckworth, Caitlin
Elsey, Shelly
Elsey, Thomas
Fetty, Karen
Gilbert, Chip
Gilbert, Elaine
Green, Rebecca
Gregory, Julie
Gregory, Warren
Harvey, Carol
Hildreth, Pam
Holmes, Jimmy
Holmes, Mary
Kittle, Becky
Knotts, Lance
Knotts, Sherry
Kyker, Michelle
Lanham, David
Lewis, Kristi
Lewis, Randy
Marrero, Paul
Marrero, Walesca
Mayle, Angie
Mayle, Rick
McDaniel, Bill
McGee, Cindy
McKinley, Charlene
McKinley, Thomas
McKinney, Kelly
Moats, Mary
Moats, Sensei
Moore, Arthur
Moore, Cheri
Moran, Brent
Moran, Jennifer
Myers, Sam
Nielson, Cindy
Pellegrin, Sherry
Philips, Stephanie
Price, Jeff
Price, Melissa
Robinson, Brian
Robinson, Doug
Robinson, Monica
Robinson, Stephanie
Rosier, Josh
Rucker, Crystal
Saltis, Brian
Saltis, Tara
Schultz, David

Setler, James
Setler, Tammy
Sherlock, Tammy
Simmons, Allison
Skaggs, Melody
Snider, Debbie
Snider, Jeff
Walden, Joseph
Ward, Tina
Ware, Louisa
Weaver, Larry
Weaver, Sara
Weber, Rachel
Weber, Ron
Young, Barbara
Young, Douglas

3022 GHS Entertainers (52)
Brown, Pam
Buchanan, Jadd
Buchanan, Susan
Duckworth, Gary
Dzaik, Alice
Dzaik, Jason
Elsey, Scott
Elsey, Shelley
Flohr, Kelly
Flohr, Travis
Frey, Crystal
Gilbert, Chip
Gilbert, Elaine
Gregory, Julie
Gregory, Warren
Haddix, Darlene
Harvey, Carol
Harvey, Jerry
Holmes, James
Holmes, Mary
Kunce, Adrienne
Larew, Jennifer
Marchewka, Cindy
Mayle, Rob
Miller, Lori
Miller, Rick
Mitchell, Kara
Mitchell, Shane
Moon, John
Moon, Michelle
Moran, Brent
Moran, Jennifer
Nielson, Charlie
Poling (Rowand), Julie
Reed, Cheryl
Reed, Mike
Robinson, Eva
Robinson, Josh
Sickles, Bob
Sickles, Vivian
Skaggs, Bill
Skaggs, Melody
Smith, Christine
Smith, Richard
Stout, Lisa
Stout, Mark
Taylor, Cindy
Tennant, Misty
Tennant, Rob
Weber, Rachel
Weber, Ron
Zbosnik, Heidi

The superintendent respectfully requested approval of items **3001** - **3022** in the 3000 series.
Recommendation: Motion: Mrs. Knotts 2nd: Mr. DePiano Yeas 4 Nays 0
Item pulled ____

13-01-4000 FINANCIAL
Voucher's Payable Totaling $666,382.03

The superintendent respectfully requested approval of all items in the 4000 series.
Recommendation: Motion: Mrs. Knotts 2nd: Mrs. Barney Yeas 4 Nays 0
Item pulled____

13-01-5000 PERSONNEL – STUDENT MATTERS – LEGAL MATTERS
LEGAL MATTERS

5015 The superintendent respectfully requested adoption a Supplemental Resolution of the Board which approves the form of a Preliminary Official Statement in connection with the issuance by the Board of its Public School Refunding Bonds, Series 2012 (the "Bonds") and the marketing and sale of such Bonds by the Underwriters for such issue and the adoption by the Board of Tax Compliance Policies in connection with such Bonds.

5016 The superintendent respectfully requested approval an Engagement Letter, by and between the Board and Steptoe & Johnson PLLC, in connection with bond counsel services to be provided by Steptoe & Johnson to the Board in connection with the issuance by the Board of its Public School Refunding Bonds, Series 2012.

PROFESSIONAL PERSONNEL
EMPLOYMENT

5017 **Cheryl Snyder,** assistant principal (225 day employment) at Grafton High School. Effective July 30, 2012

5018 **Jessica Myers,** itinerant preschool/preschool special needs teacher at Anna Jarvis Elementary School. Effective the beginning of the 2012-13 school year. Funding source: General Current

Date: July 24, 2012 **Kind of Meeting: Regular**
Where Held: Taylor County Board of Education

5019 **Rebecca Grass,** .5 itinerant title I teacher with assignment at Anna Jarvis Elementary School. Effective the beginning of the 2012-13 school year. Funding source: Title I

5020 **Drew Toth,** .5 personal fitness and wellness teacher at Grafton High School/Taylor County Technical Center. Effective the beginning of the 2012-13 school year. Funding source: General Current

5021 **Kristin Cutright-Hodge,** option pathway teacher at Grafton High School/Taylor County Technical Center. Effective the beginning of the 2012-13 school year. Funding source: General Current

TRANSFERS

5022 **Marlena Maynard,** 8th grade english/language arts teacher at Taylor County Middle School from counselor Grafton High School. Effective the beginning of the 2012-13 school year. Funding source: General Current

5023 **Debra Custer,** 1st grade teacher at West Taylor Elementary School from title I teacher at Flemington Elementary School. Effective the beginning of the 2012-13 school year. Funding source: General Current

5024 **Cheryl Lake,** 2nd grade teacher at Anna Jarvis Elementary School from 3rd grade teacher at Anna Jarvis Elementary. Effective the beginning of the 2012-13 school year. Funding source: General Current

VOLUNTEER COACHES

5025 **Drew Toth,** volunteer football coach at Grafton High School. Effective July 25, 2012

5026 **Andrew Alden,** volunteer football coach at Grafton High School. Effective July 25, 2012

RESIGNATIONS

5027 **Ashley Todd,** resignation from special education teacher position at Flemington Elementary School. Effective July 25, 2012.

5028 **Ruth Ulmer,** resignation from itinerant preschool/preschool special needs teacher position at Anna Jarvis Elementary School. Effective July 25, 2012.

5029 **Janna Crowley,** resignation from extracurricular position as early bus monitor at Flemington Elementary School. Effective July 25, 2012.

5030 **Caryne Johnson,** resignation from special education teacher position at Anna Jarvis Elementary School. Effective July 25, 2012.

SERVICE PERSONNEL
EMPLOYMENT

5031 **Loren Larew,** custodian III at West Taylor Elementary School/Flemington Elementary School (220 day employment). Effective July 26, 2012.

5032 **Mary Farris,** supervisory aide for special education at West Taylor Elementary School. Effective the beginning of the 2012-13 school year. Funding source: Special Education

TRANSFER

5033 **Margaret Lawrew,** supervisory aide for preschool/preschool special needs classroom at Anna Jarvis Elementary School from supervisory special education aide at Taylor County Middle School. Effective the beginning of the 2012-13 school year. Funding source: General Current

SUMMER EMPLOYMENT

5034 **Tammi Murray, Sharon Bolyard, Betty Robinson, Linda Hart, Grace Shriver,** cafeteria managers to attend two (2) days of training/accepting deliveries. Dates to be determined. Funding source: General Current

5035 **SUBSTITUTE CUSTODIANS**
Michael Brammer
James Sigmon

RETIREMENT

5036 **Daniel Haddix,** retirement from electrician II/general maintenance position. Last day under contract will be July 31, 2012.

The superintendent respectfully requested approval of items **5015** - **5036** in the 5000 series.
Recommendation: Motion: Mrs. Knotts 2nd: Mrs. Barney Yeas 4 Nays 0
Item pulled ____

Date: July 24, 2012 **Kind of Meeting: Regular**
Where Held: Taylor County Board of Education

13-01-8000 DISCUSSION

Grafton High School Tennis Courts

Mr. Maynard consulted with a contractor and together they viewed Grafton High School tennis courts for the possibility of resurfacing the courts due to small rocks working their way up through the concrete and out the top surface on the courts. The contractor recommended that we take pictures, make a chart of the progression of the pits and reevaluate the surface in one more year.

13-01-9000 FUTURE MEETINGS

August 14, 2012	6:00 p.m.	TCBE
August 28, 2012	6:00 p.m.	TCBE
September 11, 2012	6:00 p.m.	TCBE

ADJOURNMENT: Motion by Mrs. Knotts, 2nd by Mrs. Barney to adjourn the meeting, all members concurring therein the meeting adjourned at 7:31 p.m.

ED:

Charles Maynard
Secretary of the Board

Nancy A. Ludwick
President of the Board

Date: August 28, 2012 **Kind of Meeting: Regular**
Where Held: Taylor County Board of Education
Presiding Officer: Mr. Richard Teagarden

Members Present:
Richard Teagarden
Melissa Knotts
Judith Barney
Alan DePiano
Charles Maynard, Superintendent

Members Absent:
Nancy Ludwick

Also Attending:
Sam McDaniel, Asst. Superintendent
Drew Rottgen, Treasurer
Gatha Costilow, Secretary

I. **CALL TO ORDER** – Mr. Teagarden called the meeting to order at 6:00 p.m.

II. **ROLL CALL** – Members present: Richard Teagarden, Alan DePiano, Melissa Knotts, Judith Barney and Charles R. Maynard, Superintendent. Members absent: Nancy Ludwick

(It is the practice of our Board of Education to begin our meetings with prayer and the Pledge of Allegiance. We invite you to bow your heads for prayer and stand to join us in the pledge if you so choose.)

III. **INVOCATION** – Mrs. Barney gave the invocation.

IV. **PLEDGE OF ALLEGIANCE** – Mr. DePiano led the Pledge of Allegiance.

V. **APPROVAL OF THE AGENDA AND AGENDA ADJUSTMENT**
The superintendent respectfully requested approval of the agenda and addendum as presented.
Recommendation: Motion: Mrs. Barney 2nd: Mrs. Knotts Yeas 4 Nays 0

13-02-1000 INFORMATION

DELEGATION

Ms. McLaughlin spoke to the Board about her son attending West Taylor Elementary School instead of Anna Jarvis Elementary School. She listed the pros and cons for the requested transfer and asked the Board to employee another 4th grade teacher.

Mr. Maynard informed the Board that 4th grade class rooms across Taylor County were at the maximum number of children allowed by the state.

AYP Update – Bob Maynard

Mr. Maynard informed the Board that Taylor County did not meet AYP county-wide and only one county out of 55 WV counties did meet AYP county wide. He reported that Flemington and West Taylor Elementary Schools met AYP, Anna Jarvis Elementary School and Taylor County Middle School did not meet AYP and Grafton High School did not meet AYP due to the graduation rate. On a positive note Mr. Maynard informed the Board that Taylor County had a good opening to the 2013 school year and each school is going to strive to get better so they can meet AYP this year.

President's Report – None

Board Committee Reports

Extension Office – Melissa Knotts

Mrs. Knotts informed the Board that the Camp Towles/Extension Office Advisory Committee met and the following topics were discussed: hiring of a secretary, a Levy for the November 6, 2012 election and competition for the Robotics Program.

13-02-2000 MINUTES – POLICIES – CONTRACTS – AGREEMENTS

MINUTES

The superintendent respectfully requested approval of the minutes for the regular meeting on August 14, 2012.

Recommendation: Motion: Mrs. Barney 2nd: Mrs. Knotts Yeas 4 Nays 0
Item pulled____

AGREEMENTS

2066 The superintendent respectfully requested permission to enter into an agreement with Mr. Larry R. Werry to provide recommendations to Anna Jarvis Elementary School in the implementation of school initiatives for the 2012-2013 school year at a cost of $375.00 per day for no more than 20 days. Funding source: Title I

2067 **Crystal Musgrove,** parent involvement activities coordinator at Anna Jarvis Elementary School. Effective August 29, 2012 for the remainder of the 2012-13 school year only. Funding source: Title I

2068 **Cyndee Cayton,** parent involvement activities coordinator at West Taylor Elementary School. Effective August 29, 2012 for the remainder of the 2012-13 school year only. Funding source: Title I

2069 **Regina May,** parent involvement activities coordinator at Flemington Elementary School. Effective August 29, 2012 for the remainder of the 2012-13 school year only. Funding source: Title I

The superintendent respectfully requested approval of items **2066** - **2069** in the 2000 series
Recommendation: Motion: Mrs. Knotts 2nd: Mrs. Barney Yeas 4 Nays 0
Item pulled ____

13-02-3000 CONSENT CALENDAR

PURCHASE ORDERS

3032 **Tom Sexton & Associates, Inc.,** for $10,770.00 to purchase twenty-two steel framed tables for the Vocational Agriculture classroom and twelve computer workstations for the Business classrooms. Funding source: Vocational

3033 **RESA VII,** in the amount of $12,132.00 for audiologist services for the school year 2012-2013. Funding source: Special Education.

CHAPERONE LIST

3034 Upward Bound – GHS
Bennett, Frances
Evans, Kylie
Ferris, Kaitlyn
Harrison, Venessa
Lipscomb, Susan
Minder, Amelia
Sager, Heather
St. Clair, Faith
Van Gilder, Heather

BID

3035 The Superintendent respectfully requested approval of a district-wide paper bid by Champion Industries. Champion agrees to warehouse and deliver paper to each location as needed. Funding source: General Current
The following bids were received for consideration:

Supplier	Total Purchase Price
Champion Industries*	$23,800
Liberty Distributors	$23,000
Staples Advantage	$25,192
R.D. Wilson	$25,456

FIELD TRIP

3036 Fran Bennett, with West Virginia University Upward Bound, requested continued exemption from Policy 2340 . . . (E.) Students transported in a school bus on such trips shall, in addition to the school bus operator, be supervised by at least one professional employee of the Board . . . Each additional bus shall be supervised by a professional employee or person approved by the Board . . . Upward Bound requests the lease of one Taylor County bus on September 8, 2012, October 13, 2012, November 10, 2012, December 8, 2012, February 2, 2013, March 16, 2013, April 13, 2013, May 4, 2013. Funding source: WVU Upward Bound Program

PROFESSIONAL STAFF DEVELOPMENT

3037 Lori Miller requested permission to attend the ASHA Convention in Atlanta, GA on November 14-17, 2012. Funding source: Special Education

REQUESTS TO USE FACILITIES

3038 Carolyn Harrison, with Taylor County Retired School Employees, requested permission to use the Mary Battle Studio at Grafton High School on October 3, 2012, from 11:00 a.m. – 1:45 p.m. for a meeting and luncheon.

3039 Jane McKinney requested permission to use Camp Towles on July 27, 2013 at 11:00 a.m. for a family reunion.

3040 Mendy Paugh, with Girl Scout Troop 4158 Grafton, requested permission to use Camp Towles from 4:00 p.m. on September 7, 2012 through 5:00 p.m. on September 8, 2012 for an overnight camp.

ADDENDUM TO THE AGENDA

REQUEST TO RIDE BUS

3041 **Stephen Poling,** requested permission to ride the morning Taylor County School bus that goes from Grafton High School to United Technical Center and from the United Technical Center to Grafton High School.

The superintendent respectfully requested approval of items **3032 – 3041** in the 3000 series.
Recommendation: Motion: Mr. DePiano 2nd: Mr. Barney Yeas 4 Nays 0
Item pulled ____

13-02-4000 FINANCIAL

Voucher's Payable Totaling $230,378.10
Budget Supplements Totaling $27,172.30
Budget Transfers Totaling $29,542.66

The superintendent respectfully requested approval of all items in the 4000 series.
Recommendation: Motion: Mrs. Knotts 2nd: Mrs. Barney Yeas 4 Nays 0
Item pulled____

13-02-5000 PERSONNEL – STUDENT MATTERS – LEGAL MATTERS
STUDENT MATTERS

5065 Mr. & Mrs. James Seaman requested permission for their daughter grade, Pre-K, to transfer from Pre County Schools to Lucretia Pre School in Taylor County for the 2012-2013 school year only. The fam in Preston County.

Recommendation: Motion: Mrs. Knotts 2nd: Mrs. Barney Yeas 4 Nays 0
Item pulled ____

5066 Mr. & Mrs. James Seaman requested permission for their daughter grade, 1, to transfer from Tunnelton/Denver Elementary School in Preston County to Anna Jarvis Elementary School in Taylor County. The family resides in Preston County.

Recommendation: Motion: Mrs. Knotts 2nd: Mrs. Barney Yeas 4 Nays 0
Item pulled ____

5067 Mr. & Mrs. Raymond Bray requested permission for their daughter, grade Pre-K, to transfer from Mount Vernon Elementary School in Barbour County to Flemington Elementary School in Taylor County for the 2012-2013 school year only. The family resides in Barbour County.

Recommendation: Motion: Mrs. Barney 2nd: Mrs. Knotts Yeas 4 Nays 0
Item pulled ____

Motion made by Mr. Teagarden, 2nd by Mrs. Knotts to pull items 5068-5070 due to full classrooms at Flemington Elementary School. *Yeas 4 Nays 0*

5068 Mr. & Mrs. Raymond Bray requests permission for their daughter, grade K, to transfer from Mount Vernon Elementary School in Barbour County to Flemington Elementary School in Taylor County. The family resides in Barbour County.

Recommendation: Motion: _____ 2nd: _____ Yeas __ Nays __
Item pulled ____
PULLED

5069 Mr. & Mrs. Raymond Bray requests permission for their daughter, grade 1, age 6, to transfer from Mount Vernon Elementary School in Barbour County to Flemington Elementary School in Taylor County. The family resides in Barbour County.

Recommendation: Motion: _____ 2nd: _____ Yeas __ Nays __
Item pulled ____
PULLED

5070 Mr. & Mrs. Raymond Bray requests permission for their daughter, grade 1, age 8, to transfer from Mount Vernon Elementary School in Barbour County to Flemington Elementary School in Taylor County. The family resides in Barbour County.

Recommendation: Motion: _____ 2nd: _____ Yeas __ Nays __
Item pulled ____
PULLED

Date: August 28, 2012 **Kind of Meeting: Regular**
Where Held: Taylor County Board of Education

5071 Traci Bailey requested permission for her son, grade Pre-K, to transfer from Harrison County to Flemington Elementary School in Taylor County for the 2012-2013 school year. The family resides in Harrison County.

Recommendation: Motion: Mrs. Knotts 2nd: Mr. DePiano Yeas 4 Nays 0
Item pulled ____

5072 Ms. Charlene McCord requested permission for her daughter grade, 10, to transfer from Grafton Taylor County to Philip Barbour High School in Barbour County. The family resides in Taylor County

Recommendation: Motion: Mrs. Barney 2nd: Mrs. Knotts Yeas 1 Nays 3
Item pulled ____

5073 Ms. Charlene McCord requested permission for her daughter, grade 3, to transfer from Flemington Elementary School in Taylor County to Mount Vernon Elementary School in Barbour County. The family resides in Taylor County.

Recommendation: Motion: Mrs. Barney 2nd: Mr. DePiano Yeas 1 Nays 3
Item pulled ____

5074 Ms. Charlene McCord requested permission for her son, grade 2, to transfer from Flemington Elementary School in Taylor County to Mount Vernon Elementary School in Barbour County. The family resides in County.

Recommendation: Motion: Mrs. Barney 2nd: Mrs. Knotts Yeas 0 Nays 4
Item pulled ____

5075 Mr. & Mrs. Michael Hukill requested permission for his son, grade 11, to transfer from Grafton High School in Taylor County to Robert C. Byrd in Harrison County. The family resides in Taylor County.

Recommendation: Motion: Mrs. Knotts 2nd: Mr. DePiano Yeas 4 Nays 0
Item pulled ____

5076 Mr. Joe Scheffen and Ms. Karen Krause requested permission for their son, grade Pre-K, to transfer from Taylor County Schools to White Hall Elementary in Marion County for the 2012-2013 school year only. The family resides in Taylor County.

Recommendation: Motion: Mrs. Knotts 2nd: Mr. DePiano Yeas 4 Nays 0
Item pulled ____

5077 Mr. & Mrs. Buddy VanGilder requested permission to transfer their son, grade Pre-K, from Taylor County Schools to White Hall Elementary School in Marion County for the 2013-2014 school year. The family resides in Taylor County.

Recommendation: Motion: Mrs. Knotts 2nd: Mr. DePiano Yeas 4 Nays 0
Item pulled ____

LEGAL

5078 The superintendent respectfully requested approval of an option for refunding of the Board's outstanding Series 2003 and Series 2004 Bonds and disposition of funds on deposit with the Municipal Bond Commission for such Bonds and recommendations by the Board with respect to such matters.

OPTION 1
Recommendation: Motion: Mr. Teagarden 2nd: Mrs. Barney Yeas 2 Nays 2
Item pulled ____
MOTION FAILED

OPTION 2
Recommendation: Motion: Mrs. Barney 2nd: Mr. Teagarden Yeas 3 Nays 1
Item pulled ____

PROFESSIONAL PERSONNEL

EMPLOYMENT

5079 **Christopher Dickey,** .5 itinerant technology integration specialist . Effective August 30, 2012. Funding source: Title II

EXTRACURRICULAR

5080 **Rebecca Kittle,** yearbook sponsor at Taylor County Middle School. Effective August 29, 2012. Funding source: General Current

5081 **SUBSTITUTE TEACHERS**
Laura Evert
Victoria Steele

5082 **SUBSTITUTE NURSE**
Angela Haines

5083 **RESIGNATION**
Lynda Halverson Selan, resignation from special education teacher position at Anna Jarvis Elementary School. Effective August 23, 2012.

SERVICE PERSONNEL

EMPLOYMENT

5084 **Richard Jones,** temporary custodian III position at Anna Jarvis Elementary School to fill a vac a board approved leave of absence for spring/fall grass mowing. The temporary position will c August 30, 2012 and remain in effect until the return of the regular employee in late fall. The te will re-commence in the spring (estimated to be the first week of April) and terminate at the end of the calendar. Effective August 30, 2012.

EXTRACURRICULAR

5085 **Mary Farris,** morning bus duty monitor at West Taylor Elementary School (7:15 a.m.-8:00 a.m.) Effective August 29, 2012. Funding source: general current

RESIGNATION

5086 **Chad Thompson,** resignation from substitute custodian position. Effective August 29, 2012.

5087 **SUBSTITUTE MECHANIC**
Chad Thompson

ADDENDUM TO THE AGENDA

PROFESSIONAL PERSONNEL

RESIGNATION

5088 **Matt Cole,** resignation from position as metals technology teacher. Effective upon the successful filling of the position but not prior to September 21, 2012.

The superintendent respectfully requested approval of items **5079** - **5088** in the 5000 series.
Recommendation: Motion: Mrs. Knotts 2nd: Mrs. Barney Yeas 4 Nays 0
Item pulled ____

13-02-8000 DISCUSSION

Process for Payroll – Melissa Knotts
PULLED

Tator Ware – Judy Barney and Mary Tucker

Mrs. Barney set up a display table to show the Tator Ware product to the Board. Mrs. Tucker informed the Board that although this product was more environmentally friendly it would cost the Board a lot more to purchase than styrofoam and more difficult to recycle as it must be taken, by Taylor County Schools, to a compost facility which is more than 50 miles from here. Mrs. Tucker also informed the Board that Taylor County is a member of Mountaineer Highland Cooperation through RESA VII and any member of this cooperation must purchase items from the bid winning company.

Letters For GHS Scotty Hamilton Gym – Bob Maynard

Mr. Maynard informed the Board that a company would be coming this week regarding the lettering style and coloring that would portray the name of the new gym at Grafton High School as the Scotty Hamilton Gym and would be placed on the wall to the left of the gymnasiums main entrance.

Plaque For Flemington Elementary Jim Smith Ball Field – Bob Maynard

Mr. Maynard informed the Board that he would go to Flemington Elementary School this week to see where the best location for the new metal sign portraying the name of the baseball field as the Jim Smith Ball Field should be placed when it is completed. The sign will be either red with white lettering or white with red lettering which would share the same colors as Flemington Elementary school colors. The Board requested that a ceremony take place to honor Mr. Smith and also requested Mrs. Julie Gregory be invited.

Date: August 28, 2012 **Kind of Meeting: Regular**
Where Held: Taylor County Board of Education

13-02-9000 FUTURE MEETINGS

September 11, 2012	6:00 p.m.	TCBE
September 25, 2012	6:00 p.m.	AJES
October 9, 2012	6:00 p.m.	TCBE
October 23, 2012	6:00 p.m.	FES

ADJOURNMENT: Motion by Mrs. Knotts, 2nd by Mrs. Barney to adjourn the meeting, all members concurring therein the meeting adjourned at 8:21 p.m.

ATTESTED:

Secretary of the Board

President of the Board

$6,130,000
THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR
(WEST VIRGINIA)
Public School Refunding Bonds, Series 2012

REGISTRAR'S AGREEMENT

THIS AGREEMENT, dated as of September 25, 2012, by and between THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR (West Virginia), a statutory corporation of the State of West Virginia (the "Issuer"), and UNITED BANK, INC. a West Virginia banking corporation (the "Bank"), as Registrar under a Resolution and Order of the Issuer adopted May 22, 2012 (the "Resolution"), as amended by the Supplemental Resolution of the Issuer adopted July 24, 2012 (the "Supplemental Resolution").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its $6,130,000 aggregate principal amount of Public School Refunding Bonds, Series 2012, in fully registered form (the "Bonds"), pursuant to the Resolution;

WHEREAS, capitalized words and terms used in this Agreement and not otherwise defined herein shall have the respective meanings given them in the Resolution;

WHEREAS, the Resolution provides for an appointment by the Issuer of the Bank as Registrar for the Bonds; and

WHEREAS, the Issuer desires the Bank acting as Registrar to take certain other actions hereinafter set forth;

NOW, THEREFORE, it is agreed by and between the parties hereto as follows:

1. Upon the execution of this Agreement by the Issuer and the Bank and during the term hereof, the Bank does accept and shall have and agrees to perform all of the powers and duties of Registrar, as set forth in the Resolution, such duties including, among other things, the duties to authenticate, register and deliver Bonds upon original issuance and when properly presented for exchange or transfer, in accordance with any rules and regulations promulgated by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

2. The Bank agrees to furnish the Issuer with appropriate records of all transactions carried out by it as Registrar and to furnish the Issuer with the names and specimen signatures of the Bank authorized officers for the purposes of acting as the Registrar and with such other information and reports as the Issuer may from time to time reasonably require.

3. The Bank shall have no responsibility or liability for any action taken by it at the specific direction of the Issuer.

4. As compensation for acting as Registrar pursuant to this Agreement and the Resolution, the Issuer hereby agrees to pay to the Bank from time to time, the compensation for services rendered and reimbursement for reasonable expenses incurred in connection therewith.

5. It is intended that this Agreement shall carry out and implement provisions of the Resolution with respect to the Registrar and to take such actions as are necessary in its capacity as Registrar of the Issuer's redemption on May 1, 2013 of all of the Issuer's outstanding Public School Bonds, Series 2003, and the Issuer's redemption on May 1, 2014 of all of the Issuer's outstanding Public School Bonds, Series 2004. In the event of any conflict between the terms of this Agreement and the Resolution, the terms of the Resolution shall govern.

6. The Issuer and the Bank each warrants and represents that it is duly authorized and empowered to execute and enter into this Agreement and that neither such execution nor the performance of its duties hereunder or under the Resolution will violate any order, decree or agreement to which it is a party or by which it is bound.

7. This Agreement may be terminated by either party upon 60 days' written notice sent by registered or certified mail to the other party, at the following respective addresses:

ISSUER: The Board of Education of the
County of Taylor
82 Utt Drive
RR# 2, Box 157
Grafton, WV 26354
Attention: President

BANK: United Bank, Inc.
500 Virginia Street, East
Charleston, West Virginia 25392
Attention: Corporate Trust

8. The Bank, as Registrar, is hereby requested and authorized to authenticate and deliver the Bonds in accordance with the Resolution.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR and UNITED BANK, INC. have caused this Agreement to be signed in their respective names and on their behalf, all as of the day and year first above-written.

THE BOARD OF EDUCATION OF THE
COUNTY OF TAYLOR

By: Nancy A. Ludwick
Its President

UNITED BANK, INC.

By: _____
Its _____

IN WITNESS WHEREOF, THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR and UNITED BANK, INC. have caused this Agreement to be signed in their respective names and on their behalf, all as of the day and year first above-written.

THE BOARD OF EDUCATION OF THE
COUNTY OF TAYLOR

By: _____
Its President

UNITED BANK, INC.

By: _____
Its Vice Pres

State of West Virginia

Certificate

I, Natalie E. Tennant, Secretary of State of the State of West Virginia, hereby certify that

THIS IS A TRUE COPY OF CHAPTER 13, ARTICLE 2 OF THE WEST VIRGINIA CODE, AS INDICATED BY THE RECORDS OF THIS OFFICE.

Given under my hand and the Great Seal of the State of West Virginia on

September 19, 2012

Natalie E. Tennant

Secretary of State

ARTICLE 2

REFUNDING BONDS

Section
13-2-1. What political divisions may issue refunding bonds; when issued.
13-2-2. Terms of refunding bonds; time, place and amount of payments.
13-2-3. Certain provisions of article one to apply to refunding bonds.
13-2-4. Disposition of bonds; cancellation of original bonds.
13-2-5. Article sufficient authority for issuing refunding bonds.
13-2-6. Issuance without election or notice.
13-2-7. Invalidity of part of article not to affect other parts.
13-2-8. Bonds exempt from taxation.
13-2-9. Funding of orders, drafts or warrants by county courts and boards of education at rate lower than six percent.

§ 13-2-1. What political divisions may issue refunding bonds; when issued

Any county, by and through its county commission, either for and on behalf of the county or for and on behalf of any magisterial district or group of magisterial districts therein; any municipal corporation, by and through its council or other governing body in lieu thereof; or any school district, or any independent school district, by and through its board of education or other fiscal body in lieu thereof, may, in the manner and subject to the limitations and conditions contained in this article, issue and sell its bonds for the purpose of refunding the bonds of such political division which have become or are becoming due and payable and for the discharge of which there are or will be when the bonds mature no funds or insufficient funds available; or when, in the opinion of the governing body of the political division obligated to the payment of such bonds, the rate of levy necessary to provide funds for their discharge will impose excessive taxes upon the taxpayers of such political division; or for the purpose of providing for the payment of outstanding bonds in advance of the maturity or redemption thereof through the making of a deposit as provided in section four of this article; or for the purpose of rendering outstanding bonds not due when such outstanding bonds are to be presented for payment before maturity by the exercise of option provisions or by agreement with the holders thereof. Such refunding bonds may be issued bearing the same or a higher or lesser rate of interest than the bonds to be refunded. Except to the extent that additional taxes for such purpose have been approved by the voters and the levy of such additional taxes provided for in the manner stipulated in sections seven through fourteen of article one of this chapter, no such refunding bonds shall be issued bearing a higher rate of interest than the bonds being refunded or shall be issued in a principal amount exceeding the principal amount of the bonds to be refunded unless the amount of debt service payable on such refunding bonds in each year is equal to or less than the amount of taxes expected to be available therefor as shall be certified by the chairman of the West Virginia municipal bond commission prior to the issuance of such refunding bonds. The amount of taxes expected to be available in each year for purposes of this section shall be based upon the rates

of levy stipulated in the order directing the election at which the issuance of the bonds being refunded was approved by the voters and upon the most recent assessed valuation of the affected property prior to such election. In the event only a portion of the bonds provided for such order are being refunded or have been issued, an appropriate reduction shall be made in the amount of taxes expected to be available based upon the actual debt service requirements of bonds which have been issued but are not being refunded and the estimated debt service requirements of bonds which have not been issued.

Acts 1925, c. 46, § 1; Acts 1984, c. 25.

Library References

Key Numbers

Counties ⇐175.
Municipal Corporations ⇐913.
Schools ⇐97(2).
Westlaw Key Number Searches: 104k175; 268k913; 345k97(2).

Encyclopedias

C.J.S. Counties § 218.
C.J.S. Municipal Corporations §§ 1651, 1653.
C.J.S. Schools and School Districts § 524.

Notes of Decisions

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1. Construction and application

Refunding Bond Act is designed to provide some flexibility as to issuance of refunding bonds with regard to interest, maturity schedules, and sales at discount, as long as the refunding bond plan does not exceed basic constraints of original bonds approved by the voters. Code, 13-2-1 to 13-2-9. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⇐ 97(9)

2. In general

Fact that school board's refunding bond plan proposed a maturity schedule which was two years longer than maturity schedule of outstanding original bonds, and fact that annual debt service between the two schedules was somewhat different did not make the plan improper, since refunding bond's maturity schedule was still within 20-year schedule authorized by voters on original bond issue, and since annual debt service on refunding bonds remained within amount of annual tax levy. Code, 13-2-1 to 13-2-9. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⇐ 97(7)

Section of the Refunding Bond Act containing limitation that debt service on refunding bonds must be within confines of original tax levy authorized by voters, and requiring this fact to be certified by chairman of the Bond Commission prior to issuing refunding bonds with a higher interest rate than original bonds, places a limitation on refunding bond interest and debt service, but does not preclude utilization of each current year's property valuation to set amount of that year's levy rate. Code, 13-2-1. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⇐ 97(9)

3. Nature and effect of refunding bonds

Refunding bonds generally do not constitute new indebtedness, because they provide method of refinancing earlier bond issue at lower interest rate. State ex rel. School Bldg. Authority of West Virginia v. Marockie, 1996, 481 S.E.2d 730, 198 W.Va. 424. Municipal Corporations ⇐ 913

Issuance of refunding bonds to retire existing bonds under the Refunding Bond Act does not create a new indebtedness, and levies to provide debt service for new refunding bonds may be laid to the same extent and with like effect as they could have been laid for the original bonds. Code, 13-1-19, 13-2-1 to 13-2-9; Const. Art. 10, §§ 8, 10. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⇐ 97(1)

County court's issuance of refunding bonds to retire existing road bonds of magisterial district does not create "new indebtedness," and levies to provide debt service for refunding bonds may be laid as if they were original bonds. Code 1931, 13-2-1 et seq. Keeney v. Kanawha County Court, 1934, 175 S.E. 60, 115 W.Va. 243. Counties ⇐ 192

4. Bonds increasing total indebtedness

Maturity schedule and interest rates proposed for refunding bonds cannot increase total indebtedness from that originally authorized by the voters. Const. Art. 10, §§ 8, 10; Code, 13-2-1 to 13-2-9. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⇐ 97(3)

Rule that refunding bonds do not create a new debt, and therefore, may be issued without voter approval under State Constitution, is subject to certain qualifications, including that amount of refunding bonds cannot increase total indebtedness authorized by voters on the original bond issue. Code, 13-2-1; Const. Art. 10, §§ 1, 8, 10. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⇐ 97(4)

Once voters have approved of a certain level of bonded indebtedness, this amount cannot be increased through issuance of refunding bonds without further voter approval. Code, 13-2-1; Const. Art. 10, §§ 1, 8, 10. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⇐ 97(4)

5. Winkler decision

State School Building Authority was authorized to issue refunding bonds with respect to those bonds forming that part of bond issue deemed unconstitutional in Winkler v. State School Building Authority issued prior to date of such opinion; bonds issued prior to date of opinion were not invalid under principle of retroactivity, and refunding of such bonds to replace them at lower interest rate did not create new debt. Const. Art. 10, § 4. State ex rel. School Bldg. Authority of West Virginia v. Marockie, 1996, 481 S.E.2d 730, 198 W.Va. 424. States ⇐ 148

School building capital improvements fund was available to fund bonds issued for purpose of refunding bonds issued by state School Building Authority (SBA) prior to promulgation of state Supreme Court's decision in Winkler v. State School Building Authority; previously granted authority to issue refunding bonds would have no practical effect absent source of funds from which to repay such bonds. State ex rel. School Bldg. Authority of West Virginia v. Marockie, 1996, 481 S.E.2d 730, 198 W.Va. 424. States ⇐ 152

State School Building Authority (SBA) was not permitted to issue bonds alleged to be refunding bonds for redemption of obligations created before Winkler v. State School Building Authority, which had practical effect of generating cash at closing in order to make immediately available to SBA anticipated debt service savings from so-called refunding bonds; rather, SBA's authority to issue refunding bonds to redeem pre-Winkler obligations was specifically limited to encompass only those bonds, proceeds of which SBA would use to discharge its preexisting obligations. State ex rel. School Bldg. Authority of West Virginia v. Marockie, 1996, 481 S.E.2d 730, 198 W.Va. 424. States ⇐ 148

6. Interest rate

State School Building Authority (SBA) was permitted to refund bonds other than those specifically designated for refunding in Winkler v. State School Building Authority, to receive greatest benefit from lower interest rates applicable to refunding bonds; bonds and their interest rates were affected by changing economic circumstances beyond control of SBA, and denial of authority to refund pre-Winkler bonds different from those specified in such decision would render SBA unable to realize the value of redeeming earlier bonds at lower interest rates and effectively abrogate SBA's capacity to refund any of its pre-Winkler bonds. State ex rel. School Bldg. Authority of West Virginia v. Marockie, 1996, 481 S.E.2d 730, 198 W.Va. 424. States ⇐ 148

Fact that under financing plan involving school board refunding bonds, refunding bonds would bear interest rates higher than interest rate on original bonds did not render them invalid, where bonds would be liquidated within the original 20-year period and taxpayers would save over $4 million. Const. Art. 10, §§ 8, 10; Code, 13-2-1. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⇐ 97(7)

7. Mandamus

In a mandamus proceeding to compel a county court, which has issued, sold, and delivered to purchasers refunding bonds under the provisions of chapter 46, Acts 1925, to cancel all its refunding orders, recall the bonds and cancel them, on the ground that they are invalid as having been issued under an unconstitutional act, and as creating a debt without the sanction of the voters as provided by the Constitution, this court will not consider and pass upon the constitutionality of the statute nor upon the validity of the bonds, unless the bondholders are made parties or have their day in court. State ex rel. Hall, v. County Court of Mercer County, 1925, 129 S.E. 712, 100 W.Va. 11. Mandamus ⇐ 151(1)

§ 13-2-2. Terms of refunding bonds; time, place and amount of payments

Upon determining to issue such refunding bonds, the governing body of such political division shall, by resolution, authorize the issuance of such bonds in an

amount not exceeding the principal amount permitted by section one of this article, fix the date thereof, the rate or rates of interest which such bonds shall bear, payable semiannually, and require that the bonds shall bear, payable at the office of the state treasurer and at such other place or places as the body issuing the same may designate. Such resolution shall also provide that such bonds shall mature serially in annual installments beginning not more than three years after the date thereof, and the last of such annual installments shall mature in not exceeding thirty-four years from the date of such bonds. The amount payable in each year on the refunding bonds, together with any unrefunded or unissued bonds of the prior issue, may be so fixed that, when the amount of interest is added to the principal amount to be paid during the respective years, the total amount payable in each year shall be as nearly equal as practicable; or such bonds may be made payable in annual installments as nearly equal in principal as may be practicable.

All or a portion of the refunding bonds may be subject to redemption prior to the maturity thereof, at the option of the body issuing the same, at such times and prices and on such terms as shall be designated in the resolution required by this section. The body issuing the refunding bonds may not levy taxes in connection with the redemption of any refunding bonds in excess of the taxes that would have been levied for the payment of principal of and interest on such refunding bonds in such year.

Acts 1925, c. 46, § 2; Acts 1984, c. 25; Acts 1994, c. 13; Acts 1998, c. 320, eff. March 14, 1998.

Library References

Key Numbers

Counties ⟹183(2).
Municipal Corporations ⟹922.
Schools ⟹97(6).
Westlaw Key Number Searches: 104k183(2); 268k922; 345k97(6).

Encyclopedias

C.J.S. Counties § 222.
C.J.S. Schools and School Districts § 551.

Notes of Decisions

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1. Nature and effect of refunding bonds

Issuance of refunding bonds to retire existing bonds under the Refunding Bond Act does not create a new indebtedness, and levies to provide debt service for new refunding bonds may be laid to the same extent and with like effect as they could have been laid for the original bonds. Code, 13-1-19, 13-2-1 to 13-2-9; Const. Art. 10, §§ 8, 10. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⟹ 97(1)

Rule that refunding bonds do not create a new debt, and therefore, may be issued without voter approval under State Constitution, is subject to certain qualifications, including that amount of refunding bonds cannot increase total indebtedness authorized by voters on the original bond issue. Code, 13-2-1; Const. Art. 10, §§ 1, 8, 10. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⟹ 97(4)

2. Partial issuance of original bonds

Where school board presents a financing plan that includes refunding bonds and an additional amount of unissued original bonds, aggregate of the principal and interest payments made on original bonds prior to their refunding, when

added to amounts to be paid on refunding bonds and any outstanding original bonds that are issued but not refunded, cannot exceed original indebtedness authorized by the voters. Code, 13-2-1 to 13-2-9; Const. Art. 10, §§ 8, 10. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⟹ 97(3)

3. Partial refunding

Section of Refunding Bond Act providing that in event only a portion of bonds provided for, in order directing election at which issuance of bonds being refunded was approved, are being refunded or have been issued, an appropriate reduction shall be made in the amount of taxes expected to be available, is applicable to those situations where the refunding bond plan leaves a debt service which, when combined with any original bonds that will not be refunded, is below the levy originally authorized by the voters, and thus, did not apply to school board's refunding plan, which was constructed to utilize all annual tax revenues during maturity schedule of the bonds. Code, 13-2-1 to 13-2-9. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⟹ 103(1)

4. Conformance with terms of initial bond issuance

Fact that school board's bond refunding plan was premised upon maintaining level debt service rather than level principal payments, which was basis for original bonds, was not objectionable, where there was no increase in tax levy rate contemplated. Code, 13-2-2. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⟹ 97(9)

Refunding Bond Act gives bond-issuing authorities option of structuring their refunding bond plan to maintain either level debt service or level principal payments, and where level debt service is chosen, then the test is that the total amount payable in each year should be nearly equal as practicable. Code, 13-2-2. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⟹ 97(9)

Reduction in debt service for first and last years of school board's bond refunding plan were not consequential enough to constitute a violation of the "nearly equal as practicable" language in section of the Refunding Bond Act providing that amount payable in each year on refunding bonds, together with any unrefunded or unissued bonds of the prior issue, may be so fixed that, when amount of interest is added to principal amount to be paid during respective years, total amount payable in each year shall be as nearly equal as practicable, where present refunding bond plan was within limits of the original voter mandate. Code, 13-2-2. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⟹ 97(9)

Once voters have approved of a certain level of bonded indebtedness, this amount cannot be increased through issuance of refunding bonds without further voter approval. Code, 13-2-1; Const. Art. 10, §§ 1, 8, 10. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⟹ 97(4)

As long as school board's refunding bond plan fell within total obligation authorized by voters pursuant to approval of original bond issue, it does not require voter approval or impinge upon mandate of the voters. Code, 13-2-1 to 13-2-9; Const. Art. 10, §§ 8, 10. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⟹ 97(4)

Section of the Refunding Bond Act containing limitation that debt service on refunding bonds must be within confines of original tax levy authorized by voters, and requiring this fact to be certified by chairman of the Bond Commission prior to issuing refunding bonds with a higher interest rate than original bonds, places a limitation on refunding bond interest and debt service, but does not preclude utilization of each current year's property valuation to set amount of that year's levy rate. Code, 13-2-1. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⟹ 97(9)

5. Maturity date

Maturity schedule and interest rates proposed for refunding bonds cannot increase total indebtedness from that originally authorized by the voters. Const. Art. 10, §§ 8, 10; Code, 13-2-1 to 13-2-9. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⟹ 97(3)

Fact that school board's refunding bond plan proposed a maturity schedule which was two years longer than maturity schedule of outstanding original bonds, and fact that annual debt service between the two schedules was somewhat different did not make the plan improper, since refunding bond's maturity schedule was still within 20-year schedule authorized by voters on original bond issue, and since annual debt service on refunding bonds remained within amount of annual tax levy. Code, 13-2-1 to 13-2-9. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⟹ 97(7)

6. Interest rates

Fact that under financing plan involving school board refunding bonds, refunding bonds would bear interest rates higher than interest rate on original bonds did not render them invalid, where bonds would be liquidated within the original 20-year period and taxpayers would save over $4 million. Const. Art. 10, §§ 8, 10; Code, 13-2-1. Board of Educ. of Hancock

County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⟹ 97(7)

7. Term of bonds

Refunding bonds ordinarily may not be liquidated over a period longer than authorized for the original bond issue. Const. Art. 10, §§ 8, 10. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⟹ 97(9)

8. Sale at discount

Discount sale of a refunding bond is not prohibited under the Refunding Bond Act. Code, 13-2-1 to 13-2-9. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⟹ 97(5)

9. Mandamus

Once it is determined that a bond issue authorized by a governmental agency is lawful, mandamus will lie to compel secretary of the agency or other ministerial official responsible for executing the necessary documents to execute such documents. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Mandamus ⟹ 103

§ 13-2-3. Certain provisions of article one to apply to refunding bonds

All the provisions of sections seventeen, eighteen, nineteen and twenty of article one of this chapter, relating to bonds issued for original indebtedness, shall apply to the same extent and with equal force and effect to refunding bonds issued under the provisions of this article.

Library References

Key Numbers

Counties ⟹175.
Municipal Corporations ⟹913.
Schools ⟹97(2).
Westlaw Key Number Searches: 104k175; 268k913; 345k97(2).

Encyclopedias

C.J.S. Counties § 218.
C.J.S. Municipal Corporations §§ 1651, 1653.
C.J.S. Schools and School Districts § 524.

Notes of Decisions

In general 1
Registration of bonds 2

1. In general

Refunding Bond Act gives bond-issuing authorities option of structuring their refunding bond plan to maintain either level debt service or level principal payments, and where level debt service is chosen, then the test is that the total amount payable in each year should be nearly equal as practicable. Code, 13-2-2. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⟹ 97(9)

2. Registration of bonds

Statutes authorizing a bond-issuing authority to have bonds payable at the office of the State Treasurer and at such other places that the bond-issuing authority may designate provides sufficient authority to permit bonds to be registered at place of payment. Code, 13-1-14, 13-2-2; 26 U.S.C.A. § 103(j). Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Bonds ⟹ 113

"Registration of a bond" means that it is payable to a designated person rather than payable generally to the bearer. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Bonds ⟹ 113

§ 13-2-4. Disposition of bonds; cancellation of original bonds

The governing body of the political body of the political subdivision issuing bonds under this article may sell the same or any part thereof and collect the proceeds, or such bonds may be delivered to the holder or holders of the bonds to be refunded in exchange therefor.

It is the intention of this article to authorize political divisions to issue bonds for the purpose of refunding outstanding bonds without thereby contracting any additional indebtedness, and it shall be conditional upon the delivery of any refunding bonds that the bonds to be refunded be canceled and paid simulta-

neously with the issuance and delivery of such refunding bonds: Provided, That such refunding bonds shall be issued in an amount sufficient to effect the refunding and may include an amount sufficient to pay (1) the principal amount outstanding of the bonds to be refunded, (2) interest accrued or to accrue to the date of maturity or the date of redemption of the bonds to be refunded (which need not necessarily be on the first available redemption date), (3) any redemption premiums to be paid thereon, (4) any reasonable expenses incurred in connection with such refunding and (5) any other reasonable costs deemed appropriate by the state, including without limitation, the expenses of preparing and delivering the refunding bonds, legal fees, financial advisor fees, consultant fees, and other expenses incurred in connection with the issuance, sale and delivery of the refunding bonds.

For all purposes of this section, bonds shall be considered to have been canceled and paid in advance of their due date or date of redemption if there shall have been deposited with the West Virginia municipal bond commission either:

(a) Moneys, sufficient to pay when and as due at maturity or prior redemption all amounts of principal, redemption premium, if any, and interest payable on such bonds; or

(b) Direct obligations of the United State of America or the state of West Virginia, or obligations fully and irrevocably secured as to the payment of both principal and interest by such direct obligations, the payment on which when due will provide moneys, sufficient to pay when and as due at maturity or prior redemption all amounts of principal, redemption premium, if any, and interest payable on such bonds.

All such amounts shall be set aside and held in trust and irrevocably dedicated solely to the payment of such bonds, except that amount in excess of the amounts required for the payment of the bonds so refunded may be applied to the payment of costs related to the issuance, carrying, insuring or servicing the refunding bonds, including costs of credit or market enhancement services, such as letters of credit, remarketing arrangements and similar services. Any amount deposited pursuant to this section may include amounts already held on deposit by the West Virginia municipal bond commission for the payment of the bonds to be refunded.

Acts 1925, c. 46, § 7; Acts 1937, c. 118; Acts 1984, c. 25; Acts 1994, c. 13.

Library References

Key Numbers

Counties ⇐175.
Municipal Corporations ⇐913.
Schools ⇐97(2).
Westlaw Key Number Searches: 104k175; 268k913; 345k97(2).

Encyclopedias

C.J.S. Counties § 218.
C.J.S. Municipal Corporations §§ 1651, 1653.
C.J.S. Schools and School Districts § 524.

Notes of Decisions

Unissued original bonds 1
Use of excess funds 2

1. Unissued original bonds

Where school board presents a financing plan that includes refunding bonds and an additional amount of unissued original bonds, aggregate of the principal and interest payments made on original bonds prior to their refunding, when added to amounts to be paid on refunding bonds and any outstanding original bonds that are issued but not refunded, cannot exceed original indebtedness authorized by the voters. Code, 13-2-1 to 13-2-9; Const. Art. 10, §§ 8, 10. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⟹ 97(3)

Where a bond-issuing authority has been unable to market all of its original bond issue and is unable to complete the project financed by the bond issue, it may utilize for the project any unencumbered funds in its account with the Bond Commission as a part of a refunding bond plan to complete the original project. Code, 13-3-9(c). Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⟹ 92(1)

2. Use of excess funds

Statute authorizing transfer of funds remaining from liquidation of school bonds to school current fund does not preclude use of excess money from an escrow fund established with the Bond Commission and derived from sale of refunding bonds under the Bond Refunding Act, as long as the board complies with subsection of the Act enabling bond-issuing authority to withdraw excess funds held by the Bond Commission that are not needed to liquidate original bond issue; such funds can be spent on school improvements when they are made a part of a refunding bond plan for school improvements, and it is only when last bond has been retired that any excess funds then remaining are turned back to the school board to the credit of its school current fund. Code, 13-2-1 to 13-2-9, 13-3-9(c), 18-9-2c. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⟹ 97(5)

School board's plan to spend some excess money from sale of refunding bonds on school improvements was not improper. Code, 13-2-1 to 13-2-9, 13-3-9(c), 18-9-2c. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⟹ 97(5)

School board's plan to spend some excess money from sale of refunding bonds on school improvements was not improper. Code, 13-2-1 to 13-2-9, 13-3-9(c), 18-9-2c. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⟹ 97(5)

Section of Bond Refunding Act providing that money received from sale of refunding bonds shall be set aside and held in trust and irrevocably dedicated solely to payment of such bonds, except that excess of amounts required for payment of bonds so refunded may be applied to payment of costs, was intended to enable school board to spend any excess money on expenses directly resulting from issuance of the refunding bonds, but does not foreclose the school board from utilizing any excess money for real purpose of the project for which bonds were issued, which was for school building improvements. Code, 13-2-4. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⟹ 97(5)

§ 13-2-5. Article sufficient authority for issuing refunding bonds

This article shall, without reference to any other act of the legislature, be full authority for the issuance, sale and exchange of bonds in this article authorized. No order, ordinance, resolution or proceeding in respect to the issuance of any bonds hereunder shall be necessary except such as are required by this article. No publication of any notice, order, ordinance or proceeding relating to the issuance of such bonds shall be necessary.

Acts 1925, c. 46, § 8.

Library References

Key Numbers

Counties ⟹175.
Municipal Corporations ⟹913.
Schools ⟹97(2).
Westlaw Key Number Searches: 104k175; 268k913; 345k97(2).

Encyclopedias

C.J.S. Counties § 218.
C.J.S. Municipal Corporations §§ 1651, 1653.
C.J.S. Schools and School Districts § 524.

§ 13-2-6. Issuance without election or notice

The issuance and sale of exchange bonds in this article authorized may be had without an election or publication of any notice.

Acts 1925, c. 46, § 9; Acts 1937, c. 118.

Library References

Key Numbers

Counties ⇐178.
Municipal Corporations ⇐918.
Schools ⇐97(4).
Westlaw Key Number Searches: 104k178; 268k918; 345k97(4).

Encyclopedias

C.J.S. Counties § 221.
C.J.S. Municipal Corporations §§ 1664, 1672.
C.J.S. Schools and School Districts §§ 532 to 545.

Notes of Decisions

In general 1

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1. In general

As long as school board's refunding bond plan fell within total obligation authorized by voters pursuant to approval of original bond issue, it does not require voter approval or impinge upon mandate of the voters. Code, 13-2-1 to 13-2-9; Const. Art. 10, §§ 8, 10. Board of Educ. of Hancock County v. Slack, 1985, 327 S.E.2d 416, 174 W.Va. 437. Schools ⇐ 97(4)

§ 13-2-7. Invalidity of part of article not to affect other parts

If any clause, sentence, paragraph or part of this article shall for any reason be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair or invalidate the remainder of the article, but shall be confined in its application to the clause, sentence, paragraph or part thereof directly involved in the controversy in which such judgment has been rendered.

Acts 1925, c. 46, § 10.

§ 13-2-8. Bonds exempt from taxation

All bonds of the State of West Virginia or of any political subdivision thereof issued hereunder shall be exempt from all taxation by the State or by any political subdivision thereof.

Cross References

Bond issues for original indebtedness, bonds exempt from taxation, see § 13-1-33.

Library References

Key Numbers

Taxation ⇐218.
Westlaw Key Number Search: 371k218.

Encyclopedias

C.J.S. Taxation § 260.

§ 13-2-9. Funding of orders, drafts or warrants by county courts and boards of education at rate lower than six percent

County courts and boards of education may, upon the application of the owner or holder or holders, by an order entered of record, fund any indebtedness represented by orders, drafts, or warrants by taking up one or more of such orders, drafts, or warrants issued on the same fund, and issue in lieu thereof new orders, drafts or warrants to the person or persons entitled to

receive the sums of money due upon said orders, drafts, or warrants, and in which orders there shall be set out in detail the number of each order, draft, or warrant, the date thereof, to whom issued, the fund or funds on which drawn, the name of the present holder thereof, or the person or persons entitled to receive the sum due thereon, if interest-bearing the date from which interest began, the credits, if any endorsed thereon, and the date thereof, and such other information so as to completely identify the orders, drafts or warrants for which new orders, drafts or warrants are issued: Provided, however, That no power or authority herein given or contained shall be construed to make legal and binding any order, draft or warrant not legal and/or binding when originally ordered and/or issued by any county court or board of education. The court and/or boards shall, when the orders, drafts or warrants are interest-bearing, in issuing such new orders, drafts or warrants, issue them on the same fund upon which the original order, draft or warrant was issued and for the aggregate amount of unpaid principal and interest to that date, and cancel all such orders, drafts or warrants funded and file the same with the clerk of the county court of their county for preservation. All such new orders, drafts or warrants shall not become interest-bearing until the same shall have been presented to the sheriff for payment and endorsed as provided by law, and when so presented shall draw interest at five and one-half percent per annum.

Acts 1933, c. 43, § 1.

W.Va. Const., art. IX, § 9, redesignated the office of the county court as county commission.

Library References

Key Numbers

Counties ⚷164.

Westlaw Key Number Search: 104k164.

Encyclopedias

C.J.S. Counties § 208.

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 back if space permits.

1. Article Addressed to:

Department of the Treasury
Internal Revenue Service Center
Ogden, Utah 84201

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X ☐ Agent ☐ Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

RECEIVED OCT 09 2012 OGDEN, UT

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Transfer from service label) 7004 1160 0001 5875 8887

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

7004 1160 0001 5875 8887

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com®

OFFICIAL USE

Postage	$ .65
Certified Fee	2.95
Return Reciept Fee (Endorsement Required)	2.35
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	$ 5.95

Postmark Here
OCT 2 2012
UNITED STATES POSTAL SERVICE

Sent To
Street, Apt. No.; or PO Box No.
City, State, ZIP+4

Department of the Treasury
Internal Revenue Service Center
Ogden, Utah 84201

PS Form 3800, June 2002 See Reverse for Instructions

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

400 White Oaks Boulevard
Bridgeport, WV 26330
(304) 933-8000 (304) 933-8183 Fax
www.steptoe-johnson.com

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(304) 933-8136 – Telephone
(304) 933-8183 - Fax

October 1, 2012

$6,130,000
THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR
(WEST VIRGINIA)
Public School Refunding Bonds, Series 2012

CERTIFIED MAIL - RETURN RECEIPT REQUESTED
Department of the Treasury
Internal Revenue Service Center
Ogden, Utah 84201

Ladies and Gentlemen:

Enclosed herewith is a completed and executed Internal Revenue Service Form 8038-G and a file copy thereof with regard to the above-captioned issue. Please file the original form in the appropriate Internal Revenue Service records and return the copy marked as the "Acknowledgement Copy" to me (after acknowledging receipt of the same) in the enclosed stamped, self-addressed envelope.

Thank you for your attention to this letter. If you have any questions regarding any of the issues set forth herein, or if I can be of any service, please do not hesitate to call.

My best regards.

Very truly yours,

Thomas L. Aman, Jr.

TLA:jmg
Enclosures

6106109

Form **8038-G**
(Rev. September 2011)
Department of the Treasury
Internal Revenue Service

Information Return for Tax-Exempt Governmental Obligations

▶ Under Internal Revenue Code section 149(e)
▶ See separate instructions.
Caution: *If the issue price is under $100,000, use Form 8038-GC.*

OMB No. 1545-0720

Part I Reporting Authority

If **Amended Return**, check here ▶ ☐

1 Issuer's name
The Board of Education of the County of Taylor (West Virginia)

2 Issuer's employer identification number (EIN)
55-0549257

3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)

3b Telephone number of other person shown on 3a

4 Number and street (or P.O. box if mail is not delivered to street address) — Room/suite
82 Utt Drive

5 Report number *(For IRS Use Only)*
3

6 City, town, or post office, state, and ZIP code
Grafton, West Virginia 26354

7 Date of issue
September 25, 2012

8 Name of issue
Public School Refunding Bonds, Series 2012

9 CUSIP number
877129DE3

10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions)
Drew M. Rottgen, Treasurer

10b Telephone number of officer or other employee shown on 10a
304-265-2497

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.

11	Education	11	6,528,189	90
12	Health and hospital	12		
13	Transportation	13		
14	Public safety	14		
15	Environment (including sewage bonds)	15		
16	Housing	16		
17	Utilities	17		
18	Other. Describe ▶	18		
19	If obligations are TANs or RANs, check only box 19a ▶ ☐			
	If obligations are BANs, check only box 19b ▶ ☐			
20	If obligations are in the form of a lease or installment sale, check box ▶ ☐			

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	05/01/2019	$ 6,528,189.90	$ 6,130,000	3.7758 years	1.2021 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22	Proceeds used for accrued interest			22	0	00
23	Issue price of entire issue (enter amount from line 21, column (b))			23	6,528,189	90
24	Proceeds used for bond issuance costs (including underwriters' discount)	24	151,718 33			
25	Proceeds used for credit enhancement	25	0 00			
26	Proceeds allocated to reasonably required reserve or replacement fund	26	0 00			
27	Proceeds used to currently refund prior issues	27	0 00			
28	Proceeds used to advance refund prior issues	28	6,376,471 57			
29	Total (add lines 24 through 28)			29	6,528,189	90
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)			30	0	00

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.

31	Enter the remaining weighted average maturity of the bonds to be currently refunded ▶	n/a years
32	Enter the remaining weighted average maturity of the bonds to be advance refunded ▶	3.7835 years
33	Enter the last date on which the refunded bonds will be called (MM/DD/YYYY) ▶	05/01/2014
34	Enter the date(s) the refunded bonds were issued ▶ (MM/DD/YYYY)	08/19/2003; 03/21/2004

For Paperwork Reduction Act Notice, see separate instructions.

Part VI Miscellaneous

35	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35	0	00
36a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions)	36a	0	00
b	Enter the final maturity date of the GIC ▶ n/a			
c	Enter the name of the GIC provider ▶ n/a			
37	Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units	37	0	00

38a If this issue is a loan made from the proceeds of another tax-exempt issue, check box ▶ ☐ and enter the following information:

b Enter the date of the master pool obligation ▶ n/a

c Enter the EIN of the issuer of the master pool obligation ▶ n/a

d Enter the name of the issuer of the master pool obligation ▶ n/a

39 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ▶ ☑

40 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ▶ ☐

41a If the issuer has identified a hedge, check here ▶ ☐ and enter the following information:

b Name of hedge provider ▶ n/a

c Type of hedge ▶ n/a

d Term of hedge ▶ n/a

42 If the issuer has superintegrated the hedge, check box ▶ ☐

43 If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box ▶ ☑

44 If the issuer has established written procedures to monitor the requirements of section 148, check box ▶ ☑

45a If some portion of the proceeds was used to reimburse expenditures, check here ▶ ☐ and enter the amount of reimbursement ▶

b Enter the date the official intent was adopted ▶

Signature and Consent

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.

Nancy Ludwick — Signature of issuer's authorized representative — Date 10-1-12 — Nancy Ludwick, President — Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
Thomas L. Aman, Jr.		10-1-12		P01084844

Firm's name ▶	Steptoe & Johnson PLLC	Firm's EIN ▶	55-0286140
Firm's address ▶	400 White Oaks Boulevard, Bridgeport, West Virginia 26330	Phone no.	304.933.8000

TAYLOR COUNTY BOARD OF EDUCATION
BOND ELECTION ORDER

AN ORDER OF THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR DIRECTING THAT A SPECIAL ELECTION BE HELD FOR THE PURPOSE OF SUBMITTING TO THE VOTERS OF TAYLOR COUNTY SCHOOL DISTRICT ALL QUESTIONS CONNECTED WITH THE CONTRACTING OF A DEBT AND THE ISSUING OF BONDS IN THE PRINCIPAL AMOUNT OF TEN MILLION NINE HUNDRED NINETY THOUSAND DOLLARS ($10,990,000) FOR SCHOOL CONSTRUCTION, RENOVATION AND IMPROVEMENTS IN TAYLOR COUNTY SCHOOL DISTRICT

BE IT ORDERED AND ENTERED OF RECORD BY THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR:

It appears to The Board of Education of the County of Taylor (herein called the "Board") and the Board does accordingly hereby find:

1. Insufficient and inadequate school buildings and related facilities, in Taylor County School District (the "District") which generally result in insufficient and ineffective space and lack of efficiency are conditions which now exist and are adversely affecting proper and adequate education of students in the District to prepare them for gainful employment or further education, and those conditions, together with due regard for proper health and safety standards make it necessary that the Board, prepare or improve the sites therefor and construct, improve, expand, renovate, repair, furnish and equip certain school facilities, all as shown below; and such conditions and requirements have been found and are hereby determined to exist, pursuant to investigation caused to be made by this Board. The funds derived from current levies applicable to the acquisition and construction of such new

facilities which this body is now authorized by law to lay, after providing for the administration of the affairs of this Board and meeting the current expenses thereof required by law, are insufficient to finance such acquisition and construction and, therefore, Bonds should be issued to provide funds to pay such costs.

2. Funds should be obtained for the purposes mentioned above and described below and it will be necessary to incur debt and issue Bonds for the preparation or improvement of sites and for construction, expansion, improvement, renovation, repair, furnishing and equipping of certain new and existing school facilities (collectively, the "Project"), to pay interest during construction of the Project and for up to six months thereafter and to pay costs of issuance of the Bonds, all as more fully hereinafter described. Investigation and studies by this Board show that at least the sum of **$13,740,000** must be spent for such purposes, **$10,990,000** of which would be provided from proceeds of the hereinafter-described Bonds and **$2,750,000** of which would be provided from a grant or grants from the School Building Authority of West Virginia, expected to be received in December, 2003, all to the end of providing adequate, safe and convenient school facilities in the District to meet and improve the educational needs and opportunities of the students in the District.

3. The valuation of the taxable property in the District, as shown by the last assessment thereof for state and county taxation purposes, is **$329,827,580**, and the valuation of each class of property within the District is as follows:

Class I	$ 4,774,296
Class II	138,444,340
Class III	135,192,757
Class IV	51,416,187
TOTAL	$329,827,580

4. There is bonded indebtedness for school purposes in the District outstanding in the principal amount of **$737,112**. The unbonded indebtedness of the District is negligible and can be paid from current levy funds. Accordingly, Bonds in the aggregate amount of **$10,990,000**, which together with the principal amount of all bonds outstanding, is less than 5% of the value of such taxable property as ascertained by the last assessment thereof for state and county taxes, may be issued for the purposes herein provided without exceeding any constitutional or statutory limitation.

5. Bonds in the principal amount of $5,000 each, or integral multiples thereof, aggregating **$10,990,000**, shall be issued and sold, in whole, or from time to time in part, as the Board may in its discretion, deem proper, advisable and in the best interests of the inhabitants of the District, the proceeds of which sale shall be used for the Project, provided, however, that the Board, in its discretion, may allocate and expend for any one or more of the facilities constituting the Project, any sum remaining unused upon completion of any one or more of such facilities, whether any such sum remains unused upon completion by reason of lower than estimated costs for such facility or facilities or a grant-in-aid upon the cost of such facility or facilities received by the Board from the State or Federal Government, or any State or Federal governmental agency, or from any other source; and

provided, further, that in the event that any part of the bond proceeds should not be needed for completion of the Project, such unneeded part shall be deposited with the Municipal Bond Commission of West Virginia to be used solely for the purchase of any Bonds of this issue outstanding at not more than the par value thereof plus accrued interest to the date of purchase or for the payment of such Bonds and the interest thereon at the maturities thereof. The proceeds of sale of the Bonds will not be used except as herein specified; 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 may be reimbursed from levy moneys collected.

6. The Bonds shall bear interest at a rate or rates not exceeding **7 1/2%** per annum, payable semiannually, but it is hoped that the best bid for the Bonds will provide a lower interest rate (which might result in lower levy rates needed to pay the Bonds and the interest thereon), and the Bonds shall be payable for a maximum term of **16** years from the date thereof. The Bonds may be issued in one or more series at different times.

7. It is further hereby ordered by the Board of Education of the County of Taylor that:

(A) The question of incurring said debt and issuing said Bonds and all other questions properly connected therewith shall be submitted to the voters of Taylor County School District at a special school bond election to be held in the District on Saturday, April 5, 2003.

(B) The names of the Commissioners for holding said election shall be as follows (provided that if any such Commissioners are unavailable or otherwise unable to serve, substitutes will be appointed):

Elane Bennet - Chairman (Circuit Clerk)
Cala Dell Frederick
Mary Ann Miller

(C) The registration of voters and the use of the registration books shall be governed by the permanent registration laws of the State of West Virginia and the Board hereby adopts the registration lists of the County of Taylor as the official registration lists of the District for such school bond election.

(D) The purposes or projects for which the proceeds of sale of the Bonds (**$10,990,000**), if authorized by the voters and expected grants from the School Building Authority of West Virginia (**$2,750,000**) are to be expended are as follows:

			ESTIMATED COST	
	PROJECT	LOCATION	BOND PROCEEDS	SBA GRANT
1.	FLEMINGTON ELEMENTARY SCHOOL Acquisition and construction of renovations and improvements, including HVAC, new windows and other miscellaneous renovations.	Existing Flemington Elementary School	$ 514,000	$ -0-

CL824026.1

2.	GRAFTON HIGH SCHOOL Demolition and site preparation and acquisition and construction of additions, renovations and improvements including a new sprinkler system, a new physical education facility/gymnasium, locker room and classrooms for fine arts instruction, site improvements, outdoor tennis courts, track improvements, replace bleachers, a new softball field and other miscellaneous renovations.	Existing Grafton High School	$ 7,082,000	$ -0-
3.	TAYLOR COUNTY TECHNICAL CENTER Acquisition and construction of renovations and improvements including a new sprinkler system, an instructional kitchen lab and roof repairs.	Existing Taylor County Technical Center	$ 314,000	$ -0-
4.	NEW ELEMENTARY SCHOOL* Site preparation and acquisition and construction of a new elementary school to serve approximately 275 students and replace Pruntytown Elementary School and Hepzibah Elementary School.	Within approximately two miles of the western-most inter-section of U. S. Routes 50 and 250	$ 3,080,000	$2,750,000
	TOTALS		$10,990,000	$2,750,000

APPROXIMATE TOTAL COST TO BE PAID FROM BOND PROCEEDS	**$10,990,000**
APPROXIMATE TOTAL COST TO BE PAID FROM SBA GRANTS	$ 2,750,000
APPROXIMATE TOTAL COST OF ALL PROJECTS	$13,740,000

CL824C26.1

* The new elementary school will not be constructed, and that portion of the Bonds allocated thereto (**$3,080,000**) will not be issued or sold, unless the District receives a written commitment (which may be subject to certain conditions) of the School Building Authority of West Virginia to provide a grant or grants to the District for such project in the amount of not less than **$2,750,000** or such amount is otherwise made available to the District for such project.

The above amounts include costs of site improvement, construction, erection, renovation, repair, furnishing, equipping and improving of such projects, architectural and engineering fees and costs, interest during construction of the Project and for a period of up to six months thereafter, expenses of issuance and sale of the Bonds, including bond insurance, if appropriate, and such other costs as may be necessary for properly carrying out the foregoing projects. The Board may, in its discretion, allocate to and expend for any one or more of the above projects, any sum remaining unused upon completion of any such projects, whether any such sum remains unused upon such completion by reason of lower than estimated costs for such project or projects or a grant-in-aid upon the cost of any such project received by the Board from the State or Federal Government, or any State or Federal Governmental agency, or from any other source.

(E) If the voters of the District approve such debt and the issuance of said Bonds, the Board shall lay annually upon the assessed valuation of all the taxable property within the District a levy sufficient to provide funds for the payment of the annual interest upon said Bonds as it accrues semiannually, and the principal of said

Bonds at the maturities thereof, for which purpose a levy upon each $100 valuation, based upon the last assessment of such property for state and county purposes, will be required as follows:

Upon Class I property, approximately **13.33** cents

Upon Class II property, approximately **26.66** cents

Upon Class III property, approximately **53.32** cents

Upon Class IV property, approximately **53.32** cents

(F) In the laying of such levy, the assessment levy authorized to be laid by the Board for the District by the Constitution of West Virginia and the statutes enacted pursuant thereto shall not be exceeded; provided, however, that the rates hereinabove set forth may, whenever necessary, be exceeded in making the annual levy for interest and principal of such Bonds within any statutory and constitutional limitations; and in the levy, collection and disbursement of taxes within constitutional and statutory limitations, such levy for interest and principal upon such proposed Bonds shall have preference over all other taxes collected by the Board for any purpose whatever, except the payment of interest and sinking fund requirements on other Bond issues which heretofore have been authorized or which may hereafter be authorized.

(G) If the debt and the Bond issue shall be approved by the voters, the Bonds, together with all existing bonded indebtedness, including any other bonds heretofore issued and payable from taxes levied outside the limitations fixed by Section 1, Article X of said Constitution, will not exceed in the aggregate 5% of the valuation of the taxable property in the District ascertained in accordance with Sections 8 and 10, Article X of said Constitution, and such Bonds and the interest thereon will be payable

from a direct annual tax levied and collected each year, on all taxable property in the District, sufficient to pay the principal and interest maturing and becoming due on such Bonds in each year together with any deficiencies for prior years, within, and not exceeding 34 years, which tax levies will be laid separate and apart from, and in addition to, the maximum rates provided for tax levies for school districts on the several classes of property in Section 1, Article X of said Constitution, but in the same proportions as such maximum rates are levied on the several classes of property; and said tax will be levied outside the limits fixed by Section 1, Article X of said Constitution.

(H) If the debt and Bond issue submitted to the voters shall be approved, by virtue of Section 8, Article X of the Constitution, known as the "School Bond Amendment," and Section 10, Article X of the Constitution, known as the "Better Schools Amendment," and the enabling legislation enacted by the Legislature of West Virginia, Regular Session, 1951, amending and re-enacting Sections 3 and 4, Article 1, Chapter 13 of the Code of West Virginia, 1931, the levies hereinbefore provided will not violate any constitutional or statutory provisions of this State establishing maximum levies; said levies herein provided shall be levied and allocated each year for the purpose of discharging the interest and principal of the Bonds to be authorized, and for such purposes shall be laid separate and apart from all other levies made for all other purposes of the District, and the Board does further find that after laying and allocating said special levies for payment of the principal and interest requirements of said Bonds, there will be, out of the levies authorized by law, moneys which, when added to other income, will be sufficient to carry on the proper requisite functions of the Board and of the District.

(I) The form of ballot to be used for such school bond election shall be as follows:

OFFICIAL BALLOT

BOARD OF EDUCATION OF THE COUNTY OF TAYLOR

SPECIAL SCHOOL BOND ELECTION

SATURDAY, APRIL 5, 2003

Shall the Board of Education of the County of Taylor incur debt and issue Bonds in the amount of **$10,990,000**, maturities on such Bonds to run not more than **16** years from the date of such Bonds, with interest not exceeding the rate of **7 1/2%** per annum, payable semi-annually, for the purpose of making the following improvements in Taylor County School District for the purpose of providing adequate, safe and convenient educational facilities for the School District and levy taxes sufficient to pay the principal of and interest on such Bonds?

			ESTIMATED COST	
	PROJECT	LOCATION	BOND PROCEEDS	SBA GRANT
1.	FLEMINGTON ELEMENTARY SCHOOL Acquisition and construction of renovations and improvements, including HVAC, new windows and other miscellaneous renovations.	Existing Flemington Elementary School	$ 514,000	$ -0-

CL824026.1

2.	GRAFTON HIGH SCHOOL Demolition and site preparation and acquisition and construction of additions, renovations and improvements including a new sprinkler system, a new physical education facility/gymnasium, locker room and classrooms for fine arts instruction, site improvements, outdoor tennis courts, track improvements, replace bleachers, a new softball field and other miscellaneous renovations.	Existing Grafton High School	$ 7,082,000	$ -0-
3.	TAYLOR COUNTY TECHNICAL CENTER Acquisition and construction of renovations and improvements including a new sprinkler system, an instructional kitchen lab and roof repairs.	Existing Taylor County Technical Center	$ 314,000	$ -0-
4.	NEW ELEMENTARY SCHOOL* Site preparation and acquisition and construction of a new elementary school to serve approximately 275 students and replace Pruntytown Elementary School and Hepzibah Elementary School.	Within approximately two miles of the western-most inter-section of U. S. Routes 50 and 250	$ 3,080,000	$2,750,000
	TOTALS		$10,990,000	$2,750,000

APPROXIMATE TOTAL COST TO BE PAID FROM BOND PROCEEDS	**$10,990,000**
APPROXIMATE TOTAL COST TO BE PAID FROM SBA GRANTS	$ 2,750,000
APPROXIMATE TOTAL COST OF ALL PROJECTS	$13,740,000

CL824C26.1

* The new elementary school will not be constructed, and that portion of the Bonds allocated thereto (**$3,080,000**) will not be issued or sold, unless the District receives a written commitment (which may be subject to certain conditions) of the School Building Authority of West Virginia to provide a grant or grants to the District for such project in the amount of not less than **$2,750,000** or such amount is otherwise made available to the District for such project.

The above amounts include costs of site improvement, construction, erection, renovation, repair, furnishing, equipping and improving of such projects, architectural and engineering fees and costs, interest during construction of the Project and for up to six months thereafter, expenses of issuance and sale of the Bonds, including bond insurance, if appropriate, and such other costs as may be necessary for properly carrying out the foregoing projects. The Board may, in its discretion, allocate to and expend for any one or more of the above projects any sum remaining unused upon completion of any such projects, whether any such sum remains unused upon such completion by reason of lower than estimated costs for such project or projects or a grant-in-aid upon the cost of any such project received by the Board from the State or Federal Government, or any State or Federal Governmental agency, or from any other source.

☐ YES

☐ NO

CLE24026.1

NOTICE TO VOTERS: To vote in favor of the proposition submitted on this ballot, place an X mark in the box before the word "YES".

To vote against the proposition, place a similar mark in the box before the word "NO".

* * * * * * * * * * *

8. The Secretary of the Board with the assistance of the Clerk of the County Commission of Taylor County, which Clerk is hereby designated and appointed as an agent of the Board for this election, is hereby authorized and directed to procure and furnish to the election commissioners at each voting precinct, insofar as practicable, the ballots, poll books, tally sheets and other supplies and things necessary for conducting the election as provided by West Virginia Code, Chapter 13, Article 1, Section 11, and perform all duties imposed by law upon Clerks of the Circuit Court and County Commission in relation to general elections insofar as practicable; and, in accordance with Section 13, Article 1 of said Chapter 13, the Board shall canvass the election returns, and shall meet on Friday, April 11, 2003, that being the 5th day, Sunday excepted, after such school bond election for such purposes.

9. Absentee ballots shall be applied for, obtained from and returned to the Clerk of the Circuit Court of the County of Taylor in accordance with the provisions of West Virginia Code, Chapter 13, Article 1, Section 11 and said Clerk is hereby appointed the agent of the Board to perform all duties relating to absentee ballots in this election.

10. Notice of the special school bond election hereby ordered shall be given, as required by law, by the publication of this order within the 14 consecutive days

next preceding the date of the election, with an interval of at least 6 full days between the first and second publications, once a week for 2 successive weeks in *The Mountain Statesman* and *The Clarksburg Exponent-Telegram*, being two qualified newspapers of opposite politics published or of general circulation in the District, the publication dates to be Wednesday, March 26 and Wednesday, April 2, 2003.

Adopted and entered of record this January 8, 2003.

By: _____
President of The Board of Education of the
County of Taylor

CL824026.1

CERTIFICATE

Certified a true and correct copy of the Order Directing an Election to be held, adopted and entered of record by The Board of Education of the County of Taylor at a special meeting thereof duly and properly called and held upon lawful notice to the public and all members thereof on Wednesday, January 8, 2003, at the offices of the Taylor County Board of Education, 1 Prospect Street, Grafton, Taylor County, West Virginia, a quorum of said members being present at said meeting and acting throughout the same. Such order is in full force and effect.

Given under my hand this March 31, 2004.

By: _____
Secretary of The Board of Education of the County of Taylor

03/15/04
888130/00001

THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR
RESOLUTION AND ORDER DIRECTING ISSUANCE OF BONDS

WHEREAS, The Board of Education of the County of Taylor (the "Issuer"), has heretofore, on January 8, 2003, made and entered of record a Bond Election Order (the "Order") upon the question of authorizing bonds in the amount of Ten Million Nine Hundred Ninety Thousand Dollars ($10,990,000) (the "Bonds") to be issued and sold for the purpose of providing funds for making certain improvements (the "Project") in Taylor County School District (the "District");

WHEREAS, in pursuance of said order, an election was held on April 5, 2003, at each of the legally established voting precincts in the District for the purpose of ascertaining the will of the voters upon the question of whether or not said bonds should be issued. The result of said election, as shown by a canvass of the returns thereof made by the Issuer and The County Commission of Taylor County, sitting jointly as a canvassing board, on April 11, 2003, and as certified on April 15, 2003, was One Thousand Five Hundred Sixty-One (1,561) votes for and One Thousand One Hundred Fifty-Two (1,152) votes against the issuance of said bonds; so that more than 50% of the voters, to wit, 57.54% voting upon said proposition at said election, voted for the issuance of said bonds;

WHEREAS, the Order and the question stated on the bond ballot provided that the Issuer would not proceed with that portion of the Project constituting a new elementary school or the issuance or sale of that portion of the Bonds allocated thereto ($3,080,000), unless the Issuer had first received a written commitment (which may be subject to certain conditions) of the School Building Authority of West Virginia to provide a grant or grants to the Issuer for such new elementary school in the amount of not less than $2,750,000 (the "Grant") or such amount is otherwise made available to the Issuer for such portion of the Project;

WHEREAS, the Issuer does not expect to receive a written commitment for the Grant until December, 2003;

WHEREAS, in order to take advantage of the low interest rates currently available, the Issuer has determined to issue and sell a portion of the Bonds in the amount of $7,910,000 as quickly as possible, to finance all facilities constituting the Project except for the new elementary school, and to issue and sell the balance of the Bonds ($3,080,000) after receiving the written commitment for the Grant or otherwise having available the amount of $3,080,000 for such purpose; and

WHEREAS, the Issuer has accordingly determined to proceed with the issuance and sale of a portion of the Bonds as hereinafter provided and to defer the issuance and sale of the remaining portion until such later date as the conditions for such issuance and sale may dictate.

NOW THEREFORE, BE IT RESOLVED AND ORDERED BY THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR AS FOLLOWS:

1. Bonds in the aggregate principal amount of $7,910,000 (the "Bonds"), shall be issued and sold, in denominations of $5,000 or integral multiples thereof, the proceeds of which sale shall be used for the purposes hereinafter set forth, the sale of such Bonds to be made in whole, or from time to time in part, as the Issuer may in its discretion, deem proper, advisable and in the best interests of the residents of the District. Upon completion of the Project and payment of all costs thereof in full, any unused sum remaining from the sale of the Bonds shall be deposited with the West Virginia Municipal Bond Commission to be used for the purchase of any Bonds of this proposed issue outstanding at a price of not more than the par value thereof plus accrued interest to the date of such purchase or for the payment of the Bonds hereby authorized and the interest thereon at the maturities thereof.

2. The Bonds shall bear interest at a rate or rates not exceeding seven and one-half per centum (7.50%) per annum, payable semiannually, but it is hoped that the best bid for the Bonds will provide a lower interest rate (which will result in somewhat lower levy rates needed to pay the Bonds and the interest thereon), and the Bonds shall be payable annually in the principal amounts and shall mature in the years as follows:

Bonds in the amount of $375,000 due and payable on May 1, 2005;

Bonds in the amount of $390,000 due and payable on May 1, 2006;

Bonds in the amount of $410,000 due and payable on May 1, 2007;

Bonds in the amount of $430,000 due and payable on May 1, 2008;

Bonds in the amount of $450,000 due and payable on May 1, 2009;

Bonds in the amount of $470,000 due and payable on May 1, 2010;

Bonds in the amount of $495,000 due and payable on May 1, 2011;

Bonds in the amount of $515,000 due and payable on May 1, 2012;

Bonds in the amount of $540,000 due and payable on May 1, 2013;

Bonds in the amount of $565,000 due and payable on May 1, 2014;

Bonds in the amount of $595,000 due and payable on May 1, 2015;

Bonds in the amount of $625,000 due and payable on May 1, 2016;

Bonds in the amount of $650,000 due and payable on May 1, 2017;

Bonds in the amount of $685,000 due and payable on May 1, 2018; and

Bonds in the amount of $715,000 due and payable on May 1, 2019.

3. Both the Bonds and the interest thereon shall be payable in lawful money of the United States of America at the office of the West Virginia Municipal Bond Commission (the "Paying Agent"), as the West Virginia State Treasurer's designated paying agent, and the Issuer shall annually, at the levy term thereof, make up and lay a levy upon all taxable property within the District sufficient to provide funds for paying the interest on the Bonds as the same accrues and becomes payable and the principal thereof at their respective maturities.

4. The Bonds shall be issued under the 5% limitation of the Better Schools Amendment, and will be payable from a direct annual tax on all taxable property in the District, in the ratio, as between the several classes or types of such taxable property specified in Section 1, Article X of the Constitution, separate and apart from and in addition to all other taxes for all other purposes, sufficient to pay, annually, the interest of such debt

and the principal thereof, within and not exceeding 34 years, which may be levied outside the limits fixed by Section 1, Article X of the Constitution, and the Issuer covenants with the registered owners from time to time of the Bonds that the District shall include in its budget the amount of the debt service for each fiscal year of the District in which such sums are payable, shall appropriate such amount from its revenues for the payment of such debt service and shall duly and punctually pay or cause to be paid from its sinking fund or any other of its available revenues or funds the principal amount of each of the Bonds and the interest due thereupon at the date and place and in the manner stated therein, according to the true intent and meaning thereof; and, for such budgeting, appropriation and payment, subject to the limitations fixed by the District shall and does pledge, irrevocably, its full faith, credit and taxing power.

5. It is hereby found and determined by the Issuer that the aggregate amount of such Bonds, to wit, Seven Million Nine Hundred Ten Thousand Dollars ($7,910,000), does not exceed or violate any provisions or limitations in any manner provided by the School Bond Amendment and the Better Schools Amendment.

6. The Bonds hereby authorized shall be exempt from all taxation by the State of West Virginia or any political subdivision thereof and shall contain the following recital: "It is certified that this Bond is authorized by and is issued in conformity with the requirements of the Constitution and statutes of the State of West Virginia."

7. Each Bond shall be signed by and on behalf of the Issuer by its President and countersigned by its Secretary, and the corporate seal of the Issuer shall be affixed to each Bond, which signatures and seal may be manual or by facsimile, and the Bonds herein authorized to be issued shall be upon the terms and in form or effect substantially as set forth in "**Exhibit A**," attached hereto as a part hereof. No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution and Order unless and until the Registrar's Certificate of Authentication and Registration on such Bond, substantially in the form set forth in said "**Exhibit A**" shall have been manually executed by the registrar for the Bonds to be set forth and designated in the Bonds (the "Registrar").

8. The Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Bonds shall be paid by wire or by check or draft of the Paying Agent mailed to the registered owner thereof at the address as it appears on the books of the Registrar.

9. Subject to the provisions for transfer of registration set forth below, the Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting any of said Bonds shall be conclusively deemed to have agreed that such Bonds

shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as any of the Bonds remain outstanding, the Issuer, through the Registrar, shall keep and maintain books for the registration and transfer of the Bonds.

The Bonds shall be transferable only upon the books of the Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privileges of exchanging Bonds or transferring the registered Bonds is exercised, Bonds shall be delivered in accordance with the provisions of this Bond Resolution and Order. All Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Registrar. Transfers and exchanges of Bonds shall be made by the Registrar without charge to the holder or the transferee thereof, except as provided below. For every such exchange or transfer of Bonds, the Registrar may make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or transfer, and such tax or other governmental charge shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The Registrar shall not be obliged to make any such exchange or transfer of Bonds during the period commencing on the 15th day of the month preceding an interest payment date on the Bonds.

10. The Bonds may be subject to redemption prior to their stated dates of maturity at the option of the Issuer, on or after such date, in such order of maturity as may be determined by the Issuer and by lot within a maturity, and at the redemption price or prices to be set forth in the Notice of Sale of the Bonds. The Issuer shall not levy taxes in connection with the redemption of any Bonds in excess of the taxes that would have been levied for the payment of principal of and interest on the Bonds in such year.

11. The Bonds shall be registered upon issuance to CEDE & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"). In the event the Issuer determines that it is in the best interest of the beneficial owners of the Bonds that they obtain Bond certificates, the Issuer may notify DTC and the Registrar, whereupon DTC will notify its participants, of the availability through DTC of Bond certificates. In such event, the Registrar shall cause to be issued, transferred and exchanged Bond certificates as requested by DTC as Bondholder in appropriate amounts. DTC may determine to discontinue providing its service with respect to the Bonds at any time by giving notice to the Issuer or the Registrar and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), the

Issuer and the Registrar shall be obligated to deliver Bond certificates as described in a resolution supplemental hereto. In the event the Bond certificates are issued, the provisions of this Resolution and Order shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal of and interest on such Bond certificates. Whenever DTC requests the Issuer and the Registrar to do so, the Registrar and the Issuer will cooperate with DTC in taking appropriate action after reasonable notice (a) to make available one or more separate certificates evidencing the Bonds to any participant having the Bonds credited to its DTC account or (b) to arrange for another securities depository to maintain custody of certificates evidencing the Bonds. The President of the Issuer is hereby authorized and directed to execute and deliver to DTC a Letter of Representations in substantially the form presented to this meeting and the Issuer is authorized to comply with all requirements of DTC.

12. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Bonds during the term thereof is, under the terms of the Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) in the event that both (A) in excess of 5% of the Net Proceeds of the Bonds are used for a Private Business Use, and (B) in excess of 5% of the principal or 5% of the interest due on the Bonds during the term thereof is, under the terms of the Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Project, or if the Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of that portion of the Project to which such Private Business Use is related.

13. The Issuer shall assure that not in excess of 5% of the Net Proceeds of the Bonds are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

14. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code and Regulations promulgated thereunder.

15. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Bonds and the interest thereon, including without limitation, the information return required under Section 149(e) of the Code.

16. The Issuer covenants with the registered owners from time to time of the Bonds that it will make no use of the proceeds of such issue or do or suffer any other action which, if such use or action had been reasonably expected on the date of issue of such Bonds, would cause such Bonds to be "arbitrage bonds," as that term is defined in Section 148 of the Internal Revenue Code of 1986, as amended, or any successor provision, and the applicable regulations thereunder (the "Code"). The Issuer further covenants that it will comply with the requirements of such Section 148 and with the regulations thereunder throughout the term of this issue. In addition, the President of the Issuer being the official responsible for issuing the Bonds, is hereby authorized and directed to execute and deliver, in the name and on behalf of the District, any and all documents or other instruments which Bond Counsel may reasonably request in connection with the providing of its opinion that the Bonds are not "arbitrage bonds" within the meaning of said Section 148 and the regulations promulgated thereunder, including, without limitation, a certificate dated the date of issuance, sale and delivery of the Bonds, which certificate shall set forth the reasonable expectations of the District as to the amount and use of the proceeds of the Bonds and other matters relating to such Section 148.

17. The Issuer hereby covenants to take all actions necessary to comply with the "rebate" provisions of Section 148(f) of the Code and shall employ such professionals as may be necessary in order to ensure such compliance.

18. The Issuer hereby approves the Tax and Non-Arbitrage Certificate to be dated that date of delivery of the Bonds, in substantially the form presented to this meeting, and the President of the Issuer is hereby authorized and directed to execute such certificate with such changes, insertions and deletions as shall be approved by the President.

19. The Issuer and all subordinate entities do not reasonably expect to issue more than $10,000,000 of tax-exempt obligations (other than private activity bonds and obligations issued to currently refund any obligation of the Issuer to the extent the amount of the refunding obligation does not exceed the amount of the refunded obligation) during the calendar year 2003, and the Issuer hereby designates the Bonds as "qualified tax-exempt obligations," as defined in Section 265(b) of the Internal Revenue Code of 1986, as amended.

20. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Bonds.

21. The Issuer hereby covenants to take all actions necessary to comply with SEC Rule 15c2-12 and to deliver a continuing disclosure agreement or similar document to the successful bidder or bidders for the Bonds.

22. The Secretary of the Issuer shall transmit to the Attorney General of the State of West Virginia a duly certified copy of all orders, resolutions, proclamations, notices, advertisements, affidavits and records of all proceedings connected with or pertaining to this Bond issue, and any and all other matters relative thereto which the Attorney General may require, as provided by Section 25, Article 1, Chapter 13 of the Code of West Virginia.

23. The Bonds hereby authorized shall be advertised for sale to the public on sealed bids, in the manner set forth in Chapter 13, Article 1, Section 21 of the West Virginia Code of 1931, as amended, at such time or times as shall be determined by the Board. The Issuer may issue the Bonds in one or more series and may reject any and all bids.

24. All officers, members and employees of the Issuer are hereby authorized, empowered and directed to do any and all things proper and necessary to cause valid Bonds to be issued as authorized by the voters of the District at the election held on April 5, 2003, pursuant to the calling thereof, and to do all things proper and necessary to obtain the approval and sale of said Bonds, and no further authority shall be necessary to authorize any such officers or employees to give further assurance, to execute such additional documents and do such further acts as may legally be required by any individual or corporate purchaser of the Bonds hereby authorized or any of them.

25. The Issuer hereby reserves the right to issue the remaining portion of the Bonds authorized by the voters of Taylor County, in the amount of $3,080,000, at such time or times as it may deem appropriate, following receipt of the written Grant or the availability of the sum of $3,080,000, and only at such time to proceed with acquisition and construction of the new elementary school. Such remaining Bonds shall be authorized by a subsequent Resolution and Order.

26. This resolution and order shall be effective immediately upon its adoption and entry of record.

Adopted and entered of record this April 15, 2003.

By: _____
President of the Board of Education of
The County of Taylor

CL843464.3

EXHIBIT A

[FORM OF BOND]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR
(WEST VIRGINIA)
PUBLIC SCHOOL BONDS, SERIES 2003

No. _____ $_____

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP
_____%	_____	_____	_____

REGISTERED OWNER:

PRINCIPAL AMOUNT:

THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR, (West Virginia) a public corporation created and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, upon presentation and surrender hereof, the Principal Amount specified above and to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, at the Interest Rate per annum specified above, semiannually, on_____ 1 and _____ 1 in each year, beginning _____ 1, 2003, (each an "Interest Payment Date"), until maturity. The Treasurer of the State of West Virginia has designated _____, _____, West Virginia, as its agent to act

as registrar for the Bonds (the "Registrar") and the West Virginia Municipal Bond Commission, Charleston, West Virginia, as its agent to act in the capacity of paying agent for the Bonds (the "Paying Agent").

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the Paying Agent to the Registered Owner hereof as of the applicable Record Date (each _____ 15 and _____ 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the Paying Agent by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by the Paying Agent, or, at the option of any Registered Owner of at least $1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the office of the Paying Agent, in Charleston, West Virginia. The Issuer and the Paying Agent shall not be required to issue or transfer any Bonds during a period beginning with the close of business on the Record Date next preceding any Interest Payment Date and ending at the close of business on such Interest Payment Date.

This Bond is one of a series of bonds of the Issuer designated as "Public School Bonds, Series 2003" (the "Bonds"), issued by the Issuer in the aggregate principal amount of _____ Dollars ($_____). The Bonds are in fully registered form, without coupons, and are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 13, Article 1 of the West Virginia Code of 1931, as amended (the "Act") and a Resolution and Order Directing Issuance of Bonds as supplemented and amended (the "Order") duly adopted by the Issuer, for the purpose of providing funds for the acquisition, construction and equipping of public school facilities, together with all necessary appurtenances, in Taylor County School District. The terms and provisions of the Order are hereby incorporated by reference as if set forth fully herein.

This Bond may be transferred or exchanged by the Registered Owner hereof upon surrender of this Bond to the Registrar at its principal corporate trust office, accompanied by a written instrument or instruments of transfer in form, with instructions, and with guaranty of signature satisfactory to the Registrar, duly executed by the Registered Owner of this Bond or his attorney-in-fact or legal representative. The Registrar shall enter any transfer of ownership of this Bond in the registration books and shall authenticate and deliver in the name of the transferee or transferees a new fully registered bond or bonds of authorized denominations of the same maturity and form for the aggregate denominations of the same maturity and form for the aggregate amount which the transferee is entitled to receive at the earliest practicable time. The Issuer, the Registrar and the Paying Agent may deem and treat the registered owner hereof as the absolute owner thereof (whether or not this

Bond shall be overdue) for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and the Issuer, the Registrar and the Paying Agent shall not be affected by any notice to the contrary. All payments made to the Registered Owner of a Bond, as herein provided, shall be valid and effectual to satisfy in full and discharge the liability of the Issuer upon the Bond as paid.

No recourse shall be had for the payment of the principal of or interest on this Bond, or for any claim based hereon or on the Order, against any member, officer or employee, past, present, or future, of the Issuer or of any successor body, as such, either directly or through the Issuer or any such successor body, under any constitutional provision, statute or rule of law, or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, and all such liability of such members, officers or employees is released as a condition of and as consideration for the issuance of this Bond.

[The Bonds maturing on _____ 1, 20__ and thereafter are subject to redemption at the option of the Issuer prior to their respective dates of maturity on or after_____, 20__, in whole at any time or in part on any interest payment date, in any order of maturity selected by the Issuer, and by lot within a maturity, at a redemption price equal to ____% of the principal amount of the Bonds to be redeemed, together with interest accrued to the date fixed for redemption.]

[Notice of any redemption of Bonds shall be given by the Registrar, on behalf of the Issuer, to the registered owners of the Bonds to be redeemed at least thirty (30) and not more than sixty (60) days prior to the date fixed for redemption, by registered or certified mail, at the address appearing in the Bond Register or at such other address as is furnished in writing by the registered owner to the Registrar. Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of any proceedings for the redemption of the Bonds and failure to mail such notice shall not affect the validity of any such proceedings for any Bond with respect to which no such failure has occurred. Notice of redemption having been given in the manner described herein, and moneys necessary for the redemption of the Bonds having been deposited, the Bonds specified in such notice shall, on the date fixed for redemption, become due and payable and from and after such date (unless the Issuer shall default in the payment of the redemption price), such Bonds shall cease to bear interest.]

[The Bonds are additionally secured, but only to the extent described in the Statement of Insurance printed on the Bonds, by a policy of municipal bond insurance issued by _____.]

The Issuer has covenanted in the Order that it shall include in its budget the amount of the debt service for each fiscal year of the Issuer in which principal and/or interest on the Bonds is payable, that it shall appropriate from its revenues any such sums for the

payment of such debt service and that it shall duly and punctually cause to be paid when due, the principal of and interest on the Bonds.

Subject to the registration requirements set forth herein, this Bond, under the provisions of the Act is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia.

The Issuer has caused CUSIP numbers to be printed on the Bonds, and has directed the Paying Agent to use such numbers in notices, if any, as a convenience to bondholders. No representation is made as to the accuracy of such numbers either as printed on the Bonds or as contained in any notice.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the laws of the State of West Virginia to exist, to have happened or to have been performed, precedent to or in connection with the issuance of this Bond or in the creation of the debt of which this Bond is evidence, exist, have happened and have been performed in regular and due form and manner as required by law; that this Bond is authorized by and is issued in conformity with the requirements of the Constitution and statutes of the State of West Virginia, and that legal provision has been made by the Issuer for the levy and collection of a direct annual tax sufficient in amount to meet the payment of the interest and principal hereof, which shall have precedence over all other taxes for any purpose whatever, except bond issues heretofore or hereafter authorized and issued under the five percent limitation provided by the Better Schools Amendment of the Constitution of West Virginia, and said tax is levied outside the limits fixed by Section 1, Article X of the Constitution of the State of West Virginia in the manner provided by Sections 8 and 10, Article X of the State Constitution; that said levies do not exceed any constitutional or statutory limitations; and that the amount of this Bond, together with all other indebtedness of the Issuer, does not exceed any statutory or constitutional limitation thereon.

For payment of both principal and interest hereof the full faith and credit and resources of the Issuer are hereby irrevocably pledged within the limitations prescribed by the Constitution and statutes of the State of West Virginia.

This Bond shall not be entitled to any benefit under the Order nor shall it be valid, obligatory or enforceable for any purpose until this Bond shall have been authenticated by the Registrar.

IN WITNESS WHEREOF, THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR has caused this Bond to be duly signed in its name and on its behalf by its President and countersigned by its Secretary and has caused its corporate seal to be hereto affixed in the manner provided in the Order, all as of _____, 2003.

THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR

(SEAL)

_____
President

_____
Secretary

REGISTRAR'S CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Bonds of the Series designated therein, described in the within-mentioned Resolution and Order Directing Issuance of Bonds, and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, a signed original of which is on file with the undersigned, delivered and dated on the date of the original delivery of and payment for the Bonds of said Series.

Dated: _____.

_____, as Registrar

By _____
Its Authorized Officer

STATEMENT OF INSURANCE

[Language to be provided by Bond Insurer]

ATTORNEY GENERAL'S APPROVAL

I, DARRELL V. McGRAW, JR., Attorney General of the State of West Virginia, do hereby certify that this Bond has been approved by me by virtue of the authority vested in me by Article 1, Chapter 13, of the West Virginia Code of 1931, as amended; that notice of my approval hereof was published as required by Section 25 of said Chapter 13, Article 1; that 10 days have elapsed since the date of the last publication of such notice; that there has been no appeal from my decision to the Supreme Court of Appeals; and that this Bond has become incontestable, under and by virtue of the provisions of said Article 1, Chapter 13, and is a binding obligation upon The Board of Education of the County of Taylor a corporation, the authority issuing the same, and upon the taxable property within Taylor 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 _____, 2003.

_____
Attorney General of the State of
West Virginia

CL843464.3

ASSIGNMENT

Social Security or Other Identifying Number of Assignee _____
_____

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____
_____
_____ the within Bond and does hereby irrevocably constitute and appoint _____
_____
_____ to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____, _____.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

NOTICE: The Assignor's signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

CERTIFICATE

Certified a true and correct copy of the Resolution and Order Directing Issuance of Bonds, adopted and entered of record by The Board of Education of the County of Taylor at a meeting thereof duly and regularly called and held upon lawful notice to all members thereof on April 15, 2003, at the City of Grafton, Taylor County, West Virginia, a quorum of said members being present at said meeting and acting throughout the same. Such resolution and order is in full force and effect.

Given under my hand this August 19, 2003.

By: Jane M. Reynolds
Secretary of The Board of Education of The County of Taylor

08/15/03
888130/98001

CL843464.3

THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR
RESOLUTION AND ORDER DIRECTING ISSUANCE OF SERIES 2004 BONDS

WHEREAS, The Board of Education of the County of Taylor (the "Issuer"), has heretofore, on January 8, 2003, made and entered of record a Bond Election Order (the "Order") upon the question of authorizing bonds in the amount of Ten Million Nine Hundred Ninety Thousand Dollars ($10,990,000) (the "Bonds") to be issued and sold for the purpose of providing funds for making certain improvements (the "Project") in Taylor County School District (the "District");

WHEREAS, in pursuance of said order, an election was held on April 5, 2003, at each of the legally established voting precincts in the District for the purpose of ascertaining the will of the voters upon the question of whether or not said bonds should be issued. The result of said election, as shown by a canvass of the returns thereof made by the Issuer and The County Commission of Taylor County, sitting jointly as a canvassing board, on April 11, 2003, and as certified on April 15, 2003, was One Thousand Five Hundred Eighty (1,580) votes for and One Thousand One Hundred Sixty-three (1,163) votes against the issuance of said bonds; so that more than 50% of the voters, to wit, 57.60% voting upon said proposition at said election, voted for the issuance of said bonds;

WHEREAS, the Order and the question stated on the bond ballot provided that the Issuer would not proceed with that portion of the Project constituting a new elementary school or the issuance or sale of that portion of the Bonds allocated thereto ($3,080,000), unless the Issuer had first received a written commitment (which may be subject to certain conditions) of the School Building Authority of West Virginia to provide a grant or grants to the Issuer for such new elementary school in the amount of not less than $2,750,000 (the "Grant") or such amount is otherwise made available to the Issuer for such portion of the Project;

WHEREAS, the Issuer has heretofore issued and sold a portion of the Bonds in the amount of $7,910,000, to finance all facilities constituting the Project except for the new elementary school, and has delayed the issuance and sale of the balance of the Bonds ($3,080,000) until after receiving the written commitment for the Grant or otherwise having available the amount of $3,080,000 for such purpose; and

WHEREAS, the Issuer was notified on December 15, 2003, that it will receive a written commitment from the School Building Authority of West Virginia for the

Grant, and has accordingly determined to proceed with the issuance and sale of the remaining portion of the Bonds in the principal amount of $3,080,000 as hereinafter provided.

NOW THEREFORE, BE IT RESOLVED AND ORDERED BY THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR AS FOLLOWS:

1. Bonds in the aggregate principal amount of $3,080,000 (the "Bonds"), shall be issued and sold, in denominations of $5,000 or integral multiples thereof, the proceeds of which sale shall be used for the purposes hereinafter set forth, the sale of such Bonds to be made in whole, or from time to time in part, as the Issuer may in its discretion, deem proper, advisable and in the best interests of the residents of the District. Upon completion of the Project and payment of all costs thereof in full, any unused sum remaining from the sale of the Bonds shall be deposited with the West Virginia Municipal Bond Commission to be used for the purchase of any Bonds of this proposed issue outstanding at a price of not more than the par value thereof plus accrued interest to the date of such purchase or for the payment of the Bonds hereby authorized and the interest thereon at the maturities thereof.

2. The Bonds shall bear interest at a rate or rates not exceeding seven and one-half per centum (7.50%) per annum, payable semiannually, but it is hoped that the best bid for the Bonds will provide a lower interest rate (which will result in somewhat lower levy rates needed to pay the Bonds and the interest thereon), and the Bonds shall be payable annually in the principal amounts and shall mature in the years as follows:

Bonds in the amount of $125,000 due and payable on May 1, 2005;

Bonds in the amount of $155,000 due and payable on May 1, 2006;

Bonds in the amount of $165,000 due and payable on May 1, 2007;

Bonds in the amount of $170,000 due and payable on May 1, 2008;

Bonds in the amount of $180,000 due and payable on May 1, 2009;

Bonds in the amount of $185,000 due and payable on May 1, 2010;

Bonds in the amount of $195,000 due and payable on May 1, 2011;

Bonds in the amount of $205,000 due and payable on May 1, 2012;

Bonds in the amount of $215,000 due and payable on May 1, 2013;

Bonds in the amount of $220,000 due and payable on May 1, 2014;

Bonds in the amount of $230,000 due and payable on May 1, 2015;

Bonds in the amount of $240,000 due and payable on May 1, 2016;

Bonds in the amount of $255,000 due and payable on May 1, 2017;

Bonds in the amount of $265,000 due and payable on May 1, 2018; and

Bonds in the amount of $275,000 due and payable on May 1, 2019.

3. Both the Bonds and the interest thereon shall be payable in lawful money of the United States of America at the office of the West Virginia Municipal Bond Commission (the "Paying Agent"), as the West Virginia State Treasurer's designated paying agent, and the Issuer shall annually, at the levy term thereof, make up and lay a levy upon all taxable property within the District sufficient to provide funds for paying the interest on the Bonds as the same accrues and becomes payable and the principal thereof at their respective maturities.

4. The Bonds shall be issued under the 5% limitation of the Better Schools Amendment, and will be payable from a direct annual tax on all taxable property in the District, in the ratio, as between the several classes or types of such taxable property specified in Section 1, Article X of the Constitution, separate and apart from and in addition to all other taxes for all other purposes, sufficient to pay, annually, the interest of such debt and the principal thereof, within and not exceeding 34 years, which may be levied outside the limits fixed by Section 1, Article X of the Constitution, and the Issuer covenants with the registered owners from time to time of the Bonds that the District shall include in its budget

the amount of the debt service for each fiscal year of the District in which such sums are payable, shall appropriate such amount from its revenues for the payment of such debt service and shall duly and punctually pay or cause to be paid from its sinking fund or any other of its available revenues or funds the principal amount of each of the Bonds and the interest due thereupon at the date and place and in the manner stated therein, according to the true intent and meaning thereof; and, for such budgeting, appropriation and payment, subject to the limitations fixed by the District shall and does pledge, irrevocably, its full faith, credit and taxing power.

5. It is hereby found and determined by the Issuer that the aggregate amount of such Bonds, to wit, Three Million Eighty Thousand Dollars ($3,080,000), does not exceed or violate any provisions or limitations in any manner provided by the School Bond Amendment and the Better Schools Amendment.

6. The Bonds hereby authorized shall be exempt from all taxation by the State of West Virginia or any political subdivision thereof and shall contain the following recital: "It is certified that this Bond is authorized by and is issued in conformity with the requirements of the Constitution and statutes of the State of West Virginia."

7. Each Bond shall be signed by and on behalf of the Issuer by its President and countersigned by its Secretary, and the corporate seal of the Issuer shall be affixed to each Bond, which signatures and seal may be manual or by facsimile, and the Bonds herein authorized to be issued shall be upon the terms and in form or effect substantially as set forth in "**Exhibit A**," attached hereto as a part hereof. No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Resolution and Order unless and until the Registrar's Certificate of Authentication and Registration on such Bond, substantially in the form set forth in said "**Exhibit A**" shall have been manually executed by the registrar for the Bonds to be set forth and designated in the Bonds (the "Registrar").

8. The Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Bonds shall be paid by wire or by check or draft of the Paying Agent mailed to the registered owner thereof at the address as it appears on the books of the Registrar.

9. Subject to the provisions for transfer of registration set forth below, the Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting any of said Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall

further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as any of the Bonds remain outstanding, the Issuer, through the Registrar, shall keep and maintain books for the registration and transfer of the Bonds.

The Bonds shall be transferable only upon the books of the Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privileges of exchanging Bonds or transferring the registered Bonds is exercised, Bonds shall be delivered in accordance with the provisions of this Bond Resolution and Order. All Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Registrar. Transfers and exchanges of Bonds shall be made by the Registrar without charge to the holder or the transferee thereof, except as provided below. For every such exchange or transfer of Bonds, the Registrar may make a charge sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or transfer, and such tax or other governmental charge shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. The Registrar shall not be obliged to make any such exchange or transfer of Bonds during the period commencing on the 15th day of the month preceding an interest payment date on the Bonds.

10. The Bonds may be subject to redemption prior to their stated dates of maturity at the option of the Issuer, on or after such date, in such order of maturity as may be determined by the Issuer and by lot within a maturity, and at the redemption price or prices to be set forth in the Notice of Sale of the Bonds. The Issuer shall not levy taxes in connection with the redemption of any Bonds in excess of the taxes that would have been levied for the payment of principal of and interest on the Bonds in such year.

11. The Bonds shall be registered upon issuance to CEDE & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"). In the event the Issuer determines that it is in the best interest of the beneficial owners of the Bonds that they obtain Bond certificates, the Issuer may notify DTC and the Registrar, whereupon DTC will notify its participants, of the availability through DTC of Bond certificates. In such event, the Registrar shall cause to be issued, transferred and exchanged Bond certificates as requested by DTC as Bondholder in appropriate amounts. DTC may determine to discontinue providing its service with respect to the Bonds at any time by giving notice to the Issuer or the Registrar and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), the Issuer and the Registrar shall be obligated to deliver Bond certificates as described in a resolution supplemental hereto. In the event the Bond certificates are issued, the provisions

of this Resolution and Order shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal of and interest on such Bond certificates. Whenever DTC requests the Issuer and the Registrar to do so, the Registrar and the Issuer will cooperate with DTC in taking appropriate action after reasonable notice (a) to make available one or more separate certificates evidencing the Bonds to any participant having the Bonds credited to its DTC account or (b) to arrange for another securities depository to maintain custody of certificates evidencing the Bonds. The President of the Issuer is hereby authorized and directed to execute and deliver to DTC a Letter of Representations in substantially the form presented to this meeting and the Issuer is authorized to comply with all requirements of DTC.

12. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Bonds during the term thereof is, under the terms of the Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) in the event that both (A) in excess of 5% of the Net Proceeds of the Bonds are used for a Private Business Use, and (B) in excess of 5% of the principal or 5% of the interest due on the Bonds during the term thereof is, under the terms of the Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Project, or if the Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of that portion of the Project to which such Private Business Use is related.

13. The Issuer shall assure that not in excess of 5% of the Net Proceeds of the Bonds are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

14. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code and Regulations promulgated thereunder.

15. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Bonds and the interest thereon, including without limitation, the information return required under Section 149(e) of the Code.

16. The Issuer covenants with the registered owners from time to time of the Bonds that it will make no use of the proceeds of such issue or do or suffer any other action which, if such use or action had been reasonably expected on the date of issue of such Bonds, would cause such Bonds to be "arbitrage bonds," as that term is defined in Section 148 of the Internal Revenue Code of 1986, as amended, or any successor provision, and the applicable regulations thereunder (the "Code"). The Issuer further covenants that it will comply with the requirements of such Section 148 and with the regulations thereunder throughout the term of this issue. In addition, the President of the Issuer being the official responsible for issuing the Bonds, is hereby authorized and directed to execute and deliver, in the name and on behalf of the District, any and all documents or other instruments which Bond Counsel may reasonably request in connection with the providing of its opinion that the Bonds are not "arbitrage bonds" within the meaning of said Section 148 and the regulations promulgated thereunder, including, without limitation, a certificate dated the date of issuance, sale and delivery of the Bonds, which certificate shall set forth the reasonable expectations of the District as to the amount and use of the proceeds of the Bonds and other matters relating to such Section 148.

17. The Issuer hereby covenants to take all actions necessary to comply with the "rebate" provisions of Section 148(f) of the Code and shall employ such professionals as may be necessary in order to ensure such compliance.

18. The Issuer hereby approves the Tax and Non-Arbitrage Certificate to be dated that date of delivery of the Bonds, in substantially the form presented to this meeting, and the President of the Issuer is hereby authorized and directed to execute such certificate with such changes, insertions and deletions as shall be approved by the President.

19. The Issuer and all subordinate entities do not reasonably expect to issue more than $10,000,000 of tax-exempt obligations (other than private activity bonds and obligations issued to currently refund any obligation of the Issuer to the extent the amount of the refunding obligation does not exceed the amount of the refunded obligation) during the calendar year 2004, and the Issuer hereby designates the Bonds as "qualified tax-exempt obligations," as defined in Section 265(b) of the Internal Revenue Code of 1986, as amended.

20. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Bonds.

21. The Issuer hereby covenants to take all actions necessary to comply with SEC Rule 15c2-12 and to deliver a continuing disclosure agreement or similar document to the successful bidder or bidders for the Bonds.

22. The Secretary of the Issuer shall transmit to the Attorney General of the State of West Virginia a duly certified copy of all orders, resolutions, proclamations,

notices, advertisements, affidavits and records of all proceedings connected with or pertaining to this Bond issue, and any and all other matters relative thereto which the Attorney General may require, as provided by Section 25, Article 1, Chapter 13 of the Code of West Virginia.

23. The Bonds hereby authorized shall be advertised for sale to the public on sealed bids, in the manner set forth in Chapter 13, Article 1, Section 21 of the West Virginia Code of 1931, as amended, at such time or times as shall be determined by the Board. The Issuer may issue the Bonds in one or more series and may reject any and all bids.

24. All officers, members and employees of the Issuer are hereby authorized, empowered and directed to do any and all things proper and necessary to cause valid Bonds to be issued as authorized by the voters of the District at the election held on April 5, 2003, pursuant to the calling thereof, and to do all things proper and necessary to obtain the approval and sale of said Bonds, and no further authority shall be necessary to authorize any such officers or employees to give further assurance, to execute such additional documents and do such further acts as may legally be required by any individual or corporate purchaser of the Bonds hereby authorized or any of them.

25. This resolution and order shall be effective immediately upon its adoption and entry of record.

Adopted and entered of record this December 18, 2003.

By: _____
President of the Board of Education of
The County of Taylor

CL895507.2

EXHIBIT A

[FORM OF BOND]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR
(WEST VIRGINIA)
PUBLIC SCHOOL BONDS, SERIES 2004

No. _____ $_____

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP
_____%	_____	_____	_____

REGISTERED OWNER:

PRINCIPAL AMOUNT:

THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR, (West Virginia) a public corporation created and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, upon presentation and surrender hereof, the Principal Amount specified above and to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, at the Interest Rate per annum specified above, semiannually, on_____ 1 and _____ 1 in each year, beginning _____ 1, 2004, (each an "Interest Payment Date"), until maturity. The Treasurer of the State of West Virginia has designated _____, _____, West Virginia, as its agent to act

as registrar for the Bonds (the "Registrar") and the West Virginia Municipal Bond Commission, Charleston, West Virginia, as its agent to act in the capacity of paying agent for the Bonds (the "Paying Agent").

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the Paying Agent to the Registered Owner hereof as of the applicable Record Date (each _____ 15 and _____ 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the Paying Agent by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by the Paying Agent, or, at the option of any Registered Owner of at least $1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the office of the Paying Agent, in Charleston, West Virginia. The Issuer and the Paying Agent shall not be required to issue or transfer any Bonds during a period beginning with the close of business on the Record Date next preceding any Interest Payment Date and ending at the close of business on such Interest Payment Date.

This Bond is one of a series of bonds of the Issuer designated as "Public School Bonds, Series 2004" (the "Bonds"), issued by the Issuer in the aggregate principal amount of _____ Dollars ($_____). The Bonds are in fully registered form, without coupons, and are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 13, Article 1 of the West Virginia Code of 1931, as amended (the "Act") and a Resolution and Order Directing Issuance of Series 2004 Bonds as supplemented and amended (the "Order") duly adopted by the Issuer, for the purpose of providing funds for the acquisition, construction and equipping of public school facilities, together with all necessary appurtenances, in Taylor County School District. The terms and provisions of the Order are hereby incorporated by reference as if set forth fully herein.

This Bond may be transferred or exchanged by the Registered Owner hereof upon surrender of this Bond to the Registrar at its principal corporate trust office, accompanied by a written instrument or instruments of transfer in form, with instructions, and with guaranty of signature satisfactory to the Registrar, duly executed by the Registered Owner of this Bond or his attorney-in-fact or legal representative. The Registrar shall enter any transfer of ownership of this Bond in the registration books and shall authenticate and deliver in the name of the transferee or transferees a new fully registered bond or bonds of authorized denominations of the same maturity and form for the aggregate denominations of the same maturity and form for the aggregate amount which the transferee is entitled to receive at the earliest practicable time. The Issuer, the Registrar and the Paying Agent may

deem and treat the registered owner hereof as the absolute owner thereof (whether or not this Bond shall be overdue) for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and the Issuer, the Registrar and the Paying Agent shall not be affected by any notice to the contrary. All payments made to the Registered Owner of a Bond, as herein provided, shall be valid and effectual to satisfy in full and discharge the liability of the Issuer upon the Bond as paid.

No recourse shall be had for the payment of the principal of or interest on this Bond, or for any claim based hereon or on the Order, against any member, officer or employee, past, present, or future, of the Issuer or of any successor body, as such, either directly or through the Issuer or any such successor body, under any constitutional provision, statute or rule of law, or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, and all such liability of such members, officers or employees is released as a condition of and as consideration for the issuance of this Bond.

[The Bonds maturing on _____ 1, 20_____ and thereafter are subject to redemption at the option of the Issuer prior to their respective dates of maturity on or after _____, 20_____, in whole at any time or in part on any interest payment date, in any order of maturity selected by the Issuer, and by lot within a maturity, at a redemption price equal to ____% of the principal amount of the Bonds to be redeemed, together with interest accrued to the date fixed for redemption.]

[Notice of any redemption of Bonds shall be given by the Registrar, on behalf of the Issuer, to the registered owners of the Bonds to be redeemed at least thirty (30) and not more than sixty (60) days prior to the date fixed for redemption, by registered or certified mail, at the address appearing in the Bond Register or at such other address as is furnished in writing by the registered owner to the Registrar. Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of any proceedings for the redemption of the Bonds and failure to mail such notice shall not affect the validity of any such proceedings for any Bond with respect to which no such failure has occurred. Notice of redemption having been given in the manner described herein, and moneys necessary for the redemption of the Bonds having been deposited, the Bonds specified in such notice shall, on the date fixed for redemption, become due and payable and from and after such date (unless the Issuer shall default in the payment of the redemption price), such Bonds shall cease to bear interest.]

[The Bonds are additionally secured, but only to the extent described in the Statement of Insurance printed on the Bonds, by a policy of municipal bond insurance issued by _____.]

The Issuer has covenanted in the Order that it shall include in its budget the amount of the debt service for each fiscal year of the Issuer in which principal and/or interest on the Bonds is payable, that it shall appropriate from its revenues any such sums for the

payment of such debt service and that it shall duly and punctually cause to be paid when due, the principal of and interest on the Bonds.

Subject to the registration requirements set forth herein, this Bond, under the provisions of the Act is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia.

The Issuer has caused CUSIP numbers to be printed on the Bonds, and has directed the Paying Agent to use such numbers in notices, if any, as a convenience to bondholders. No representation is made as to the accuracy of such numbers either as printed on the Bonds or as contained in any notice.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the laws of the State of West Virginia to exist, to have happened or to have been performed, precedent to or in connection with the issuance of this Bond or in the creation of the debt of which this Bond is evidence, exist, have happened and have been performed in regular and due form and manner as required by law; that this Bond is authorized by and is issued in conformity with the requirements of the Constitution and statutes of the State of West Virginia, and that legal provision has been made by the Issuer for the levy and collection of a direct annual tax sufficient in amount to meet the payment of the interest and principal hereof, which shall have precedence over all other taxes for any purpose whatever, except bond issues heretofore or hereafter authorized and issued under the five percent limitation provided by the Better Schools Amendment of the Constitution of West Virginia, and said tax is levied outside the limits fixed by Section 1, Article X of the Constitution of the State of West Virginia in the manner provided by Sections 8 and 10, Article X of the State Constitution; that said levies do not exceed any constitutional or statutory limitations; and that the amount of this Bond, together with all other indebtedness of the Issuer, does not exceed any statutory or constitutional limitation thereon.

For payment of both principal and interest hereof the full faith and credit and resources of the Issuer are hereby irrevocably pledged within the limitations prescribed by the Constitution and statutes of the State of West Virginia.

This Bond shall not be entitled to any benefit under the Order nor shall it be valid, obligatory or enforceable for any purpose until this Bond shall have been authenticated by the Registrar.

IN WITNESS WHEREOF, THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR has caused this Bond to be duly signed in its name and on its behalf by its President and countersigned by its Secretary and has caused its corporate seal to be hereto affixed in the manner provided in the Order, all as of _____, 2004.

THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR

(SEAL)

By: _____
President

By: _____
Secretary

CL895507.2

REGISTRAR'S CERTIFICATE OF
AUTHENTICATION AND REGISTRATION

This Bond is one of the Bonds of the Series designated therein, described in the within-mentioned Resolution and Order Directing Issuance of Series 2004 Bonds, and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson PLLC, bond counsel, a signed original of which is on file with the undersigned, delivered and dated on the date of the original delivery of and payment for the Bonds of said Series.

Dated: _____.

_____, as Registrar

By: _____
Its Authorized Officer

STATEMENT OF INSURANCE

[Language to be provided by Bond Insurer]

ATTORNEY GENERAL'S APPROVAL

I, DARRELL V. McGRAW, JR., Attorney General of the State of West Virginia, do hereby certify that this Bond has been approved by me by virtue of the authority vested in me by Article 1, Chapter 13, of the West Virginia Code of 1931, as amended; that notice of my approval hereof was published as required by Section 25 of said Chapter 13, Article 1; that 10 days have elapsed since the date of the last publication of such notice; that there has been no appeal from my decision to the Supreme Court of Appeals; and that this Bond has become incontestable, under and by virtue of the provisions of said Article 1, Chapter 13, and is a binding obligation upon The Board of Education of the County of Taylor a corporation, the authority issuing the same, and upon the taxable property within Taylor County School District, and that by reason of the provisions of said Article 1, Chapter 13, no one has the right hereafter to contest in any court or in any action or proceeding the validity of this Bond for any cause whatsoever.

WITNESS my hand this _____, 2004.

By: _____
Attorney General of the State of
West Virginia

CL895507.2

ASSIGNMENT

Social Security or Other Identifying Number of Assignee _____
_____

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____
_____
_____ the within Bond and does hereby irrevocably constitute and appoint _____
_____
_____ to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____, _____.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

NOTICE: The Assignor's signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

CERTIFICATE

Certified a true and correct copy of the Resolution and Order Directing Issuance of Series 2004Bonds, adopted and entered of record by The Board of Education of the County of Taylor at a meeting thereof duly and regularly called and held upon lawful notice to all members thereof on December 18, 2003, at the City of Grafton, Taylor County, West Virginia, a quorum of said members being present at said meeting and acting throughout the same. Such resolution and order is in full force and effect.

Given under my hand this March 31, 2004.

By: _____
Secretary of The Board of Education of The County of Taylor

03/15/04
888130/00001

CL895507.2

WV MUNICIPAL BOND COMMISSION
900 Pennsylvania Avenue, Suite 1117
Charleston, WV 25302
(304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: September 25, 2012

ISSUE: The Board of Education of the County of Taylor (West Virginia)

ADDRESS: 82 Utt Drive
Grafton, WV 26354

COUNTY: Taylor

PURPOSE OF ISSUE: New Money:
Refunding: X

REFUNDS ISSUE(S) DATED: August 19, 2003;
March 1, 2004

ISSUE DATE: September 25, 2012

CLOSING DATE: September 25, 2012

ISSUE AMOUNT: $6,130,000

RATE: 3.0%

1ST DEBT SERVICE DUE: May 1, 2013

1ST PRINCIPAL DUE: May 1, 2013

1ST DEBT SERVICE AMOUNT: $945,340

PAYING AGENT: WV Municipal Bond Commission

BOND COUNSEL: Steptoe & Johnson PLLC
Contact Person: Thomas L. Aman, Jr.
Phone: 304-933-8136

UNDERWRITER'S COUNSEL: Spilman Thomas & Battle, PLLC
Contact Person: Brian Helmick, Esquire
Phone: 304-340-3826

CLOSING BANK: United Bank, Inc.
Contact Person: Kathy Smith, Vice Pres.
Phone: 304-348-8427

ESCROW TRUSTEE: WV Municipal Bond Commission
Contact Person: Sara Rogers, Executive Director
Phone: 304-558-3971

KNOWLEDGEABLE ISSUER CONTACT
Contact Person: Drew M. Rottgen
Position: Treasurer
Phone: 304-265-2497 x 15

OTHER: Piper Jaffray & Co.
Contact Person: Marie Prezioso, Sr. Vice President
Function: Underwriter
Phone: 304-343-7102

DEPOSITS TO MBC AT CLOSE:
By: X Wire $6,376,471.57
__ Check
__ In-House Transfer
__ Other

__ Accrued Interest: $
__ Capitalized Interest: $
__ Reserve Account: $ _____

REFUNDS & TRANSFERS BY MBC AT CLOSE
By: _____ Wire
__X__ Check
_____ IGT
_____ To Other: _____

____ To Escrow Trustee: $
X__ To Issuer $691,212.63 (Release of Surplus Funds)
____ To Cons. Invest. Fund $

NOTES: $6,376,471.57 Bond proceeds received from Underwriter on Closing Date to be transferred to Escrow Fund. $251,063 to be transferred by Bond Commission from Surplus Collections Account for Series 2003 Bonds to Surplus Collections Account for Series 2012 Bonds.
Remaining funds on deposit in Surplus Collection Accounts for Series 2003 Bonds and Series 2004 Bonds on the Closing Date ($608,324.91 as of 7/31/2012) are to be transferred by check to Issuer.
Funds on deposit in Debt Service Accounts for Series 2003 Bonds and Series 2004 Bonds as of the Closing Date ($82,887.72 as of 7/31/2012) are to be transferred by check to Issuer.
Beginning August 1, 2012, all tax collections received by the Bond Commission should be transferred to the Debt Service Account for the Series 2012 Bonds.

FOR MUNICIPAL BOND COMMISSION USE ONLY:
Documents Required: _____
Transfers Required: _____

6040536

The purpose of the NEW ISSUE REPORT FORM is to provide the WV Municipal Bond Commission with an early warning of three basic facts no later than the day of closing on any issue for which the Commission is to act as fiscal agent. These are:

1. Formal notification that a new issue is outstanding.
2. Date of first action or debt service.
3. Contact people should we lack documents, information, or funds needed to administer the issue by the date of the first action or debt service.

The commission recognizes that as bond transcripts become increasingly long and complex, it has become more difficult to assemble and submit them to the Commission within the 30 days specificed by the West Virginia Code 13-3-8. This notice is not intended to provide all the information needed to administer an issue, but to alert the Commission and ensure that no debt service payments are missed due to delays in assembling bond transcripts. If, at the time of closing, documents such as the ordinance and all supplements, debt service schedules, and a specimen bond or photostat are available and submitted with this form, it will greatly aid the Commission in the performance of its duties. These documents are needed to set up the proper accounts and to advise the issuer of monthly deposit requirements as far in advance of the first debt service as possible.

It is not necessary to complete all items if they are not pertinent to your issue. Indicate the County of the issuer. With PSDs that overlap more than one county, indicate the county of their business office. Complete "Rate" only if the issue has only one rate. Please complete a separate form for each series of an issue. Other important information can be recorded under "Notes."

Again, please submit this form on each new issue on the day of closing. If fund transfers into or out of the Commission at closing are required, please submit this form before closing. If no significant facts change by closing, no resubmission at closing is required. If, however, there are changes, please submit an updated form, with changes noted, at closing.

If you should have any questions concerning this form, please call the Commission.

PiperJaffray.

Memo

FINAL

*** CLOSING MEMORANDUM***

To: Distribution List

From: Marie Prezioso
Joe Nassif

Office: Charleston

Re: $6,130,000
The Board of Education of the County of Taylor(West Virginia),
Public School Refunding Bonds,
Series 2012

Date: September 20, 2012

CLOSING DATE, TIME & LOCATION:

Tuesday, September 25, 2012
10:00 a.m. Eastern Time
By Telephone

CLOSING DTC FAST

SOURCES AND USES OF SERIES 2012 BONDS

SOURCES OF FUNDS:

Principal Amount	$6,130,000.00
Plus Original Issue Premium	398,189.90
Total	**$6,528,189.90**

USES OF FUNDS:

Deposit to Escrow:	
SLGS purchase	$6,376,471.00
Cash Deposit	0.57
Underwriter's Discount	65,650.00
Estimated Costs of Issuance	86,068.33
Total	**$6,528,189.90**

TRANSFER OF FUNDS

1. On the morning of closing, September 25, 2012, Piper Jaffray shall initiate two electronic transfers as follows:

   a. **$6,376,471.57**
   BB&T WV
   250 East Second Avenue
   Williamson, WV 25661
   ABA #: 051503394
   Account: 5270517317
   Account Name: State of West Virginia
   Ref: Municipal Bond Commission (Sara Rogers 304.558.3971)
   Bank Contact: Michael Holtsclow (304.348.7078)

   b. **$86,068.33**
   BB&T
   7 Harman Center
   Grafton, WV 26354-1559
   ABA #: 051503394
   Account: 0005271844664
   Ref: Taylor County Board of Education
   Bank Contact: Donna Abel (304.265.3400)
   Email:dabel@bbandt.com

   The two wires total $6,462,539.90

2. SLGS will be purchased for the escrow by the MBC through the WVBTI in the amount of $6,376,471.00; $0.57 will be a cash deposit in the escrow.

Purchase Date	Type of Security	Type of SLGS	Maturity Date	First Int Pmt Date	Par Amount	Rate	Max Rate
Sep 25, 2012:							
	SLGS	Certificate	11/1/2012	11/1/2012	105,504	0.070%	0.070%
	SLGS	Certificate	5/1/2013	5/1/2013	4,728,962	0.130%	0.130%
	SLGS	Note	11/1/2013	11/1/2012	22,169	0.160%	0.160%
	SLGS	Note	5/1/2014	11/1/2012	1,519,836	0.200%	0.200%
					6,376,471		

PiperJaffray. **Memo**

FINAL

3. The Board shall use the wired funds to pay issuance costs upon proper invoice. Said costs are estimated as follows:

Bond Counsel	$35,000.00
Underwriter's Counsel	30,000.00
O.S. Printing/Distribution	2,000.00
Registrar/CDA	650.00
Paying Agent/Trustee	150.00
Rating (S&P)	10,000.00
CUSIP	500.00
Verification Agent	3,500.00
Miscellaneous	4,268.33
TOTAL	86,068.33

MISCELLANEOUS

Upon confirmation that the electronic transfer has been received and that other required activities have been completed, Steptoe & Johnson, United Bank and Piper Jaffray will authorize the release and distribution of the Bonds.

Because of the redelivery requirements of the Depository Trust Company, it is imperative that the above activities be completed no later than 12:30 p.m. Eastern Time on September 25, 2012.

BOND PRICING
The Board of Education of the
County of Taylor (West Virginia)
Public School Refunding Bonds, Series 2012

Maturity Date	CUSIP ID	Amount	Rate	Yield	Price	Premium (-Discount)
5/1/2013	877129CY0	835,000	3.00%	0.45%	101.525	12,733.75
5/1/2014	877129CZ7	790,000	3.00%	0.60%	103.815	30,138.50
5/1/2015	877129DA1	825,000	3.00%	0.75%	105.782	47,701.50
5/1/2016	877129DB9	865,000	3.00%	0.95%	107.237	62,600.05
5/1/2017	877129DC7	900,000	3.00%	1.10%	108.499	76,491.00
5/1/2018	877129DD5	940,000	3.00%	1.35%	108.869	83,368.60
5/1/2019	877129DE3	975,000	3.00%	1.60%	108.734	85,156.50
		6,130,000				398,189.90

BOND PRICING

The Board of Education of the
County of Taylor (West Virginia)
Public School Refunding Bonds, Series 2012

Bond Component	Maturity Date	CUSIP ID	Amount	Rate	Yield	Price	Premium (-Discount)
Serial Bond:							
	05/01/2013	877129CY0	835,000	3.000%	0.450%	101.525	12,733.75
	05/01/2014	877129CZ7	790,000	3.000%	0.600%	103.815	30,138.50
	05/01/2015	877129DA1	825,000	3.000%	0.750%	105.782	47,701.50
	05/01/2016	877129DB9	865,000	3.000%	0.950%	107.237	62,600.05
	05/01/2017	877129DC7	900,000	3.000%	1.100%	108.499	76,491.00
	05/01/2018	877129DD5	940,000	3.000%	1.350%	108.869	83,368.60
	05/01/2019	877129DE3	975,000	3.000%	1.600%	108.734	85,156.50
			6,130,000				398,189.90

Dated Date	09/25/2012	
Delivery Date	09/25/2012	
First Coupon	05/01/2013	
Par Amount	6,130,000.00	
Premium	398,189.90	
Production	6,528,189.90	106.495757%
Underwriter's Discount	(65,650.00)	(1.070962%)
Purchase Price	6,462,539.90	105.424794%
Accrued Interest		
Net Proceeds	6,462,539.90	

Notes:
FINAL
Based on market conditions as of September 11, 2012.
'AA' rated by Standard & Poor's.

SAVINGS

The Board of Education of the
County of Taylor (West Virginia)
Public School Refunding Bonds, Series 2012

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 09/25/2012 @ 1.8674438%
05/01/2013	966,642.50	945,340.00	21,302.50	22,043.36
05/01/2014	971,290.00	948,850.00	22,440.00	21,906.80
05/01/2015	984,570.00	960,150.00	24,420.00	23,376.52
05/01/2016	996,331.26	975,400.00	20,931.26	19,667.85
05/01/2017	1,006,235.00	984,450.00	21,785.00	20,071.65
05/01/2018	1,019,385.00	997,450.00	21,935.00	19,816.78
05/01/2019	1,025,543.76	1,004,250.00	21,293.76	18,861.33
	6,969,997.52	6,815,890.00	154,107.52	145,744.28

Savings Summary

Dated Date	09/25/2012
Delivery Date	09/25/2012
PV of savings from cash flow	145,744.28
Net PV Savings	145,744.28

Notes:
FINAL
Based on market conditions as of September 11, 2012.
'AA' rated by Standard & Poor's.

SUMMARY OF REFUNDING RESULTS

The Board of Education of the
County of Taylor (West Virginia)
Public School Refunding Bonds, Series 2012

Dated Date	09/25/2012
Delivery Date	09/25/2012
Arbitrage yield	1.202058%
Escrow yield	0.161810%
Bond Par Amount	6,130,000.00
True Interest Cost	1.487182%
Net Interest Cost	1.545511%
All-In TIC	1.867444%
Average Coupon	3.000000%
Average Life	3.730
Par amount of refunded bonds	6,075,000.00
Average coupon of refunded bonds	3.525519%
Average life of refunded bonds	3.784
PV of prior debt to 09/25/2012 @ 1.867444%	6,522,215.85
Net PV Savings	145,744.28
Percentage savings of refunded bonds	2.399083%
Percentage savings of refunding bonds	2.377558%

Notes:
FINAL
Based on market conditions as of September 11, 2012.
'AA' rated by Standard & Poor's.

SOURCES AND USES OF FUNDS

The Board of Education of the
County of Taylor (West Virginia)
Public School Refunding Bonds, Series 2012

Dated Date	09/25/2012
Delivery Date	09/25/2012

Sources:	
Bond Proceeds:	
Par Amount	6,130,000.00
Premium	398,189.90
	6,528,189.90

Uses:	
Refunding Escrow Deposits:	
Cash Deposit	0.57
SLGS Purchases	6,376,471.00
	6,376,471.57
Cost of Issuance:	
Bond Counsel	35,000.00
Underwriter's Counsel	30,000.00
Rating Agency (S&P)	10,000.00
Verification Agent	3,500.00
Official Statement Printing	2,000.00
Registrar / Paying Agent	650.00
Municipal Bond Commission	150.00
CUSIP Assignment	500.00
Miscellaneous	4,268.33
	86,068.33
Delivery Date Expenses:	
Underwriter's Discount	65,650.00
	6,528,189.90

Notes:
FINAL
Based on market conditions as of September 11, 2012.
'AA' rated by Standard & Poor's.

BOND DEBT SERVICE

The Board of Education of the
County of Taylor (West Virginia)
Public School Refunding Bonds, Series 2012

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
05/01/2013	835,000	3.000%	110,340	945,340	945,340
11/01/2013			79,425	79,425	
05/01/2014	790,000	3.000%	79,425	869,425	948,850
11/01/2014			67,575	67,575	
05/01/2015	825,000	3.000%	67,575	892,575	960,150
11/01/2015			55,200	55,200	
05/01/2016	865,000	3.000%	55,200	920,200	975,400
11/01/2016			42,225	42,225	
05/01/2017	900,000	3.000%	42,225	942,225	984,450
11/01/2017			28,725	28,725	
05/01/2018	940,000	3.000%	28,725	968,725	997,450
11/01/2018			14,625	14,625	
05/01/2019	975,000	3.000%	14,625	989,625	1,004,250
	6,130,000		685,890	6,815,890	6,815,890

Notes:
FINAL
Based on market conditions as of September 11, 2012.
'AA' rated by Standard & Poor's.

ESCROW REQUIREMENTS

The Board of Education of the
County of Taylor (West Virginia)
Public School Refunding Bonds, Series 2012

Period Ending	Principal	Interest	Principal Redeemed	Redemption Premium	Total
11/01/2012		105,821.25			105,821.25
05/01/2013	755,000.00	105,821.25	3,835,000.00	38,350.00	4,734,171.25
11/01/2013		23,706.25			23,706.25
05/01/2014	220,000.00	23,706.25	1,265,000.00	12,650.00	1,521,356.25
	975,000.00	259,055.00	5,100,000.00	51,000.00	6,385,055.00

Notes:
FINAL
Based on market conditions as of September 11, 2012.
'AA' rated by Standard & Poor's.

ESCROW STATISTICS

The Board of Education of the
County of Taylor (West Virginia)
Public School Refunding Bonds, Series 2012

	Total Escrow Cost	Modified Duration (years)	Yield to Receipt Date	Yield to Disbursement Date	Perfect Escrow Cost	Value of Negative Arbitrage	Cost of Dead Time
Global Proceeds Escrow:							
	6,376,471.57	0.831	0.161810%	0.161810%	6,321,802.95	54,668.62	
	6,376,471.57				6,321,802.95	54,668.62	0.00

Delivery date	09/25/2012
Arbitrage yield	1.202058%

Notes:
FINAL
Based on market conditions as of September 11, 2012.
'AA' rated by Standard & Poor's.

SUMMARY OF BONDS REFUNDED

The Board of Education of the
County of Taylor (West Virginia)
Public School Refunding Bonds, Series 2012

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Series 2003:					
SERIAL	05/01/2013	3.600%	540,000.00		
	05/01/2014	3.600%	565,000.00	05/01/2013	101.000
	05/01/2015	3.625%	595,000.00	05/01/2013	101.000
	05/01/2016	3.625%	625,000.00	05/01/2013	101.000
	05/01/2017	3.625%	650,000.00	05/01/2013	101.000
	05/01/2018	3.625%	685,000.00	05/01/2013	101.000
	05/01/2019	3.625%	715,000.00	05/01/2013	101.000
			4,375,000.00		
Series 2004:					
SERIAL	05/01/2013	2.750%	215,000.00		
	05/01/2014	2.900%	220,000.00		
	05/01/2015	2.900%	230,000.00	05/01/2014	101.000
	05/01/2016	3.100%	240,000.00	05/01/2014	101.000
	05/01/2017	3.250%	255,000.00	05/01/2014	101.000
	05/01/2018	3.400%	265,000.00	05/01/2014	101.000
	05/01/2019	3.500%	275,000.00	05/01/2014	101.000
			1,700,000.00		
			6,075,000.00		

Notes:
FINAL
Based on market conditions as of September 11, 2012.
'AA' rated by Standard & Poor's.

BOND SUMMARY STATISTICS

The Board of Education of the
County of Taylor (West Virginia)
Public School Refunding Bonds, Series 2012

Dated Date	09/25/2012
Delivery Date	09/25/2012
Last Maturity	05/01/2019
Arbitrage Yield	1.202058%
True Interest Cost (TIC)	1.487182%
Net Interest Cost (NIC)	1.545511%
All-In TIC	1.867444%
Average Coupon	3.000000%
Average Life (years)	3.730
Duration of Issue (years)	3.563
Par Amount	6,130,000.00
Bond Proceeds	6,528,189.90
Total Interest	685,890.00
Net Interest	353,350.10
Total Debt Service	6,815,890.00
Maximum Annual Debt Service	1,004,250.00
Average Annual Debt Service	1,032,710.61
Underwriter's Fees (per $1000)	
Average Takedown	5.000000
Management Fee	4.893964
Other Fee	0.815661
Total Underwriter's Discount	10.709625
Bid Price	105.424794

Bond Component	Par Value	Price	Average Coupon	Average Life
Serial Bond	6,130,000.00	106.496	3.000%	3.730
	6,130,000.00			3.730

	TIC	All-In TIC	Arbitrage Yield
Par Value	6,130,000.00	6,130,000.00	6,130,000.00
+ Accrued Interest			
+ Premium (Discount)	398,189.90	398,189.90	398,189.90
- Underwriter's Discount	(65,650.00)	(65,650.00)	
- Cost of Issuance Expense		(86,068.33)	
- Other Amounts			
Target Value	6,462,539.90	6,376,471.57	6,528,189.90
Target Date	09/25/2012	09/25/2012	09/25/2012
Yield	1.487182%	1.867444%	1.202058%

Notes:
FINAL
Based on market conditions as of September 11, 2012.
'AA' rated by Standard & Poor's.

ESCROW DESCRIPTIONS

The Board of Education of the
County of Taylor (West Virginia)
Public School Refunding Bonds, Series 2012

	Type of Security	Type of SLGS	Maturity Date	First Int Pmt Date	Par Amount	Rate	Max Rate
Sep 25, 2012:							
	SLGS	Certificate	11/01/2012	11/01/2012	105,504	0.070%	0.070%
	SLGS	Certificate	05/01/2013	05/01/2013	4,728,962	0.130%	0.130%
	SLGS	Note	11/01/2013	11/01/2012	22,169	0.160%	0.160%
	SLGS	Note	05/01/2014	11/01/2012	1,519,836	0.200%	0.200%
					6,376,471		

SLGS Summary

SLGS Rates File	11SEP12
Total Certificates of Indebtedness	4,834,466.00
Total Notes	1,542,005.00
Total original SLGS	6,376,471.00

Notes:
FINAL
Based on market conditions as of September 11, 2012.
'AA' rated by Standard & Poor's.

ESCROW COST

The Board of Education of the
County of Taylor (West Virginia)
Public School Refunding Bonds, Series 2012

Type of Security	Maturity Date	Par Amount	Rate	Total Cost
SLGS	11/01/2012	105,504	0.070%	105,504.00
SLGS	05/01/2013	4,728,962	0.130%	4,728,962.00
SLGS	11/01/2013	22,169	0.160%	22,169.00
SLGS	05/01/2014	1,519,836	0.200%	1,519,836.00
		6,376,471		6,376,471.00

Purchase Date	Cost of Securities	Cash Deposit	Total Escrow Cost	Yield
09/25/2012	6,376,471	0.57	6,376,471.57	0.161810%
	6,376,471	0.57	6,376,471.57	

Notes:
FINAL
Based on market conditions as of September 11, 2012.
'AA' rated by Standard & Poor's.

FORM 8038 STATISTICS

The Board of Education of the
County of Taylor (West Virginia)
Public School Refunding Bonds, Series 2012

Dated Date	09/25/2012
Delivery Date	09/25/2012

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Serial Bond:						
	05/01/2013	835,000.00	3.000%	101.525	847,733.75	835,000.00
	05/01/2014	790,000.00	3.000%	103.815	820,138.50	790,000.00
	05/01/2015	825,000.00	3.000%	105.782	872,701.50	825,000.00
	05/01/2016	865,000.00	3.000%	107.237	927,600.05	865,000.00
	05/01/2017	900,000.00	3.000%	108.499	976,491.00	900,000.00
	05/01/2018	940,000.00	3.000%	108.869	1,023,368.60	940,000.00
	05/01/2019	975,000.00	3.000%	108.734	1,060,156.50	975,000.00
		6,130,000.00			6,528,189.90	6,130,000.00

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield
Final Maturity	05/01/2019	3.000%	1,060,156.50	975,000.00		
Entire Issue			6,528,189.90	6,130,000.00	3.7758	1.2021%

Proceeds used for accrued interest	0.00
Proceeds used for bond issuance costs (including underwriters' discount)	151,718.33
Proceeds used for credit enhancement	0.00
Proceeds allocated to reasonably required reserve or replacement fund	0.00
Proceeds used to currently refund prior issues	0.00
Proceeds used to advance refund prior issues	6,376,471.57
Remaining weighted average maturity of the bonds to be currently refunded	0.0000
Remaining weighted average maturity of the bonds to be advance refunded	3.7835

Notes:
FINAL
Based on market conditions as of September 11, 2012.
'AA' rated by Standard & Poor's.

FORM 8038 STATISTICS

The Board of Education of the
County of Taylor (West Virginia)
Public School Refunding Bonds, Series 2012

Refunded Bonds

Bond Component	Date	Principal	Coupon	Price	Issue Price
Series 2003:					
SERIAL	05/01/2013	540,000.00	3.600%	100.000	540,000.00
SERIAL	05/01/2014	565,000.00	3.600%	100.000	565,000.00
SERIAL	05/01/2015	595,000.00	3.625%	100.000	595,000.00
SERIAL	05/01/2016	625,000.00	3.625%	100.000	625,000.00
SERIAL	05/01/2017	650,000.00	3.625%	100.000	650,000.00
SERIAL	05/01/2018	685,000.00	3.625%	100.000	685,000.00
SERIAL	05/01/2019	715,000.00	3.625%	100.000	715,000.00
		4,375,000.00			4,375,000.00
Series 2004:					
SERIAL	05/01/2013	215,000.00	2.750%	100.000	215,000.00
SERIAL	05/01/2014	220,000.00	2.900%	100.000	220,000.00
SERIAL	05/01/2015	230,000.00	2.900%	100.000	230,000.00
SERIAL	05/01/2016	240,000.00	3.100%	100.000	240,000.00
SERIAL	05/01/2017	255,000.00	3.250%	100.000	255,000.00
SERIAL	05/01/2018	265,000.00	3.400%	100.000	265,000.00
SERIAL	05/01/2019	275,000.00	3.500%	100.000	275,000.00
		1,700,000.00			1,700,000.00
		6,075,000.00			6,075,000.00

	Last Call Date	Issue Date	Remaining Weighted Average Maturity
Series 2003	05/01/2013	08/19/2003	3.7874
Series 2004	05/01/2014	03/31/2004	3.7735
All Refunded Issues	05/01/2014		3.7835

Notes:
FINAL
Based on market conditions as of September 11, 2012.
'AA' rated by Standard & Poor's.

THE BOARD OF EDUCATION OF THE COUNTY OF TAYLOR

RESOLUTION ON OPEN GOVERNMENTAL PROCEEDINGS RULES

Pursuant to Chapter 6, Article 9A, Section 3 of the West Virginia Code, The Board of Education of the County of Taylor (the "Board") does hereby adopt the following rules to make available, in advance, the date, time, place and agenda of all regularly scheduled meetings of the Board, and the date, time, place and purpose of all special meetings of the Board to the public and news media (except in the case of an emergency requiring immediate action) as follows:

1. Regular Meetings. A notice shall be posted and maintained by the Secretary at the front door or bulletin board of the Board offices of the date, time and place fixed and entered of record by the Board for the holding of regularly scheduled meetings. In addition, a copy of the agenda for each regularly scheduled meeting shall be posted at the same location by the Secretary not less than 3 business days before such regular meeting is to be held. If a particular regularly scheduled meeting is canceled or postponed, a notice of such cancellation or postponement shall be posted at the same location as soon as feasible after such cancellation or postponement has been determined.

2. Special Meetings. A notice shall be posted by the Secretary at the front door or bulletin board of the Board offices not less than 3 business days before a specially scheduled meeting is to be held, stating the date, time, place and purpose for which such special meeting shall be held. If the special meeting is canceled, a notice of such cancellation shall be posted at the same location as soon as feasible after such cancellation has been determined.

These rules regarding notice of meetings shall replace any and all previous rules heretofore adopted by the Board.

Adopted this 22nd day of May, 2012.

Nancy A. Ludwick
President

Charles A. Maynard
Secretary

STATE OF WEST VIRGINIA

COUNTY OF TAYLOR, to wit:

I, Nancy Ludwick, solemnly swear that I will support the Constitution of the United States of America, the Constitution of the State of West Virginia, and that I will faithfully discharge the duties as President of the Board of Education to the best of my skill and judgment, so help me God.

Nancy A. Ludwick
President, Taylor County Board of Education

Taken, subscribed and sworn to before me in my said county and state this 2nd day of July 2012.

Leonard Lucas
Leonard Lucas, Magistrate

A TRUE COPY FROM THE RECORD
ATTEST: Brenda L. Vance
CLERK OF THE MAGISTRATE COURT OF
TAYLOR COUNTY, WEST VIRGINIA

STATE OF WEST VIRGINIA

COUNTY OF TAYLOR, to wit:

I, Nancy Ludwick, solemnly swear that I will support the Constitution of the United States of America, the Constitution of the State of West Virginia, and that I will faithfully discharge the duties as Member of the Taylor County Board of Education to the best of my skill and judgment, so help me God.

Nancy J. Ludwick

Member, Board of Education
Taylor County

Taken, subscribed and sworn to before me in my said county this 6th day of July 2010.

Lemon Lewis

Magistrate, Taylor County

A True Copy From The Record

Attest: Brenda L. Vance

Clerk of the Magistrate Court of Taylor County, West Virginia

STATE OF WEST VIRGINIA

COUNTY OF TAYLOR, to wit:

I, Richard Teagarden, solemnly swear that I will support the Constitution of the United States of America, the Constitution of the State of West Virginia, and that I will faithfully discharge the duties as Member of the Taylor County Board of Education to the best of my skill and judgment, so help me God.

Richard Teagarden
Member, Board of Education
Taylor County

Taken, subscribed and sworn to before me in my said county this 2nd day of July 2012.

Leonard Lucas
Leonard Lucas, Magistrate

A TRUE COPY FROM THE RECORD
ATTEST: Brenda L. Varner
CLERK OF THE MAGISTRATE COURT OF
TAYLOR COUNTY, WEST VIRGINIA

STATE OF WEST VIRGINIA

COUNTY OF TAYLOR, to wit:

I, Judith Barney, solemnly swear that I will support the Constitution of the United States of America, the Constitution of the State of West Virginia, and that I will faithfully discharge the duties as Member of the Taylor County Board of Education to the best of my skill and judgment, so help me God.

Judith A. Barney

Member, Board of Education
Taylor County

Taken, subscribed and sworn to before me in my said county this 2nd day of July 2012.

Leonard Lucas

Leonard Lucas, Magistrate

A TRUE COPY FROM THE RECORD
ATTEST: Brenda L. Vance
CLERK OF THE MAGISTRATE COURT OF
TAYLOR COUNTY, WEST VIRGINIA

STATE OF WEST VIRGINIA

COUNTY OF TAYLOR, to wit:

I, Melissa Knotts, solemnly swear that I will support the Constitution of the United States of America, the Constitution of the State of West Virginia, and that I will faithfully discharge the duties as Member of the Taylor County Board of Education to the best of my skill and judgment, so help me God.

Melissa D Knotts

Member, Board of Education
Taylor County

Taken, subscribed and sworn to before me in my said county this 6th day of July 2010.

Lenny Lucas

Magistrate, Taylor County

A True Copy From The Record

Attest: Brenda L. Vance

Clerk of the Magistrate Court of Taylor County, West Virginia

STATE OF WEST VIRGINIA

COUNTY OF TAYLOR, to wit:

I, Alan DePiano, solemnly swear that I will support the Constitution of the United States of America, the Constitution of the State of West Virginia, and that I will faithfully discharge the duties as Member of the Taylor County Board of Education to the best of my skill and judgment, so help me God.

Alan Robert DePiano

Member, Board of Education
Taylor County

Taken, subscribed and sworn to before me in my said county this 6th day of July 2010.

Lemuel Lucas

Magistrate, Taylor County

A True Copy From The Record

Attest: Brenda L. Vance

Clerk of the Magistrate Court of Taylor County, West Virginia