pennsylvania
DEPARTMENT OF EDUCATION

September 23, 2016

Ms. Ruth A. Huck
Board Secretary
Warren County School District
6820 Market Street
Warren, PA 16365-4885

RE: PLANCON PART H: PROJECT FINANCING

PROJECT NO.:	3639
PROJECT BUILDING NAME:	Beaty-Warren Middle School
TYPE WORK:	Alterations
COUNTY:	Warren
BOARD ACTION:	GON, 2011A - January 14, 2013 GOB, 2012 - January 14, 2013 GOB 2013 – August 12, 2013
REIMBURSEMENT BASIS:	Maximum Reimbursable Formula Amount

Dear Ms. Huck:

The materials for PlanCon Part H, "Project Financing," have been reviewed and approved. This approval is based on a limited review of the documents submitted. If information reviewed subsequent to this approval violates law, policy or procedure, the department reserves the right to rescind any and all approvals materially affected.

Please note, PDE Form 2071(s) may now be submitted, however reimbursement will not occur until funding is established in accordance with Act 25 of 2016.

There is no accrued interest on the General Obligation Note, Series A of 2011; General Obligation Bond, Series of 2012 and General Obligation Bond, Series of 2013 (see attached settlement sheet).

Lease Number	Bond Issue	Method of Financing	Temporary Percent	Effective Date
113639	$16,200,000	GON Series A of 2011 Relating to QZAB Series D of 2011 (SPSBA)	TBD @ PART J	July 1, 2011
123640	$23,180,000	GOB Series of 2012 Relating to QZAB (Direct Subsidy)	TBD @ PART J	July 1, 2012

For bond issues/notes with PlanCon Part H approved for reimbursement by the department on or after July 1, 1998, the temporary reimbursable percent is based on a one-half percentage point (.5%) reduction.

The school district must submit an updated payment schedule on an annual basis for the General Obligation Note, Series A of 2011 (Lease Number 113639) and General Obligation Bond, Series of 2012 (Lease Number 123640), since these are Qualified Zone Academy Bond (QZAB) issues. Documentation to substantiate the sinking fund interest earnings reported on the payment schedule must be submitted to this office.

This project is being reimbursed based on the maximum reimbursable formula amount. Therefore, when completing PlanCon Part J, "Project Accounting Based on Final Costs," it will not be necessary to submit Pages J07 through J12.

The permanent reimbursable percent(s) will be established following the submission and review of PlanCon Part J, "Project Accounting Based on Final Costs." PlanCon Part J for this project must be submitted within three years of the date bids were opened for this project, unless an extension is requested and granted by this office. PlanCon Part J must be submitted in the specified time or the temporary reimbursable percent(s) may become the permanent reimbursable percent(s) for this project. After the permanent reimbursable percent is assigned, the Commonwealth will calculate the retroactive reimbursement, if any, and make a lump sum payment.

In order to facilitate the PlanCon Part J review, the following procedures should be initiated:

1. The construction revenues and expenditures should be accounted for via the operation of a Capital Project Fund or a Special Revenue Fund in accordance with the Manual of Accounting and Related Procedures for Pennsylvania School Systems (Revised).

2. An audited balance sheet and statement of revenues, expenditures and changes in fund balances for the Capital Project Fund should be prepared for each fiscal year.

3. Section 148(f) of the Internal Revenue Code of 1986 deals with arbitrage rebate to the federal government. In order to properly identify the interest subject to arbitrage rebate, the school district or area vocational-technical school is responsible for keeping records which will track the interest earned on the investment of bond proceeds to meet the requirements of federal and state regulations.

The school district must file form PDE-2071, "Application For Reimbursement For School Construction Project," to the Comptroller's Office to receive the reimbursement on this financing. The lease number and reimbursable percent referenced above must be included on form PDE-2071.

This document and appended materials should be entered into the minutes of the next board meeting. If you have any questions, please contact Joanne Van Tassel at 717.787.5993.

Sincerely,

Jeannine J. Weiser

Jeannine J. Weiser, Chief
Division of Budget and School Facilities

JJW/pgs

Attachments

cc: WTW Architects
Public Financial Management, Inc.
School Finance
Project File – 3639
Budget
Log

SUMMARY OF SOURCES AND USES OF FUNDS

District/CTC:	Financing Name:
Warren County School District	Series of 2011 QZAB, Series of 2012 QZAB

REPORT TO THE PENNY - DO NOT ROUND

	SERIES: 2011 QZAB Series A CLOSING DATE: 11/3/2011	SERIES: 2012 QZAB CLOSING DATE: 10/31/2012	SERIES: ____ CLOSING DATE: ____
SOURCES:			
Bond Issue (Par)	16,200,000.00	23,180,000.00	
Net Original Issue Discount/Premium			
Accrued Interest			
Other Sources of Funds (Specify) (Exclude Anticipated Interest Earnings)			
1. ____			
2. ____			
3. ____			
4. ____			
TOTAL - Sources of Available Funds	16,200,000.00	23,180,000.00	
USES:			
Deposit to Construction Fund	15,942,693.44	22,886,037.74	
Issuance Costs:			
1. Underwriter Fees	107,524.61	127,263.19	
2. Bond Insurance			
3. Bond Counsel	50,708.35	25,500.00	
4. School Solicitor	11,500.00	14,000.00	
5. Financial Advisor	65,853.88	86,161.07	
6. Paying Agent/Trustee Fees and Expenses	1,481.27	850.00	
7. Capitalized Interest			
8. Printing	770.88	14,179.00	
9. Rating Fees	9,635.89	25,850.00	
10. Computer Fees			
11. CUSIP		159.00	
12. Internet Auction Administrator			
13. Phone, Fed Ex, Advertising	9,831.68		
14. ____			
Total - Issuance Costs	257,306.56	293,962.26	
Accrued Interest			
Other Uses of Funds (Specify)			
1. ____			
2. ____			
3. ____			
4. ____			
TOTAL - USES OF AVAILABLE FUNDS	16,200,000.00	23,180,000.00	

SUMMARY OF SOURCES AND USES OF FUNDS			
District/CTC: Warren County School District	Financing Name: 2012 QZAB & 2013 GOB		
REPORT TO THE PENNY - DO NOT ROUND			
	SERIES: 2012 QZAB ✓ CLOSING DATE: 10/31/2012 ✓	SERIES: 2013 ✓ CLOSING DATE: 2/21/2013 ✓	SERIES: ______ CLOSING DATE: ______
SOURCES:			
Bond Issue (Par)	23,180,000.00 ✓	9,700,000.00 ✓	
Net Original Issue Discount/Premium		80,062.40 ✓	
Accrued Interest			
Other Sources of Funds (Specify) (Exclude Anticipated Interest Earnings) 1. ______			
2. ______			
3. ______			
4. ______			
TOTAL - Sources of Available Funds	23,180,000.00	9,780,062.40	
USES:			
Deposit to Construction Fund	22,886,037.74 ✓	9,562,825.42	
Issuance Costs:			
1. Underwriter Fees	127,263.19 ✓	97,000.00 ✓	
2. Bond Insurance		31,755.99	
3. Bond Counsel	25,500.00 ✓	17,500.00	
4. School Solicitor	14,000.00 ✓	9,500.00	
5. Financial Advisor	86,161.07 ✓	38,065.99	
6. Paying Agent/Trustee Fees and Expenses	850.00 ✓	750.00	
7. Capitalized Interest			
8. Printing	14,179.00 ✓	9,342.00	
9. Rating Fees	25,850.00 ✓	10,000.00	
10. Computer Fees			
11. CUSIP	159.00 ✓	573.00	
12. Internet Auction Administrator		2,750.00	
13. ______			
14. ______			
Total - Issuance Costs	293,962.26 ✓	217,236.98	
Accrued Interest			
Other Uses of Funds (Specify) 1. ______			
2. ______			
3. ______			
4. ______			
TOTAL - USES OF AVAILABLE FUNDS	23,180,000.00 ✓	9,780,062.40	

**** PDE USE ONLY ****

SD NAME: Warren County
PROJECT #: 3639
BLDG NAME: Beaty-Warren Middle School

MAXIMUM REIMBURSABLE PROJECT AMOUNT (1 OF 2)

		TOTAL
APPROVED BUILDING CONSTRUCTION COST		
A. CAPACITY FORMULA		
1. Elementary		
a. Rated Pupil Capacity		398
b. State Reimbursement per Pupil		$4,700
c. Reimbursement for Elementary Capacity		$1,870,600
2. Secondary		
a. Rated Pupil Capacity		629
b. State Reimbursement per Pupil		$6,200
c. Reimbursement for Secondary Capacity		$3,899,800
3. Vocational		
a. Rated Pupil Capacity		0
b. State Reimbursement per Pupil		$7,600
c. Reimbursement for Vocational Capacity		$0
4. Total Reimbursement Based on Capacity (1-c + 2-c + 3-c)		$5,770,400
	NEW	EXISTING
B. ARCHITECTURAL AREA PRORATION		
1. Architectural Area	0	140,900
2. Total Architectural Area	140,900	140,900
3. Percent of Total	0.0000	1.0000
4. Total Reimbursement Based on Architectural Area Proration (A-4 times B-3)	$0	$5,770,400
C. REIMBURSABLE ARCHITECTURAL AREA AS PERCENT OF TOTAL ARCHITECTURAL AREA	1.0000	1.0000
D. MAXIMUM FORMULA-BASED REIMBURSEMENT (B-4 times C)	$0	$5,770,400
E. ADJUSTED STRUCTURE COSTS		
1. Allowable Structure Costs (GW02, line I) and/ or Building Purchase Amount (GW05)	$0	$13,921,243
2. Plus: Architect's Fee on Allowable Structure Costs and Asbestos Abatement (GW03, line L)	$0	$806,624
3. Plus: Movable Fixtures & Equipment	Excluded until Part J	
4. Adjusted Structure Costs (E-1 thru E-3)	$0	$14,727,867
F. APPROVED BUILDING CONSTRUCTION COST WITHOUT ADDITIONAL FUNDING INCENTIVES (lesser of D or E-4)	$0	$5,770,400

PREPARED 8/22/2013

PLANCON-GW06

**** PDE USE ONLY **** PROJECT #: 3639

MAXIMUM REIMBURSABLE PROJECT AMOUNT (2 OF 2)

G. APPRAISAL VALUE OF EXISTING BUILDING - FOR REIMBURSEMENT PURPOSES ONLY (GW06, A-4 minus B-4-New and E-4-Existing; minimum = 0)		$0	
ADDITIONAL FUNDING INCENTIVES			
H. PROJECT BUILDING CONSTRUCTED AND BASED ON APPROVED FACILITY DESIGN RECEIVED FROM THE DEPARTMENT'S SCHOOL DESIGN CLEARINGHOUSE			
1. Elementary Rated Pupil Capacity	X $470 =	$0	
2. Secondary & Vocational Rated Pupil Capacity	X $620 =	$0	
3. Additional Funding - School Design Clearinghouse (H-1 plus H-2)			$0
I. GENERAL CONSTRUCTION CONTRACT ALTERS OR EXPANDS EXISTING BUILDING			
1. Elementary Rated Pupil Capacity	X $470 =	$187,060	
2. Secondary & Vocational Rated Pupil Capacity	X $620 =	$389,980	
3. Lines I-1 plus I-2 - Subtotal		$577,040	
4. Additional Funding - Existing Building (I-3 minus G; minimum = 0)			$577,040
J. PROJECT BUILDING RECEIVING SILVER, GOLD OR PLATINUM LEED CERTIFICATION OR TWO, THREE OR FOUR GREEN GLOBES CERTIFICATION			
1. Elementary Rated Pupil Capacity	X $470 X 0.0000 (1.0000 for NEW BLDG, ALT & ADD/ALT; B-3 for REIMB BASIS: ADD only project)	$0	
2. Secondary & Vocational Rated Pupil Capacity	X $620 X 0.0000 (1.0000 for NEW BLDG, ALT & ADD/ALT; B-3 for REIMB BASIS: ADD only project)	$0	
3. Additional Funding - LEED or Green Globes certification (J-1 plus J-2)			$0
K. APPROVED BUILDING CONSTRUCTION COST WITH ADDITIONAL FUNDING INCENTIVES (GW06, line F plus GW07, lines H, I and J)			$6,347,440

	NEW	EXISTING
L. REIMBURSABLE SITE COSTS		
1. Rough Grading to Receive the Building (GW04, line M)	$0	XXXXXXXXXXX
2. Sanitary Sewage Disposal (GW04, line N-3)	$0	$0
3. Architect's Fee on Rough Grading & Sanitary Sewage Disposal (GW04, line O-9)	$0	$0
4. Site Acquisition Costs (GW01)	$129,486	XXXXXXXXXXX
5. Total Reimbursable Site Costs (L-1 thru L-4)	$129,486	$0

M. Lines K plus L-5 --->	$6,476,926
N. TOTAL PROJECT COSTS.	
1. Total Project Costs (G03, line I)	$18,720,893
2. Less: Adjustment if applicable (GW01)	$0
3. Adjusted Total Project Costs (N-1 minus N-2)	$18,720,893
O. MAXIMUM REIMBURSABLE PROJECT AMOUNT (lesser of M or N-3)	$6,476,926

NOTES: ____________________

PREPARED 8/22/2013

District/AVTS: Warren County School District

Financing Name: Qualified Zone Academy Bond Program ~~Series of 2011~~ GDN, Series A of 2011

Dated Date: 3-Nov-2011

Settlement Date: 3-Nov-2011

PDE LEASE # (PDE Use Only) 113639

Total Bond Issue: 16,200,000

Original Issue Premium: 0.00

Bond Discount: 107,524.61

		TAXABLE BOND PAYMENTS			QZAB SUBSIDY		SINKING FUND			
LOAN PAYMENT DATE *	PRINCIPAL OUTSTANDING	PRINCIPAL	TAXABLE INTEREST RATE	TAXABLE INTEREST PAYMENTS	FEDERAL TAX CREDIT RATE	DIRECT PAY FEDERAL SUBSIDY	PRINCIPAL SINKING FUND PAYMENTS	SINKING FUND INTEREST EARNINGS **	NET PERIOD TOTAL	STATE FISCAL YR TOTAL (7/1 - 6/30)
	16,200,000.00								0.00	
3/1/2012	16,200,000.00			305,197.20		(305,197.20)			0.00	
9/1/2012	16,200,000.00			416,178.00		(416,178.00)	5,000.00		5,000.00	
3/1/2013	16,200,000.00			416,178.00		(416,178.00)			0.00	5,000.00
9/1/2013	16,200,000.00			416,178.00		(416,178.00)	5,000.00		5,000.00	
3/1/2014	16,200,000.00			416,178.00		(416,178.00)			0.00	5,000.00
9/1/2014	16,200,000.00			416,178.00		(416,178.00)	775,000.00		775,000.00	
3/1/2015	16,200,000.00			416,178.00		(416,178.00)			0.00	775,000.00
9/1/2015	16,200,000.00			416,178.00		(416,178.00)	1,010,000.00		1,010,000.00	
3/1/2016	16,200,000.00			416,178.00		(416,178.00)			0.00	1,010,000.00
9/1/2016	16,200,000.00			416,178.00		(416,178.00)	1,020,000.00		1,020,000.00	
3/1/2017	16,200,000.00			416,178.00		(416,178.00)			0.00	1,020,000.00
9/1/2017	16,200,000.00			416,178.00		(416,178.00)	1,045,000.00		1,045,000.00	
3/1/2018	16,200,000.00			416,178.00		(416,178.00)			0.00	1,045,000.00
9/1/2018	16,200,000.00			416,178.00		(416,178.00)	1,855,000.00		1,855,000.00	
3/1/2019	16,200,000.00			416,178.00		(416,178.00)			0.00	1,855,000.00
9/1/2019	16,200,000.00			416,178.00		(416,178.00)	1,430,000.00		1,430,000.00	
3/1/2020	16,200,000.00			416,178.00		(416,178.00)			0.00	1,430,000.00
9/1/2020	16,200,000.00			416,178.00		(416,178.00)	905,000.00		905,000.00	
3/1/2021	16,200,000.00			416,178.00		(416,178.00)			0.00	905,000.00
9/1/2021	16,200,000.00			416,178.00		(416,178.00)	950,000.00		950,000.00	
3/1/2022	16,200,000.00			416,178.00		(416,178.00)			0.00	950,000.00
9/1/2022	16,200,000.00			416,178.00		(416,178.00)	900,000.00		900,000.00	
3/1/2023	16,200,000.00			416,178.00		(416,178.00)			0.00	900,000.00
9/1/2023	16,200,000.00			416,178.00		(416,178.00)	900,000.00		900,000.00	
3/1/2024	16,200,000.00			416,178.00		(416,178.00)			0.00	900,000.00
9/1/2024	16,200,000.00			416,178.00		(416,178.00)	900,000.00		900,000.00	
3/1/2025	16,200,000.00			416,178.00		(416,178.00)			0.00	900,000.00
9/1/2025	16,200,000.00			416,178.00		(416,178.00)	900,000.00		900,000.00	
3/1/2026	16,200,000.00			416,178.00		(416,178.00)			0.00	900,000.00
9/1/2026	16,200,000.00			416,178.00		(416,178.00)	900,000.00		900,000.00	
3/1/2027	16,200,000.00			416,178.00		(416,178.00)			0.00	900,000.00
9/1/2027	16,200,000.00			416,178.00		(416,178.00)	900,000.00		900,000.00	
3/1/2028	16,200,000.00			416,178.00		(416,178.00)			0.00	900,000.00
9/1/2028	16,200,000.00			416,178.00		(416,178.00)	900,000.00		900,000.00	
3/1/2029	16,200,000.00			416,178.00		(416,178.00)			0.00	900,000.00
9/1/2029	0.00	16,200,000.00	5.138	416,178.00	5.138	(416,178.00)	900,000.00		900,000.00	
3/1/2030	0.00			0.00		0.00			0.00	900,000.00
TOTAL		16,200,000.00		14,871,427.20		(14,871,427.20)	16,200,000.00	0.00	16,200,000.00	16,200,000.00

District/AVTS	Warren County School District
Financing Name:	Qualified Zone Academy Bond Program Series of 2012 — LOB
Dated Date:	31-Oct-2012
Settlement Date:	31-Oct-2012
Bond Discount:	127,263.19

PDE LEASE # (PDE Use Only)	123640
Total Bond Issue:	23,180,000
Original Issue Premium:	0.00

		TAXABLE BOND PAYMENTS			QZAB SUBSIDY		SINKING FUND			
LOAN PAYMENT DATE *	PRINCIPAL OUTSTANDING	PRINCIPAL	TAXABLE INTEREST RATE	TAXABLE INTEREST PAYMENTS	FEDERAL TAX CREDIT RATE	DIRECT PAY FEDERAL SUBSIDY	PRINCIPAL SINKING FUND PAYMENTS	SINKING FUND INTEREST EARNINGS **	NET PERIOD TOTAL	STATE FISCAL YR TOTAL (7/1 - 6/30)
	23,180,000.00								0.00	
5/1/2013	23,180,000.00			525,461.63		(525,461.63)			0.00	
11/1/2013	23,180,000.00			485,041.50		(485,041.50)	5,000.00		5,000.00	
5/1/2014	23,180,000.00			485,041.50		(485,041.50)			0.00	5,000.00
11/1/2014	23,180,000.00			485,041.50		(485,041.50)	5,000.00		5,000.00	
5/1/2015	23,180,000.00			485,041.50		(485,041.50)			0.00	5,000.00
11/1/2015	23,180,000.00			485,041.50		(485,041.50)	40,000.00		40,000.00	
5/1/2016	23,180,000.00			485,041.50		(485,041.50)			0.00	40,000.00
11/1/2016	23,180,000.00			485,041.50		(485,041.50)	40,000.00		40,000.00	
5/1/2017	23,180,000.00			485,041.50		(485,041.50)			0.00	40,000.00
11/1/2017	23,180,000.00			485,041.50		(485,041.50)	40,000.00		40,000.00	
5/1/2018	23,180,000.00			485,041.50		(485,041.50)			0.00	40,000.00
11/1/2018	23,180,000.00			485,041.50		(485,041.50)	180,000.00		180,000.00	
5/1/2019	23,180,000.00			485,041.50		(485,041.50)			0.00	180,000.00
11/1/2019	23,180,000.00			485,041.50		(485,041.50)	1,215,000.00		1,215,000.00	
5/1/2020	23,180,000.00			485,041.50		(485,041.50)			0.00	1,215,000.00
11/1/2020	23,180,000.00			485,041.50		(485,041.50)	1,825,000.00		1,825,000.00	
5/1/2021	23,180,000.00			485,041.50		(485,041.50)			0.00	1,825,000.00
11/1/2021	23,180,000.00			485,041.50		(485,041.50)	1,830,000.00		1,830,000.00	
5/1/2022	23,180,000.00			485,041.50		(485,041.50)			0.00	1,830,000.00
11/1/2022	23,180,000.00			485,041.50		(485,041.50)	1,935,000.00		1,935,000.00	
5/1/2023	23,180,000.00			485,041.50		(485,041.50)			0.00	1,935,000.00
11/1/2023	23,180,000.00			485,041.50		(485,041.50)	2,000,000.00		2,000,000.00	
5/1/2024	23,180,000.00			485,041.50		(485,041.50)			0.00	2,000,000.00
11/1/2024	23,180,000.00			485,041.50		(485,041.50)	2,835,000.00		2,835,000.00	
5/1/2025	23,180,000.00			485,041.50		(485,041.50)			0.00	2,835,000.00
11/1/2025	23,180,000.00			485,041.50		(485,041.50)	2,395,000.00		2,395,000.00	
5/1/2026	23,180,000.00			485,041.50		(485,041.50)			0.00	2,395,000.00
11/1/2026	23,180,000.00			485,041.50		(485,041.50)	1,105,000.00		1,105,000.00	
5/1/2027	23,180,000.00			485,041.50		(485,041.50)			0.00	1,105,000.00
11/1/2027	23,180,000.00			485,041.50		(485,041.50)	1,105,000.00		1,105,000.00	
5/1/2028	23,180,000.00			485,041.50		(485,041.50)			0.00	1,105,000.00
11/1/2028	23,180,000.00			485,041.50		(485,041.50)	1,105,000.00		1,105,000.00	
5/1/2029	23,180,000.00			485,041.50		(485,041.50)			0.00	1,105,000.00
11/1/2029	23,180,000.00			485,041.50		(485,041.50)	1,100,000.00		1,100,000.00	
5/1/2030	23,180,000.00			485,041.50		(485,041.50)			0.00	1,100,000.00
11/1/2030	23,180,000.00			485,041.50		(485,041.50)	1,105,000.00		1,105,000.00	
5/1/2031	23,180,000.00			485,041.50		(485,041.50)			0.00	1,105,000.00
11/1/2031	23,180,000.00			485,041.50		(485,041.50)	1,105,000.00		1,105,000.00	
5/1/2032	23,180,000.00			485,041.50		(485,041.50)			0.00	1,105,000.00
11/1/2032	23,180,000.00			485,041.50		(485,041.50)	1,105,000.00		1,105,000.00	
5/1/2033	23,180,000.00			485,041.50		(485,041.50)			0.00	1,105,000.00
11/1/2033	0.00	23,180,000.00	4.185	485,041.50	4.185	(485,041.50)	1,105,000.00		1,105,000.00	
5/1/2034	0.00			0.00		0.00			0.00	1,105,000.00
TOTAL		23,180,000.00		20,412,163.13		(20,412,163.13)	23,180,000.00	0.00	23,180,000.00	23,180,000.00