



May 11, 2018

Ms. Ruth Huck
Board Secretary
Warren County School District
6820 Market Street
Russell, PA 16345

RE: PLANCON PART H: PROJECT FINANCING- Revision*

PROJECT NO.: 3811
PROJECT BUILDING NAME: Warren Area High School
TYPE WORK: Additions/Alterations
COUNTY: Warren
BOARD ACTION: GOB Series of 2014 - January 25, 2016
QZAB Series of 2015 - January 25, 2016
QZAB Series of 2016 - January 11, 2017
GOB Series of 2017 - August 1, 2017
*GOB Series A of 2017 - January 8, 2018
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.

<u>Lease Number</u>	<u>Bond Issue</u>	<u>Method of Financing</u>	<u>Temporary Percent</u>	<u>Effective Date</u>
143811	\$9,980,000	GOB Series of 2014	16.73%	7-1-2013
153811	\$8,449,000	QZAB Series of 2015	22.31%	7-1-2015
163811	\$2,522,000	QZAB Series of 2016	22.31%	7-1-2016
173811	\$9,920,000	GOB Series of 2017	22.31%	7-1-2017
*173911	\$2,478,000	GOB Series A of 2017	5.33%	7-1-2017

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 \$13,843.74 cash contribution made at settlement on the QZAB Series of 2016 issue must be reported as a revenue source on PlanCon Part J "Project Accounting Based on Final Cost".

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,



Danielle Mariano, Director
Bureau of Budget and Fiscal Management

DM/pgs

Attachments

cc: Buchart Horn Inc. /BASCO Associate
PFM Financial Advisors, LLC
School Finance
Project File - 3811
Budget/ Log

**** PDE USE ONLY ****

SD NAME: Warren County
PROJECT #: 3811
BLDG NAME: Warren High School

MAXIMUM REIMBURSABLE PROJECT AMOUNT (1 OF 2)

TOTAL

APPROVED BUILDING CONSTRUCTION COST

A. CAPACITY FORMULA

1. Elementary		0
a. Rated Pupil Capacity		\$4,700
b. State Reimbursement per Pupil		\$0
c. Reimbursement for Elementary Capacity		
2. Secondary		971
a. Rated Pupil Capacity		\$6,200
b. State Reimbursement per Pupil		\$6,020,200
c. Reimbursement for Secondary Capacity		
3. Vocational		0
a. Rated Pupil Capacity		\$7,600
b. State Reimbursement per Pupil		\$0
c. Reimbursement for Vocational Capacity		
4. Total Reimbursement Based on Capacity (1-c + 2-c + 3-c)		\$6,020,200

B. ARCHITECTURAL AREA PRORATION

	NEW	EXISTING
1. Architectural Area	27,155	146,120
2. Total Architectural Area	173,275	173,275
3. Percent of Total	0.1567	0.8433
4. Total Reimbursement Based on Architectural Area Proration (A-4 times B-3)	\$943,365	\$5,076,835

C. REIMBURSABLE ARCHITECTURAL AREA AS PERCENT OF
TOTAL ARCHITECTURAL AREA

1.0000 1.0000

D. MAXIMUM FORMULA-BASED REIMBURSEMENT
(B-4 times C)

\$943,365 \$5,076,835

E. ADJUSTED STRUCTURE COSTS

1. Allowable Structure Costs (GW02, line I) and/ or Building Purchase Amount (GW05)	\$3,491,373	\$20,297,060
2. Plus: Architect's Fee on Allowable Structure Costs and Asbestos Abatement (GW03, line L)	\$142,099	\$793,855
3. Plus: Movable Fixtures & Equipment	Excluded until Part J	
4. Adjusted Structure Costs (E-1 thru E-3)	\$3,633,472	\$21,090,915

F. APPROVED BUILDING CONSTRUCTION COST WITHOUT
ADDITIONAL FUNDING INCENTIVES (lesser of D or E-4)

\$943,365 \$5,076,835

PREPARED

2/2/2016

PLANCON-GW06

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	=	\$0	
2. Secondary & Vocational Rated Pupil Capacity	X	\$620	=	\$602,020	
3. Lines I-1 plus I-2 - Subtotal				\$602,020	
4. Additional Funding - Existing Building (I-3 minus G; minimum = 0)					\$602,020

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	\$0
(1.0000 for NEW BLDG, ALT & ADD/ALT; B-3 for REIMB BASIS: ADD only project)					
2. Secondary & Vocational Rated Pupil Capacity	X	\$620	X	0.0000	\$0
(1.0000 for NEW BLDG, ALT & ADD/ALT; B-3 for REIMB BASIS: ADD only project)					
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) \$6,622,220

	NEW	EXISTING
L. REIMBURSABLE SITE COSTS		
1. Rough Grading to Receive the Building (GW04, line M)	\$22,670	XXXXXXXXXXXX
2. Sanitary Sewage Disposal (GW04, line N-3)	\$15,000	\$0
3. Architect's Fee on Rough Grading & Sanitary Sewage Disposal (GW04, line O-9)	\$1,533	\$0
4. Site Acquisition Costs (GW01)	\$0	XXXXXXXXXXXX
5. Total Reimbursable Site Costs (L-1 thru L-4)	\$39,203	\$0

M. Lines K plus L-5 → \$6,661,423

N. TOTAL PROJECT COSTS

1. Total Project Costs (G03, line I)	\$29,205,028
2. Less: Adjustment if applicable (GW01)	\$0
3. Adjusted Total Project Costs (N-1 minus N-2)	\$29,205,028

O. MAXIMUM REIMBURSABLE PROJECT AMOUNT (lesser of M or N-3) \$6,661,423

NOTES: _____

SUMMARY OF SOURCES AND USES OF FUNDS			
District/CTC:		Financing Name:	
Warren County School District		Warren Area High School Alterations & Additions	
REPORT TO THE PENNY - DO NOT ROUND			
	SERIES: 2017A CLOSING DATE: 12/18/2017	SERIES: _____ CLOSING DATE: _____	SERIES: _____ CLOSING DATE: _____
SOURCES:			
Bond Issue (Par)	√2,478,000.00		
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	√2,478,000.00		
USES:			
Deposit to Construction Fund	2,085,983.54		
Issuance Costs:			
1. Underwriter Fees			
2. Bond Insurance			
3. Bond Counsel	7,297.30		
4. School Solicitor	4,540.54		
5. Financial Advisor	15,138.62		
6. Paying Agent/Trustee Fees and Expenses			
7. Capitalized Interest			
8. Printing			
9. Rating Fees			
10. Computer Fees			
11. CUSIP			
12. Internet Auction Administrator			
13. Bank Counsel Fees	3,750.00		
14. _____			
Total - Issuance Costs	/ 30,726.46		
Accrued Interest			
Other Uses of Funds (Specify)			
1. NEF Cyberlearning Invoice	361,290.00		
2. _____			
3. _____			
4. _____			
TOTAL - USES OF AVAILABLE FUNDS	√2,478,000.00		

LEASE #: 173911 SD/AVTS: Warren County EFFECTIVE DATE: 7/1/2017		TEMPORARY REIMBURSABLE PERCENT FINANCING METHOD: TOTAL AMOUNT:						GOB 2017 A \$2,478,000.00	
PROJECT NUMBER & PROJECT BLDG NAME	3811 Warren Area HS	XXXX XXXX XXXX	XXXX XXXX XXXX	XXXX XXXX XXXX	XXXX XXXX XXXX	XXXX XXXX XXXX	XXXX XXXX XXXX	TOTAL	
A. AMOUNT FINANCED BY THE ABOVE ISSUE, NOTE OR CASH PAYMENT FOR THIS PROJECT (G03, line J)	\$633,000	\$0	\$0	\$0	\$0	\$0	\$0	\$633,000	
B. TOTAL AMOUNT FINANCED FOR THIS PROJECT - ALL ISSUES, NOTES AND CASH PAYMENTS (G03, line J-Total)	\$29,094,000	\$0	\$0	\$0	\$0	\$0	\$0	XXXXXXXXXXXXXX	
C. AMOUNT FINANCED FACTOR (A divided by B)	0.0218	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	XXXXXXXXXXXXXX	
D. ADJUSTED MAXIMUM REIMBURSABLE PROJECT AMOUNT (GW07)	\$6,661,423	\$0	\$0	\$0	\$0	\$0	\$0	XXXXXXXXXXXXXX	
E. PRORATED REIMBURSEMENT FOR THIS ISSUE, NOTE OR CASH PYMT (C times D)	\$145,219	\$0	\$0	\$0	\$0	\$0	\$0	\$145,219	
F. TOTAL PROJECT COSTS (G03, line I)	\$29,205,028	\$0	\$0	\$0	\$0	\$0	\$0	XXXXXXXXXXXXXX	
G. PROJECT COSTS ASSIGNABLE TO THIS BOND ISSUE (C times F)	\$636,670	\$0	\$0	\$0	\$0	\$0	\$0	\$636,670	
H. TOTAL ISSUE, NOTE OR CASH AMOUNT FINANCED DIVIDED BY TOTAL ISSUE/ NOTE/CASH (A divided by H)	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	\$2,478,000	
J. PRORATED REIMBURSEMENT DIVIDED BY COSTS (E divided by G; max = 1)	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0.2281	
K. REIMBURSABLE FRACTION (I times J)	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0.0583	
L. REIMBURSABLE PERCENT (K times 100)	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	5.83%	
M. TEMPORARY REIMBURSABLE PERCENT (L minus .5%; min=0)	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	5.33%	
NOTES:									

PREPARED ON 5/8/2018

PLANCON-HW01

173911

District/AVTS Warren County School District					PDE LEASE # (PDE Use Only)	
Financing Name: General Obligation Bonds, Series A of 2017 Dated Date: 18-Dec-2017 Settlement Date: 18-Dec-2017					Total Issue: 2,478,000 Original Issue Premium: 0.00	
PAYMENT DATE	PRINCIPAL OUTSTANDING	PRINCIPAL	RATE	INTEREST	PERIOD TOTAL	STATE FISCAL YR TOTAL (7/1 - 6/30)
	2,478,000.00					
3/1/2018	2,408,000.00	70,000.00	0.00	0.00	70,000.00	70,000.00
9/1/2018	2,408,000.00			0.00	0.00	
3/1/2019	2,236,000.00	172,000.00	0.00	0.00	172,000.00	172,000.00
9/1/2019	2,236,000.00			0.00	0.00	
3/1/2020	2,064,000.00	172,000.00	0.00	0.00	172,000.00	172,000.00
9/1/2020	2,064,000.00			0.00	0.00	
3/1/2021	1,892,000.00	172,000.00	0.00	0.00	172,000.00	172,000.00
9/1/2021	1,892,000.00			0.00	0.00	
3/1/2022	1,720,000.00	172,000.00	0.00	0.00	172,000.00	172,000.00
9/1/2022	1,720,000.00			0.00	0.00	
3/1/2023	1,548,000.00	172,000.00	0.00	0.00	172,000.00	172,000.00
9/1/2023	1,548,000.00			0.00	0.00	
3/1/2024	1,376,000.00	172,000.00	0.00	0.00	172,000.00	172,000.00
9/1/2024	1,376,000.00			0.00	0.00	
3/1/2025	1,204,000.00	172,000.00	0.00	0.00	172,000.00	172,000.00
9/1/2025	1,204,000.00			0.00	0.00	
3/1/2026	1,032,000.00	172,000.00	0.00	0.00	172,000.00	172,000.00
9/1/2026	1,032,000.00			0.00	0.00	
3/1/2027	860,000.00	172,000.00	0.00	0.00	172,000.00	172,000.00
9/1/2027	860,000.00			0.00	0.00	
3/1/2028	688,000.00	172,000.00	0.00	0.00	172,000.00	172,000.00
9/1/2028	688,000.00			0.00	0.00	
3/1/2029	516,000.00	172,000.00	0.00	0.00	172,000.00	172,000.00
9/1/2029	516,000.00			0.00	0.00	
3/1/2030	344,000.00	172,000.00	0.00	0.00	172,000.00	172,000.00
9/1/2030	344,000.00			0.00	0.00	
3/1/2031	172,000.00	172,000.00	0.00	0.00	172,000.00	172,000.00
9/1/2031	172,000.00			0.00	0.00	
3/1/2032	0.00	172,000.00	0.00	0.00	172,000.00	172,000.00
TOTAL		2,478,000.00		0.00	2,478,000.00	2,478,000.00

Interest Rates are a fixed 0.000%. No Additional Coupon Rates Required. No Sinking Fund.