

NEW ISSUE-BOOK ENTRY ONLY

**RATINGS: Moody's: A2 (negative outlook) (underlying)**  
**Moody's: Aa3 (enhanced rating)**  
See "RATINGS" herein

*In the opinion of Bond Counsel, under existing statutes, regulations and judicial decisions, interest on the Bonds is excludable from gross income for purposes of federal income taxation and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. This opinion of Bond Counsel is subject to continuing compliance by the School District with its covenants in the Resolution and other documents to comply with requirements of the Internal Revenue Code of 1986, as amended, and applicable regulations thereunder.*

*Bond Counsel is also of the opinion that under the laws of the Commonwealth of Pennsylvania as presently enacted and construed, the Bonds are exempt from personal property taxes in the Commonwealth of Pennsylvania and the interest on the Bonds is exempt from the Commonwealth's Personal Income Tax and the Commonwealth's Corporate Net Income Tax.*

*The Bonds are "qualified tax-exempt obligations", for purposes and effect contemplated by Section 265 of the Internal Revenue Code of 1986, as amended (relating to expenses and interest relating to tax-exempt income of certain financial institutions).*

*For further information concerning federal and state tax matters relating to the Bonds, see "Tax Exemption and Other Tax Matters" herein.*

**\$3,295,000**

**Warren County School District**  
**Warren County, Pennsylvania**  
**General Obligation Bonds, Refunding Series A of 2013**

**BOND SALE DOCUMENT**

**July 29, 2013**

**BID RESULTS AND**  
**DEBT SERVICE SCHEDULE**

**Public Financial Management, Inc.**  
**Financial Advisor to the School District**



# MUNICIPAL MARKET UPDATE

July 29, 2013

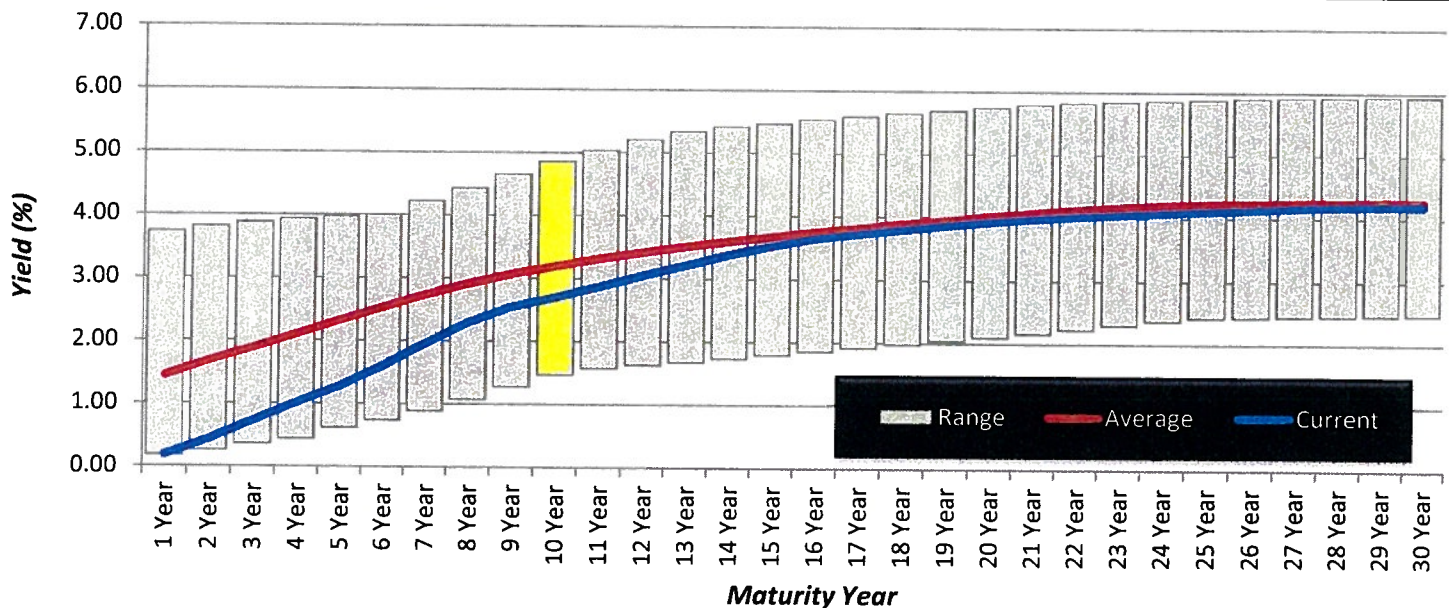


## MMD YIELD CURVE

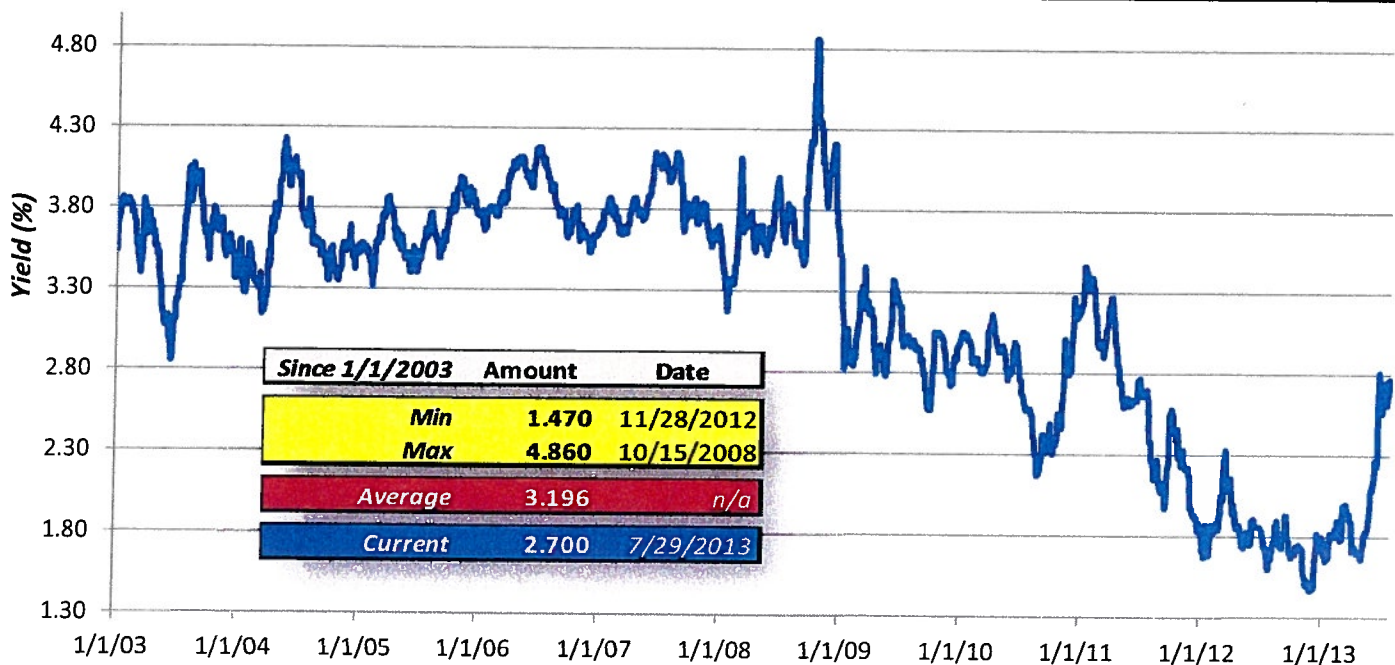
The MMD Yield Curve is a high grade municipal yield curve published daily by Municipal Market Data. It is one of the most commonly used benchmarks in municipal finance. The yields within the curve reflect the current yields for each maturity year at which bondholders would likely to sell high quality (AAA rated) general obligation backed bonds. The yield curve is typically influenced by new issuances in the primary market as well as post-issuance trading in the secondary market.

Municipal bonds typically trade at a "spread to MMD", meaning the difference between the yield in a specific year of a bond issue and the respective yield in the MMD Yield Curve. While these spreads vary over time, they can be a meaningful and powerful tool in trying to compare relative yield levels in a volatile interest rate environment.

## HISTORICAL MMD CURVE ILLUSTRATION - SINCE JANUARY 1, 2003



## SPOT ANALYSIS - 10 YEAR MMD - SINCE JANUARY 1, 2003



# MOODY'S

## INVESTORS SERVICE

### New Issue: Moody's assigns A2 underlying and Aa3 enhanced rating to Warren County School District, PA's \$3.5M Ser. 2013A GO Bonds; outlook for underlying is negative

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Global Credit Research - 29 Jul 2013

#### Affirms A2 underlying rating on \$43M of debt

WARREN COUNTY SCHOOL DISTRICT, PA  
Public K-12 School Districts  
PA

#### Moody's Rating

ISSUE	RATING
General Obligation Bonds, Series A of 2013	A2
<b>Sale Amount</b>	\$3,465,000
<b>Expected Sale Date</b>	07/29/13
<b>Rating Description</b>	General Obligation

General Obligation Bonds, Series A of 2013	Aa3
<b>Sale Amount</b>	\$3,465,000
<b>Expected Sale Date</b>	07/29/13
<b>Rating Description</b>	General Obligation

#### Moody's Outlook NEG

#### Opinion

NEW YORK, July 29, 2013 --Moody's Investors Service has assigned an A2 rating with a negative outlook and a Aa3 enhanced rating with a stable outlook to Warren County School District's (PA) General Obligation Bonds, Series 2013A. Concurrently, Moody's has affirmed the A2 underlying rating on the district's \$43.1 million of parity bonds. Proceeds will be used to currently refund the district's Series 2008 bonds for estimated net present value savings of \$46,000, or 1.8% of par outstanding.

The bonds are general obligations of the district and are secured by the district's unlimited tax pledge, which is subject to Special Session Act 1 property tax limitations (Taxpayer Relief Act) that restrict Pennsylvania school districts' ability to increase the property tax millage beyond an annual index without seeking specific exemptions or voter approval.

#### SUMMARY RATINGS RATIONALE

The A2 underlying rating reflects the district's modestly-sized rural tax base with below average wealth levels and a manageable debt profile, as well as its relatively weak financial flexibility and narrow cash position. The negative outlook reflects our view that management will be challenged to rebuild financial reserves in the near term due to rising pension costs, stagnant state aid revenues, and limited revenue-generating flexibility.

The bonds also carry an enhanced rating of Aa3 with a stable outlook. The Aa3 enhanced rating reflects the additional security provided to the bonds by Pennsylvania's Fiscal Agent Agreement Intercept Program, a pre-default state aid intercept program created as a subset of the state's Act 150 Intercept Program. The program provides for the intercept of state aid for the current fiscal year in the event of a potential failure by the district to pay timely debt service and reflects the intercept program's inherent programmatic strength, which is reflective of the credit profile of the Commonwealth, which carries a general obligation rating of Aa2 with a stable outlook.

Pursuant the Pennsylvania School Code (Section 6-633), the state is authorized to intercept aid appropriated in the current fiscal year. In the case of the district, the program is further enhanced by a fiscal agent agreement that requires the fiscal agent for the bonds to notify the Secretary of Education of the Commonwealth if the school district fails to make a sinking fund payment 15 days prior to any debt service payment date. Pursuant to a memorandum of agreement among the Secretary of Education, the Labor, Education and Community Services Comptroller, and the State Treasurer, the timing of the state aid intercept would allow for the timely transfer of appropriated funds to the fiscal agent in amounts sufficient to pay the required debt service on each debt service payment date.

#### STRENGTHS:

- Stable tax base with below-average unemployment levels
- Stated commitment to funding pension reserve

#### CHALLENGES:

- Diminished financial flexibility due to recent reserve declines
- Rising pension costs coupled with stagnant state aid
- Narrow liquidity

#### DETAILED CREDIT DISCUSSION

##### FINANCIAL POSITION REMAINS WEAK, DESPITE MODEST IMPROVEMENT IN FISCAL 2012

The district's financial position became narrow after a substantial (\$3.4 million) cumulative drawdown of General Fund reserves that occurred in fiscal 2010 and fiscal 2011 (June 30 year-end). These deficits sharply reduced the district's General Fund reserves, which fell to \$4.2 million (6.2% of revenues) in fiscal 2011 from a much healthier \$7.7 million (11.4% of reserves) in fiscal 2009. The achievement of a modest (\$576,000) operating surplus in fiscal 2012 only marginally offset the large recent deficits, which sharply reduced the district's short-term financial flexibility by depleting its reserve cushion.

Management estimates the district ran a surplus of nearly \$4 million in fiscal 2013 (unaudited), and plans to add the entire amount to General Fund balance. Based on current estimates, the administration believes it will be able to establish a capital reserve of \$1.4 million, and grow its pension reserve to \$1.8 million at fiscal year-end 2013, up from \$850,000 in fiscal 2012. We view management's commitment to funding the pension reserve is a particular credit-positive, given the sharp increases in pension costs expected throughout the state. The district expects to spend most of its new reserves within the next two fiscal year years, but plans to continue funding its pension and other reserves through future budgetary surpluses.

We believe such surpluses are possible given the more than \$3 million in annual savings anticipated from the closures of five of the district's 14 schools. The district also reports an improved property tax collection rate (to roughly 93% from 92%) in fiscal 2013, contributed to the projected surplus.

Other expenditure cuts have included the elimination of 50 teaching positions, 10 teaching aides, five custodial staff, five secretaries and two administrators through a combination of layoffs, furloughs and contract terminations. Future rating reviews will focus on management's ability to rebuild reserves to healthier levels.

##### MODERATELY-SIZED, LARGELY RESIDENTIAL TAX BASE

The school district is coterminous with Warren County, which is located approximately 130 miles north of Pittsburgh (GO rated A1/stable outlook) and 60 miles east of Erie in northwestern Pennsylvania. The district covers 849 square miles of land comprising one city, five boroughs and 21 townships. The local economy is reasonably diverse with a small oil refinery, a bank, medical offices and a large mail order business among the district's top ten taxpayers. Aside from these operations and a growing retail presence, the district's tax base is mostly residential and rural in character and evidences low taxpayer concentration with the top ten accounting for 6.5% of the total levy.

We believe the district's \$1.2 billion tax base is unlikely to grow in the near term given the absence of significant new taxable residential and commercial developments within the district, as well as a modestly declining population that is reflected in gradually shrinking enrollments. Assessed values grew by less than 1% annually

over the past five years.

#### MANAGEABLE, ALBEIT GROWING, DEBT BURDEN

The district's above-average direct debt burden of 5% of full valuation is likely to remain manageable given a relatively slow amortization rate (42.3% of principal repaid within 10 years) and high state reimbursement ratio (22%) for debt service. Importantly, 61.3% of the district's direct debt burden (\$39.4 million of \$64.3 million) consists of Qualified Zone Academy Bonds (QZAB) receiving a direct federal subsidy covering 100% of interest costs, making the debt burden much more affordable. After factoring in the overlapping debts of Warren County and its constituent municipalities, the overall debt burden rises to 9.1% of full valuation, or double the average for Moody's-rated Pennsylvania school districts. We believe, however, that the debt burden will remain manageable given the combination of large state and federal subsidies and modest portion of district expense currently devoted to debt service (5.1% in fiscal 2012).

All of the district's debt is fixed rate and the district is not party to any derivative agreements. The district has been a frequent tax revenue anticipation note (TRAN) issuer in recent years as its liquidity is weak (7% of revenues as of June 30, 2012). It typically issues TRANs in July to secure funds needed to operate during the cash-poor summer months. The \$6 million July 2012 TRAN was repaid in October 2012, three months ahead of schedule.

The district participates in the Pennsylvania Public School Employees' Retirement System, a multi-employer, defined benefit retirement plan sponsored by the State of Pennsylvania. The district's annual required contribution (ARC) for the plans was \$7.1 million in fiscal 2011, or 10% of General Fund expenditures. The district's combined adjusted net pension liability, under Moody's methodology for adjusting reported pension data, is \$72 million, or approximately a moderate 1 times General Fund revenues. Moody's uses the adjusted net pension liability to improve comparability of reported pension liabilities. The adjustments are not intended to replace the district's reported liability information, but to improve comparability with other rated entities. We determined the district's share of liability for the state-run plans in proportion to its contributions to the plans.

#### WHAT WOULD CHANGE THE RATING - UP (remove negative outlook):

- Improvements to reserve levels and cash position
- Structurally balanced budgets with less aggressive revenue assumptions
- Higher assessed valuation growth over the medium term

#### WHAT WOULD CHANGE THE RATING - DOWN:

- Continued declines in General Fund reserves
- Increased TRAN issuance to off-set the district's limited liquidity
- Significant growth in the debt burden
- Declines in the tax base or demographic profile

#### KEY STATISTICS

2010 Population: 38,402 (-5.6% since 2000)

2012 Full Valuation: \$1.26 billion

2012 Full Value Per Capita: \$32,772

Overall Debt Burden: 9.1%

Direct Debt Burden: 5%

Payout of Principal (10 years): 42.3%

2010 Per Capita Income (as % of PA and US): (83% and 82%)

2010 Median Family Income (as % of PA and US): (83% and 83%)

Unemployment level (April 2013): 6.2% (versus 7.2% for Pennsylvania)

Fiscal 2011 General Fund Balance: \$4.3 million (6.2% of 2011 General Fund revenues)

Fiscal 2012 General Fund Balance: \$4.8 million (7.4% of 2012 General Fund revenues)

Parity Debt Outstanding (including bonds and notes): \$64.3 million (\$43.1 million rated by Moody's)

The principal methodology used in rating the underlying debt was General Obligation Bonds Issued by US Local Governments published in April 2013. The principal methodology used in rating the enhanced debt was State Aid Intercept Programs and Financings: Pre and Post Default published in July 2013. Please see the Credit Policy page on [www.moodys.com](http://www.moodys.com) for a copy of these methodologies.

## REGULATORY DISCLOSURES

For ratings issued on a program, series or category/class of debt, this announcement provides certain regulatory disclosures in relation to each rating of a subsequently issued bond or note of the same series or category/class of debt or pursuant to a program for which the ratings are derived exclusively from existing ratings in accordance with Moody's rating practices. For ratings issued on a support provider, this announcement provides certain regulatory disclosures in relation to the rating action on the support provider and in relation to each particular rating action for securities that derive their credit ratings from the support provider's credit rating. For provisional ratings, this announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating. For further information please see the ratings tab on the issuer/entity page for the respective issuer on [www.moodys.com](http://www.moodys.com).

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

Please see [www.moodys.com](http://www.moodys.com) for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

Please see the ratings tab on the issuer/entity page on [www.moodys.com](http://www.moodys.com) for additional regulatory disclosures for each credit rating.

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**WARREN COUNTY SCHOOL DISTRICT**  
(Warren County, Pennsylvania)  
General Obligation Bonds, Series A of 2013

July 29, 2013

1	2	3	4	5
<u>Bidder</u>	<u>True Interest Cost</u>	<u>Bond Discount</u>	<u>Interest* Rate Range</u>	<u>Number of Bids</u>
1. Janney Montgomery Scott	1.072362	3.01	2.00-3.00	14
2. UBS Financial Services	1.094820	4.25	3.00-4.00	29
3. BNY Mellon Capital Markets	1.106879	2.58	1.00-2.00	19
4. Boenning & Scattergood	1.173123	3.00	2.00-3.00	12
5. FTN Financial	1.209462	1.00	.600-2.00	14
6. PNC Capital Markets	1.330417	Unavailable	2.00-3.00	6
7. Sterne, Agee & Leach	1.641543	10.00	2.00-2.00	<u>5</u>
<b>TOTAL</b>				<b><u>99</u></b>

Based on Preliminary Issue Size of \$3,465,000\*

\*2014 through 2017

- |                               |   |
|-------------------------------|---|
| 1. Moody's A2<br>No Insurance | Bid Alone                                       |
| 2. Moody's A2<br>No Insurance | Syndicate Includes: Roosevelt & Cross, CL King. |
| 3. Moody's A2<br>No Insurance | Bid Alone                                       |
| 4. Moody's A2<br>No Insurance | Bid Alone                                       |
| 5. Moody's A2<br>No Insurance | Bid Alone                                       |
| 6. Moody's A2<br>No Insurance | Bid Alone                                       |
| 7. Moody's A2<br>No Insurance | Syndicate Includes: Bank of Oklahoma            |

**PAYING AGENT:**

Wells Fargo Bank, N.A.

**INSURANCE PREMIUMS:**

Assured Guaranty Municipal (AGM): \$7,000.00

Municipal Assurance Corp. (MAC): \$7,000.00

Build America Mutual (BAM): \$7,170.00

**OPTIONAL REDEMPTION DATE:**

Non-Callable

\*\*\* Elected officials should review the Preliminary Official Statement for this issue. An electronic version can be found at [www.pfmauction.com](http://www.pfmauction.com) under the "results" tab. Please provide any comments for the final Official Statement to the District Administration Office within five business days from the date of the bond sale, as referenced above, which would be no later than Monday, August 5, 2013. \*\*\*



**WARREN COUNTY SCHOOL DISTRICT**
**Internet Bond Sale**

Monday, July 29, 2013


**Bidder:**
**# of Bids Submitted:**

Janney Montgomery Scott	14
UBS Financial Services	29
BNY Mellon Capital Markets	19
Boenning & Scattergood	12
FTN Financial	14
PNC Capital Markets	6
Sterne, Agee & Leach	5
Total Bids	99

**Chronology of Bids**

<b>Time:</b>	<b>Bidder:</b>		<b>Bid (TIC):</b>	<b>Winner?</b>
11:00:53 AM	UBS Financial Services	1	2.553587	no
11:06:42 AM	Boenning & Scattergood	1	2.072218 *	no
11:07:47 AM	UBS Financial Services	2	2.325207	no
11:08:07 AM	UBS Financial Services	3	2.244111	no
11:08:41 AM	UBS Financial Services	4	2.163239	no
11:09:02 AM	UBS Financial Services	5	2.042349 *	no
11:09:45 AM	Boenning & Scattergood	2	1.990087 *	no
11:09:59 AM	Janney Montgomery Scott	1	1.580847 *	no
11:10:15 AM	FTN Financial	1	2.041395	no
11:10:23 AM	FTN Financial	2	1.956327	no
11:10:43 AM	UBS Financial Services	6	1.921957	no
11:10:52 AM	Boenning & Scattergood	3	1.814869	no
11:11:06 AM	UBS Financial Services	7	1.841971	no
11:11:15 AM	FTN Financial	3	1.798598	no
11:11:19 AM	Sterne, Agee & Leach	1	1.844596	no
11:11:21 AM	UBS Financial Services	8	1.762203	no
11:11:25 AM	Boenning & Scattergood	4	1.756698	no
11:11:35 AM	FTN Financial	4	1.676374	no
11:11:43 AM	UBS Financial Services	9	1.682653	no
11:11:57 AM	FTN Financial	5	1.545931 *	no
11:12:06 AM	Boenning & Scattergood	5	1.640702	no
11:12:08 AM	UBS Financial Services	10	1.642959	no
11:12:10 AM	Janney Montgomery Scott	2	1.382397 *	no
11:12:23 AM	Sterne, Agee & Leach	2	1.763204	no
11:12:31 AM	BNY Mellon Capital Markets	1	1.883189	no
11:12:35 AM	Boenning & Scattergood	6	1.525169	no
11:12:36 AM	UBS Financial Services	11	1.548924	no
11:12:43 AM	BNY Mellon Capital Markets	2	1.765289	no
11:12:49 AM	Sterne, Agee & Leach	3	1.742892	no
11:12:51 AM	BNY Mellon Capital Markets	3	1.647867	no
11:12:59 AM	BNY Mellon Capital Markets	4	1.589334	no
11:13:06 AM	UBS Financial Services	12	1.509412	no
11:13:08 AM	BNY Mellon Capital Markets	5	1.472622	no
11:13:08 AM	Boenning & Scattergood	7	1.410094	no
11:13:09 AM	FTN Financial	6	1.512040	no
11:13:24 AM	BNY Mellon Capital Markets	6	1.414442	no
11:13:24 AM	UBS Financial Services	13	1.427821	no
11:13:30 AM	Boenning & Scattergood	8	1.352728 * (1)	no
11:13:32 AM	BNY Mellon Capital Markets	7	1.356379	no
11:13:34 AM	FTN Financial	7	1.365478	no
11:13:35 AM	PNC Capital Markets	1	1.944634	no
11:13:41 AM	Janney Montgomery Scott	3	1.334349 *	no
11:13:42 AM	Sterne, Agee & Leach	4	1.682040	no
11:13:42 AM	UBS Financial Services	14	1.388473	no



11:13:45 AM	BNY Mellon Capital Markets	8	1.298432	*	no
11:14:00 AM	FTN Financial	8	1.333632		no
11:14:03 AM	Janney Montgomery Scott	4	1.283679	*	no
11:14:04 AM	Boenning & Scattergood	9	1.295475		no
11:14:06 AM	PNC Capital Markets	2	1.643740		no
11:14:07 AM	Sterne, Agee & Leach	5	1.641543		no
11:14:16 AM	FTN Financial	9	1.313551		no
11:14:18 AM	UBS Financial Services	15	1.309936		no
11:14:20 AM	BNY Mellon Capital Markets	9	1.275286	*	no
11:14:30 AM	Boenning & Scattergood	10	1.238335	*	no
11:14:35 AM	Janney Montgomery Scott	5	1.223233	*	no
11:14:44 AM	PNC Capital Markets	3	1.512252		no
11:14:48 AM	FTN Financial	10	1.280822		no
11:14:49 AM	BNY Mellon Capital Markets	10	1.263720		no
11:14:55 AM	UBS Financial Services	16	1.235581		no
11:14:59 AM	BNY Mellon Capital Markets	11	1.240601		no
11:15:01 AM	Boenning & Scattergood	11	1.204106	*	no
11:15:11 AM	BNY Mellon Capital Markets	12	1.229049		no
11:15:12 AM	Janney Montgomery Scott	6	1.198126	*	no
11:15:13 AM	FTN Financial	11	1.249494		no
11:15:14 AM	PNC Capital Markets	4	1.462630		no
11:15:18 AM	BNY Mellon Capital Markets	13	1.205958		no
11:15:19 AM	UBS Financial Services	17	1.217985		no
11:15:30 AM	BNY Mellon Capital Markets	14	1.182886	*	no
11:15:34 AM	FTN Financial	12	1.228922		no
11:15:42 AM	Boenning & Scattergood	12	1.173123	*	no
11:15:49 AM	Janney Montgomery Scott	7	1.185580		no
11:15:56 AM	FTN Financial	13	1.219190		no
11:15:59 AM	UBS Financial Services	18	1.196347		no
11:16:09 AM	Janney Montgomery Scott	8	1.150241	*	no
11:16:28 AM	UBS Financial Services	19	1.161069		no
11:16:53 AM	UBS Financial Services	20	1.145467	*	no
11:18:00 AM	Janney Montgomery Scott	9	1.150099		no
11:18:00 AM	FTN Financial	14	1.209462		no
11:18:29 AM	Janney Montgomery Scott	10	1.145174	*	no
11:18:52 AM	BNY Mellon Capital Markets	15	1.159832		no
11:19:03 AM	BNY Mellon Capital Markets	16	1.136797	*	no
11:19:22 AM	UBS Financial Services	21	1.122080	*	no
11:19:48 AM	Janney Montgomery Scott	11	1.137575		no
11:20:24 AM	Janney Montgomery Scott	12	1.132566		no
11:20:33 AM	BNY Mellon Capital Markets	17	1.125286		no
11:20:46 AM	BNY Mellon Capital Markets	18	1.113780	*	no
11:21:10 AM	UBS Financial Services	22	1.114289		no
11:21:26 AM	PNC Capital Markets	5	1.380670		no
11:21:35 AM	UBS Financial Services	23	1.112341	*	no
11:22:59 AM	Janney Montgomery Scott	13	1.107255	*	no
11:23:24 AM	BNY Mellon Capital Markets	19	1.106879	*	no
11:23:29 AM	UBS Financial Services	24	1.108447		no
11:23:48 AM	UBS Financial Services	25	1.104553	*	no
11:24:42 AM	Janney Montgomery Scott	14	1.072362	* (2)	YES
11:25:00 AM	PNC Capital Markets	6	1.330417		no
11:25:06 AM	UBS Financial Services	26	1.100659		no
11:25:22 AM	UBS Financial Services	27	1.098712		no
11:26:16 AM	UBS Financial Services	28	1.096766		no
11:26:36 AM	UBS Financial Services	29	1.094820		no

(1) First activation of two-minute rule - extended auction period until 11:15:21

(2) Twenty-second and Final activation of two-minute rule - extended auction period until 11:26:42

\* Indicates new leading bid.

**WARREN COUNTY SCHOOL DISTRICT**

SERIES OF 2008

Bonds to be Refunded

	1	2	3	4	5	6	7	8
	<u>Date</u>	<u>Principal</u>	<u>Rate</u>	<u>Interest</u>	<u>Semi-Annual Debt Service</u>	<u>Fiscal Year Debt Service</u>	<u>State Aid</u>	<u>Local Effort</u>
<b>* Assumes School District Will Make Regularly Scheduled 9/1/13 Payment in amount of \$1,725,450 *</b>								
	3/1/2014			58,800.00	58,800.00	58,800.00	14,763.70	44,036.30
	9/1/2014	795,000	3.500	58,800.00	853,800.00			
	3/1/2015			44,887.50	44,887.50	898,687.50	225,645.48	673,042.02
	9/1/2015	825,000	3.500	44,887.50	869,887.50			
	3/1/2016			30,450.00	30,450.00	900,337.50	226,059.76	674,277.74
	9/1/2016	855,000	3.500	30,450.00	885,450.00			
	3/1/2017			15,487.50	15,487.50	900,937.50	226,210.41	674,727.09
	9/1/2017	885,000	3.500	15,487.50	900,487.50			
	3/1/2018					900,487.50	226,097.43	674,390.07
TOTALS		3,360,000		299,250.00	3,659,250.00	3,659,250.00	918,776.79	2,740,473.21

PE%	34.48%	(Estimated)
CARF%	72.82%	

<b>WARREN COUNTY SCHOOL DISTRICT</b> <b>AMOUNT REQUIRED TO CALL BONDS</b>
--

1                      2                      3                      4

<b>SERIES OF 2008</b>
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AMOUNT REQUIRED TO CALL BONDS			
<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Required</u>
9/5/2013	3,360,000.00	1,306.67	3,361,306.67
TOTALS	3,360,000.00	1,306.67	3,361,306.67

**WARREN COUNTY SCHOOL DISTRICT**

SERIES A OF 2013

REFUNDS THE SERIES OF 2008

Settle 9/5/2013

Dated 9/5/2013

1	2	3	4	5	6	7	8	9	10	11
P&I Payment Date	Principal	Coupon	Yield	Interest	Semi-Annual Debt Service	Fiscal Year Debt Service	State Aid	Proposed Local Effort	Existing Local Effort	Savings
3/1/2014				40,406.67	40,406.67	40,406.67	10,145.44	30,261.23	44,036.30	13,775.07
9/1/2014	810,000	2.000	0.350	41,325.00	851,325.00					
3/1/2015				33,225.00	33,225.00	884,550.00	222,095.79	662,454.21	673,042.02	10,587.81
9/1/2015	810,000	2.000	0.550	33,225.00	843,225.00					
3/1/2016				25,125.00	25,125.00	868,350.00	218,028.24	650,321.76	674,277.74	23,955.97
9/1/2016	825,000	3.000	1.000	25,125.00	850,125.00					
3/1/2017				12,750.00	12,750.00	862,875.00	216,653.55	646,221.45	674,727.09	28,505.64
9/1/2017	850,000	3.000	1.250	12,750.00	862,750.00					
3/1/2018						862,750.00	216,622.17	646,127.83	674,390.07	28,262.24
TOTALS	3,295,000			223,931.67	3,518,931.67	3,518,931.67	883,545.19	2,635,386.48	2,740,473.21	105,086.73
PE%	34.48%	(Estimated)								
CARF%	72.82%									

\* Non-Callable Bonds

Savings Allocation	Amount	Percentage
School District's Share	105,086.73	3.13%
State's Share	35,231.60	1.05%
Total Savings	140,318.33	4.18%

**WARREN COUNTY SCHOOL DISTRICT**

SERIES A OF 2013

Composition of the Issue

**SOURCES:**

Par Amount	3,295,000.00
Original Issue (Discount)/Premium	142,535.60
Accrued Interest	0.00
Total	3,437,535.60

**USES:**

Amount Required to Call Bonds	3,361,306.67
Underwriter's Discount	\$3.01 9,917.95
<b>Bond Insurance</b>	<b>0.00</b>
Legal Fees + Expenses	20,000.00
Financial Advisor	22,500.00
Credit Rating Fee (Moody's: A2)	8,000.00
OS Formatting / Printing	9,750.00
Internet Auction	2,000.00
Paying Agent (Wells Fargo)	750.00
Redemption Agent (BONY)	300.00
Miscellaneous Expenses/Rounding	3,010.98
Total	3,437,535.60

Sale Date 7/29/2013

Dated Date 9/5/2013

Settlement Date 9/5/2013

**Yield of the Issue 0.953634****(OID)/OIP Calculations**

<u>Date</u>	<u>Price</u>	<u>(OID)/OIP</u>
9/1/2014	101.627%	13,178.70
9/1/2015	102.864%	23,198.40
9/1/2016	105.874%	48,460.50
9/1/2017	106.788%	57,698.00
TOTAL		142,535.60

**WARREN COUNTY SCHOOL DISTRICT**  
**SUMMARY OF OUTSTANDING INDEBTEDNESS**

**Debt Service Requirements**

1	2	3	4	5	6	7	8
Fiscal Year Ended	G.O. Bonds Series of 2008	G.O. Bonds Series of 2010	QZAB Series of 2011 (1)	QZAB Series of 2012(2)	G.O. Bonds Series of 2013	G.O. Bonds Series A of 2013	Total Debt Service
6/30/2014	1,725,450	1,467,156	41,107	5,000	358,922	40,407	3,638,042
6/30/2015		1,472,056	774,800	4,900	295,980	884,550	3,432,286
6/30/2016		1,223,906	994,300	39,800	295,905	868,350	3,422,261
6/30/2017		1,232,706	984,100	39,000	295,830	862,875	3,414,511
6/30/2018		1,230,322	988,700	38,200	295,755	862,750	3,415,727
6/30/2019		1,230,388	1,777,800	177,400	295,680		3,481,268
6/30/2020		723,753	1,315,700	1,208,800	295,583		3,543,836
6/30/2021		716,550	762,100	1,794,500	295,463		3,568,613
6/30/2022		717,706	789,000	1,763,000	295,343		3,565,049
6/30/2023		722,381	720,000	1,831,400	295,223		3,569,004
6/30/2024		716,016	702,000	1,857,700	295,103		3,570,818
6/30/2025			684,000	2,652,700	294,983		3,631,683
6/30/2026			666,000	2,156,000	792,273		3,614,273
6/30/2027			648,000	818,100	1,397,523		2,863,623
6/30/2028			630,000	796,000	1,363,323		2,789,323
6/30/2029			612,000	773,900	1,329,123		2,715,023
6/30/2030			594,000	746,800	1,294,923		2,635,723
6/30/2031				729,800	1,260,723		1,990,523
6/30/2032				707,700	1,231,448		1,939,148
6/30/2033				685,600	1,197,098		1,882,698
6/30/2034				663,500	1,162,461		1,825,961
6/30/2035							
<b>TOTAL</b>	1,725,450	11,452,941	13,683,607	19,489,800	14,638,658	3,518,932	64,509,388

**Local Effort Requirements**

9	10	11	12	13	14	15	16
Fiscal Year Ended	G.O. Bonds Series of 2008	G.O. Bonds Series of 2010	QZAB Series of 2011 (1)	QZAB Series of 2012(2)	G.O. Bonds Series of 2013	G.O. Bonds Series A of 2013	Total Local Effort
6/30/2014	1,292,218	1,112,133	41,107	5,000	358,922	30,261	2,839,641
6/30/2015		1,115,847	774,800	4,900	295,980	662,454	2,853,981
6/30/2016		927,744	726,836	27,871	211,955	650,322	2,544,728
6/30/2017		934,415	719,380	27,311	211,901	646,221	2,539,228
6/30/2018		932,608	722,743	26,750	211,847	646,128	2,540,076
6/30/2019		932,657	1,299,577	124,228	211,794		2,568,256
6/30/2020		548,619	961,781	846,490	211,724		2,568,613
6/30/2021		543,159	557,097	1,256,640	211,638		2,568,533
6/30/2022		544,035	576,761	1,234,581	211,552		2,566,929
6/30/2023		547,579	526,322	1,282,480	211,466		2,567,847
6/30/2024		542,754	513,164	1,300,897	211,380		2,568,194
6/30/2025			500,006	1,857,614	211,294		2,568,914
6/30/2026			486,848	1,509,788	567,499		2,564,136
6/30/2027			473,690	572,893	1,001,036		2,047,619
6/30/2028			460,532	557,417	976,539		1,994,488
6/30/2029			447,374	541,941	952,042		1,941,356
6/30/2030			434,216	522,964	927,544		1,884,724
6/30/2031				511,059	903,047		1,414,106
6/30/2032				495,583	882,078		1,377,661
6/30/2033				480,107	857,473		1,337,580
6/30/2034				464,631	832,663		1,297,294
6/30/2035							
<b>TOTAL</b>	1,292,218	8,681,548	10,222,234	13,651,146	10,671,372	2,635,386	47,153,905

**Principal \*:** 0 10,185,000 16,200,000 23,180,000 9,700,000 3,295,000 62,560,000

**PE%:** 34.48% 33.23% 36.94% 41.16% 38.96% 34.48%  
**PE% Status:** Temporary Temporary Estimated Estimated Estimated  
**CARF%:** 72.82% 72.82% 72.82% 72.82% 72.82% 72.82%  
**Call Date:** 9/1/2013 10/1/2015 Non-Callable Non-Callable 5/15/2018 Non-Callable  
**Purpose:** Cur Ref 01 & 02 Cur Ref 03 & 04 New Money New Money New Money Cur Ref 08



\* Outstanding as of July 29, 2013

(1) QZAB debt service is net of Fed. Reimbursement Subsidy 5.138% & est. sinking fund earnings of 2.00%

(1A) Assumes Fed. Reimbursement Subsidy for 3/1/13 & 9/1/13 payments reduced by 8.70% (\$36,207.49 per payment)

(2) QZAB debt service is net of Fed. Reimbursement Subsidy 4.185% & est. sinking fund earnings of 2.00%

(3) Assumes that receipt of state reimbursement on highlighted bonds is delayed through and including FY14/15 (Approx. \$430,375)