

**WARREN COUNTY SCHOOL DISTRICT  
WARREN COUNTY, PENNSYLVANIA**

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION INDICATING THE WARREN COUNTY SCHOOL DISTRICT'S  
INTENT TO ACCEPT QUALIFIED ZONE ACADEMY BOND FUNDS FOR  
THE WARREN AREA HIGH SCHOOL RENOVATIONS PROJECT**

**WHEREAS**, the Warren County School District submitted an application for Qualified Zone Academy Bond funds for the Warren Area High School Renovations Project; and

**WHEREAS**, based on the application the Pennsylvania Department of Education awarded the Warren County School District \$2,522,000.00 from the 2014 federal allocation and \$2,478,000.00 from the 2015 federal allocation for qualified work associated with the Warren Area High School Renovations Project; and

**WHEREAS**, via letter dated September 21, 2016, the Pennsylvania Department of Education has officially notified the Warren County School District that an allocation of \$2,522,000.00 from the 2014 federal allocation and \$2,478,000.00 from the 2015 federal allocation has been awarded to the Warren County School District for qualified work associated with the Warren Area High School Renovations Project, subject to requirements including the following:

- A. A contract must be in place with a third party to spend down at least 10% of the bond proceeds within six months of issuance.
- B. 100% of the proceeds must be spent within three years of the bond issuance.
- C. QZAB proceeds are subject to arbitrage rules.
- D. Issuers are subject to IRS reporting requirements.
- E. The applicable maximum maturity, the discount rate for determining the maturity, and QZAB credit rate are published for the date by the Bureau of Public Debt on its internet site for State and Local Government Series securities at: <https://www.treasurydirect.gov>.
- F. The Warren County School District must be willing to authorize a general obligation note with a maturity structure consistent with the program requirements. It must settle the full amount of the allocation at the local school district level. Bonds for projects meeting the qualifiers and that use the 2014 QZAB allocation must be issued by December 31, 2016. Bonds for projects

meeting the qualifiers and that use the 2015 QZAB allocation must be issued by December 31, 2017.

G The Board of School Directors of the Warren County School District must pass a Resolution documenting the District's intention to accept the \$2,522,000.00 from the 2014 federal allocation and \$2,478,000.00 from the 2015 federal allocation, and said Resolution must be received in the office of the Division of Budget and School Facilities by September 30, 2016; and

**WHEREAS**, the Board of School Directors desires to indicate its intent to accept the QZAB allocation in the amount of \$2,522,000.00 from the 2014 federal allocation and \$2,478,000.00 from the 2015 federal allocation for qualified work associated with the Warren Area High School Renovations Project and to confirm the above referenced matters.

**Now THEREFORE**, be it resolved by the Board of School Directors of the Warren County School District as follows:

1. The Board of School Directors hereby indicates its intent to accept the \$2,522,000.00 from the 2014 federal allocation and \$2,478,000.00 from the 2015 federal allocation for qualified work associated with the Warren Area High School Renovations Project; to expend 100% of the proceeds within three years of the bond issuance; and to comply with all applicable arbitrage rules and IRS reporting requirements.
2. The School District shall contract with a third party to spend down at least 10% of the bond proceeds within six months after issuance.
3. The Board of School Directors, contingent upon the ability to obtain all necessary legal and regulatory approvals (including, but not limited to, the approval of the DCED in accordance with the Local Government Unit Debt Act) and the approval of a Borrowing Resolution to be presented for the Board's consideration at a later date, shall issue a general obligation note with a maturity structure consistent with the program requirements by December 31, 2016 for \$2,522,000.00 from the 2014 federal allocation and by December 31, 2017 for the \$2,478,000.00 from the 2015 federal allocation.
4. The Board of School Directors agrees to comply with all other terms and conditions referenced in the Pennsylvania Department of Education's letter dated September 21, 2016, a copy of which is attached hereto as Exhibit A.

**ADOPTED** as a Resolution of the Warren County School District this \_\_\_\_\_<sup>th</sup> day of September, 2016.

ATTEST: (seal)

WARREN COUNTY SCHOOL DISTRICT

\_\_\_\_\_  
Secretary, Board of School Directors

BY: \_\_\_\_\_  
President, Board of School Directors



COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF EDUCATION

September 21, 2016

Ms. Amy J. Stewart  
Superintendent  
Warren County School District  
6820 Market Street  
Russell, PA 16345-3406

Re: 2014-2015 Qualified Zone Academy Bond Allocation

Dear Ms. Stewart:

I am pleased to inform you that Warren County School District has been granted an allocation of **\$5,000,000** from the Qualified Zone Academy Bond (QZAB) Program.

This allocation represents \$2,522,000 from the 2014 federal allocation and \$2,478,000 from the 2015 federal allocation. These funds are to be utilized for qualified work at Warren Area High School.

The school district must be willing to authorize a general obligation note with a maturity structure consistent with program requirements. It must settle the full amount of the allocation at the local school district level. Bonds for projects that meet the qualifiers and that use the 2014 QZAB allocation must be issued by **December 31, 2016**. Bonds for projects that meet the qualifiers and that use the 2015 QZAB allocation must be issued by **December 31, 2017**. Please be advised that bond amounts less than \$5,000,000 might prove difficult for the school district to sell on the bond market. As such, the school district should discuss with its financial consultant whether it should settle the full allocation amount at one time, prior to December 31, 2016.

A copy of the information on the bond financing that is provided to investors must be submitted to the Division of Budget and School Facilities within 15 days of issuance of the QZABs. All bond-related and expenditure documents related to this program should be retained for future auditing purposes. If the school district plans to seek state reimbursement through the PlanCon process, QZAB financing costs and revenue sources must be reported on PlanCon Part D, "Project Accounting Based on Estimates," and/or on PlanCon Part G, "Project Accounting Based on Bids."

Please note these Internal Revenue Service requirements:

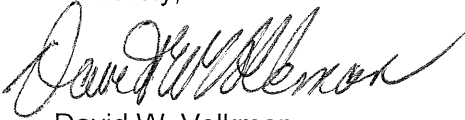
- Contract must be in place with a third party to spend down at least 10 percent of the bond proceeds within six months after issuance.
- 100 percent of the proceeds must be spent within three years of the bond issuance.
- QZAB proceeds are subject to arbitrage rules.
- Issuers are subject to IRS reporting requirements.
- The applicable maximum maturity, the discount rate for determining the maturity, and QZAB credit rate are published for that date by the Bureau of Public Debt on its internet site for State and Local Government Series securities at: <https://www.treasurydirect.gov>.

Ms. Stewart  
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Awardees must confirm their acceptance of a QZAB allocation in the form of a school board resolution that is received in the office of the Division of Budget and School Facilities by **September 30, 2016**. Scanned documents may be sent to [ra-schoolfacilities@pa.gov](mailto:ra-schoolfacilities@pa.gov), or by mail to Bureau of Budget and Fiscal Management, 333 Market Street, Harrisburg, PA 17126.

If you have any questions, please contact the Division of Budget and School Facilities at 717.787.5993 or at [ra-schoolfacilities@pa.gov](mailto:ra-schoolfacilities@pa.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "David W. Volkman", written in a cursive style.

David W. Volkman  
Executive Deputy Secretary

cc: Warren County File 2014, 2015  
Warren County SD File