PRELIMINARY OFFICIAL STATEMENT DATED JUNE 8, 2011

NEW ISSUE **Rating:** Standard & Poor's
BOOK-ENTRY ONLY (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 Series 2011 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. In the opinion of Bond Counsel, under existing laws of the State of West Virginia, the Series 2011 Bonds are exempt from all taxation by the State of West Virginia or any political subdivision thereof. See "TAX MATTERS" herein

$18,050,000
The Board of Education of the County of Pleasants (West Virginia) Public School Bonds, Series 2011

Dated: Date of Delivery **Due:** May 1, as shown below

The Board of Education of the County of Pleasants (West Virginia), Public School Bonds, Series 2011 (the "Series 2011 Bonds") are general obligations of The Board of Education of the County of Pleasants, West Virginia (the "Board"), which Board has the power and is obligated to levy ad valorem taxes upon all the taxable property within the Pleasants County School District to pay the Series 2011Bonds and the interest thereon, without limitation as to rate or amount.

The Series 2011 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 Series 2011 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 Series 2011 Bonds will not receive certificates representing their interests in the Series 2011 Bonds.

Pursuant to Chapter 13, Article 1 of the Code of West Virginia, 1931, as amended, both the principal of and interest on the Series 2011 Bonds are payable at the office of 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 Series 2011 Bonds will be payable on November 1, 2011 and semiannually thereafter (each May 1 and November 1) in each year until maturity. The principal of and interest on the Series 2011 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 Series 2011 Bonds, as described herein.

The Series 2011 Bonds are subject to redemption prior to maturity as described herein.

MATURITIES, AMOUNTS, RATES, YIELDS AND CUSIPS

Maturing (May 1)	Principal Amount ($)	Interest Rate (%)	Yield (%)	CUSIP* Base #:	Maturing (May 1)	Principal Amount ($)	Interest Rate (%)	Yield (%)	CUSIP* Base #:
2012	985,000				2020	1,225,000			
2013	885,000				2021	1,285,000			
2014	930,000				2022	1,345,000			
2015	970,000				2023	1,410,000			
2016	1,020,000				2024	1,475,000			
2017	1,065,000				2025	1,545,000			
2018	1,120,000				2026	1,620,000			
2019	1,170,000								

The Series 2011 Bonds are offered for delivery when, as and if issued, subject to approval of legality by Bowles Rice McDavid Graff & Love LLP, Charleston, West Virginia, Bond Counsel. Certain legal matters will be passed upon for the Board by Bowles Rice McDavid Graff & Love LLP, West Virginia, Counsel to the Board. It is expected that the Series 2011 Bonds will be available for delivery to DTC, New York, New York on or about July 13, 2011.

Sale Date: June 29, 2011

*See inside cover for footnote

$18,050,000
The Board of Education of the
County of Pleasants (West Virginia)
Public School Bonds, Series 2011

ELECTED OFFICIALS

President, Mr. David Meeks
Vice President, Dr. Heather Straight
Board Member, Mrs. Betty Bailey
Board Member, Mrs. Angie Colvin
Board Member, Mrs. Michelle Runnion

APPOINTED OFFICIALS

Superintendent, Dr. Joe Super
Assistant Superintendent, Mrs. Donna Barksdale
Treasurer, Mrs. Jennifer Hupp

BOARD'S COUNSEL

Bowles Rice McDavid Graff & Love LLP
Charleston, West Virginia

BOND COUNSEL

Bowles Rice McDavid Graff & Love LLP
Charleston, West Virginia

FINANCIAL ADVISOR

Raymond James & Associates, Inc.
Charleston, West Virginia

*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 Series 2011 Bonds only at the time of issuance of the Series 2011 Bonds. Neither the Underwriters 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 Series 2011 Bonds.

No dealer, broker, salesman or other person has been authorized by the Board 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 there any sale of the Series 2011 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.

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OFFICIAL STATEMENT
RELATING TO

$18,050,000
The Board of Education of the County of Pleasants (West Virginia) Public School Bonds, Series 2011

INTRODUCTION

This Official Statement provides certain information in connection with the sale of $18,050,000 in aggregate principal amount of The Board of Education of the County of Pleasants (West Virginia) Public School Bonds, Series 2011 (the "Series 2011 Bonds"). A brief description of The Board of Education of the County of Pleasants, West Virginia (the "Board"), the Pleasants County School District (the "School District") and the County of Pleasants, West Virginia (the "County" or "Pleasants County"), with which the School District is coterminous, is provided, together with a description of the Series 2011 Bonds and sources of payment therefor.

The Series 2011 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 Board has no other outstanding Public School General Obligation Bonds.

SERIES 2011 BONDS

General

The Series 2011 Bonds will be dated the date of delivery, will be 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 ($)
2012	985,000
2013	885,000
2014	930,000
2015	970,000
2016	1,020,000
2017	1,065,000
2018	1,120,000
2019	1,170,000
2020	1,225,000
2021	1,285,000
2022	1,345,000
2023	1,410,000
2024	1,475,000
2025	1,545,000
2026	1,620,000

Pursuant to Chapter 13, Article 1 of the Code of West Virginia, 1931, as amended (the "Act"), both the principal of and interest on the Series 2011 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 Series 2011 Bonds will be payable on November 1, 2011 and semi-annually thereafter (each May 1 and November 1) in each year until maturity. Such interest will be paid by check to the registered owner on each such interest payment date at his address as shown on the registration books kept for that purpose by the Paying Agent as of the 15th day of the month preceding each such interest payment date. In the case of an owner of $500,000 or more of the Series 2011 Bonds, interest may be paid to such owner by wire transfer to a domestic bank account specified in writing to the Paying Agent at least five days prior to an interest payment date.

Optional Redemption

The Series 2011 Bonds maturing on or after May 1, 2022, are subject to redemption on or after May 1, 2021, at the option of the Board, in whole at any time or in part on any interest payment date, from any moneys available for such purpose, at par plus interest, if any, accrued to the date fixed for redemption.

In the event of such optional redemption, the Board may direct the maturity or maturities of the Series 2011 Bonds and the amounts thereof to be redeemed, provided that the Series 2011 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 Series 2011 Bonds shall be given by the Registrar, on behalf of the Board, to registered owners of the Series 2011 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 Series 2011 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 their redemption of the Series 2011 Bonds having been deposited, the Series 2011 Bonds specified in such notice shall, on the date fixed for redemption, become due and payable and from and after such date (unless the Board shall default in the payment of the redemption price), such Series 2011 Bonds shall cease to bear interest.

Authority and Purpose

Authority

The issuance of the Series 2011 Bonds and the levy of taxes sufficient to pay the interest on the principal of such Series 2011 Bonds were authorized and approved at the countywide general election held on November 2, 2010, pursuant to the Act, and to orders and resolutions duly entered and adopted by the Board. The ballot questions also included a maximum term of 15 and ½ years from the date of issuance of the Series 2011 Bonds and an interest rate not exceeding 6 ¾% per annum. The canvass of said special election showed 1,537 "Yes" votes and 1021 "No" votes, a 60% voter approval of those who participated.

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 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 Act, require the annual levy and collection of a tax sufficient to pay the principal of and interest on such bonds.

Purpose

To provide funds for making certain improvements in the School District as described in "Proposed Projects" in Appendix D.

<u>Nature of Obligation, Security and Source of Payments</u>

The Series 2011 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 Series 2011 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.

<u>Debt Administration</u>

Pursuant to Chapter 13, Article 3 of the Code of West Virginia, the West Virginia Municipal Bond Commission (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 2010 Budget Bill is indicative:

> [Section 14]: 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 Pleasants. The enforceability of rights or remedies with respect to the Series 2011 Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

PLEASANTS 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 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. In 2012, the terms of two members will expire. 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 2010-2011, the Pleasants County school system has an administrative staff of 5 with the overall responsibility to coordinate and supervise the activities of 4 school administrators, 113 instructional staff (teachers and other professionals), and 73 service personnel. Total Full Time Equivalent positions are 186. The estimated pupil-teacher ratio for the 2010-2011 school year was 13.67 to 1 (combined elementary, middle and secondary schools). The total student enrollment (head count) was 1,278 students K-12.

Historical School Enrollment (School Year – Enrollments are October of each year.)

Grades	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
PK-EC	80	74	81	61	62
K	111	83	78	82	70
1	105	89	88	78	87
2	86	103	92	80	73
3	99	87	106	92	86
4	81	98	91	101	96
5	102	86	95	89	102
6	100	103	84	97	88
7	107	105	107	86	100
8	100	109	104	111	89
9	107	116	113	116	114
10	110	104	108	102	109
11	98	100	99	101	102
12	84	95	101	103	100
Total	**1370**	**1352**	**1347**	**1299**	**1278**

Rate of Increase (Decrease) in Enrollment	
2006-2010	-6.7%
Average Annual	-1.3%

Source: Pleasants County Board of Education

Projected Enrollment*

Year (October)	Enrollment (School Year)
2012	1258
2013	1220
2014	1191
2015	1159
2016	1150

Facilities*****

School	Grades	Construction Type	Construction Date	Renovations or Additions
Belmont Elementary School	PreK—4	Block/Brick	1950	1959,1990
St. Marys Elementary School	PreK—4	Block/Brick	1897	1949,1952,1974,1975,1981
Pleasants County Middle School	5—8	Block/Brick	1975	
St. Marys High School	9—12	Wood/Block/Brick	1918	1954,1963,1979,1989

*Source: Pleasants County Board of Education

Tax Collection Procedures

All taxes for real estate and personal property are collected by the Pleasants County Sheriff (the “Sheriff”) and are remitted by him to the State and other local levying bodies. Public utility taxes are collected directly by the State Auditor (the “Auditor”) and are remitted by him 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 ½% discount if paid by September; 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 ½% 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 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 his office during the preceding month. The Auditor, each month, draws his warrant upon the State treasury payable to the Sheriff of the County for that part of the taxes, interest and charges received by him upon the redemption of the property included in his 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 him 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 (%)
2005-2006				
General Current	$3,705,989	$3,455,978	$3,603,346	97.23%
Excess Levy	$3,449,032	$3,278,650	$3,353,504	97.23%
2006-2007				
General Current	$3,893,533	$3,634,571	$3,758,610	96.53%
Excess Levy	$3,701,283	$3,518,440	$3,573,022	96.53%
2007-2008				
General Current	$3,706,950	$3,460,397	$3,573,364	96.40%
Excess Levy	$3,641,982	$3,462,069	$3,510,739	96.40%
2008-2009				
General Current	$3,984,445	$3,730,800	$3,860,091	96.88%
Excess Levy	$3,914,615	$3,721,233	$3,792,440	96.88%
2009-2010				
General Current	$4,114,307	$3,860,216	$3,999,467	97.21%
Excess Levy	$4,042,201	$3,842,516	$3,929,373	97.21%
2010-2011				
General Current	$4,051,622	$3,801,403	N/A	
Excess Levy	$3,980,613	$3,783,971	N/A	

*Source: Pleasants County Board of Education

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 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. The assessor annually, not later than March 3, must furnish a certified statement to certain government 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 2010 assessment year valuations are made as of July 1, 2009, with taxes levied and collected during the fiscal year July 1, 2010, through June 30, 2011.

The State Tax Commissioner has the responsibility for preparing tentative valuations for 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 State 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 of 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 of 1931, as amended, provides 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 Pleasants County School District includes all of Pleasants County and has the same assessed valuation of property therein as does the entire county. Chapter 11, Article 1C of the West Virginia Code (the "Property Valuation Act") requires all assessors to appraise all property at fair market value (except for certain farm property), within three years. 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. The Property Valuation Act limits the increase in property taxes that could result from the new calculations to one percent per year, unless, in the case of school boards, the legislature, after a public hearing, deems a greater increase is necessary. The Property Valuation Act requires that all property except farms and managed timberlands be assessed at 60% of Fair Market Value at the end of the 3 year reappraisal cycle, which became effective July 1, 1994.

Assessed Valuation by Property Class*

Class	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
I	751,950	0	0	0	0
II	96,274,728	99,152,694	104,686,310	106,132,074	106,957,578
III	394,318,853	428,835,001	442,975,291	433,535,468	401,289,468
IV	35,055,523	35,048,029	34,875,743	35,514,817	35,538,535
Total	526,401,054	563,035,724	582,537,344	575,182,359	543,785,581

Assessed Valuation by Property Category*

Category	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
Real	134,121,270	140,692,550	146,114,360	147,840,600	148,954,850
Personal	136,644,115	152,884,718	141,628,299	120,518,407	111,048,138
Public Utility	255,635,669	269,458,456	294,794,685	306,823,352	283,782,593
Total	526,401,054	563,035,724	582,537,344	575,182,359	543,785,581

*Excludes property from ad valorem property taxation pursuant to the Homestead and Taxation Amendment. The amount of Class II property so excluded amounted to:

15,774,394 in 2007-2008
16,106,672 in 2008-2009
16,571,710 in 2009-2010
16,918,736 in 2010-2011
17,186,226 in 2011-2012

Source: State Tax Department

Largest Assessed Valuations*

Property Owner	Assessed Valuation ($) (Tax Year 2010)
Allegheny Energy Supply LLC	252,024,368
Cytec Industries Incorporated	38,444,602
Alpharma Incorporated	19,851,633
Monongalia Power Company	14,417,535
Simex Incorporated	12,904,968
Triad Hunter LLC	5,519,890
Criterion Catalyst & Technology	4,263,955
CSX Transportation INC	3,937,296
Citizens Telecom Co. of WV	3,622,199
Select Energy Services LLC	3,099,352

*The assessed valuations include real and personal property in Class III or IV.
Non-Taxable Property was not included in this chart.
Source: Pleasants County Assessor and West Virginia State Auditor's Office

Tax Rate Comparisons*

The following shows Pleasants County property taxes 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 2010; Fiscal Year 2010-2011.

County	Class I	Class II	Class III/IV
Pleasants	53.01	106.02	212.04
Doddridge	64.735	129.47	258.94
Ritchie	55.72	111.44	222.88
Tyler	56.90	113.80	227.60
Wood	54.92	109.84	219.68

*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.

The maximum tax rates described above are divided among the several levying bodies by statute. Under Chapter 11, Article 8 of the Code of West Virginia of 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.

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 five years 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 of 1931, as amended, the tax limit for school current expenses and school permanent improvement purposes combined is $0.2295 per $100 assessed valuation in respect to Class I, $0.4590 per $100 in respect to Class II, and $0.9180 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.

School Current Levy

Class	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
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	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
I	19.06	19.06	19.06	19.06	19.06
II	38.12	38.12	38.12	38.12	38.12
III and IV	76.24	76.24	76.24	76.24	76.24

School Bond Levy

Class	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
I	0	0	0	0	9.74
II	0	0	0	0	19.48
III and IV	0	0	0	0	38.96

Rates of Levy

The tax rates for citizens of the County, including those imposed by the Board, but not including those relating to the proposed bond issue, in cents per $100 assessed valuation for the 2011-2012 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
School Current	19.40	38.80	77.60
School Excess	19.06	38.12	76.24
School Bonds	9.74	19.48	38.96

In addition to the rates of levy established for State, County and School purposes, the municipalities within the County have additional current rates of levy in effect as shown in the following table, in cents per $100 assessed valuation for the 2011-2012 fiscal year.

Municipality	Class I	Class II	Class IV
Belmont	12.50	25.00	50.00
St. Marys Current	12.50	25.00	50.00
St. Marys Excess Levy 1	4.90	9.80	19.60

Source: West Virginia State Auditor

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)	7,605
Assessed Valuation*	$543,785,581
Debt Limit (5% of Assessed Valuation)	$27,189,279
Outstanding Debt (Including the Series 2011 Bonds)	$18,050,000
Debt Contracting Margin	$9,139,279
Per Capita Debt	$2,373.44
Outstanding Debt as percentage of Assessed Valuation	3.32%

*Assessed Value is estimated to be approximately 60% of appraised or market value (Assessment Year 2011, Fiscal Year 2012).

Debt Service Requirements

Upon issuance of the Series 2011 Bonds, based on the interest rates and yields set forth on the cover page, the Board will have the following debt:

Schedule of Bond Indebtedness

Maturing (May 1)	Principal Amount ($)	Interest ($)	Total ($)
2012	985,000		
2013	885,000		
2014	930,000		
2015	970,000		
2016	1,020,000		
2017	1,065,000		
2018	1,120,000		
2019	1,170,000		
2020	1,225,000		
2021	1,285,000		
2022	1,345,000		
2023	1,410,000		
2024	1,475,000		
2025	1,545,000		
2026	1,620,000		
Totals	$18,050,000		

Overlapping Debt

There is no overlapping county or city general obligation 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 State 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 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 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 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 Series 2011 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.

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.
	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 budget will be published in local newspapers after Board approval for two weeks. 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 (Regulatory Basis)*

General Current Expense Fund
Fiscal Year ended June 30

	2009 Budget	2009 Actual	2010 Budget	2010 Actual	2011 Budget	2012 Budget
Revenues:						
Property taxes	$ 7,484,033	$ 7,652,531	$ 7,712,942	$ 7,928,840	$ 7,585,374	$ 7,123,244
Other Local sources	644,667	610,173	658,742	693,508	501,916	501,916
State sources	5,576,508	5,580,300	4,947,362	4,949,931	4,176,478	5,059,449
Federal sources	135,000	180,476	125,000	162,093	125,000	125,000
Miscellaneous sources	48,582	47,654	19,077	19,077		
Total Revenues Collected	13,888,790	14,071,134	13,463,123	13,753,449	12,388,768	12,809,609
Expenditures:						
Instruction	7,844,596	7,724,743	7,088,191	7,233,664	6,136,004	6,794,348
Supporting services:						
Students	394,075	376,299	561,667	617,887	606,317	438,610
Instructional staff	278,807	263,588	349,887	346,827	273,970	270,260
Central administration	730,294	662,107	717,115	722,664	693,070	681,430
School administration	905,416	904,818	877,390	986,389	879,210	892,320
Business	491,342	442,781	525,115	496,926	505,380	507,840
Operation and maintenance of facilities	1,849,370	1,709,380	1,895,692	1,911,233	1,735,757	1,685,208
Student transportation	1,273,818	1,232,873	1,224,347	1,259,168	1,151,200	1,205,950
Food services	19,360	19,322	745	45,747		-
Community services	25,913	25,859	27,554	26,655	34,328	32,457
Capital outlay						
Debt service:						
Principal retirement						
Interest and fiscal charges	-					
Reserved for contingencies	1,236,741		1,822,360		1,015,000	1,027,375
Total Expenditures	15,049,732	13,361,770	15,090,063	13,647,160	13,030,236	13,535,798
Excess (Deficiency) of Revenues over Expenditures	(1,160,942)	709,364	(1,626,940)	106,289	(641,468)	(726,189)
Other Financing Sources (uses):						
Transfers in	55,000	17,473	34,000	38,000		
Transfers (out)	(427,145)	(371,705)	(357,608)	(357,599)	(353,532)	(382,185)
Total other financing sources (uses)	(372,145)	(354,232)	(323,608)	(319,599)	(353,532)	(382,185)
Net change in fund balances	(1,533,087)	355,132	(1,950,548)	(213,310)	(995,000)	(1,108,374)
Fund balances - beginning	1,533,087	1,455,662	1,950,548	1,810,794	995,000	1,108,374
Fund balances - ending	$ -	$ 1,810,794	$ -	$ 1,597,484	$ -	$ -

*Includes OPEB Liabilities of $1,352,310 for Fiscal Year 2010 and $139,754 for Fiscal Year 2009 and 2008.

Source: Pleasants County Board of Education

Insurance Coverage*

1. Type — Amount in Force (FY 2011)

Type	Amount in Force (FY 2011)
Fire, extended coverage	
Buildings	$31,270,280
Personal Property	$12,338,561
Public official position bond:	
Superintendent	$ 10,000
Board President	$ 10,000
Treasurer	$ 200,000
Blanket Bond	$ ---
Fidelity Honesty Bond (all employees)	$ ---
Money & Securities (all employees)	$ ---
Deductible - $2,500 per occurrence	

Liability Insurance:

The Board is insured for the coverage indicated below under a general liability policy and an automobile policy issued to the State of West Virginia by National Union Fire Insurance Co. of Pittsburgh, Pennsylvania. The Board is an Additional Insured under the policies for a coverage period July 1, 2010 to July 1, 2011. The Board is insured for the following coverages:

- Comprehensive general liability insurance
- Personal injury liability insurance
- Professional liability insurance
- Stop gap liability insurance
- Wrongful act liability insurance
- Comprehensive auto liability insurance
- Auto physical damage insurance, including comprehensive and collision
- Garagekeepers insurance.

2. Limits of Liability

EACH OCCURRENCE:

$1,000,000 each occurrence for all coverage combined. This limit is not increased if a claim is insured under more than one coverage or if claim is made against more than one insured.

SPECIAL LIMITS:

The auto physical damage limit is the actual cash value of each vehicle subject to a deductible of $1,000.00 for private passenger vehicles or $1,000 for other vehicle types including mobile equipment.

DEFENSE COSTS:

Defense costs are in addition to each occurrence limit of liability.

*Source: Pleasants County Board of Education

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, 2010, there are 35,670 active members and 30,127 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, 2010 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, 2010, the unfunded liability of TRS was $4.76077 billion. The funded percentage was 46.5%. The TRS unfunded accrued liability should 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, 2010, there were approximately 4,778 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 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: West Virginia Consolidated Public Retirement Board

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 Series 2011 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, and (b) under existing West Virginia Law, the Series 2011 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 Series 2011 Bonds. The Board has covenanted to comply with certain restrictions designed to ensure that interest on the Series 2011 Bonds will not be included in federal gross income. Failure to comply with these covenants may result in interest on the Series 2011 Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Series 2011 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 Series 2011 Bonds may adversely affect the value of, or the tax status of interest on, the Series 2011 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 Series 2011 Bonds. Prospective purchasers of the Series 2011 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 Series 2011 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 Series 2011 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 Series 2011 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 Series 2011 Bonds. Prospective purchasers of the Series 2011 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 Series 2011 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.

Bond Counsel's engagement with respect to the Series 2011 Bonds ends with the issuance of the Series 2011 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 Series 2011 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 Series 2011 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 Series 2011 Bonds, and may cause the Board or the beneficial owners to incur significant expense.

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 Series 2011 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 Series 2011 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. The Secretary of the Board has reviewed the current status of all pending and threatened litigation with such counsel, and expresses the opinion of the Board 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 affect on the financial condition of the Board.

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. If successful, the Board would receive funding sufficient to satisfy the current liability for other post-employment benefits payable related to state aid eligible employees and to pay any future amounts billed by PEIA for state aid eligible employees. The Board does not expect the case to have a material adverse effect on its financial condition or its ability to pay debt service on the Series 2011 Bonds.

At the time of payment for and delivery of the Series 2011 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 Series 2011 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 Series 2011 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 Series 2011 Bonds, in accordance with the Continuing Disclosure Agreement which shall be delivered in substantially the form attached hereto as Exhibit G, 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 ending June 30, 2011, and to provide notice of the occurrence of the enumerated events listed herein, if material. The Annual Information and each notice of material events will be filed electronically by United Bank, Inc., Charleston, West Virginia, as dissemination agent, on behalf of the Board with the Electronic Municipal Markets Access system ("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 Series 2011 Bonds. Under the Continuing Disclosure Agreement, the sole remedy for such failure is to seek an order for specific performance. SEE "APPENDIX G – FORM OF CONTINUING DISCLOSURE AGREEMENT."

LEGAL MATTERS

All legal matters incident to the authorization, issuance, sale and delivery of the Series 2011 Bonds are subject to the approval of Bowles Rice McDavid Graff & Love LLP, Charleston, West Virginia, Bond Counsel, whose approving legal opinion will be delivered with such Series 2011 Bonds. Certain legal matters will be passed upon for the Board by Bowles Rice McDavid Graff & Love LLP, Charleston, West Virginia, Counsel to the Board.

SALE AT COMPETITIVE BIDDING

The Series 2011 Bonds will be offered by the Board at competitive bidding on June 29, 2011 in accordance with the Official Notice of Sale.

RATING

Standard & Poor's Corporation, 55 Waters Street, New York, New York, 10041, has assigned the Series 2011 Bonds its rating of '__'. 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 Series 2011 Bonds.

FINANCIAL ADVISOR

Raymond James & Associates, Inc., Charleston, West Virginia, Financial Advisor to the Board, or its directors or employees, may hold, own or dispose of bonds, including the Series 2011 Bonds, issued by the Board. Raymond James & Associates, Inc. may wish to bid alone or as a member of a syndicate for the purchase of the Series 2011 Bonds.

CONCLUDING STATEMENT

The information furnished in this Official Statement is set forth for the benefit of prospective purchasers of the $18,050,000 in aggregate principal amount of The Board of Education of the County of Pleasants Public School Bonds, Series 2011. The material contained in the Official Statement was compiled for and at the direction of The Board of Education of the County of Pleasants by Raymond James & Associates, Inc. in its capacity as Financial Advisor.

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.

So far as any statements are made in this Official Statement involving matters of opinion, whether or not expressly so stated, they are set forth as such and not as representation of fact. Neither this Official Statement nor any statement which may have been made orally or in writing is to be construed as a contract with the holders of any of the Series 2011 Bonds.

THE BOARD OF EDUCATION OF THE COUNTY OF PLEASANTS

By: /s/________________________________, President

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AUDIT REPORT OF
PLEASANTS COUNTY BOARD OF EDUCATION
ST. MARYS, WEST VIRGINIA
For the Fiscal Year Ended June 30, 2010

AUDIT REPORT OF
PLEASANTS COUNTY BOARD OF EDUCATION
For the Fiscal Year Ended June 30, 2010

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.

PLEASANTS COUNTY BOARD OF EDUCATION
SCHEDULE OF FUNDS INCLUDED IN REPORT
For the Fiscal Year Ended June 30, 2010

GOVERNMENTAL FUND TYPES

MAJOR FUNDS

General Current Expense Fund

Special Revenue Funds

Restricted Projects
ARRA

FIDUCIARY FUND TYPE

Agency Fund

School Activity

PLEASANTS COUNTY BOARD OF EDUCATION
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For the Fiscal Year Ended June 30, 2010

INTRODUCTORY SECTION

PLEASANTS COUNTY BOARD OF EDUCATION
OFFICIALS
For the Fiscal Year Ended June 30, 2010

OFFICE	NAME	TERM
	Elective	
Board Members:	Betty Bailey	07-01-08 / 06-30-12
	Angela Colvin	07-01-06 / 06-30-10
	David Meeks	07-01-06 / 06-30-10
	Michelle Runnion	12-11-08 / 06-30-10
	Heather Straight, appointed	07-01-06 / 06-30-10
	Appointive	
Board President:	David Meeks	07-01-08 / 06-30-10
Superintendent:	Dr. F. Joseph Super	07-01-07 / 06-30-11
Treasurer:	Jennifer Hupp	

FINANCIAL SECTION

State of West Virginia
Office of the State Auditor
Chief Inspector Division
Building 1, Room W-420
Charleston, West Virginia 25305

Glen B. Gainer III
State Auditor and
Chief Inspector

Stuart T. Stickel, CPA
Deputy Chief Inspector

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INDEPENDENT AUDITOR'S REPORT

Honorable Members of the
Pleasants County Board Of Education
St. Marys, West Virginia

We have audited the accompanying financial statements of the governmental activities, each major fund, and the remaining fund information of the Pleasants County Board of Education (the Board), as of and for the year ended June 30, 2010, 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, each major fund, and the remaining fund information of the Pleasants County Board of Education, as of June 30, 2010, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2011 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 and budgetary comparison information for the General Current Expense Fund and the Special Revenue Funds on pages 38 through 41 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 Pleasants County Board of Education's financial statements. The introductory section 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 Pleasants 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 15, 2011

Our discussion and analysis of the Pleasants County Board of Education's (the Board) financial performance provides an overview of the Board's financial activities for the fiscal year ended June 30, 2010. Please read this discussion and analysis in conjunction with the Board's basic financial statements, which are presented immediately following this Management's Discussion and Analysis.

Financial Highlights

- The Board's net assets exceeded liabilities by approximately $8.7 million *(net assets)* at the close of the most recent fiscal year. Of this amount, the Board had unrestricted net assets of approximately $1.6 million *(unrestricted net assets)*.

- The Board's total net assets decreased by approximately $400 thousand. This decrease is attributable to an increase in the annual required contribution for the Other Post Employment Benefit (OPEB) expense and related liability offset by significant cost savings from reduced positions and increased property tax revenues.

- As of the close of the current fiscal year, the Board's governmental funds reported combined ending fund balances of approximately $1.6 million, a decrease of approximately $197 thousand in comparison with the prior year. This decrease is attributable to an increase in the annual required contribution for the OPEB expense and related liability offset by significant cost savings from reduced positions and increased property tax revenues.

- At the end of the current fiscal year, unreserved fund balance for the general fund was approximately $1.5 million, or eleven percent of total general fund expenditures.

Overview of the Financial Statements

The discussion and analysis is intended to serve as an introduction to the Board's basic financial statements. The Board's basic financial statements comprise 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 or 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 14 and 15 following this report.

Fund financial statements - A fund is a grouping of related accounts that is 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 district-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 district-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the district-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 two 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, and the special revenue ARRA fund, all of which are considered major funds.

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 district-wide financial statement because the Board cannot use these funds to finance its operations.

The Board uses an agency fund to account for resources held for student activities and groups. The basic fiduciary fund financial statement can be found on page 20 following 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 through 37 following the basic financial statements.

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 approximately $8.7 million at the close of the most recent fiscal year.

- The largest portion of the Board's net assets (82%) reflects its investment in capital assets (e.g. land, buildings, furniture and equipment, vehicles), less any related debt used to acquire those assets that are still outstanding. The Board uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. Although the Board's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

- An additional portion of the Board's net assets represents resources that are subject to external restrictions on how they may be used. The Board had a deficit net asset balance for restricted resources of approximately $19 thousand.

- The remaining balance of unrestricted net assets represents cash and other receivable balances and may be used to meet the Board's obligations to students, employees, and creditors and to honor next year's budget. At the end of June 30, 2010, the Board had a net asset balance of approximately $1.6 million.

The following summarizes the statement of net assets at June 30, 2010 in comparison with the year ended June 30, 2009:

	2010 Governmental Activities	2009 Governmental Activities
ASSETS		
Current and other assets	$ 5,186,379	$ 3,819,466
Capital assets	7,146,334	7,426,310
Total assets	$ 12,332,713	$ 11,245,776
LIABILITIES AND NET ASSETS		
Liabilities:		
Current and other liabilities	$ 3,635,212	$ 2,090,953
Long-term liabilities outstanding	-	57,370
Total liabilities	3,635,212	2,148,323
Net assets:		
Invested in capital assets, net of related debt	7,088,964	7,314,109
Restricted	(19,158)	(36,385)
Unrestricted	1,627,695	1,819,729
Total net assets	8,697,501	9,097,453
Total liabilities and net assets	$ 12,332,713	$ 11,245,776

The key elements of the changes in the Board's statement of net assets for the year ended June 30, 2010 are as follows:

- The Board's total net assets decreased by approximately $400 thousand. This decrease is attributable to an increase in the annual required contribution for the OPEB expense and related liability offset by significant cost savings from reduced positions and increased property tax revenues.

- The Board's current and other assets increased by approximately $1.4 million during the current fiscal year. This is due primarily to an increase in cash and other receivables from the Board's cost savings and property tax revenue increases.

- The Board's capital assets remained relatively consistent with the prior year.

- The Board's liabilities increased by approximately $1.5 million mostly as a result of increase in the annual required contribution for the OPEB liability of approximately $1.4 million.

The following summarizes the statement of activities at June 30, 2010 in comparison with the year ended June 30, 2009:

	2010 Governmental Activities	2009 Governmental Activities
Revenues:		
Program revenues:		
Charges for services	$ 702,659	$ 708,446
Operating grants and contributions	2,413,953	1,441,313
Capital grants and contributions	22,087	403,998
General revenues:		
Property taxes	7,947,999	7,949,871
Unrestricted state aid	4,920,272	5,574,861
Unrestricted investment earnings	119,650	140,409
Unrestricted grants and contributions	384,825	
Loss on sale of assets	(2,488)	(7,969)
Total revenues	16,508,957	16,210,929
Expenses:		
Instruction	8,888,257	8,810,331
Supporting services:		
Students	819,543	575,542
Instructional staff	580,097	398,267
District admin.	725,898	668,330
School admin.	989,980	908,939
Business services	500,690	446,549
Operation and Maint.	2,047,743	1,813,070
Transportation	1,380,138	1,382,276
Total supporting services	7,044,089	6,192,973
Food services	942,693	926,105
Community services	33,870	25,859
Interest on long-term debt	-	-
Total expenses	16,908,909	15,955,268
Change in net assets	(399,952)	255,661
Net assets - July 1	9,097,453	8,841,792
Net assets – June 30	$ 8,697,501	$ 9,097,453

The key elements of the changes in the Board's statement of activities for the year ended June 30, 2010 are as follows:

- The Board's total net assets decreased by approximately $400 thousand. This decrease is attributable to an increase in the annual required contribution for the OPEB expense and related liability offset by significant cost savings from reduced positions and increased property tax revenues.

- The Board's operating grants and contributions increased by approximately $973 thousand due to an increase in ARRA Federal stimulus monies and fiscal stabilization funds from the State of West Virginia in lieu of unrestricted state aid.

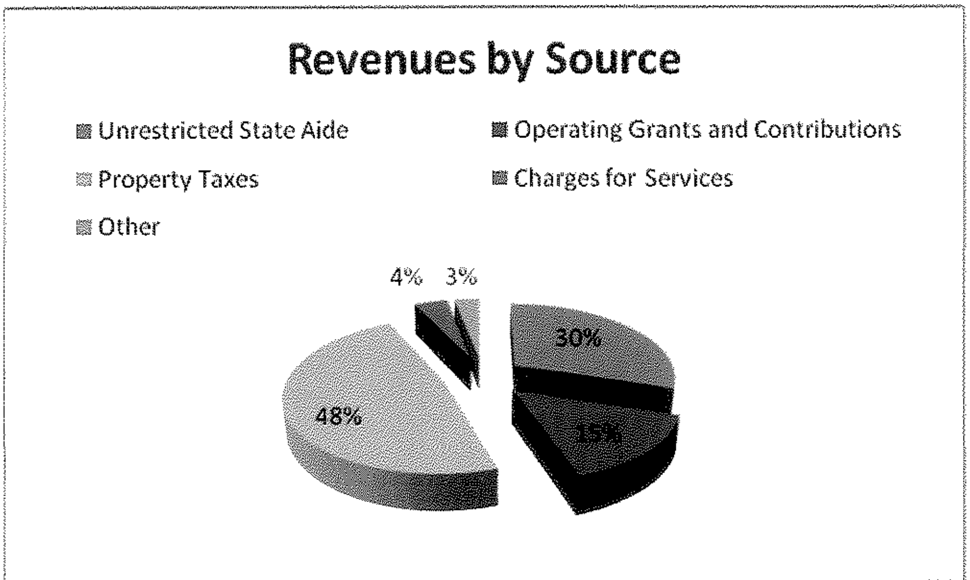
- The Board's capital grants decreased by approximately $382 thousand due to the receipt of several grants from the West Virginia School Building Authority (SBA) for various construction projects in the prior year.

- The Board's property tax revenues decreased by approximately $2 thousand as a result of increases in the assessed valuations during the fiscal year 2010.

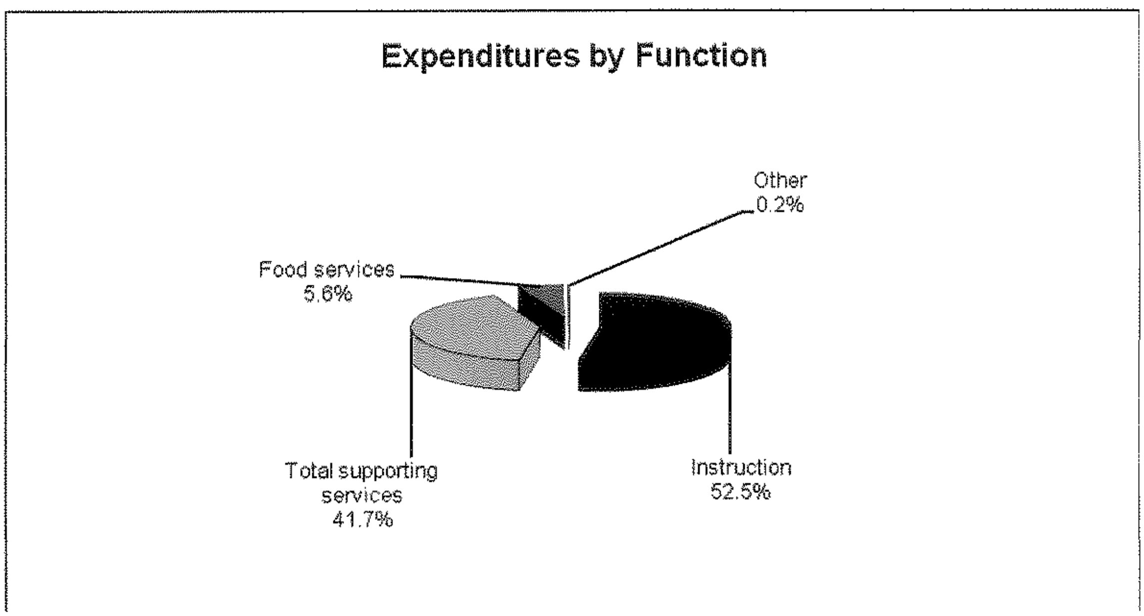
- The Board's unrestricted state aid decreased by approximately $655 thousand as a result of the State of West Virginia offsetting the unrestricted state aid dollars with operating grants from the federal fiscal stabilization funds.

- Total expenses increased by approximately $953 thousand primarily as a result of an increase in the annual required contribution of the OPEB liability netted against cost savings from management cutting expenses during the 2010 fiscal year.

The following chart shows the Board's revenues for fiscal year ended June 30, 2010 by source:



The following chart shows the Board's expenditures for fiscal year ended June 30, 2010 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 approximately $1.6 million. The net change in fund balance was a decrease of approximately $196 thousand which was due to an increase in annual required contribution of the OPEB liability.

Governmental funds report the differences between their assets and liabilities as fund balance, which is divided into reserved and unreserved portions. Reservations indicate the portion of the Board's fund balances that are not available for appropriation. The unreserved fund balance is, in turn, subdivided between designated and undesignated portions. Designations reflect the Board's self-imposed limitation on the use of otherwise available expendable financial resources in governmental funds. Approximately $484 thousand of the fund balance is designated for the future OPEB liabilities, Medicaid contingency, individual schools, and other expenses.

General Fund Budgetary Highlights

During the year, the Board revised the budget. Budget amendments were to reflect changes in programs and related funding. The difference between the original budget and the final amended budget was approximately $1.0 million or seven percent in total general fund expenditures. The most significant differences are related to budget carryover transactions.

Capital Asset and Debt Administration

Capital assets - The Board's investment in capital assets for its governmental activities as of June 30, 2010, amounts to approximately $7.1 million (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 approximately $280 thousand. The decrease represented the amount of capital asset depreciation in excess of capital asset additions.

- During 2010, the Board purchased several miscellaneous pieces of furniture and equipment, purchased one school bus and disposed of five fully depreciated buses.

Major capital asset events during the current fiscal year included the following:

	2010 Governmental Activities		2009 Governmental Activities	
Land	$	432,542	$	432,542
Buildings and improvements		5,444,246		5,735,276
Land improvements		248,388		300,293
Furniture and equipment		368,388		289,077
Vehicles		652,770		669,122
Construction in process		-		-
Total capital assets	$	7,146,334	$	7,426,310

Additional information on the Board's capital assets can be found in notes to the basic financial statements.

Liabilities and OPEB. At the end of the current fiscal year, the Board had no bonded debt. The Board did have an outstanding capital lease obligation of approximately $57 thousand.

Beginning July 1, 2007, because of the State of West Virginia implementation of GASB Statement 45, West Virginia State Code required the Board to participate in a new OPEB multi-employer trust fund for sick leave liability. As such, the Board received billings from the trust fund which when paid will increase the Board's cash expenditures. The Board's OPEB liability increased from $140 thousand as of July 1 to $1.5 million as of June 30 an increase of approximately $1.4 million. This liability is considered both a fund statement liability and a Government wide financial statement liability.

	2010 Governmental Activities		2009 Governmental Activities	
General obligation bonds	$	-	$	-
Capital Lease obligations		57,370		112,201
Compensated absences		135,427		133,168
OPEB liability		1,492,064		139,754
Total debt outstanding	$	1,684,861	$	385,123

Additional information on the Board's liabilities can be found in notes to the basic financial statements.

Factors Bearing on the Board's Future

At the time these financial statements were prepared and audited, the Board was aware of circumstances that could significantly affect its financial health in the future:

- Beginning July 1, 2008, the Board adopted the provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.* West Virginia State Code requires the Board to participate in the new Retiree Health Benefit Trust (RHBT) a postemployment benefit multi-employer trust fund. As a result, the Board will be billed for the annual required contribution which resulted in expenditures being charged to the fund statements and the reporting of a liability on the fund basis statements. The Boards liability as of June 30, 2010 of approximately $1.5 million. The Board anticipates the liability to increase annually until the State of West Virginia is able to provide funding for the employees of the Board funded through the State funding formula. 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.

- The Board received approximately $40 thousand in additional Title I funds and $180 thousand in Individual with Disabilities Education Act funds from the American Recovery and Reinvestment Act in 2010. The Board also received an additional $430 thousand in federal fiscal stabilization funds during 2010 which was offset by a reduction in Unrestricted State Aid dollars. The Board anticipates receiving approximately $426 thousand in federal fiscal stabilization funds during 2011.

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 Board Office at 2272 North Pleasants Highway St. Marys, WV 26170.

PLEASANTS COUNTY BOARD OF EDUCATION
STATEMENT OF NET ASSETS
June 30, 2010

		Governmental Activities
ASSETS		
Cash and cash equivalents	$	4,406,956
Prepaid		39,284
Taxes receivable, net of allowance for uncollectible taxes		111,969
Food services receivable		62,021
Other receivables		97,191
Due from other governments:		
PEIA allocation receivable		156,306
Reimbursements receivable		312,652
Capital Assets not being depreciated:		
Land		432,542
Capital Assets being depreciated:		
Buildings and improvements		10,852,619
Land improvements		1,134,095
Furniture and equipment		839,675
Vehicles		1,512,139
Less accumulated depreciation		(7,624,736)
Total capital assets, net of depreciation		7,146,334
Total assets	$	12,332,713
LIABILITIES AND NET ASSETS		
Liabilities:		
Salaries payable and related payroll liabilities		1,357,087
Workers' compensation payable		3,309
PEIA premiums payable		167,103
Deferred revenues		260,945
Compensated absences		135,427
Accounts payable		161,907
Other post employment benefit payable		1,492,064
Long-term obligations:		
Due within one year:		
Capital leases		57,370
Total liabilities		3,635,212
Net Assets:		
Invested in capital assets, net of related debt		7,088,964
Restricted for:		
Special projects		(19,158)
Unrestricted		1,627,695
Total net assets	$	8,697,501

The notes to the financial statements are an integral part of this statement.

PLEASANTS COUNTY BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2010

		Program Revenues			Net (Expense), Revenue & Changes in Net Assets
Functions	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
Instruction	$ 8,888,257	$ 379,077	$ 1,342,482	$ 12,324	$ (7,154,374)
Supporting services:					
Students	819,543	35,368	124,601	1,135	(658,439)
Instructional staff	580,097	25,047	88,239	804	(466,007)
District administration	725,898	31,377	110,541	1,007	(582,973)
School administration	989,980	42,731	150,539	1,372	(795,338)
Business services	500,690	21,606	76,118	694	(402,272)
Operation and maintenance of facilities	2,047,743	88,420	311,502	2,838	(1,644,983)
Student transportation	1,380,138	59,589	209,931	1,913	(1,108,705)
Food services	942,693	19,444	-	-	(923,249)
Community services	33,870	-	-	-	(33,870)
Total governmental activities	$ 16,908,909	$ 702,659	$ 2,413,953	$ 22,087	(13,770,210)
General revenues:					
Property taxes					7,947,999
Unrestricted state aid					4,920,272
Unrestricted investment earnings					119,650
Unrestricted grants and contributions					384,825
Gain (loss) on sale of assets					(2,488)
Total general revenues					13,370,258
Change in net assets					(399,952)
Net assets - beginning					9,097,453
Net assets - ending					$ 8,697,501

The notes to the financial statements are an integral part of this statement.

PLEASANTS COUNTY BOARD OF EDUCATION
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2010

	General Current Expense	Special Revenue Fund	Special Revenue ARRA Fund	Total Governmental
ASSETS				
Cash and cash equivalents	$ 4,406,956	$ -	$ -	$ 4,406,956
Prepaid	39,284	-	-	39,284
Taxes receivable, net	111,969	-	-	111,969
Food service receivable, net	-	62,021	-	62,021
Other receivables	94,956	2,235	-	97,191
Due from other governments:				
PEIA allocation receivable	156,306	-	-	156,306
Reimbursements receivable	10,057	207,101	95,494	312,652
Due from other funds	88,407	59,254	-	147,661
Total assets	$ 4,907,935	$ 330,611	$ 95,494	$ 5,334,040
LIABILITIES AND FUND BALANCES				
Liabilities:				
Salaries payable and related payroll liabilities	1,357,087	-	-	1,357,087
Other post employment benefits payable	1,492,064	-	-	1,492,064
Workers' compensation payable	3,309	-	-	3,309
Due to other governments	167,103	-	-	167,103
Accounts payable	104,606	50,214	7,087	161,907
Deferred revenue	127,028	299,555	-	426,583
Due to other funds	59,254	-	88,407	147,661
Total liabilities	3,310,451	349,769	95,494	3,755,714
Fund Balances:				
Reserved for:				
Encumbrances	93,680	76,354	-	170,034
Unreserved:				
Designated	484,032	-	-	484,032
Undesignated	1,019,772	(95,512)	-	924,260
Total fund balances	1,597,484	(19,158)	-	1,578,326
TOTAL LIABILITIES AND FUND BALANCES	$ 4,907,935	$ 330,611	$ 95,494	$ 5,334,040

The notes to the financial statements are an integral part of this statement.

PLEASANTS COUNTY BOARD OF EDUCATION
RECONCILIATION OF BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
For the Fiscal Year Ended June 30, 2010

Total fund balances on the governmental fund's balance sheet	$ 1,578,326
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 5)	7,146,334
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	87,749
E-rate receivable	39,278
Food service receivable	38,611
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds (Note 6)	
Capital leases payable	(57,370)
Compensated absences	(135,427)
Net assets of governmental activities	$ 8,697,501

The notes to the financial statements are an integral part of this statement.

PLEASANTS COUNTY BOARD OF EDUCATION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2010

	General Current Expense	Special Revenue	Special Revenue ARRA	Total Governmental
Revenues:				
Property taxes	$ 7,928,840	$ -	$ -	$ 7,928,840
Other Local sources	693,508	152,308	-	845,816
State sources	4,949,931	671,281	-	5,621,212
Federal sources	162,093	1,154,482	756,390	2,072,965
Miscellaneous sources	19,077	-	-	19,077
Total revenues	13,753,449	1,978,071	756,390	16,487,910
Expenditures:				
Instruction	7,233,664	824,997	678,533	8,737,194
Supporting services:				
Students	617,887	201,538	-	819,425
Instructional staff	346,827	182,791	50,441	580,059
Central administration	722,664	572	-	723,236
School administration	986,389	1,200	-	987,589
Business	496,926	3,726	-	500,652
Operation and maintenance of facilities	1,911,233	87,228	-	1,998,461
Student transportation	1,259,168	94,793	-	1,353,961
Food services	45,747	885,398	-	931,145
Community services	26,655	-	7,215	33,870
Capital outlay	-	18,401	-	18,401
Total expenditures	13,647,160	2,300,644	736,189	16,683,993
Excess (deficiency) of revenues over expenditures	106,289	(322,573)	20,201	(196,083)
Other financing sources (uses):				
Transfers in	38,000	357,599	-	395,599
Transfers (out)	(357,599)	(17,799)	(20,201)	(395,599)
Total other financing sources (uses)	(319,599)	339,800	(20,201)	-
Net change in fund balances	(213,310)	17,227	-	(196,083)
Fund balances - beginning	1,810,794	(36,385)	-	1,774,409
Fund balances - ending	$ 1,597,484	$ (19,158)	$ -	$ 1,578,326

The notes to the financial statements are an integral part of this statement.

PLEASANTS 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, 2010

Amounts reported for governmental activities in the statement of activities are different due to:

Net change in fund balances - total governmental funds	$	(196,083)
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 5)		
Depreciation expense		(489,898)
Capital outlays		212,410
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 $ 87,749 less prior year $ 68,591]		19,158
Medicaid receivable [current year $ -0- less prior year $ 4,880]		(4,880)
E-rate receivable [current year $ 39,278 less prior year $ 49,466]		(10,188)
Food service receivable [current year $ 38,611 less prior year $ 19,166]		19,445
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 6)		
Capital leases payable		54,831
Differences in the cost and accumulated depreciation on disposed capital assets are reported as a loss and reduction in net assets in the statement of activities.		
Cost of assets disposed		(232,868)
Accumulated depreciation of assets disposed		230,380
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 6)		
Accrued vacation payable		(2,259)
Change in net assets of governmental activities	$	(399,952)

PLEASANTS COUNTY BOARD OF EDUCATION
STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS
For the Year Ended June 30, 2010

	Agency Fund School Activity Funds
ASSETS	
Cash and cash equivalents	$ 258,296
Total assets	$ 258,296
LIABILITIES	
Due to Student Activities	258,296
Total liabilities	$ 258,296

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 Pleasants 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 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 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.

Agency Funds: Agency funds are used to account for assets that the Board holds for others in an agency capacity. These include: Multi-county vocational centers (MCVC's) for the purpose of providing vocational training in which the county board of education serves as the fiscal agent; 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 for 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 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 as reservations of fund balances since they do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

E. Cash and Investments:

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, 2010 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.

The Board had no fixed-term investments at June 30, 2010.

F. Food Service Receivables:

The accounts receivable for the Food Service Program has been reduced by $9,112 for uncollectible accounts. 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. Prepaid Items:

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

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 – 15

J. Compensated Absences and Special Termination Benefits:

Compensated Absences:

It is the Board's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation and sick benefits can be accumulated up to 30 and unlimited days, respectively, 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 upon implementation of those statements.

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.

M. Fund Equity:

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent that portion of fund equity committed by official Board action prior to June 30 of each year for specific purposes. Said specific purposes and amounts are recorded in the official Board minutes of the fiscal year ended June 30, 2010.

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.

Note 2 - 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, 2012. 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 3 - 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, 2010 were:

Class of Property		Assessed Valuations For Tax Purposes	Current Expense	Excess Levy
Class I	$	0	19.40¢	19.06¢
Class II	$	104,686,310	38.80¢	38.12¢
Class III	$	442,975,291	77.60¢	76.24¢
Class IV	$	34,875,743	77.60¢	76.24¢

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
Taxes Receivable	$ 226,433
Less: allowance for uncollectible	(114,464)
Net total taxes receivable	$ 111,969

Note 4 - Excess Levy:

The Board had an excess levy in effect during the fiscal year ended June 30, 2010. The levy was authorized by the voters of the county at an election held on November 4, 2008 for the fiscal years ended June 30, 2010 through June 30, 2014 to provide funds for the following purposes:

A. Continuation of maintaining fair and adequate salary of certified personnel.	$2,035,000
B. Continuation of maintaining fair and adequate salary for service personnel.	705,000
C. To continue the furnishing of free textbooks, instructional supplies, library books, and other pertinent items to the instruction of students.	230,000
D. Local share of the Pleasants County Board of Education for the Mid Ohio Valley Technical Institute.	125,000
E. For providing improved and/or better buildings, facilities, grounds, and the operation thereof, and for the provision of non-instructional equipment.	562,233
F. To provide for stability of funding for the Pleasants County Health Department the Pleasants County 4-H and the Pleasants County Public Library.	39,000
G. To provide funding in support of summer instructional and student support programs, such as, but not limited to, Energy Express, academic academies, tutorial programs, and/or enrichment programming.	25,000

A total of $ 3,929,373 was received by the Board from the excess levy during the fiscal year ended June 30, 2010.

Note 5 - Capital Assets:

Capital asset balances and activity for the year ended June 30, 2010 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 432,542	$ -	$ -	$ 432,542
Total non-depreciable Capital assets	432,542	-	-	432,542
Capital assets, being depreciated				
Buildings and improvements	10,852,619	-	-	10,852,619
Land improvements	1,134,095	-	-	1,134,095
Furniture and equipment	758,943	130,307	(49,575)	839,675
Vehicles	1,613,329	82,103	(183,293)	1,512,139
Total depreciable capital assets	$14,358,986	$ 212,410	$ (232,868)	$14,338,528
Accumulated depreciation for:				
Building and improvements	$(5,117,343)	$ (291,030)	$ -	$ (5,408,373)
Land improvements	(833,802)	(51,905)	-	(885,707)
Furniture and equipment	(469,866)	(50,996)	49,575	(471,287)
Vehicles	(944,207)	(95,967)	180,805	(859,369)
Total accumulated depreciation	(7,365,218)	(489,898)	230,380	(7,624,736)
Total depreciable capital assets (net)	6,993,768	(277,488)	(2,488)	6,713,792
Total capital assets, net	$ 7,426,310	$ (277,488)	$ (2,488)	$ 7,146,334

Depreciation expense was charged to functions of the governmental activities as follows:

Instruction	$ 309,195
Support services:	
Central administration	2,560
School administration	2,204
Operation and maintenance of facilities	49,123
Transportation	108,128
Food services	18,688
Total depreciation expense-governmental activities	$ 489,898

Note 6 - Long-term Debt:

Long-term liability activity for the year ended June 30, 2010 is as follows:

	Balance, Beginning of Year	Additions	Deductions	Balance, End of Year	Amounts due within one year	Amounts due past one year
Compensated absences	$133,168	$ 2,259	$ -	$ 135,427	$ 135,427	$ -
Capital leases payable	112,201	-	54,831	57,370	57,370	-
Total Long-term liabilities	$ 245,369	$ 2,259	$ 54,831	$ 192,797	$ 192,797	$ -

Note 7 - Leases:

The Board has entered into a capital lease-purchase agreement pursuant to the provisions of West Virginia Code §18-5-9a, whereby energy conservation equipment has been installed in several of the schools. The equipment is leased from Comvest Ltd. for a period of ten years beginning July 1, 2001. 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 future minimum lease obligations as of June 30, 2010 are as follows:

Year		
2011	$	59,220
Less: Amount representing interest		1,850
Present value of minimum lease payments	$	57,370

The assets acquired through capital leases are as follows:

Asset:		
Buildings	$	459,961
Less: Accumulated depreciation Buildings and improvements		206,982
Total assets, net accumulated depreciation	$	252,979

Note 8 - 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, 2010, the Board's total payroll for all employees was $8,866,763 and the payroll was $8,408,688 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. The balance is considered to be the State's contribution toward the past service unfunded liability and is not included either as revenue or expenditure 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 2009 Actuarial Valuation Report of the Teachers' Retirement System, the plan's actuarial unfunded liability was $5.1 billion as of July 1, 2009.

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, 2010 and the two previous years were:

Year ended June 30	2008	2009	2010
Required contributions	$ 345,412,000	$404,547,000	$487,886,000
As a % of current year covered payroll	23.30 %	25.89 %	29.57%

Total payments reflected in the Board's financial statements to the defined benefit plan for the fiscal year ended June 30, 2010 were:

Employees' contributions (6%)	$	443,835
Employer's contributions (15% or 7.5%)		823,047
Total contributions	$	1,266,882

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: Vanguard Money Market Fund, Bond Fund of America, Franklin Income Fund, Fidelity Growth Opportunities, Washington Mutual Investors, Federated Max-Cap, 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, 2009, this plan had approximately $222 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 Milliman & Robertson, 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, 2010 were:

Employees' contributions (4.5%)	$	45,515
Employer's contributions (7.5%)		75,859
Total contributions	$	121,374

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 9 - 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 to 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 the fiscal year ended June 30, 2010 was determined to be:

	Total	Amount per Policy Holder
Total Annual Required Contribution	$ 791,943,000	$ 10,810.62
Pay as you go – Retiree Subsidy	(122,799,496)	(1,676.31)
Remaining ARC	$ 669,143,504	$ 9,134.31

The following summarizes the Board's OPEB activity:

OPEB Liability at July 1	$ 139,754
Total OPEB expense	1,649,054
Less:	
State appropriation allocation	-
Pay as you go payments and other credits	296,744
OPEB at year end	$ 1,492,064
Portion attributable to personnel funded through the Public School Support Program (PSSP)	$ 1,207,830
Portion attributable to remaining personnel	$ 284,234

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 10 - 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)	$689,415
Other (03914)	$ 84,133

Note 11 - 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 12 - Unreserved Fund Balance - Designated:

The Board has designated a portion of the unreserved balance of the General Current Expense Fund at June 30, 2010 to be expended for the following purposes:

Purpose		Amount
General Supply Allocation To Schools		$ 41,013
Furniture and Equipment Allocation To Schools		10,653
SMHS Science Updates		11,744
HRA (Medical Reimbursement) Carryover		13,421
Levy Carryover – Academic Programs		4,337
Set-Aside for Band Uniform Replacement		4,636
Set-Aside for Baseball Lights		12,000
Athletic Fund Allocation to Middle School		2,622
Set-Aside for Maintenance		21,444
Set-Aside for Transportation		27,306
Reserve for Contingency		117,902
SBA Project Match		170,000
Local Special Projects		46,954
Total Unreserved Fund Balance – Designated	$	484,032

Note 13 - Commitments, Contingencies and Subsequent Events:

During the fiscal year ended June 30, 2010, the Board was awarded a grant of $23,875 from the School Building Authority (SBA) to finance the costs of repairs and safety upgrading of the School Access Safety Plan.

As of June 30, 2010 the following commitments for construction and other capital improvements existed, which are included in the total amount of encumbrances reflected in the accompanying financial statements:

Supplies and upgrades for St Marys Elementary School, Pleasants County Middle School and St Marys High School	$ 23,875

During the fiscal year ended June 30, 2010, the Board began pursuing 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 14 - Interfund Balances and Transfers:

The composition of interfund balances as of June 30, 2010 is as follows:

Receivable Fund	Payable Fund	Amount
Due to/from other funds:		
General Fund	Special Revenue Fund-ARRA	$ 59,254
Special Revenue Fund	General Fund	88,407
Total		$ 147,661

During the year ended June 30, 2010, the General Current Expense Fund transferred $357,599 to the Special Revenue Fund. The Special Revenue Fund transferred $17,799 to the General Current Expense Fund. The Special Revenue ARRA Fund transferred $20,201 to the General Current Expense Fund.

Interfund Transfers

The General Current Expense Fund transferred $357,599 to the Special Revenue Fund to cover food service expenditures in excess of charges for services and grants received. The Special Revenue Fund transferred $17,799 to the General Current Expense Fund for indirect charges of Federal grants. The Special Revenue ARRA Fund transferred $20,201 to the General Current Expense Fund for indirect charges of Federal grants.

Note 15 - 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

PLEASANTS 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, 2010

	Budgeted Amounts		Actual	Adjustments	Actual Amounts	Variance With Final Budget
	Original	Final	Modified Accrual Basis	Budget Basis	Budget Basis	Favorable (Unfavorable)
Revenues:						
Property taxes	$ 7,702,732	$ 7,712,942	$ 7,928,840	$ -	$ 7,928,840	$ 215,898
Other Local sources	466,916	658,742	693,508	-	693,508	34,766
State sources	5,242,959	4,947,362	4,949,931	-	4,949,931	2,569
Federal sources	125,000	125,000	162,093	-	162,093	37,093
Miscellaneous sources	-	19,077	19,077	-	19,077	-
Total revenues	13,537,607	13,463,123	13,753,449	-	13,753,449	290,326
Expenditures:						
Instruction	7,606,182	7,088,191	7,233,664	(831,824)	6,401,840	686,351
Supporting services:						
Students	380,250	561,667	617,887	(70,809)	547,078	14,589
Instructional staff	275,000	349,887	346,827	(22,489)	324,338	25,549
Central administration	716,210	717,115	722,664	(60,894)	661,770	55,345
School administration	872,290	877,390	986,389	(111,963)	874,426	2,964
Business	528,920	525,115	496,926	(22,885)	474,041	51,074
Operation and maintenance of facilities	1,636,218	1,895,692	1,911,233	(95,424)	1,815,809	79,883
Student transportation	1,196,070	1,224,347	1,259,168	(91,020)	1,168,148	56,199
Food services	-	745	45,747	(45,002)	745	-
Community services	26,000	27,554	26,655	-	26,655	899
Reserved for contingencies	695,000	1,822,360	-	-	-	1,822,360
Total expenditures	13,932,140	15,090,063	13,647,160	(1,352,310)	12,294,850	2,795,213
Excess (deficiency) of revenues over expenditures	$ (394,533)	$ (1,626,940)	$ 106,289	$ 1,352,310	$ 1,458,599	$ 3,085,539

The notes to the required supplementary information is an integral part of this schedule.

PLEASANTS 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, 2010

	Budgeted Amounts		Actual	Adjustments	Actual Amounts	Variance With Final Budget
	Original	Final	Modified Accrual Basis	Budget Basis	Budget Basis	Favorable (Unfavorable)
Other financing sources (uses):						
Transfers in	$ -	$ 34,000	$ 38,000	$ -	$ 38,000	$ 4,000
Transfers (out)	(280,467)	(357,608)	(357,599)	-	(357,599)	9
Total other financing sources (uses)	(280,467)	(323,608)	(319,599)	-	(319,599)	4,009
Change in fund balances	(675,000)	(1,950,548)	(213,310)	1,352,310	1,139,000	3,089,548
Fund balances - beginning	675,000	1,950,548	1,810,794	139,754	1,950,548	-
Fund balances - ending	$ -	$ -	$ 1,597,484	$ 1,492,064	$ 3,089,548	$ 3,089,548

The notes to the required supplementary information is an integral part of this schedule.

PLEASANTS 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, 2010

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance With Final Budget Favorable (Unfavorable)
Revenues:				
Local sources	$ 178,030	$ 172,820	$ 152,308	$ (20,512)
State sources	524,806	1,016,424	671,281	(345,143)
Federal sources	962,305	1,443,401	1,154,482	(288,919)
Total revenues	1,665,141	2,632,645	1,978,071	(654,574)
Expenditures:				
Instruction	457,929	971,635	824,997	146,638
Supporting services:				
Students	78,245	212,601	201,538	11,063
Instructional staff	4,190	336,840	182,791	154,049
Central administration	-	572	572	-
School administration	-	1,200	1,200	-
Business	1,296	4,627	3,726	901
Operation and maintenance of facilities	-	148,331	87,228	61,103
Student transportation	104,739	206,599	94,793	111,806
Food services	773,708	932,081	885,398	46,683
Capital outlay	-	20,000	18,401	1,599
Total expenditures	1,420,107	2,834,486	2,300,644	533,842
Excess (deficiency) of revenues over expenditures	245,034	(201,841)	(322,573)	(120,732)
Other financing sources (uses):				
Transfers in	285,953	363,094	357,599	(5,495)
Transfers (out)	(530,987)	(124,868)	(17,799)	107,069
Total other financing sources (uses)	(245,034)	238,226	339,800	101,574
Change in fund balances	-	36,385	17,227	(19,158)
Fund balances - beginning	-	(36,385)	(36,385)	-
Fund balances - ending	$ -	$ -	$ (19,158)	$ (19,158)

The notes to the required supplementary information is an integral part of this schedule.

PLEASANTS 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, 2010

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance With Final Budget Favorable (Unfavorable)
Revenues:				
Federal sources	$ -	$ 926,474	$ 756,390	$ (170,084)
Total revenues	-	926,474	756,390	(170,084)
Expenditures:				
Instruction	-	781,255	678,533	102,722
Supporting services:				
Instructional staff	-	105,213	50,441	54,772
Community services	-	9,190	7,215	1,975
Total expenditures	-	895,658	736,189	159,469
Excess (deficiency) of revenues over expenditures	-	30,816	20,201	(10,615)
Other financing sources (uses):				
Transfers (out)	-	(30,816)	(20,201)	10,615
Total other financing sources (uses)	-	(30,816)	(20,201)	10,615
Change in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	$ -	$ -	$ -	$ -

The notes to the required supplementary information is 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, 2010:

Fund	Amount
General Current Expense Fund	$ (213,310)

The General Fund had deficiencies in net changes in fund balance of $(213,310) for the year ended June 30, 2010. The fund incurred expenditures as a result of the recognition of other post employment benefits (OPEB) expense.

The following funds have a deficit fund balance at June 30, 2010:

Fund	Amount
Special Revenue Fund	$ (19,158)

SUPPLEMENTARY INFORMATION

PLEASANTS COUNTY BOARD OF EDUCATION
SCHEDULE OF CHANGES IN SCHOOL ACTIVITY FUNDS
For the Year Ended June 30, 2010

	Cash Balance 7/1/2009	Revenues Received	Expenditures Paid	Cash Balance 6/30/2010
High Schools:				
St. Marys High School	$ 112,606	$ 314,119	$ 297,470	$ 129,255
Total high schools	112,606	314,119	297,470	129,255
Middle and Junior High Schools:				
Pleasants County Middle School	70,978	120,809	112,224	79,563
Total middle and junior high schools	70,978	120,809	112,224	79,563
Elementary Schools:				
Belmont Elementary	26,699	17,153	15,978	27,874
St. Marys Elementary	12,465	39,547	30,408	21,604
Total elementary schools	39,164	56,700	46,386	49,478
Total	$ 222,748	$ 491,628	$ 456,080	$ 258,296

SINGLE AUDIT REPORTING PACKAGE

PLEASANTS COUNTY BOARD OF EDUCATION
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For the Fiscal Year Ended June 30, 2010

Single Audit Reporting Package

Glen B. Gainer III
State Auditor and
Chief Inspector

Stuart T. Stickel, CPA
Deputy Chief Inspector

State of West Virginia

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Chief Inspector Division
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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
Pleasants County Board of Education
St. Marys, West Virginia

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Pleasants County Board of Education (the Board), as of and for the year ended June 30, 2010, which collectively comprise the Board's basic financial statements and have issued our report thereon, dated March 15, 2011. 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

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.

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 Board's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 10-01.

The Board's responses to the finding identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit the Board's response and, accordingly, we express no opinion on the response.

This report is intended solely for the information and use of management, 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 15, 2011

Glen B. Gainer III
State Auditor and
Chief Inspector

Stuart T. Stickel, CPA
Deputy Chief Inspector

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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
Pleasants County Board of Education
St. Marys, West Virginia

Compliance

We have audited the compliance of the Pleasants 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, 2010. 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 compliance 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, 2010.

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.

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 15, 2011

PLEASANTS COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2010

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			
Pass-through West Virginia Department of Agriculture			
Child Nutrition - Cluster :			
Non-Cash Assistance (Commodities):			
National School Lunch Program	88	10.555	$ 41,770
Total non-cash assistance			41,770
Subtotal, Pass-through West Virginia Department of Agriculture			41,770
Pass-through West Virginia Department of Education			
Cash Assistance:			
School Breakfast Program		10.553	
National School Lunch Program	88	10.555	309,041
Summer Food Service Program for Children	88	10.559	21,406
Total cash assistance			330,447
Child Nutrition Discretionary Grants Limited Availability(Recovery Act)	88	10.579	7,215
Subtotal, Pass-through West Virginia Department of Education			$ 337,662
Total U. S. Department of Agriculture			$ 379,432
U. S. Department of Education			
Pass-through West Virginia Department of Education			
Title I Cluster:			
Title I Grants to Local Educational Agencies	41	84.010	$ 173,682
Title I Grants to Local Educational Agencies, Recovery Act	41	84.389	61,901

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

PLEASANTS COUNTY BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended June 30, 2010

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Pass Through Entity ID Number	Federal CFDA Number	Total Federal Expenditures
Special Education Cluster:			
Special Education -			
Grants to States (IDEA, Part B)	43	84.027	$ 355,969
Grants to States (IDEA, Part B) Recovery Act	43	84.391	252,278
Preschool Grants (IDEA Preschool)	43	84.173	23,025
Preschool Grants (IDEA Preschool) Recovery Act	43	84.392	1,596
Career and Technical Education - Basic Grants to States	50	84.048	11,082
Tech-Prep Education	76	84.243	90,000
Reading First State Grants	41	84.357	500
Improving Teacher Quality State Grants	40	84.367	123,126
Education Technology State Grants, Recovery Act	58	84.386	3,884
Subtotal, Pass-through West Virginia Department of Education			$ 1,097,043
Total U. S. Department of Education			$ 1,097,043
U. S. Department of Education			
Pass-through West Virginia Governor's Office			
State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act	52	84.394	$ 429,516
Subtotal, Pass-through West Virginia Governor's Office			$ 429,516
Total U. S. Department of Education.			$ 429,516
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 1,864,221

N.A. = Not Available

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

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, 10.555 and #10.559] 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 these programs has not been included in the Schedule of Expenditures of Federal Awards. The total combined expenditures for the three programs as funded from all sources was $885,397.

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, 2010, total value of the donated food inventories was $41,770, which is included in the Child Nutrition cluster of programs.

PLEASANTS COUNTY BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended June 30, 2010

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued : Unqualified

Internal control over financial reporting :

- Material weaknesses identified? No
- 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? No

Identification of major programs :

Name of Federal Program or Cluster	CFDA Numbers
Title I Grants to Local Educational Agencies	84.010
Title I Grants to Local Educational Agencies, Recovery Act	84.389
Special Education - Grants to States (IDEA, Part B)	84.027
Special Education - Grants to States (IDEA, Part B) Recovery Act	84.391
Special Education - Preschool Grants (IDEA Preschool)	84.173
Special Education - Preschool Grants (IDEA Preschool) Recovery Act	84.392
State Fiscal Stabilization Fund (SFSF) - Education State Grants, Recovery Act (Education Stabilization Fund)	84.394

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

Individual Schools
10-01

CONDITION:
The Pleasants County Board of Education did not have adequate internal control procedures to assure compliance at the individual schools.

CONTEXT:
Specifically we reviewed Belmont Elementary School.

1. Profit and loss statements were not prepared for the year tested.

2. One of 25 receipts tested was written after the depositing of funds in the bank account. Receipt was written approximately 5 weeks after the deposit of funds.

3. One of 25 expenditures tested was found to be confirming in nature.

4. Two of 25 expenditures tested were found to lack proper documentation for payment. No receipt was available for review.

CRITERIA:
The *Accounting Procedures Manual for the Public Schools in the State of West Virginia* as prepared by the West Virginia State Department of Education, states, in part, that:

- 1-13. Fund Raisers:

  "A profit and loss statement must be prepared and made available for public inspection for each fund raising activity conducted by a school that shows gross proceeds, cost of goods sold and net proceeds."

- 1-15. Issuance of Receipts:

  "All receipts written must be posted to the transaction journal in a timely manner, but no less frequently than weekly, and in numeric order, including those that were voided."

- 1-18. Purchase Orders:

  "A purchase order system is to be maintained at each school whereby all purchases of materials, equipment, supplies and services are made through a pre-numbered purchase order approved in writing by the principal or designee before the purchase is made."

Section II - Financial Statement Findings

Individual Schools
10-01 (continued)

- 1-21. Itemized Claim For Payment:

  "Schools are not permitted to expend any funds unless an itemized claim (invoice) for payment is filed by the claimant. .... If the claim is for materials, equipment or supplies, the invoice must identify in detail the vendor, the items provided, the quantity, the date provided, to whom provided and the amount due."

CAUSE:

The Board does not have adequate controls to assure that proper accounting procedures are performed for each individual school and that all individual schools meet the requirements set forth in the *Accounting Procedures Manual for the Public Schools in the State of West Virginia* as prepared by the West Virginia State Department of Education.

EFFECT:

These noncompliances increase the risk that errors and/or irregularities will not be detected in a timely manner.

RECOMMENDATION:

The Board should implement adequate internal control procedures to ensure compliance at the individual schools.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS:

The procedures from the Accounting Procedures Manual will be reviewed with the Principal and Secretary for the timeliness of depositing school funds, preparing profit and loss statements, proper purchasing procedures, and payment of invoices. Please note that currently there is no School Support Organizations. At the beginning of the 2011 school year, the PTO turned their funds over to the school and now operate as a sub-account in the school's general fund. In addition, the Principal will review with the staff the proper procedures related to the noted finding. With the assistance of the Accounts Payable Supervisor, the CSBO will monitor the noted areas of concern.

PLEASANTS COUNTY BOARD OF EDUCATION
CORRECTIVE ACTION PLAN
For the Fiscal Year Ended June 30, 2010

There were no findings at the federal program level, therefore no corrective action plan is necessary.

PLEASANTS COUNTY BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Fiscal Year Ended June 30, 2010

Status of Prior Year Audit Findings - Financial Statements

Finding Number	Title	Status
09-1	Bus Driver Extra Pay	Corrected
09-2	St. Mary's High School	Corrected

Status of Prior Year Audit Findings - Federal Awards

None.

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ECONOMIC AND DEMOGRAPHIC DATA
COUNTY OF PLEASANTS (WEST VIRGINIA)

Introduction

Location:	Pleasants County (the "County") is nestled along the Ohio River in the Northwest area of West Virginia. The City of St. Marys is located 96.8 Miles from Charleston, the capital of West Virginia; 122.2 miles from Pittsburgh, PA; 305 miles from Washington, DC; 140 miles from Columbus, OH and 180 miles from Cleveland, OH.
County Seat:	St. Marys
The County:	The County is governed by, and generally acts through, The County Commission of Pleasants County. The Commissioners of the County Commission are elected on a countywide basis. The County has the power, pursuant to Article 1 of Chapter 7 of the Code of West Virginia of 1931, as amended, to create and establish the Commission.
Commission:	Jim Cottrill, President Larry Barnhart, Commissioner Jay Powell, Commissioner

Population

Year	Pleasants County	West Virginia	United States
2000	7,500	1,806,962	282,171,957
2010	7,605	1,852,994	308,745,538

Source: U.S. Bureau of Economic Analysis

Economy (March 2010)

The ten (10) largest employers for the year 2010 in the County are:

1 Pleasants County Board of Education
2 Allegheny Power Service Corporation
3 St. Marys Correctional Center
4 Cytec Industries, Inc.
5 Pioneer Pipe, Inc.
6 Arvilla Oilfield Services, LLC
7 Simex, Inc.
8 Pleasants-Carehaven Operating LLC
9 Alpharma, Inc.
10 Mentor Management, Inc.

Source: WORKFORCE West Virginia

Per Capita Personal Income

County	2000	2009	2009 Rank in State
United States	$30,318	$39,635	---
West Virginia	$22,174	$32,080	---
Pleasants County	$21,398	$ 29,689	25

Source: U.S. Bureau of Economic Analysis

Average Annual Unemployment Rates (%)

Year	Pleasants County	West Virginia
2005	6.0	4.9
2006	5.1	4.5
2007	5.2	4.2
2008	5.7	4.3
2009	10.2	7.9
2010	11.0	9.1

Source: WORKFORCE West Virginia – Based on civilian labor force

Average Employment by Industry

Industry	2007	2008	2009	2010
Natural Resources & Mining	101	131	131	80
Construction	514	311	194	134
Manufacturing	571	502	397	394
Trade, Transportation & Utilities	529	564	567	565
Information	38	38	33	38
Financial Activities	73	67	68	71
Professional & Business Services	157	155	159	168
Education & Health Services	313	312	338	344
Leisure and Hospitality	205	201	196	193
Other Services	60	59	58	54
Government	662	684	688	669

Source: WORKFORCE West Virginia

Average Employment and Average Weekly Wage

	Average Employment		Average Weekly Wage	
	2006	2010	2006	2010
Pleasants County	3,071	2,710	$734.31	$764.65
West Virginia	705,281	692,305	$629.31	$725.04

Source: WORKFORCE West Virginia

Wages Per Industry (2010) ($)

Industry	Total Wages	Average Weekly Wage
Natural Resources & Mining	2,857,836	686.98
Construction	5,945,325	853.23
Manufacturing	27,934,651	1,363.46
Trade, Transportation & Utilities	31,234,668	1,063.13
Information	1,154,950	584.48
Financial Activities	1,800,132	487.58
Professional & Business Services	6,892,227	788.94
Education & Health Services	6,149,995	343.81
Leisure and Hospitality	2,097,977	209.04
Other Services	719,154	256.12
Government	20,966,965	602.71
TOTAL	**107,753,880**	**764.65**

Source: WORKFORCE West Virginia

Total Wages ($)

Year	Pleasants County	West Virginia
2006	117,263,461	23,079,570,075
2007	125,850,865	24,083,126,318
2008	123,473,506	25,534,204,980
2009	108,519,157	25,528,702,813
2010	107,753,880	26,100,976,332

Source: WORKFORCE West Virginia

Community Data

Education Facilities	
Elementary	2
Middle or Jr. High	1
High Schools	1
Vocational Schools	1
Colleges (within 50 miles):	2
Ohio Valley College – Private	
WVU at Parkersburg - Public	

Recreational Facilities	
State Forests	0
State Parks	0
Wildlife Management Areas	0
Public Hiking Trails (miles)	0
Public Fishing & Boating Lakes	0
Recreational Rivers (boating/rafting)	1
Golf Courses – Private/Public	1/0
National Forests	0
National Park & Recreational Areas	0
Amphitheaters/Performing Arts Centers	0
Pro/Semi-pro Sports Teams	0
Regional Shopping Centers/Malls/ outlets within 25 miles	3
Major Private Recreation/Resort Areas	0
Civic/Convention Centers	0
Medical	
Hospitals	0
Beds	0
Doctors	4
Dentists	4
Licensed Nursing Homes	1
Beds	68

Transportation	
Highways:	
Interstates	0
WV Routes	2/16
US Routes	0
Motor freight carriers	1
River, nearest navigable	Ohio
Industrial Parks	0
Industrial Sites	0
Airports: General Aviation – Mid-Ohio Valley Regional (15 mi)	
Commercial - Mid-Ohio Valley Regional (15 mi)	
International – Columbus International (139 mi)	
Railroads:	Freight 1/ Passenger 0
Motor Freight Carriers	1
Bus Service (local and interstate)	0/0

Utilities	
Telephone Service:	1
Natural Gas:	2
	(Private/Municipal/PSD)
Electricity:	1/0/0
Sewer:	0/1/1
Water	0/1/1
Other Data	
Licensed Day Care Centers	2
Banks (including branches)	3
Savings & Loans (including branches)	0
Libraries	1

Sources: West Virginia, Bureau of Employment Programs, Research, Information and Analysis, except as otherwise noted.

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(304) 285-2500

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July __, 2011

The Board of Education of the County of Pleasants
St. Marys, West Virginia

Re: $18,050,000 The Board of Education of Pleasants County
[West Virginia] Public School Bonds, Series 2011

Dear Ladies and Gentlemen:

We have examined a record of the proceedings relative to the issuance and sale of $18,050,000 Public School Bonds, Series 2011 (the "Bonds"), of Pleasants County School District, by and through The Board of Education of the County of Pleasants (the "Issuer") in the State of West Virginia. The Bonds are issued in fully registered form, are dated July __, 2011, upon original issuance, are numbered in order of maturity from R-1 consecutively upward, are of the denominations of $5,000 or integral multiples thereof, mature on May 1 in the years and amounts and bear interest payable each May 1 and November 1, commencing November 1, 2011, at the rates set forth in the Official Statement of the Issuer, dated June __, 2011.

The Bonds were authorized at the general election held in the Pleasants County School District on November 2, 2010, and by a Resolution and Order adopted by and on behalf of the Issuer on July 22, 2010, as supplemented (such Resolution and Order, as supplemented, herein called the "Resolution"), and are issued pursuant to Chapter 13, Article 1 of the West Virginia Code of 1931, as amended (the "Act"), for the purposes of providing funds for the acquisition, construction, renovation, repair and equipping of certain public school buildings, together with the sites thereof and all necessary appurtenances, in the Pleasants County School District, and paying costs of issuance of the Bonds.

As to questions of fact material to our opinion, we have relied upon the representations, covenants and certifications of the Issuer contained in the Resolution, a Tax and Arbitrage Certificate of the Issuer dated the date hereof (the "Tax Certificate") and the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds (except to the extent, if any, stated in the Official Statement), and we express no opinion relating thereto (excepting only the matters set forth as our opinion in the Official Statement).

Based upon the foregoing, and assuming compliance with the representations, covenants and certifications of the Issuer contained in the Resolution, the Tax Certificate and the certified proceedings and the certifications made in connection with the issuance of the Bonds, we are of the opinion that, under existing law:

1. The Issuer is a school district presently existing under the laws of, and a political subdivision of, the State of West Virginia, with full power and authority to adopt the Resolution and to issue and sell the Bonds under the provisions of the Act and other applicable provisions of law.

2. The Bonds have been duly authorized and validly issued by the Issuer in accordance with the Constitution and statutes of the State of West Virginia and constitute valid and legally binding general obligations of the Issuer, and unless the Bonds are paid from other sources, the Issuer has power and is obligated to levy ad valorem taxes upon all the taxable property within the Pleasants County School District to pay the Bonds and the interest thereon, without limitation as to rate or amount.

3. Under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the bonds is not includable in 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 upon individuals and corporations. The opinions set forth in the preceding sentence are subject to the condition that the Issuer comply, on a continuing basis, with all representatives, covenants and certifications set forth in the Resolution, the Tax Certificate and the certified proceedings and other certifications of the Issuer. Failure to comply with such representations, covenants and certifications could cause the interest on the Bonds to be includable in gross income retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

4. Under the Act, the Bonds are exempt from taxation by the State of West Virginia or any political subdivision thereof.

Please be advised that the enforcement of remedies with respect to the Bonds is subject to any applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting the enforcement of creditors' rights heretofore or hereafter enacted, and that enforcement May also be subject to the exercise of judicial discretion in appropriate cases.

Bowles Rice
McDavid Graff & Love LLP

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 authorized.

Very truly yours,

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APPENDIX D

PLEASANTS COUNTY BOARD OF EDUCATION
PROPOSED PROJECTS

PROJECT	LOCATION	ESTIMATED COST	
Belmont Elementary School Renovations including without limitation: Electrical, technology upgrades, restrooms, paving, upgrade/replacement of HVAC system, and install fire sprinkler system.	Existing Belmont Elementary School Belmont, West Virginia	SBA Grant Bond Funds	$1,250,000 1,250,000 $2,500,000
New St. Marys High School Construction and equipping of new 421 student 9-12 grade configured high school.	New St. Marys High School To be located on property owned by Pleasants County Schools adjacent to Mid-Ohio Valley Technical Institute St. Marys, West Virginia	SBA Grant Bond Funds Total:	$11,723,000 11,723,000 $23,446,000
New Athletics Facility Construction of new St. Marys High School athletic facility including site work, construction and equipment.	To be located on property owned by Pleasants County Schools in St. Marys, West Virginia	Bond Funds	$4,000,000
Demolition at existing St. Marys High School, preserving certain parts for future educational and/or community use or sale including North End, gym, athletic field, renovated classrooms, vo/ag rooms, and such other areas as may be determined by the Board prior to letting of the demolition contract, and construction of facing for remaining structure.	Existing St. Marys High School St. Marys, West Virginia	Bond Funds	$1,000,000
TOTAL PROPOSED BOND CALL:		Bond Call:	**$18,050,000**
		Approximate Total Cost to be Paid from SBA Grants:	**$12,973,000**
		Approximate Total Cost of Projects:	**$30,946,000**
		Approximate Costs of Issuance to be Paid from Bond Proceeds:	**$77,000**
		Total Proposed Approximate Total Costs including costs of issuance:	**$31,023,000**

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APPENDIX E

BOOK-ENTRY ONLY SYSTEM

DTC Supplied Disclosure of Book Entry Only System

The following information about the book-entry-only system applicable to the Series 2011 Bonds has been supplied by The Depository Trust Company ("DTC"), New York, New York. Neither the Board, nor the Registrar nor the Paying Agent makes any representations, warranties or guarantees with respect to its accuracy or completeness.

1. DTC will act as securities depository for the Series 2011 Bonds. 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 Bond certificate will be issued for each maturity of the Series 2011 Bonds, in the aggregate principal amount of the Series 2011 Bonds 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 2 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 whollyowned 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, Fixed Income Clearing Corporation and Emerging Markets Clearing Corporation (NSCC, FICC, 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 and www.dtc.org.

3. Purchases of Series 2011 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2011 Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("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 Series 2011 Bonds 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 Series 2011 Bonds, except in the event that use of the book-entry system for the Series 2011 Bonds is discontinued.

4. To facilitate subsequent transfers, all Series 2011 Bonds 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 Series 2011 Bonds 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 Series 2011 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2011 Bonds 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 the Series 2011 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2011 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. For example, Beneficial Owners of Series 2011 Bonds may wish to ascertain that the nominee holding the Series 2011 Bonds 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 Series 2011 Bonds 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 the Series 2011 Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Commission 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 Series 2011 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and interest payments on the Series 2011 Bonds 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 the Board or the Paying Agent, on the 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 Series 2011 Bonds 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, the Registrar or the Board, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Board or the Paying 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 securities depository with respect to the Series 2011 Bonds at any time by giving reasonable notice to the Board or the Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

10. The Board may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

11. The information in this exhibit concerning DTC and DTC's book-entry system has been obtained from sources that the Board believes to be reliable, but the Board takes no responsibility for the accuracy thereof.

No Assurances Regarding DTC Practices

The Board, the Paying Agent and the Registrar cannot and do not give any assurances that the DTC, the Direct Participants or the Indirect Participants will distribute to the Beneficial Owners of the Series 2011 Bonds (1) payments of principal of or interest and premium, if any on the Series 2011 Bonds, (2) confirmations of beneficial interest in the Series 2011 Bonds, or (3) redemption or other notices sent to DTC or Cede & Co., its nominee, as registered owner of the Series 2011 Bonds, or that they will do so on a timely basis, or that DTC, DTC participants or Indirect Participants will serve and act in the same manner as described in this Official Statement. The current "rules" applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of the DTC to be followed in dealing with Direct Participants are on file with DTC.

Neither the Board, the Paying Agent nor the Registrar shall have any authority or obligation to any Direct Participant, Indirect Participant, Beneficial Owner or other person with respect to (1) the accuracy of any records maintained by the DTC or any Participant; (2) the payment by DTC or any Participant of any amount due to any Beneficial Owner in respect of the principal amount or redemption price or interest on the Series 2011 Bonds; (3) the delivery by DTC or any Participant of any notice to any Beneficial Owner which is required or permitted under the terms of the Series 2011 Bonds Resolution to be given to the Bondholders; or (4) the selection of the Beneficial Owners to receive payment in excess of any partial redemption of the Series 2011 Bonds.

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APPENDIX F

ELECTED OFFICIALS OF THE BOARD

Mr. David Meeks – President, Pleasants County Schools Board of Education

David (Dave)T. Meeks is a lifelong resident of Pleasants county. Upon graduating high school in 1990 he went to work at Hoff's Exxon, and Simonton Windows while attending West Virginia University at Parkersburg.

While Dave never earned his degree he was able to complete two years and work two jobs. Dave has completed numerous educational trainings while working for Simonton Windows for the past 19 years.

He was elected to the Pleasants County Board of Education in 2006 and has served as President for the past five years. Dave continues to be involved in several organizations involving the youth of Pleasants County and volunteers to help raise funds for the American Cancer Society.

Mr. Meeks and his, Lori, have two children that attend Pleasants County Schools.

Dr. Heather Straight – Vice President, Pleasants County Schools Board of Education

Dr. Heather Straight is a 1992 graduate of St. Marys High School, St. Marys, WV. After completing Marietta Memorial Hospital's School of Radiologic Technology program in 1994, she completed a bachelor's degree in science from Fairmont State College in 1998. She then successfully completed her medical degree in 2002 from the West Virginia School of Osteopathic Medicine in Lewisburg, WV, after which she completed her residency training in Family Medicine in Clarksburg, WV in 2005.

Dr. Straight then returned to her home town of St. Marys and joined the multi-specialty practice of Mid-Ohio Valley Medical Group, Inc. in nearby Vienna, WV in 2005 and continues to be a partner/owner of that group at present. She is also a partner/owner in Emprise Development Company, Inc.

An active community member, Dr. Straight not only serves as the Vice-President of the Pleasants County Board of Education in her second elected term, she also serves as a member of multiple other civic and religious organizations in and around her community.

She is married to Sean Davis, a teacher in Pleasants County, and has 4 children ranging in ages from 10 months to 12 years old. Dr. Straight enjoys travel and has been blessed with opportunities to visit Costa Rica, teaching English, and also Nepal and Mount Everest on a medical mission. She also enjoys distance running and photography.

Mrs. Betty J. Bailey – Member, Pleasants County Schools Board of Education

Betty J. Bailey is retired from Pleasants County Schools with 30 years of service as Financial Secretary of St. Marys High School. She retired June 30, 2000 and went on the Board of Education July 3, 2010.

She was a 1955 graduate of St. Marys High School and is active in all kinds of volunteer activities. She has served her church a Treasurer, Sunday School Teacher and Certified Lay Speaker. Beyond the local church she has held conference and district offices and has been a member of the Annual Conference for over 30 years.

Reading to first graders has occupied her time once a week for over 9 years and she has been a "Lunch Buddy" for 8 different students at St. Marys Elementary School for as many years. Having been a volunteer 4-H leader since 1968 she is still actively involved in the 4-H program. She served on the Extension Service Committed for over 10 years.

She serves currently on the RESA V Advisory Council. Her current term ends June 30, 2012.

Mrs. Angela Colvin – Member, Pleasants County Schools Board of Education

Angela (Angie Steele) Colvin is a lifelong resident of Pleasants County, West Virginia. She attended Pleasants County Schools just as her Great-Grandparents, Grandparents and Parents had attended. Her children also attended Pleasants County Schools and now her grandchildren are attending.

Angie is a graduate of Washington State Community College with an Associate Degree in Business/Legal. While working for an attorney in Pleasants County, she got involved with different school related issues and also become involved in community service activities that involved the importance of education for all children (this is when she found her true calling).

After a serious illness, she now is a stay at home Mother/Grandmother that allows her to dedicate all her time in helping others and children.

Mrs. Colvin completed her first term on the Pleasants County Board of Education and was re-elected to serve a four year term from July 1, 2010 thru June 30, 2014. While serving on the Pleasants County Board of Education she has served on the Safety Committee for Pleasants County Schools, Mid-Ohio Valley Technical Institute Administrative Council, and served her first four years as Vice-President of the Pleasants County Board of Education.

Mrs. Michelle Runnion – Member, Pleasants County Schools Board of Education

Michelle R. Runnion is a lifelong resident of St. Marys, West Virginia. She is a 1986 graduate of St. Marys High School.

Mrs. Runnion has spent the last twenty years raising her three children who are the most important people in her life. Michelle managed the Fireside Restaurant and Lounge for the fifteen years and was the Office Manager for the Route Sixteen Water Corporation for seven years.

In the past two years Mrs. Runnion obtained her insurance license. She is currently employed by the Fleming Insurance Agency as an agent.

In 2008 Mrs. Runnion was elected to the Pleasants County Board of Education for a four year term. Her duties on the Board have included serving as a member of the RESA V Executive Council. Most recently Mrs. Runnion was elected to a three year term on the board for the Pleasants County Chamber of Commerce.

APPOINTED OFFICIALS OF THE BOARD

Dr. F. Joseph Super – Superintendent Pleasants County Schools

A native of upstate New York, Dr. Super began his professional educator career in 1970 teaching history. Since then he has taught and coached at both the high school and college levels. Dr. Super came to West Virginia as the head basketball coach at Davis and Elkins College in Elkins. While at D&E he started his doctoral degree at West Virginia University completing the program in Educational Leadership Studies.

With over forty years of teaching at all levels, Dr. Super brings an excellent array of experiences to his current position as Superintendent of Pleasants County Schools. Prior to his current position, Dr. Super worked in Randolph County for nineteen years with the last ten in the Central Office as Director of Special Education and lastly as the Assistant Superintendent for Secondary Curriculum and Special Education. He holds a bachelor's degree in Secondary Education Social Studies from the State University of New York - Oneonta and a master's degree in Physical Education from the State University of New York – Cortland. In addition to his Administrative Certification, Dr. Super holds a West Virginia Permanent Professional Teaching Certificate and has endorsements in Specific Learning Disabilities, Mental Impairments, and Behavioral Disorders.

Dr. Super is responsible for the day to day operations of the school system. Under the umbrella of providing a safe and healthy learning environment, he directs the system in affording the best educational opportunities to both staff and students with the resources available in meeting the needs of a 21st Century and Global world.

During his years in public education Dr. Super has served as a Task Force member for Special Education, High School Planning, Arts in the Schools, and other areas for RESA and the West Virginia Department of Education. He has served as a Search Team Committee member for WVU and was a committee member working with the WVDE on revising standards of leadership for teachers, principals and superintendents.

Throughout his career Dr. Super has been active in community events. He has attended St. Brendan's Church, First Baptist Church, was a Rotarian, coached Little League and Babe Ruth baseball, as well as serving on the Board of Directors for a Sheltered Workshop and Court Appointed Special Advocates in Randolph County. Currently he is a member of the Pleasants County Lions Club and is an active member of the Pleasants County Development Authority.

Dr. Super lives in St. Marys and has a home in Elkins where his wife Debbie, a vocational educational liaison in secondary education for Randolph County Schools and the WV State Director for Globaloria, resides. Their son Josh is a fellowship doctoral student at West Virginia University.

Dr. Super's contract expires on June 30, 2011.

Mrs. Donna Barksdale – Assistant Superintendent

Donna Barksdale graduated from West Virginia Wesleyan College in December, 1971 with a degree in Elementary Education. In July, 1975 she was awarded a Master's degree in Reading Education from Marshall University. She obtained certification in Learning Disabilities in 1978 and an endorsement in Middle Childhood Education in 1979. In 1979, Mrs. Barksdale added Administrative Certification as Principal, and in 1982 she became certified as a Supervisor of Instruction. In 1989, Mrs. Barksdale added endorsements as Superintendent and Vocational Administrator to her Administrative Certificate.

Donna Barksdale began her career in education in January, 1972 in Pocahontas County, West Virginia, where she taught first grade. She then served as Title I Reading Specialist for two years and then Curriculum Coordinator for four years in that school system. In 1981, she moved to St. Marys, West Virginia to become

Supervisor of Curriculum and Instruction for Pleasants County Schools. In July, 1985 she became Principal of Pleasants County Middle School, serving in that position until November, 2004 when she moved to the Central Office as Director of Curriculum and Instruction. She was named Assistant Superintendent in February, 2007.

Mrs. Barksdale's professional highlights include serving as Pleasants County Middle School's principal when the school was named a National Blue Ribbon School, serving as a mentor principal, presenting at regional and state conferences, and serving on several state and local committees related to curriculum and instruction.

Mrs. Jennifer Hupp – Treasurer/Chief School Business Official

Jennifer L Hupp graduated Magna Cum Laude from Fairmont State College in 1986 with a Bachelor of Science degree in Accounting – Business Administration. In November 1989, she successively passed the CPA exam.

Mrs. Hupp's past work experience covers a wide diversity of accounting skills, which makes her very well rounded in finance. For the first 3 ½ years upon graduation, she was both a public and internal auditor in Clarksburg, WV, first employed by Toothman, Rice & Co. CPA's, and then CNG Service Company. After relocating to Covington, VA due to marriage, she worked 8 ½ years for Westvaco Corporation, a pulp and paper company, gaining financial analysis and reporting skills as a Cost Accounting Supervisor and Manager.

Upon returning home with her family in the summer of 2000, she continued her industry experience working for a start-up aluminum company Resource Recovery Industries, LLC for the next few years. December 2002 she began her school finance career with the Ritchie County Board of Education as the Director of Finance, Treasurer. She served in that capacity until July 2007 when she was appointed in her hometown as the Chief School Business Official, Treasurer of Pleasants County Schools.

She is the President of West Virginia Association of School Business Officials which she has served on the board in the past as President-Elect, Vice President, Secretary and Regional Representative. Jennifer is very passionate and dedicated to the community and students of Pleasants County. She is a board member of the Pleasants County Community Foundation, member of the St. Marys High School LSIC (Local School Improvement Committee) and PAC (Parent Advisory Committee).

APPENDIX G

FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Disclosure Agreement") is executed and delivered by THE BOARD OF EDUCATION OF THE COUNTY OF PLEASANTS (the "Board"), and United Bank Inc., Charleston, West Virginia (the "Dissemination Agent"), in connection with the issuance of $18,050,000, The Board of Education of the County of Pleasants (West Virginia), Public School Bonds, Series 2011 (the "Series 2011 Bonds");

In connection with the foregoing, and in consideration thereof, the Board and the Dissemination Agent covenant and agree as follows:

Section 1. Purpose of this Agreement. This Agreement is executed and delivered by the Board as of the date set forth below, for the benefit of the holders and owners (the "Bondholders") of the Series 2011 Bonds and in order to assist the Participating Underwriters (as defined below) in complying with the requirements of the Rule (as defined below). The Board represents that it will be the only obligated person (as defined in the Rule) with respect to the Series 2011 Bonds at the time the Series 2011 Bonds are delivered to the Participating Underwriters and that no other person is expected to become an obligated person at any time after the issuance of the Series 2011 Bonds.

Section 2. Definitions. The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

"Annual Financial Information" means the financial information and operating data described in Exhibit I.

"Annual Financial Information Disclosure" means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

"Audited Financial Statements" means the audited consolidated financial statements of the Board, prepared pursuant to the standards and as described in Exhibit I.

"Commission" means the U.S. Securities and Exchange Commission.

"Dissemination Agent" means any agent designated as such in writing by the Board and which has filed with the Board a written acceptance of such designation, and such agent's successors and assigns.

"EMMA" means the Electronic Municipal Market Access facility for municipal securities disclosure of the MSRB.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Material Event" means the occurrence of any of the events with respect to the Series 2011 Bonds set forth in Exhibit II.

"Material Events Disclosure" means dissemination of a notice of a Material Event as set forth in Section 5.

"MSRB" means the Municipal Securities Rulemaking Board.

"Participating Underwriters" means each broker, dealer or municipal securities dealer acting as an Underwriter in any primary offering of the Series 2011 Bonds.

"Prescribed Form" means, with regard to the filing of Annual Financial Information, Audited Financial Statements and notices of Material Events with the MSRB at www.emma.msrb.org (or such other address or addresses as the MSRB may from time to time specify), such electronic format, accompanied by such identifying information, as shall have been prescribed by the MSRB and which shall be in effect on the date of filing of such information.

"Rule" means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

"State" means the State of West Virginia.

"Undertaking" means the obligations of the Board pursuant to Sections 4 and 5.

Section 3. CUSIP Number/Final Official Statement. The CUSIP Number of the final maturity of the Series 2011 Bonds is __________________. The final Official Statement relating to the Series 2011 Bonds is dated ________________ (the "Final Official Statement").

Section 4. Annual Financial Information Disclosure. Subject to Section 9 of this Agreement, the Board hereby covenants that it will disseminate the Annual Financial Information and the Audited Financial Statements (in the form and by the dates set forth below and in Exhibit I). The Board may deliver such Annual Financial Information and the Audited Financial Statements to the MSRB within 270 days of the completion of the Board's fiscal year. However, if the Audited Financial Statements are not available at that time, they will be provided within 10 business days of receipt by the Board.

The Board is required to deliver such information in Prescribed Form and by such time so that such entities receive the information by the dates specified.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the Board will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment is made to this Agreement, the Annual Financial Information for the year in which such amendment is made (or in any notice or supplement provided to the MSRB) shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.

Section 5. Material Events Disclosure. Subject to Section 9 of this Agreement, the Board hereby covenants that it will disseminate in a timely manner, not in excess of 10 business days after the occurrence of the event, Material Events Disclosure to the MSRB in Prescribed Form. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Series 2011 Bonds or defeasance of any Series 2011 Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the owners of the Series 2011 Bonds pursuant to the Indenture. From and after the Effective Date, the Board is required to deliver such Material Events Disclosure in the same manner as provided by Section 4 of this Agreement.

Section 6. Duty To Update EMMA/MSRB. The Board shall determine, in the manner it deems appropriate, whether there has occurred a change in the MSRB's e-mail address or filing procedures and requirements under EMMA each time it is required to file information with the MSRB.

Section 7. Consequences of Failure of the Board to Provide Information. The Board shall give notice in a timely manner, not in excess of 10 business days after the occurrence of the event, to the MSRB in Prescribed Form of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the Board to comply with any provision of this Agreement, the Bondholder of any Bond may seek 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 under the Series 2011 Bonds or any agreement related thereto, 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 8. Amendments; Waiver. Notwithstanding any other provision of this Agreement, the Board may amend this Agreement, and any provision of this Agreement may be waived, if:

(i) The amendment or waiver is 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 or type of business conducted;

(ii) This Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(iii) The amendment or waiver does not materially impair the interests of the Bondholders of the Series 2011 Bonds, as determined either by parties unaffiliated with the Board or by an approving vote of the Bondholders of the Series 2011 Bonds holding a majority of the aggregate principal amount of the Series 2011 Bonds (excluding Series 2011 Bonds held by or on behalf of the Board or its affiliates) pursuant to the terms of the Bond Order at the time of the amendment; or

(iv) The amendment or waiver is otherwise permitted by the Rule.

Section 9. Termination of Undertaking. The Undertaking of the Board shall be terminated hereunder when the Board shall no longer have any legal liability for any obligation on or relating to the repayment of the Series 2011 Bonds. The Board shall give notice to the MSRB in a timely manner and in Prescribed Form if this Section is applicable.

Section 10. Dissemination Agent. The Board has appointed United Bank Inc., Charleston, West Virginia, as Dissemination Agent in connection with the issuance of the Series 2011 Bonds to assist the Board in carrying out its obligations under this Agreement. The Board may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 11. 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 Disclosure or notice of occurrence of a Material Event, in addition to that which is required by this Agreement. If the Board chooses to include any information from any document or notice of occurrence of a Material Event in addition to that which is specifically required by this Agreement, the Board shall not have any obligation under this Agreement to update such information or include it in any future disclosure or notice of the occurrence of a Material Event.

Section 12. Beneficiaries. This Agreement has been executed in order to assist the Participating Underwriters in complying with the Rule; however, this Agreement shall inure solely to the benefit of the Board, the Dissemination Agent and the Bondholders of the Series 2011 Bonds, and shall create no rights in any other person or entity.

Section 13. Recordkeeping. The Board shall maintain records of all Annual Financial Information Disclosure and Material Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

Section 14. Past Compliance. The Board represents that it has complied with the requirements of each continuing disclosure undertaking entered into by it pursuant to the Rule in connection with previous financings to which the Rule was applicable.

Section 15. Governing Law. This Agreement shall be governed by the laws of the State.

Dated: ______________________, 2011.

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

By: ____
Title: President

By: ____
Title:

EXHIBIT I

ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED FINANCIAL STATEMENTS

"*Annual Financial Information*" means financial information and operating data exclusive of Audited Financial Statements of the type appearing in the Final Official Statement or incorporated by reference in the Final Official Statement.

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to the MSRB or filed with the Commission. The Board shall clearly identify each such item of information included by reference.

Annual Financial Information will be provided to the MSRB within 270 days after the last day of the Board's fiscal year. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available within such 270 days or when the Annual Financial Information is filed, unaudited financial statements shall be included, and Audited Financial Statements will be provided to the MSRB within 10 business days after availability to the Board.

Audited Financial Statements will be prepared in accordance with generally accepted accounting principles in the United States as in effect from time to time.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, including for this purpose a change made to the fiscal year-end of the Board, the Board will disseminate a notice to the MSRB of such change in Prescribed Form as required by such Section 4.

EXHIBIT II

EVENTS WITH RESPECT TO THE SERIES 2011 BONDS FOR WHICH MATERIAL EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies

2. Nonpayment-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 security, or other material events affecting the tax status of the security

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 securities, if material

11. Rating changes

12. Bankruptcy, insolvency, receivership or similar event of the Board*

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 terms, if material

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

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* This 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.

EXHIBIT III

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Obligated Party: The Board of Education of the County of Pleasants (West Virginia)

Name of Bond Issue: $18,050,000 Public School Bonds, Series 2011

Date of Bond Issue: _______________, 2011

NOTICE IS HEREBY GIVEN that the Board has not provided an Annual Financial Information with respect to the above-named Series 2011 Bonds as required by Section 4 of the Continuing Disclosure Agreement dated ___________________, to be provided. The Board anticipates that the Annual Financial Information will be filed by ______________________.

Dated: _______________________

____

By: ____

Title: ____

cc: [Board]

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OFFICIAL NOTICE OF SALE

$18,050,000
The Board of Education of the
County of Pleasants (West Virginia)
Public School Bonds, Series 2011

The Board of Education of the County of Pleasants, West Virginia, (the "Board") is using PARITY® as a communication mechanism to conduct the electronic bidding for sale of its $18,050,000 Public School Bonds, Series 2011 (the "Series 2011 Bonds"), as described herein.

Bid Submission

Notice is hereby given that electronic proposals will be received via PARITY®, in the manner described below, until **12:00 noon, Eastern Daylight Time**, on June 29**, 2011**. Bids for the Series 2011 Bonds may be submitted electronically via PARITY® pursuant to this Notice until 12:00 noon, Eastern Daylight Time, but no bid will be accepted after the time for receiving bids specified above. To the extent any instructions or directions set forth in PARITY® conflict with this Notice, the terms of this Notice shall control. For further information about PARITY®, potential bidders may contact the Financial Advisor at 304.346.1981 or PARITY® at 1359 Broadway, 2nd Floor, New York, NY 10018, telephone 212.849.5021. The bids will be publicly announced, and the Board will act upon the bids by 3:00 p.m., Eastern Standard Time.

Any prospective bidder that intends to submit an electronic bid must submit its electronic bid through the facilities of PARITY®. No in person or fax bids will be accepted. Subscription to PARITY® is required in order to submit an electronic bid and the Board will neither confirm any subscription nor be responsible for any failure of a prospective bidder to subscribe. No other form of electronic bid or provider of electronic bidding services will be accepted.

For the purposes of the electronic bidding process, the time as maintained by PARITY® shall constitute the official time with respect to all electronic bids submitted.

Each bid must be unconditional.

The Board expects to take the bids on the Series 2011 Bonds on June 29, 2011. However, the Board reserves the right to postpone the date and time established for the receipt of the bids or to change the bidding parameters set forth in this Official Notice of Sale. Any such postponement or change will be announced by TM3, or any other such service. If the receipt of bids is postponed, any alternative date for receipt of bids will be announced. Any bidder must submit an electronic bid for the purchase of the Series 2011 Bonds on such alternative sale date in conformity with the provisions of the Official Notice of Sale, except for any changes announced via TM3 or any other such service, as described therein.

Preliminary Official Statement

Copies of the Preliminary Official Statement concerning the Series 2011 Bonds and the Official Form of Proposal relating to the Series 2011 Bonds may be secured from Dr. F. Joe Super, Superintendent, Pleasants County Board of Education, 2272 North Pleasants Highway, St Marys, West Virginia, 26170, telephone 304.684.2193 or from Raymond James & Associates, Inc., 500 Lee Street, East, Suite 530, Laidley Tower, Charleston, West Virginia, 25301, telephone 304.346.1981.

The Series 2011 Bonds

The Series 2011 Bonds will be dated the date of their delivery (the "Dated Date") and will mature on May 1 in the years and in the amounts as follows:

Maturing (May 1)	Principal Amount ($)
2012	985,000
2013	885,000
2014	930,000
2015	970,000
2016	1,020,000
2017	1,065,000
2018	1,120,000
2019	1,170,000
2020	1,225,000
2021	1,285,000
2022	1,345,000
2023	1,410,000
2024	1,475,000
2025	1,545,000
2026	1,620,000

The Series 2011 Bonds are general obligations of the Board and the full faith and credit of the Board are pledged for payment of the principal of and interest thereon. All the taxable property in Pleasants County, West Virginia, will be subject to the levy of ad valorem taxes, without limitation as to rate or amount, sufficient to pay the principal of and interest on the Series 2011 Bonds when due.

The Series 2011 Bonds will be dated the Date of Delivery, and 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 for the Series 2011 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 Series 2011 Bonds will not receive certificates representing their interests in the Series 2011 Bonds.

Pursuant to Chapter 13, Article 1, of the Code of West Virginia, 1931, as amended, both the principal of and interest on the Series 2011 Bonds are payable at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia, as Paying Agent. The Board has designated United Bank Inc., Charleston, West Virginia, as the Registrar.

Interest on the Series 2011 Bonds will be payable on November 1, 2011 and semiannually thereafter (each May 1 and November 1) in each year until maturity. The principal of and interest on the Series 2011 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 owners of the Series 2011 Bonds.

Optional Redemption

The Series 2011 Bonds maturing on or after May 1, 2022, are subject to redemption on or after May 1, 2021, at the option of the Board, in whole at any time or in part on any interest payment date, from any moneys available for such purpose, at par plus interest, if any, accrued to the date fixed for redemption.

In the event of such optional redemption, the Board may direct the maturity or maturities of the Series 2011 Bonds and the amounts thereof to be redeemed, provided that the Series 2011 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 Series 2011 Bonds shall be given by the Registrar, on behalf of the Board, to registered owners of the Series 2011 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 Series 2011 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 their redemption of the Series 2011 Bonds having been deposited, the Series 2011 Bonds specified in such notice shall, on the date fixed for redemption, become due and payable and from and after such date (unless the Board shall default in the payment of the redemption price), such Series 2011 Bonds shall cease to bear interest.

Insurance at Bidder's Option

If the Series 2011 Bonds qualify for issuance of any policy of municipal bond insurance or commitment thereof, any purchase of such insurance or commitment therefor shall be at the sole option and expense of the bidder and any increased costs of issuance of the Series 2011 Bonds resulting by reason of such insurance, unless otherwise paid, shall be paid by such bidder. Any failure of the Series 2011 Bonds to be so insured or of any such policy of insurance to be issued, shall not in any way relieve the purchaser of its contractual obligations arising from the acceptance of its proposal for the purchase of the Series 2011 Bonds.

Terms of Sale

Bidders may only bid to purchase all of the Series 2011 Bonds. Each proposal must state the amount bid for the Series 2011 Bonds, not less than $18,050,000 or greater than 105% of the par value of the Series 2011 Bonds, and must state in multiples of 1/20 or 1/8 of 1% the rates of interest per annum which the Series 2011 Bonds are to bear, but must not state:

(a) any interest rate which is in excess of 6.75% per annum,

(b) more than one interest rate for any Series 2011 Bonds having like maturity, and

(c) any interest rate for Series 2011 Bonds which exceeds the interest rate stated in such proposal for any other Series 2011 Bonds by more than three percent (3%).

The right is reserved to reject any and all proposals not conforming to this Official Notice of Sale and, so far as permitted by law, to waive any irregularity or informality with respect to any proposal.

Award

The Board, from among the legally acceptable proposals which comply with this Official Notice of Sale, will select the bidder (herein called the "successful bidder") whose proposal offers to purchase all the Series 2011 Bonds at the lowest true interest cost ("TIC"). For the purpose of determining the successful bidder, the true interest cost (TIC) will be the annual interest rate based on a 360-day year or twelve-30 day months, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Series 2011 Bonds to the date of delivery of the Bonds, results in an amount equal to the bid price for the Series 2011 Bonds. If there is more than one such proposal making such offer at the same lowest cost, the Series 2011 Bonds will be sold to the bidder whose proposal is selected by the Board by lot from among all such proposals making such offer at the lowest TIC.

The Board reserves the right to reject any or all bids and to reject any bid not complying with this Official Notice of Sale and, so far as permitted by law, to waive any irregularity or informality with respect to any bid.

Good Faith Deposit

A good faith deposit in the amount of $361,000 (the "Good Faith Deposit") is required in connection with the sale of the Series 2011 Bonds. The Good Faith Deposit may be provided for by (i) a certified, bank cashier's, treasurer's or official check drawn upon or certified by a responsible banking institution and made payable to the order of the "The Board of Education of Pleasants County, West Virginia", delivered at or prior to the time of bid, or (ii) a federal funds wire transfer to be submitted to the Board by the successful bidder not later than 3:00 P.M., Eastern Standard Time, on the Date of Sale (the "Wire Transfer Deadline") as set forth below under "Wire Transfers". The Good Faith Deposit of the successful bidder will be collected and the proceeds thereof retained by the Board to be applied in partial payment of the Series 2011 Bonds and no interest will be allowed or paid upon the amount thereof, but in the event the successful bidder shall fail to comply with the terms of its bid, the proceeds thereof will be retained as and for full liquidated damages. Checks of unsuccessful bidders will be returned promptly after the Series 2011 Bonds are awarded to the successful bidder.

If the successful bidder chooses to deliver its Good Faith Deposit by federal funds wire transfer, the Board will distribute wiring instructions for the Good Faith Deposit to the successful bidder upon verification of the bids submitted by the bidders and prior to the Wire Transfer Deadline. If the Good Faith Deposit is not received by the Wire Transfer Deadline, the award of the sale of the Series 2011 Bonds to the successful bidder may be cancelled by the Board in its discretion without any financial liability of the Board to the successful bidder or any limitation whatsoever on the Board's right to sell the Series 2011 Bonds to a different purchaser upon such terms and conditions as the Board shall deem appropriate.

Certificate of Winning Bidder

The successful bidder will be required to provide to the Financial Advisor by facsimile transmission to 304.346.1985 within one-half (½) hour after the verbal award of the Series 2011 Bonds the initial offering price/yields of the Series 2011 Bonds to the public (excluding bond houses and brokers). The successful bidder also must submit to the Board an underwriter's certificate in the form attached hereto as Exhibit A (the "Underwriter's Certificate"), the form of which has been approved by Bond Counsel, prior to the delivery of the Series 2011 Bonds. By submitting its bid, each bidder agrees that, if it is awarded the Series 2011 Bonds, it will either retain the Series 2011 Bonds as a long term investment for its own account or make a bona fide public offering of the Series 2011 Bonds of each maturity to the public after the award at an initial offering price as stipulated herein. It shall be a condition of the Board's obligation to deliver the Series 2011 Bonds that the successful bidder provide documentation as to its compliance with such requirements for purposes of the Internal Revenue Code of 1986, as amended, in form and substance satisfactory to Bond Counsel, including but not limited to the Underwriter's Certificate.

Delivery of the Series 2011 Bonds

The Series 2011 Bonds will be delivered upon payment of the balance of the purchase price in Federal Funds payable to the order of "The Board of Education of the County of Pleasants, West Virginia". It is expected that the Series 2011 Bonds will be available for delivery to The Depository Trust Company in New York, New York, on or about July 13, 2011, on such business day and at such hour, as the Board may fix on five business days' notice to the successful bidder, or at such other place and time as may be agreed upon with the successful bidder.

Opinions of Bond Counsel

It will be a condition to the obligation of the successful bidder to accept delivery of and pay for the Series 2011 Bonds that prior to or contemporaneously with such delivery, the successful bidder will be furnished with the final approving opinion of Bowles Rice McDavid Graff & Love LLP, Charleston, West Virginia, Bond Counsel. The opinion of Bond Counsel will include an opinion that under existing laws, regulations, published rulings and judicial decisions of the United States of America, as presently written and applied, interest on the Series 2011 Bonds is not includable in gross income of the owners thereof for federal income tax purposes and that the Series 2011 Bonds are exempt from all taxation by the State of West Virginia or any political subdivision thereof. Said opinion shall also contain further statements to the effect that the enforceability of rights or remedies with respect to the Series 2011 Bonds may be limited by bankruptcy, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted.

It will be a further condition of delivery of any payment for the Series 2011 Bonds that there also be delivered at such time certificates satisfactory to said Bond Counsel evidencing proper execution and delivery of the Series 2011 Bonds, including (i) a certificate dated the date of delivery of the Series 2011 Bonds, stating that there is no litigation pending or threatened affecting the validity of the Series 2011 Bonds, or wherein an adverse judgment or ruling could have a material adverse impact on the financial condition of the Board, or adversely affect the power of the Board to levy, collect and enforce the collection of taxes or other revenues for the payment of its Series 2011 Bonds, (ii) a certificate dated the date of delivery of the Series 2011 Bonds, of the President and Secretary of the Board, to the effect that at the time of the sale of the Series 2011 Bonds and at all times subsequent thereto up to and including the time of delivery of the Series 2011 Bonds, to the best of their knowledge, the Official Statement in final form and as of its date, did not contain any 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, and (iii) a tax and arbitrage certificate executed on behalf of the Board which will include, among other things, covenants relating to compliance with the Internal Revenue Code of 1986, as amended (the "Code"), with the owners of the Series 2011 Bonds that the Board, will, among other things, (a) take all actions on its part necessary to cause interest on the Series 2011 Bonds not to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Series 2011 Bonds and investment earnings thereon, making required payments to the Federal government, if any, and maintaining books and records in a special manner, where appropriate, and (b) refrain from taking any action which would cause interest on the Series 2011 Bonds to be includable in the gross income of the owners thereof for Federal income tax purposes, including, without limitation, refraining from spending the proceeds of the Series 2011 Bonds and investment earnings thereon on certain specified purposes. The Series 2011 Bonds will also bear the signed approval of the Attorney General of West Virginia to the effect that the Series 2011 Bonds are binding obligations of the Board and are incontestable.

Final Official Statement

Within seven (7) business days after the award of the Series 2011 Bonds to the successful bidder therefor, on the date of the sale, the Board, by its President, will authorize the delivery of its Official Statement, which is expected to be substantially in the form of the Preliminary Official Statement referred to below. The Preliminary Official Statement is deemed final by the Board for the purpose of Rule 15c2-12 of the Securities and Exchange Commission, subject to revision, amendment and completion in a final Official Statement. The Board will also issue any supplement or amendment to the Official Statement that may be necessary between the date of the Official Statement and the date of delivery of the Series 2011 Bonds. If requested and furnished to the Board in writing by the successful bidder at or before the close of business on the day of sale, the Board will include in the Official Statement such pricing and other information relating to the reoffering of the Series 2011 Bonds, if any, as may be so furnished. If no such information is furnished by the successful bidder, the Official Statement will include the interest rates on the Series 2011 Bonds resulting from the bid of the successful bidder and the other statements with respect to reoffering contained in the Preliminary Official Statement. Whether or not any such information is included in the Official Statement, the successful bidder shall be responsible to the Board and its officials in all respects for the accuracy, fairness and completeness of such information, and for all decisions made with respect to the use or omission of such information in any reoffering of the Series 2011 Bonds, including the presentation or exclusion of any such information in any documents, including the Official Statement. The Board reserves no responsibility or obligation for the distribution of the Official Statement to anyone other than the successful bidder. Within seven (7) business days after the award of the Series 2011 Bonds, the successful bidder will also be furnished, without cost, up to 125 copies of the Official Statement (and any amendment or supplement thereto).

CUSIP

It is anticipated that CUSIP identification numbers will be printed on the Series 2011 Bonds, but neither the failure to print such numbers on any Series 2011 Bonds nor any error with respect thereto shall constitute cause for failure or refusal by the purchaser thereof to accept delivery of and pay for the Series 2011 Bonds in accordance with terms of this Official Notice of Sale. All expenses in relation to the printing of CUSIP numbers on the Series 2011 Bonds shall be paid for by the Board. However, the CUSIP Service Bureau charge for the assignment of said numbers shall be the responsibility of and shall be paid for by the purchaser.

THE BOARD OF EDUCATION OF THE COUNTY OF PLEASANTS

By: /s/ Dr. F. Joseph Super
Title: Superintendent, The Board of Education of the County of Pleasants

DATE: June 8, 2011

EXHIBIT A

$18,050,000
The Board of Education of the
County of Pleasants (West Virginia)
Public School Bonds, Series 2011

CERTIFICATE OF UNDERWRITER

________________ (the “Underwriter”), as underwriter of the Series 2011 Bonds identified above, issued by The Board of Education of Pleasants County, West Virginia (the “Issuer”), based on its knowledge regarding the sale of the Series 2011 Bonds, certifies as of this date as follows:

1. All of the Series 2011 Bonds were offered to the general public in a bona fide public offering at the initial offering prices set forth on Exhibit A attached hereto (the "Initial Offering Price" as applicable to the respective maturities). The fair market value of the Series 2011 Bonds is not in excess of the Initial Offering Price. The Issue Price of the Series 2011 Bonds, based upon the reasonable expectations of the Underwriter as of the date of the initial offering is $18,050,000. Except for the ____, ____, ____, ____ and ____ maturities, a substantial amount of each maturity of the Series 2011 Bonds (in excess of 10% of each maturity) was sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters of wholesalers) at the Initial Offering Price applicable to such maturity.

2. At the Issuer’s direction, based upon our participation in the transaction and our knowledge and experience with bond insurance (in which the credit enhancer has no involvement other than as a credit enhancer), and, as to (b) below, based on estimates by the Underwriter of the likely Yields at which such obligations may have sold in the absence of the bond insurance:

(a) The premium paid for the Bond Insurance on the Series 2011 Bonds does not exceed a reasonable charge for the transfer of credit risk, taking into account charges by credit enhancers in similar transactions with which the Underwriter is familiar.

(b) The present value of the premium paid for the Bond Insurance is less than the present value of the interest reasonably expected to be saved on the Series 2011 Bonds as a result of the Bond Insurance, for which purpose present value is computed by using the yield-to-maturity (or prior optional redemption date, if applicable) of the Series 2011 Bonds (taking into account both the premium paid for the Bond Insurance) as the discount rate.

All capitalized terms not defined in this Certificate have the respective meanings set forth in the Tax and Non-Arbitrage Certificate.

The signer is an officer of the Underwriter and duly authorized to execute and deliver this Certificate of the Underwriter. The Underwriter understands that the certifications contained in this Certificate will be relied on by the Issuer in making certain of their representations in the Tax and Non-Arbitrage Certificate and in completing and filing the Information Return for the Series 2011 Bonds, and by Bowles Rice McDavid Graff & Love LLP, as Bond Counsel, in rendering certain of its legal opinions in connection with the issuance of the Series 2011 Bonds.

Dated ________________, 2011 [UNDERWRITER]

By: ___________________________
Its:

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OFFICIAL FORM OF PROPOSAL

Dr. F. Joseph Super, Superintendent
The Board of Education of the County of Pleasants, West Virginia

Superintendent:

Subject to the provisions and in accordance with the terms of the Official Notice of Sale, dated June 8, 2011 which are hereby made part of this bid, we offer to purchase all of the $18,050,000, the Board of Education of the County of Pleasants (West Virginia), Public School Bonds, Series 2011 (the "Series 2011 Bonds"), described in said Official Notice of Sale, for the price of $18,050,000 plus a premium of $_______________ (not to exceed 105% of the par value of the Series 2011 Bonds). The Series 2011 Bonds maturing in the years set forth below shall bear interest at the respective rates set opposite such years in the following table

Maturing (May 1)	Principal Amount ($)	Interest Rate (%)	Maturing (May 1)	Principal Amount ($)	Interest Rate (%)
2012	985,000	__________	2020	1,225,000	__________
2013	885,000	__________	2021	1,285,000	__________
2014	930,000	__________	2022	1,345,000	__________
2015	970,000	__________	2023	1,410,000	__________
2016	1,020,000	__________	2024	1,475,000	__________
2017	1,065,000	__________	2025	1,545,000	__________
2018	1,120,000	__________	2026	1,620,000	__________
2019	1,170,000	__________			

Please check one of the following:

- ❑ One or more certified or cashier's checks or bank draft drawn on solvent banks or trust companies and payable unconditionally to the order of The Board of Education of the County of Pleasants for $361,000 which check is to be applied in accordance with said Official Notice of Sale.

- ❑ Will wire funds in the amount of $361,000 by 3:00 pm, local time, day of bid, if successful.

Name of Bidder: ____

By: ____

Telephone: ____

(No addition or alteration, except as provided above, is to be made to this bid. Please attach a list of syndicate members, as applicable.)

The foregoing proposal is hereby accepted this ___________ day of _________________________________, 2011

By: ______________________________________, The Board of Education of the County of Pleasants

The following is included for informational purposes only and is not a part of the bid:

True Interest Cost (Computed in accordance with the Official Notice of Sale) _____________________%

Return of the check mentioned in the above proposal to the above named bidder is hereby acknowledged.

By:____

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