



The PFM Group

Public Financial Management, Inc.

PFM Asset Management LLC

One Keystone Plaza

717-232-2723

Suite 300

717-232-8610 (FAX)

North Front & Market Streets

www.pfm.com

Harrisburg, PA 17101

Date: June 23, 2008

To: Timothy Tieperman, Manager
Warrington Township

From: Brad Remig, Managing Director
Public Financial Management

Re: Bond Issue & Market Report

Attached please find the final bond issue numbers and a bond pricing and market report.

To summarize the bond issue numbers circulated by Janney Montgomery Scott, the net millage increase for the non-fire related projects is only 0.57 mills due to the wrap around structure. The interest rate on the bonds (as reported to the IRS who keeps track of tax-exempt bond rates) is just under 4.3%. The bonds are rated Aaa by Moody's with the low bid from the bond insurance company, Assured Guaranty, while the Township's credit rating was reconfirmed at A1 which is very respectable. The bonds can be prepaid without penalty starting 12/1/2013.

Also attached please find a market summary and bond pricing report as prepared by Public Financial Management. The Township's bond issue was the only deal in the market today that was bank qualified so it received all the attention from those buyers. This is good since that increases demand. The 2 rate charts show that the bond market seems to think that interest rates are headed upwards, so we believe it is a good time to lock-in borrowing rates. The Federal Reserve may raise interest rates later this year to fight off what many see as growing inflation. The last matrix shows that not only were the interest rates on the bonds good in the big picture, but the Township's rates were very good when compared to other Pennsylvania issuers in the market within the past 2 weeks.

Thank you for your attention and Randy Lawlace from Janney Montgomery Scott and I will be present at the meeting tomorrow night to review this information and answer any questions.