

Municipal Portfolio Analysis

Date

Bank

City, State



Methodology Justification

Certain economic data is helpful in projecting economic activity and, therefore, the anticipated direction of the economy. This information is helpful in evaluating the financial strength within a given geographic area which could have a bearing on the financial strength of bonds issued in that area. A state, county or city that is experiencing negative trends in certain metrics will have a high correlation to negative trends in the quality of securities issued. Even with this positive correlation, there will always be good areas with bad bonds and bad areas with good bonds. The purpose of analyzing a portfolio of diverse holdings using a set of data points and a screening process of these data sets is to try to identify those areas early on with negative trends. Once a location is identified as having sufficient negative trends, further analysis can be performed on the bond issues in that location.

While there are almost endless data sets, we have determined that a list of six would be sufficient to help identify potential problems. Someone else might view six as not enough or too many or even select a completely different data set. For our purposes we have selected the following:

- (1) Population
- (2) Income
- (3) Housing
- (4) Unemployment
- (5) Taxes
- (6) Distress

A negative trend in any one of these may not be significant, but if an area possesses a negative trend in several, it certainly warrants further review. In addition, the magnitude of the trend is important. Small changes can occur in either direction so we are only concerned about changes outside of a given magnitude. The changes we have selected are:

- (1) Population change from 2014 – 2015 greater than $-.08$
- (2) Personal income per capita less than or equal to 70% of the U.S. per capita for 2015
- (3) Annual Foreclosure (%) – County (2016) greater than or equal to $.57\%$
- (4) Unemployment rate greater than or equal to 12%

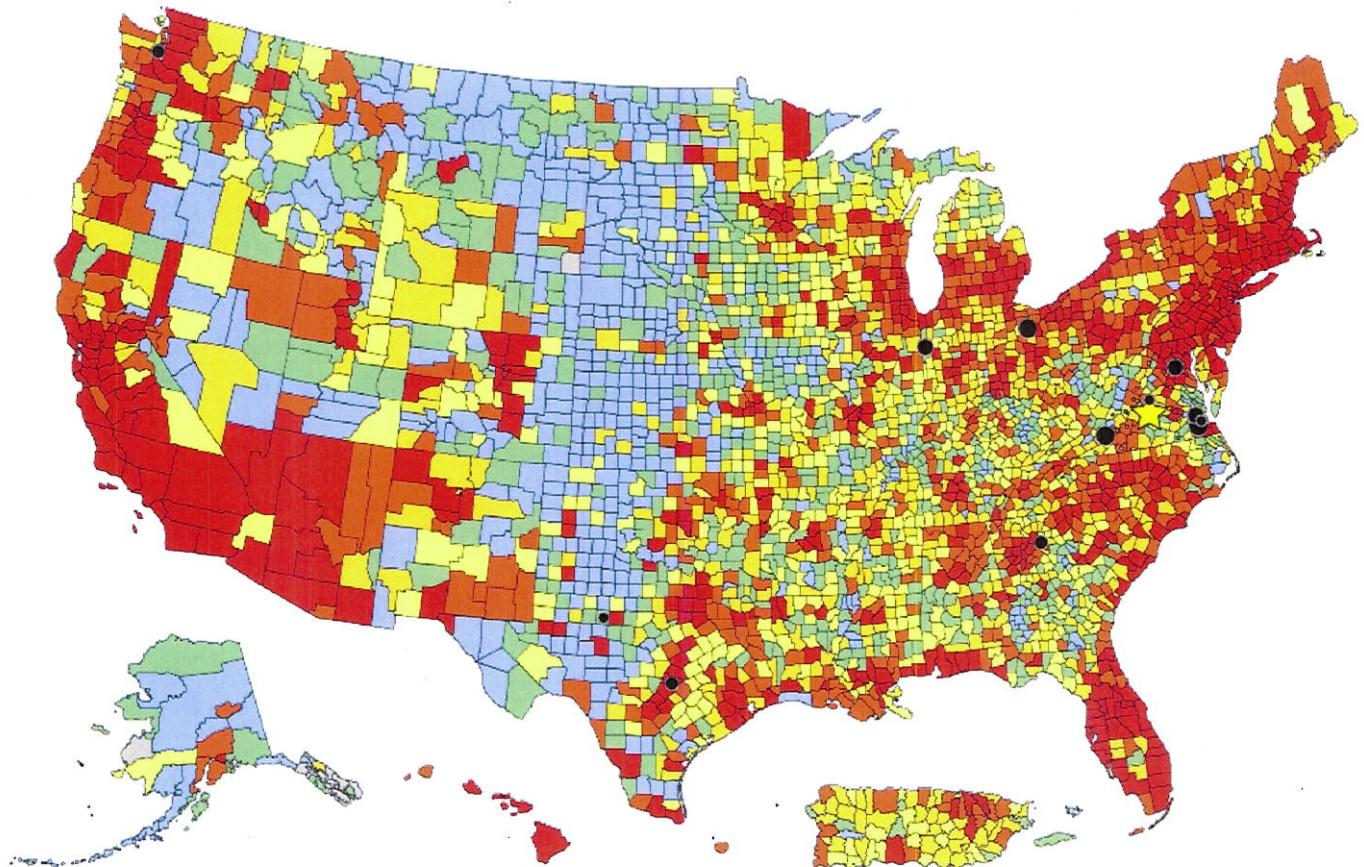
(5) Assessed value of real & personal property change from 2014 – 2015 greater than -.05

(6) GEO Score – Current less than 3.4

GEO Score is a proprietary calculation derived by the DIVER analysts and considers several factors when analyzing economic strength. The rating is from 0 to 10 spread over six ranges. 0 – 1.7 is very bad and 8.6 – 10 is very good. We will set our further review standard at the range of 1.8 – 3.4.

With the recent economic downturn, all credit instruments have come under greater scrutiny and should prompt bankers into taking a closer look at the type of bonds they own as well as the location. Historically, municipal bonds have a lower default rate than corporate bonds and within the purpose of the bond default, rates can vary even more. There can be a difference in the rate of municipal defaults when looking at difference sources. From 1970 to 2011 Moody's Investment Services listed 71 defaults and Standard & Poor's listed 47, while the Federal Reserve indicated 2,366. The difference can be accounted for because Moody's and S&P just reported rated bonds while the Fed included non-rated bonds. A few facts are consistent among all three and that is general obligation bonds seldom default as do revenue bonds for critical services such as water and electricity. The highest incident of defaults occurs in revenue bonds for private purposes. Of the largest total default number, housing projects contributed 17%, nursing homes 12%, healthcare 11%, and industrial development bonds 28% for a total of 68% of all defaults from these categories. Based on that, one could elect, and many services do, to screen by purpose. In other words, if you don't own any of these types of bonds, you are probably okay. While we think that is a reasonable approach, it is best used after you perform an initial screen using economic data. Often banks own perfectly good bonds where current financial information is not available. For this reason, an alternative set of predictive data should be used to help identify potential problems. The economic data we have selected is readily available and is timely.

Population - County (2015)

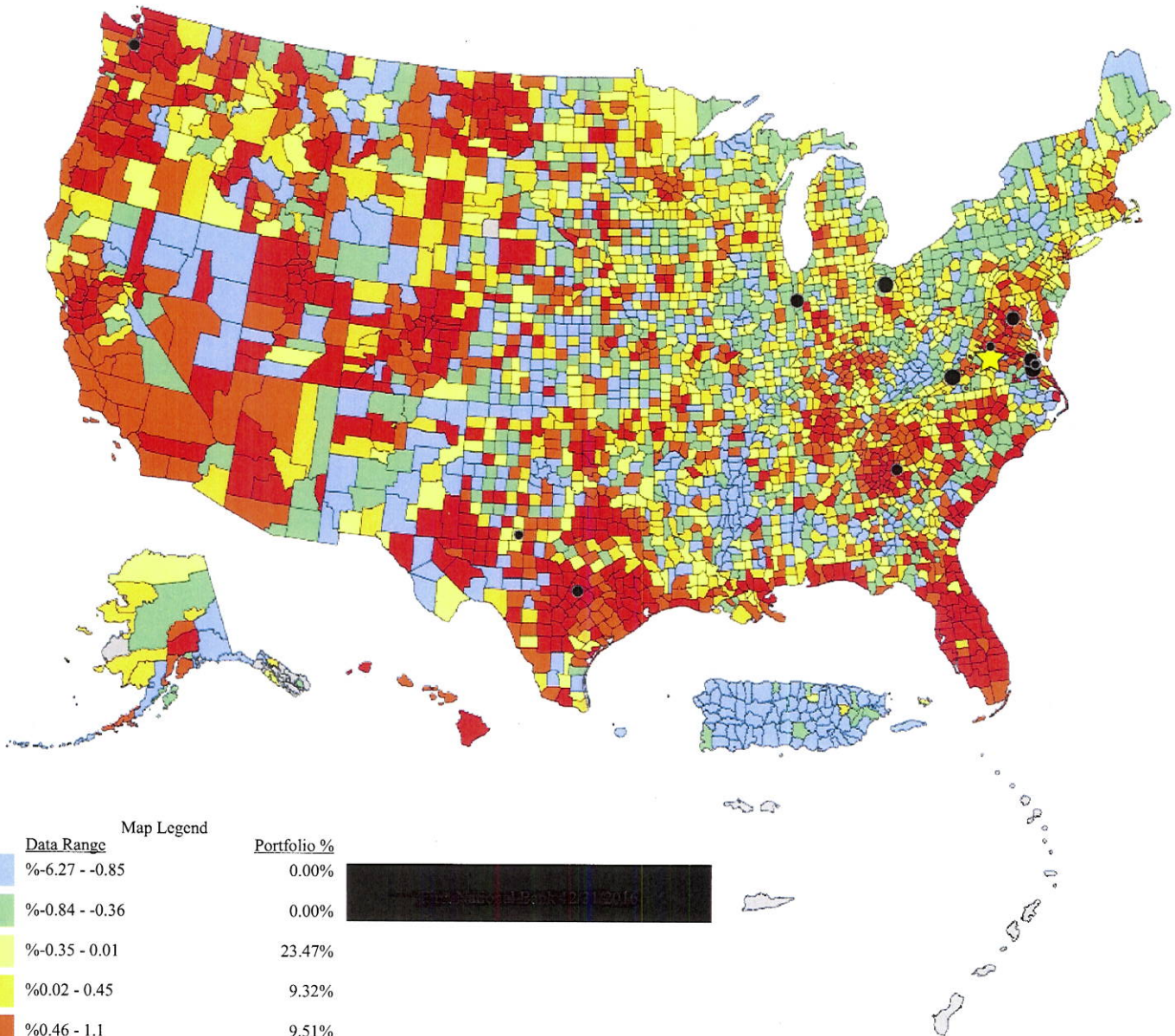


Map Legend	
Data Range	Portfolio %
#89 - 7,903	0.00%
#7,904 - 15,551	17.96%
#15,552 - 26,167	0.00%
#26,168 - 45,940	18.52%
#45,941 - 116,572	18.34%
#116,573 - 10,170,292	21.21%
N/A	
	76.03%

Source:
US Census Bureau

Unit Size:
Whole #

Population Change - County (2014-2015)

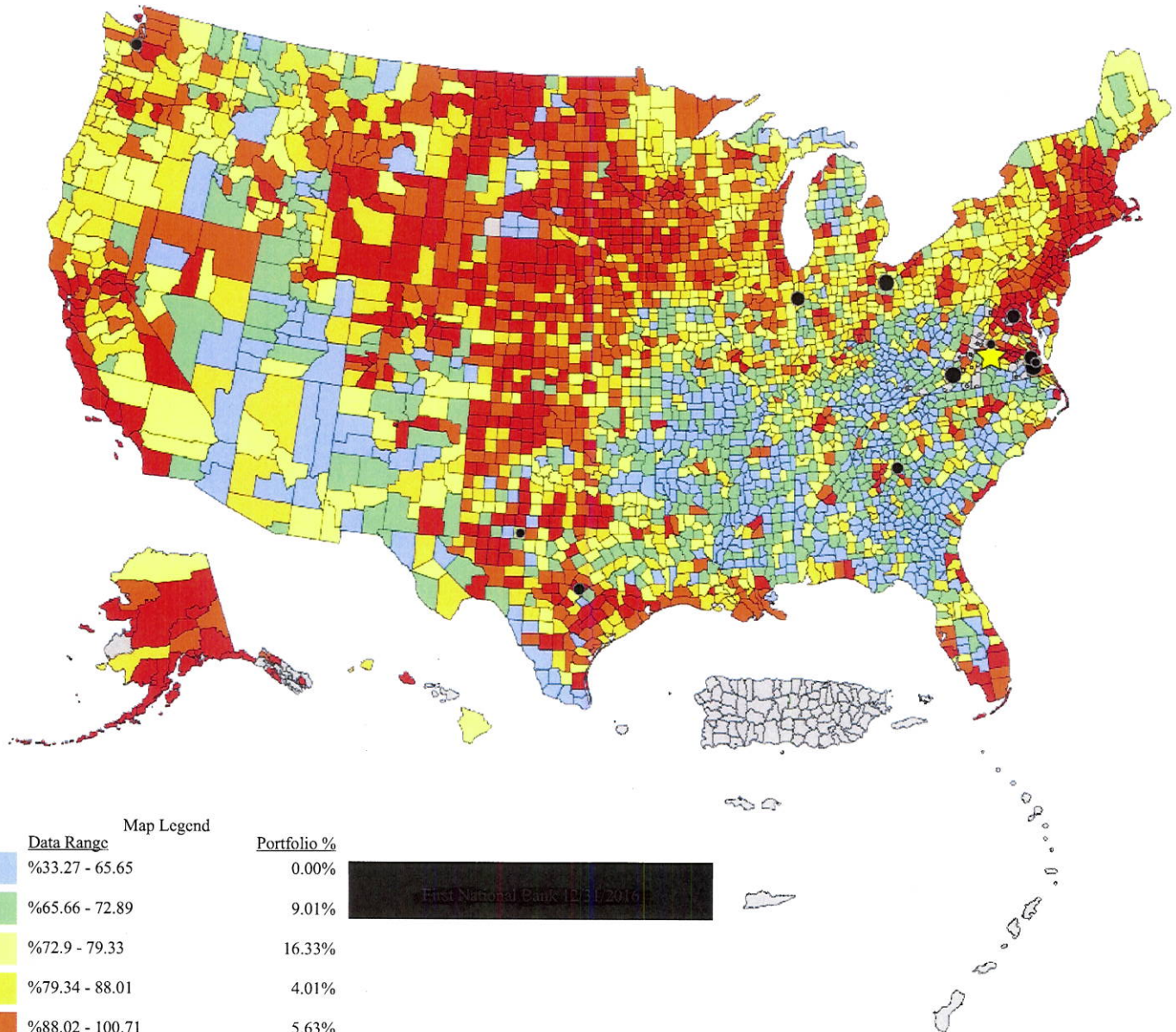


Map Legend	
Data Range	Portfolio %
Blue: % -6.27 - -0.85	0.00%
Green: % -0.84 - -0.36	0.00%
Yellow: % -0.35 - 0.01	23.47%
Light Green: % 0.02 - 0.45	9.32%
Orange: % 0.46 - 1.1	9.51%
Red: % 1.11 - 28.74	33.73%
Grey: N/A	
	76.03%

Source:
US Census Bureau

Unit Size:
N/A

Personal Income Per Capita as % US - County (2015)

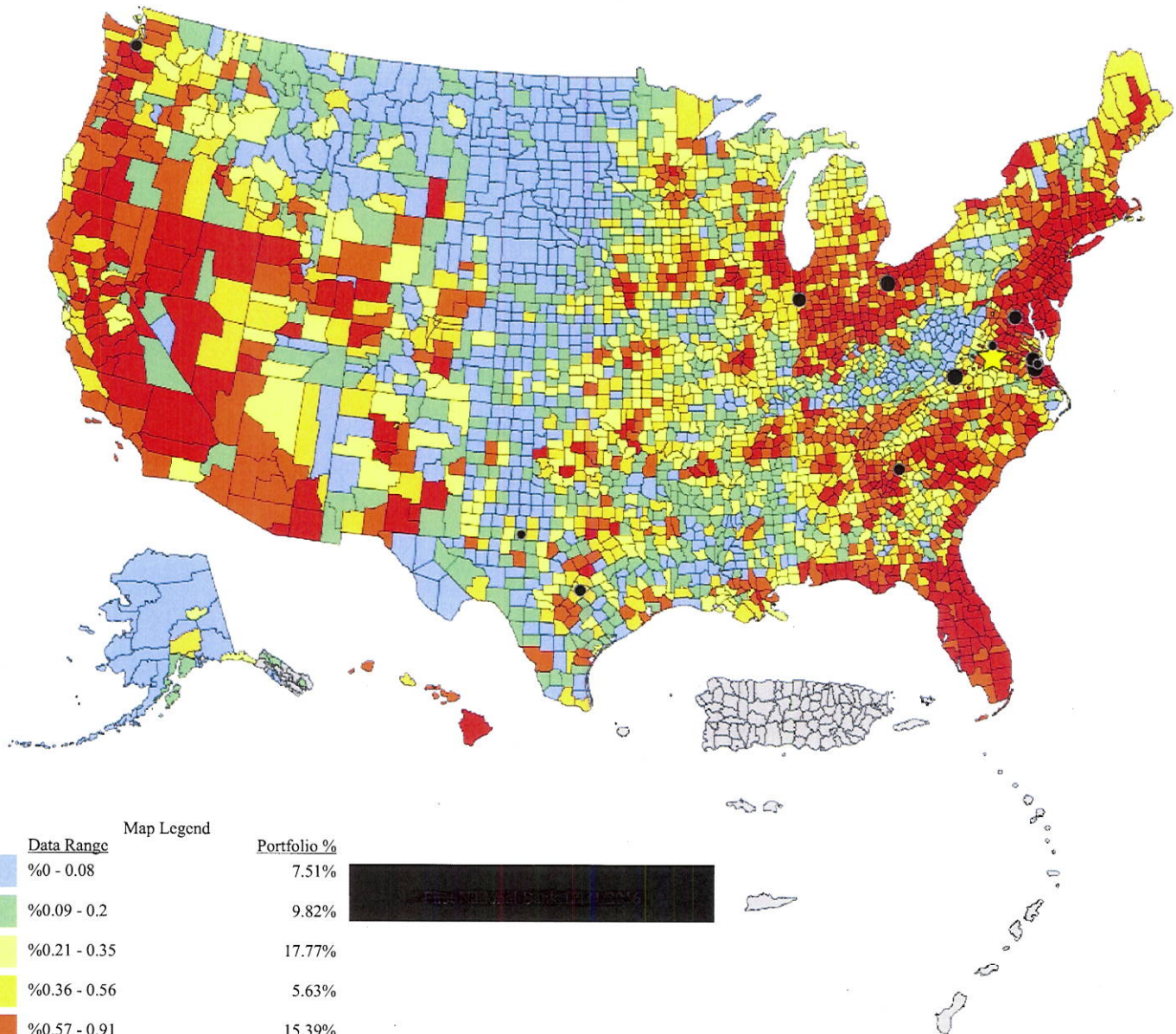


Data Range	Portfolio %
%33.27 - 65.65	0.00%
%65.66 - 72.89	9.01%
%72.9 - 79.33	16.33%
%79.34 - 88.01	4.01%
%88.02 - 100.71	5.63%
%100.72 - 405.02	21.09%
N/A	19.96%
	76.03%

Source:
Bureau of Economic Analysis

Unit Size:
N/A

Annual Foreclosure (%) - County (2016)

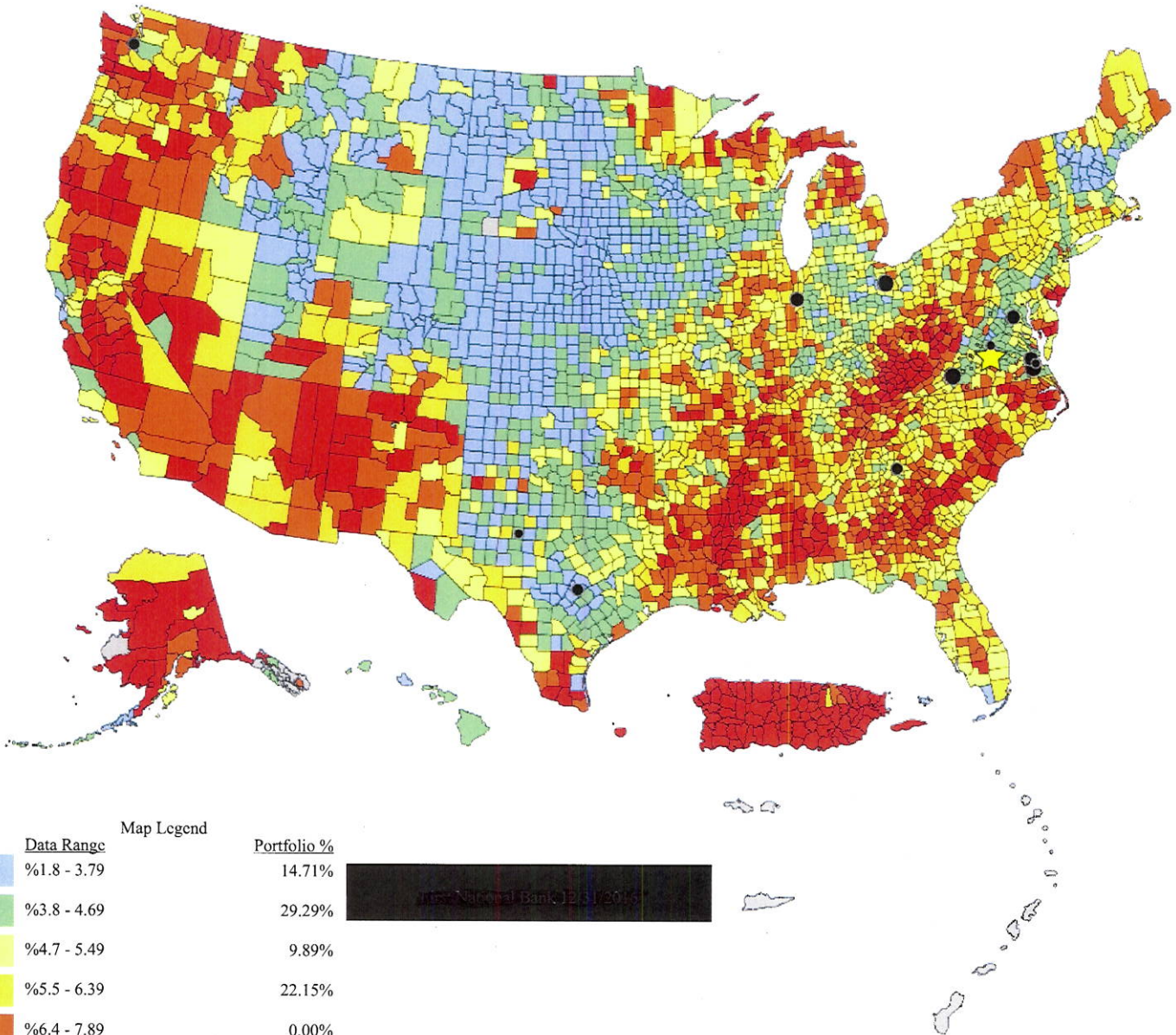


Map Legend	
Data Range	Portfolio %
%0 - 0.08	7.51%
%0.09 - 0.2	9.82%
%0.21 - 0.35	17.77%
%0.36 - 0.56	5.63%
%0.57 - 0.91	15.39%
%0.92 - 6.87	19.90%
N/A	
	76.03%

Source:
RealtyTrac

Unit Size:
N/A

Unemployment (%) - County (2015)

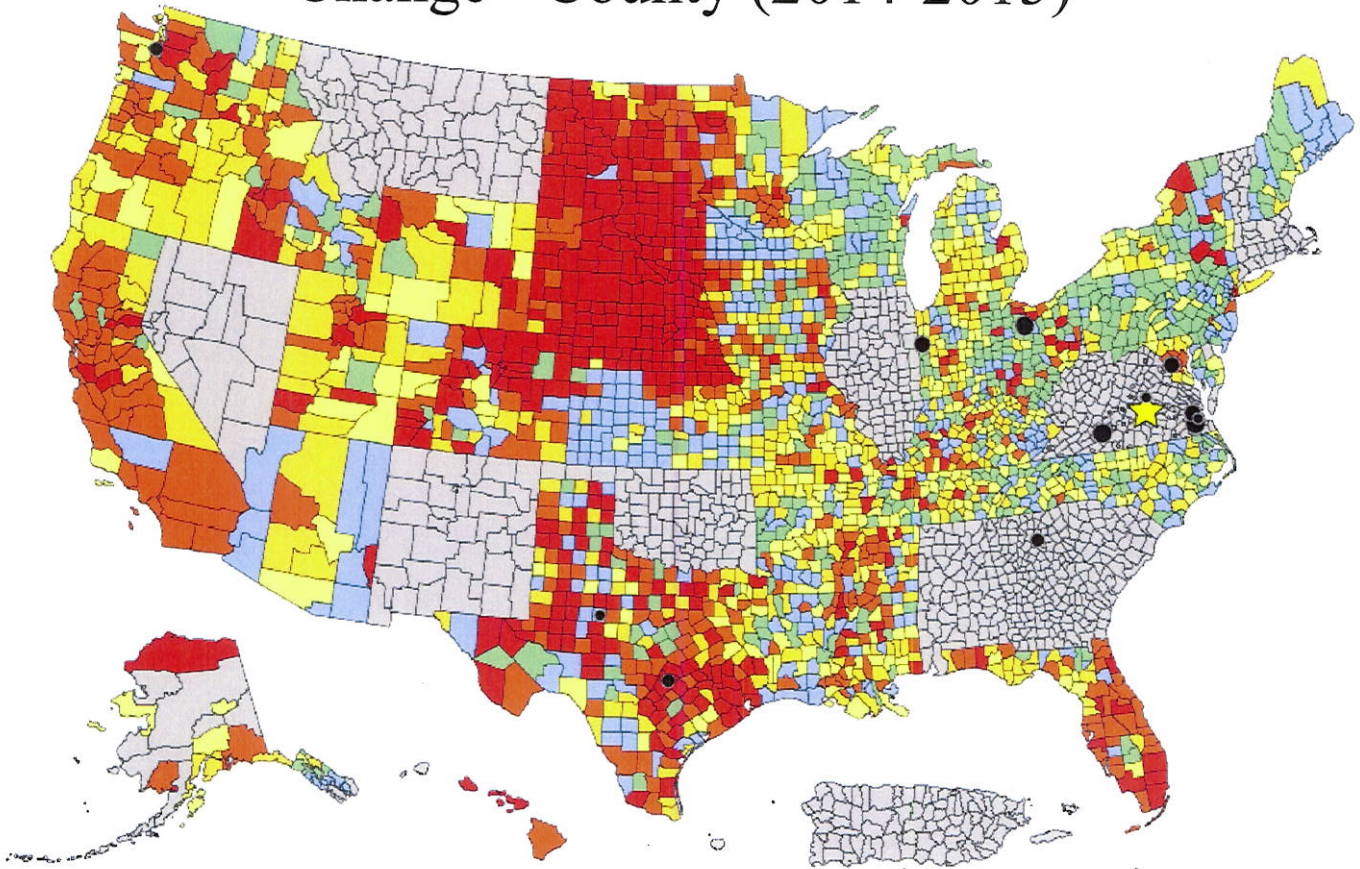


Map Legend	
Data Range	Portfolio %
%1.8 - 3.79	14.71%
%3.8 - 4.69	29.29%
%4.7 - 5.49	9.89%
%5.5 - 6.39	22.15%
%6.4 - 7.89	0.00%
%7.9 - 24.3	0.00%
N/A	
	76.03%

Source:
Bureau of Labor Statistics

Unit Size:
N/A

Assessed Values - Real & Personal Change - County (2014-2015)



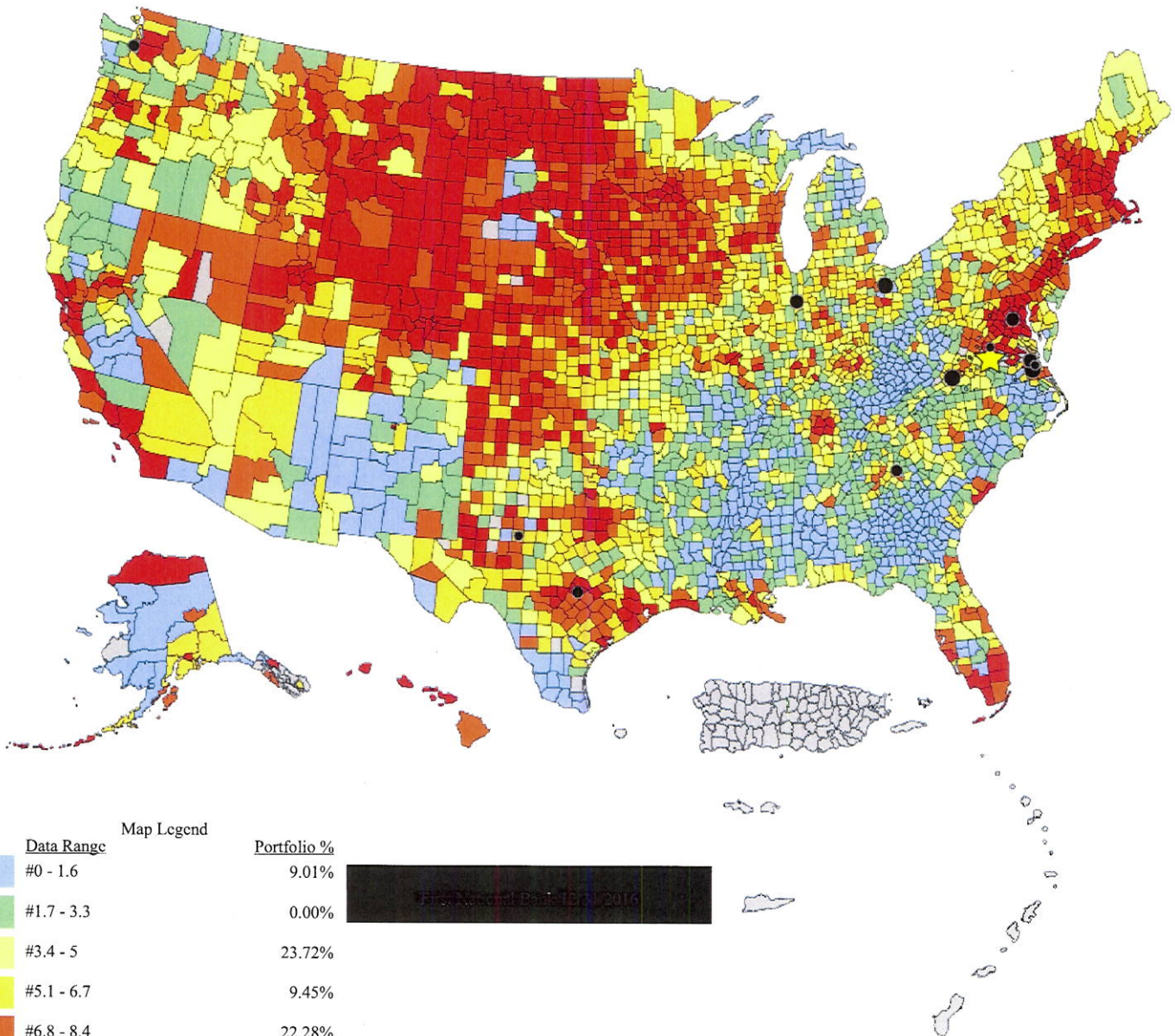
Map Legend	
Data Range	Portfolio %
%-49.43 - 0.04	3.57%
%0.05 - 1.06	0.00%
%1.07 - 2.28	0.00%
%2.29 - 4.01	6.88%
%4.02 - 7.87	0.00%
%7.88 - 122.24	19.96%
N/A	45.62%
	76.03%

First National Bank 12/31/2015

Source:
State and County Taxation, Treasury, and Assessment Offices

Unit Size:
N/A

DIVER Geo Score - Current - County (Dec,2016)



Map Legend	
Data Range	Portfolio %
#0 - 1.6	9.01%
#1.7 - 3.3	0.00%
#3.4 - 5	23.72%
#5.1 - 6.7	9.45%
#6.8 - 8.4	22.28%
#8.5 - 10	11.58%
N/A	
	76.03%

Source:
Lumesis, Inc.

Unit Size:
Whole #

Portfolio Statistics and Comparison

Measure	
General Information:	
Portfolio Size:	\$7,990,000
# of CUSIPs:	17
# of Issuers:	16
State Concentration:	
# of States/Territories:	6
Largest State Exposure:	\$5,090,000
State with Largest Exposure:	VA
Top 10 States as % of Portfolio:	100.00%
County Concentration:	
# of Counties:	12
Largest County Exposure:	\$760,000
County with Largest Exposure:	Isle of Wight
Top 10 Counties as % of Portfolio:	69.34%
Weighted Average Measures:	
Population Change - County (2014-2015)	0.92%
Personal Income Per Capita as % US - County (2015)	98.56%
Annual Foreclosure (%) - County (2016)	0.57%
Unemployment (%) - County (2015)	4.68%
Assessed Values - Real & Personal Change - County (2014-2015)	9.69%
DIVER Geo Score - Current - County (Dec,2016)	5.91



Virginia Report

State Data

Other

- State Map and Portfolio Exposures - Population - County (2015)
- Virginia State Portfolio Distribution
- Virginia State Portfolio Distribution

County Data

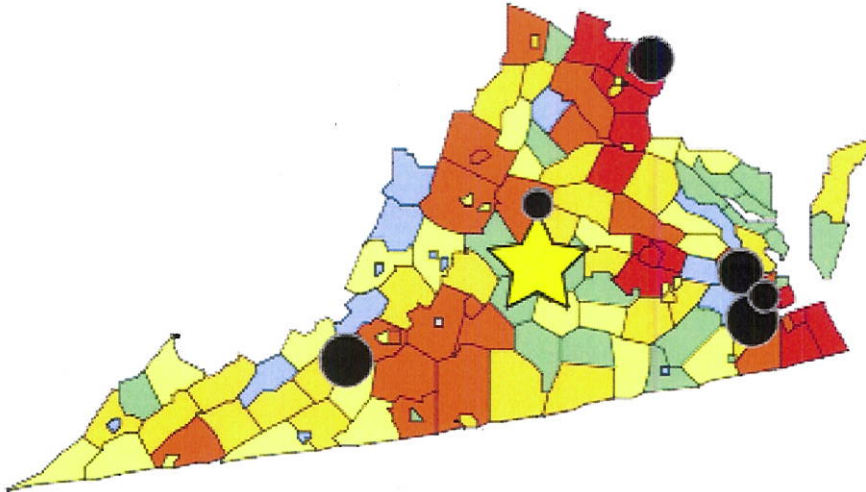
Isle of Wight, VA

Other

- Isle of Wight County Portfolio Distribution
- Isle of Wight County Portfolio Distribution

State Other

State Map and Portfolio Exposures - Population - County (2015)



Map Legend

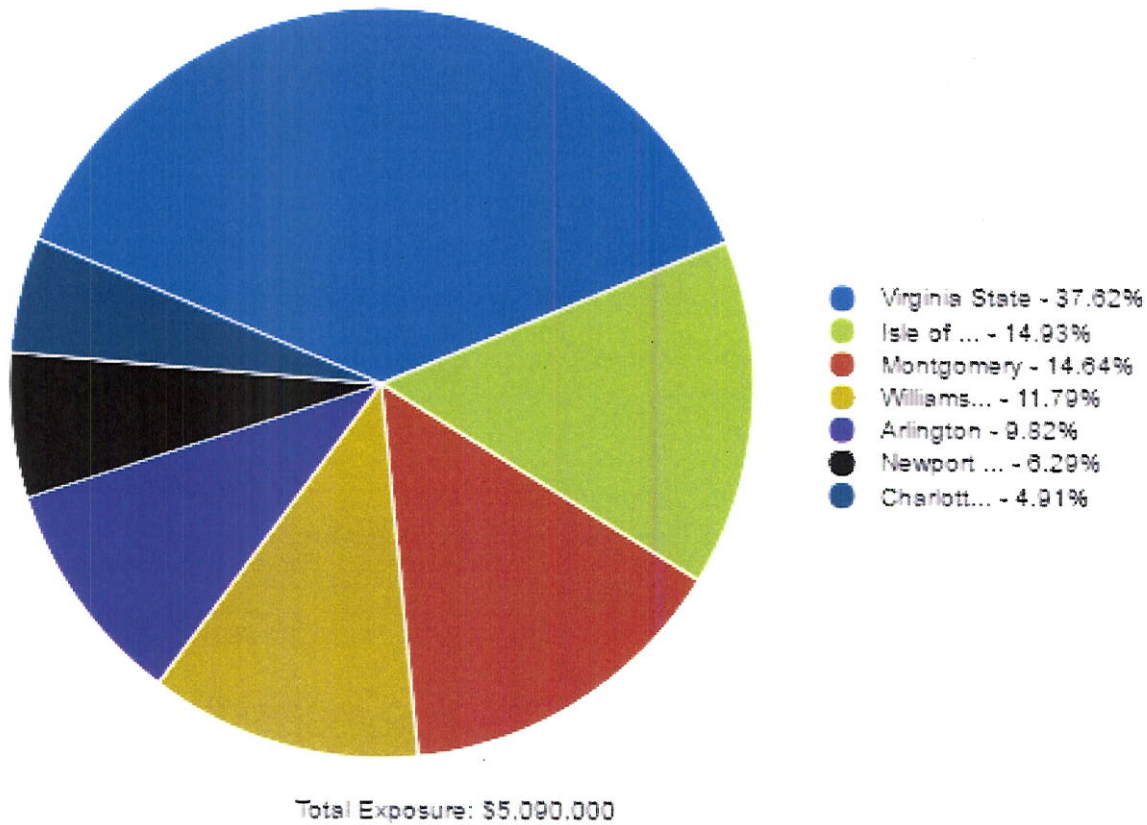


© 2016 National Bank of Commerce

Source:
US Census Bureau

Unit Size:
Whole #

Virginia State Portfolio Distribution



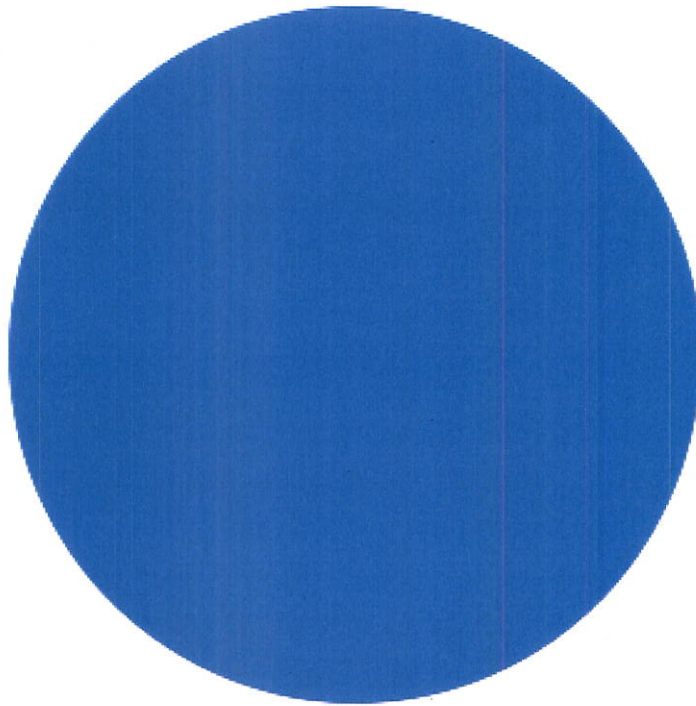
Virginia State Portfolio Distribution

County (Total:7)	Exposure %	Exposure (\$)	(#) DIVER Geo Score - Current	Details
Virginia State	37.62%	\$1,915,000	N/A	View
Isle of Wight	14.93%	\$760,000	8	View
Montgomery	14.64%	\$745,000	4.1	View
Williamsburg City	11.79%	\$600,000	3.5	View
Arlington	9.82%	\$500,000	10	View
Newport News City	6.29%	\$320,000	6.9	View
Charlottesville City	4.91%	\$250,000	7.5	View

Portfolio Name:

Isle of Wight, VA: Other

Isle of Wight County Portfolio Distribution



464632NB0 100.00%

Total Exposure: \$760,000

Isle of Wight County Portfolio Distribution

County (Total:1)	CUSIPS	Exposure (\$)	(#) Population
Isle of Wight	464632NB0	\$760,000	36,314

Portfolio Name:

Datasets / Locations	US Value	ARLINGTON CNTY VA	BENTON IND SCH IMPT BLDG CORP	BLACKSBURG VA	BRASELTON GA URBAN REDEV AGY REV
Exposure		\$500,000	\$550,000	\$245,000	\$470,000
Population Change - County (2014-2015)	0.73%	1.12%	-0.18%	0.29%	2.44%
Personal Income Per Capita as % US - County (2015)	100.00%	179.08%	73.58%	N/A	72.98%
Annual Foreclosure (%) - County (2016)	0.86%	0.18%	1.02%	0.23%	0.83%
Unemployment (%) - County (2015)	5.30%	2.80%	4.40%	4.30%	4.80%
Assessed Values - Real & Personal Change - County (2014-2015)	2.12%	N/A	2.94%	N/A	8.07%
DIVER Geo Score - Current - County (Dec,2016)	5.00	10.00	4.90	4.10	5.50

Datasets / Locations

	BREMERTON WASH WTR & SWR REV	CHARLOTTESVILLE VA	EALES TEX INDPT SCH DIST	HIGHLAND TEX INDPT SCH DIST
Exposure	\$450,000	\$250,000	\$425,000	\$285,000
Population Change - County (2014-2015)	2.20%	2.14%	2.22%	0.01%
Personal Income Per Capita as % US - County (2015)	99.67%	N/A	121.30%	77.37%
Annual Foreclosure (%) - County (2016)	0.54%	0.28%	0.31%	0.11%
Unemployment (%) - County (2015)	5.50%	3.70%	3.30%	4.10%
Assessed Values - Real & Personal Change - County (2014-2015)	9.84%	N/A	14.55%	-1.36%
DIVER Geo Score - Current - County (Dec,2016)	7.80	7.50	9.80	6.30

Datasets / Locations	MONTGOMERY		NEWPORT NEWS VA	NORTHMOR OHIO LOC SCH DIST	VIRGINIA COLLEGE BLDG AUTH VA EDL FACS REV
	ISLE WIGHT CNTY VA	CNTY VA ECONOMIC DEV AUTH PUB FAC LEASE REV			
Exposure	\$760,000	\$500,000	\$320,000	\$720,000	\$500,000
Population Change - County (2014-2015)	0.86%	0.29%	-0.06%	-0.31%	N/A
Personal Income Per Capita as % US - County (2015)	105.26%	N/A	84.08%	72.07%	N/A
Annual Foreclosure (%) - County (2016)	0.66%	0.23%	1.24%	1.22%	N/A
Unemployment (%) - County (2015)	4.60%	4.30%	5.40%	5.80%	N/A
Assessed Values - Real & Personal Change - County (2014-2015)	N/A	N/A	N/A	16.26%	N/A
DIVER Geo Score - Current - County (Dec,2016)	8.00	4.10	6.90	1.20	N/A

Datasets / Locations

Exposure	VIRGINIA ST HSG DEV AUTH HOMEOWNERSHIP MTG REV	VIRGINIA ST HSG DEV AUTH HOMEOWNERSHIP MTG REV	VIRGINIA ST RES AUTH INFRASTRUCTURE REV	WILLIAMSBURG VA
Population Change - County (2014-2015)	\$465,000	\$500,000	\$450,000	\$600,000
Personal Income Per Capita as % US - County (2015)	N/A	N/A	N/A	1.45%
Annual Foreclosure (%) - County (2016)	N/A	N/A	N/A	N/A
Unemployment (%) - County (2015)	N/A	N/A	N/A	0.00%
Assessed Values - Real & Personal Change - County (2014-2015)	N/A	N/A	N/A	6.30%
DIVER Geo Score - Current - County (Dec,2016)	N/A	N/A	N/A	N/A
				3.50

Population Change - County (2014 - 2015)

These are the counties and CUSIPS that had a population change of negative .08 or greater for 2014 - 2015

State	County	CUSIP	Population Change - County (2014 - 2015)
Indiana	Benton	083209CS3	-0.18
Ohio	Crawford	666603BD6	-0.31

Annual Foreclosure (%) County (2016)

These are the counties and CUSIPS that had a residential vacancy rate of .57% or greater for 2016

State	County	CUSIP	Annual Foreclosure (%) County (2016)
Georgia	Jackson	10551RAG7	0.83
Indiana	Benton	083209CS3	1.02
Ohio	Crawford	666603BD6	1.22
Virginia	Isle of Wight	464632NB0	0.66
Virginia	Newport News City	652233EU7	1.24

Assessed Value

These are the counties and CUSIPS that had an assessed value change of negative .05 or greater for 2014-2015

State	County	CUSIP	Assessed Value - Real & Personal Property Change County 2014-2015
Texas	Nolan	430812DJ3	-1.36

Geo Score - Current

These are the counties and CUSIPS that had a DIVER Geo Score of 3.4% or less for current month

State	County	CUSIP	DIVER Geo Score - County Current Month
Ohio	Crawford	666603BD6	1.20

Counties for Closer Examination

Crawford, OH

Population Change	-0.31%
Annual Foreclosure (%) County	1.22%
GEO Score	1.20



Ohio Report

County Data

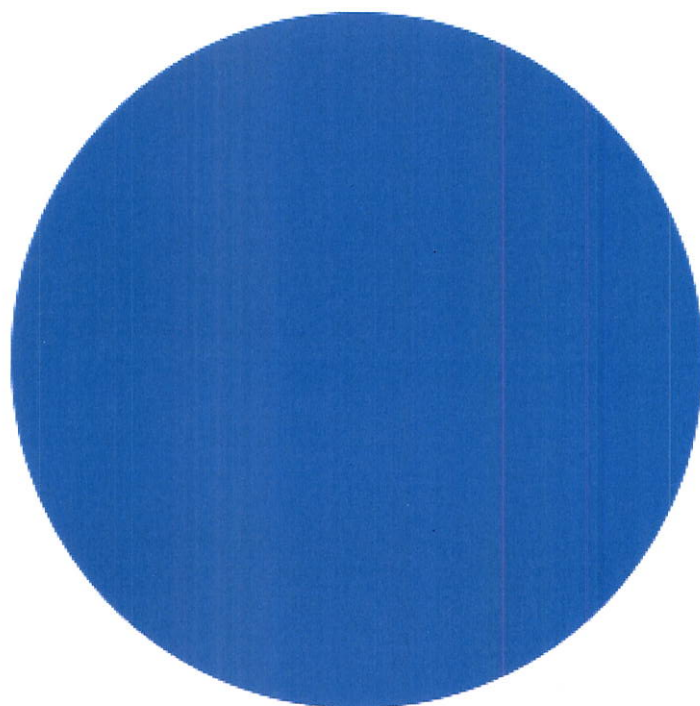
Crawford, OH

Other

- Crawford County Portfolio Distribution
- Crawford County Portfolio Distribution

Crawford, OH: Other

Crawford County Portfolio Distribution



666603BD6 100.00%

Total Exposure: \$720,000

Crawford County Portfolio Distribution

County (Total:1)	CUSIPS	Exposure (\$)	(#) Population
Crawford	666603BD6	\$720,000	42,306

Portfolio Name:

NORTHMOR OHIO LOC SCH DIST 4.000% 2030-11-01

CUSIP: 666603BD6

As of: 02/09/2017 11:36 AM EST

Terms and Features

CUSIP:	666603BD6	Min. Denomination:	\$5,000
Issuer:	NORTHMOR OHIO LOC SCH DIST	Coupon Type:	Orig Issue Premium
Obligor:	Northmor Local Sch Dist OH	Coupon:	4.000%
Obligor Website:	http://www.northmor.k12.oh.us/	Int. Pmt Frequency:	Semiannually
Muni Type:	Unlimited Tax G.O.	Bank Qualified:	Yes
Debt Type:	Bond	Federal:	Tax Exempt
Proceeds Use:	Primary/Secondary Education	State Taxable:	No
Maturity Amount:	\$720,000		
Dated Date:	11/08/2016		
Maturity Date:	11/01/2030		
Redemption Information		Credit Enhancement	
Redemption:	None	Additional C.E.	Provider
Extraordinary Call Prov:	No	OH School Dist Credit Enhancement Program	-
Spcl Mandatory Prov:	No		
Spcl Optional Prov:	No		
Callable in Whole:	Anytime (beg. on first call date)		
Callable in Part:	Anytime (beg. on first call date)		
Call Schedule:			
	Start Date	Call Price	
	11/01/26	100.000	
Sinking Fund Schedule:	No		

OS and Continuing Disclosures

Official Statement:	http://emma.msrb.org/SecurityView/SecurityDetails.aspx?cusip=666603BD6
Continuing Disclosures:	http://emma.msrb.org/SecurityView/SecurityDetailsARD.aspx?cusip=666603BD6 (Includes 15c2-12 and Voluntary Disclosures)
Most Recent 15c2-12 Filings (since 06/01/2009):	
Financial/Operating:	Annual Financial Information Operating Data 15c212: Year Ended - June 30, 2016 Filing
Material Events:	No Filings Exist Since 06/01/2009
Disclosure Filings for Past 12 Months:	
Annual Financial Information Operating Data 15c212	
2016-11-17	Annual Financial Information Operating Data 15c212: Year Ended - June 30, 2016 Filing
2016-10-19	Annual Financial Information Operating Data 15c212: Year Ended - June 30, 2016 Filing

News

Location	Newspaper
Galion City	Galion Inquirer
Ohio	Bond Buyer

Credit Ratings

Fitch

No Fitch Public Finance Ratings Exist.

Price / Yield Information

MSRB Trade History

Trade Date/Time	Settlement Date	Price (%)	Yield (%)	Trade Amt (\$)	Trade Submission Type
10/07/2016 :09:37 AM	11/08/2016	118.909	1.91	720,000	Customer Bought
10/05/2016 :12:38 PM	11/08/2016	117.914		720,000	Inter-dealer Trade

Issuance Advisors / Potential Conflicts Check

Lead Underwriter:
Financial Advisor(s):

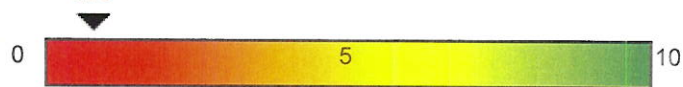
ROBERT W BAIRD & COMPANY INC
WILLIAM BLAIR & COMPANY LLC

Geo Location / Sector

School District	City/Town	County	State
Northmor Local	Galion City	Crawford	Ohio
Sector Designation			
School District			

DIVER Geo Score: Crawford (County), OH

Current Score: 0.8



Score 12 Mos Ago: 0.8

Description: The DIVER Geo Score is a proprietary measure of the relative economic health of the referenced geographic location, where 10 represents the best health. It is not a rating or opinion with regard to a bond, issuer or obligor.

Sector Based Economic Data

	Northmor Local		Ohio		USA	
	2014	2013	2014	2013	2014	2013
Debt Outstanding at Year End (PSED)	\$13,648,000	\$14,500,000	\$10,169,322,000	\$9,382,042,000	\$409,342,005,000	\$415,238,582
Public Elementary & Secondary School Enrollment	1,085	1,089	1,601,566	1,613,718	48,349,251	48,299,727

(Source: US Census Bureau)

	Northmor Local	
	2015	2014
Population	7,822	7,840

(Source: US Census Bureau (SAIPE Program))

	Galion City		Ohio		USA	
	2015	2014	2016	2015	2014	2016
Population	10,127	10,165	11,614,373	11,605,090	11,594,408	323,127,513

(Source: US Census Bureau)

	Crawford	Ohio		USA		
	Dec 2016	Dec 2016	Dec 2015	Jan 2017	Dec 2016	Dec 2015
Unemployment (%)	5.70%	4.70%	4.60%	5.10%	4.50%	4.80%

(Source: Bureau of Labor Statistics)

	Crawford	Ohio		USA		
	Q3 2016	Q3 2015	Q3 2016	Q3 2015	Q3 2016	Q3 2015
Housing Price Index	123.59	118.94	119.76	114.23	159.25	150.83

(Source: Federal Housing Finance Agency)

	Crawford		Ohio		USA		
	2015	2014	2015	2014	2016	2015	2014
Unemployment (%)	5.80%	6.70%	4.90%	5.80%	4.90%	5.30%	6.20%

(Source: Bureau of Labor Statistics)

	Crawford		Ohio		USA		
	2015	2014	2015	2014	2015	2014	2014
Poverty (%)	16.50%	15.40%	14.80%	15.80%	14.70%	15.50%	

(Source: US Census Bureau)

	Crawford			USA		
Unit Size: Millions	2015	2014	2016	2015	2014	2014
Assessed Values - Real & Personal	\$595	\$512	\$1,750	\$1,122	\$985	

(Source: State and County Taxation, Treasury, and Assessment Offices)

	Ohio		USA	
	2015	2014	2015	2014
Median Home Value (1 Year)	\$136,400	\$129,100	\$194,500	\$181,200
Median Household Income	\$53,301	\$49,644	\$56,516	\$53,657

(Source: US Census Bureau)

Diver - Patent Pending; © 2017 Lumesis, Inc. All Rights Reserved. All information contained herein is the property of Lumesis, its affiliates and its licensors and is protected by copyright law. None of such information may be copied or otherwise reproduced, repackaged, further transmitted, transferred, disseminated, redistributed or resold, in whole or in part, in any form or manner or by means whatsoever, by any person without prior consent of Lumesis. Lumesis makes no representations or warranties with regard to information added to DIVER by the user, be it their own content or content licensed from a third party. In such circumstances where such information is added or annexed to DIVER, the user represents they have the right to access, add and use such information.

CUSIP Database provided by CUSIP Global Services, managed by Standard & Poor's Financial Services LLC on behalf of the American Bankers Association. Copyright © 2017, American Bankers Association. All rights reserved.

Historical Pricing and Continuing Disclosure Information provided via the Municipal Securities Rulemaking Board ("MSRB"). RTRS Historical Data Product represents certain inter-dealer and customer trades in municipal securities that have been reported by dealers to the MSRB. The data does not necessarily reflect all transactions that were effected on the specific trade date noted. There is the possibility of errors in the trade submission process or errors or omissions in other processing of data, or delays in delivery of data reported by dealers or reported by the MSRB. The data should not be used as the sole basis for pricing or executing transactions in municipal securities. Prices for transactions vary with market conditions and can be affected by trade size and other factors. Neither the MSRB nor its suppliers of data products or other services used to generate the data reports warrant or guarantee the accuracy of the data contained therein. Such transaction data and/or related information may not exist for all municipal securities. The continuing disclosure documents and other information provided through the EMMA Continuing Disclosure Service are submitted to the MSRB by issuers, obligated persons and their agents. Such documents may not exist for all municipal securities and such documents are not

required to be submitted to the MSRB for certain types of offerings. There is the possibility of failures by submitters to submit required documents to the MSRB, or of errors or delays in the processing of such documents by submitters or the MSRB. Neither the MSRB nor its suppliers of data products or other services used to generate the information reviews the information contained in such documents for accuracy, completeness or any other purpose, and does not warrant or guarantee the accuracy of any information contained in such documents that are a part of the data provided through the Continuing Disclosure Historical Data Product.

Certain financial information included in *Diver* is proprietary to Mergent, Inc. ("Mergent") Copyright © 2017. Reproduction of such information in any form is prohibited. Because of the possibility of human or mechanical error by Mergent's sources, Mergent or others, Mergent does not guarantee the accuracy, adequacy, completeness, timeliness or availability or for the results obtained from the use of such information.

© 2017, Moody's Analytics, Inc. and its licensors ("Moody's"). Moody's ratings are proprietary to Moody's and/or its licensors and are protected by copyright and other intellectual property laws. Moody's ratings are licensed to Lumesis by Moody's. MOODY'S RATINGS MAY NOT BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT.

© 2017, Standard & Poor's Financial Services LLC ("S&P"). Reproduction of RatingsXpress-Credit Ratings in any form is prohibited except with the prior written permission of S&P. S&P does not guarantee the accuracy, completeness, timeliness or availability of any information, including ratings, and is not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of ratings.

S&P GIVES NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. S&P SHALL NOT BE LIABLE FOR ANY DIRECT, INDIRECT, INCIDENTAL, EXEMPLARY, COMPENSATORY, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES, COSTS, EXPENSES, LEGAL FEES, or LOSSES (INCLUDING LOST INCOME OR PROFITS AND OPPORTUNITY COSTS) IN CONNECTION WITH ANY USE OF RATINGS. S&P's ratings are statements of opinions and are not statements of fact or recommendations to purchase, hold or sell securities. They do not address the market value of securities or the suitability of securities for investment purposes, and should not be relied on as investment advice.

Copyright 2017 Lumesis, Inc / Diver Advisor - Patent Pending

All Rights Reserved.

