

**CENTRAL BUCKS SCHOOL DISTRICT**  
**Finance Committee Minutes**  
**April 16, 2014**

Committee Members Present

Jerel Wohl, Chairperson  
Jim Duffy, Member  
Joe Jagelka, Member  
Tyler Tomlinson, Member

Other Board Members and Administrators Present

Steve Corr  
Paul Faulkner  
Geri McMullin

Dave Matyas, Business Administrator  
Susan Vincent, Director of Finance

Dr. Dave Weitzel, Superintendent  
Ken Rodemer, Assistant Director of Operations

Committee Members Absent

Tyler Tomlinson, Member

The Finance Committee meeting was called to order at 7:25 p.m. by Jerel Wohl, Chairperson

PUBLIC COMMENT

One member of the public was present. Beth Darcy commented on the usage of concession stands by parent groups.

APPROVAL OF MINUTES

The March 19, 2014 Finance Committee meeting minutes were accepted as presented.

INFORMATION/ DISCUSSION/ACTION ITEMS

**Presentation on Healthy Hunger-Free Kids Act (HHFKA) ban on A La Carte Items Starting in 2014-15** – Craig Linn and Lindsay Sankovsky of Aramark presented a summary of the impact the HHFKA will have on district a la carte food sales at the high schools. A la carte food items will no longer be permitted to be sold in the National School Lunch Program starting in 2014-15. Looking at district statistics, approximately 80% of high school students who purchase breakfast or lunch, buy some type of a la carte item every day. Elimination of a la carte items will dramatically reduce the food choices high school students have every day.

If students lose many of the choices they currently have access to, there are concerns that the food service program may become unappealing as there will be a lack of variety for a captive set of high school students over the 184 day school year. There is also concern that limited food choices will impact the district's ability to expand wellness initiatives at all grade levels.

Student food based fund raisers that take part during the school day or within a half hour of the end of the school day must also be eliminated as they are considered competitive foods under the HHFKA.

Financially, the loss in revenues from eliminating a la carte items at the high schools would be \$300,000 per year at a minimum. This assumes there would be no loss in participation in the lunch program by high school students. Realistically, the loss per year would likely be in the \$400,000 to \$500,000 range. This level of lost revenue would make it difficult to pay for food service

related expenses such as equipment repair / replacement, utility expenses, and payment for lunch room aides and custodial services.

According to the USDA, the district has three options:

1. Keep the high schools on the National School Lunch Program (NSLP), lose food choices, and absorb the financial impact.
2. Provide a la carte foods as free side menu items on Mondays then make them available for sale Tuesday through Friday. All the current a la carte options would be nearly impossible to incorporate into a Monday only menu and also comply with the HHFKA calorie limits.
3. Remove the high schools from the NSLP.
  - a. This provides access to meals that will meet or exceed HHFKA.
  - b. Provide students with a much greater variety of food choices.
  - c. Will minimize a financial loss.
  - d. Will provide the district with the resources to expand district wellness initiatives at all grade levels.
  - e. The district wellness policy would govern food choices at the high school.
    - i. The district would not serve soda (diet or regular) under this program.
    - ii. The district would not re-install deep fryers.
    - iii. Vending machines would still maintain only healthy snack choices.
    - iv. Future high school menus would maintain current menu selections along with adding more options to choose minimally processed food items.

The committee had lengthy discussions on the merits of each option and ran through scenarios of keeping the high schools on the NSLP to taking all the schools off the NSLP. There was discussion on the best way to communicate this complicated topic to parents and students.

The committee asked what would happen to students of families that qualify for free or reduced priced meals if the high schools no longer participated in the NSLP? Students who qualify would continue to receive free or reduced price meals. Revenues from lost state and federal subsidies could be recovered by increasing prices by 3.5% at some point in time. But, the school district would like to see if increased student participation in the future will offset any lost state or federal subsidies before discussing potential price increases. The bottom line is students who qualify for free or reduced price meals will not see any changes under a plan to remove the high schools from the National School Lunch Program.

Why is the change happening now? The US Congress directed the USDA to grant a waiver from the a la carte rule for a one year period. The USDA ruled in early April that it did not have the authority to grant a waiver causing the district to take action now rather than in 2014-15 during the normal food service Request For Proposal (RFP) cycle.

The committee directed administration to present this information to the Board at a meeting in May.

**Aramark Food Service Contract Extension** – Administration is recommending a contract extension with Aramark. 2014-15 would be the district's fifth year with Aramark. The Aramark guarantee would remain at \$722,000 per year.

There is also a very good possibility that the district will need to complete a full Request For Proposal (RFP) for food services over the next two months due to the new US Department of Agriculture (USDA) regulations on a la carte food items. Eliminating a la carte choices from the

high schools would have a major impact on the meal choices high school students have every day and the food service revenue stream. In the best case scenario where there is no loss of student participation, it is estimated that food service revenues would decline by at least \$300,000 per year at the high school level. It is very likely that revenues would decline by \$400,000 to \$500,000 per year because student participation will very likely decline. This would create a material change in the existing contract requiring a completely new RFP process according to the Pennsylvania Department of Education (PDE).

As of April, PDE still feels there may be a one-year delay in implementation of the new a la carte rules. But as the end of the school year gets closer, the chances that the USDA will implement a delay are reduced.

The committee asked if the contract extension was perfunctory given the likelihood of completing a food service RFP process? Administration agreed that a contract extension with Aramark for year 5 may not be implemented, but it will keep the district in compliance with PDE and USDA as the district completes a full RFP process.

The committee recommended this item be placed on the Board agenda for consideration

**Food Service Pricing for 2014-15** – Administration is proposing a pricing increases for 2014-15. The proposed meal prices will bring the district into compliance with the Healthy Hunger-Free Kids Act (HHFKA) requirements.

Proposed 2014-15 Pricing	Proposed 2014-15		Meets Federal Targets for 2014-15
	Current Prices	Prices	
Elementary Paid Breakfast	\$1.55	\$1.65	Yes
Middle Paid Breakfast	\$2.05	\$2.15	Yes
High School Paid Breakfast	\$2.30	\$2.30	Yes
Elementary Paid Lunch	\$2.45	\$2.55	Yes
Middle Paid Lunch	\$2.80	\$2.90	Yes
Middle Premium Lunch	\$3.30	\$3.40	Yes
High School Paid Lunch	\$2.80	\$2.90	Yes
High School Tier 2 Lunch	\$3.30	\$3.40	Yes
High School Tier 3 Lunch (minimally processed)	<b>new for 2014-15</b>	\$4.25	Yes

The committee asked the purpose behind the mandated price increase? The HHKA requires the average school district lunch prices to be at or above the current levels of state/federal reimbursement for students who receive free meals. This is an effort to make sure free meal subsidies are not use to help reduce the cost of full paid meals. The USDA also recognizes that food products are more expensive under the new HHKA regulations. Since the district food prices would be compliant with the HHFKA in 2014-15, can the district stop increasing prices? The district must evaluate food prices each year using a USDA provided flow chart to calculate if district meal prices conform to program requirements each year.

The committee recommended this item be placed on the Board agenda for consideration

**2014-15 Budget Update** – For 2013-14 earned income taxes are growing by about 10% compared to 2012-13. Administration believes that is because Keystone collection is becoming more efficient and partnering with the state department of revenue to find people who might not have filed local tax returns in the past. The growth is too much to attribute to wage growth or a reduction in the unemployment rate. The projected actual for 2013-14 is increasing by about \$2M over 2012-13 collections. Hopefully that trend continues moving forward. Administration would like to see another year of revenue to help confirm if a pattern of greater collection might be forming. Local revenue estimates tend to be conservative as they can vary with economic activity especially the real estate market.

Looking at budgeted state revenues, the district is using the Governor’s projections from his February budget briefing. For Central Bucks, the governor is proposing to increase basic subsidies by about \$50,000, special education by \$79,000, and increasing the Ready to Learn / Accountability Block Grant by \$1.1M. The retirement expense reimbursement is projected to increase by \$3.9M because district retirement expenses are increasing by over 25% for 2014-15.

In federal revenues, projections are for a reduction of about 10.5 percent. During 2013-14 it was anticipated that federal revenues would drop by 20% due to sequestration cuts. Due to fiscal year timing, part of the sequestration cuts occurred in 2013-14 with the remaining reductions likely to occur in 2014-15.

Expenses are increasing by 3.73% over the 2013-14 projected actual expenses lead by increases in retirement and health care expenses. Total expenses for 2014-15 are budgeted to be \$301,538,508. Revenues are projected to be \$2,213,360 below expenses. Administration is recommending a 1.06% increase in the real estate tax millage rate which equates to a 1.3 mill increase or about a \$52 tax increase for the typical Central Bucks home owner. This continues the trend for the past four year of low or no tax increases.

## Act 1 Tax Index + Exceptions

	Act 1 Index with Allowable Exceptions in Mills	Actual CBSD Millage Increase	Status
2007-08	5.9	3.8	Actual
2008-09	5.6	4.6	Actual
2009-10	5.4	4.3	Actual
2010-11	4.7	4.4	Actual
2011-12	3.2	1.6	Actual
2012-13	3.6	2.0	Actual
2013-14	3.4	0.0	Actual
2014-15	4.9	1.3	Proposed



The committee expressed some concern with budgeting the full amount of the governor's proposed revenue increases as state revenues are trending behind the Governor's estimates. Administration recognizes this may be an issue and that state subsidies may be reduced by the legislature prior to the June 30<sup>th</sup> deadline for state budget adoption. Hopefully local revenues will continue to improve during 2014-15 and offset any losses that might be felt by state revenue reductions.

The committee recommended the budget process continue with a presentation at the next school board meeting.

**School Bus Purchases** – The district solicited bids for 9 77-passenger buses, 1 48-passenger bus with a wheel chair lift, and 1 9-passenger van. Wolfington / International had the low bid on the 77 and 48 passenger buses with Fisher Chevrolet in Reading Pennsylvania having the low bid on the 9 passenger van.

**CENTRAL BUCKS SCHOOL DISTRICT  
77 PASSENGER TYPE "C" BUSES  
BID TABULATION  
APRIL 1, 2014**

DEALERS MANUFACTURERS MODEL YEAR	Model	Brightbill Blue Bird 2015 Cummins	Wolfington International 2015 STOCK-OT 466 (5) On Dealers Lot	Wolfington International 2015 Alternate #177 Factory Order (4)
77 PASSENGER BUSES - 3 (price ea.)	NB	82,850.00		
77 PASSENGER BUSES - 5 (price ea.)			52,823.00	
77 PASSENGER BUSES - 4 (price ea.)				82,753.00
OPTIONS:				
SPARE WHEEL		125.00	118.00	118.00
LOCKAGE COMPARTMENTS		1,400.00	not available	1,571.00
COST OF UREA SETUP (DEF) FILLS		1,333.33	N/A	N/A
COST PER BUS W/OPTIONS & DEF SETUP		65,609.33	83,111.00	84,442.00
Number Purchased		9	5	4
Total Cost Before Trade - Inv		\$769,570	\$415,555	\$337,769
Less: TRADES - 4 Buses (total value)		18,000.00	\$8,125	\$8,125
Total Price After Trades		\$751,573	\$409,430	\$331,643
Total Cost of Bus Purchases		\$751,573	<b>\$741,073</b>	

**CENTRAL BUCKS SCHOOL DISTRICT  
48 PASSENGER TYPE "D" BUS  
BID TABULATION  
APRIL 1, 2014**

DEALERS MANUFACTURERS MODEL YEAR	ROHrer	BRIGHTBILL BLUE BIRD 2015	WOLFINGTON INTERNATIONAL 2015
48 PASSENGER BUS Wheel Chair Lift + 1	NB	106,725.00	95,999.00
TRADES - 1 (total value)		5,000.00	3,000.00
TOTAL PRICE (Net Trade)		101,725.00	92,999.00

**CENTRAL BUCKS SCHOOL DISTRICT  
9 PASSENGER PLUS DRIVER VAN  
BID TABULATION  
APRIL 1, 2014**

DEALERS MANUFACTURERS MODEL YEAR	ROHrer FORD	BRIGHTBILL FORD	WOLFINGTON FORD	FISHER CHEV CHEV Reading, PA
9 PASSENGER PLUS DRIVER VAN	21,204.00	NB	24,773.00	20,740.00
TRADES - 1 (total value)	1,524.00		453.00	2,000.00
TOTAL PRICE (Net Trade)	22,728.00		23,320.00	18,740.00

The committee asked why the recommendation was to purchase buses off the lot instead of waiting for factory delivery? The transportation managers would like to have 5 new and hopefully more reliable buses as soon as possible to use for spring field trips that transport students to areas outside the district. These buses are \$240 more expensive than the factory ordered buses because they have V8 diesel engines as opposed to V6 turbo diesels. The minimal price difference is outweighed by the benefit achieved with quick delivery for use in this school year. It was also recommended to add storage compartments to 4 buses ordered from the factory to facilitate transportation of band and sports equipment to events.

A question was asked if the wheel chair bus included air conditioning? It includes air conditioning as a part of the base specifications since many special needs students with health conditions require air conditioning when transported during the summer extended school year program. The bus was also ordered with a white roof to help keep the bus cool.

The committee recommended that this item be placed on the school board agenda for consideration.

**One Year Contract With Asset Control Solutions** - An updated asset inventory will help Central Bucks manage fixed assets more efficiently. It will provide data to adequately insure our assets, providing proof of loss if engaged in an insurance claim, help with fiscal planning for replacement of assets, and reduce the risk of theft.

Central Bucks also recognizes the need to implement required accounting and financial reporting standards mandated by the Governmental Accounting Standards Board (GASB) and PDE. Both GASB 34 and PDE require the district to properly record and classify capital assets and to depreciate them over their recognized useful lives. Our local auditors rely on the information provided in our fixed asset schedules to adequately report assets on our financial statements and footnotes.

The last update to Central Bucks' asset inventory was performed about 10 year ago by Maximus, Inc. We have obtained 3 proposals for an update to our fixed asset inventory. It is therefore recommended that we move forward with the selection of the low cost proposal to perform an asset re-evaluation.

A question was asked if there was any concern with the discrepancy between the lowest price and the other two quotations? Given the equal scope of work provided by all three companies and their references from other school districts, administration is confident in the ability of the lowest priced company to perform the work needed.

Request for Proposal Responders were:

Asset Control Solutions Inc.	\$37,000
American Appraisal	\$59,850
Asset Works (Maximus)	\$64,995

The administration is recommending approval of a one-year contract with Asset Control Solutions.

**Supply Bid Results** – The committee reviewed bid results for the following categories

General Teaching	\$117,534.48
General Art	\$ 80,507.77
Secondary Art	\$ 39,191.90
Physical Education	\$ 17,529.94
Science	\$ 29,227.52
Technical Education	\$ 14,210.28
Team Sports	\$ 67,977.56

In addition, a purchase order was placed in February for uniforms for CB South. This order was placed to take advantage of an Early Buy Discount. Uniforms were ordered for Football , Boys & Girls Basketball and Boys & Girls Soccer. The order total was \$30,719.00. This order was placed

under a Commonwealth of Pennsylvania CoStars Cooperative Purchasing Bid Agreement. The uniforms were equal in cost to current bids and the district received the soccer uniforms for free.

The committee asked if all supply bids were for typical items purchased each year? The items bid and recommended for purchase are indeed typical yearly purchases.

The committee recommended this item will be placed on the Board agenda for consideration.

**Audit Engagement approval** - The School Code requires that a district conduct an annual audit of their financial statements by a firm of independent Certified Public Accounts. The audit is conducted in accordance with generally accepted auditing standards in the United States of America. An Independent Audit Report is provided that includes an introduction, a statement of scope and an opinion.

Central Bucks entered into a five year audit agreement with Maillie, LLP to perform the district's annual audit beginning with the 2007-2008 Fiscal Year. The audit engagement proposal is now provided on a year to year basis. The audit proposal for the 2013-14 Fiscal Year covers the same scope as prior year audits at a cost of \$35,000.00, which is slightly lower than prior year cost of \$37,500.00.

Included in the annual school district audit is a review of the local tax collector reports and reconciliations which provide an overall assurance of proper reporting of tax collections and remittance of tax revenues to the district. In addition to this review it is prudent to periodically audit individual tax collectors to ensure proper collection procedures and processes are being followed. It has been several years since an individual tax collector for the district has been audited so it is recommended that an audit be conducted of two tax collectors for the 13-14 school year to confirm compliance with required processes and reporting. A proposal from Maillie, LLP will provide their services at a cost not to exceed \$1,500 per tax collector audit.

The committee asked what are the benefits of a tax collector audit? The district would receive a management letter review that analyzes the tax collector process to make sure proper accounting and reconciling procedures are in place, are being followed, and timely deposits are made into district accounts. The committee asked if the new tax collectors would be audited? The recommendation is to audit tax collectors who have been in office for a while and have procedures and historical records in place for review.

The committee recommended that this be placed on the school board agenda for consideration.

#### ADJOURNMENT

The meeting adjourned at 9:05 p.m.

Minutes submitted by Dave Matyas, Business Administrator and Administrative Liaison to the Finance Committee

# Central Bucks School District

## Finance Committee

Administration Center – 20 Welden Drive  
 Wednesday April 16<sup>th</sup>, 2014 7:00 pm Projected time – 1.5 Hours

**Jerel Wohl, Chairperson**  
**Jim Duffy, Member**  
**Dave Matyas, Business Administrator**

**Joe Jagelka, Member**  
**Tyler Tomlinson, Member**  
**Susan Vincent, Director of Finance**

### Agenda

- |   |                                       |               |
|---|---------------------------------------|---------------|
| 1) Call to Order  | Chairperson                           | Start Time    |
| 2) Public Comment   | Chairperson                           |               |
| 3) Approval of Prior Meeting Minutes                        | Chairperson/Committee                 | Pages 1 - 3   |
| 4) Information / Discussion / Action Items                  |                                       |               |
| a. * USDA Food Service Changes for À La Carté               | 30 minutes<br>Linn/Sankovsky, Aramark | Pages 4 - 22  |
| b. * Contract Renewal, Year 5 of the Food Service Agreement | 10 minutes<br>Dave Matyas             | Pages 23 – 30 |
| c. * 2014-15 Budget Update                                  | 15 minutes<br>Matyas / Vincent        | Pages 31 – 41 |
| d. * Bus Bid Results for 2014-15                            | 10 minutes<br>Dave Matyas             | Pages 42 - 44 |
| e. * District Fixed Asset Appraisal                         | 5 minutes<br>Susan Vincent            | Pages 45 - 49 |
| f. * Supply Bids  | 5 minutes<br>Dave Matyas              | Pages 50 - 64 |
| • General Teaching  |                                       |               |
| • General Art   |                                       |               |
| • Secondary Art   |                                       |               |
| • Physical Education  |                                       |               |
| • Science   |                                       |               |
| • Technology Education General Hardware                     |                                       |               |
| • Team Sports   |                                       |               |
| g. * Audit Contracts  | 5 minutes<br>Susan Vincent            | Pages 65 – 78 |
| 5) Adjournment  | Chairperson                           | End Time      |
| 6) <b>Next Meeting Date:</b>                                | <b>May 21, 2014</b>                   |               |

### Information Items

- |                             |               |
|-----------------------------|---------------|
| * Treasurers Report         | Pages 79 – 83 |
| Capital Reserve Fund Report | Page 84       |
| Bond Fund Report            | Page 85       |
| * Investment Report         | Page 86 - 91  |
| Payroll Expense Projections | Page 92       |
| Tax Collection Projections  | Page 93       |
| Benefits Projections        | Page 94       |

\* These item(s) may be on the public board agenda. ~ These item(s) may require executive session.

Please note: Public comment should be limited to three minutes

**CENTRAL BUCKS SCHOOL DISTRICT**  
**Finance Committee Minutes**  
**March 19, 2014**

Committee Members Present

Jerel Wohl, Chairperson  
Jim Duffy, Member  
Joe Jagelka, Member

Other Board Members and Administrators Present

Steve Corr  
Paul Faulkner  
John Gamble

Dave Matyas, Business Administrator  
Susan Vincent, Director of Finance

Dr. Dave Weitzel, Superintendent

Committee Members Absent

Tyler Tomlinson, Member

The Finance Committee meeting was called to order at 7:00 p.m. by Jerel Wohl, Chairperson

PUBLIC COMMENT

Two members of the public were present. Beth Darcy commented on the growth in salaries for the 2014-15 budget development process.

APPROVAL OF MINUTES

The February 19, 2014 Finance Committee meeting minutes were accepted as presented.

INFORMATION/ DISCUSSION/ACTION ITEMS

**2013-14 Budget Transfers** – The committee reviewed proposed budget transfers for the 2013-14 fiscal year. The purpose of the transfers is to move money into district capital reserve accounts and also align the 2013-14 budget structure to the 2014-15 budget structure which is currently being developed via the budgeting process. The recommendation is to:

- Place \$3M into the Long Term Capital account to help fund the multi-phased Holicong renovation project. This would allocate a total of \$11,000,000 for this project.
- Place \$14,055,000 into the debt service account. The intent of this account is to pay down an additional \$50M to \$60M of outstanding school district debt. By permanently paying off long-term debt, the district will be better able to afford the doubling of state retirement system payments over the next seven years without major real estate tax increases.
- Place \$3.5M into the Other Post Employment Retirement Benefits (OPEB) fund as required by district actuaries. The OPEB fund was set up in response to the Government Accounting Standards Board (GASB) statement #45. The statement recommends governmental agencies set aside funding for future obligations (employee health care). In the event a governmental agency develops financial problems, the future obligations can be financially maintained.
- Place \$490,000 into the health care trust account. This account is used as a contingency for unexpected large health care claims that might exceed budgeted amounts. The district

may also use this account to fund any future expenses associated with the Bucks/Montgomery Health Care Consortium.

The committee asked if the health care trust account could be used by the Bucks/Montgomery Health Care Consortium as an alternative to “stop loss” insurance? The health care account could be used for that purpose and monies would be segregated by school district. The committee also asked if the capital account allocations could be redistributed in the future based on need? The school board has complete control over the allocations in capital accounts. The only transactions that cannot be undone are those associated with paying off debt. The committee commented that they were pleased to see new funds available for a future debt defeasance.

The committee recommended this item be placed on the Board agenda for consideration

**Settlement of a Commercial Assessment appeal** – Stonington Farms is a large apartment complex in Doylestown Township. The district initiated an appeal of the property’s taxable assessed value in 2001. At that time it was deemed to be undervalued. This action resulted in litigation over whether a school district had the authority to initiate an assessment appeal. The district prevailed and maintained the right to request adjustments to the taxable value of real estate and prevailed in raising the assessed value of the property.

In 2009 the apartment complex owners hired an appraiser to determine the fair market value of the property. The owners rationale was the county assessment office increased the taxable value greater than the equivalent market value. The school district also hired an appraiser. The negotiation of the two appraised market values yields a tax refund to the owners of Stonington Farms Apartments of \$550,000 which covers the years 2001 through 2010.

In past years, the school district set aside a reserve as a contingency for a tax refund. The reserve would be used to refund the back taxes owed. The negotiated settlement is \$245,000 less than the reserve that the district was required to establish.

The tax years 2011 through 2013 are still being negotiated.

Even with the real estate tax refund and downward adjusted assessed value, the district still has a positive yearly revenue gain as the assessed value is still greater than the original 2001 value.

The committee asked how the owners of Stonington Farm could go so far back in time with their appeal of assessed value? When an assessment value is changed, the owner can appeal the county ruling which enables an owner to be reimbursed for past taxes paid if the assessment is reversed or partially reversed. Since this property was in litigation for a number of years, the length of time involved in the calculation of tax reimbursement is much longer than is typical.

The committee recommended this item be placed on the Board agenda for consideration.

**Music Instrument Bids** – We worked with our music department chairperson to develop a list of music instrument and program needs. We sent our bids out to 16 companies and received 12 responses. The bid results totaled \$194,479. In addition, we would like to purchase some software upgrades for our music department, some adjustable stools for the strings program, and some minor elementary instruments such as triangles, maracas, and recorders. The software will help

students learn to read music, develop timing, and allow students to write their own music. Altogether, total expenses for the music program will be around \$220,000.

The committee wanted to make sure enough music instruments were available to students as there have been some instances of students needing to transport large instruments from home to school. Administration will double check quantities before issuing a purchase order. A question was also asked as to what happens to old pianos? The district does not have many pianos in schools (perhaps one per school). Electric Clavinovas has been the replacement equipment of choice for a number of years as they are cost effective and do not need to be retuned each year. In the past the district has sold surplus pianos or disposed of them if they could not be sold.

The committee recommended this item be placed on the Board agenda for consideration.

**Student School Pictures Quotations** – Every five years, the district requests quotations from photographers for student picture packages. This is a service the district provides for parents, similar to middle school gym uniforms. There is no cost to the district for student pictures. This is a contract between parents and the photographers. In the photographer specifications, the district asked for a series of five one-year contracts. If the photographer does not meet the districts performance criteria the contract would be terminated at the end of a year and a new request for proposal initiated to find a replacement photographer.

We received four responses to our request for proposal. Administration performed a financial pro forma comparing the incumbent photographer to the company with the lowest cost, Barksdale. Assuming that the five offered picture packages would be equally chosen by parents, cost would be reduced by 61% for secondary packages and by 49% for the elementary packages as compared to the current photographer. We checked the references for Barksdale with neighboring school districts that use their service. All gave favorable reviews.

The committee asked if the photographer would be able to transfer student pictures into existing school district software packages? The specifications call for this type of interface and Barksdale reaffirmed that they will meet our specifications and do what is required to meet district needs. The committee also had concerns that a new photographer could handle the large volume that Central Bucks requires. One of Barksdale's references was for larger school district. They should be able to add some additional temporary staff to meet the needs of Central Bucks students. It was noted that the current incumbent photography company proposed the highest costs.

The committee recommended this item be placed on the Board agenda for consideration.

**Executive Session** – After the Finance Committee adjourned, they met in executive session to discuss contract issues.

#### ADJOURNMENT

The meeting adjourned at 7:50 p.m.

Minutes submitted by Dave Matyas, Business Administrator and Administrative Liaison to the Finance Committee

# Competitive Food Standards, 2014-2015

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Central Bucks School District



# Competitive Foods Standards

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- Review changes to competitive foods requirements
- Impacts of new requirements
- Alternative Strategies for coming school year
- Financial Analysis of alternative strategies
- Recommendations for the 2014-15 School year

# HHFKA Competitive Foods

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-Mandates nutrition standards for ALL foods & beverages sold:

- a) Outside the school meal programs
- b) On the school campus
- c) At any time during the school day + ½ hour

-Nutrition standards are consistent with established Dietary Guidelines for America (DGA)

# General Standards for Competitive Foods

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Competitive food items must:

A. Meet all nutrient standards; and

- Total fat:  $\leq 35\%$  total calories (kcal)
- Saturated fat:  $< 10\%$  total kcal
- Trans fat: 0 grams
- Sodium:
  - Snacks:  $\leq 200$  mg
  - Entrees:  $\leq 480$  mg
- Total sugar:  $\leq 35\%$  total calories or total weight
- Calories:
  - Snacks:  $\leq 200$  kcal
  - Entrees:  $\leq 350$  kcal

# General Standards for Competitive Foods

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- B. Be a whole grain product or fruit, vegetable, dairy or protein; or
- C. Contain 10% Daily Value of a specified nutrient; or
- D. Be a combination food containing at least  $\frac{1}{4}$  cup fruits or vegetables

# Alternatives to Exempt Foods

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- Noncompliant items would be exempt from proposed standards if:
  - Incorporated into a reimbursable meal; and
  - Fit within current weekly nutrient standards

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# The New Competitive Food Rules Will Primarily Impact the High Schools

# Current High School Daily Purchase Breakdown

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- There are approximately 4800 High School Students who attend school daily (adjusting for attendance)
- 190 receive free/reduced meals
- 712 select a paid meal
  - Of the 712 paid meals, 60% select a premium priced meal
  - Of the 712 paid meals, 80% purchase additional a la carte items
- 58% of total HS revenue from a la carte (competitive foods)
- **Over 2300 students (48%) make a purchase daily at the high schools.**

# Options

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1. Comply with standards and eliminate a la carte choices
2. Include a la carte items as reimbursable meal “sides”
3. Take High Schools off National School Lunch Program (NSLP)



# Consideration Points

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- Is the drop in program revenue and profit acceptable if moving to total compliance?
- Will we be able to support and expand wellness initiatives with revenue loss?
- Perception if incorporate a la carte items as part of meals
- Should the elementary and middle schools subsidize the HS a la carte program through increased meal prices?
- Perception if district decides to take High Schools off program
- Communications strategies need to start asap

# Healthy Initiatives- Aramark Partnership with CB

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- Switch to more expensive food based menu (2010)
- Added fruit and veggie bars to elementary schools (2010)
- Removed fryers from the high schools (2011)
- Expanded Made-To-Order stations at high schools (2011)
- Alliance for Healthier Generation certification, Tohickon (2012)
- Added salad bars to high schools (2013)
- Added salad bars to middle schools (2014)
- Opened Market Fresh Bistro at Tohickon Middle School (2014)

# Tohickon Market Fresh Bistro



# TOHICKON MARKET FRESH BISTRO

MIXING IT UP FROM SCRATCH

MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
FEB 24 Homemade Chicken Tenders Curry Quinoa Barley Salad Steamed Broccoli	25 Baked Ziti ~ Corned Beef Round Side of Sauerkraut Balsamic Roasted Vegetables	26 Hint of Lime Beef Tacos Spicy Corn & Tomato Salad	27 Fresh Baked Pizza Crispy Green Beans	28 Chicken Bruschetta Bulgur Roasted Vegetable Salad
MARCH 3 Rosemary Roasted Chicken Breast Brown Rice Pilaf Glazed Carrots	4 Tomato & Mozzarella Panini with Homemade Pesto ~ Baked Ham Crispy Green Beans	5 Roasted Turkey Breast Lentil Barley Veggie Stew	6 Spaghetti & Meatballs Garlic Roasted Broccoli	7 Homemade Whole Wheat French Toast with Sausage Roasted Red Potatoes
10 Cheddar Cheeseburger with Fresh Coleslaw Sweet Potato Wedges	11 Deconstructed Beef Lasagna ~ Roast Beef Roasted Asparagus	12 Homemade Chicken Tenders Curry Quinoa Barley Salad Steamed Broccoli	13 Pork Quesadilla Spicy Corn & Tomato Salad	14 Fresh Baked Pizza Greek Chickpea Salad
17 Honey BBQ Chicken Vegetable Cous Cous Salad Glazed Carrots	18 Margherita Calzone ~ Roasted Turkey Balsamic Roasted Vegetables	19 Roasted Pork Lentil Barley Veggie Stew	20 Baked Chipotle Orange Chicken Southwest Corn Quinoa Salad	21 Spaghetti & Meatballs Garlic Roasted Broccoli

~ Every Tuesday Enjoy A Hand Carved Sandwich!

Served on Whole Grain Roll w/ Choice Of Cheese: American, Cheddar, Swiss and Pepper Jack

\$3.30 Premium Meal Deal , \$0.40 Reduced

Each meal comes with fruit, vegetable choice of milk.

Hot/cold vegetable and fresh fruit sides available daily



Menus are subject to change without notice.

This institution is an equal opportunity provider.

# Option 1- Comply with Standards

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- Will need to eliminate most popular a la carte items at the high schools
- Java City operations will close down at West and East HS
- While we will be compliant with new HHFKA Standards we could lose significant participation due to reduction of choices
- May affect student fund raisers as will be unable to sell non compliant items until 30 minutes after the end of the school day
- Food Service staff reductions possible due to decreased participation

# Option 2- Inclusion of A la Carte items as part of reimbursable menus

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- Would need to include a la carte items complimentary as part of a meal deal every Monday to be able to offer for sale the remainder of the week
- Menu may be perceived negatively by the community
- Nutritional menu analysis would likely not meet standards resulting in fiscal action by PDE.



# Option 3- Take High Schools off NSLP

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- Main meal options would continue to meet or exceed HHFKA standards. WE GUARANTEE THIS.
- District Wellness Policy would continue to govern all school menus and a la carte offerings. Minimally processed “Bistro” menu would be implemented at all 3 high schools.
- Students would have increased meal deal options and a la carte selections
- Free and Reduced students would continue to receive free or reduced price meals
- Program revenue would continue to support district wellness initiatives and enable new healthier less processed menu options at the secondary schools and enable improvements in both cafeteria serving and dining areas.

# Financial Impacts

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Option 1- Comply with A la Carte standards- loss of \$305K in program profitability. (Note this assumes no loss of participation and is the best case scenario)

Option 2- Take High Schools off Program and remain revenue (profit) neutral

- Set pricing to cover loss of reimbursement (in addition to \$.10 district wide recommendation)
  - Increase regular meal deal from \$2.90 to \$3.25
  - Increase premium meal deal from \$3.40 to \$3.75
  - Add 3<sup>rd</sup> Tier price of \$4.25 for super premium (Bistro, new for 2014-15, minimally processed)
  - menu items



# Financial Impacts

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## Option 3 - High Schools off program with approved \$.10 price increase for 2014-15

- Regular Meal Deal Price \$2.90
- Premium Meal Deal Price \$3.40
- Super Premium Price \$4.25 (new for 2014-15, minimally processed)
- 1<sup>st</sup> year Revenue (Profit) reduction of \$36K

## Years 2 through 5 ( 2015-16 to 2018-19)

- Meal price increases will be limited to the lessor of the Consumer Price Index or the federal Lunch Equity Requirement of the HHFKA
- Years 2-5 recover up to an additional \$10K per year via price increases

# Recommendations

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- Take high schools off the National School Lunch Program
- District Wellness Policy to Govern Menu options
- Open the Market Fresh Bistro (minimally processed) at all middle and high schools
- Continue to modify a la carte to offer less processed options at all schools
- Our High School Menus will be guaranteed to meet or exceed HHFKA standards.

## Agenda Item

Recommendation to approve the contract with Aramark Incorporated to provide food service operations for 2014-15 and approve the meal price structure for 2014-15.

### **FOR ACTION: Aramark contract extension**

The United States Department of Agriculture allows for a five year food service contract. But, the five-year contract must be made up of five individual 1-year contracts that must be approved by the school board and the Pennsylvania Department of Education each year. The proposed contract extension for Aramark would be the fifth year of a potential five-year contract.

As a part of the federal Healthy Hunger-Free Kids Act (HHFKA), school districts must increase the price of school lunch and breakfast so that they are equivalent or greater than the federal reimbursement school districts receive for students eligible for free meals. Prices must increase by at least \$.10 per year until targets are met. The intent behind the measure is to make sure federal free meal reimbursements do not subsidize the pricing of non-free meals. Below are recommended price changes.

For 2014-15, Aramark would also like to experiment with a tier 3 premium lunch at the high schools. These lunches would stay in compliance with the federal Healthy Hunger-Free Kids Act and also provide minimally processed foods as an alternative for students. Minimally processed foods tend to cost more and require greater amounts of labor as meals are produced in-house with cooking from scratch ingredients.

<b>Proposed 2014-15 Pricing</b>	<b>Current Prices</b>	<b>Proposed 2014-15 Prices</b>	<b>Meets Federal Targets for 2014-15</b>
Elementary Paid Breakfast	\$1.55	\$1.65	Yes
Middle Paid Breakfast	\$2.05	\$2.15	Yes
High School Paid Breakfast	\$2.30	\$2.30	Yes
Elementary Paid Lunch	\$2.45	\$2.55	Yes
Middle Paid Lunch	\$2.80	\$2.90	Yes
Middle Premium Lunch	\$3.30	\$3.40	Yes
High School Paid Lunch	\$2.80	\$2.90	Yes
High School Tier 2 Lunch	\$3.30	\$3.40	Yes
High School Tier 3 Lunch (minimally processed)	<b>new for 2014-15</b>	\$4.25	Yes

### **RECOMMENDATION:**

The administration is recommending approval of the contract extension with Aramark and new 2014-15 meal price structure.



March 18, 2014

Central Bucks School District  
Attn: Dave Matyas  
Business Administrator  
20 Welden Drive  
Doylestown, PA 18901

Dear Mr. Matyas:

We are in receipt of your renewal Food Service Management Company contract with Aramark. The Division of Food and Nutrition has reviewed and approved this renewal contract for the 2014-15 school year. Please note that each page is approved with my initials. Please make two (2) copies of the renewal contract prior to signing (one for the vendor and one for the school). Obtain original signatures on all three (3) copies of the renewal contract. Once you have received Aramark's original signature, as well as that of your school, on the signature page and appendices, please return the original signed renewal contract to:

Pennsylvania Department of Education  
Bureau of Budget and Fiscal Management  
Division of Food and Nutrition  
Attn: NSLP FSMC Contract  
333 Market Street, 4<sup>th</sup> Floor  
Harrisburg, PA 17126-0333

Please remember that work cannot begin on the renewal contract until it receives final approval which will appear on the FSMC Fact Sheet in PEARS. Please complete your FSMC Fact Sheet in PEARS, once it becomes available in May 2014.

Please understand that the approval of this renewal contract means you have submitted all of the necessary documentation to satisfy the United States Department of Agriculture (USDA) federal procurement regulations, but does not imply compliance with USDA regulations pertaining to operating and administering of the National School Lunch Program.

If you have any further questions, please contact Carol LeVan at 717-783-7321 or Karen Millard at 717-214-4874.

Sincerely,

Karen Millard  
Budget Analyst

Enclosure

cc: Sponsor file

Bureau of Budget and Fiscal Management  
333 Market Street | Harrisburg, PA 17126 | 717. | F 717. | [www.education.state.pa.us](http://www.education.state.pa.us)

Renewal Agreement Page

This bidder certifies that he/she shall operate in accordance with all applicable State and Federal regulations.

This bidder certifies that all terms and conditions within the Bid Solicitation shall be considered a part of the contract as if incorporated therein.

This Renewal Agreement shall be in effect for one year starting July 1, 2014. The provisions of the contract shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their duly authorized representative the day and year.

Central Bucks School District

\_\_\_\_\_  
Name of SFA

ARAMARK Educational Services, LLC

\_\_\_\_\_  
Name of FSMC

\_\_\_\_\_  
Signature of Authorized Representative\*

\_\_\_\_\_  
Signature of Authorized Representative\*

\_\_\_\_\_  
Printed Name of Authorized Representative

Steven Weiser

\_\_\_\_\_  
Printed Name of Authorized Representative

\_\_\_\_\_  
Title

Vice President

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date Signed

\_\_\_\_\_  
Date Signed

\_\_\_\_\_  
Attest

\_\_\_\_\_  
Attest

\* All contracts must be signed in blue ink.

NSLP Projected Operating Costs

Attachment

Contract Begin Date 07/01/14 School Food Authority Central Bucks  
 Contract End Date 06/30/15 FSMC Name ARAMARK  
 Days of Service 180

Actual "In-School" Revenue  
(Include Seamless Summer Option (SSO) Actual Revenue, if applicable)

<u>BREAKFASTS:</u>		<u>MEALS</u>	<u>RATES</u>		
Elementary Paid	#	22,680	X	\$ 1.650	= \$ 37,422.00
Elementary Tiered Paid	#		X	\$ -	= \$ -
Middle Paid	#	7,560	X	\$ 2.150	= \$ 16,254.00
Middle Tiered Paid	#		X	\$ -	= \$ -
Secondary Paid	#	7,560	X	\$ 2.400	= \$ 18,144.00
Secondary Tiered Paid	#		X	\$ -	= \$ -
Reduced-Price	#	4,860	X	\$ 0.300	= \$ 1,458.00
Adult Paid	#	1,410	X	\$ 2.700	= \$ 3,818.00
A la Carte Sales	#	83,160	X	\$ 1.000	= \$ 83,160.00
<b>Subtotal Breakfasts</b>	#	<b>127,260</b>			<b>\$ 160,216.00</b>
<u>LUNCHES:</u>					
Elementary Paid	#	456,750	X	\$ 2.550	= \$ 1,164,712.50
Elementary Tiered Paid	#		X	\$ -	= \$ -
Middle Paid	#	156,631	X	\$ 2.900	= \$ 454,374.90
Middle Tiered Paid	#	24,271	X	\$ 3.400	= \$ 82,521.40
Secondary Paid	#	52,150	X	\$ 2.900	= \$ 151,235.00
Secondary Tiered Paid	#	77,910	X	\$ 3.400	= \$ 264,894.00
Reduced-Price	#	39,410	X	\$ 0.400	= \$ 15,768.00
Adult	#	7,920	X	\$ 3.900	= \$ 30,818.00
A la Carte Sales	#	1,757,727	X	\$ 1.000	= \$ 1,757,727.00
<b>Subtotal Lunches</b>	#	<b>2,572,829</b>			<b>\$ 3,923,110.80</b>
<u>SNACKS/SUPPLEMENTS</u>					
Paid	#		X	\$ -	= \$ -
Reduced-Price	#		X	\$ -	= \$ -
Adult	#		X	\$ -	= \$ -
A la Carte Sales	#		X	\$ -	= \$ -
<b>Subtotal Snacks/Supplements</b>	#				<b>\$ -</b>
<u>OTHER:</u>					
Special Milk					\$ -
Vending Machine Sales/Concession					\$ 13,500.00
Special Functions					\$ -
<b>Subtotal Other</b>					<b>\$ 13,500.00</b>
<b>Total "IN-SCHOOL" Revenue</b>	#	<b>2,700,689</b>			<b>\$ 4,095,916.80</b>

Federal Reimbursement  
To Be Completed By SFA (Include SSO Reimbursements, if applicable)

<u>BREAKFASTS:</u>		<u>MEALS</u>	<u>RATES</u>		
Paid	#	37,800	X	\$ 0.280	= \$ 10,584.00
Free	#	39,600	X	\$ 1.580	= \$ 62,568.00
Free, Severe Need	#		X	\$ -	= \$ -
Reduced	#	4,860	X	\$ 1.280	= \$ 6,220.80
Reduced, Severe Need	#		X	\$ -	= \$ -
<b>Subtotal Breakfasts</b>	#	<b>82,260</b>			<b>\$ 79,372.80</b>
<u>HIGH RATE LUNCHES:</u>					
Paid	#		X	\$ -	= \$ -
Free	#		X	\$ -	= \$ -
Reduced	#		X	\$ -	= \$ -
<b>Subtotal High Rate Lunches</b>	#				<b>\$ -</b>
<u>LOW RATE LUNCHES:</u>					
Paid	#	767,762	X	\$ 0.280	= \$ 214,973.36
Free	#	146,700	X	\$ 2.930	= \$ 429,831.00
Reduced	#	39,410	X	\$ 2.530	= \$ 99,732.60
<b>Subtotal Low Rate Lunches</b>	#	<b>953,872</b>			<b>\$ 744,536.96</b>
<u>SNACKS/SUPPLEMENTS:</u>					
Paid	#		X	\$ -	= \$ -
Free	#		X	\$ -	= \$ -
Reduced	#		X	\$ -	= \$ -
<b>Subtotal Snacks/Supplements</b>	#				<b>\$ -</b>
<u>SPECIAL MILK</u>					
Paid	#		X	\$ -	= \$ -
Free*	#		X	\$ -	= \$ -
<b>Subtotal Special Milk</b>	#				<b>\$ -</b>
<u>Performance Based Reimbursement (If certified)</u>					
Lunches	#	953,882	X	\$ 0.060	= \$ 57,233
<b>Subtotal Performance Based Reimbursement</b>	#	<b>953,882</b>			<b>\$ 57,233.92</b>
<b>Total Federal Reimbursement</b>	#	<b>1,690,024</b>			<b>\$ 891,142.68</b>

**NSLP Projected Operating Costs**  
**State Reimbursements**  
(Include SSO Reimbursements, if applicable)

<b>BREAKFASTS:</b>		<b>MEALS</b>	<b>RATES</b>		
Paid	#	37,600	X	\$ 0.100	= \$ 3,760.00
Free	#	39,600	X	\$ 0.100	= \$ 3,960.00
Free, Severe need	#		X	\$	= \$ -
Reduced	#	4,860	X	\$ 0.100	= \$ 486.00
Reduced, Severe Need	#		X	\$	= \$ -
<b>Subtotal Breakfasts</b>		<b>0</b>			<b>\$ 8,206.00</b>
<b>LUNCHES:</b>					
Paid	#	767,762	X	\$ 0.160	= \$ 122,853.92
Free	#	146,700	X	\$ 0.160	= \$ 23,472.00
Reduced	#	39,420	X	\$ 0.160	= \$ 6,307.20
Breakfast Incentive <=20%	#	953,882	X	\$ 0.020	= \$ 19,077.64
Breakfast Incentive >20%	#		X	\$	= \$ -
<b>Subtotal Lunches</b>		<b>0</b>			<b>\$ 114,485.84</b>
<b>Total State Reimbursements</b>		<b>#</b>			<b>\$ 122,691.84</b>
<b>SUMMARY:</b>					
Total "IN-SCHOOL" Revenue					\$ 4,093,916.80
Total All Reimbursements					\$ 1,093,834.52
Other Income (catering, pre-packaged meals sold to outside schools)					\$ -
Interest Income					\$ -
<b>Total Revenue</b>					<b>\$ 5,099,781.32</b>
Commodity Usage @	\$	0.2325	Per Reimbursable Lunches:	953,882	\$ (221,777.57)

(This page to be completed by FSMC)

<b>EXPENSES:</b>	<b>TOTAL COST</b>	<b>COST/MEAL</b> (Only Official Price Credits)
<b>Food Cost- Includes Commodity Billing*</b> Enter the amount of food and milk purchased and received. Include the Commodity Distribution Assessment Fee, Commodity Value and Bonus Commodity Value. (Do not include rebates, discounts and credits)	\$ 2,039,431.00	\$ 1.2260
<b>Commodity Delivery Charge*</b> Enter the charge to have the commodities delivered	\$ 9,759.00	\$ 0.0059
<b>Direct Labor and Benefits*</b> Enter the gross amount paid for salaries and fringe benefits to foodservice workers	\$ 2,090,360.00	\$ 1.2500
<b>Other Direct*</b> Enter the cost for foodservice such as paper goods, supplies, equipment repairs	\$ 387,613.00	\$ 0.2329
<b>Nonreimbursable Expenses*</b> Enter all expenses that are not an allowable cost for reimbursement purposes	\$ -	\$ -
<b>Administrative Fee*</b> Enter the fee that will be charged to manage the program	\$ 74,394.00	\$ 0.0447
<b>FSMC Management Fee*</b> Enter the fee that will be charged to manage the program	\$ 76,557.00	\$ 0.0460
<b>Indirect Costs*</b> Enter the amount of utilities and indirect labor charged to manage the program	\$ -	\$ -
<b>Other: Gross List* (catering, pre-packaged meals sold to outside schools)</b>	\$ -	\$ -
<b>Sub-total Expenses/Total Cost Per Meal</b>	<b>\$ 4,669,114.00</b>	<b>\$ 2.7993</b>
<b>Less Rebates, Discounts and Applicable Credits</b>	<b>\$ -</b>	
		<b>SUMMARY</b>
Guarantee to SFA*	\$ 722,000.00	Total Revenue \$ 5,099,781.32
		Total Expenses \$ 4,447,336.44
<b>School Nutrition Program-Profit or (Loss)</b>		<b>\$ 652,444.89</b>

\*All items must be itemized in full detail on Budget Summary (Attachment 5c). Administrative Fee, Management Fee, and Guarantee to SFA must include the formula or methodology for calculation.

Budget Summary-all items indicated with \* on the Projected Operating Cost Worksheet must be itemized in detail on this sheet

	Current Year	Renewal Year	Incr (Decr)	% change
Paper Supplies	\$120,873	\$133,143	\$12,270	10.2%
Cleaning Supplies	\$16,552	\$23,270	\$6,718	40.6%
General Insurance	\$98,480	\$98,972	\$492	0.5%
Uniforms*	\$10,000	\$11,000	\$1,000	10.0%
Nutrition Education	\$8,744	\$9,200	\$456	5.2%
Office Supplies	\$5,050	\$5,302	\$252	5.0%
Promotional Materials	\$7,300	\$8,000	\$700	9.6%
Vehicle Leases	\$16,466	\$16,466	\$0	0.0%
Vehicle Operations	\$10,500	\$11,000	\$500	4.8%
Management Meetings	\$1,000	\$2,500	\$1,500	150.0%
Auto Allowance (Travel in District)	\$6,000	\$8,740	\$2,740	45.7%
Telephone	\$2,400	\$2,160	-\$240	-10.0%
Performance Bond	\$5,000	\$5,000	\$0	0.0%
Technology	\$14,200	\$14,910	\$710	5.0%
Amortization of Buyback Investment	\$37,500	\$37,500	\$0	0.0%
Sub Total Other Direct	\$360,065	\$387,163	\$27,098	7.5%



**Attestation Statement  
Regarding  
Material Change Determination for Food Service Management Company (FSMC) Contracts**

The following statement must be signed by a duly authorized representative of the SFA operating the National School Lunch and/or School Breakfast Programs and returned to the Division of Food and Nutrition (DFN), upon the determination that no material change has occurred in the FSMC renewal contract with the SFA.

I, Dave Matyas, as the duly authorized representative of Central Bucks S.D. (SFA), do hereby attest that the aforementioned SFA operating the National School Lunch Program authorized under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.) and/or the School Breakfast Program authorized under the Child Nutrition Act of 1966 (42 U.S.C. 1773) has reviewed its existing Food Service Management Contract for all changes resulting from complying with the required changes outlined in the Final Rule, *Nutrition Standards in the National School Lunch and School Breakfast Programs*, and considered all the factors outlined by USDA's Guidance titled "Procurement Questions and Answers to Assist in the implementation of the final rule titled *Nutrition Standards in the National Lunch and School Breakfast Programs*" (SP 17-2012).

The aforementioned SFA has determined that **NO MATERIAL CHANGE** has occurred between the original contract with the FSMC and renewal year contracts as a result of implementing the new meal standards. This determination was made independently by the SFA, not the FSMC.

In addition, Dave Matyas attests that:

- Changes to the contract would not have caused bidders to bid differently if the prospective changes had existed at the time of bidding;
- Prospective changes do not materially affect the scope of services, types of food products, volume of food products, etc., in both the solicitation document and resulting contract; and
- Documentation used to support the aforementioned will be maintained for the duration of the contract with the existing FSMC.

The factors that led me to believe that none of the areas attested to below triggered a material change are as follows: (use a separate sheet if necessary):

**List of Factors**

No changes will be made to the contract adopted by the school board for the period 2010-11 through 2014-15 as a result of the implementation of the Healthy Hunger-Free Kids Act. Aramark will not increase future costs beyond the terms agreed to in the contract with the district and as reviewed by PDE.

I certify that **no material change occurred** and this attestation is true and correct, and therefore, I believe until the current remaining renewals have expired, Central Bucks School District is not required to rebid its FSMC contract. In addition, I understand that a review of the SFA's FSMC contract is conducted during the Administrative Review. Noncompliance with any federal or state regulation may result in adverse action including fiscal action. Payment to the FSMC may be deemed unallowable as a result of any identified noncompliance with this attestation. All unallowable costs will need to be reimbursed to the food service account from nonfederal sources.

4/22/2014

\_\_\_\_\_  
Signature of Authorized Representative

\_\_\_\_\_  
Date

**Attestation Statement  
Regarding  
Material Change Determination for Food Service Management Company (FSMC) Contracts**

**ATTACHMENT**

- The Final Rule did not materially impact the Contract financially:
  - There is no increase in the Administrative or Management Fees other than contractually permitted Consumer Price Index increase.
  - There has been no material change in the financial guarantee.
  
- The Final Rule did not materially impact the nutritional aspects of the Contract:
  - Many requirements of the Final Rule were already incorporated in our menus, such as increased offerings of fruits and vegetables, and whole grain foods.
  - As such, the Final Rule will not require a material change in food costs or product mix, or in the volume of food products.



# 2014-2015 BUDGET

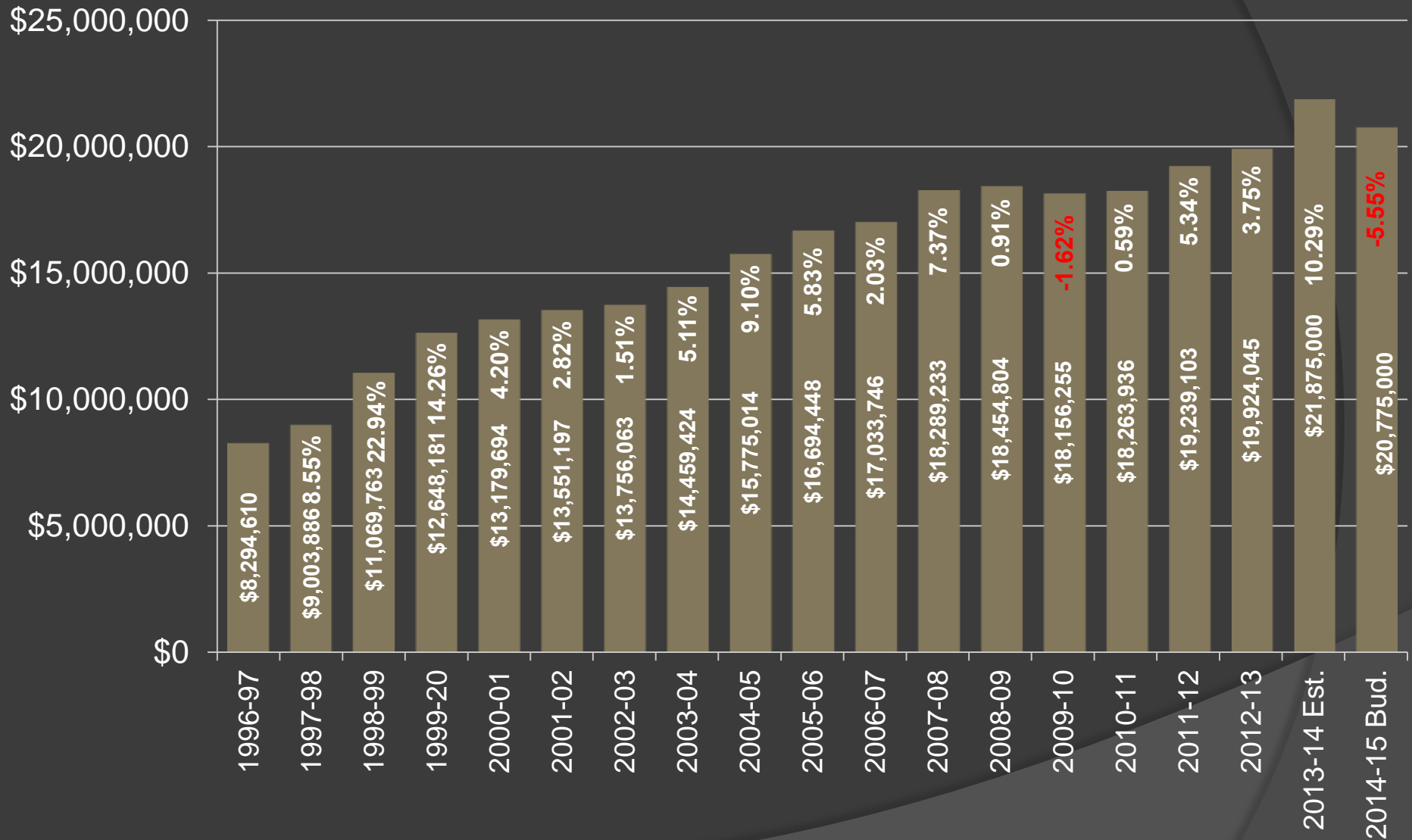
**Consideration to Post the Preliminary Final Budget  
April 22, 2014**

# Local Sources of Revenue for CBSD

Description	2014-15	2013-14	Projection \$	Projection %
	Budget	Projection	Change	Change
CURRENT REAL ESTATE TAXES (assessment growth)	204,928,283	204,375,000	553,283	0.3%
INTERIM REAL ESTATE TAXES	1,543,922	1,500,000	43,922	2.9%
EARNED INCOME TAX	20,775,000	21,875,000	-1,100,000	-5.0%
REAL ESTATE TRANSFER TAX	4,000,000	4,300,000	-300,000	-7.0%
DELINQUENCIES ON REAL ESTATE TAXES	2,750,000	2,875,000	-125,000	-4.3%
DELINQUENCIES ON EARNED INCOME TAXES	745,000	730,000	15,000	2.1%
INTEREST EARNINGS, TEMP DEPOSITS	300,000	375,000	-75,000	-20.0%
I.D.E.A. FUNDS FROM I.U.#22	1,963,000	2,349,475	-386,475	-16.4%
TUITION FOR INCARCERATED STUDENTS	400,000	418,718	-18,718	-4.5%
COMMUNITY SCHOOL PROGRAMS	3,075,000	3,090,000	-15,000	-0.5%
ALL OTHER LOCAL REVENUES	1,060,811	779,848	280,963	36.0%
<b>Local Revenue Totals</b>	<b>241,541,016</b>	<b>242,668,041</b>	<b>-1,127,025</b>	<b>-0.5%</b>

# Earned Income Tax Trend

Tax on Local Wage Earners. Indicator of Wage Growth and Employment Growth.



# State Sources of Revenue for CBSD

Description	2014-15 Budget	2013-14 Projection	Projection \$ Change	Projection % Change
Basic Instructional Subsidy	16,227,940	16,178,141	49,799	0.3%
Tuition, Wards of State and Foster Care Students	300,000	300,000	0	0.0%
Special Educ./Except. Pupils	7,365,010	7,286,226	78,784	1.1%
Misc. State Grants	127,000	127,000	0	0.0%
Ready to Learn / Accountability	1,423,249	306,359	1,116,890	364.6%
Transportation	3,100,000	3,100,000	0	0.0%
Rental & Sinking Fund Reimb.	1,175,000	1,620,000	-445,000	-27.5%
Health Services	375,000	390,000	-15,000	-3.8%
Gambling Proceeds for R.E. Tax Reduction	5,736,098	5,736,098	0	0.0%
Social Security Payments Reimbursement	5,084,942	5,015,089	69,853	1.4%
Retirement Payments Reimbursement	14,772,536	10,845,216	3,927,320	36.2%
<b>State Revenue Totals</b>	<b>55,686,775</b>	<b>50,904,129</b>	<b>4,782,646</b>	<b>9.4%</b>

**We are assuming that the governor's proposed funding increases will be adopted by the legislature**

# Federal and Other Sources of Revenue for CBSD

Description	2014-15 Budget	2013-14 Projection	Projection \$ Change	Projection % Change
Title 1 Reading and Math	411,297	540,004	-128,707	-23.8%
Title 2 Staff and Curriculum Development	221,660	282,029	-60,369	-21.4%
Title 3 Limited English Proficiency	18,400	30,716	-12,316	-40.1%
Medical Assistance Reimbursement (ACCESS)	911,000	955,000	-44,000	-4.6%
Administrative Reimbursement for ACCESS	45,000	45,000	0	0.0%
Transfer to General Fund From Health Care Trust	490,000	490,000	0	0.0%
<b>Federal and Other Revenue Totals</b>	<b>2,097,357</b>	<b>2,342,749</b>	<b>-245,392</b>	<b>-10.5%</b>
<b>Total of All Revenue</b>	<b>299,325,148</b>	<b>295,914,919</b>	<b>3,410,229</b>	<b>1.2%</b>

# Expenses



# Expense Summary

(no bottom line changes from  
the 3/11/2014 presentation)

Category	2014-15 Budget	2013-14 Projected Actual	% Change
Salaries	140,770,396	137,240,100	2.57%
Employee Benefits	71,955,576	61,234,259	17.51%
Prof. Services, Special Ed., EIT Tax, Legal	5,524,476	5,206,340	6.11%
Electricity, Rentals, Repairs	7,083,583	6,621,450	6.98%
Contracted Services, Transp., MBIT, IU, Charter Sch	20,016,837	19,504,300	2.63%
Supplies, Natural Gas, Diesel, Heating Oil	7,475,689	7,265,100	2.90%
Equipment	1,276,535	1,030,522	23.87%
Interest Payments on Bonds	7,551,526	7,711,911	-2.08%
Principal, Buses, Tech., Renovations, GASB 45 & Debt Pay Off	39,883,890	44,870,000	-11.11%
<b>Total budget</b>	<b>\$301,538,508</b>	<b>\$290,683,982</b>	<b>3.73%</b>

# Millage Impact

# The Gap Between Revenues and Expenses

<b>2014-15 Budgeted Revenues</b>	<b>2014-15 Budgeted Expenses</b>	<b>Difference</b>
<b>\$ 299,325,148</b>	<b>\$ 301,538,508</b>	<b>\$ (2,213,360)</b>

# Millage Calculation

- The Proposed Millage Increase as of Tonight is 1.06%
- The Act 1 Real Estate Tax Increase Limit = Base Inflation Index of 2.1% + 1.9% Special Ed. and Retirement Exceptions = 4% or 4.9 Mills
- The 2014-15 Proposed Millage Rate is 122.8 mills + 1.3 Mills = 124.1 Mills = 1.06% Increase
- For the Typical Homeowner Assessed @ 40,000 = \$52 Real Estate Tax Increase

# Act 1 Tax Index + Exceptions

	<b>Act 1 Index with Allowable Exceptions in Mills</b>	<b>Actual CBSD Millage Increase</b>	<b>Status</b>
2007-08	5.9	3.8	Actual
2008-09	5.6	4.6	Actual
2009-10	5.4	4.3	Actual
2010-11	4.7	4.4	Actual
2011-12	3.2	1.6	Actual
2012-13	3.6	2.0	Actual
2013-14	3.4	0.0	Actual
2014-15	4.9	1.3	Proposed

## **Agenda Item**

Recommendation to purchase nine 77-passenger school buses and one 48-passenger wheel chair lift bus from Wolfington Bus Company who had the low bid meeting specifications at \$834,072.00.

Recommendation to purchase one 9-passenger van from Fisher Chevrolet of Reading Pennsylvania who had the low bid meeting specifications at \$ 28,710.00.

### **FOR ACTION: Purchase approval**

We have reviewed our fleet to determine the appropriate number of buses to safely transport the students in Central Bucks School District in a timely manner. Currently there are 4 large buses that are out of service in the fleet because of excessive body rust, engines with problems that are too expensive to repair, and or transmissions that are also too expensive to replace. These buses are model years 2002 and 2003 and are being traded in on new buses. The district would like to not trade in five of our older buses in the fleet so that they can be used as spare buses. We feel the 5 older buses still have value to the district and can be utilized as replacements as other large buses are brought in for routine maintenance. We would like to outfit four of the nine new large buses with storage compartments to facilitate equipment movement for band and sports teams.

The 48 passenger bus to be traded in is a 2005 model year with 135,000 miles and a wheel chair lift and is showing its heavy use with needing frequent repairs.

A 2006 7-passenger Dodge van with 185,000 mile on it will be traded in on a new 9-passenger Chevrolet van.

These bus and van purchases will help maintain our fleet at an average age of 6 years with the goal of keeping our buses around 12 years if economically feasible.

The proposed purchase of school vehicles was advertised and bid specifications were sent to all interested companies.

Funding for this purchase will come from the Transportation Capital Reserve Fund.

### **RECOMMENDATION:**

The administration is recommending approval of the school vehicle purchases from Wolfington Bus Company and Fisher Chevrolet as the lowest, on-specification bidders for the vehicles.

PURCHASING ACTION - SCHOOL BUSES

TRANSPORTATION CAPITAL FUND

Bids were solicited for replacement school buses by advertisement and e-mail to suppliers of student transportation vehicles.

The following vendors received bid documents:

**Brightbill Body Works – Responded**                      **Rohrer Bus Sales – Responded**  
**Wolfington Body Company – Responded**              **Bob Fisher Chevrolet - Responded**

It is recommended purchase orders be awarded to the following suppliers as the on-specification bidders offering the greatest value to the district for these replacement buses.

**Wolfington Body Company** (Costs reflect trade-in value of \$17,250.00)

(9) 2015 77-Passenger Type “C” Bus	\$741,073.00
(1) 2015 48-Passenger Type “C” Bus w/Lift	<u>92,999.00</u>
TOTAL	\$834,072.00

**Fisher Chevrolet** (Costs reflect trade-in value of \$2,000.00)

(1) 2014 9 -Passenger Plus Driver Van	<u>28,710.00</u>
Grand Total of All Vehicles	\$ 862,782.00

CENTRAL BUCKS SCHOOL DISTRICT				
77 PASSENGER TYPE "C" BUSES				
BID TABULATION				
APRIL 1, 2014				
DEALERS MANUFACTURERS MODEL YEAR	Roher	Brightbill Blue Bird 2015 Cummins	Wolflington International 2015 STOCK-DT 466 (5) On Dealers Lot	Wolflington International 2015 Alternate-MF7 Factory Order (4)
77 PASSENGER BUSES -9 (price ea.)	NB	82,650.00		
<b>77 PASSENGER BUSES -5 (price ea.)</b>			82,993.00	
<b>77 PASSENGER BUSES -4 (price ea.)</b>				82,753.00
OPTIONS:				
SPARE WHEEL		125.00	118.00	118.00
LUGGAGE COMPARTMENTS		1,400.00	not available	1,571.00
COST OF UREA SET UP (DEF) Fluid		1,333.33	N/A	N/A
COST PER BUS W/OPTIONS & DEF SET UP		85,508.33	<b>83,111.00</b>	<b>84,442.00</b>
Number Purchased		9	5	4
Total Cost Before Trade - Ins		\$769,575	\$415,555	\$337,768
Less: TRADES - 4 Buses (total value)		18,000.00	\$6,125	\$6,125
<b>Total Price After Trades</b>		<b>\$751,575</b>	<b>\$409,430</b>	<b>\$331,643</b>
<b>Total Cost of Bus Purchases</b>		<b>\$751,575</b>	<b>\$741,073</b>	

CENTRAL BUCKS SCHOOL DISTRICT				
48 PASSENGER TYPE "C" BUS				
BID TABULATION				
APRIL 1, 2014				
DEALERS MANUFACTURERS MODEL YEAR	ROHRER	BRIGHTBILL BLUE BIRD 2015	WOLFLINGTON INTERNATIONAL 2015	
48 PASSENGER BUS Wheel Chair Lift - 1	NB	106,725.00	95,999.00	
TRADES - 1 (total value)		5,000.00	3,000.00	
<b>TOTAL PRICE (less trade)</b>		<b>101,725.00</b>	<b>92,999.00</b>	

CENTRAL BUCKS SCHOOL DISTRICT				
9 PASSENGER PLUS DRIVER VAN				
BID TABULATION				
APRIL 1, 2014				
DEALERS MANUFACTURERS MODEL YEAR	ROHRER FORD	BRIGHTBILL	WOLFLINGTON FORD	FISHER CHEV CHEV Reading, PA
9 PASSENGER PLUS DRIVER VAN	31,304.00	NB	34,773.00	30,710.00
TRADES - 1 (total value)	1,500.00		950.00	2,000.00
<b>TOTAL PRICE (less trade)</b>	<b>29,804.00</b>		<b>33,823.00</b>	<b>28,710.00</b>



**Agenda Item**

Recommendation to a contract with Asset Control Solutions Inc. to appraise district assets to adequately report assets and depreciation on our financial statements and audits.

**FOR ACTION: One Year Contract With Asset Control Solutions**

An updated asset inventory will help Central Bucks manage fixed assets more efficiently. It will provide data to adequately insure our assets, providing proof of loss if engaged in an insurance claim, help with fiscal planning for replacement of assets, and reduce the risk of theft.

Central Bucks also recognizes the need to implement required accounting and financial reporting standards mandated by the Governmental Accounting Standards Board (GASB) and PDE. Both GASB 34 and PDE require the district to properly record and classify capital assets and to depreciate them over their recognized useful lives. Our local auditors rely on the information provided in our fixed asset schedules to adequately report assets on our financial statements and footnotes.

The last update to Central Bucks’ asset inventory was performed about 10 year ago by Maximus, Inc. We have obtained 3 proposals for an update to our fixed asset inventory. It is therefore recommended that we move forward with the selection of the low cost proposal to perform an asset re-evaluation.

Request for Proposal Responders were:

Asset Control Solutions Inc.	\$37,000
American Appraisal	\$59,850
Asset Works (Maximus)	\$64,995

**RECOMMENDATION:**

The administration is recommending approval of a one-year contract with Asset Control Solutions.

### Service Fee

Our fee for the engagement is **\$37,000** annually and will remain in effect for 1 term. This fee is based on our estimate of professional services to be furnished according to our understanding of your requirements; should the scope of these requirements change, Asset Control Solutions, Inc. and the Central Bucks School District will mutually revise the fee to reflect those changes in service. Our fee is independent of the outcome of our study. Based on our understanding of the project, our fee is based on the following:

**Annual services offered as proposed above**  
Capital Asset and Insurance inventory and valuation utilizing a

**Insurance Replacement Cost** threshold of \$1,500  
**Tag** threshold of \$1,500 **and Highly Desirables**  
**GASB 34 Capitalization** threshold of \$1,500  
(or other cutoff value as otherwise directed)

### Terms

30% of the first year service fee is payable following job commencement. Final payment due upon web delivery of Draft Data unless otherwise negotiated to fit budgetary requirements.

Annual service will renew at \$29,000 with constructive written notice by Central Bucks School District during any period through the sixth year.

Inventory is best performed by an independent third party equipped like ACS for the highest level of security and least expensive separation of duties. Ongoing self maintenance of Online Fixed Assets by Central Bucks School District is available for \$225.00 per month per user (\$2,700 annually). Charges only apply if independent inventory service is not renewed annually. For best asset control, **self maintenance is not advised** as this is a weak separation of duties that may increase several internal risks.

### Tags

Unlimited supplies of our own Tamper Evident Tags are to be provided by Asset Control Solutions, Inc. at no charge for as long as you have our service. Our tags are manufactured with a theft deterrent layer and coating in case unauthorized removal is attempted.

Pre existing client barcode tags will be utilized when most efficient. Tags available will be confirmed for compatibility and security.

Even though most clients utilize our free tags, Central Bucks School District may custom order tags in advance from supplier at Central Bucks School District cost. All tags must be pre approved by Asset Control Solutions, Inc. The customizable vinyl tamper evident tags cost approximately \$250.00 for 2,000 tags, and they are available in 3 - 5 business days. Tags are ordered by Central Bucks School District through supplier direct. Please ask for details.

### Hardware and Software Solutions

Not priced, needed or offered here are hardware and software solutions. If you determine that you prefer to update internally, your reports are available on line with security passwords.

This Agreement is made effective as of April 7, 2014, by and between

**Central Bucks School District**

Doylestown, Pennsylvania

United States

and

**Asset Control Solutions, Inc.**

Schaumburg, Illinois

United States

In this Agreement, the Central Bucks School District who is contracting to receive services shall be referred to as "CBSDPA", and Asset Control Solutions, Inc. who will be providing the services shall be referred to as "ACS".

ACS has a background in technology, accounting and valuation and is willing to provide services to CBSDPA based on this background.

CBSDPA desires to have services described in the proposal dated April 7, 2014 provided by ACS.

Therefore, the parties agree as follows:

1. **DESCRIPTION OF SERVICES.** ACS will annually provide the following services (collectively, the "Services"): Assets with ACS provided or approved CBSDPA tag, will be located, inventoried and reported with location and tag identification by thresholds listed below. An opinion of replacement valuation and the associated capitalization information of Buildings, Movable Equipment and Site Improvements will be reported in detail above the insurance threshold of \$1,500, by tag above the tag value threshold of \$1,500 including highly desirable assets, and the GASB 34 compliant capitalization information on assets above the acquisition cost threshold of \$1,500.
2. **PERFORMANCE OF SERVICES.** The manner in which the services are to be performed and the specific hours to be worked by ACS shall be determined by ACS and approved in writing by CBSDPA. CBSDPA will rely on ACS to work as many hours as may be reasonably necessary to fulfill ACS's obligations under this Agreement.
3. **PAYMENT.** CBSDPA will pay a fee to ACS for the services in the amount of **\$37,000.00 Thirty Seven Thousand Dollars and 00/100**. This fee shall be payable in a lump sum 30% following job commencement and balance due upon presentation of draft web data.
4. **TERM/TERMINATION.** Term is for 1 year. Annual service will **renew at \$29,000.00 Twenty Nine Thousand and 00/100 with constructive written** notice by CBSDPA during any period through the following Six years. Perpetual Updating by CBSDPA also available for \$225.00 per month (\$2,700 annually), which also includes free tags.
5. **EXPENSE REIMBURSEMENT.** ACS shall pay all "out-of-pocket" expenses, and shall not be entitled to reimbursement from CBSDPA given no change of schedule initiated by CBSDPA following written authorization of travel schedule.
6. **SUPPORT SERVICES.** CBSDPA will not be required to provide support services, including office space and secretarial services, for the benefit of ACS.

Central Bucks School District  
A1

Initial: \_\_\_\_\_

Date: April 7, 2014  
\_\_\_\_\_

7. NEW PROJECT APPROVAL. ACS and CBSDPA recognize that ACS's services will include working on various projects for CBSDPA. ACS shall obtain the approval of CBSDPA prior to the commencement of a new project.

8. RELATIONSHIP OF PARTIES. It is understood by the parties that ACS is an independent contractor with respect to CBSDPA, and ACS is not an employee nor does ACS have a financial interest in the CBSDPA. CBSDPA will not provide fringe benefits, including health insurance benefits, paid vacation, or any other employee benefit, for the benefit of ACS.

9. EMPLOYEES. ACS's staff that performs services for CBSDPA under this Agreement shall also be bound by the provisions of this Agreement.

10. INJURIES. ACS acknowledges ACS's obligation to obtain appropriate insurance coverage for the benefit of ACS (and ACS's employees, if any). ACS waives any rights to recovery from CBSDPA for any injuries that ACS (and/or ACS's employees) may sustain while performing services under this Agreement and that are a result of the negligence of ACS or ACS's employees.

11. INTELLECTUAL PROPERTY. The following provisions shall apply with respect to copyrightable works, ideas, discoveries, inventions, applications for patents, and patents (collectively, "Intellectual Property"):

- a. Consultant's Intellectual Property. ACS personally holds an interest in the Intellectual Property that is described as software and hardware and which is not subject to this Agreement.
- b. Development of Intellectual Property. Any improvements to Intellectual property, further inventions, or improvements, and any new items of Intellectual Property discovered or developed by ACS (or ACS's employees, if any) during the term of this Agreement shall be the property of ACS.

12. CONFIDENTIALITY. CBSDPA and ACS recognizes that both entities has and will have the following information:

process information  
trade secrets  
technical information  
copyrights

and other proprietary information (collectively, "Information") which are valuable, special and unique assets of CBSDPA and ACS and need to be protected from improper disclosure. CBSDPA and ACS agree that CBSDPA and ACS will not at any time or in any manner, either directly or indirectly, use any Information for CBSDPA's or ACS's own benefit, or divulge, disclose, or communicate in any manner any Information to any third party without the prior written consent of CBSDPA and ACS. CBSDPA and ACS will protect the Information and treat it as strictly confidential.

13. NOTICES. All notices required or permitted under this Agreement shall be in writing and shall be deemed delivered when delivered in person, email receipt returned, or deposited in the United States mail, postage prepaid, addressed as follows:

IF for CBSDPA:

Carolyn Furmanski  
Purchasing Manager  
Central Bucks School District  
20 Weldon Drive  
Doylestown, PA 18901

IF for ACS:

Sean R. Rager  
President  
Asset Control Solutions, Inc.  
2040 E Algonquin Rd Ste 506  
Schaumburg, IL 60173  
An Illinois C Corporation, Federal EIN: 74-3163816

Such address may be changed from time to time by either party by providing written notice to the other in the manner set forth above.

14. ENTIRE AGREEMENT. This Agreement contains the entire agreement of the parties and there are no other promises or conditions in any other agreement whether oral or written. This Agreement supersedes any prior written or oral agreements between the parties.

15. AMENDMENT. This Agreement may be modified or amended if the amendment is made in writing and is signed by both parties.

16. SEVERABILITY. If any provision of this Agreement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Agreement is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

17. WAIVER OF CONTRACTUAL RIGHT. The failure of either party to enforce any provision of this Agreement shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Agreement.

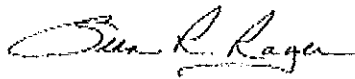
18. APPLICABLE LAW. This Agreement shall be governed by the laws of Central Bucks School District home state.

Party receiving services:  
Central Bucks School District  
Doylestown, PA

By: \_\_\_\_\_  
Carolyn Furmanski  
Purchasing Manager

Date: \_\_\_\_\_

Party providing services:  
Asset Control Solutions, Inc.

By:   
Sean R. Rager  
President

Date: 4/7/2014

CENTRAL BUCKS SCHOOL DISTRICT  
REGULAR SCHOOL BOARD MEETING

April 9<sup>th</sup>, 2014

**FOR ACTION: General Supply Purchases**

The Central Bucks School District annually prepares formal bid lists for Classroom Supplies and Team Sports Supplies and Equipment. Quantities are aggregated from all schools in order to achieve the best overall price and value to the district as well as to comply with the School Code of the Commonwealth of Pennsylvania. Bids are solicited by mail/email and advertisement to appropriate suppliers for each category. For the 2014/2015 school year, bids were requested for the following subject areas:

General Teaching

General Art

Secondary Art

Physical Education

Science

Technology Education General Hardware

Team Sports Supplies

**RECOMMENDATION:**

The Administration is recommending that the Board approve that purchase orders be issued to the suppliers listed on the pages to follow as the lowest, on-specification bidders for the items bid.

## PURCHASING ACTION – GENERAL TEACHING SUPPLIES

14/15 GENERAL FUND

Bids were solicited by advertisement and mail/email to suppliers of General Teaching Supplies. A bid tabulation is available in the Purchasing Department for review.

The following 15 vendors received bid documents:

<b>S &amp; S Worldwide</b>	<b>Responded</b>
Fisher Science Education	No Response
<b>Metco</b>	<b>Responded</b>
Discount School Supply	No Response
Hand 2 Mind	No Response
<b>Nat'l Art &amp; School Spply</b>	<b>Responded</b>
<b>Didax</b>	<b>Responded</b>
Commercial Art Supply	No Response
<b>Pyramid School Supplies</b>	<b>Responded</b>
Lakeshore Learning	No Response
Quill	No Response
<b>Standard Stationary</b>	<b>Responded</b>
<b>Kurtz Brothers</b>	<b>Responded</b>
<b>School Specialty</b>	<b>Responded</b>
<b>Office Basics</b>	<b>Responded</b>

At this time it is recommended purchase orders be issued to the following suppliers as the lowest, on specification bidders

Kurtz Brothers	\$28,993.36
Nat'l Art & School Sppls	\$22,003.23
Office Basics	\$23,261.25
Pyramid School Products	\$33,746.22
School Specialty	\$6,436.41
Standard Stationary Supply	\$3094.01
<b>Total</b>	<b>\$117,534.48</b>

### Main categories of items bid are as follows:

Batteries  
Calculators  
Chalkboard/Whiteboard accessories

Chart stands  
Composition books  
Crayons  
Envelopes  
Erasers  
Fasteners  
Files & Folders  
Index cards  
Labels  
Markers  
Notebooks  
Paper  
Pencils & sharpeners  
Pens  
Plan books  
Report covers & portfolios  
Rulers & yardsticks  
Staplers & supplies  
Tape & dispensers



## PURCHASING ACTION – GENERAL ART SUPPLIES

14/15 GENERAL FUND

Bids were solicited by advertisement and mail/email to suppliers of General Art Supplies. A bid tabulation is available in the Purchasing Department for review.

The following 14 vendors received bid documents:

<b>S &amp; S Worldwide</b>	<b>Responded</b>
<b>Ceramic Supply NY/NJ</b>	<b>Responded</b>
<b>Metco</b>	<b>Responded</b>
<b>Nasco</b>	<b>Responded</b>
<b>Nat'l Art &amp; School Spply</b>	<b>Responded</b>
<b>Commercial Art Supply</b>	<b>Responded</b>
<b>School Specialty</b>	<b>Responded</b>
<b>Dick Blick</b>	<b>Responded</b>
<b>Quill</b>	<b>No Response</b>
<b>Triarco Arts &amp; Crafts</b>	<b>Responded</b>
<b>Kurtz Bros.</b>	<b>Responded</b>
<b>Pyramid School Supplies</b>	<b>Responded</b>
<b>Standard Stationary Sply</b>	<b>Responded</b>
<b>Office Basics</b>	<b>Responded</b>

At this time it is recommended purchase orders be issued to the following suppliers as the lowest, on specification bidders

Ceramic Supply NY/NJ	\$551.34
Commercial Art Supply	\$3,401.08
Dick Blick	\$1,048.81
Kurtz	\$21,463.63
Metco	\$436.90
Nasco	\$1,763.27
Nat'l Art & School Sppls	\$21,873.59
Office Basics	\$1,852.40
Pyramid School Products	\$10,047.52
S & S Worldwide	\$1,029.75
School Specialty	\$10,243.47
Standard Stationary Supply	\$2,414.05
Triarco	\$4,381.96
<b>Total</b>	<b>\$80,507.77</b>

**Main categories of items bid are as follows:**

Adhesives  
Beads  
Boards (Poster, railroad and mat)  
Clay  
Crepe & Tissue Paper  
Drawing Ink  
Fabrics  
Foam  
Loom Crafts  
Specialty markers  
Modeling tools for clay  
Paint  
Paint brushes  
Specialty paper  
Pencils, erasers, pastels  
Plastic Lacing  
Printing ink & blocks  
Ribbon  
Shrink Film  
Styrofoam  
Yarn

## PURCHASING ACTION – SECONDARY ART SUPPLIES

14/15 GENERAL FUND

Bids were solicited by advertisement and mail/email to suppliers of Secondary Art Supplies. A bid tabulation is available in the Purchasing Department for review.

The following 11 vendors received bid documents:

<b>Ceramic Supply NY/NJ</b>	<b>Responded</b>
<b>Kurtz Brothers</b>	<b>Responded</b>
<b>Nasco</b>	<b>Responded</b>
<b>School Specialty</b>	<b>Responded</b>
<b>Nat'l Art &amp; School Spply</b>	<b>Responded</b>
<b>Triarco</b>	<b>Responded</b>
<b>Commercial Art Supply</b>	<b>No Response</b>
<b>Quill</b>	<b>No Response</b>
<b>Metco</b>	<b>Responded</b>
<b>Dick Blick</b>	<b>Responded</b>
<b>Standard Stationary</b>	<b>Responded</b>

At this time it is recommended purchase orders be issued to the following suppliers as the lowest, on specification bidders

Ceramic Supply of NY/NJ	\$13,491.75
Dick Blick	\$6,276.68
Kurtz	\$587.59
Metco	\$455.70
Nasco	\$2,852.38
School Specialty	\$13,792.77
Triarco	\$1,734.99
<b>Total</b>	<b>\$39,191.90</b>

### Main categories of items bid are as follows:

- 3-D Art supplies
- Acetate & acrylic sheets
- Adhesives
- Canvas

Ceramic accessories  
Ceramics tools  
Clay & plaster  
Digital Imaging  
Drawing  
Glazes, engobes & glosses  
Mosaics  
Paint  
Paint Brushes  
Paper  
Pastels  
Printing supplies  
Templates  
Trimmers & cutters

# PURCHASING ACTION – PHYS ED SUPPLIES

14/15 GENERAL FUND

Bids were solicited by advertisement and mail/email to suppliers of Physical Education Supplies. A bid tabulation is available in the Purchasing Department for review.

The following 14 vendors received bid documents:

<b>ADA Tennis/Badminton</b>	<b>Responded</b>
Cannon Sports	No Response
Flaghouse	No Response
GL Sports	No Response
<b>Gopher Sports</b>	<b>Responded</b>
<b>Sport Supply Group/BSN</b>	<b>Responded</b>
School Specialty	No Response
Kurtz Brothers	No Response
<b>AAE</b>	<b>Responded</b>
Palos Sports	No Response
<b>Pyramid School Supplies</b>	<b>Responded</b>
Triple Crown Sports	No Response
Quill	No Response
Metco Supply	No Response

At this time it is recommended purchase orders be issued to the following suppliers as the lowest, on specification bidders

ADA Tennis/Badminton	\$3,462.75
Sport Supply Group/BSN	\$7,671.59
Gopher Sports	\$2,573.66
Pyramid School Supplies	<u>\$3,821.94</u>
<b>Total</b>	<b>\$17,529.94</b>

Main categories of items bid are as follows:

- Archery
- Badminton
- Basketball
- Football

General Equipment  
Hockey  
Misc. balls  
Pickleball & paddleball  
Pinnies & vests  
Soccer  
Softball  
Table tennis  
Tchoukball  
Tennis  
Volleyball

# PURCHASING ACTION – SCIENCE SUPPLIES

14/15 GENERAL FUND

Bids were solicited by advertisement and mail/email to suppliers of Science Supplies. A bid tabulation is available in the Purchasing Department for review.

The following 7 vendors received bid documents:

<b>Frey Scientific</b>	<b>Responded</b>
Wards Science	No Response
<b>Carolina Biological</b>	<b>Responded</b>
<b>Flinn Scientific</b>	<b>Responded</b>
<b>Parco Scientific</b>	<b>Responded</b>
<b>Sargeant Welch</b>	<b>Responded</b>
<b>Metco</b>	<b>Responded</b>

At this time it is recommended purchase orders be issued to the following suppliers as the lowest, on specification bidders

Carolina Biological	\$4,909.10
Flinn Scientific	\$5,086.66
Frey Scientific	\$5,522.65
Metco	\$1,905.21
Parco Scientific	\$2,754.83
Sargeant Welch	<u>\$9049.07</u>
<b>Total</b>	<b>\$29,227.52</b>

**Main categories of items bid are as follows:**

- Anatomy
- AP Chemistry labs
- Aquarium supplies
- Balances
- Beakers
- Bottles
- Charts
- Chemicals
- Chemistry items

CSI  
Cylinders  
Dissection Equipment  
Fingerprinting supplies  
Flasks  
Impression materials  
Lab supplies  
Microscopy supplies  
Phyics  
Plant Biology  
Sample Sets (Rocks, minerals, etc.)  
Serology  
Stoppers  
Trace Evidence  
Tubing  
Vernier specialty items



# PURCHASING ACTION – TECHNOLOGY ED. GENERAL HARDWARE

14/15 GENERAL FUND

Bids were solicited by advertisement and mail/email to Technology Education Suppliers. A bid tabulation is available in the Purchasing Department for review.

The following 9 vendors received bid documents:

Lee Valley & Veritas	No Response
<b>Pitsco</b>	<b>Responded</b>
<b>Metco</b>	<b>Responded</b>
<b>Midwest Technology</b>	<b>Responded</b>
<b>Paxton Patterson</b>	<b>Responded</b>
Modern School Supplies	No Response
Satco Supply	No Response
Nasco	No Response
Quill	No Response

At this time it is recommended purchase orders be issued to the following suppliers as the lowest, on specification bidders

Metco	\$3,546.70
Midwest Technology	\$3,657.92
Paxton Patterson	\$4,815.24
Pitsco	<u>\$2,190.42</u>
<b>Total</b>	<b>\$14,210.28</b>

**Main categories of items bid are as follows:**

- Adhesives & tapes
- Brushes
- Car unit
- Clock supplies
- Cutting tools
- Dowel rods & misc. wood
- Drill & router bits
- Fasteners, screws, bolts
- Files & rasps
- Flight unit

Hand tools  
Knobs, handles, pulls & pegs  
Laser engraving  
Pen & pencil unit  
Robotics  
Sanding & polishing  
Solder & soldering supplies  
Stains, varnishes and fillers  
Tiling  
Vinyl supplies

**PURCHASING ACTION – TEAM SPORTS SUPPLIES**

**14/15 GENERAL FUND**

Bids were solicited by advertisement and mail to suppliers of Team Sports Supplies. A bid tabulation is available in the Purchasing Department for review.

The following 16 suppliers received bid documents:

<b>BSN/Sport Supply</b>	<b>Responded</b>
Ewing Sports	No Response
Schuylkill Valley Sports	No Response
<b>Kelly’s Sports</b>	<b>Responded</b>
<b>Longstreth Sports</b>	<b>Responded</b>
Aluminum Athletics	No Response
<b>Riddell/All American</b>	<b>Responded</b>
<b>Triple Crown Sports</b>	<b>Responded</b>
<b>MF Athletics</b>	<b>Responded</b>
Schutt Reconditioning	No Response
<b>Instant Replay Sports</b>	<b>Responded</b>
Kampus Klothes	No Response
<b>Anaconda Sports</b>	<b>Responded</b>
VSA Athletics	No Response
Quill	No Response
Cannon Sports	No Response

At this time it is recommended purchase orders be issued to the following suppliers as the lowest, on-specification bidders for the items bid:

BSN/Sport Supply	\$38,497.71
Kelly Sports	17,684.21
Riddell/All American	3,692.55
Longstreth Sports	1,069.25
Triple Crown Sports	2,577.14
Anaconda Sports	4,415.85
Instant Replay Sports	<u>40.85</u>
	<b>\$67,977.56</b>

**Main categories of items bid are as follow:**

Uniforms, Equipment, Supplies needed for:

- Football
- Field Hockey
- Boys & Girls Basketball
- Softball
- Baseball
- Boys & Girls Tennis
- Boys & Girls Track/Cross Country

Wrestling  
 Boys & Girls Soccer  
 Boys & Girls Volleyball  
 Girls Lacrosse  
 Boys Lacrosse  
 Golf  
 Weight Room

Administration – General supplies for the athletic program/office not specific to any sport.

Team Sports Supplies		14/15					
This bid encompasses, uniforms equipment and supplies. The spreadsheet below indicates which of those types of commodities is being requested for each category.							
Category		Uniforms		Equipment		Supplies	
Football		X		X		X	
Field Hockey				X		X	
Boys & Girls Basketball		X		X		X	
Softball				X		X	
Baseball				X		X	
Boys & Girls Tennis		X		X		X	
Boys & Girls Track & Cross Country		X		X		X	
Wrestling						X	
Boys & Girls Soccer		X		X		X	
Boys & Girls Volleyball				X		X	
Girls Lacrosse				X		X	
Boys Lacrosse				X		X	
Golf						X	
Weight Room				X			
Administration						X	
<b>Note in Addition:</b>							
A purchase order was placed in February for uniforms for CB South. This order was placed to take advantage of an Early Buy Discount. Uniforms were ordered for Football , Boys & Girls Basketball and Boys & Girls Soccer. The order total was \$30,719.00. This order was placed under a Commonwealth of Pennsylvania CoStars Cooperative Purchasing Bid Ageement.							

**Agenda Item**

Recommendation to approve Maillie, LLP engagement proposal to audit the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Central Bucks School District as of June 30, 2014.

**FOR ACTION: Audit Engagement approval**

The School Code requires that a district conduct an annual audit of their financial statements by a firm of independent Certified Public Accounts. The audit is conducted in accordance with generally accepted auditing standards in the United States of America. An Independent Audit Report is provided that includes an introduction, a statement of scope and an opinion.

Central Bucks entered into a five year audit agreement with Maillie, LLP to perform the district’s annual audit beginning with the 2007-2008 Fiscal Year. The audit engagement proposal is now provided on a year to year basis. The audit proposal for the 2013-2014 Fiscal Year provided herein for your review covers the same scope as prior year audits, at a cost of \$35,000.00, which is slightly lower than prior year cost of \$37,500.00. This item has been placed on the school board agenda for your consideration.

**RECOMMENDATION:**

The administration is recommending approval of the Maillie, LLP audit proposal to perform the required audit services to Central Bucks School District for the 2013-2014 Fiscal Year.

**Agenda Item**

Recommendation to approve Maillie, LLP proposed audit services to review procedures of two selected tax collectors’ records for the July 1, 2013 through June 30, 2014 collection period.

**FOR ACTION: Audit Engagement approval**

Included in the annual school district audit is a review of the local tax collector reports and reconciliations which provide an overall assurance of proper reporting of tax collections and remittance of tax revenues to the district. In addition to this review it is prudent to periodically audit individual tax collectors to ensure proper collection procedures and processes are being followed.

It has been several years since an individual tax collector for the district has been audited so it is recommended that an audit be conducted of two tax collectors for the 13-14 school year to confirm that compliance with required processes and reporting. An audit proposal from Maillie, LLP is included in the board agenda for your consideration, providing their services at a cost not to exceed \$1,500 per tax collector audit.

**RECOMMENDATION:**

The administration is recommending approval of the Maillie, LLP audit proposal to perform tax collector audit services to Central Bucks School District for two selected tax collectors for 2013-2014 Fiscal Year.

March 25, 2014

To the Board of School Directors  
c/o Ms. Suzanne Vincent, Finance Director  
Central Bucks School District  
Administration Services Center  
20 Weldon Drive  
Doylestown, PA 18901-2359

**CLIENTS COPY**  
**MAILLIE LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**

Partners  
Robert L. Caruso  
James M. Powers  
Glenn B. Bachman  
D. Scott Detar  
Edward J. Furman  
Robert L. Boland  
Donald J. Pierce  
Richard A. Flanagan IV  
Craig S. Springer  
Robert C. Hershey, Jr.  
Gregory J. Shank  
Laurie E. Harvey

You have requested that we audit the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Central Bucks School District as of June 30, 2014, and for the year then ended, and the related notes to the financial statements, which collectively comprise the Central Bucks School District's basic financial statements as listed in the table of contents. In addition, we will audit the entity's compliance over major federal award programs for the year ended June 30, 2014. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter. Our audit will be conducted with the objective of our expressing an opinion on each opinion unit and an opinion on compliance regarding the entity's major federal award programs.

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the required supplementary information (RSI) in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by accounting principles generally accepted in the United States of America. This RSI will be subjected to certain limited procedures but will not be audited:

1. Management's Discussion and Analysis
2. Budgetary Comparison Schedule
3. Postemployment Benefits Other Than Pension Funding Progress



To the Board of School Directors  
c/o Ms. Suzanne Vincent, Finance Director  
Central Bucks School District

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March 25, 2014

## SCHEDULE OF EXPENDITURES OF FEDERAL AND CERTAIN STATE AWARDS

We will subject the schedule of expenditures of federal and certain state awards to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling the schedule to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. We intend to provide an opinion on whether the schedule of expenditures of federal and certain state awards is presented fairly in all material respects in relation to the financial statements as a whole.

## AUDITOR RESPONSIBILITIES

### *Audit of the Financial Statements*

We will conduct our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America, and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements.

The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements or noncompliance may not be detected exists, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards* of the Comptroller General of the United States of America.

In making our risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.



To the Board of School Directors  
c/o Ms. Suzanne Vincent, Finance Director  
Central Bucks School District

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March 25, 2014

### *Reporting*

We will issue a written report upon completion of our audit of the Central Bucks School District's basic financial statements. Our report will be addressed to the governing body of the Central Bucks School District. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance over financial reporting will not be an objective of the audit and, therefore, no such opinion will be expressed.

### **Audit of Major Program Compliance**

Our audit of the Central Bucks School District's major federal award program(s) compliance will be conducted in accordance with the requirements of the Single Audit Act, as amended; and the provisions of U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and will include tests of accounting records, a determination of major programs in accordance with OMB Circular A-133, and other procedures we consider necessary to enable us to express such an opinion on major federal award program compliance and to render the required reports. We cannot provide assurance that an unmodified opinion on compliance will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or withdraw from the engagement.

OMB Circular A-133 requires that we also plan and perform the audit to obtain reasonable assurance about whether the entity has complied with applicable laws and regulations and the provisions of contracts and grant agreements applicable to major federal award programs. Our procedures will consist of determining major federal programs and performing the applicable procedures described in the U.S. Office of Management and Budget Circular A-133 *Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the entity's major programs. The purpose of those procedures will be to express an opinion on the entity's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to OMB Circular A-133.

Also, as required by OMB Circular A-133, we will perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of the entity's major federal award programs. However, our tests will be less in scope than would be necessary to render an opinion on these controls and, accordingly, no opinion will be expressed in our report.



To the Board of School Directors  
c/o Ms. Suzanne Vincent, Finance Director  
Central Bucks School District

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March 25, 2014

### *Reporting*

We will issue a report on compliance that will include an opinion or disclaimer of opinion regarding the entity's major federal award programs, and a report on internal controls over compliance that will report any significant deficiencies and material weaknesses identified; however, such report will not express an opinion on internal control.

### **MANAGEMENT'S RESPONSIBILITIES**

Our audit will be conducted on the basis that management and those charged with governance acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
2. For the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error; fraudulent financial reporting, misappropriation of assets, or violations of laws, governmental regulations, grant agreements, or contractual agreements;
3. For safeguarding assets;
4. For identifying all federal awards expended during the period;
5. For preparing the schedule of expenditures of federal and certain state awards (including notes and noncash assistance received) in accordance with OMB Circular A-133 requirements;
6. For the design, implementation and maintenance of internal control over compliance;
7. For identifying and ensuring that the entity complies with laws, regulations, grants and contracts applicable to its activities and its federal award programs;
8. For following up and taking corrective action on reported audit findings from prior periods and preparing a summary schedule of prior audit findings;
9. For following up and taking corrective action on current year audit findings and preparing a corrective action plan for such findings;
10. For submitting the reporting package and data collection form to the appropriate parties;

To the Board of School Directors  
c/o Ms. Suzanne Vincent, Finance Director  
Central Bucks School District

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March 25, 2014

11. For making the auditor aware of any significant vendor relationships where the vendor is responsible for program compliance;
12. To provide us with:
  - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, and relevant to federal award programs, such as records, documentation and other matters;
  - b. Additional information that we may request from management for the purpose of the audit; and
  - c. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.
13. For adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole; and
14. For confirming your understanding of your responsibilities as defined in this letter to us in your management representation letter.

We will perform the following nonattest services:

1. Preparation of financial statements based on your trial balances.

With respect to any nonattest services we perform, the Central Bucks School District's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

As part of our audit process, we will request from management and those charged with governance, written confirmation concerning representations made to us in connection with the audit.

We understand that your employees will prepare all confirmations we request and will locate any documents or invoices selected by us for testing.



To the Board of School Directors  
c/o Ms. Suzanne Vincent, Finance Director  
Central Bucks School District

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March 25, 2014

If you intend to publish or otherwise reproduce the financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

#### FEES

Edward J. Furman, CPA, is the engagement partner for the audit services specified in this letter. His responsibilities include supervising Maillie LLP's services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report.

Our fees are based on the amount of time required at various levels of responsibility, plus actual out-of-pocket expenses. Invoices will be rendered as work progresses and are payable upon presentation. We estimate that our fee for the audit will be \$35,000. We will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate. Whenever possible, we will attempt to use Central Bucks School District's personnel to assist in the preparation of schedules and analyses of accounts. This effort could substantially reduce our time requirements and facilitate the timely conclusion of the audit.

In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination.

#### OTHER MATTERS

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

During the course of our professional practice, with the prior written consent of our clients, we provide our clients' confidential accounting and/or financial data, without the clients being specifically identified, to a third party, Sageworks, Inc., for statistical and/or industry research and/or benchmarking purposes only. In the course of this engagement, or thereafter, as long as you are a client of Maillie LLP, we may wish to provide your confidential data to that third party in such a format. You will not be identified in any way. By your signature on this letter, you expressly authorize us to make such disclosure of your confidential accounting and/or financial data, as we may elect within our discretion, with the understanding that, in doing so, you will not be specifically identified.

To the Board of School Directors  
c/o Ms. Suzanne Vincent, Finance Director  
Central Bucks School District

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March 25, 2014

The audit documentation for this engagement is the property of Maillie LLP and constitutes confidential information. However, we may be requested to make certain audit documentation available to various regulators and federal agencies and the U.S. Government Accountability Office pursuant to authority given to it by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of Maillie LLP's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to these agencies and regulators. The regulators and agencies may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies. We agree to retain our audit documentation or work papers for a period of at least five years from the date of our report.

It is our policy to keep records related to this engagement for seven years. However, Maillie LLP does not keep any original client records, so we will return those to you at the completion of the services rendered under this engagement. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by government or regulatory agencies.

Further, we will be available during the year to consult with you on financial management and accounting matters of a routine nature.

During the course of the audit, we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

At the conclusion of our audit engagement, we will communicate to those charged with governance the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;



To the Board of School Directors  
c/o Ms. Suzanne Vincent, Finance Director  
Central Bucks School District

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March 25, 2014

- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

In accordance with the requirements of *Government Auditing Standards*, we have attached a copy of our latest external peer review report of our firm for your consideration and files.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements compliance over major federal award programs including our respective responsibilities.

We appreciate the opportunity to be your financial statement auditors and look forward to working with you and your staff.

Respectfully,

MAILLIE LLP

Edward J. Furman

**RESPONSE:**

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of the **Central Bucks School District** by:

\_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



Rea & associates a brighter way

System Review Report

June 6, 2013

To the Partners of Maillie, LLP (formerly Maillie, Falconiero & Company, LLP)  
and the AICPA National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Maillie, LLP (formerly Maillie, Falconiero & Company, LLP) (the firm) applicable to non-SEC issuers in effect for the year ended March 31, 2013. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary).

As required by the standards, engagements selected for review included engagements performed under the *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Maillie, LLP (formerly Maillie, Falconiero & Company, LLP) applicable to non-SEC issuers in effect for the year ended March 31, 2013 has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Maillie, LLP (formerly Maillie, Falconiero & Company, LLP) has received a peer review rating of *pass*.

*Rea & Associates, Inc.*

March 25, 2014

To the Board of School Directors  
c/o Ms. Suzanne Vincent, Finance Director  
Central Bucks School District  
Administration Services Center  
20 Weldon Drive  
Doylestown, PA 18901-2359

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MAILLIE LLP  
CERTIFIED PUBLIC ACCOUNTANTS

Partners  
Robert L. Caruso  
James M. Powers  
Glenn B. Bachman  
D. Scott Detar  
Edward J. Furman  
Robert L. Boland  
Donald J. Pierce  
Richard A. Flanagan IV  
Craig S. Springer  
Robert C. Hershey, Jr.  
Gregory J. Shank  
Laurie E. Harvey

We are pleased to confirm our understanding of the services we are to provide for the Central Bucks School District. This letter will confirm the nature and limitations of the services we will provide and the various responsibilities and other terms of the engagement.

We agree to apply procedures to the selected tax collectors' records of the Central Bucks School District as of June 30, 2013. These procedures will be applied for the purpose of reporting our findings in regards to the results of the procedures performed. The procedures we will perform have been agreed to by the specified parties to this engagement listed as follows: Central Bucks School District. These agreed-upon procedures are enumerated as follows:

1. On a sample basis, we will trace individual tax payments from the tax duplicate to the tax receipts, comparing dates and amounts. We will also be alert for proper application of discounts and penalties.
2. We will trace the same items selected above to the deposit slips, noting timeliness of deposit.
3. We will trace the deposit slips to the bank statements of the tax collectors.
4. We will trace the same items selected above to inclusion in a payment to the School District, noting the time elapsed from the time the taxpayer made the payment to when the money was received by the School District.
5. We will trace the selected payments to the School District's bank statement, noting the date of deposit by the tax collectors.
6. We will confirm all outstanding taxes turned over to the county.

To the Board of School Directors  
c/o Ms. Suzanne Vincent, Finance Director  
Central Bucks School District

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March 25, 2014

7. We will prepare the following schedules:
- Schedule of Real Estate Tax Distributions to the Central Bucks School District.
  - Schedule of Real Estate Tax Distributions Per Month.
  - Schedule of Outstanding Real Estate Taxes.

We will conduct our engagement in accordance with the attestation standards for agreed-upon procedures engagements of the American Institute of Certified Public Accountants. The specified parties listed above are solely responsible for the sufficiency of the agreed-upon procedures for their purposes. Therefore, we make no representation as to the sufficiency of these procedures for the purposes of the specified parties or for any other purpose. The agreed-upon procedures are not designed to constitute an examination or review of the subject matter. Therefore, we will not express reasonable or limited assurance on the subject matter. We have no obligation to perform any procedures beyond those agreed to by the specified parties as enumerated in this letter of engagement. If, for any reason, we are unable to complete the procedures, we will not issue a report as a result of this engagement.

Our procedures are also not designed to detect error or fraud that is immaterial to the subject matter information. However, we will inform you of any material errors or fraud that come to our attention, unless clearly inconsequential. Our responsibility is limited to the period covered by our procedures and does not extend to matters that might arise during any later periods for which we are not engaged. At the conclusion of our engagement, we may also request certain written representations from you about the subject matter information and related matters. We will present a written report listing the procedures and our related findings. This report will be intended for use by and restricted to the use of the specified parties as identified above, and our report will contain such restricted use language. We will maintain the confidentiality of your information and apply procedures to protect against any unauthorized release of your information to third parties.

Our engagement will be conducted on the basis that Central Bucks School District's management acknowledge and understand that they have responsibility:

1. For the design, implementation and maintenance of internal control relevant to the selected tax collectors' records which is the best means of preventing or detecting errors or fraud;
2. For selecting and determining the suitability and appropriateness of the criteria upon which the selected tax collectors' records will be evaluated; and





To the Board of School Directors  
c/o Ms. Suzanne Vincent, Finance Director  
Central Bucks School District

- 3 -

March 25, 2014

3. To provide us with:
  - a. Access to all information of which management is aware that is relevant to the selected tax collectors' records, such as records, documentation and other matters and that you are responsible for the accuracy and completeness of that information;
  - b. Additional information that we may request from management for the purpose of performing the agreed-upon procedures; and
  - c. Unrestricted access to persons within the entity from whom we determine it necessary to obtain attest evidence.

As part of our engagement, we will request from management and those charged with governance, written confirmation concerning representations made to us in connection with the agreed-upon procedures.

We will issue a written report upon completion of the performance of the agreed-upon procedures. Our report will be addressed to the Central Bucks School District.

During the course of the engagement, we may communicate with you or with your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

Edward J. Furman, CPA, is the engagement partner for the services specified in this letter. His responsibilities include supervising Maillie LLP's services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the agreed-upon procedures report.

Our fee for these services will be based upon the number of hours required by the staff assigned to complete the engagement. Our invoices for these fees will be rendered as work progresses and are payable upon presentation. We estimate that our fee for the agreed-upon procedures engagement will not exceed \$1,500 per tax collector. We will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.



To the Board of School Directors  
c/o Ms. Suzanne Vincent, Finance Director  
Central Bucks School District

- 4 -

March 25, 2014

It is our policy to keep records related to this engagement for seven years. However, Maillie LLP does not keep any original client records, so we will return those to you at the completion of the services rendered under this engagement. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by government or regulatory agencies.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our engagement including our respective responsibilities. If you have any questions, please let us know.

We appreciate the opportunity to be of service to you and look forward to working with you and your staff.

Respectfully,

MAILLIE LLP

Edward J. Furman

RESPONSE:

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of **Central Bucks School District** by:

\_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



## CENTRAL BUCKS SCHOOL DISTRICT

LEADING THE WAY

The Central Bucks Schools will provide all students with the academic and problem-solving skills essential for personal development, responsible citizenship, and life-long learning.

To: Sharon Reiner  
From: Brett Haskin  
Date: April 1, 2014

### Board Agenda Information:

#### General Fund Disbursements, March 2014

Checks March 2014	3,373,580.06
Electronic Payments	12,362,897.15
Transfers to Payroll	7,400,678.53
TOTAL	<u>\$23,137,155.74</u>

#### Other Disbursements, March 2014

Capital Fund(net voids)	\$403,269.00
Food Service(checks issued)	\$12,517.48
TOTAL	<u>\$415,786.48</u>

All Funds	<u><u>\$23,552,942.22</u></u>
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**The Central Bucks School District  
General Fund  
Treasurer's Report  
3/31/2014**

<b>Beginning Cash Balance</b>		<b>\$9,022,394.43</b>
<b>Receipts</b>		
<b>Local General Funds Receipts</b>		
Local Collectors	429,721.21	
County of Bucks	226,067.72	
EIT	2,026,431.68	
Interest Earnings	7,629.13	
Facility Use Fees	26,083.75	
Tuition, Community School	397,786.30	
Contributions	43,430.89	
Miscellaneous	16,677.63	
<b>Total Local General Funds Receipts</b>	<b>\$3,173,828.31</b>	
<b>State General Fund Receipts</b>		
Soc Sec & Retirement	3,327,652.90	
State Subsidy- Other	1,763,024.05	
<b>Total State General Fund Receipts</b>	<b>\$5,090,676.95</b>	
<b>Federal General Fund Receipts</b>		
Title 2	109,604.40	
IDEA(I.U.)	948,167.93	
Other Federal Subsidies	471,494.00	
<b>Total Federal General Fund Receipts</b>	<b>\$1,529,266.33</b>	
<b>Other Receipts</b>		
Investments Matured	16,501,000.00	
Offsets to Expenditures	98,692.25	
Transfer from Other Funds	1,534.51	
<b>Total Other Receipts</b>	<b>\$16,601,226.76</b>	
<b>Total Receipts</b>		<b>\$26,394,998.35</b>
<b>Total Beginning Cash Balance and Receipts</b>		<b>\$35,417,392.78</b>

**The Central Bucks School District  
General Fund  
Treasurer's Report  
3/31/2014**

<b>Disbursements</b>		
Checks (see detail on following page)	3,373,580.06	
Electronic Payments:		
Employee Payroll Taxes	2,442,604.07	
Employer Payroll Taxes	844,158.73	
PSERS Retire	6,673,276.03	
403B/457PMT	326,113.57	
Health Benefit Payments	<u>2,076,744.75</u>	
Electronic Payments Total:	12,362,897.15	
Transfer to Payroll	7,400,678.53	
<b>Total Disbursements</b>		<b>\$23,137,155.74</b>
<b>Summary:</b>		
Total Beginning Cash Balance and Receipts (from previous page)		<b>\$35,417,392.78</b>
Cash Disbursements		<b>\$23,137,155.74</b>
Ending Cash Balance	<b>3/31/2014</b>	<b>\$12,280,237.04</b>

**The Central Bucks School District  
General Fund  
Treasurer's Report  
Check Reconciliation  
3/31/2014**

First Check Run	\$2,113,513.18
Second Check Run	\$83,605.02
Third Check Run	\$965,283.12
Fourth Check Run	\$113,477.01
<b>Total Check Run (see attached detail)</b>	<b><u>\$3,275,878.33</u></b>
Less Voided Checks	(\$430.86)
 <b>Check Run Sub-Total</b>	 <b><u>\$3,275,447.47</u></b>
 Add Prior Month A/P Funded This Month	 \$240,219.40
Less This Month A/P To Be Funded Next Month	<u>\$142,086.81</u>
 <b>Checks Funded This Month</b>	 <b><u><u>\$3,373,580.06</u></u></b>

**The Central Bucks School District  
Food Service  
Treasurer's Report  
3/31/2014**

<b>Beginning Cash Balance</b>		<b>\$ 729,146.26</b>
<b>Receipts</b>		
Subsidies	\$ 91,835.58	
Student Lunch Account Deposits	\$ 477,733.43	
Interest Earnings	<u>\$ 266.85</u>	
<b>Total Receipts</b>		<b>\$ 569,835.86</b>
<b>Disbursements</b>		
Checks	\$ 4,853.79	
Electronic payments	<u>\$ 603,507.60</u>	
<b>Total Disbursements</b>		<b>\$ 608,361.39</b>
<b>Cash per Bank Statement</b>		<b>\$ 690,620.73</b>
Less Outstanding Checks	<u>\$ (30,166.53)</u>	
<b>Ending Cash Balance @ 3/31/14</b>		<b>\$ 660,454.20</b>

Capital Funds As of Mar 31, 2014

	Beg. Bal. 7/1/2013	*Transfers from (to other Funds)	Transfers from General Fund	Interest Earnings	Expenditures	Commitments	Balance 3/31/2014	Target Amount	Percent of Target	Comments
Short term Capital	\$8,094,493		\$4,330,000	\$ 17,990	\$ 6,016,885	\$ 759,769	\$ 5,665,828	\$ 6,000,000	94%	
Technology	\$3,013,161		\$2,000,000	\$ 7,840	\$ 1,749,944	\$ 5,600	\$ 3,265,457	\$ 3,500,000	93%	
Transportation	\$899,274		\$1,000,000	\$ 3,447	\$ 838,551	\$ -	\$ 1,064,170	\$ 2,100,000	51%	
Debt Service	\$73,065			\$ 2			\$ 73,067	\$ 60,000,000	0%	
Long Term Capital	\$8,000,000			\$ 16,080			\$ 8,016,080	\$ 25,000,000	32%	
<b>Totals **</b>	<b>\$20,079,993</b>	<b>\$0</b>	<b>\$7,330,000</b>	<b>\$ 45,359</b>	<b>\$ 8,605,380</b>	<b>\$ 765,369</b>	<b>\$ 18,084,602</b>	<b>\$ 96,600,000</b>	<b>19%</b>	

Trust Funds As of Mar 31, 2014

	Beg. Bal. 7/1/2013	*Transfers from (to other Funds)	Transfers from General Fund	Interest Earnings	Balance 3/31/2014	Comments
Post Employment (GASB 45)	\$3,767,099			\$ 7,293	\$ 3,774,392	Per the Actuarial Report, the present value of benefits payable in the future years, as of 10/1/13, is \$64,094,298. Goal is to fund \$2M per yr towards this liability. Funds remain unrestricted, so can be accessed if needed.
Health Care	\$1,860,560	\$490,000	\$370,000	\$ 7,457	\$ 1,748,017	Goal is to maintain \$2.5 m to provide additional funding in a year of high level claims that might exceed budget.
<b>Totals **</b>	<b>\$5,627,659</b>	<b>\$490,000</b>	<b>\$370,000</b>	<b>\$ 14,750</b>	<b>\$ 5,522,409</b>	



## Capital Bond Funds As of Mar 31 ,2014

	Beg. Bal. 7/1/2013	Interest Earnings	Expenditures	Commitments	Balance 3/31/2014
2008 Bond Fund Proceeds	\$12,937,661	16,902	4,512,080	1,581,010	\$ 6,861,473
<b>Totals</b>	<b>\$12,937,661</b>	<b>16,902</b>	<b>4,512,080</b>	<b>1,581,010</b>	<b>\$ 6,861,473</b>

2008 Bond Project

Tamamend Renov  
 Lenape Renov  
 Warwick Cafeteria  
 Unami Auditorium  
 CB East Renovations  
 Holicong Renovations  
 CBE Stadium  
 Unami Classroom

2007 Bond Projects

CB East Locker Rooms  
 Warwick Elem Site Drainage  
 Warwick Driveway  
 Pine Run Nursing area  
 Buckingham & Gayman Roofing  
 CBE Track  
 Unami Science Classrooms

2003 Bond Projects-History

Tohickon MS-Balance after 2000 Bond Depleted  
 Warwick Elementary Renovation & Addition  
 Barclay  
 Buckingham  
 Butler  
 Linden  
 Pine Run  
 CB West  
 CB WEST PHASE II  
 CB East

**Central Bucks School District  
Ratification of Investments for the Month of  
March, 2014**

Ratifying action is requested on the following investments which were made during the above timeframe.

<b>General Fund</b>						
<u>Category</u>	<u>Purchase Date</u>	<u>Principal</u>	<u>Maturity Date</u>	<u>Rate</u>	<u>Yield</u>	<u>Bank Name</u>
Bank CD	3/2/2014	\$148,000.00	3/4/2016	0.50%	\$1,486.08	Hatboro Savings & Loan
<b>TOTALS</b>		<b>\$148,000.00</b>			<b>\$1,486.08</b>	

**Central Bucks School District  
Investment Portfolio  
Summary Totals by Bank  
March 31, 2014**

Bank Name	Principal Amount
3rd Fed Bank	249,000
Bank of America	10,845
First Niagara	8,176,435
First Savings Bank of Perkasie	249,000
Firsttrust Bank	248,000
Fulton Bank	107,318
Hatboro Savings & Loan	248,000
JP Morgan/Chase	63,987
MBS	2,205,000
Milestone Bank	243,000
Monument Bank	244,000
National Penn	43,059,002
PLGIT	2,232,500
PNC	54,980
PSDLAF	4,197,475
Quakertown National Bank	19,573,154
Santander	42,687,860
Susquehanna	73,067
TD Bank	37,704,790
Team Capital Bank	249,000
William Penn Bank	247,000
<b>Total</b>	<b>162,123,416</b>

**Central Bucks School District**

**Investment Portfolio**

**General Fund**

**March 31, 2014**

<u>Purchase Date</u>	<u>Bank Name</u>	<u>Maturity Date</u>	<u>Rate of Interest</u>	<u>Principal Amount</u>
<b>GENERAL FUND BANK ACCOUNTS</b>				
3/31/14	TD Bank	4/1/14	0.30%	12,280,237
3/31/14	TD Bank Municipal Choice	4/1/14	* 0.55%	10,799,925
3/31/14	PLGIT	4/1/14	0.02%	500
3/31/14	PSDLAF MAX Acct	4/1/14	0.01%	32,972
<b>Total General Fund Bank Accounts</b>				<b>23,113,634</b>

**GENERAL FUND CDs**

<b>Individual Bank CDs:</b>				
4/26/13	3rd Fed Bank	4/26/14	0.40%	249,000
5/1/13	First Savings Bank of Perkasie	5/1/14	0.30%	249,000
5/21/13	Team Capital Bank	5/22/14	0.25%	249,000
2/28/13	Fulton Bank	5/28/14	0.45%	107,318
5/1/13	Firsttrust Bank	7/1/14	0.35%	248,000
9/1/12	Monument Bank	9/1/14	1.05%	244,000
2/21/14	William Penn Bank	8/20/15	0.60%	247,000
8/27/13	Hatboro Savings & Loan	8/27/15	0.50%	100,000
5/23/13	Milestone Bank	12/23/15	1.05%	243,000
3/2/14	Hatboro Savings & Loan	3/4/16	0.50%	148,000
<b>PLGIT CDs :</b>				
5/13/13	Bank Leumi USA, New York, NY	5/13/14	0.50%	248,000
5/13/13	Privatebank & Trust Co.	5/13/14	0.30%	248,000
5/13/13	Bank of China, New York, NY	5/13/14	0.35%	248,000
5/13/13	Bank of East Asia Ltd., New York, NY	5/13/14	0.40%	248,000
8/19/13	Israel Discount Bank of New York	8/19/14	0.40%	248,000
11/7/13	Valley Green Bank, Philadelphia, PA	11/7/14	0.45%	248,000
11/7/13	Stearns Bank, St. Cloud, MN	11/7/14	0.35%	248,000
11/7/13	Franklin Synergy Bank, Franklin, TN	11/7/14	0.35%	248,000
11/7/13	Bridgewater Bank, Bloomington, MN	11/7/14	0.35%	248,000
<b>PSDLAF CD's:</b>				
4/10/13	Fifth Third(Dit)	4/10/14	0.30%	245,000
5/23/13	First Republic Bank	5/23/14	0.45%	245,000
12/18/13	Luana Savings Bank(Athletic CD)	6/11/15	0.35%	140,000
2/7/14	Carver Federal Savings Bank	2/5/16	0.80%	245,000
<b>Multi Bank Securities CDs:</b>				
2/19/14	Banco Popular DE PR Hato Rey	8/19/14	0.30%	245,000
10/18/13	State Bank India, New York, NY	10/17/14	0.50%	245,000
10/18/13	Bank Barada, New York, NY	10/17/14	0.35%	245,000
10/31/13	Bank India New York, NY	10/31/14	0.40%	245,000
11/4/13	Bank Hapoalim BM New York	11/4/14	0.45%	245,000
11/15/13	BMW BK North Amer Salt Lake City, UT	11/14/14	0.35%	245,000
2/26/14	Customers Bank Phoenixville, PA	8/26/15	0.35%	245,000
2/26/14	BBCN Bank Los Angeles, CA	8/26/15	0.35%	245,000
2/20/14	Compass Bank Birmingham, AL	2/22/16	0.50%	245,000
<b>Total General Fund CDs</b>				<b>7,396,318</b>

**GENERAL FUND MONEY MARKET ACCOUNTS**

3/31/14	First Niagara	4/1/14	0.02%	8,867
3/31/14	Santander	4/1/14	0.30%	34,671,780
3/31/14	Bank of America	4/1/14	0.20%	10,845
3/31/14	National Penn (1652)	4/1/14	0.25%	43,059,002
3/31/14	Quakertown National Bank	4/1/14	0.25%	19,573,154
3/31/14	PNC	4/1/14	0.08%	54,980
3/31/14	JP Morgan/Chase	4/1/14	0.05%	63,987
3/31/14	PSDLAF(Athletic Full Flex)	4/1/14	0.10%	130,197
<b>Total General Fund Money Market Accounts</b>				<b>97,572,814</b>

**Total General Fund 128,082,767**

\* Interest earnings credited to offset fees

**Central Bucks School District  
Investment Portfolio  
Capital Fund  
March 31, 2014**

<u>Purchase Date</u>	<u>Bank Name</u>	<u>Maturity Date</u>	<u>Rate of Interest</u>	<u>Principal Amount</u>
<b><u>2008 Bond</u></b>				
3/31/14	First Niagara	4/1/14	0.15%	6,475,665
3/31/14	PSDLAF MAX ACCT	4/1/14	0.01%	6,818
5/29/13	PSDLAF(Financial Federal Savings Bank)	5/29/14	0.20%	245,000
5/29/13	PSDLAF(Liberty Bank of Arkansas)	5/29/14	0.20%	245,000
5/29/13	PSDLAF(Merchants Bank of Indiana)	5/29/14	0.20%	245,000
5/30/13	PSDLAF(GBC International Bank)	5/30/14	0.20%	245,000
6/3/13	PSDLAF(Grandpoint Bank)	6/3/14	0.20%	245,000
6/5/13	PSDLAF(Discover Bank)	6/5/14	0.20%	245,000
6/21/13	PSDLAF(Merrick Bank Corp)	6/20/14	0.25%	245,000
6/28/13	PSDLAF(Safra National Bank of NY)	7/28/14	0.25%	245,000
<b>Total 2008 Bond Account</b>				<b>8,442,483</b>
<b><u>Transportation Capital Reserve</u></b>				
3/31/14	TD Bank	4/1/14	0.30%	1,064,170
<b>Total Transportation Reserve</b>				<b>1,064,170</b>
<b><u>Technology Capital Reserve</u></b>				
3/31/14	TD Bank	4/1/14	0.30%	3,271,057
<b>Total Technology Reserve</b>				<b>3,271,057</b>
<b><u>Short Term Capital Reserve</u></b>				
3/31/14	PSDLAF Max Acct	4/1/14	0.01%	147
3/31/14	TD Bank Fund 3 Acct	4/1/14	0.30%	1,225,785
3/31/14	TD Bank	4/1/14	0.30%	6,425,451
<b>Total Short Term Capital Reserve</b>				<b>7,651,384</b>
<b><u>Long Term Capital Reserve</u></b>				
3/31/14	Santander	4/1/14	0.30%	8,016,080
<b>Total Long Term Capital Reserve</b>				<b>8,016,080</b>
<b>Total Capital Fund</b>				<b>28,445,173</b>

**Central Bucks School District**  
**Investment Portfolio**  
**Debt Service Fund**  
**March 31, 2014**

<u>Purchase Date</u>	<u>Bank Name</u>	<u>Maturity Date</u>	<u>Rate of Interest</u>	<u>Principal Amount</u>
<b><u>Debt Service Reserve</u></b>				
3/31/14	Susquehanna	4/1/14	0.10%	3,067
6/27/13	Susquehanna	6/27/14	0.20%	70,000
<b>Total Debt Service Reserve</b>				<b>73,067</b>

**Central Bucks School District  
Investment Portfolio  
Trust Fund  
March 31, 2014**

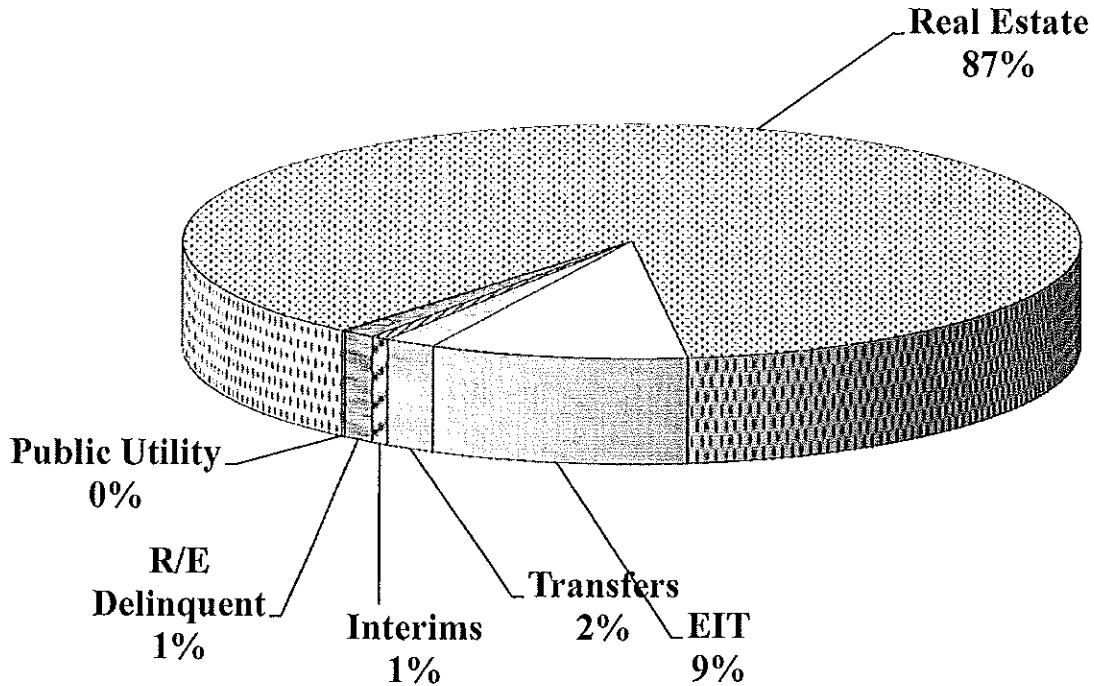
<u>Purchase Date</u>	<u>Bank Name</u>	<u>Maturity Date</u>	<u>Rate of Interest</u>	<u>Principal Amount</u>
<b><u>Post Employment Trust Fund Reserve</u></b>				
3/31/14	First Niagara	4/1/14	0.15%	1,691,903
3/31/14	TD Bank	4/1/14	0.30%	2,082,489
<b>Total Post Employment Reserve</b>				<b>3,774,392</b>
 <b><u>Healthcare Trust Fund Reserve</u></b>				
3/31/14	PSDLAF Max Account	4/1/14	0.01%	12,341
4/18/13	PSDLAF(The First Bancorp)	4/18/14	0.25%	245,000
7/19/12	PSDLAF(GE Capital Financial)	7/19/14	0.90%	245,000
7/23/13	PSDLAF(One West Bank)	7/23/14	0.50%	245,000
7/31/13	PSDLAF(Beal Bank USA)	7/30/14	0.30%	245,000
7/31/13	PSDLAF(Ally Bank)	7/31/15	0.65%	200,000
3/31/14	TD Bank	4/1/14	0.30%	555,676
<b>Healthcare Reserve</b>				<b>1,748,017</b>
<b>Total Trust Fund</b>				<b>5,522,409</b>
<b>Grand Total- All Funds</b>				<b>162,123,416</b>
<b>Weighted Average Rate of Return</b>				<b>0.28%</b>

Payroll Projection  
March 31, 2014

	Estimated Final
<i>Budgeted Payroll, Social Security &amp; Retirement</i> <i>** Adjusted for Transfers**</i>	169,718,058
<i>Projected spending</i>	<u>169,130,450</u>
<i>Positive (Negative) Variance</i>	<u>587,608</u>



**Central Bucks School District  
Projected Tax Collections  
Mar 31, 2014**



<u>Revenues</u>	<u>Projected</u>	<u>Budget</u>	<u>Variance</u>
Real Estate	\$204,375,000	\$203,518,979	\$856,021
EIT	21,875,000	20,420,000	1,455,000
Transfers	4,300,000	3,150,000	1,150,000
Interims	1,500,000	575,000	925,000
R/E Delinquent	2,875,000	3,000,000	(125,000)
Public Utility	<u>303,755</u>	<u>289,000</u>	<u>14,755</u>
<b>Total</b>	<b><u>\$235,228,755</u></b>	<b><u>\$230,952,979</u></b>	<b><u>\$4,275,776</u></b>

**Central Bucks School District  
Fringe Benefits  
3/31/14**

	<u>Budget</u>	<u>Adjusted Budget</u>	<u>Encumbered</u>	<u>Spent</u>	<u>Balance</u>	<u>% Committed</u>
Health care	29,022,386	19,662,349	5,938,021	13,314,062	410,266	66%
Dental coverage	1,487,648	1,487,648	332,531	967,593	187,524	87%
Life insurance	290,000	290,000	72,056	175,350	42,594	85%
Disability coverage	373,120	373,120	72,395	158,805	141,920	62%
Prescription drugs	5,441,393	5,306,393	1,127,431	3,382,294	796,667	83%
Unemployment comp	361,392	363,462	120,000	217,083	26,379	93%
Workers comp	1,027,371	1,033,329	38,931	1,091,215	(96,817)	110%
Miscellaneous	240,000	240,000	50,563	151,688	37,749	84%
<b>Totals</b>	<b>38,243,310</b>	<b>28,756,301</b>	<b>7,751,928</b>	<b>19,458,090</b>	<b>1,546,283</b>	<b>71%</b>