

CENTRAL BUCKS SCHOOL DISTRICT
Finance Committee Minutes
October 14, 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
John Gamble
Geri McMullin
Kelly Unger

Dave Matyas, Business Administrator
Susan Vincent, Director of Finance

Dr. Dave Weitzel, Superintendent
Dr. David Bolton, Assistant Superintendent

Committee Members Absent

The Finance Committee meeting was called to order at 6:30 p.m. by Jerel Wohl, Chairperson

PUBLIC COMMENT

No members of the public were present.

APPROVAL OF MINUTES

The June 18, 2014 Finance Committee meeting minutes were accepted as presented.

INFORMATION/ DISCUSSION/ACTION ITEMS

Food Service Equipment for Minimally Processed Food Lines – Leah Huf, general manager for Aramark presented an overview of food service equipment needs. The largest expense is for three combination ovens for Holicong and Tamanend Middle Schools, and for Groveland Elementary. These ovens are expensive costing approximately \$21,000 each, but produce better tasting food, faster, and in a smaller footprint than existing ovens. A combination oven can steam, bake, broil, or warm foods all at the same time by using different sections of the oven. The oven is programmable for different recipes ensuring that the same results are produced time after time. Other expenses were for small utensils and for hot and cold wells and elementary salad bars. Total cost of the equipment is \$110,000.

Q: Is the combination oven the same type of equipment that MBIT uses in their culinary program?

A: Yes, it is the same oven. The oven produces consistent results with less baking time.

Q: Will each secondary school have a minimally processed option for students to purchase?

A: Yes, the high schools and Tohickon Middle School have minimally processed food lines in place. It is expected that a minimally processed food line will be opened every 4 to 6 weeks until all middle schools have this option. In addition a made-to-order deli station will be set up in each middle school that is similar to the stations at the high schools.

Q: Are there plans to install other combination ovens in the future?

A: A long term goal would be to place a combination oven in each building.

Q: Do these ovens help the district offer menus with minimally processed foods?

A: Yes, they facilitate the preparation of minimally processed foods and help us offer menus with healthier options.

Plans were also reviewed to replace a cash register station at CB South with an enlarged soup / salad bar station. A grill for cooking made-to-order items for breakfast and lunch is planned to add to the serving area as well as induction cooking stations for made-to-order pasta items. Total projected costs are approximately \$91,000.

A handout was distributed that showed the district was rejected by the Pennsylvania Department of Education for a food service equipment grant.

Q: Will these expenses discussed tonight be paid for from the newly established food service capital reserve account?

A: Yes, the Board established the account in June of 2014 with an \$800,000 starting balance.

Q: Any reasons, why our equipment grant was rejected by PDE?

A: The district did not receive any specific reasons for the rejection. Pennsylvania had \$1,000,000 available for the grant and \$3,000,000 in applications. The thought is that the grants went to districts with greater financial needs.

Aramark is also working with an architect to look at a menu of options for improving the serving and seating areas at CB West. More to come on this item in the future.

The committee directed administration and Aramark to continue with the equipment upgrades and the improvements to the nutrition program.

Central Bucks High School South Band Uniforms – Bid results for the uniforms were reviewed with the committee. The total cost is \$44,307.66. The bid amount includes 100 band uniforms, 2 drum major uniforms, and 20 color guard uniforms. The uniform material and does not need to be dry cleaned. CB South Band Parents will pay for one half of the cost. The committee recommended this item be placed on the next board agenda for consideration.

Q: Were the current uniforms purchased when CB South opened?

A: Yes, they were purchased in 2004

Q: Are accessory items included?

A: Items such as parade rifles, banners, and flags are not included in the uniform bid.

Budget Transfers – Finalizing the 2013-14 year end audit, a series of budget transfers are recommended between expense accounts that were underspent compared to budget against accounts that were overspend compared to budget. The final total expenses are expected to be within \$250,000 of the revised budget amount.

Q: Are these budget transfers the final set of transfers for the 2013-14 fiscal year?

A: Yes, these are the final transfers required to close out the 2013-14 fiscal year.

Owner Initiated Commercial Assessment Appeals – Over the past six months the district settled assessment appeals with Giant in New Britain Township, an apartment complex in Warrington, and the Stonington Farms Apartment complex in Doylestown Township. The total cost of the

settlements were \$1,161,000, plus estimated reductions to future real estate taxes of \$90,000 per year. Over the past six weeks, the district received assessment appeals from Target, Acme, Regal Cinemas, Penns Grant, and Thompson Toyota. The potential loss in revenue to the district is \$2,600,000 and approximately \$50,000 per year in future years.

The assessment appeals liability account that had been established in the past is nearly depleted. Administration is recommending adding a million dollars to the liability account. As this liability account is increased, the general fund balance (asset) is decreased. The committee directed administration to add to the assessment appeals liability and report back on the status of the account in the future if additional adjustments are needed.

Fund Transfers – A handout of the district’s financial 2013-14 position was reviewed.

Fund Balance 6/30/2013	18,519,326
Less Transfer to Debt Service 6/30/2014	(3,000,000)
Plus Net Change from operations (local revenues are improving) Interims RE Taxes, Earned Income Taxes, PDE reimbursement for their share of debt defeasement [one-time funding]	10,293,814
Less recommended additional allowance for assessment appeals	(1,000,000)
Less recommended transfer to Debt Service Fund for future debt defeasance	(7,000,000)
Expected Fund Balance as of 6/30/14 approximately 6% of Budget	17,813,140

It is anticipated that the Bond Debt Pay off fund should grow to the \$45 - \$50M level by the spring of 2015.

The committee recommended the fund transfers be placed on a future agenda for consideration. They also directed administration to consult with the financial advisor, PFM, to develop a strategy for the next round of debt defeasance. Accelerating debt payments will help the district address the mandated pension increases without major tax increases on the community.

I.T. Position – Dr. Weitzel reviewed the position description for a new Information Technology Position to help support the expansion of IPAD devices at the elementary level and the increased use and support of laptop computers throughout the district. IPADs are a wonderful instructional device but are time consuming to configure for district use.

The committee recommended administration start the search process for this position.

ADJOURNMENT

The meeting adjourned at 7:20 p.m.

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

Central Bucks School District

Finance Committee

Education Support Center – 16 Welden Drive
Tuesday October 14th, 2014 6:30 pm Projected time – 30 Minutes

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 - 5 |
| 4) Information / Discussion / Action Items | | |
| a. Food Service Equipment For Minimally Process Food Lines | 5 minutes
Leah Huf / Dave Matyas | Pages 6 - 7 |
| b. Food Service Area Redesign Ideas (South, West) | 15 minutes
Leah Huf /Dave Matyas | Pages 8 - 13 |
| c. * CB South Band Uniforms | 5 minutes
Dave Matyas | Pages 14 – 17 |
| d. * Budget Transfers For 2013-14 Year-End Closing | 5 minutes
Susan Vincent | Pages 18 – 21 |
| e. Owner Initiated Commercial Assessment Appeals | 5 minutes
Dave Matyas | Pages 22 – 56 |
| 5) Adjournment | Chairperson | End Time |
| 6) Next Meeting Date: | November 19 th , 2014 | |

Information Items

- | | |
|---------------------|---------------|
| * Treasurers Report | Pages 57 – 61 |
| Other Funds Report | Pages 62 - 63 |
| * Investment Report | Pages 64 - 69 |
| LOGIC Report | Pages 70 - 99 |

* 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
June 18, 2014

Committee Members Present

Jerel Wohl, Chairperson
Joe Jagelka, Member

Other Board Members and Administrators Present

Steve Corr
Paul Faulkner
John Gamble
Kelly Unger

Dave Matyas, Business Administrator
Susan Vincent, Director of Finance

Dr. Dave Weitzel, Superintendent

Committee Members Absent

Jim Duffy, Member
Tyler Tomlinson, Member

The Finance Committee meeting was called to order at 7:05 p.m. by Jerel Wohl, Chairperson

PUBLIC COMMENT

Four members of the public were present. A comment was made to request the school board to create an audit advisory committee.

APPROVAL OF MINUTES

The May 21, 2014 Finance Committee meeting minutes were accepted as presented.

INFORMATION/ DISCUSSION/ACTION ITEMS

Food Service RFP Update – A presentation was made summarizing the USDA proposed changes to the food service program a la carte program starting in 2014-15 and the Request for Proposal (RFP) for a food service management companies.

For 2014-15, the Healthy Hunger-Free Kids Act(HHFKA) limits the number of alternative foods students can choose unless the alternative food (a la carte) contained less than 200 calories for snacks and less than 350 calories for entrees. This does not present a problem at the elementary or middle school level, since students do not have many food choices beyond the complete meals served each day. But at the high school level, students like to have a large variety of foods they can choose from. Eighty Percent (80%) of the high school students who purchase food during the day choose at least one a la carte item.

Knowing that the alternate foods / a la carte changes would have a dramatic impact on schools, the US Congress petitioned the US Department of Agriculture to delay the implementation for at least one year. Everyone expected a delay in implementation, but in early April, the USDA stated that they do not have the authority to delay any aspect of the HHFKA.

This created an immediate problem for CBSD, knowing that taking away the variety of a la carte items will reduce participation. With less participation at the high school level it likely would impact the variety of menu items that could be offered at the elementary and middle school levels since reduced food purchasing power and reduced economies of labor scale would likely result in raising prices, or reducing food choices or possibly both. To avoid this situation, it was

determined that the high schools should be removed from the National School Lunch Program. This major change to the program mandated that the district go through a new food service RFP process.

Early June, was the start of the RFP review process for food service management companies with data being pulled together for an evaluation committee to review. Some of the categories for evaluation were financials, marketing, student involvement, service capability, personnel, reporting, and references. Each member of the evaluation committee was directed to make an independent evaluation of each food service management company based upon the responses provided.

A review of the evaluation results was made to the Finance Committee on June 18th. Aramark obtained the highest scores in 7 of 8 categories. It was recommended that Aramark be appointed the food service management company for 2014-15. Aramark achieved the highest score from the three companies that submitted proposals (Aramark, Metz, and Nutrition). Chartwells, Sodexo, and Whitson's did not develop proposals for CBSD to review.

Special thanks goes to:

Food related evaluation team members:

Jim Duffy
John Gamble
Kelly Unger
Dr. Bolton
Dr. Silvious
Dale Scafuro
Dr. Weitzel
Maryanne Canales
Dr. Mass

Financial review team members:

Susan Vincent
Cheryl Rubanich
Renee Ziccardi

The committee had several questions.

Q: In their proposal, Metz indicated a financial guarantee of \$1,005,000. The summary presentation lists their guarantee at \$870,312?

A: Administration talked to the Metz Regional Manager who indicated that the number included the financial guarantee and the investment in district signage and equipment if they were awarded the contract. Administration removed the proposed investment number to accurately give a comparison between the three competing companies.

Metz	\$870,312, one year financial guarantee
Aramark	\$750,000 five year financial guarantee
Nutrition	\$557,472 one year financial guarantee

Q: Why was so much emphasis placed on food staff salary, benefits, and full time equivalency (FTE)?

A: This was to help ensure that companies did not reduce staff , salaries, or benefits from current levels to help meet their financial guarantee. The district has a dedicated staff currently on the Aramark payroll that is well trained and an efficient workforce and the district did not want to see increased turnover or less staff that may increase student wait time in the cafeteria.

Q: Why did each company indicate that they may raise the price they charge the district to prepare a lunch based on the consumer price index?

A: This is allowed under the general terms provided by the USDA and the Pennsylvania Department of Education (PDE).

Q: What was the reason why the financial data of each company was evaluated?

A: A general review of the most recent audit statements was performed to make sure each company was profitable and financially solvent.

Q: What is the category Student/Parent Involvement used for?

A: This is a PDE required category. The evaluators looked for the plans each company has to gather feedback from students at all levels as well as from parents. Student representatives meet with administration to discuss food service on a periodic basis, but gathering data from a broader perspective is the goal. The purpose is to ensure that the food service provider is adaptive to student and parent needs.

The Finance Committee recommended this item be placed on the Board Agenda for consideration.

Create a Food Service Capital Reserve Account and Transfer \$800,000 – in May of 2014, administration attended a seminar developed by the Pennsylvania Department of Education (PDE) for food service accounting. Several significant changes to the accounting and management of food service funds were presented that warrant modifying current accounting and management of the food service fund.

Historically the food service operation of a school district was to stand alone financially meaning tax dollars should not subsidize any aspect of food service operations. Food service was supposed to be run like a business and to that end accounted for in a separate group of accounts noted as Fund 5 revenues and expenses. Fund 5 is designated as an Enterprise Fund to denote that revenues from food service operations should pay for all related expenses and can not be used for anything other than food service operations. These expenses include purchase of food, supplies, serving equipment, preparation equipment, tables and chairs, utilities, maintenance of the kitchen and cafeteria, and all salaries and benefits associated with food service such as custodial time and cafeteria aide time.

Starting July 1, 2014 the district will no longer be allowed to pay for major capital expenses, such as the Holicong kitchen renovations, out of the food service fund. New federal regulations require these types of costs to be funded by a school district's general fund or capital fund moving forward. In addition, PDE must preapprove any food service equipment purchases or maintenance costs of \$5,000 or more.

Although the reasons for this federal change are unknown, the assumption is that the United States Department of Agriculture (USDA) wants districts to provide as much funding as possible for direct food expenses.

CBSD food service operations have been self-sustaining and have not needed any tax dollars to subsidize food service operations including maintenance and renovations. However, a number of expenses that are directly attributable to the food service operation have been absorbed by the general fund, such as custodial and cafeteria aides, leaving funds available in the food service fund to cover capital expenses. Moving forward, administration is recommending recording costs that have been incurred by the general fund that are attributable to food service against the Fund 5 food service expense accounts. This will result in decreasing the yearly food service fund

balance previously available for capital projects, and allow for the district's general fund to pick up such costs moving forward.

To maintain the district's commitment to high quality food service, healthy meals, and high sanitation standards, the following are recommendations for future accounting changes:

- Charge the full cost of food service related utilities (gas, electric, water, trash removal) to the food service fund.
- Charge the prorated cost of salaries and benefits for custodial services, maintenance services, cafeteria aide service, and cafeteria security services to the food service fund. Perhaps include some accounting costs as well if the food service fund can support it.
- These expenses are estimated to be \$700,000 to \$800,000 per year.
- The proposed accounting change will shift more utility and direct labor expenses into the food service fund, with less reliance on the general fund for these expenses.
- The general fund should then have about \$200,000 per year available from the cost shift that can be used for maintenance and renovations of kitchens and cafeterias.
- The accounting change will keep us in compliance with state and federal regulations and maintain our high food service standards moving forward.
- The new restricted food service capital account can only be used for food service related expenses. Money can be transferred back into the food service fund, if needed, but nowhere else.

Q: Will the general fund need to contribute a yearly sum to the new Food Service Capital Fund?

A: Not immediately, as the \$800,000 transfer should last for some years. But eventually, the general fund will need to place additional dollars in the food service capital account to replace equipment and maintain the cafeteria eating areas.

Q: Will PDE change the level at which we must seek approval to replace equipment in the future? Administration does not know the answer. No adjustments for inflation were discussed by PDE during the seminar.

The Finance Committee recommended this item be placed on the Board Agenda for consideration.

Budget Transfers and Fund Transfer – In preparation for the year end audit, budget transfers were reviewed with the committee. Budget transfers are a requirement of PDE if an area of the expenditure budget is overspent within major budget categories. Budget amounts are moved from budget areas where budget estimates were underspent. More budget transfers will likely be required over the summer and early fall as payroll and payroll associated expenses are completed for the fiscal year along with health care expenses and additional special education expenses that are received in July and August that must be accrued back to the prior fiscal year. Therefore administration is asking for authorization to prepare future budget transfer for the current fiscal year in preparation of the audit that would then be ratified by the Board no later than October.

As discussed during the budget presentation, administration is recommending a fund transfer of \$3,000,000 from the general fund balance to the debt service fund to help pay off future debt. The district has a goal of accumulating \$50 - \$60M over the next several years to pay down additional

debt so that the district can afford mandated state retirement system payments without major tax increases on the community. This transfer would bring the general fund fund-balance down to 5% of budget.

The Finance Committee recommended these transfers be placed on the Board Agenda for consideration.

Middle School Gym Uniform Bids – The Purchasing Department requested bids for the yearly supply of middle school gym uniforms. Bids were sent to 11 suppliers with the low bid for shorts going to Schuylkill Valley Sports and the low bid for shirts to Sportswear Plus. The total cost of the uniforms is \$22,063.47. The district purchases the uniforms to ensure material quality, size accuracy, and quantity discounts. Parents purchase the uniform from the school district when school starts in September so there will be no cost to taxpayers for the uniforms.

The Finance Committee recommended this item be placed on the Board Agenda for consideration.

Weight Room Equipment For CB East Renovations – Bid specifications were prepared for equipment for the weight room at Central Bucks East High School related to the renovation project. Bids were opened May 20, 2014. However, there was a substantial disparity in cost and quality and dimensions offered among bidders. Purchasing would like to reconsider the type of equipment being requested in order to provide the best value to the District. This may make it necessary to revise the specifications used for the bid. It is recommended that the Board reject all the bids so that the process can be restarted with more refined specifications.

Q: What were some of the concerns associated with the equipment that was proposed by the bidding companies?

A: There were concerns with quality and quality control and therefore student safety as this equipment must be capable of handling over 500 pounds of weight for 20 years or more. There was a lack of product liability insurance for some companies. Some of the recommended equipment would not physically fit in the weight room area. Other pieces of equipment were over the estimated costs.

The Finance Committee recommended this item be placed on the Board Agenda for consideration.

CB East Stadium Scoreboard – Mr. Gamble requested this item be placed on the agenda for discussion. Coca-Cola is the supplier of vending drinks to the district. They are willing to pay for a new scoreboard if the current contract can be extended.

The committee had questions about the current contract expiration date, financial terms, and proposed length of a contract extension. There was also discussion on advertising opportunities for the scoreboard and Board advertising policy. The committee requested a copy of the existing contract for review. This item may be placed on a future agenda for additional discussion.

ADJOURNMENT

The meeting adjourned at 8:20 p.m.

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

Handout

From: [Bender, Marc](#)
To: [Bender, Marc](#)
Subject: FY 2014 Food Service Equipment Grant
Date: Friday, October 10, 2014 5:01:26 PM

Dear Chief Administrator and National School Lunch Program Contact:

Thank you for your application(s) for the School Food Service Equipment Grants offered through a one-time appropriation to the United States Department of Agriculture (USDA). The Pennsylvania Department of Education (PDE) received nearly 180 applications totaling over \$3 million in requests. In total, 72 buildings were funded within Pennsylvania's allocation of \$1,019,574. Unfortunately, your application(s) was/were not selected for funding.

Every application that was received by the September 12, 2014, deadline was reviewed and scored. We thank you for your interest and we wish our federal allocation was higher and we were able to fund more applications. The need for this financial resource is apparent based upon the overwhelming response that PDE received.

Please contact Marc Bender with any questions. He can be reached by phone at 1-800-331-0129, 2363376, or by e-mail at marbender@pa.gov.

Sincerely,

Vonda Fekete, M.S., R.D.
State Director, Child Nutrition Programs
Division of Food and Nutrition
Pennsylvania Department of Education

Marc Bender | Administrative Assistant 1
Department of Education | Budget and Fiscal Management
333 Market Street | Harrisburg PA 17126
Phone: 717.783.6553 | Fax: 717.783.6566
www.education.state.pa.us

2014-2015 Equipment Needs

Project: MS/HS Market Fresh Bistros

<i>Items Need:</i>	<i>Quantity</i>	<i>Cost</i>	<i>Total</i>	<i>Comments</i>
Combi Oven	3	\$ 21,310.50	\$ 63,931.50	Ovens needed for Hollcong and
Hot Tiles	20	\$ 104.25	\$ 2,085.00	Tamanend. Grovelands steamer is
Pan Roaster, Large	35	\$ 77.69	\$ 2,719.15	broken and needs to be replaced
Pan, S/S Rect	35	\$ 77.11	\$ 2,698.85	
Pan Roaster, Small	35	\$ 66.61	\$ 2,331.35	
Augratin Pan	35	\$ 55.57	\$ 1,944.95	
Dicer	5	\$ 208.73	\$ 1,043.65	
Ladle 3oz	7	\$ 9.80	\$ 68.60	
Ladle 6oz	7	\$ 11.20	\$ 78.40	
Ladle 4oz Perf	14	\$ 11.20	\$ 156.80	
Ladle 4oz	14	\$ 10.27	\$ 143.78	
Ladle 2 oz	14	\$ 9.33	\$ 130.62	
Pizza Cutter	7	\$ 12.14	\$ 84.98	
Pizza Server	7	\$ 11.67	\$ 81.69	
Carving Knife	7	\$ 30.89	\$ 216.23	
Carving Fork	7	\$ 25.95	\$ 181.65	
Cutting Board	7	\$ 51.82	\$ 362.74	
Heat Strip	7	\$ 169.95	\$ 1,189.65	Both East and West need an extra
Hot Wells	2	\$ 5,000.00	\$ 10,000.00	portable hot well for Bistros to be
<i>Total</i>			\$ 89,449.59	served

Project: MS MTO Deli Bar

<i>Items Need:</i>	<i>Quantity</i>	<i>Cost</i>	<i>Total</i>	<i>Comments</i>
Table Top Warmer	5	\$ 309.21	\$ 1,546.05	
Food Pans: 1/3 Size 2.5"	40	\$ 4.67	\$ 186.80	
Food Pans: 1/6 Size 2.5"	40	\$ 3.44	\$ 137.60	
Adapter Bar 12" Steel	50	\$ 3.50	\$ 175.00	
Adapter Bar 20" Steel	50	\$ 4.55	\$ 227.50	
Tong 6"	100	\$ 0.89	\$ 89.00	

Total \$ 2,361.95

Project: Elementary Salad Bar

<i>Items Need:</i>	<i>Quantity</i>	<i>Cost</i>	<i>Total</i>	<i>Comments</i>
Food Pans: Full Size 2.5"	40	\$ 11.19	\$ 447.60	
Food Pans: 1/3 Size 2.5"	40	\$ 4.67	\$ 186.80	
Food Pans: 1/6 Size 2.5"	200	\$ 3.44	\$ 688.00	
Food Pans: 1/2 Long 2.5"	100	\$ 8.49	\$ 849.00	
Food Pans: 1/6 Size 4"	40	\$ 3.88	\$ 155.20	
Adapter Bar 12" Steel	100	\$ 3.50	\$ 350.00	
Adapter Bar 20" Steel	100	\$ 4.55	\$ 455.00	
Tong 6"	75	\$ 0.89	\$ 66.75	
Tong 9"	75	\$ 1.49	\$ 111.75	

Total \$ 3,310.10

Project: Jamison and Cold Spring Cold Wells

<i>Items Need:</i>	<i>Quantity</i>	<i>Cost</i>	<i>Total</i>	<i>Comments</i>
Cold Well	3	\$ 5,000.00	\$ 15,000.00	

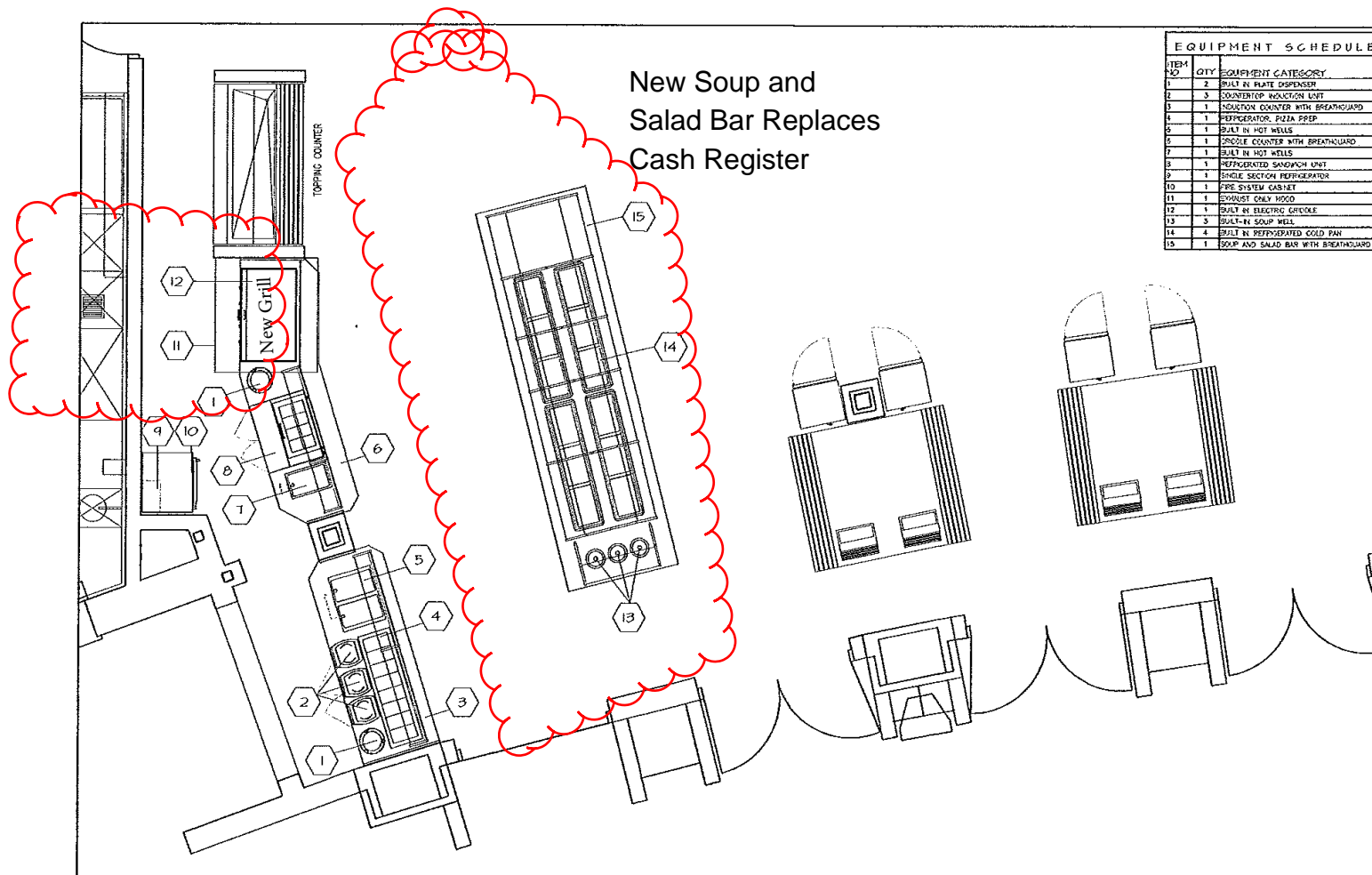
Total \$ 15,000.00

Project: South Pasta Line

<i>Items Need:</i>	<i>Quantity</i>	<i>Cost</i>	<i>Total</i>	<i>Comments</i>
Induction Range	3	\$ 289.11	\$ 867.33	
Induction Pans	10	\$ 24.53	\$ 245.30	

Total \$ 1,112.63

Total \$ 111,234.27
Smallwares \$ 18,699.74
Equipment \$ 92,534.53



New Soup and
Salad Bar Replaces
Cash Register

EQUIPMENT SCHEDULE		
ITEM NO.	QTY	EQUIPMENT CATEGORY
1	2	BUILT IN PLATE DISPENSER
2	3	COUNTERTOP INDUCTION UNIT
3	1	SAFETY COUNTER WITH BREATHGUARD
4	1	REFRIGERATOR, PIZZA PREP
5	1	BUILT IN HOT WELLS
6	1	FRIDDLE COUNTER WITH BREATHGUARD
7	1	BUILT IN HOT WELLS
8	1	REFRIGERATED SANDWICH UNIT
9	1	SINGLE SECTION REFRIGERATOR
10	1	PIPE SYSTEM CASTER
11	1	EXHAUST ONLY HOOD
12	1	BUILT IN ELECTRIC GRIDDLE
13	3	BUILT IN SOUP WELL
14	4	BUILT IN REFRIGERATED COLD PAN
15	1	SOUP AND SALAD BAR WITH BREATHGUARD

JOB: CBSD - HIGH SCHOOL - SOUTH

DRAWN BY: MWE DATE: 07-02-14 SCALE: N/A

SERVERY RENOVATION

SINGER Singer Equipment Company
 60 S. Twin Valley Road Emerson, PA 19520
 Phone: 610-286-8000 Fax: 610-286-8050 www.singerequipment.com



SINGER EQUIPMENT COMPANY
 Foodservice Equipment, Supplies and Furniture
 Design and Project Management
 150 South Twin Valley Road - Elverson, PA - 19605
 PH - 610-387-6486 FX - 610-286-0851
 Toll Free 1-800-422-8126 Ext. 486
 Michael Ewart Cell 610-762-4200
 MwEwart@SingerEquipment.com

Quotation
 08/01/2014

To:
 CBSD - South High School
 Doylestown, PA 18901

Project Name:
 Central Bucks School District
 20 Weldon Drive
 Doylestown, PA 18901
 (267) 893-2062

From:
 Michael Ewart
 610-762-4200

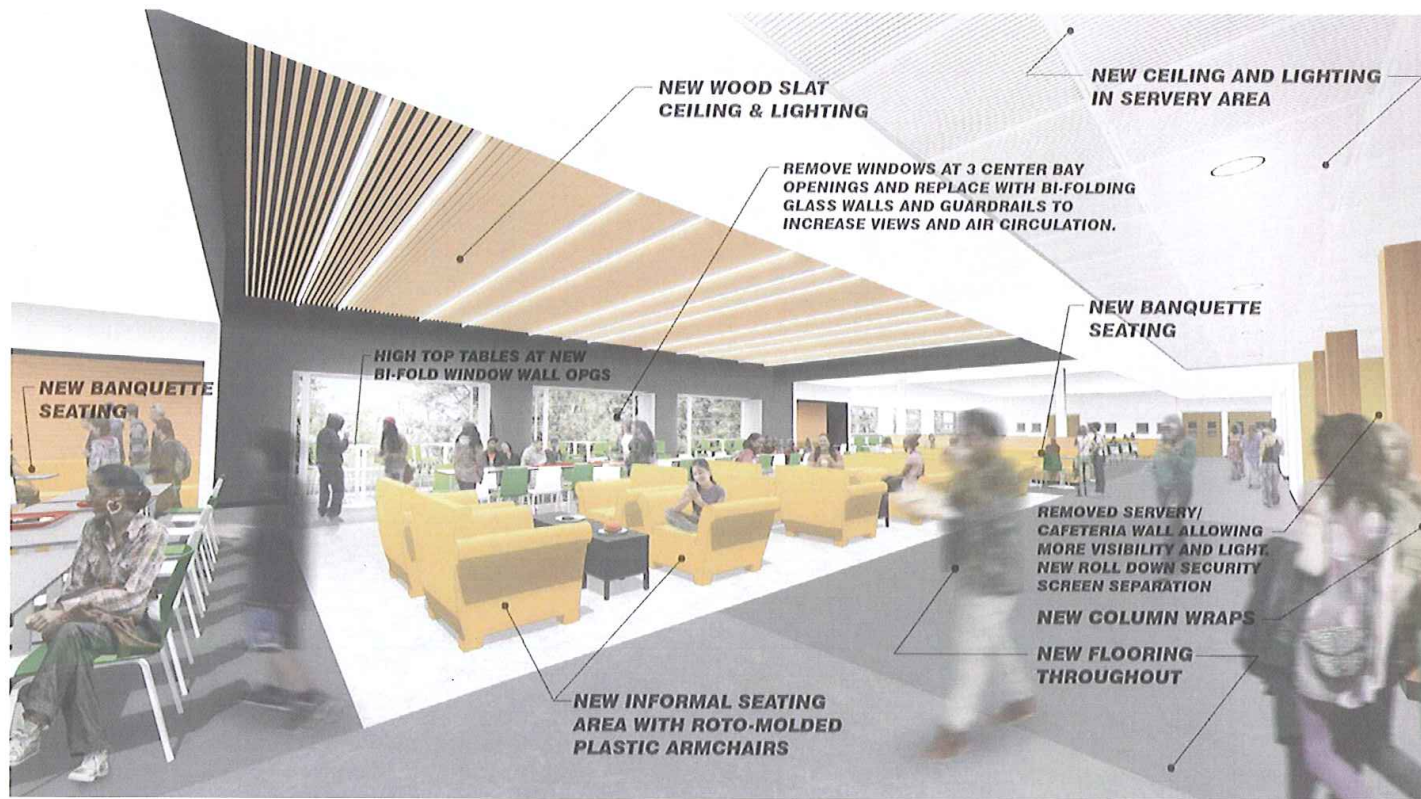
Project Code: CBSD76

Item	Qty	Description	Sell	Sell Total
1	1 ea	PLATES By Others Packed: ea BY OTHERS - PLATES		
2	3 ea	INDUCTION RANGE Waring Model No. WIH400 Packed: ea Induction Range, countertop, single burner, 11" x 11" Schott® ceramic glass top, touch controls, (12) temperature settings from 120°-500°F (79°-260°C), dual cooking modes: heat (power) and temp (hold), 10-hour countdown timer, 'empty pan', 'induction-ready pan', 'small object' and 'no pan' detection, stainless steel construction, 120v/60/1-ph, 1800 watts, 15.0amps, 5-15P, cETLus, NSF	\$284.90	\$854.70
	1 ea	Standard 1-year limited warranty		
3	1	CUSTOM Custom Packed: ea INDUCTION COUNTER WITH BREATH GUARD	\$11,218.79	\$11,218.79
4	1 ea	REFRIGERATED PIZZA TABLE Randell Model No. 8268N Packed: ea Refrigerated Raised Rail Prep Table, 68" L, (2) 27" doors, stainless steel top, cold wall refrigeration pan rail (9) 1/3 size pan capacity (pans not included), separate controls, stainless steel front, aluminum interior, 6" casters, side-mounted refrigeration, 1/3 HP, NSF 7	\$6,119.42	\$6,119.42
	1 ea	Self-contained refrigeration standard		
	1 ea	(1) year parts and labor warranty, standard		
	1 ea	CW5 (5) year compressor warranty, standard		
	1 ea	Self-contained refrigeration standard		
	1 ea	115v/60/1-ph, 9.0amps, NEMA 5-15P, standard		
	1 ea	PTCVRLF068 Cover, lift off		
	1 ea	First section solid stainless steel door hinged left, standard		
	1 ea	Second section solid stainless steel door hinged right, standard		
	1 ea	PTCAS4IN Caster, 4" for 33" work height, (set of 4)		
	1 ea	Modified top extension		

Item	Qty	Description	Sell	Sell Total
5	1 ea	DROP-IN HOT WELL Wells Model No. MOD-200DM Packed: ea Food Warmer, top-mount, built-in, electric, (2) 12" x 20" openings with manifolded drains with one valve, wet/dry operation, infinite controls, stainless steel interior, insulated aluminum steel housing, cULus 1 ea 22027 208-240v/60/1-ph, 1.8-2.4kW, 8.7-10.0 amps, direct 1 ea 22593 Wellslok Extension Kit, for UL listed 12" x 20" warmers only to adapt wood countertops up to 1-1/2" thick (1 well requires one Kit, 2 to 3 well units require two kits, 4 to 5 well units require three kits)	\$1,235.65	\$1,235.65
6	1	CUSTOM Custom Model No. - Packed: ea GRIDDLE COUNTER WITH BREATH GUARD	\$12,283.84	\$12,283.84
7	1 ea	DROP-IN HOT WELL Wells Model No. MOD-100D Packed: ea Food Warmer, top-mount, built-in, electric, (1) 12" x 20" opening with drain, wet/dry operation, infinite controls, stainless steel interior, insulated aluminized steel housing, NEMA 6-15P, cULus 1 ea 20530 120v/60/1-ph, 1.2kW, 10.0 amps, direct 1 ea 22593 Wellslok Extension Kit, for UL listed 12" x 20" warmers only to adapt wood countertops up to 1-1/2" thick (1 well requires one Kit, 2 to 3 well units require two kits, 4 to 5 well units require three kits)	\$539.20	\$539.20
8	1 ea	REFRIGERATED PIZZA TABLE Randell Model No. 8148N Packed: ea Refrigerated Raised Rail Prep Table, 48" L, (1) 27" door, stainless steel top, cold wall refrigeration pan rail (6) 1/3 size pan capacity (pans not included), separate controls, stainless steel front, aluminum interior, 6" casters, side-mounted refrigeration, 1/3 HP, NSF 7 1 ea (1) year parts and labor warranty, standard 1 ea CW5 (5) year compressor warranty, standard 1 ea Self-contained refrigeration standard 1 ea 115v/60/1-ph, 9.0amps, NEMA 5-15P, standard 1 ea PTCVRLFO48 Cover, lift off 1 ea First section solid stainless steel door hinged left, standard 1 ea PTCAS4IN Caster, 4" for 33" work height, (set of 4)	\$4,051.92	\$4,051.92
9	1 ea	REACH-IN REFRIGERATOR Victory Refrigeration Model No. VR-SA-1D-HG Packed: ea V-Series™ Refrigerator, Reach-in, one-section, 21.5 cu. ft. capacity, top mount self-contained refrigeration, stainless steel exterior, aluminum interior, standard depth cabinet, digital thermometer, (2) half-height glass doors, (3) shelves, fluorescent	\$3,788.85	\$3,788.85

Item Qty	Description	Sell	Sell Total
	lighting, door locks, electronic controls, 6" casters, 1/3 hp, UL, cUL, NSF, MADE IN USA		
1 ea	115v/60/1-ph, 9.8 amps, NEMA 5-15P, cord & plug, standard		
1 ea	Self-Contained refrigeration		
1 ea	Door hinging: standard on right		
3 ea	Extra shelf, epoxy coated		
1 ea	LED lights recommended for glass door, no compressor upsize required		
1 ea	Casters, set of 4, 6" high with 5" wheel, 2 with brakes, standard		
10	1 CUSTOM By Owner Model No. - Packed: ea FIRE SYSTEM CABINET		
11	1 CUSTOM By Owner Model No. - Packed: ea EXHAUST ONLY HOOD		
12	1 ea GRIDDLE Wells Model No. G-246 Packed: ea Griddle, built-in, electric, smooth polished steel griddle plate, 46" wide x 24" deep grill, stainless steel construction, zoned thermostatic heat control, RU, CE	\$4,044.25	\$4,044.25
	1 ea 20080 208v/60/3-ph, 21.5 kW, 67.1 amps, direct (field convertible to single phase)		
13	3 ea DROP-IN HOT WELL Wells Model No. SS-8TDU Packed: ea Food Warmer, top-mount, built-in, electric, for 7-quart round inserts, drain, wet/dry operation, thermostatic control, non-insulated, stainless steel interior, Wellslok, UL, cULus, NSF	\$421.70	\$1,265.10
	3 ea Limited 2 year parts & 1 year labor warranty, standard		
	3 ea 21562 120v/60/1-ph, 825w, direct		
	3 ea 22592 Wellslok Extension Kit, for UL listed non-insulated circular warmers only to adapt to wood countertops up to 1-1/2" thick		
14	4 ea DROP-IN COLD FOOD PAN Atlas Metal Model No. WCMDL-3 Packed: ea Slim-Line Cold Food Drop-In Unit, refrigerated, deep design, 3-pan size, self-contained refrigeration system, insulated pan, stainless steel inner liner & top, galvanized outer liner, with on/off thermostat switch & pilot light, 14-1/4" x 66" cut-out required	\$2,797.60	\$11,190.40
	16 ea 120v/60/1-ph, 1/5hp, 3.9 amps, NEMA 5-15P, standard		
	16 ea A 3/4" diameter drain & valve, separator channels are provided		
15	1 CUSTOM Custom Model No. - Packed: ea SOUP AND SALAD BAR WITH BREATH GUARD	\$33,221.49	\$33,221.49

Item Qty	Description	Sell	Sell Total
Z 1	DELIVERY Singer Equipment Company Model No. DELIVERY Packed: ea 1 FRT All freight to ship and labor to deliver to job site. 1 INST All labor to recieve, uncrate, assemble, set in place, level or fasten as appropriate, left ready for final connections to utilities by others. Unless otherwise noted our delivery cost is based upon one installation date for the equipment (walk in coolers are priced individually). Multiple deliveries are not priced or included and will be billed at our net costs for labor and materials with prior approval of the owner. All plumbing and electrical connections are to be done by others. The above pricing is based on using Non-Union labor and Non-Prevailing wage rates during normal working hours, Monday through Friday 7:30 am to 5:00 pm. All costs for union, prevailing wage and overtime will be billed accordingly. No demolition or clean up of existing conditions is included	\$1,250.00	\$1,250.00
Total			\$91,063.61



Central Bucks High School West Seating

INCREASING PARTICIPATION IN YOUR FOOD PROGRAM

PURCHASING ACTION

MARCHING BAND UNIFORMS- C B SOUTH

**13-14 GENERAL FUND
SOUTH BAND PARENTS**

Bids were solicited by mail and advertisement to suppliers for 100 marching band uniforms, 2 drum major uniforms and 20 band front (color guard) uniforms for C B South High School. Four suppliers were solicited and 2 responded.

Based on the response to this bid, it is recommended a purchase order be issued to DeMoulin Brothers & Company in the amount of \$44,307.66 as the lowest, on-specification bidder to this uniform

Ventresca's Tailors inspected the sample provided by DeMoulin Brothers & Company and deemed it to be very durable with excellent construction. Ventresca's noted that there was a dry clean only label in the pants and questioned the silver fabric and the fusing under it that were used on the jacket. The vendor's response to the pants concern was that the sample had, by accident, the wrong label sewn into the pants, which will be corrected. The vendor's response to the jacket was that the silver lahm fabric has been used on washable garments for over 20 years with positive responses. The backing fabric used will give the silver fabric strength from fraying. The vendor also responds that the garment would need to be pressed after washing to assure all wrinkles caused by washing would be removed.

Central Bucks South High School intends to keep some of the old uniforms for drama productions, and some for historical preservation. The balance will be donated to a school in need.

Note:

Funding for this purchase will be as follows:

C B South Band Parents \$22,153.83

14-15 District Budget \$22,153.83

FORM OF PROPOSAL - CB SOUTH HIGH SCHOOL

Quantity	Item	Unit Price	Total Price
100	Coats - Band	189.12	18,912.00
100	Bib Trousers - Band	86.24	8,624.00
100	Headwear - Band	59.20	5,920.00
100	Plumes - Band	19.05	1,905.00
100	Gauntlets - Band	34.95	3,495.00
2	Drum Major Uniforms	465.73	931.46
10	Expand-A-Fit Zippers	10.14	101.40
122	Garment Bags	9.00	1,098.00
122	Hangers	N/C	N/C
1	Dozen - 30/Nickel Half-Ball Buttons	N/C	N/C
1	Uniform Management System	N/C	N/C
20	Color Guard Uniform - Band Front	166.04	3,320.80
		* Total:	44,307.66
*See "Attachment" for the cash discount terms.			

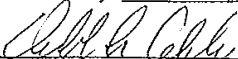
A complete "sample" uniform, including accessories (garment bag and hat box) as detailed in the specifications, must be delivered no later than the opening time of the bid. The "sample" uniform must be of the material and construction as detailed within the bid, but does not have to be in the exact style. Sample uniforms will be inspected for compliance with the specification by a qualified, professional tailor. This inspection may require seams to be opened for inspection of construction detail. The "sample" uniform will be returned after they have been evaluated, but not longer than 30 days after the bid opening. Any bids received without a sample uniform will be disqualified as "nonconforming".

Within 4 calendar weeks of notification of award, the successful bidder must submit a complete, pre-production "pilot" sample in the exact style and material detailed in the specifications, for final approval. This uniform will be retained by the District for comparison with the uniforms delivered on the final order.

If awarded the contract, the undersigned agrees to ship the entire order within 125-165 calendar days after approval of the sample and receipt of necessary details and all measurements.

DeMoulin Brothers & Company

Name (Please Print): Donald R. Adamski

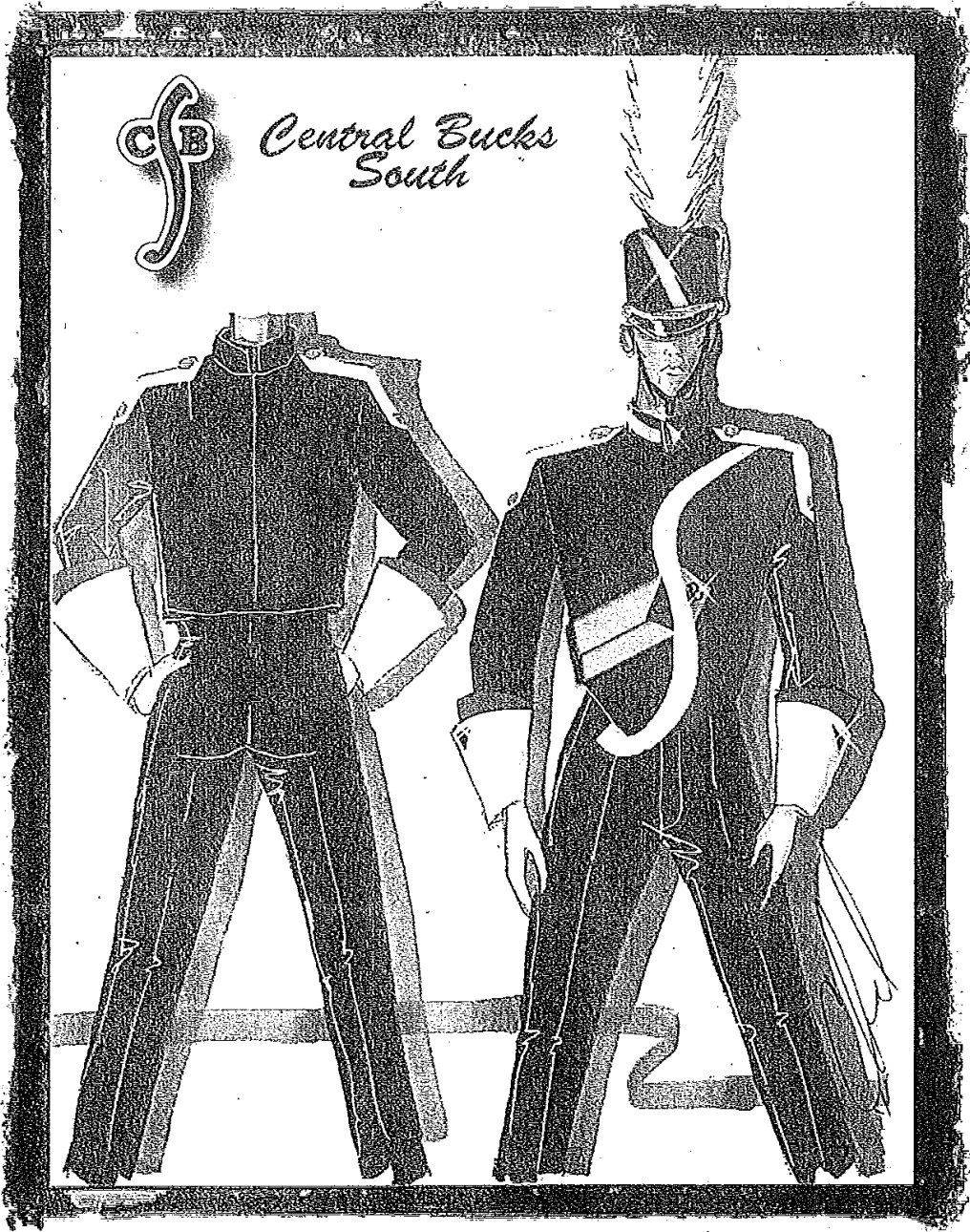
Signature: 

Title: President

Phone: 800-228-8134

Date: 9-4-2014

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**CENTRAL BUCKS SCHOOL DISTRICT
REGULAR SCHOOL BOARD MEETING
October 14, 2014**

FOR ACTION: Budgetary Transfers

The annual expenditure budget is approved on a detailed state mandated format. As the fiscal year proceeds, actual required expenditures may exceed the original budget in certain categories and also actual required expenditures may fall below the original budget in other categories. The State requires that the Board approve budgetary transfers to cover all higher than anticipated expenditures that occur in budget categories.

RECOMMENDATION:

The administration is recommending that the Board approve the following final budgetary transfers for fiscal year 2013 – 2014.

BUDGETARY TRANSFERS
JUNE 2014

FROM:	1100 - 100	Instruction - Salaries	364,000
	1100 - 200	Instruction - Benefits	89,318
TO:	1400 - 100	Alternative Ed - Salaries	364,000
	1400 - 200	Alternative Ed - Benefits	89,318

Reallocate funds within the Instruction and Alternative Ed functions per Title I PDE mandates.

FROM:	2200 - 600	Instructional Support - Supplies	500,780
TO:	1100 - 600	Instruction - Supplies	500,780

Reallocate funds within the Instruction and Curriculum budget for Social Studies software.

FROM:	3200 - 100	Secondary Student Activities - Salaries	65,000
	3200 - 200	Secondary Student Activities - Benefits	50,000
	3200 - 300	Secondary Student Activities - Purch Prof Services	60,000
TO:	3200 - 600	Secondary Student Activities - Supplies	175,000

Transfer budgeted amounts within the Student Activity Function.

FROM:	1400 - 100	Alternative Ed - Salaries	22,000
TO:	1600 - 100	Continuing Ed - Salaries	22,000

Transfer budgeted funds from Alternative Ed to the Continuing Ed Function.

FROM:	2300 - 500	Administrative Support Serv - Other Purch Serv	14,000
TO:	2200 - 400	Instructional Support - Purch property Services	12,000
	2200 - 800	Instructional Support - Dues & Fees	2,000

Transfer budgeted amounts from Administrative Support Serv to Instructional Support Function.

FROM:	2300 - 300	Administrative Support Services - Purch Prof Serv.	25,000
TO:	2300 - 800	Administrative Support Services - Dues & Fees	25,000

Transfer budgeted amounts within the Administrative Support Service Function.

BUDGETARY TRANSFERS
JUNE 2014

FROM: 2100 - 100 Support Services Pupil - Salaries 130,000

TO: 2400 - 100 Pupil Health - Salaries 130,000

Transfer budgeted amounts from Pupil Personnel to Pupil Health Function.

FROM: 2700 - 200 Transportation - Other Purchase Services 375,000

TO: 2700 - 100 Transportation - Salaries 375,000

Reallocated budget within the Transportation Function.

FROM: 1200 - 500 Special Education - Other Purchase Services 110,000

TO: 2900 - 500 Other Support Services - Other Purchase Services 110,000

Transfer budgeted amounts from Special Education to Other Purchase Services Function.

FROM: 2200 - 500 Instructional Support - Other Purchase Services 100,000

TO: 2800 - 500 Central Support Services - Other Purchase Services 100,000

Transfer budgeted amounts from Instructional Support to Central Support Function.

FROM: 2200 - 100 Instructional Support - Salaries 40,000
 2200 - 200 Instructional Support - Benefits 50,000
 2300 - 300 Administrative Support Service - Purch Prof Serv. 40,000
 2800 - 700 Central Support Services - Property 35,000

TO: 2800 - 100 Central Support Services - Salaries 55,000
 2800 - 500 Central Support Services - Other Purch Serv 50,000
 2800 - 600 Central Support Services - Supplies 60,000

Reallocate budget from within the Support Functions.

FROM: 1200 - 200 Special Education - Benefits 469,833

TO: 5100 - 800 Debt Service - Interest 469,833

Transfer budgeted amounts from Special Education to Debt Service Function.

BUDGETARY TRANSFERS
JUNE 2014

FROM:	5900 - 200	Budget Reserve - Benefits	530,000
TO:	1100 - 200	Instruction - Benefits	100,000
	1200 - 200	Special Education - Benefits	115,000
	1400 - 200	Alternative Ed - Benefits	10,000
	1600 - 200	Continuing Ed - Benefits	10,000
	2100 - 200	Support Services - Benefits	50,000
	2300 - 200	Administrative Support Services - Benefits	50,000
	2400 - 200	Pupil Health - Benefits	30,000
	2500 - 200	Business Support - Benefits	10,000
	2600 - 200	Operations & Maint - Benefits	50,000
	2700 - 200	Transportation - Benefits	40,000
	2800 - 200	Central Support Services - Benefits	15,000
	3200 - 200	Student Activities - Benefits	20,000
	3300 - 200	Community Services - Benefits	30,000

Reallocate Fringe budget within various functions.

Handout

2013-2014 Review

1 Review of Fund Balance

Fund Balance 6/30/2013	18,519,326
Less Transfer to Debt Service 6/30/2014	(3,000,000)
Plus Net Change from operations for FYE 6/30/14	10,293,814
Less recommended additional allowance for assessment appeals	(1,000,000)
Less recommended transfer to Debt Service Fund for future debt defeasance	(7,000,000)
Expected Fund Balance as of 6/30/14	<u>17,813,140</u>

2 Review of Actual Expenditures to Budget for FYE 6/30/14

Total Expenditure Budget	290,683,982
Actual Expenditures	<u>290,431,037</u>
Positive ending variance in Expendure Budget	252,945

3 Review of Actual Revenues to Budget for FYE 6/30/2014

Total Revnue Budget	290,683,982
Total Revenues Received	<u>300,724,851</u>
Revenues in Excess of Budget	10,040,869

Breakdown of positive revenue position:

State Subsidy resulting from 2013 Debt Defeasement & other unanticipated reimbursements	2,929,992
RTD Subsidy exceeded budget: Result of budgeting Governor's propped rate which changed	1,600,000
EIT, Transfer Taxes and Interim Taxes in excess of Budget -- linked to the economy and rate of recovery	<u>5,510,877</u>
	10,040,869

Commercial Assessment Appeals

<u>Owner</u>	<u>Parcel</u>	<u>Old Assessment</u>	<u>Current assessment</u>	<u>Notes</u>	<u>Prior year refund amounts</u>	<u>Subsequent year revenue loss</u>
ERP New Britain Prop Owner	26-005-049-002	2,319,600	2,137,344	Reduced	\$ 377,755.00	\$ 22,618.00
Lighthouse Warrington	50-010-119	1,130,800	1,030,800	reduced	\$ 42,149.80	\$ 12,410.00
150 One Commons Way	09-009-032-004	2,977,890	2,538,000	Reduced	\$ 741,320.00	\$ 54,590.00
Total Settled Appeals					\$ 1,161,224.80	\$ 89,618.00
Future Pending Appeals						
Target	50-031-030-002-00T	1,427,600	???	Estimate per initial review by Jordan Yeuter	\$ 10,000.00	\$ (20,111.52) *
Acme	26-006-096	1,140,840	???	Estimate per initial review by Jordan Yeuter	\$ 93,000.00	\$ 7,785.00 *
Regal	50-031-024 & 50-031-024 00A	2,791,880	???	Estimate per initial review by Jordan Yeuter	\$ 2,521,720.00	\$ 63,732.00 *
Penns Purchase (Shopping Center)	06-016-015	1,539,450	???	new - not yet reviewed	???	???
Thompson Toyota	09-011-039	446,380	???	new - not yet reviewed	???	???
Total Pending Appeals					\$ 2,624,720.00	\$ 51,405.48
Total Commercial Appeals Settled & Pending					\$ 3,785,944.80	\$ 141,023.48
Residential Appeals:						
Based on appeal activity as of 6/30/14					102,000.00	102,000
Total Settled & Potential Assessment Appeal Liability					\$ 3,887,944.80	\$ 243,023.48

Summary of Assessment Appeal Liability Accrual and Proposed Additional Accrual

Accrual for Assessment Appeals 6/30/14**	\$ 2,455,180.00	(this amount includes an additional \$500,000 for the 6/30/14 FYE)
Less Settled Claims	\$ 1,161,224.80	
Balance for future claims	\$ 1,293,955.20	
Potential Future claims	\$ 2,624,720.00	
Potential exposure of future claims (under accrued)	\$ (1,330,764.80)	
Recommended additional accrual as of 6/30/14	1,000,000.00	
Remaining Potential Exposure	\$ (330,764.80)	

While the potential exposure may not actually be realized, given the future year revenue loss, we feel the additional accrual will provide a conservative and reasonable buffer

Target		Parcel 50-031-030-002-00T						
<u>Tax Year</u>	<u>Potential Property Value</u>	<u>CLR</u>	<u>Potential Assessment</u>	<u>Present assessment</u>	<u>Difference</u>	<u>Millage Rate</u>	<u>Potential Refund/Tax Due</u>	
06-07	\$14,400,000	10.1	1,425,743	1,427,600	1,857	0.10203	\$ 189.51	
07-08	\$14,400,000	10.99	1,310,282	1,427,600	117,318	0.10587	\$ 12,420.45	
08-09	\$14,250,000	10.64	1,339,286	1,427,600	88,314	0.1105	\$ 9,758.73	
09-10	\$12,700,000	10.31	1,231,814	1,427,600	195,786	0.1148	\$ 22,476.26	
10-11	\$12,600,000	9.17	1,374,046	1,427,600	53,554	0.1192	\$ 6,383.66	
11-12	\$13,400,000	8.85	1,514,124	1,427,600	(86,524)	0.1208	\$ (10,452.13)	
12-13	\$14,100,000	9.26	1,522,678	1,427,600	(95,078)	0.1228	\$ (11,675.60)	
13-14	\$14,450,000	9.09	1,589,659	1,427,600	(162,059)	0.1228	\$ (19,900.84)	
							\$ 9,200.03	

Regal		Parcel 50-031-024 & 50-031-024 00A						
<u>Tax Year</u>	<u>Potential Property Value</u>	<u>CLR</u>	<u>Potential Assessment</u>	<u>Present assessment</u>	<u>Difference</u>	<u>Millage Rate</u>	<u>Potential Refund/Tax Due</u>	
02-03	21,040,000	28.57	736,437	2,791,880	2,055,443	0.30731	\$ 631,658.24	
03-04	21,150,000	32.26	655,611	2,791,880	2,136,269	0.34577	\$ 738,657.85	
04-05	21,150,000	8.07	2,620,818	2,791,880	171,062	0.94995	\$ 162,500.50	
05-06	21,200,000	8.93	2,374,020	2,791,880	417,860	0.9792	\$ 409,168.36	
06-07	21,320,000	10.1	2,110,891	2,791,880	680,989	0.10203	\$ 69,481.30	
07-08	21,350,000	10.99	1,942,675	2,791,880	849,205	0.10587	\$ 89,905.32	
08-09	21,170,000	10.64	1,989,662	2,791,880	802,218	0.1105	\$ 88,645.13	
09-10	20,930,000	10.31	2,030,068	2,791,880	761,812	0.1148	\$ 87,456.03	
10-11	20,890,000	9.17	2,278,081	2,791,880	513,799	0.1192	\$ 61,244.88	
11-12	20,840,000	8.85	2,354,802	2,791,880	437,078	0.1208	\$ 52,798.99	
12-13	20,790,000	9.26	2,245,140	2,791,880	546,740	0.1228	\$ 67,139.62	
13-14	20,710,000	9.09	2,278,328	2,791,880	513,552	0.1228	\$ 63,064.21	
							\$ 2,521,720.42	

Acme		Parcel 26-006-096						
<u>Tax Year</u>	<u>Potential Property Value</u>	<u>CLR</u>	<u>Potential Assessment</u>	<u>Present assessment</u>	<u>Difference</u>	<u>Millage Rate</u>	<u>Potential Refund/Tax Due</u>	
04-05	9,800,000	8.07	1,214,374	1,140,840	(73,534)	0.94995	\$ (69,853.84)	
05-06	9,800,000	8.93	1,097,424	1,140,840	43,416	0.9792	\$ 42,512.54	
06-07	9,800,000	10.1	970,297	1,140,840	170,543	0.10203	\$ 17,400.50	
07-08	9,800,000	10.99	891,720	1,140,840	249,120	0.10587	\$ 26,374.36	
08-09	9,800,000	10.64	921,053	1,140,840	219,787	0.1105	\$ 24,286.50	
09-10	9,800,000	10.31	950,533	1,140,840	190,307	0.1148	\$ 21,847.19	
10-11	9,800,000	9.17	1,068,702	1,140,840	72,138	0.1192	\$ 8,598.82	
11-12	9,800,000	8.85	1,107,345	1,140,840	33,495	0.1208	\$ 4,046.24	
12-13	9,800,000	9.26	1,058,315	1,140,840	82,525	0.1228	\$ 10,134.03	
13-14	9,800,000	9.09	1,078,108	1,140,840	62,732	0.1228	\$ 7,703.51	
							\$ 93,049.86	

Potential future exposure for these owner initiated commercial appeals \$ 2,623,970.31

Stavitsky & Associates

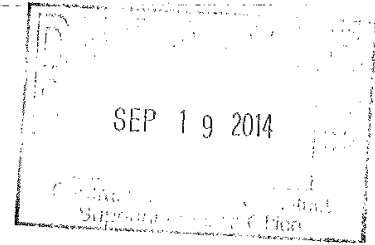
ATTORNEYS AT LAW

LLC

September 15, 2014

VIA FIRST CLASS MAIL

Prothonotary of Bucks County
Bucks County Courthouse
55 East Court Street
Doylestown, PA 18901



**Re: ASP Realty Inc. v. Bucks County Board of Assessment and
Revision of Taxes, et al.
Case No.: 2011-10925**

Dear Prothonotary:

Enclosed for filing please find an original and (1) copy of the Praecipe for Entry and Certification of Service in connection with the above matter.

Kindly file accordingly and return a time-stamped copy of the above document in the self-addressed stamped envelope provided herein.

Thank you in advance for your anticipated cooperation and assistance. If you have any questions or require anything additional please do not hesitate to contact me.

Very truly yours,



Andrew W. Hood

AWH/as
Enclosures

cc: Solicitor, Bucks County Board of Assessment Appeals
Solicitor, Township of New Britain
Glenn D Hains, Esq.
Solicitor, Central Bucks School District
(all w/enclosures)

NEW JERSEY | 350 Passaic Ave. | Fairfield, New Jersey 07004 | phone 973-227-1912 | fax 973-227-1925 |
NEW YORK | 5 Penn Plaza | 23rd Floor | New York, New York 10001 | phone 646-595-7005 | fax 646-378-2001
PENNSYLVANIA | 196 West Ashland Street | Doylestown, Pennsylvania | phone 287-864-7228 | fax 287-895-1701

PLEASE SEND ALL CORRESPONDENCE PERTAINING TO THIS MATTER TO OUR NEW JERSEY ADDRESS

Andrew W. Hood, Esq.
Stavitsky & Associates LLC
350 Passaic Avenue
Fairfield, New Jersey 07004
(973) 227-1912
ATTORNEY FOR PETITIONER

IN RE: ASP REALTY INC.

FROM BUCKS COUNTY BOARD OF
ASSESSMENT AND REVISION OF
TAXES

TAX PARCEL NO: 26-006-096

MUNICIPALITY: NEW BRITAIN
TOWNSHIP

IN THE COURT OF COMMON PLEAS OF
BUCKS COUNTY

CIVIL ACTION-LAW
NO. 2011-10925

PROPERTY OF ASP REALTY INC.

PRAECIPE FOR ENTRY OF APPEARANCE

TO THE PROTHONOTARY/CLERK OF SAID COURT:

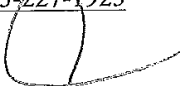
Enter my appearance on behalf of ASP Realty, Inc.

Papers may be served at the address set forth below:

Andrew W. Hood, Esq.
Attorney for Party Named Above

Supreme Court ID No.: 34640
Firm: Stavitsky & Associates LLC
Address: 350 Passaic Ave, Fairfield, New
Jersey 07004
Telephone No.: 973-227-1912
Facsimile: 973-227-1925

Date: 9/15/14

Signature: 

Andrew W. Hood, Esq.

Andrew W. Hood, Esq.
Stavitsky & Associates LLC
350 Passaic Ave
Fairfield, New Jersey 07004
(973) 227-1912
ATTORNEY FOR PETITIONER

IN RE: ASP REALTY, INC.

FROM BUCKS COUNTY BOARD OF
ASSESSMENT AND REVISION OF
TAXES

TAX PARCEL NO: 26-006-096

MUNICIPALITY: NEW BRITAIN
TOWNSHIP

IN THE COURT OF COMMON PLEAS OF
BUCKS COUNTY

CIVIL ACTION-LAW

NO. 2011-10925

PROPERTY OF ASP REALTY, INC.

CERTIFICATE OF SERVICE

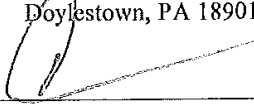
I, Andrew W. Hood, Esq., hereby certify that on the 15 day of
Sept, 2014, I served a copy of the Entry of Appearance directed to
the Respondents by First Class United States Mail, postage prepaid addressed to:

Solicitor, Bucks County Board of
Assessment Appeals
55 E. Court Street
Doylestown, PA 18901

Glenn D Hains, Esq.
Bucks County Solicitor
55 E. Court Street, 5th Floor
Doylestown, PA 18901

Solicitor, Township of New Britain
207 Park Ave.
Chalfont, PA 18914

Solicitor Central Bucks School
District
20 Welden Drive
Doylestown, PA 18901

By: 
ANDREW W. HOOD, ESQUIRE
350 Passaic Ave
Fairfield, New Jersey 07004
(973) 227-1912
Supreme Court ID No.: 34640



Google earth



Acme Market

WILLIAM J. CARLIN
1926-2004
S. RICHARD KLINGES, III
1932 - 2011

THOMAS J. PROFY, III
JOHN P. KOOPMAN
JEFFREY P. GARTON
THOMAS R. HECKER
JOSEPH S. BRITTON
DOUGLAS C. MALONEY
THOMAS J. PROFY, IV**†
FRANCIS X. DILLON
TODD M. SAHLER*
LYNN S. EVANS
JOHN A. TORRENTE*
SIOBHAN D. BYRNES†
MICHAEL P. ALFORD
NATHAN D. FOX*
STEVEN M. JONES

*Member of PA & NJ Bars
†Master of Laws (Taxation)

BEGLEY, CARLIN & MANDIO, LLP

ATTORNEYS AT LAW
680 MIDDLETOWN BOULEVARD
P.O. BOX 308
LANGHORNE, PENNSYLVANIA 19047-0308

215.750.0110
FAX: 215.750.0954
jgarton@begleycarlin.com

September 29, 2014

OF COUNSEL
ANTHONY A. MANDIO
JAMES A. DOWNEY, III
SCOTT A. PETRI
FRANK A. FARRY

BRISTOL
215.788.0471

NEW JERSEY OFFICE
1670 WHITEHORSE-HAMILTON SQUARE RD.
P.O. BOX 8188
HAMILTON, NJ 08690
609.588.5599

VIA EMAIL

David Matyas, Business Administrator
Central Bucks School District
20 Welden Drive
Doylestown, PA 18901

**RE: CBSD/Penn's Purchase II LLC
TPN 06-016-015**

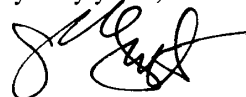
Dear Mr. Matyas:

On September 23, 2014, our office attended a hearing before the Bucks County Board of Assessment appeals related to the application of the new owner of the Penn's Purchase shopping facilities in Lahaska. The property was bought at an auction on or about July 11, 2014 for \$6,090,000. The auction was held after the property was sold at Sheriff's Sale back to the Lender.

This is a significant issue and I would think we would want to engage Jordan immediately. To that end, I enclose the Settlement Sheet and other relevant material related to this matter.

Please advise.

Very truly yours,



Jeffrey P. Garton

JPG:rrm
Enclosure

cc: Dr. David Weitzel, Superintendent (via email)

{00697237/}



First American Title Insurance Company
National Commercial Services
 2500 Paseo Verde Parkway, #120 - Henderson, NV 89074
 Office Phone:(702)731-4131 Office Fax:(866)289-5654
Estimated Settlement Statement

Property: 5841 Route 202, Buckingham Township, PA 18931
File No: NCS-666082-1-HHLV
Officer: Michele Seibold / Anastasia Dion/mf
Estimated Settlement Date: 07/11/2014
Disbursement Date:
Print Date: 07/11/2014, 8:00 AM

Buyer: RAVID LAHASKA LLC
Address: 675 3rd Avenue, New York, NY 10017
Seller: WBCMT 2004-C15 Penn's Purchase II LLC
Address: c/o Torchlight Loan Services, LLC, 701 Brickell Avenue, Suite 2200, Miami, FL 33131

Buyer Charge	Buyer Credit	Charge Description	Seller Charge	Seller Credit
		Consideration:		
		Total Consideration		6,090,000.00
		Deposits in Escrow:		
	609,000.00	Receipt No. 410837787 on 06/09/2014 by ROYAL ABSTRACT OF NEW YORK LLC WIRE ESCROW ACCOUNT		
		Adjustments:		
	24,755.00	Security Deposit	24,755.00	
	309.10	New Horizon- Phone lines	309.10	
	625.01	Interstate- Day Porter	625.01	
9,309.15		Percentage Rents 07/1/14 to 07/11/14		9,309.15
		Prorations:		
3,955.59		City/Town Tax 07/1/14 to 12/31/14 @\$9297.64/yr		3,955.59
16,685.38		County Tax 07/1/14 to 12/31/14 @\$35000.94/yr		16,685.38
	5,757.54	School Tax 07/01/14 to 07/11/14 @\$191045.74/yr	5,757.54	
	26,403.24	Rents 07/1/14 to 08/01/14 @\$38976.21/mo	26,403.24	
3,054.56		Electric 07/11/14 to 07/18/14 @\$11454.60/mo		3,054.56
	661.68	Sewer 07/01/14 to 07/11/14 @\$5955.16/qtr	661.68	
		Commission:		
		Commission Paid at Settlement to Transwestern Commercial Services New York, L.L.C. d/b/a Transwestern	145,000.00	
		Attorney:		
8,125.00		Attorney Fee to The Law Office of Joshua F. Laf, LLC		
		Title/Escrow Charges to:		
500.00		Title Examination to Royal Abstract Corp. of New Jersey		
250.00		Settlement Charge to Royal Abstract Corp. of New Jersey		
65.00		Recording Fees to Royal Abstract Corp. of New Jersey		
50.00		Tax Certificate to Royal Abstract Corp. of New Jersey		
		Good Standing Delaware to Royal Abstract Corp. of New Jersey	105.00	
121,800.00		Transfer Tax Bucks County PA to Royal Abstract Corp. of New Jersey		
191,045.74		School Tax to Royal Abstract Corp. of New Jersey		
16,080.00		Owner Policy to Royal Abstract Corp. of New Jersey		
3,750.00		Closing-Escrow Fee to First American Title Insurance Company National Commercial Services		
750.00		Refundable Pad to First American Title Insurance Company National Commercial Services		
200.00		Search and Exam to First American Title Insurance Company National Commercial Services		
		Disbursements Paid:		
		Buyer Premium (Rebate \$24,000) to AUCTION.COM, LLC.	266,000.00	
774.00		Sewer Balance to Buckingham Township Invoice No. 81102129235 to CSC	6,507.62	
	5,798,682.85	Cash (X From) (To) Buyer		

Initials: _____

Page 1 of 2

Continued From Page 1

Estimated Settlement Statement

Settlement Date:
Print Date: 07/11/2014

File No: NCS-666082-1-HHLV
Officer: Michele Seibold / Anastasia

Buyer Charge	Buyer Credit	Charge Description	Seller Charge	Seller Credit
		Cash (X To) (From) Seller	5,648,880.49	
6,466,394.42	6,466,394.42	Totals	6,123,004.68	6,123,004.68

Notice - This Estimated Settlement Statement is subject to changes, corrections or additions at the time of final computation of Escrow Settlement Statement.

BUYER(S):

RAVID LAHASKA LLC, a Delaware limited liability company

By: RAVID REALTY PARTNERS I LLC, a Delaware limited liability company, its manager

By: COHEN EQUITIES NY, LLC, a New York limited liability company, its manager

~~By: Meir Cohen, its Manager~~

SELLER(S):

WBCMT 2004-C15 Penn's Purchase II LLC, a Delaware limited liability company

By: U.S. Bank National Association, as Trustee, AS Successor-in-Interest to Bank of America, N.A., as Trustee for the Registered Holders of Wachovia Bank Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2004-C15, its sole Member

Torchlight Loan Services, LLC, a Delaware limited liability company, solely in its capacity as Special Servicer for sole Member and not personally

By: _____
Its: _____

Continued From Page 1

Estimated Settlement Statement

Settlement Date:
Print Date: 07/11/2014

File No: NCS-666082-1-HHLV
Officer: Michele Seibold / Anastasia

Buyer Charge	Buyer Credit	Charge Description	Seller Charge	Seller Credit
		Cash (X To) (From) Seller	5,646,880.49	
6,466,394.42	6,466,394.42	Totals	6,123,004.68	6,123,004.68

Notice - This Estimated Settlement Statement is subject to changes, corrections or additions at the time of final computation of Escrow Settlement Statement.

BUYER(S):

RAVID LAHASKA LLC, a Delaware limited liability company

By: RAVID REALTY PARTNERS I LLC, a Delaware limited liability company, its manager

By: COHEN EQUITIES NY LLC, a New York limited liability company, its manager

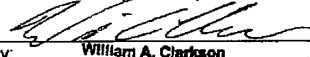
By: Meir Cohen, Its: Manager

SELLER(S):

WBCMT 2004-C15 Penn's Purchase II LLC, a Delaware limited liability company

By: U.S. Bank National Association, as Trustee, As Successor-in-Interest to Bank of America, N.A., as Trustee for the Registered Holders of Wachovia Bank Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2004-C15, its sole Member

Torchlight Loan Services, LLC, a Delaware limited liability company, solely in its capacity as Special Servicer for sole Member and not personally


By: William A. Clarkson
Its: Authorized Signatory

Initials: _____

BUCKS COUNTY RECORDER OF DEEDS

55 East Court Street
Doylestown, Pennsylvania 18901
(215) 348-6209

Instrument Number - 2014037059

Recorded On 7/17/2014 At 9:22:59 AM

* Total Pages - 5

* Instrument Type - DEED

Invoice Number - 667743

User - KLJ

* Grantor - W B C M T 2004-C15 PENNS PURCHASE II L L C

* Grantee - RAVID LAHASKA L L C

* Customer - ROYAL ABSTRACT CORP

*** FEES**

STATE TRANSFER TAX \$60,900.00

RECORDING FEES \$76.00

CENTRAL BUCKS \$30,450.00

SCHOOL DISTRICT REALTY TAX

BUCKINGHAM TOWNSHIP \$30,450.00

TOTAL PAID \$121,876.00

Bucks County UPI Certification
On July 17, 2014 By JQ

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DO NOT DETACH

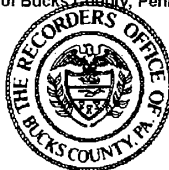
This page is now part
of this legal document.

RETURN DOCUMENT TO:

ROYAL ABSTRACT CORP

ATTN: JOSH

I hereby CERTIFY that this document is
recorded in the Recorder of Deeds Office
of Bucks County, Pennsylvania.



Joseph J. Szafran, Jr.
Recorder of Deeds

* - Information denoted by an asterisk may change during
the verification process and may not be reflected on this page.

0F59A9



Prepared by:
Kilpatrick Townsend & Stockton LLP
1114 Avenue of the Americas, 21st Fl
New York, New York 10036
Attn: Gene Caiola, Esq.

After recording, return to:
Royal Abstract Corp. of New Jersey
500 Fifth Avenue, Suite 1540
New York, NY 10110
201-567-9889
Attn: David Gelbert

Tax Parcel No. 06-016-015

RECEIVED

2014 JUL 17 A 8:56

BUCKS COUNTY
RECORDER OF DEEDS

DATED:

7/8/14

QUITCLAIM DEED

THIS DEED made this day of **WBCMT 2004-C15 PENN'S PURCHASE II LLC**, a Delaware limited liability company (hereinafter called "**Grantor**"), whose address is c/o Torchlight Loan Services, LLC, 701 Brickell Avenue, Suite 2200, Miami, FL 33131, and **RAVID LAHASKA LLC**, a Delaware limited liability company, whose address is 675 3rd Avenue, New York, NY 10017 (hereinafter called "**Grantee**").

WITNESSETH

That Grantor for and in consideration of ~~\$6,000,000.00~~ of lawful money of the United States of America unto Grantor well and truly paid by Grantee, at or before the sealing and delivery hereof, the receipt whereof is hereby acknowledged, has conveyed, remised, released and quit-claimed and by these presents does convey, remise, release and quit-claim unto the said Grantee his/hers/their heirs and assigns (successors and assigns) in fee simple ALL THAT CERTAIN REAL PROPERTY MORE PARTICULARLY DESCRIBED AS FOLLOWS:

[See next page]

US2008 5714060 2

ALL THAT CERTAIN lot or piece of ground with the buildings and improvements thereon erected, Situate in the Township of Buckingham, County of Bucks, Commonwealth of Pennsylvania, described according to an ALTA/ACSM Land Title Survey of Lands of Penn's Market-II prepared by Gilmore & Associates, Inc., Job number 2004-876, dated 5/8/1997 last revised 9/28/2004, as follows:

BEGINNING at a point in or near the middle of Lower York Road (Rt. 202) a corner of lands N/L of Fox Chase Bank; Thence extending, from said point of beginning the six following courses and distances along lands N/L Fox Chase Bank, (1) South 16 degrees 47 minutes 00 seconds East, 180 and 00/100 feet to a point, (2) North 72 degrees 33 minutes 00 seconds East, 55 and 18/100 feet to a point, and (3) North 39 degrees 51 minutes 04 seconds East, 8 and 69/100 feet to a point, (4) North 69 degrees 00 minutes 24 seconds East, 47 and 48/100 feet to a point of curvature, (5) along a curve to the right having a radius of 20 and 00/100 feet and an arc length of 13 and 25/100 feet to a point, (6) North 69 degrees 00 minutes 24 seconds East 35 and 35/100 feet to a point, Thence extending, South 52 degrees 07 minutes 00 seconds East along lands N/L of Fox Chase Bank and of lands N/L of Frederick J. Roedel 537 and 19/100 feet to a point, a corner of lands N/L Adele W. Paxton; Thence extending, the four following courses and distances along lands N/L of Adele Paxson; (1) South 39 degrees 01 minutes 00 seconds West 681 and 09/100 feet to a point, (2) North 52 degrees 41 minutes 00 seconds West 593 and 00/100 feet to a point, (3) South 39 degrees 00 minutes 00 seconds West 20 and 00/100 feet to a point, (4) North 53 degrees 15 minutes 00 seconds West 385 and 70/100 feet to a point in line of lands N/L of Birgitta Vonzelowitz; Thence extending, North 70 degrees 39 minutes 00 seconds East along lands N/L of Birgitta Vonzelowitz and of lands N/L of Josef Barrett 194 and 37/100 feet to a point; Thence extending, North 15 degrees 35 minutes 00 seconds West along lands N/L of Josef Barrett 217 and 51/100 feet to a point a corner near the Northerly edge of the paving in the aforesaid Lower York Road; Thence extending, in and along the said Lower York Road, the three following courses and distances, (1) North 75 degrees 40 minutes 00 seconds East 63 and 86/100 feet to a point, (2) South 53 degrees 50 minutes 00 seconds East 12 and 44/100 feet to a point, (3) North 73 degrees 13 minutes 00 seconds East 417 and 56/100 feet to the first mentioned point and place of beginning.

PARCEL # 06-016-015

US2008 5714060 2

Print Job: JOSH - 07/17/2014 9:25:51 AM

BUCKS COUNTY

Inst # 2014037059 - Page 3 of 5

IN WITNESS WHEREOF, Grantor has hereunto set its hand and seal the day and year first above written.

GRANTOR:

WBCMT 2004-C15 PENN'S PURCHASE II LLC, a Delaware limited liability company

By: U.S. Bank National Association, as Trustee, As Successor-in-Interest to Bank of America, N.A., as Trustee for the Registered Holders of Wachovia Bank Commercial Mortgage Trust, Commercial Mortgage Pass-Through Certificates, Series 2004-C15, its sole Member

By: Torchlight Loan Services, LLC, a Delaware limited liability company, solely in its capacity as Special Servicer for sole Member and not personally

By: *William Clarkson*
Name: Authorized Signatory William Clarkson
Title: Authorized Signatory

STATE OF FLORIDA

COUNTY OF MIAMI-DADE

ON THIS, the 8 day of July, 2014 before me, William Clarkson, the undersigned officer, personally appeared who acknowledged himself to be the Authorized Signatory of Torchlight Loan Services, LLC, a Delaware limited liability company, and that he as such Authorized Signatory, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the limited liability company by himself as the Authorized Signatory.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

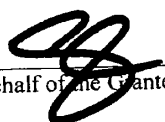
Catey Vaughn Notary Public
SEAL *Catey Vaughn*



US2008 5714060 1

The precise residence and the complete post office
address of the above-named Grantee is:

RAVID LAHASKA LLC
c/o Cohen Equities NY LLC
675 Third Avenue
Suite 2400
New York, NY 10017


On behalf of the Grantee

US2008 5714060 2

WILLIAM J. CARLIN
1926-2004
S. RICHARD KLINGES, III
1932 - 2011

THOMAS J. PROFY, III
JOHN P. KOOPMAN
JEFFREY P. GARTON
THOMAS R. HECKER
JAMES A. DOWNEY, III
JOSEPH S. BRITTON
DOUGLAS C. MALONEY
THOMAS J. PROFY, IV*†
FRANCIS X. DILLON
TODD M. SAILER*
LYNN S. EVANS
JOHN A. TORRENTE*
SIOBHAN D. BYRNES†
MICHAEL P. ALFORD
NATHAN D. FOX*

*Member of PA & NJ Bars
†Master of Laws (Taxation)

BEGLEY, CARLIN & MANDIO, LLP
ATTORNEYS AT LAW
680 MIDDLETOWN BOULEVARD
P.O. BOX 308
LANGHORNE, PENNSYLVANIA 19047-0308

215.750.0110
FAX: 215.750.0954
jgarton@begleycarlin.com

September 29, 2014

OF COUNSEL
ANTHONY A. MANDIO
SCOTT A. PETRI
FRANK A. FARRY
—
BRISTOL
215.788.0471
—
NEW JERSEY OFFICE
1670 WHITEHORSE-HAMILTON SQUARE RD.
P.O. BOX 8188
HAMILTON, NJ 08690
609.588.5599

Dick Brosius, Director of Assessments
Bucks County Board of Assessment
Court Administration Building
55 East Court Street
Doylestown, PA 18901

**Re: CBSD Tax Assessment Appeal
Target T-1196 (Warrington, PA)
TPN 50-031-030-002-00T**

Dear Mr. Brosius:

Attached please find an Appraisal prepared on behalf of the Central Bucks School District related to the Target Department Store which was recently the subject of a hearing before the Bucks County Board of Assessment.

Very truly yours,


Jeffrey P. Garton

JPG:rrm
Enclosure

cc: David Matyas, Business Administrator (via email)

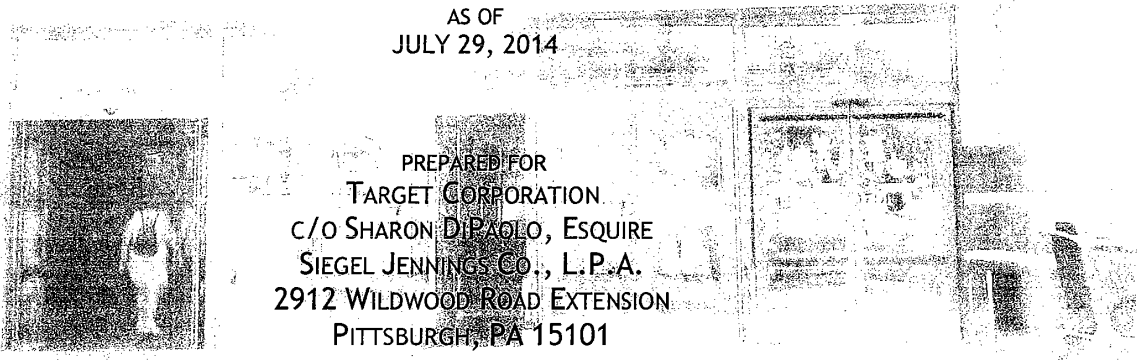
{00697234/}

APPRaisal REPORT
OF REAL PROPERTY

BIG-BOX RETAIL PROPERTY KNOWN AS
TARGET STORE T-1196

LOCATED AT
401 EASTON ROAD
WARRINGTON TOWNSHIP
BUCKS COUNTY, PENNSYLVANIA

AS OF
JULY 29, 2014



PREPARED FOR
TARGET CORPORATION
C/O SHARON DI PAOLO, ESQUIRE
SIEGEL JENNINGS CO., L.P.A.
2912 WILDWOOD ROAD EXTENSION
PITTSBURGH, PA 15101

PREPARED BY

**MID-ATLANTIC
VALUATION GROUP, INC.**

www.mvginc.com

MVG File Number: 14180



MVA ATLANTIC
Valuation Group, Inc.

Principals
Michael J. Acquaro-Mignogna, MAI, AI-GRS
Gary E. Heiland II, MAI

Associates
Julie E. Route, MAI
Natalie E. Manchorov
Brian D. Conner
Joseph R. De Marinis
David W. Lotierzo
Christopher K. Bourland
Christian K. Stott
Lawrence B. O'Brien

September 18, 2014

Target Corporation
c/o Sharon DiPaolo, Esquire
Siegel Jennings Co., L.P.A.
2912 Wildwood Road Extension
Pittsburgh, PA 15101

Re: Appraisal of the fee simple estate
Big-Box Retail Property known as Target Store T-1196
401 Easton Road
Warrington Township
Bucks County, Pennsylvania

Dear Ms. DiPaolo:

The attached report presents the results of the above referenced real property appraisal assignment. The real estate that is the subject of this assignment (herein referred to as the subject property) is a 10.01 acre commercial condominium site improved with an owner-occupied, single-story, big-box retail building (known as Target Store T-1196) containing a gross leasable area (GLA) of 125,964 square feet. The property is located on the easterly side of Easton Road, south of Street Road and north of Paul Valley Road in Warrington Township, Bucks County, Pennsylvania. It is located in the Creekview Shopping Center. The mailing address of the subject property is 401 Easton Road, Warrington, Pennsylvania 18976.

The objective of this appraisal assignment is to provide an opinion of the retrospective market value of the fee simple estate in the subject property as of the effective date. In this assignment, the client is Target Corporation. The intended use of the appraisal report is to assist the client in evaluating the reasonableness of the property's ad valorem tax assessment. The report is not intended for any other uses. The report is intended for use only by the client, its legal counsel and applicable tax

489 DEVON PARK DRIVE, SUITE 309
WAYNE, PENNSYLVANIA 19087
PH (610) 989-9007

30 SOUTH QUEEN STREET, PO Box 588
YORK, PENNSYLVANIA 17405
PH (717) 699-4434

PO Box 10046
PITTSBURGH, PENNSYLVANIA 15236
PH (412) 430-0080

*Providing Real Property Valuation and Consulting Services in
Pennsylvania, New Jersey, Maryland and Delaware*

WWW.MVGINC.COM

assessment appeal boards and/or courts. Use of the report by others is not intended by the appraisers. The appraisal report is not to be relied upon by any third parties for any purpose, whatsoever. Any other party who uses or relies upon any information contained in the report, without Mid-Atlantic Valuation Group's written consent, does so at their own risk.

This appraisal is a retrospective valuation of the subject property's fee simple estate. The effective date of value for this appraisal assignment is July 29, 2014.

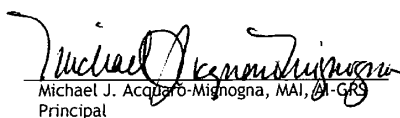
The reader is directed to the Executive Summary and Reconciliation and Final Value Estimate(s) sections of the accompanying report for the value conclusion(s). Also, a thorough understanding of any Extraordinary Assumptions or Hypothetical Conditions applicable to this appraisal assignment (see Appraisal Overview) is critical.

The appraisal assignment has been developed, and this report has been prepared, in conformity with the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice (USPAP) adopted by the Appraisal Standards Board of the Appraisal Foundation.

The attached report communicates the results of this appraisal assignment and has been prepared as an **Appraisal Report** as defined in Standards Rule 2-2(a) of USPAP. Please refer to the General Information section of the attached report for a detailed explanation of the scope of work undertaken for this appraisal assignment.

If there are any questions or comments regarding the attached appraisal report, please contact the undersigned. Thank you for the opportunity to be of service.

Respectfully submitted,
MID-ATLANTIC VALUATION GROUP, INC.



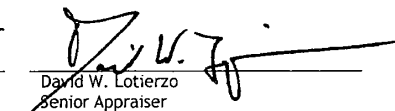
Michael J. Accardo-Mignogna, MAI, A-GRS
Principal

Pennsylvania Certified General
Real Estate Appraiser
Certification Number GA000159L



Gary E. Heiland II, MAI
Principal

Pennsylvania Certified General
Real Estate Appraiser
Certification Number GA001676R



David W. Lotierzo
Senior Appraiser

Pennsylvania Certified General
Real Estate Appraiser
Certification Number GA003941

MID-ATLANTIC

Valuation Group, Inc.

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Deed	

MID-ATLANTIC

Valuation Group, Inc.

APPRAISAL OVERVIEW



EXECUTIVE SUMMARY

SUBJECT REAL ESTATE BIG-BOX RETAIL PROPERTY KNOWN AS TARGET STORE T-1196

LOCATED AT
401 EASTON ROAD
WARRINGTON TOWNSHIP
BUCKS COUNTY, PENNSYLVANIA

Appraisal Client	Target Corporation
Property Owner	Dayton Hudson Corporation
Objective of the Assignment	The objective of this appraisal assignment is to provide an opinion of the retrospective market value of the fee simple estate in the subject property as of the effective date.
Property Rights Appraised	Fee simple estate
Effective Date(s) of the Appraisal	July 29, 2014
Date of Appraisal Report	September 18, 2014
Property Tax Identification	50-031-030-002-00T
Zoning Designation	CBD Central Business District
Property Zip Code	18976 (Warrington, PA)
Property Description	The real estate that is the subject of this real property appraisal assignment (herein referred to as the subject property) is a 10.01 acre commercial condominium site improved with an owner-occupied, single-story big-box retail building (known as Target Store T-1196) containing a gross leasable area (GLA) of 125,964 square feet. The property is located at 401 Easton Road in Warrington Township, Bucks County, Pennsylvania, in the Creekview Shopping Center.

MID-ATLANTIC

Valuation Group, Inc.

ii

Highest and Best Use

As Vacant

Development with a retail use

As Improved

Continued retail use

Valuation Summary

Market Value	Value Indications
Estimated Market Value by the Sales Comparison Approach	\$11,490,000
Estimated Market Value by the Income Capitalization Approach	\$12,360,000
Final Opinion of Market Value (as of July 29, 2014)	\$11,700,000

Please note that the *Executive Summary* is simply an introduction to, and a summary of, the appraisal report and is included for the reader's convenience. As such, it must be used in conjunction with the entire appraisal report and is subject to the General Assumptions and Limiting Conditions found herein.

It is noted that the appraisal analysis employs the following extraordinary assumption(s):

- This appraisal has been completed under the extraordinary assumption that the subject property was in similar condition as of the retrospective valuation date as it was on the inspection date. Unless otherwise noted, nothing was indicated by the property ownership representative to suggest otherwise.
- It is important to note that the assignment results may have been affected by the use of the aforementioned extraordinary assumption(s); therefore, if any of the extraordinary assumption(s) employed in this assignment are found to be false, the valuation opinions and conclusions presented herein could be significantly affected and/or invalidated.

MID-ATLANTIC

Valuation Group, Inc.

iii

WILLIAM J. CARLIN
1926-2004
S. RICHARD KLINGES, III
1932 - 2011

THOMAS J. PROFY, III
JOHN P. KOOPMAN
JEFFREY P. GARTON
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JOHN A. TORRENTE*
SIOBHAN D. BYRNES†
MICHAEL P. ALFORD
NATHAN D. FOX*
STEVEN M. JONES

*Member of PA & NJ Bars
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P.O. BOX 8188
HAMILTON, NJ 08690
609.588.5599

January 9, 2014

VIA EMAIL – dmatyas@cbsd.org

David Matyas, Business Administrator
Central Bucks School District
20 Welden Drive
Doylestown, PA 18901

RE: CBSD/Regal Cinemas, Inc./Real Estate

Dear Mr. Matyas:

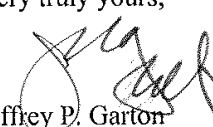
Attached please find a copy of the letter I received from Michael T. Murphy, Esquire, the attorney for Regal Cinemas in Warrington.

This is a significant matter that will require the District's prompt attention.

In that regard, I would request that you authorize Jordan Yuter to conduct his own appraisal and to analyze the Appraisal prepared by Lukens & Wolf. We also need to review the legal issues associated with the bankruptcy proceeding that may or may not be applicable.

Please contact me at your earliest convenience.

Very truly yours,


Jeffrey P. Garton

*Authorized by
Jeff*

JPG:vp

cc: Jordan Yuter (w/enc.)
Dr. David Weitzel, Superintendent (via email w/o enc)

1-9-14

{00673370/}



Phone: (215) 569-5728
Fax: (215) 832-5728
Email: Murphy-m@blankrome.com

January 6, 2014

CONFIDENTIAL – SETTLEMENT COMMUNICATION

BY U.S. MAIL

Edward Rudolph, Esquire
Rudolph, Clarke & Kirk, LLC
8 Neshaminy Interplex, Suite 215
Trevose, PA 19053

Jeffrey P. Garton, Esquire
Begley, Carlin & Mandio LLP
680 Middletown Boulevard
P.O. Box 308
Langhorne, PA 19047-0308

William H.R. Casey, Esquire
Cassey & Rossi
99 East Court Street
Doylestown, PA 18901

Re: In re: Appeal of Regal Cinemas Inc.
Bucks County C.C.P. No. 0304585-19-6 and No. 0304586-20-6

Dear Counsel:

I write with respect to the above-captioned matters, which pertain to Tax Parcel Nos. 50-31-24 and 50-31-24A. Please find enclosed a complete appraisal report for the properties in these matters prepared by Lukens & Wolf. The appraisal covers tax years 2003 to 2011. Based on this appraisal and an estimation of tax years 2012-2014, we estimate that the properties in question have been overcharged for taxes by at least \$1.8 million.

As you can see based on our complaints in these matters, which I have included for your reference, our client is a tenant in the Warrington Crossing Shopping Center, Warrington Township. This appeal has at least three bases. First, the initial assessment change in 2003 resulted from a bookkeeping change made by the Board of assessment in which it divided the Shopping Center into separate parcels for real estate tax purposes and re-allocated the prior assessment of the Shopping Center among the various parcels. The Board's changes were not the result of any formal subdivision plan or condominium declaration. Essentially, the Board valued the entire Shopping Center, including the Subject Property, as if it were a condominium.

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However, no condominium has been created, and no condominium plan, declaration and other necessary documents have been executed or filed of record. The Board's allocation results in a non-uniform assessment for the Subject Parcels as they relate to the other parcels in the Center.

Next, the assessment is based on an improper valuation methodology, an excessive valuation, and a non-uniform assessment of comparable properties, as shown in the attached appraisal.

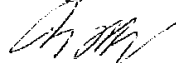
Finally, the assessment is inconsistent with a February 27, 2003 decision of the United States Bankruptcy Court, a copy of which is attached as Exhibit A to each Complaint. In that decision, the bankruptcy court limited Regal's payment of real estate taxes to 44.2956% of the real estate taxes paid by its landlord on the entire Shopping Center parcel. The re-assessment of the Shopping Center based on a purported conversion of the Shopping Center to a condominium plan disproportionately allocates 66.19% of the Shopping Center to Regal, with certain areas allocated to Regal at a rate multiple times other contiguous areas. As stated earlier, there was no formal subdivision so the County did not have a right to divide into separate parcels and re-assess, and the property owner has not intervened in the case. Therefore, the limitation of Regal's payment to 44.2956% of taxes is effectively the lease language, and the Landlord did not appeal the Bankruptcy Court's determination so limiting Regal's taxes.

As you know, Regal has made all tax payments under protest and intends to argue these points at trial if a resolution is not reached. That being said, Regal is willing to discuss settlement at your earliest convenience.

Additionally, Matter No. 0304585-19-6 is presently assigned to President Judge Susan Devlin Scott, whereas Matter No. 0304586-20-6 is assigned to Judge R. Barry McAndrews. Previously, we agreed to a stipulation to consolidate these matters so as to bring about a more efficient resolution. I believe I only obtained the signature of Mr. Garton, and have enclosed a copy for Mr. Musial's and Mr. Casey's signatures. Once the stipulation is fully executed, I will file it and circulate a filed copy.

Please let us know if you have any comments or questions. I look forward to hearing from you soon.

Sincerely,



Michael T. Murphy

Enclosures

cc: Francis X. Crowley, Esquire (w/ copy of Enclosures)

APPRAISAL REPORT

Free-standing Movie Theater
140 Easton Road
Warrington Township
Bucks County, PA 18976
File No.: 11-045

Prepared for

Blank Rome, LLP
One Logan Square
Philadelphia, PA 19103

Attn: Francis X. Crowley, Esquire

Prepared by

LUKENS & WOLF



REAL ESTATE APPRAISERS AND CONSULTANTS

150 S. WARNER ROAD, SUITE 440, KING OF PRUSSIA, PENNSYLVANIA 19103 | (215) 545-1900 | FAX: (215) 545-8548

November 25, 2013

Blank Rome, LLP
One Logan Square
Philadelphia, PA 19103

Attn: Francis X. Crowley, Esquire

RE: Summary Appraisal Report
Free-standing Movie Theater
140 Easton Road
Warrington Township
Bucks County, PA 18976
File No.: 11-045

Dear Mr. Crowley:

In accordance with your request, we have appraised the captioned property and our findings are presented in the following report. This is a Summary report as defined by Uniform Standards of Professional Appraisal Practice (USPAP) under Standards Rule 2-2(b). This format provides a summary of the appraisal process, subject and market data and valuation analyses to develop the appraisers' opinion of value. Supporting documentation concerning the data, reasoning and analyses is retained in our file.

Leased Fee Market Value:

After considering all factors, it is our opinion and we hereby certify that the market value of the leased fee interest in the subject property was:

As of January 1, 2003	Six Million Nine Hundred Thousand Dollars	\$6,900,000
As of January 1, 2004	Seven Million Six Hundred Thousand Dollars	\$7,600,000
As of January 1, 2005	Eight Million Two Hundred Thousand Dollars	\$8,200,000
As of January 1, 2006	Nine Million One Hundred Thousand Dollars	\$9,100,000
As of January 1, 2007	Nine Million Four Hundred Thousand Dollars	\$9,400,000
As of January 1, 2008	Nine Million Seven Hundred Thousand Dollars	\$9,700,000
As of January 1, 2009	Nine Million Two Hundred Thousand Dollars	\$9,200,000
As of January 1, 2010	Nine Million Three Hundred Thousand Dollars	\$9,300,000
As of January 1, 2011	Nine Million Four Hundred Thousand Dollars	\$9,400,000

Leasehold Market Value:

After considering all factors, it is our opinion and we hereby certify that the market value of the leasehold interest in the subject property was:

As of January 1, 2003	Seven Million Seven Hundred Thousand Dollars	\$7,700,000
As of January 1, 2004	Seven Million Eight Hundred Thousand Dollars	\$7,800,000
As of January 1, 2005	Eight Million One Hundred Thousand Dollars	\$8,100,000
As of January 1, 2006	Eight Million Two Hundred Thousand Dollars	\$8,200,000
As of January 1, 2007	Eight Million Four Hundred Thousand Dollars	\$8,400,000
As of January 1, 2008	Eight Million One Hundred Thousand Dollars	\$8,100,000
As of January 1, 2009	Six Million Four Hundred Thousand Dollars	\$6,400,000
As of January 1, 2010	Six Million Two Hundred Thousand Dollars	\$6,200,000
As of January 1, 2011	Six Million Six Hundred Thousand Dollars	\$6,600,000

Combined Value:

After considering all factors, it is our opinion and we hereby certify that the market value of the combined leased fee and leasehold interests in the subject property was:

As of January 1, 2003	Fourteen Million Six Hundred Thousand Dollars	\$14,600,000
As of January 1, 2004	Fifteen Million Four Hundred Thousand Dollars	\$15,400,000
As of January 1, 2005	Sixteen Million Three Hundred Thousand Dollars	\$16,300,000
As of January 1, 2006	Seventeen Million Three Hundred Thousand Dollars	\$17,300,000
As of January 1, 2007	Seventeen Million Eight Hundred Thousand Dollars	\$17,800,000
As of January 1, 2008	Seventeen Million Eight Hundred Thousand Dollars	\$17,800,000
As of January 1, 2009	Fifteen Million Six Hundred Thousand Dollars	\$15,600,000
As of January 1, 2010	Fifteen Million Five Hundred Thousand Dollars	\$15,500,000
As of January 1, 2011	Sixteen Million Dollars	\$16,000,000

Extraordinary Assumptions:

There are no extraordinary assumptions for any of the reported values.

Hypothetical Conditions:

There are no hypothetical conditions for any of the reported values.



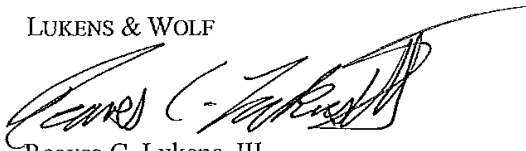
We certify that we have no present or contemplated future interest in the property beyond this assignment. We have not performed prior services regarding the subject property, as an appraiser or in any other capacity, within the three year period immediately preceding acceptance of this appraisal assignment.

Please reference page 7 of this report for important information regarding the scope of research and analysis for this appraisal, including property identification, inspection, highest and best use analysis, and valuation methodology. Your attention is also directed to the Limiting Conditions and Assumptions section of this report. Acceptance of this report constitutes an agreement with these conditions and assumptions.

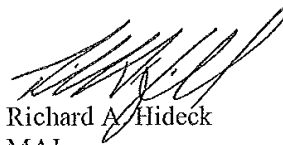
Thank you for the opportunity to be of service and, we look forward to serving you again in the future.

Sincerely,

LUKENS & WOLF



Reaves C. Lukens, III
MAI, CRE
PA General Appraiser No: GA-001542-L



Richard A. Hideck
MAI
PA General Appraiser No: GA-003660

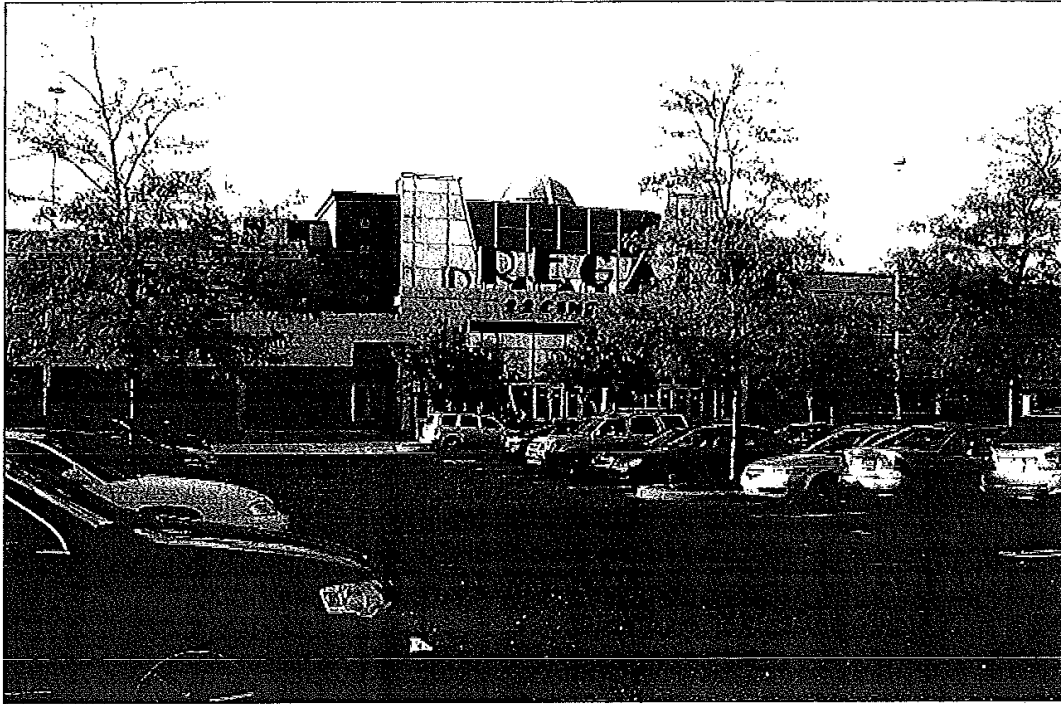


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Addendum

- Definitions*
- Qualifications of the Appraisers*

Executive Summary

Subject: Free-standing Movie Theater
140 Easton Road
Warrington, Warrington Township
Bucks County, PA 18976

Tax Identification: 50-031-024 and 50-031-024-00A

Inspected By: Reaves C. Lukens, III
Richard A. Hideck

Inspection Date: September 19, 2011

Dates of Valuation: January 1st for tax years 2003 through 2011

Property Rights Appraised: Leased Fee Interest
Leasehold Interest

Total Land Area: 14.18± acres – Parcel 50-031-024
3.04± acres – Parcel 50-031-024A
17.22± acres – Total Site Area

WILLIAM J. CARLIN
1926-2004
S. RICHARD KLINGES, III
1932 - 2011

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STEVEN M. JONES

*Member of PA & NJ Bars
†Master of Laws (Taxation)

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215.750.0110
FAX: 215.750.0954
mail@begleycarlin.com

December 31, 2013

OF COUNSEL
ANTHONY A. MANDIO
JAMES A. DOWNEY, III
SCOTT A. PETRI
FRANK A. FARRY

BRISTOL
215.788.0471

NEW JERSEY OFFICE
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P.O. BOX 8188
HAMILTON, NJ 08690
609.588.5599

VIA EMAIL – fhoegen@hoegenlaw.com

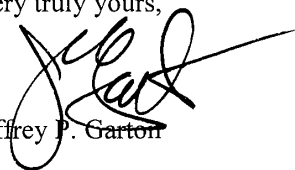
Francis J. Hoegen, Esquire
Hoegen & Associates, P.C.
152 South Franklin Street
P.O. Box 346
Wilkes-Barre, PA 18703-0346

*In Re: Appeal of The Thompson Organization
From the Bucks County Board of Assessment and Revision of Taxes
Tax Parcel No. 09-011-044*

Dear Frank:

Attached please find a copy of our Praecipe for Intervention, Entry of Appearance and Certificate of Service with regard to the above-captioned matter.

Very truly yours,


Jeffrey P. Garton

JPG:vp
Enclosures

cc: David W. Matyas (via email)

{00672727/}

IN THE COURT OF COMMON PLEAS OF BUCKS COUNTY, PENNSYLVANIA
CIVIL ACTION LAW

IN RE: Appeal of The Thompson Organization :
from the Bucks County Board of Assessment :
and Revision of Taxes : No. 2013-09829
Tax Parcel No. 09-011-044 :
Municipality Doylestown Township :
Assessment for the year 2014 :
Property of Lamkohl & Associates Realty :

PRAECIPE FOR INTERVENTION

TO THE PROTHONOTARY:

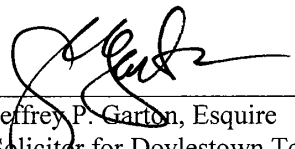
Kindly note or direct the intervention of Doylestown Township as an Intervenor
in the above captioned Tax Assessment Appeal.

ENTRY OF APPEARANCE

Kindly enter our appearance on behalf of Doylestown Township as the Intervenor in
connection with the above matter.

BEGLEY, CARLIN & MANDIO, LLP

BY:



Jeffrey P. Garton, Esquire
Solicitor for Doylestown Township
Attorney I.D. 16237
Douglas C. Maloney, Esquire
Attorney I.D. 34388
BEGLEY, CARLIN & MANDIO, LLP
680 Middletown Boulevard
Langhorne, PA 19047
(215) 750-0110

{00672730/}

**IN THE COURT OF COMMON PLEAS OF BUCKS COUNTY, PENNSYLVANIA
CIVIL ACTION – LAW**

IN RE: Appeal of The Thompson Organization :
from the Bucks County Board of Assessment :
and Revision of Taxes : **No. 2013-09829**
Tax Parcel No. 09-011-044 :
Municipality Doylestown Township :
Assessment for the year 2014 :
Property of Lamkohl & Associates Realty :

CERTIFICATE OF SERVICE

I, Jeffrey P. Garton, Esquire, do hereby certify and affirm that on the 31st day of December, 2013, the foregoing Praecipe for Intervention and Entry of Appearance were sent to the following persons via email and first class regular mail, postage pre-paid:

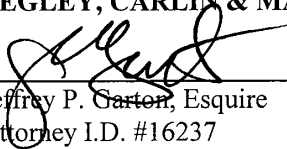
Michael A. Klimpl, Esquire
Solicitor, Bucks County
Office of the Commissioners
55 East Court Street
Doylestown, PA 18901

Edward Rudolph, Esquire
Bucks County Board of
Assessment Appeals
55 East Court Street
Doylestown, PA 18901

Francis J. Hoegen, Esquire
152 South Franklin Street
P.O. Box 346
Wilkes-Barre, PA 18703-0346

BEGLEY, CARLIN & MANDIO LLP

By: _____


Jeffrey P. Garton, Esquire
Attorney I.D. #16237
Solicitor for Doylestown Township
Douglas C. Maloney, Esquire
Attorney I.D. 34388

{00672730/}



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: October 1, 2014

Board Agenda Information:

General Fund Disbursements, September 2014

Checks September 2014	3,527,170.98
Electronic Payments	\$61,145,487.29
Transfers to Payroll	7,182,426.91
TOTAL	<u>\$71,855,085.18</u>

Other Disbursements, September 2014

Capital Fund(net voids)	\$3,888,648.23
Food Service(checks issued)	\$40,563.07
TOTAL	<u>\$3,929,211.30</u>

All Funds	<u><u>\$75,784,296.48</u></u>
-----------	-------------------------------

Central Bucks Administrative Services Center • 20 Welden Drive • Doylestown, PA 18901-2359 • (267) 893-2000 • Fax: (267) 893-5800

**The Central Bucks School District
General Fund
Treasurer's Report
9/30/2014**

Beginning Cash Balance		\$35,152,651.38
Receipts		
Local General Funds Receipts		
Local Collectors	31,623,414.66	
County of Bucks	892,183.36	
EIT	1,393,643.83	
Interest Earnings	12,018.03	
Facility Use Fees	11,490.00	
Tuition, Community School	344,465.93	
Contributions	9,083.92	
Miscellaneous	146,674.99	
Total Local General Funds Receipts	\$34,432,974.72	
State General Fund Receipts		
Soc Sec & Retirement	5,410,767.79	
State Subsidy- Other	1,045,828.00	
Total State General Fund Receipts	\$6,456,595.79	
Federal General Fund Receipts		
IDEA(I.U.)	361,078.69	
Total Federal General Fund Receipts	\$361,078.69	
Other Receipts		
Investments Matured	3,160,000.00	
Offsets to Expenditures	176,188.05	
Transfer from Other Funds	27,108.00	
Total Other Receipts	\$3,363,296.05	
Total Receipts		\$44,613,945.25
Total Beginning Cash Balance and Receipts		\$79,766,596.63

**The Central Bucks School District
General Fund
Treasurer's Report
9/30/2014**

Disbursements		
Checks (see detail on following page)		3,527,170.98
Electronic Payments:		
Employee Payroll Taxes	1,403,361.73	
Employer Payroll Taxes	470,799.13	
PSERS Retire	8,844,867.00	
403B/457PMT	188,660.96	
Health Benefit Payments	1,998,908.47	
Investments Placed	35,000,000.00	
Transfer to Long Term Capital Reserve Fund	3,160,000.00	
Transfer to Transportation Reserve Fund	1,000,000.00	
Transfer to Short Term Capital Reserve Fund	4,330,000.00	
Transfer to Technology Reserve Fund	2,000,000.00	
Transfer to Post Employment Reserve Fund	1,998,890.00	
Transfer to Health Care Reserve Fund	<u>750,000.00</u>	
Electronic Payments Total:		61,145,487.29
Transfer to Payroll		7,182,426.91
Total Disbursements		\$71,855,085.18
Summary:		
Total Beginning Cash Balance and Receipts (from previous page)		\$79,766,596.63
Cash Disbursements		\$71,855,085.18
Ending Cash Balance	9/30/2014	\$7,911,511.45

The Central Bucks School District
General Fund
Treasurer's Report
Check Reconciliation
9/30/2014

First Check Run	\$1,179,473.91
Second Check Run	\$1,521.39
Third Check Run	\$1,888,525.17
Fourth Check Run	<u>\$33,550.77</u>
Total Check Run (see attached detail)	<u>\$3,103,071.24</u>
Less Voided Checks	<u>(\$4,999.48)</u>
Check Run Sub-Total	<u>\$3,098,071.76</u>
Add Prior Month A/P Funded This Month	\$1,289,182.34
Less This Month A/P To Be Funded Next Month	<u>\$860,083.12</u>
Checks Funded This Month	<u><u>\$3,527,170.98</u></u>

**The Central Bucks School District
Food Service
Treasurer's Report
9/30/2014**

Beginning Cash Balance		\$	113,158.31
Receipts			
Subsidies	\$	-	
Student Lunch Account Deposits	\$	491,338.31	
Interest Earnings	\$	<u>114.76</u>	
Total Receipts			\$ 491,453.07
Disbursements			
Checks	\$	34,390.49	
Electronic payments	\$	<u>-</u>	
Total Disbursements			\$ 34,390.49
Cash per Bank Statement		\$	570,220.89
Less Outstanding Checks	\$	<u>(6,182.28)</u>	
 Ending Cash Balance @ 9/30/14		 \$	 564,038.61

Capital Fund Balance Projections as of Sept 30, 2014

	Beg. Bal. 7/1/2014	*Transfers from (to other Funds)	Transfers from General Fund	Interest Earnings	Expenditures	Commitments	Balance 9/30/2014	Target Amount	Percent of Target	Comments
Short term Capital	\$6,049,511		\$4,330,000	\$ 12,912	\$ 4,729,940	\$ 2,631,571	\$ 3,030,913	\$ 6,000,000	51%	
Short Term Capital- Café Equip	\$600,005	\$200,000		\$ 569			\$ 800,574			
Technology	\$4,223,479		\$2,000,000	\$ 3,137	\$ 759,657	\$ 7,848	\$ 5,459,111	\$ 3,500,000	156%	
Transportation	\$646,202		\$1,000,000	\$ 518	\$ 430,767	\$ 127,993	\$ 1,087,960	\$ 2,100,000	52%	
2008 Bond Fund Proceeds	\$7,957,359			\$ 3,127	\$ 3,143,146	\$ 4,790,942	\$ 26,398			
Long Term Capital	\$11,024,797		\$3,160,000	\$ 9,014			\$ 14,193,811	\$ 25,000,000	57%	
Totals **	\$ 30,501,354	\$ 200,000	\$10,490,000.00	\$ 29,277	\$ 9,063,511	\$ 7,558,353	\$ 24,598,767	\$ 36,600,000	67%	

Debt Service Fund Balance Projections as of Sept 30, 2014

	Beg. Bal. 7/1/2014	*Transfers from (to other Funds)	Transfers from General Fund	Interest Earnings	Expenditures	Commitments	Balance 9/30/2014	Target Amount	Percent of Target	Comments
Debt Service	\$ 17,128,313			\$ 1,781			\$ 17,130,094	\$ 60,000,000	29%	
Totals **	\$ 17,128,313	\$ -		\$ 1,781	\$ -	\$ -	\$ 17,130,094	\$ 60,000,000	29%	

Trust Fund Balance Projections as of Sept 30, 2014

	Beg. Bal. 7/1/2014	*Transfers from (to other Funds)	Transfers from General Fund	Interest Earnings	Balance 9/30/2014	Comments
Post Employment (GASB 45)	\$ 7,278,429		\$1,998,890	\$ 7,418	\$ 9,284,737	Per the Actuarial Report, the present value of benefits payable in the future years, as of 10/1/13, is \$64,094,288. Goal is to fund \$2M per yr towards this liability. Funds remain unrestricted, so can be accessed if needed.
Health Care	\$ 2,239,436		\$750,000	\$ 4,609	\$ 2,994,045	Goal is to maintain \$2.5 m to provide additional funding in a year of high level claims that might exceed budget.
Totals **	\$ 9,517,865			\$ 12,027	\$ 12,278,782	

**Central Bucks School District
Investment Portfolio
Summary Totals by Bank
September 30, 2014**

Bank Name	Principal Amount
3rd Fed Bank	249,000
Bank of America	10,851
First Niagara	22,521,350
Firsttrust Bank	248,000
Hatboro Savings & Loan	248,000
MBS	4,410,000
Milestone Bank	243,000
Monument Bank	246,000
National Penn	45,030,868
PLGIT	44,733,340
PSDLAF	20,328,101
Quakertown National Bank	33,242,336
Santander	45,044,201
Susquehanna	73,209
TD Bank	38,695,523
Team Capital Bank	247,000
William Penn Bank	247,000
Total	255,817,779

**Central Bucks School District
Investment Portfolio
General Fund- Bank Balances
September 30, 2014**

Purchase Date	Bank Name	Maturity Date	Rate of Interest	Principal Amount
GENERAL FUND BANK ACCOUNTS				
9/30/14	TD Bank	10/1/14	0.30%	7,911,511
9/30/14	TD Bank Multiple Choice	10/1/14	* 0.55%	10,799,925
9/30/14	PLGIT	10/1/14	0.02%	1,340
9/30/14	PSDLAF MAX Acct	10/1/14	0.01%	101,129
Total General Fund Bank Accounts				18,813,905
GENERAL FUND CDs				
Individual Bank CDs:				
4/26/14	3rd Fed Bank	4/15/15	0.40%	249,000
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
7/3/14	Firsttrust Bank	9/3/15	0.35%	248,000
5/23/13	Milestone Bank	12/23/15	1.05%	243,000
9/1/14	Monument Bank	3/1/16	1.00%	246,000
3/2/14	Hatboro Savings & Loan	3/4/16	0.50%	148,000
5/22/14	Team Capital Bank	5/22/16	0.50%	247,000
PLGIT CDs :				
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
7/17/14	PLGIT Term	1/14/15	0.20%	10,000,000
8/1/14	PLGIT Term	1/28/15	0.20%	7,500,000
5/13/14	Bank of East Asia Ltd., New York, NY	5/13/15	0.58%	248,000
5/13/14	Bank of Leumi USA, New York, NY	5/13/15	0.50%	248,000
5/13/14	Bank of China, New York, NY	5/13/15	0.40%	248,000
5/13/14	Western Alliance Bank, Phoenix, AZ	5/13/15	0.35%	248,000
9/22/14	PLGIT Term	6/24/15	0.25%	25,000,000
8/19/14	Needham Bank, Needham, MA	8/19/15	0.50%	248,000
PSDLAF CD's:				
4/11/14	GE Capital Retail Bank	4/13/15	0.40%	245,000
5/5/14	Cathay Bank(CA)	5/5/15	0.25%	245,000
5/5/14	The First Bancorp.(ME)	5/5/15	0.25%	245,000
5/6/14	Bank of Akron(NY)	5/6/15	0.28%	245,000
5/5/14	Tristate Capital Bank(PA)	5/7/15	0.45%	245,000
5/28/14	Kansas State Bank of Manhattan (KS)	5/28/15	0.25%	245,000
12/18/13	Luana Savings Bank	6/11/15	0.35%	140,000
2/7/14	Carver Federal Savings Bank	2/5/16	0.80%	245,000
Multi Bank Securities CDs:				
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 8M 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
6/6/14	Everbank, Jacksonville, FL	6/5/15	0.30%	245,000
6/6/14	Firstbank, PR Santurce	6/5/15	0.40%	245,000
6/12/14	Cole Taylor Bank, Rosemont, IL	6/12/15	0.35%	245,000
6/16/14	WEX Bank, Midvale UT	6/16/15	0.40%	245,000
6/18/14	Enerbank USA, Salt Lake City, UT	6/18/15	0.35%	245,000
6/25/14	Discover Bank, Greenwood, DE	6/25/15	0.45%	245,000
6/25/14	Goldman Sachs Bank USA, New York	6/25/15	0.40%	245,000
6/26/14	S & T Bank, Indiana, PA	6/26/15	0.40%	245,000
6/30/14	Comenity Capital Bank, Salt Lake City, UT	6/30/15	0.45%	245,000
8/22/14	Synovus Bank, Columbus, GA	8/21/15	0.50%	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
Total General Fund CDs				52,725,000
GENERAL FUND MONEY MARKET ACCOUNTS				
9/30/14	First Niagara	10/1/14	0.15%	16,010,834
9/30/14	Santander	10/1/14	0.30%	30,850,390
9/30/14	Bank of America	10/1/14	0.10%	10,851
9/30/14	National Penn (1652)	10/1/14	0.22%	45,030,868
9/30/14	Quakertown National Bank	10/1/14	0.30%	29,735,633
9/30/14	PSDLAF Full Flex	10/1/14	0.10%	130,261
Total General Fund Money Market Accounts				121,768,837
Total General Fund				193,307,742

* Interest earnings credited to offset fees

**Central Bucks School District
Investment Portfolio
Capital Fund- Bank Balances
September 30, 2014**

<u>Purchase Date</u>	<u>Bank Name</u>	<u>Maturity Date</u>	<u>Rate of Interest</u>	<u>Principal Amount</u>
<u>Short Term Capital Reserve</u>				
9/30/14	PSDLAF Max Acct	10/1/14	0.01%	147
9/30/14	TD Bank Fund 3 Acct	10/1/14	0.30%	944,041
9/30/14	TD Bank	10/1/14	0.30%	5,662,336
		Total Short Term Capital Reserve		6,606,524
<u>Capital Café Equip Reserve</u>				
9/30/14	TD Bank Capital Proj- Bldg Cafeteria/Equip	10/1/14	0.30%	800,574
		Capital Café Equip Reserve		800,574
<u>Technology Capital Reserve</u>				
9/30/14	TD Bank	10/1/14	0.30%	5,466,959
		Total Technology Reserve		5,466,959
<u>Transportation Capital Reserve</u>				
9/30/14	TD Bank	10/1/14	0.30%	1,215,953
		Total Transportation Reserve		1,215,953
<u>Long Term Capital Reserve</u>				
9/30/14	Santander	10/1/14	0.30%	14,193,811
		Total Long Term Capital Reserve		14,193,811
<u>2008 Bond</u>				
9/30/14	First Niagara	10/1/14	0.15%	4,817,340
		Total 2008 Bond Account		4,817,340
		Total Capital Fund		33,101,161

**Central Bucks School District
Investment Portfolio
Debt Service Fund- Bank Balances
September 30, 2014**

<u>Purchase Date</u>	<u>Bank Name</u>	<u>Maturity Date</u>	<u>Rate of Interest</u>	<u>Principal Amount</u>
<u>Debt Service Reserve</u>				
9/30/14	PSDLAF MAX ACCT	10/1/14	0.01%	2,422
9/30/14	PSDLAF Full Flex	10/1/14	0.10%	8,092,000
5/29/14	PSDLAF(US Treasury Strip)	8/15/16	0.34%	4,962,500
6/10/14	PSDLAF(US Treasury Strip)	8/15/16	0.40%	3,999,964
9/30/14	Susquehanna	10/1/14	0.10%	1,209
6/27/14	Susquehanna	12/27/15	0.25%	72,000
Total Debt Service Reserve				17,130,094

**Central Bucks School District
Investment Portfolio
Trust Fund- Bank Balances
September 30, 2014**

<u>Purchase Date</u>	<u>Bank Name</u>	<u>Maturity Date</u>	<u>Rate of Interest</u>	<u>Principal Amount</u>
<u>Post Employment Trust Fund Reserve</u>				
9/30/14	First Niagara	10/1/14	0.15%	1,693,176
9/30/14	Quakertown National Bank	10/1/14	0.55%	3,506,703
9/30/14	TD Bank	10/1/14	0.30%	4,084,858
Total Post Employment Reserve				9,284,737
 <u>Healthcare Trust Fund Reserve</u>				
9/30/14	PSDLAF MAX ACCT	10/1/14	0.01%	4,678
4/21/14	PSDLAF(Far East National Bank)	4/21/15	0.45%	245,000
7/22/14	PSDLAF(Bankers Bank of the West)	7/22/15	0.40%	245,000
7/23/14	PSDLAF(One West Bank)	7/23/15	0.62%	245,000
7/31/14	PSDLAF(First Bank & Trust)	7/31/15	0.37%	245,000
7/31/13	PSDLAF(Ally Bank)	7/31/15	0.65%	200,000
9/30/14	TD Bank	10/1/14	0.30%	1,809,366
Healthcare Reserve				2,994,045
Total Trust Fund				12,278,782
Grand Total- All Funds				255,817,779
Weighted Average Rate of Return				0.27%

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

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

General Fund						
<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	9/1/2014	\$246,000.00	3/1/2016	1.00%	\$3,686.63	Monument Bank
PLGIT	9/22/2014	\$25,000,000.00	6/24/2015	0.25%	\$47,089.04	PLGIT Term
TOTALS		\$25,246,000.00			\$50,775.67	

LOGIC
QUARTERLY REPORT
(AS OF SEPTEMBER 24, 2014)

CENTRAL BUCKS SCHOOL DISTRICT

Lawlace Consulting LLC is pleased to continue assisting the Central Bucks School District in providing services related to the investment of public funds. In accordance with our Investment Consulting Agreement, we have prepared the following analysis and review of services provided to you.

Financial Markets Overview

The Federal Reserve expects to conclude its asset purchase program in October after buying over \$4 trillion of Treasuries and mortgage bonds in an effort to drive down long-term interest rates. The Fed maintained its commitment to extremely low short-term interest rates while signaling a potential rise in 2015. The banking industry extended its string of profitable quarters with loan balances growing at the fastest pace since 2007.

Monetary Policy and Interest Rates. The Federal Reserve continued its slow and steady retreat from economic stimulus programs in September. The Federal Open Market Committee (FOMC) met on September 17 and noted that while economic activity was expanding at a moderate pace and labor market conditions had improved since July, the unemployment rate did not fall and “there remains significant underutilization of labor resources.” The Committee concluded that the underlying strength in the broader economy should lead to improvement in the labor market.

As a result, the Federal Reserve again cut its bond-buying quantitative easing program by announcing that in October it would acquire \$5 billion of Fannie Mae, Freddie Mac and Ginnie Mae mortgage-backed securities and \$10 billion of longer-term Treasury securities for a total of \$15 billion per month. Asset purchases have been steadily reduced from a height of \$85 billion per month from December 2012 to December 2013. Assuming that labor market conditions do improve as expected and inflation continues to run at a moderate rate, the Committee expects to end its asset purchase program at its meeting in October. The Fed now holds over \$4 trillion of Treasury and mortgage bonds as a result of its monthly purchases since the start of the quantitative easing program. The Fed also pledged to continue its practice of reinvesting principal payments on its holdings in agency mortgage-backed securities and rolling over maturing Treasury securities at auction.

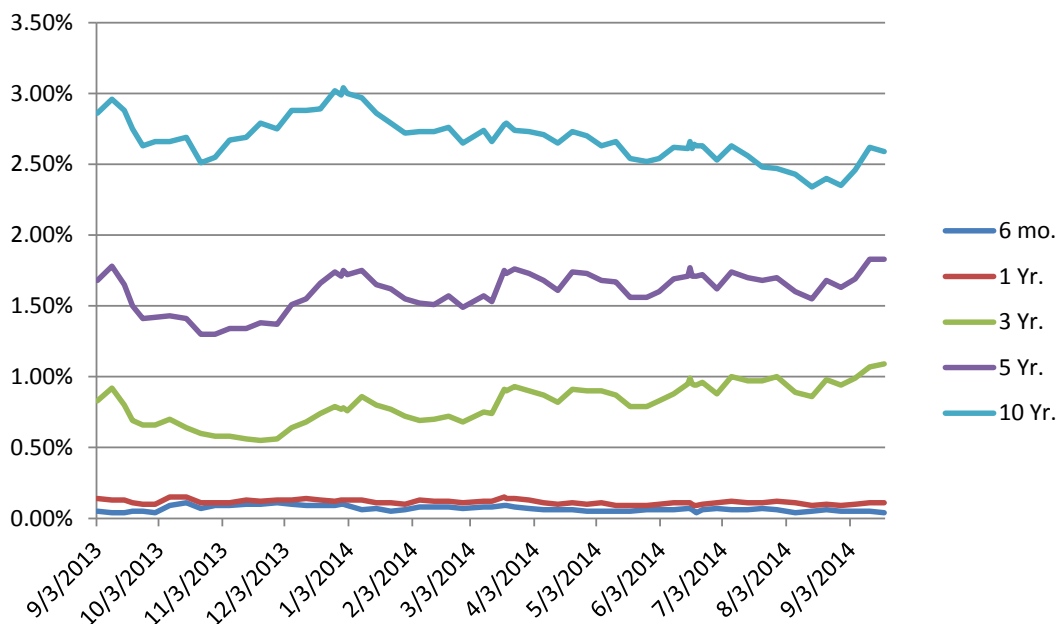
The Committee left unchanged its commitment to keeping short-term interest rates near zero by maintaining the current 0 to ¼ percent target range for the fed funds rate. The Fed evaluates such factors as measurements of labor market conditions, indicators of inflation pressures and inflation expectations and readings on financial developments in assessing progress towards its twin objectives of maximum employment and 2 percent inflation. The FOMC’s statement concluded that it “continues to anticipate, based on its assessment of these factors, that it likely will be appropriate to

maintain the current target range for the federal funds rate for a considerable time after the asset purchase program ends.” Observers generally agree that “a considerable time” means until the middle of 2015. Prior to the meeting some observers had anticipated that the FOMC might shorten the horizon for beginning to increase the target range.

The Fed also released rate forecasts from FOMC members which showed that fourteen of seventeen participants judged that the first increase in the target fed funds rate will occur in 2015, with two predicting the Fed could wait until 2016 and one suggesting that the Fed start increasing rates this year. The median of the 17 forecasts predicted that the target interest rate will be between 1.25% and 1.50% at the end of 2015 and between 2.75% and 3.0% by the end of 2016, targets that were slightly higher than those in June.

The chart below shows the bond market’s reaction to these developments over the last year. Short-term rates held steady over the last twelve months with 6-month notes on September 19 at 0.04% (compared to 0.05% as of September 20 a year ago). Intermediate term rates trended upward from September through December, declining following the start of the Fed’s taper after the December meeting and moving upward in recent weeks. Five-year and ten-year rates were 1.83% and 2.59%, respectively, as of September 19 compared to 1.50% and 2.75%, respectively, as of September 20, 2013.

Treasury Daily Yield Curve Rates September 2013 to September 2014



Banking Industry Highlights. Quarterly net income for FDIC-insured institutions was \$40.2 billion in the second quarter of 2014, 5.3% lower than for the corresponding quarter in 2013. Noninterest income, particularly income from mortgage lending and trading declined as medium- and long-term interest rates rose. This negative effect on noninterest income was greater at large banks while the steeper yield curve for net

interest margins, combined with strengthening loan growth, benefited smaller institutions. Fifty-seven percent of all insured institutions reported year-over-year growth in quarterly earnings, with only 6.8% of banks unprofitable, the lowest proportion of unprofitable institutions since first quarter 2008.

Loan growth increased by 2.3% during the quarter, the largest quarterly increase since fourth quarter 2007. FDIC Chairman Martin J. Gruenberg noted that the report overall showed continuing recovery by the banking industry, even as banks cope with pressure resulting from slow economic growth. “Net income was up, asset quality improved, loan balances grew at their fastest pace since 2007, and loan growth was broad-based.” Challenges facing banks include pressure from narrow net interest margins and “increasing higher-risk loans to leveraged commercial borrowers.”

The FDIC quarterly report now includes a section on the performance of community banks, the institutions that provide traditional relationship-based banking services in their local communities. The second quarter showed that net income of community banks increased by 3.5% compared to the second quarter of 2013, thanks to lower loan loss provisions and improved net interest income. Well over half (58 percent) of all community banks reported higher earnings compared with the year-ago quarter, and those reporting a loss fell to 7 percent—the lowest level since second quarter 2006. The report covered 6,163 community banks in the second quarter of 2014, down 71 from the first quarter. Seven community banks failed during the quarter, while 40 merged. Community banks continued to represent 93 percent of all insured institutions, with \$2 trillion in assets, \$1.7 trillion in deposits, and \$224 billion in equity capital.

Asset quality indicators improved at insured institutions as the amount of noncurrent loans and leases fell by 6.9% during the quarter. Average net interest margin was 3.15%, the lowest since the third quarter of 1989, although 72% of all institutions reported year-over-year growth in quarterly net interest income. Quarterly highlights include:

- ❖ Total loan balances increased by 2.3% during the quarter
- ❖ Average return on assets rose to 1.07% from 1.06% in 2Q2013
- ❖ 98.4% of all insured institutions met or exceeded the requirements for the highest regulatory capital category
- ❖ Loan losses declined for the 16th consecutive quarter while noncurrent loan balances fell for the 17th straight quarter
- ❖ The number of problem banks fell from 411 to 354, the smallest number since 1Q2009

Fourteen banks have failed so far in 2014, including Vantage Point Bank based in Horsham, Pennsylvania which was closed by the Pennsylvania Department of Banking and Securities on February 28.

These ongoing challenges to financial institutions continue to require vigilance in monitoring the financial health of banks entrusted with public funds deposits.

Credit & Collateral Review

The Board Investments Report as of July 31, 2014 shows that the School District maintains significant investment deposits with First Niagara Bank, National Penn Bank, QNB Bank, Santander Bank, TD Bank, the Pennsylvania Local Government Investment Trust (“PLGIT”) and the Pennsylvania School District Liquid Asset Fund (“PSDLAF”). The School District also has additional investments with banks that are below the FDIC insurance limit. This report also reviews Citibank, Citizens Bank of Pennsylvania, JPMorgan Chase Bank and PNC Bank where the School District formerly invested funds or where current deposits fall below the FDIC limit.

In connection with this report we reviewed the available collateral reports of the financial institutions utilized by the School District. Act 72 of 1971, the Commonwealth statute that governs the collateralization of public funds, provides significant latitude to financial institutions and permits them to use types of securities as collateral that are not allowed for direct investment by the School District. Therefore, credit and collateral review is an on-going process.

Collateral Characteristics. The latitude allowed by Act 72 permits financial institutions to sue a wide variety of types of securities, many of which may be subject to rapidly fluctuating values, as demonstrated by the turmoil in credit markets over the last three years.

Obligations of the United States, including direct United States Treasury obligations and obligations issued by Government National Mortgage Association (GNMA), are obviously the safest type of collateral for deposits, followed by obligations of federal agencies such as Federal National Mortgage Association (FNMA) and Federal Home Loan Mortgage Corporation (FHLMC). GNMA, FNMA and FHLMC issue pooled securities containing mortgages that meet the criteria for conforming loans set by regulators. These federal agency pooled securities are highly rated and highly liquid and are guaranteed by the federal agencies so that the securities maintain their value even if the underlying mortgages encounter problems.

Other institutions pledge municipal debt obligations such as general obligation and revenue bonds issued by states, counties, municipalities, authorities and school districts. Municipal obligations issued by Pennsylvania entities are permitted investments for school districts under Section 440.1 of the School Code. It should be noted that municipal obligations of entities located outside of Pennsylvania may be used as collateral even though school districts are not permitted to invest in them directly. While not as secure as U.S. Treasury obligations or federal agency instruments, municipal securities are generally considered to be safe. In addition, many of them are insured by municipal bond insurers, adding another layer of security. A 2003 study by Fitch Ratings of municipal defaults found that the cumulative default rate on municipal bonds issued between 1987 and 1994 was 0.63 percent.

Private label mortgage-backed securities (MBS), collateralized mortgage obligations (CMO), asset-backed securities (ABS) and collateralized debt obligations (CDO) may be used by some institutions as collateral. Each of these types of securities

has different structures and characteristics that affect their value in different markets and therefore their suitability as part of a collateral pool.

Thomson Reuters Bank Insight Ratings. The LOGIC program uses financial analysis provided by Thomson Reuters Bank Insight (formerly known as Highline Financial) as one tool for evaluating the strength of a financial institution. Thomson Reuters Bank Insight provides ratings of financial institutions on a quarterly basis using publicly available financial data. A rating is based on a scale from 0 – 99 with 0 being the lowest and 99 being the highest. Ratings are distributed on a bell curve with the large majority of institutions falling somewhere in the middle. Bank Insight’s ratings are based on specific financial ratios that were selected after a study examining the best combination of ratios to determine the potential for failure. The study was conducted on 50 high performance and 50 failed institutions in 1988 and 1991 when there were high failure rates for banks.

These ratios examine capital adequacy, asset quality, earnings and liquidity which are then weighted to indicate the relative importance of each ratio used in the rating system, as follows:

Capital Adequacy	30%
Asset Quality	35%
Earnings	25%
Liquidity	10%

Bank Insight also assigns a peer group ranking based on the cumulative percentage of institutions rated below a particular rating. For example, an institution may have a rating of 50 with a rating rank of 60 meaning that 60% of all institutions in the peer group have a ranking of 50 or below. We generally consider a ranking of 20 to be the minimum acceptable level. A decline of 10 points or more from one quarterly reporting period to another may also be an indication that the institution has experienced financial difficulty deserving inquiry.

Bank Insight’s peer group rating compares a financial institution to all institutions of like size based on the institution’s total assets. The asset size peer groups for banks are:

1. Total Assets > than \$10 billion
2. \$5 billion to \$9.9 billion
3. \$1 billion to \$4.9 billion
4. \$500 million to \$999 million
5. \$300 million to \$499 million
6. \$100 million to \$299 million
7. \$50 million to \$99 million
8. \$25 million to \$49 million
9. \$10 million to \$24 million
10. \$0 to \$9 million
11. Chartered in last 3 years and assets less than \$150 million

This report looks at the Bank Insight peer group ratings in order to provide an overview of how each bank has fared during the course of the financial crisis. The report also provides regional bank ratings that compare all institutions of like types to all others in a certain region based on where the bank is headquartered. The Northeast region includes all of New England, New York, New Jersey and Pennsylvania.

Bank Information. The financial information regarding each bank is presented as of June 30, 2014, the most recently available data. Financial institutions continue to experience significant volatility that may not be reflected in this quarterly financial data.

Capital Adequacy. Section 131 of the FDIC Improvement Act of 1991 established five capital levels ranging from “well-capitalized” to “critically undercapitalized” to determine whether a bank requires prompt corrective action. The highest level, Capital Category 1, requires that an institution meet or exceed the following requirements: (i) a Total Risk-Based Capital Ratio of 10.00%, (ii) a Tier 1 Capital Ratio (core capital weighted assets) of 6.0%, and (iii) a Leverage Ratio (core capital to adjusted total assets) of 5.0%.

Thomson Reuters Bank Insight also calculates a Capital Adequacy Ratio based on Tier 1 capital minus any loss on assets held for sale divided by adjusted total assets. Thomson Reuters Bank Insight develops a peer group ranking for the Capital Adequacy Ratio using the same criteria as the overall peer group ranking described above.

Troubled Assets. The “troubled asset ratio” compares the sum of the bank’s troubled assets with the sum of Tier 1 Capital plus Loan Loss Reserves. “Troubled assets” are calculated by adding together the amounts of loans past due 90 days or more, loans in non-accrual status and Other Real Estate Owned (primarily properties obtained through foreclosure). Non-loan bank assets such as mortgage-backed securities or collateralized debt obligations that a bank may own are not included in the valuation of troubled assets. Higher values in this ratio generally indicate that a bank is under more stress caused by loans that are not paying as scheduled.

Citibank N.A.

Overview. Citigroup Inc. is the parent company of Citibank. Citigroup Inc. reported net income of \$181 million on revenues of \$19.3 billion for the second quarter of 2014 compared to net income of \$4.2 billion on revenues of \$20.5 billion for the corresponding quarter of 2013. The results for the second quarter of 2014 reflected the impact of a \$3.8 billion charge (\$3.7 billion after-tax) to settle residential mortgage-backed securities and CDO (collateralized debt obligations) claims.

Ratings. Ratings for both Citigroup and Citibank are as follows:

	Moody's	S&P	Fitch
Citigroup			
Outlook	Stable	Negative	Stable
Senior Debt	Baa2	A-	A

Citibank, N.A.

Outlook	Stable	Negative	Stable
Senior Debt	A2	A	A

Citibank’s Thomson Reuters Bank Insight peer group rating for June 30 was “58”, placing the bank in the 68th percentile of its peer group of banks with total assets exceeding \$10 billion. Bank Insight ratings and rankings for the last two years were:

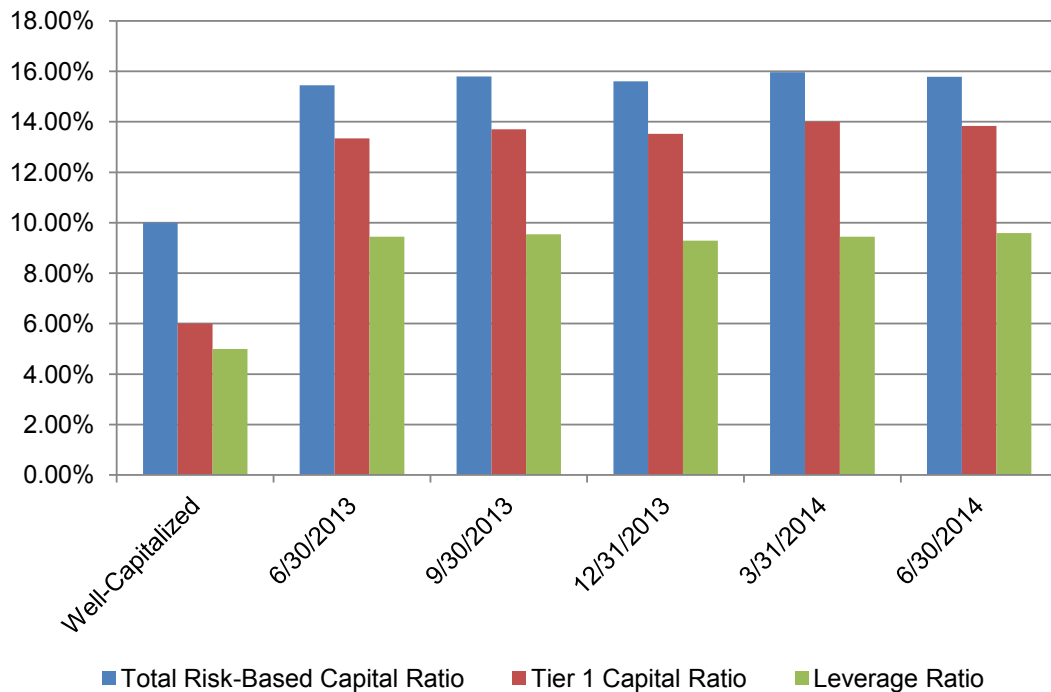
<u>Quarter</u>	<u>Peer Group Rating</u>	<u>Peer Group Ranking</u>	<u>Regional Rating</u>	<u>Regional Ranking</u>
6/30/2014	58	68	66	70
3/31/2014	59	72	67	76
12/31/2013	63	63	67	70
9/30/2013	64	66	67	68
6/30/2013	64	66	68	73
3/31/2013	63	66	66	67
12/31/2012	59	45	59	44
9/30/2012	61	54	61	50

Troubled Assets. The bank’s “troubled asset ratio” for the last five quarters is set forth below:

	<u>National Median</u>	<u>Troubled Asset Ratio</u>
6/30/2014	7.5	6.0
3/31/2014	8.0	6.6
12/31/2013	8.4	7.0
9/30/2013	9.1	7.5
6/30/2013	9.5	7.7

Capital Adequacy. Citibank is classified as “well-capitalized” (Capital Category 1) for federal regulatory purposes by meeting or exceeding the minimum measurements set forth below.

Citibank Capital Ratios



Bank Insight’s Capital Adequacy Ratio places the bank in the 46th percentile of its peer group.

Citizens Bank of Pennsylvania

Recent Developments. The Royal Bank of Scotland Group plc (RBSG), the parent company of Citizens Bank of Pennsylvania, offered 140 million shares of its U.S. subsidiary, Citizens Financial Group (“CFG”), in an initial public offering that represented approximately 25% of RBSG’s interest. The IPO priced the shares at \$21.50 each, below the company’s expected range of between \$23 and \$25 per share. The IPO is the first step in a planned full divestiture of Citizens by the end of 2016. The United Kingdom government, which owns 83% of RBSG following massive infusions of taxpayer funds to shore up RBSG during the financial crisis, has been pressuring RBSG to raise capital to repay the British government.

CFG failed the Federal Reserve’s stress test in March because of concerns about the bank’s practices for estimating revenue and losses under economic stress. This year was the first time the Fed expanded the stress test to include six U.S units of foreign banks. The bank stated that the test actually showed the bank’s strength since its capital levels were above the minimum required levels. The failed stress test means that the U.S. subsidiary will not be able to increase dividends sent to the U.K. parent. CFG sought to bolster its balance sheet since failing the stress test, adding more capital to hold in reserve.

These developments followed a \$4.4 billion pre-tax goodwill impairment charge during the second quarter of 2013 which resulted in a \$3.7 billion loss for the six months ended June 30, 2013. The Fitch ratings review of Citizens Financial Group's ratings stated that the impairment charge "was the result of the prolonged delay in the full recovery of the U.S. economy and the impact of that delay on earnings estimates." The timing of the impairment charge may have been in anticipation of the proposed sale of CFG. As a result, the Thomson Reuters Bank Insight ratings discussed below plummeted in 2013, even though regulatory capital ratios and other measurements of financial health remained strong. The bank's financial results for the first half of 2014 led to a strong increase in the bank's ratings.

Citizens Bank has resumed use of pooled securities as collateral for public funds deposits following the expiration of unlimited FDIC insurance coverage for non-interest bearing transaction accounts that expired on December 31, 2012.

Ratings. Current ratings for RBSG and Citizens follow:

	<u>Moody's</u>	<u>S&P</u>	<u>Fitch</u>
RBSG			
Outlook	Negative	Negative	Negative
Long Term	Baa2	BBB+	A
Citizens Bank of Pennsylvania			
Outlook	Negative	Negative	Stable
Long Term	A3	A-	BBB+

Citizens' Thomson Reuters Bank Insight peer group rating for June 30 was "43", placing the bank in the 24th percentile of its peer group of banks with total assets greater than \$10 billion. Bank Insight ratings and rankings for the last two years were:

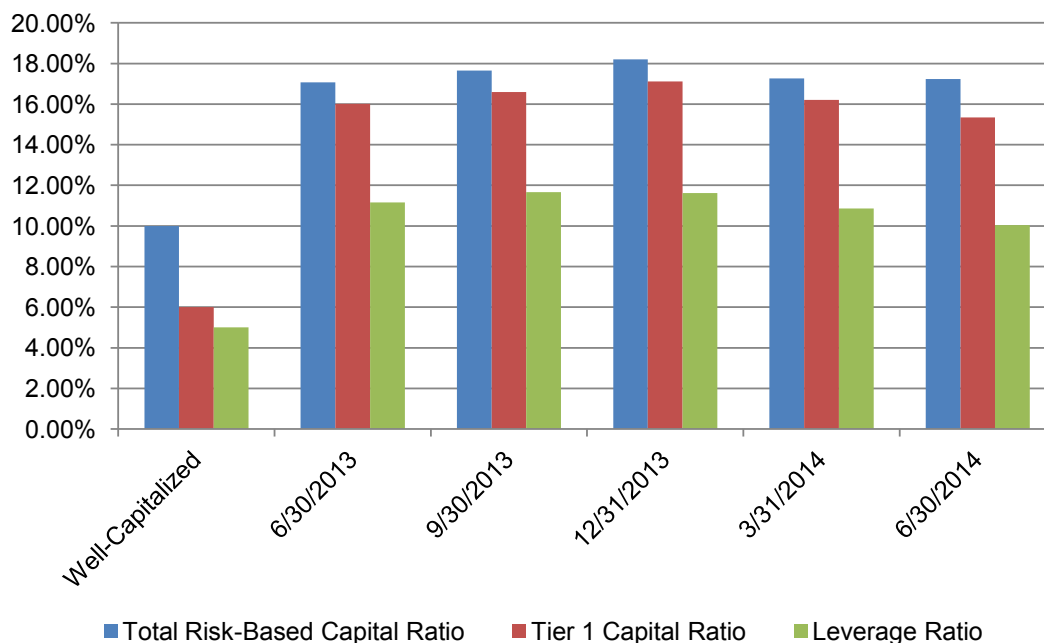
<u>Quarter</u>	<u>Peer Group Rating</u>	<u>Peer Group Ranking</u>	<u>Regional Rating</u>	<u>Regional Ranking</u>
6/30/2014	43	24	52	54
3/31/2014	42	23	51	51
12/31/2013	21	3	27	7
9/30/2013	16	3	22	5
6/30/2013	7	3	12	3
3/31/2013	48	22	50	45
12/31/2012	53	30	50	44
9/30/2012	52	29	50	45

Troubled Assets. The bank’s “troubled asset ratio” for the last five quarters is set forth below:

	<u>National Median</u>	<u>Troubled Asset Ratio</u>
6/30/2014	7.5	5.6
3/31/2014	8.0	6.4
12/31/2013	8.4	6.5
9/30/2013	9.1	7.5
6/30/2013	9.5	7.3

Capital Adequacy. Citizens Bank is classified as “well-capitalized” (Capital Category 1) for federal regulatory purposes by meeting or exceeding the minimum measurements as set forth below.

Citizens Bank of Pennsylvania Capital Ratios



Bank Insight’s Capital Adequacy Ratio places the bank in the 54th percentile of its peer group.

Collateral Review. Citizens resumed the use of an Act 72 collateral pool following the expiration of the FDIC program discussed above. Citizens Bank maintained collateral coverage in its Act 72 collateral pool of 105.2% of public funds held for deposit as of February 28, 2014, the most recent report available to us.

The collateral securing the deposits consists of securities issued by Government National Mortgage Association (GNMA) and Federal National Mortgage Association (FNMA). These securities are either direct obligations of the agencies or pools of residential mortgages that meet the criteria for conforming loans set by regulators for these federal agencies. These federal agency pooled securities are highly rated and highly liquid. These pooled securities are guaranteed by the federal agencies so that the securities maintain their value even if the underlying mortgages encounter problems.

First Niagara Bank

Recent Events. First Niagara reported operating net earnings of \$66.2 million, or 19 cents per diluted share, for the quarter ended June 30, compared to \$63.6 million, or 18 cents per diluted share, for the corresponding quarter in 2013. Nonperforming assets equaled 0.55% of total assets, up from 0.52% as of March 31, 2014.

Ratings. On February 5, 2014 Fitch affirmed its long-term investment ratings of FNFG at BBB- and changed its outlook from negative to positive. Fitch noted that the ratings are supported by the bank's consistent performance during a difficult operating environment and credit performance that remains solid. Fitch noted that the bank's capital position is much lower than its peers and that may limit financial flexibility.

	<u>Moody's</u>	<u>S&P</u>	<u>Fitch</u>
First Niagara Financial Group			
Outlook Long Term	Stable Ba1	Stable BBB	Stable BBB-
First Niagara Bank			
Outlook Long Term		Stable BBB+	Stable BBB-

First Niagara Bank's Thomson Reuters Bank Insight peer group rating for June 30 was "38", placing the bank in the 13th percentile of its peer group of banks with assets of greater than \$10 billion. Bank Insight ratings and rankings for the last two years were:

<u>Quarter</u>	<u>Peer Group Rating</u>	<u>Peer Group Ranking</u>	<u>Regional Rating</u>	<u>Regional Ranking</u>
6/30/2014	38	13	49	43
3/31/2014	37	15	48	42
12/31/2013	52	26	54	59
9/30/2013	52	30	53	53
6/30/2013	51	28	52	51
3/31/2013	50	28	52	52

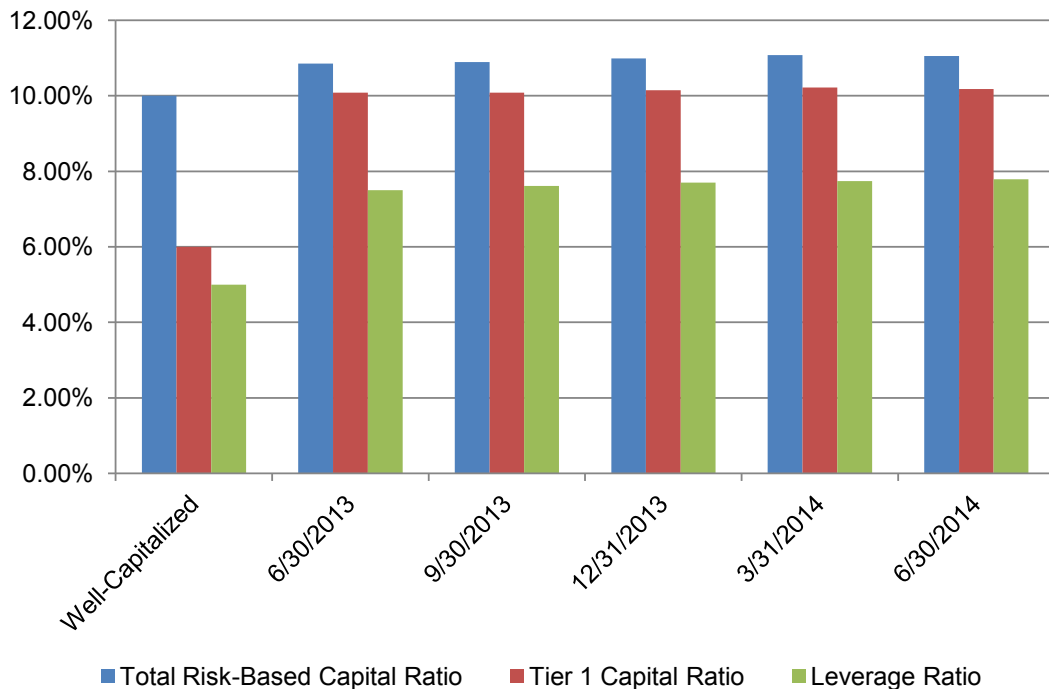
12/31/2012	48	21	46	32
9/30/2012	48	26	46	33

Troubled Assets. The bank’s “troubled asset ratio” for the last five quarters is set forth below:

	<u>National Median</u>	<u>Troubled Asset Ratio</u>
6/30/2014	7.5	10.3
3/31/2014	8.0	10.3
12/31/2013	8.4	10.8
9/30/2013	9.1	11.4
6/30/2013	9.5	12.4

Capital Adequacy. First Niagara is classified as “well-capitalized” (Capital Category 1) for federal regulatory purposes by meeting or exceeding the minimum measurements set forth below.

First Niagara Bank Capital Ratios



Bank Insight’s Capital Adequacy Ratio places the bank in the 15th percentile of its peer group.

Collateral Review. First Niagara Bank maintained collateral coverage of 141.09% of public funds held for deposit as of June 30, 2014 (with non-Pennsylvania municipal securities valued at 80% of market value). The securities in the First Niagara

collateral pool as of June 30 consisted of federal agency securities (12.83%), Pennsylvania municipal securities (10.96%) and municipal securities from outside of Pennsylvania (76.2%).

JPMorgan Chase Bank N.A.

Overview. JPMorgan Chase & Co. is the parent company of JPMorgan Chase Bank, the largest bank in the United States. JPMorgan Chase & Co. reported net income of \$6.0 billion on revenues of \$25.2 billion for the second quarter of 2014 compared to net income of \$6.5 billion for the corresponding quarter in 2013 on revenues of \$25.9 billion.

Ratings. Ratings for both JPMorgan Chase & Co. and JPMorgan Chase Bank are as follows:

	Moody's	S&P	Fitch
JPMorgan Chase & Co.			
Outlook Senior Debt	Stable A3	Negative A	Stable A+
JPMorgan Chase Bank			
Outlook Long-Term Debt	Stable Aa3	Stable A+	Stable A+

JPMorgan Chase’s Thomson Reuters Bank Insight peer group rating for June 30 was “47”, placing the bank in the 30th percentile of its peer group of 19 banks with total assets exceeding \$10 billion. Bank Insight ratings and rankings for the last two years were:

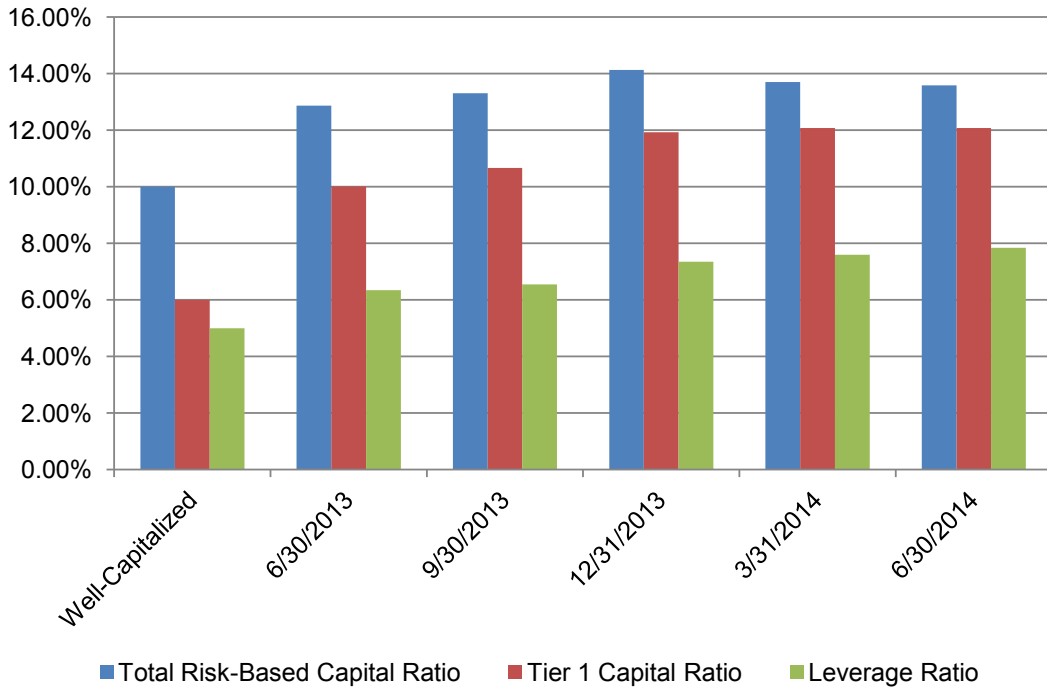
<u>Quarter</u>	<u>Peer Group Rating</u>	<u>Peer Group Ranking</u>	<u>Regional Rating</u>	<u>Regional Ranking</u>
6/30/2014	47	30	64	61
3/31/2014	43	24	61	53
12/31/2014	54	35	64	57
9/30/2013	50	25	61	51
6/30/2013	51	28	61	52
3/31/2013	48	22	60	50
12/31/2012	46	18	54	39
9/30/2012	44	16	51	35

Troubled Assets. The bank’s “troubled asset ratio” for the last five quarters is set forth below:

	<u>National Median</u>	<u>Troubled Asset Ratio</u>
6/30/2014	7.5	8.0
3/31/2014	8.0	8.6
12/31/2014	8.4	9.2
9/30/2013	9.1	11.0
6/30/2013	9.5	13.5

Capital Adequacy. JPMorgan Chase is classified as “well-capitalized” (Capital Category 1) for federal regulatory purposes by meeting or exceeding the minimum measurements set forth below.

JPMorgan Chase Bank Capital Ratios



Bank Insight’s Capital Adequacy Ratio places the bank in the 18th percentile of its peer group.

Collateral Review. We have no information about JPMorgan Chase Bank’s collateral policies.

National Penn Bank

Recent Developments. National Penn Bancshares, the parent company of National Penn Bank, reported net income of \$26.2 million, or \$0.19 per share compared to adjusted net income of \$22.7 million for the first quarter of 2014, or \$0.16 per diluted common share inclusive of a restructuring charge. Nonperforming assets also continued to decline.

National Penn Bancshares announced on September 9 that it had received regulatory approval for its proposed merger of TF Financial with and into National Penn Bancshares and the merger of 3d Fed Bank into National Penn Bank. TF Financial operates 18 banking offices in Bucks and Philadelphia Counties in Pennsylvania and Mercer, Burlington and Ocean Counties in New Jersey.

Ratings. National Penn Bancshares, Inc., the parent company of National Penn Bank, does not have a credit rating.

National Penn Bank's Thomson Reuters Bank Insight peer group rating for June 30 was "67", placing the bank in the 72nd percentile of peer group banks with assets of \$5 billion to \$9.9 billion. Bank Insight ratings and rankings for the last two years were:

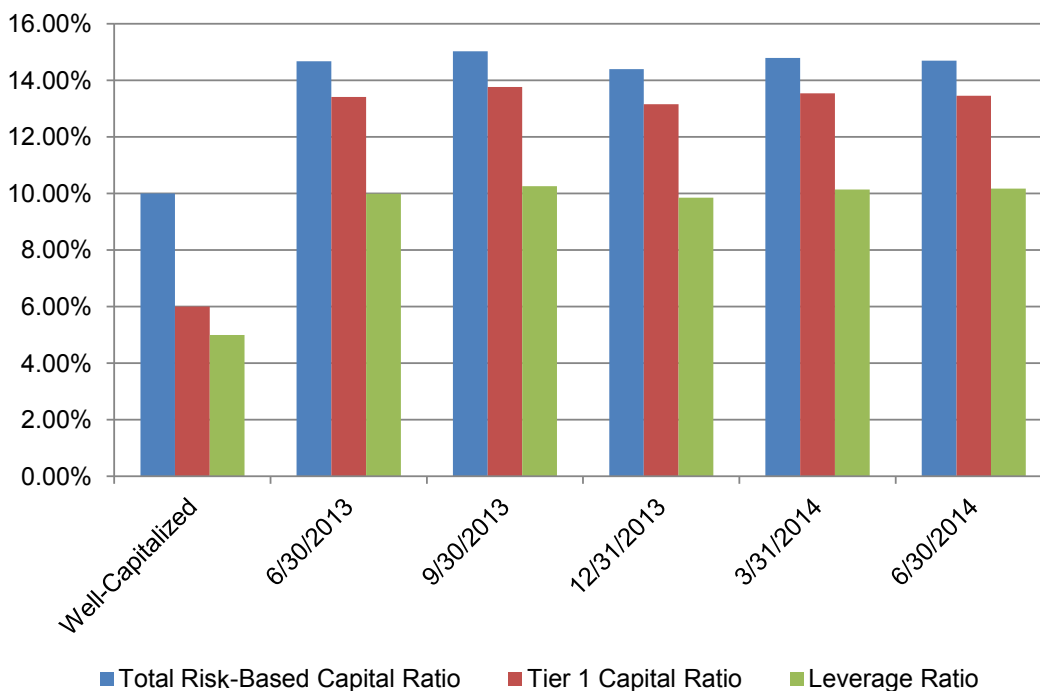
<u>Quarter</u>	<u>Peer Group Rating</u>	<u>Peer Group Ranking</u>	<u>Regional Rating</u>	<u>Regional Ranking</u>
6/30/2014	67	72	62	82
3/31/2014	64	63	60	80
12/31/2013	59	39	53	53
9/30/2013	57	37	52	50
6/30/2013	50	23	46	33
3/31/2013	32	10	29	10
12/31/2012	73	82	63	82
9/30/2012	73	77	63	83

Troubled Assets. The bank's "troubled asset ratio" for the last five quarters is set forth below:

	<u>National Median</u>	<u>Troubled Asset Ratio</u>
6/30/2014	7.5	4.2
3/31/2014	8.0	4.7
12/31/2013	8.4	5.5
9/30/2013	9.1	5.3
6/30/2013	9.5	5.5

Capital Adequacy. National Penn Bank is classified as “well-capitalized” (Capital Category 1) for federal regulatory purposes by meeting or exceeding the minimum measurements set forth below.

National Penn Bank Capital Ratios



Bank Insight’s Capital Adequacy Ratio places the bank in the 52nd percentile of its peer group.

Collateral Review. National Penn Bank maintained collateral coverage of 102% as of June 30, 2014 and as of March 31, 2014. The custodian for the pooled collateral account is the Federal Home Loan Bank. While National Penn will provide collateral reports on a regular basis, its policy is to supply a listing of the actual collateral only upon specific request from a customer so we suggest that you request such a listing periodically.

We reviewed the list of collateral in the pool securing public funds deposits as of June 30, 2009, the last listing available to us. The collateral consisted entirely of municipal general obligation and revenue bonds, some from Pennsylvania but the majority from out-of-state issuers. While the School District would not be permitted under Section 440.1 of the School Code to own these out-of state obligations directly, Act 72 does permit the use of these securities as collateral.

PNC Bank

Recent Events. PNC reported net income for the second quarter of 2014 of \$1.1 billion, or \$1.85 per diluted common share, compared to net income of \$1.1 billion, or

\$1.82 per diluted common share for the first quarter of 2014 and \$1.1 billion or \$1.98 per diluted common share for the second quarter of 2013. Nonperforming assets to total assets were 0.97 % at June 30, 2014 compared with 1.02% at March 31, 2014 and 1.24% at June 30, 2013.

Ratings. PNC Financial Services Group Inc. is the parent company of PNC Bank, N.A. Credit ratings for both entities are as follows:

	<u>Moody's</u>	<u>S&P</u>	<u>Fitch</u>
PNC Financial Services Group, Inc.			
Senior Debt	A3	A-	A+
PNC Bank, N.A.			
Long-Term Deposits	A2	A	AA-

PNC's Thomson Reuters Bank Insight peer group rating for June 30 was "48", placing the bank in the 34th percentile of its peer group of banks with total assets greater than \$10 billion. Bank Insight ratings and rankings for the last two years were:

<u>Quarter</u>	<u>Peer Group Rating</u>	<u>Peer Group Ranking</u>	<u>Regional Rating</u>	<u>Regional Ranking</u>
6/30/2014	48	34	69	70
3/31/2014	45	29	68	69
12/31/2013	56	39	71	71
9/30/2013	55	40	72	72
6/30/2013	54	37	71	71
3/31/2013	51	29	69	66
12/31/2012	52	28	67	64
9/30/2012	50	28	66	62

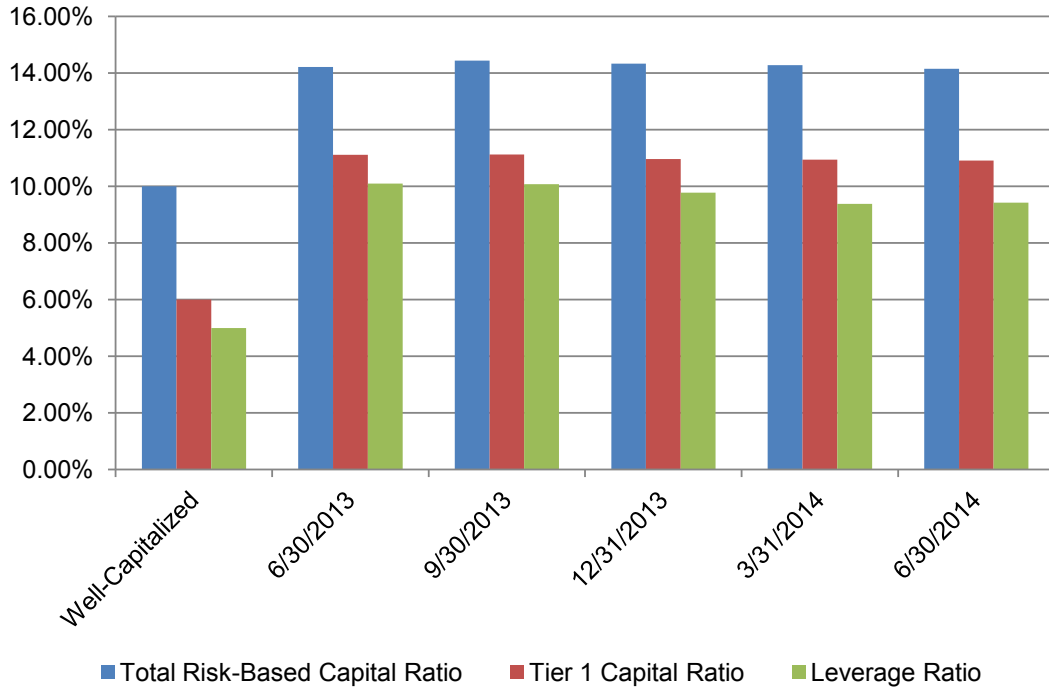
Troubled Assets. The bank's "troubled asset ratio" for the last five quarters is set forth below:

	<u>National Median</u>	<u>Troubled Asset Ratio</u>
6/30/2014	7.5	11.8
3/31/2014	8.0	13.9
12/31/2013	8.4	14.5

9/30/2013	9.1	15.4
6/30/2013	9.5	16.4

Capital Adequacy. PNC is classified as “well-capitalized” (Capital Category 1) for federal regulatory purposes by meeting or exceeding the minimum measurements set forth below.

PNC Bank Capital Ratios



Bank Insight’s Capital Adequacy Ratio places the bank in the 41st percentile of its peer group.

Collateral Review. As of July 31, 2014 PNC maintained collateral coverage of 121.24% and 137.49% as of June 30, 2014. The security for the collateral for July was a \$2,500,000,000 letter of credit issued by the Federal Home Loan Bank of Pittsburgh. The use of a FHLB letter of credit is permitted by Act 72.

QNB Bank

Overview. QNB Corp. is the holding company for QNB Bank, headquartered in Quakertown. QNB Bank operates eleven branches in Montgomery, Lehigh and Bucks counties.

QNB Corp. reported net income of \$2,172,000 or \$0.66 per share on a diluted basis for the quarter ended June 30, 2014 compared to \$1,894,000 or \$0.58 per share for the corresponding quarter of 2013. Nonperforming assets were 2.16% of total assets for

the quarter ended June 30, 2014 compared to 2.12% for the quarter ended March 31, 2014.

Ratings. QNB Bank’s Thomson Reuters Bank Insight peer group rating for June 30 was “50”, placing the bank in the 20th percentile of its peer group of banks with total assets of \$500 million to \$999 million. Bank Insight ratings and rankings for the last two years were:

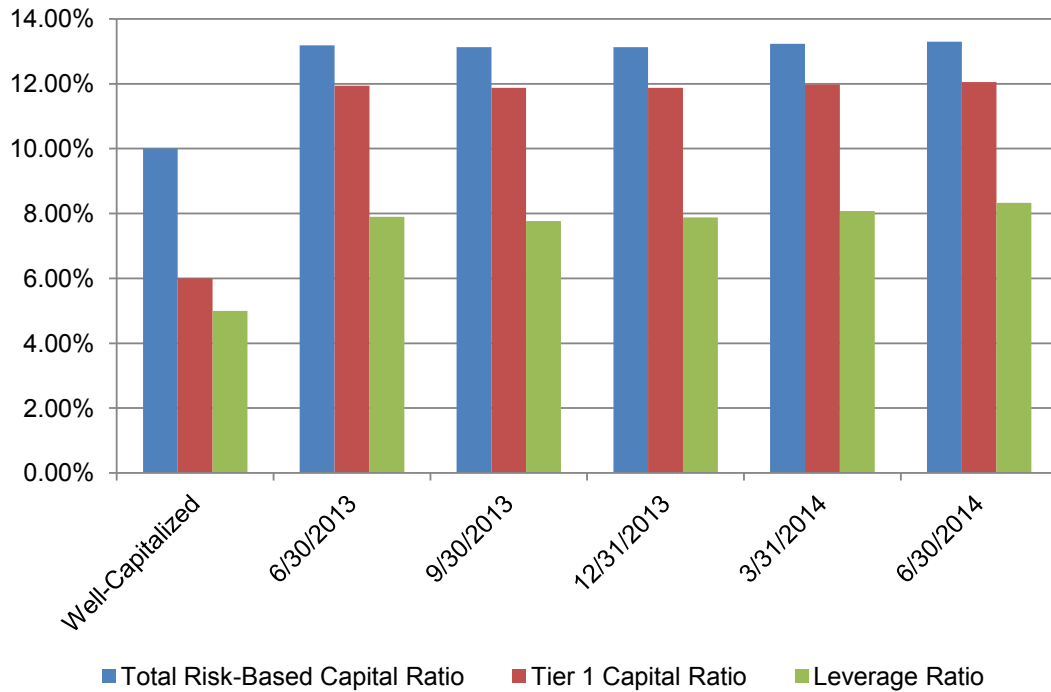
<u>Quarter</u>	<u>Peer Group Rating</u>	<u>Peer Group Ranking</u>	<u>Regional Rating</u>	<u>Regional Ranking</u>
6/30/2014	50	20	42	23
3/31/2014	49	21	41	22
12/31/2013	53	22	41	20
9/30/2013	52	22	40	18
6/30/2013	51	24	39	18
3/31/2013	52	28	39	19
12/31/2012	52	27	39	17
9/30/2012	53	30	39	20

Troubled Assets. The bank’s “troubled asset ratio” for the last five quarters is set forth below:

	<u>National Median</u>	<u>Troubled Asset Ratio</u>
6/30/2014	7.5	21.1
3/31/2014	8.0	21.5
12/31/2013	8.4	22.3
9/30/2013	9.1	23.4
6/30/2013	9.5	25.8

Capital Adequacy. QNB Bank is classified as “well-capitalized” (Capital Category 1) for federal regulatory purposes by meeting or exceeding the following measurements.

QNB Bank Capital Ratios



Bank Insight’s Capital Adequacy Ratio places the bank in the 11^h percentile of its peer group.

Collateral Review. The Bank maintained collateral coverage in its Act 72 collateral pool of 111.43% of public funds held for deposit as of June 30, 2014 and 105.87% as of March 31, 2014. The letter does not indicate whether the securities are held by a third party custodian or by the bank itself. The collateral securities consist of full faith and credit obligations of the United States Government or fixed rate obligations of government sponsored enterprises such as GNMA, Federal Home Loan Bank, FNMA, FHLMC and Federal Farm Credit. ***We suggest you request QNB to provide you with a collateral report on a quarterly basis.***

Santander (Sovereign) Bank

Recent Developments. Sovereign Bank officially changed its name to Santander Bank, the name of its parent company, in October 2013.

Ratings. Credit ratings for Banco Santander, the Bank’s parent company, are shown below.

	Moody's	S&P	Fitch
Banco Santander			
Long Term	Baa1	BBB+	A1
Outlook	Stable	Stable	Stable

Santander Bank’s Thomson Reuters Bank Insight peer group rating for June 30 was “37”, placing the bank in the 11th percentile of its peer group of banks with total assets greater than \$10 billion. Bank Insight ratings and rankings for the last two years were:

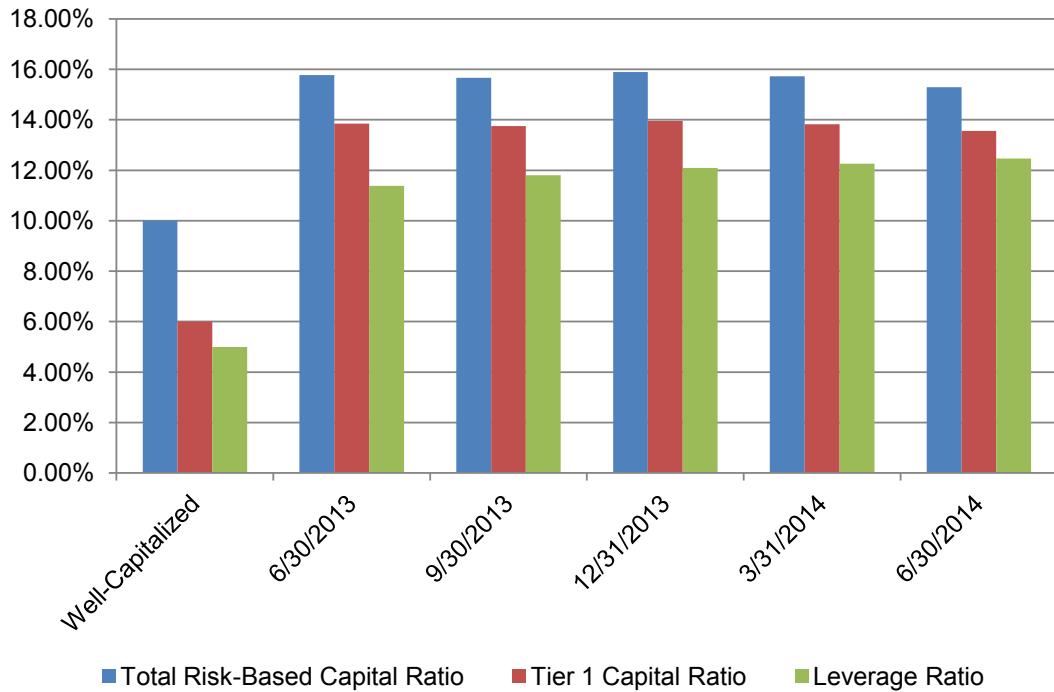
<u>Quarter</u>	<u>Peer Group Rating</u>	<u>Peer Group Ranking</u>	<u>Regional Rating</u>	<u>Regional Ranking</u>
6/30/2014	37	11	64	54
3/31/2014	36	12	63	53
12/31/2013	48	15	67	58
9/30/2013	48	19	67	58
6/30/2013	49	21	68	62
3/31/2013	47	18	66	58
12/31/2012	46	18	63	54
9/30/2012	48	26	64	58

Troubled Assets. The bank’s “troubled asset ratio” for the last five quarters is set forth below:

	<u>National Median</u>	<u>Troubled Asset Ratio</u>
6/30/2014	7.5	10.4
3/31/2014	8.0	11.3
12/31/2013	8.4	11.8
9/30/2013	9.1	12.0
6/30/2013	9.5	12.1

Capital Adequacy. Santander Bank is classified as “well-capitalized” (Capital Category 1) for federal regulatory purposes by meeting or exceeding the minimum measurements set forth below.

Santander Bank Capital Ratios



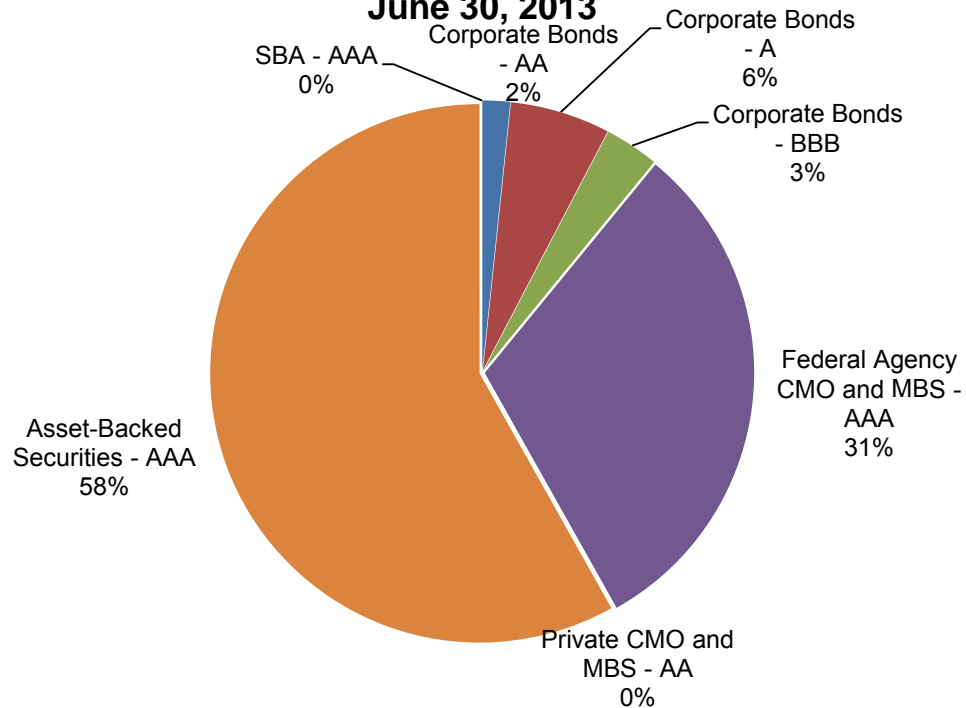
Bank Insight’s Capital Adequacy Ratio places the bank in the 88th percentile of its peer group.

Collateral Review. Santander Bank maintained collateral coverage of 113.93% as of June 30, 2014. The collateral is held at the Bank of New York in the name of Santander Bank and is subject to a written security agreement. This use of a third-party custodian is a recommended way to protect school district depositors in the event of a bank default.

Santander’s collateral portfolio as of June 30, 2013 consisted of the securities shown in the chart below. We have not received a collateral listing since June 30, 2013. Federal agency securities in the portfolio included direct and pooled obligations of Fannie Mae and Freddie Mac. The portfolio included minor investments in Small Business Administration loan pools that have the full faith and credit of the federal government behind them.

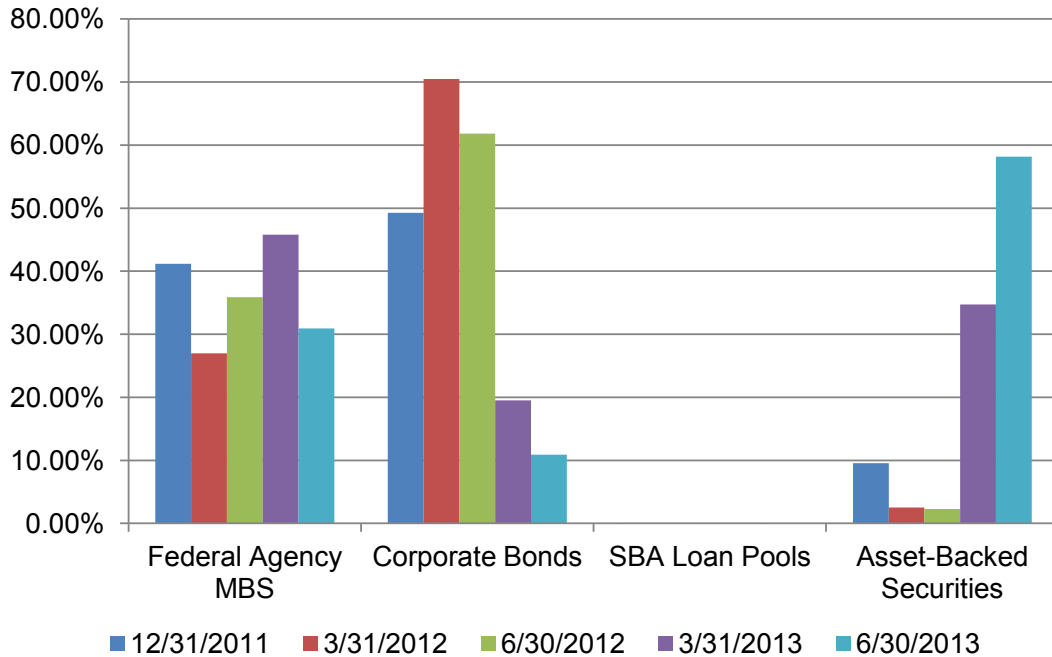
Santander Bank Collateral Characteristics

June 30, 2013



The composition of the portfolio has changed over the past year with an increased use of asset-backed securities and a reduction in the use of corporate bonds. The asset-backed securities are highly rated but may be subject to volatility as the underlying assets are paid off. Federal agency securities are generally considered to be the safest type of collateral for public funds deposits. The changes in the collateral characteristics over the last year are shown on the following analysis.

**Santander Bank Changes in Collateral Characteristics
December 2011 to June 2013**



TD Bank

Ratings. TD Bank Financial Group is the parent company of TD Bank, N.A. The ratings for the bank are as follows:

	<u>Moody's</u>	<u>S&P</u>	<u>Fitch</u>
TD Bank, N.A.			
Long Term Debt (Deposits)	Aa3	AA-	
Outlook	Stable	Negative	

TD Bank’s Thomson Reuters Bank Insight peer group rating for June 30 was “34”, placing the bank in the 7th percentile of peer group banks with total assets greater than \$10 billion. Bank Insight ratings and rankings for the last two years were:

<u>Quarter</u>	<u>Peer Group Rating</u>	<u>Peer Group Ranking</u>	<u>Regional Rating</u>	<u>Regional Ranking</u>
6/30/2014	34	7	62	48
3/31/2014	32	7	61	47

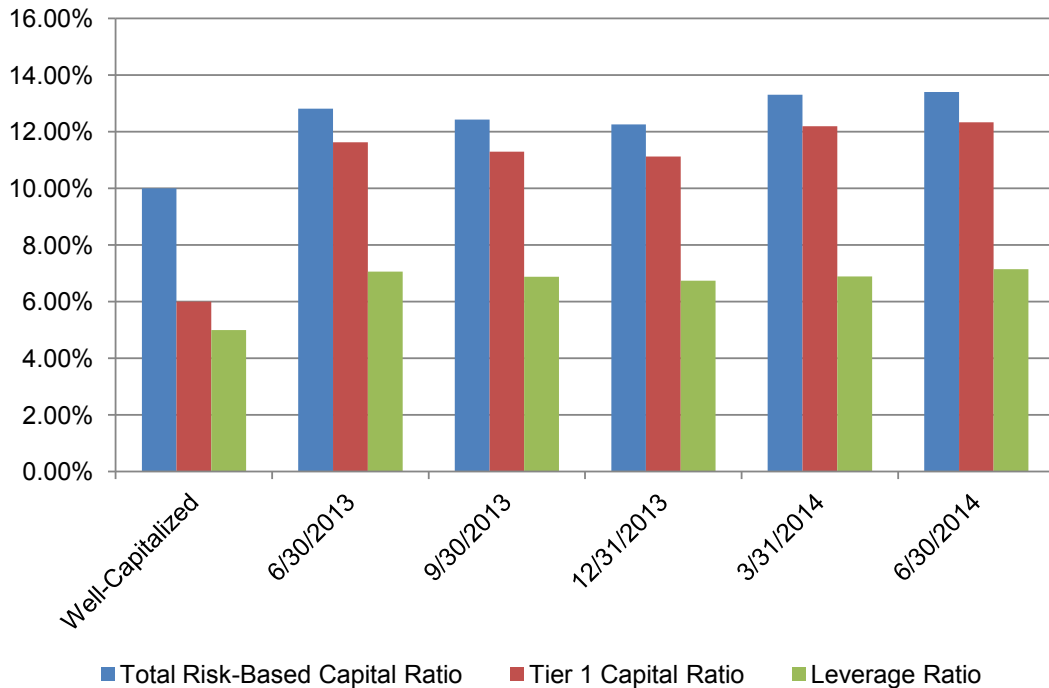
12/31/2013	41	10	62	44
9/30/2013	41	11	63	48
6/30/2013	41	13	62	47
3/31/2013	41	11	63	51
12/31/2012	46	18	63	54
9/30/2012	46	22	63	56

Troubled Assets. The bank’s “troubled asset ratio” for the last five quarters is set forth below:

	<u>National Median</u>	<u>Troubled Asset Ratio</u>
6/30/2014	7.5	9.2
3/31/2014	8.0	10.1
12/31/2013	8.4	11.3
9/30/2013	9.1	11.2
6/30/2013	9.5	11.5

Capital Adequacy. TD Bank is classified as “well-capitalized” (Capital Category 1) for federal regulatory purposes by meeting or exceeding the minimum measurements set forth below.

TD Bank Capital Ratios



Bank Insight's Capital Adequacy Ratio places the bank in the 8th percentile of its peer group.

Collateral Review. TD Bank maintained collateral coverage of 102.21% of public funds held for deposit as of July 31, 2014 and 107.60% as of June 30, 2014.

The securities in TD's collateral pool as of July 31 consist of asset-backed securities (ABS) backed by credit card, auto loan and equipment loan receivables. An ABS is a debt obligation backed by financial assets such as credit card receivables, auto loans and home-equity loans. The financial institutions that originate the loans sell pools of the loans to a special purpose-vehicle, usually a corporation that sells them to a trust. The loans are then repackaged by the trust as interest-bearing securities issued by the trust and sold to investors by investment banks that underwrite them. The securities are generally provided with credit enhancement, whether internal (such as over-collateralization) or external (such as a surety bond or third party guarantee). These types of ABS securities are generally considered to be of high quality.

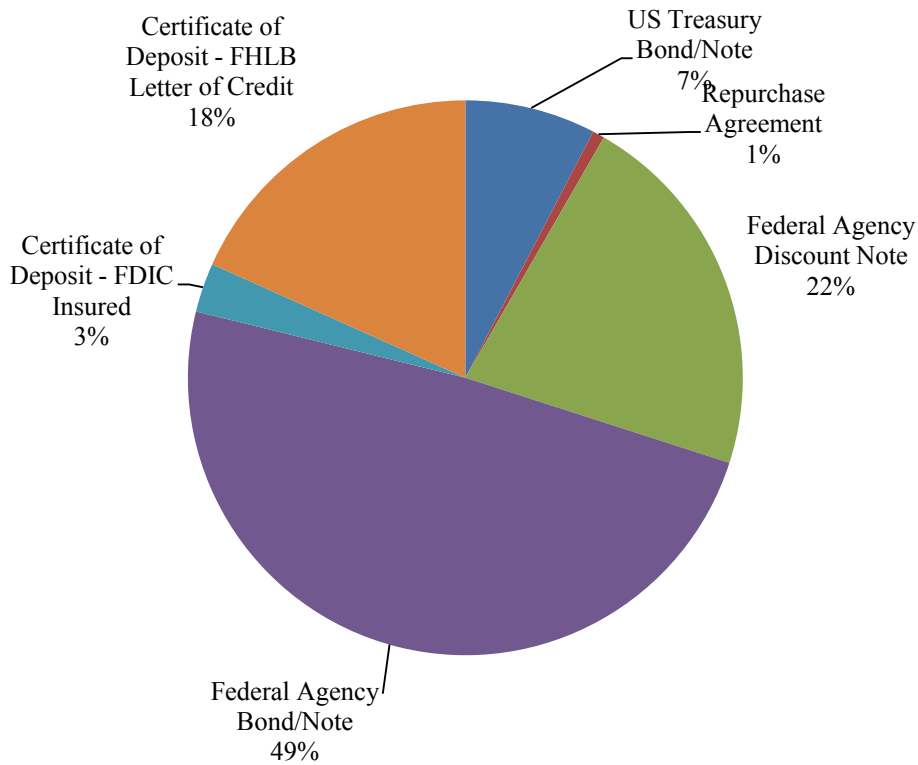
PLGIT AND PSDLAF

Investments placed with PLGIT and PSDLAF are similar to an investment in a AAA rated money market mutual fund (although they are not eligible for SIPC insurance coverage). As such, collateral is not required since the School District owns a proportionate share in the securities held in the Trust. Therefore, it is important to review the detailed listing of securities purchased for the portfolios held by the Trust. A recent review indicates that the securities held are in compliance with the School Code (440.1). Each of the funds is rated AAAM by S&P, the highest rating for a money market type of fund. The AAAM rating is defined by S&P as follows: "Safety is excellent. Superior capacity to maintain principal value and limit exposure to loss."

PSDLAF's Portfolio of Investments as of September 30, 2013 consisted of demand deposits (17.75%), repurchase agreements (22.67%), municipal obligations (3.62%) and U.S. Government Agency obligations (55.69%).

PLGIT's pooled investment vehicles are similarly invested in a variety of permitted securities. The following chart shows the composition of PLGIT's Plus portfolio as of June 30, 2014.

PLGIT PLUS Composition of Securities in Portfolio June 30, 2014



Summary

The School District continues to diversify its investments over a variety of financial institutions. The District's General Fund investments were distributed among the financial institutions and funds as of July 31, 2014 as shown in the chart on the last page. The principal amount of each of the FDIC Insured CDs is below the FDIC insurance limit, thus providing additional diversification and safety.

Citibank's Bank Insight peer group ranking declined slightly to the 68th percentile. Citibank has capital ratios well in excess of the required minimums. Citibank's troubled asset ratio is more than a point below the national median.

Citizens Bank's Bank Insight rankings were steady at the 24th percentile after falling to the 3rd percentile a year ago. As discussed above, the drop to that level followed a goodwill impairment charge that appeared to be related to the plans for the sale of Citizens by its parent company this fall. Citizens Bank maintains a comfortable capital position and a troubled asset ratio almost two points below the national median. Citizens' Act 72 collateral pool provides very strong coverage for public funds deposits.

First Niagara's Bank Insight ranking at the 13th percentile is down sharply from the 28th percentile a year ago. Its troubled asset ratio is almost three points above the national median. The bank's Total Risk Based Capital Ratio at 11.08% is still only slightly above the 10.0% minimum, although the capital ratios for First Niagara Financial Group, Inc., the bank's parent, are stronger. First Niagara's collateral is of good quality.

JPMorgan Chase Bank's Bank Insight peer group ranking rose to the 30th percentile from the 24th percentile, although it should be noted that there are only 103 bank holding companies in this peer group of banks with assets exceeding \$10 billion. The bank's troubled asset ratio is half a point above the national median. The bank's capital ratios are in excess of the required minimums. We do not have any information regarding JPMorgan Chase's collateral practices.

National Penn's Bank Insight peer group ranking rose again to the 72nd percentile after plummeting as low as the 10th percentile, in March 2013, primarily as a result of a one-time repayment of high cost funding designed to improve the company's balance sheet, as discussed above. Its troubled asset ratio is over three points below the national median. The bank's capital ratios are substantially above the required minimums. National Penn provides collateral of reasonable quality and with satisfactory coverage ratios to provide additional security.

PNC's ratings climbed five points to the 34th percentile and its troubled asset ratio is now about four points above the national median. The bank's capital ratios have a substantial margin above the required minimums and the collateral is of high quality.

QNB Bank's peer group Bank Insight ranking was steady at the 20th percentile in June. The bank's troubled asset ratio is over thirteen points above the national median. QNB's capital ratios provide a satisfactory margin above the required minimums. The bank's collateral coverage is satisfactory and the quality of the collateral as of June 2014 was very good.

Santander (Sovereign) Bank's Bank Insight ranking dropped slightly to the 11th percentile during the second quarter. The bank's rankings are lower in comparison to last year's rankings in part because Santander's peer group has been expanded and now consists of all banks with assets greater than \$10 billion. Previously Santander was ranked in comparison to savings and loan institutions with assets greater than \$5 billion. Its troubled asset ratio is about three points above the national median. The bank's capital ratios continue to exceed the well-capitalized minimums by a comfortable margin. Santander's collateral coverage is satisfactory and the quality of the collateral as of June 2013 was very good.

TD Bank's Bank Insight peer group rankings remained at the 7th percentile. Its capital ratios increased during the last quarter and it maintains adequate capital margins above the required minimums. Its troubled asset ratio is less than two points above the national median. TD's collateral consists exclusively of highly-rated asset backed securities. Collateral coverage for TD provides a reasonable cushion over the required minimum.

We appreciate the opportunity to assist the School District in the investment of its funds.

September 24, 2014

LAWLACE CONSULTING LLC

Disclosure

This report is provided for informational purposes only and shall in no event be construed as an offer to sell or a solicitation of an offer to buy any securities or to recommend investments or deposits or withdrawals from any institution discussed herein. The information described herein is taken from sources which we believe to be reliable, but the accuracy and completeness of such information is not guaranteed by us. The opinions expressed herein may be given only such weight as opinions warrant. Decisions to invest with or to deposit or withdraw funds from any financial institution should be based on the investor's investment objectives and risk tolerance and should not rely solely on the information provided herein.

Central Bucks School District Distribution of Investments July 31, 2014

