

CENTRAL BUCKS SCHOOL DISTRICT
Finance Committee Notes
February 18, 2015

Committee Members Present

Jerel Wohl, Chairperson
Paul Faulkner, Member

Other Board Members and Administrators Present

Jim Duffy
Kelly Unger

Dave Matyas, Business Administrator
Susan Vincent, Director of Finance

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

Committee Members Absent

Geri McMullin, Member

The Finance Committee meeting was called to order at 8:35 p.m. by Jerel Wohl, Chairperson

PUBLIC COMMENT

Two members of the public were present.

Review of Notes

The November 19, 2014 Finance Committee meeting notes were accepted as presented.

INFORMATION/ DISCUSSION/ACTION ITEMS

Thompson Properties – Administration reviewed an assessment appeal settlement with Thompson Car Dealership. The district would refund them about \$55,000 from past tax years, 2011-12 through 2014-15. The settlement would reduce their tax assessment moving forward which will cost the district about \$16,000 in lost real estate tax revenues each year at the current millage rate of 124.1 mills. The settlement agreement has been reviewed by the solicitor and the district's commercial appraiser. The Finance Committee recommended this item be placed on the Board agenda for consideration.

An update on the Regal Cinemas Assessment Appeal was also provided. The district is in the process of verifying their appraisal. If the district would accept their numbers, the district would owe Regal Cinemas approximately \$1.8M in overpaid taxes from 2002 through 2014. Future real estate taxes would be reduced by approximately \$150,000 per year. Regal Cinemas are currently paying about \$350,000 per year in real estate taxes.

- Q: Is the district using the solicitor and Liberty Valuations to develop another appraisal for the cinema property?
A: Yes, with an assessment appeal of this size another appraisal is being conducted to verify the owner's figures.

GPS Tracking on School Buses –

The district currently has a GPS system on our buses that piggybacks onto the two-way radio system. It allows minimal tracking of maybe 2 or 3 buses at a time. When the district had a Homeland Security audit, this was a feature that they felt had usefulness for safety and to help law

enforcement in an emergency. The system that First Student uses is better. It can track every bus all of the time. The Zonar system that First Student uses is hardware installed on a bus that communicates the location of a bus in real time using the cellular network. This system works no matter where a bus travels for field trips or sport trips. The current two-way radio based system is limited to the signal area of our two-way radio antenna.

A really useful tool is to integrate CB and FS buses under one umbrella and follow every bus in real time. The Edutracker software would take the Zonar GPS data and integrates it into our existing bus routing software. The transportation department could see if a bus is following the assigned route or if the driver missed a turn. This is particularly helpful at the start of the school year when the drivers are least familiar with their routes and the dispatchers can help get them to the next stop.

With Zonar and Edutracker the district can see if a bus arrives at a stop on time, is speeding, or has left the depot late. All this allows us to better communicate with parents on the status of a bus. The initial cost of the system would be about \$71,000 for hardware and software, and the district would incur about \$83,000 per year in recurring expenses for Zonar cellular usage and software licensing.

Q: This system would track the route of all buses throughout the day and provide a turn-by-turn historical map of a school bus route?

A: Yes, this is an important feature to make sure drivers all following the established bus route for safety reasons.

Q: The system can follow a bus anywhere there is cellular service in real time?

A: Yes.

Q: How would the system provide better customer service to parents?

A: The existing routing software can draw a virtual fence around all bus depots to identify if a bus has left late. This would then create a warning message on a dispatcher's computer screen. The dispatcher would then send out a more timely text message to parents.

The committee directed administration to try to secure better pricing through First Student with their volume discounts as well as look for other pricing discounts through the district's current cellular account.

Copier Replacement –

At the November Finance Committee meeting administration discussed KDI's proposal for an early termination to the current four year lease on Savin copiers. KDI proposed replacing them early with a new four-year lease with Canon copiers. The district has 5.5 months remaining on the current copier lease. Administration also sought a proposal from Canon Solutions America as they had previously supplied copiers to the district with a very good record of service.

At the November Finance Committee meeting, administration reviewed the cost differentials between KDI and Canon Solutions America. KDI's proposal would cost about \$200,000 less over a 48 month lease than Canon Solutions America. Administration had concerns about historical

maintenance issues and availability of parts. Therefore, the recommendation was to use Canon Solutions even with the higher costs.

KDI responded with an improved proposal adding 15 used copiers at no additional charge and would also post a performance bond for the copier maintenance contract. The performance bond would allow the district to choose another company to maintain the copiers after the first 12 months of the new lease if the district was not happy with KDI's maintenance performance in the future. The performance bond would also cover any difference in cost between KDI's service and a new company up to \$86,000 for the remaining lease term.

The solicitor weighed in on the performance bond proposed by KDI. The performance bond would give the district more leverage with KDI but collecting on the performance bond's financial aspects could take constant documentation, allowances of time for KDI to take corrective action – with multiple iterations, and potentially require litigation to collect on the financial guarantee to cover any difference in costs with a new maintenance company.

Administration's recommendation is to continue with the current KDI copier lease until it terminates in July 2015. Administration also requested the ability to add up to 23 small copiers, if needed, to bridge the district over to a new copier lease if there are maintenance issues on the current fleet of copiers.

The cost to add a basic copier to a building between now and the end of July is about \$225 per month per copier for leasing and maintenance. (assume 20,000 copies made per month). The copiers would be sourced through Canon Solutions America using Co-Stars state cooperative purchasing contracts. The additional machines would only be used if the existing machines were unavailable due to maintenance issues.

The committee directed administration to place this item on the Board agenda for consideration.

Policy 616 -

Administration continues to work through computer report design issues on proposed check payment reports. A new report format has been developed by taking information for the financial accounting software and loading the data into a spreadsheet for improved formatting. The major provision in the policy change is to have the Board approve payments prior to the checks being released to companies.

During most months, check approval is not an issue. But, in months where there may only be one school board meeting it could present a problem with making timely payments to companies. The intent is to continue to provide the board with detailed accounts payable information as checks are being processed.

In a month where there may only be one school board meeting, board members are asked to let administration know within five days if they have an issue with any of the pending payments. If no issues are raised within five days it will be assumed that checks can be sent out to companies to meet district obligations. If the School Board would like further enhancements to expenditure reports, they can be made as the process is refined.

The committee directed administration to place this policy on the Board agenda for first read.

Food Service -

Administration has been working with Aramark to determine if the middle school cafeterias could be reconfigured into food court style serving areas (like the high schools) rather than traditional serving lines. The one consistent request received from middle school students is to serve them faster so they have more time with their friends. Unfortunately, architectural reviews show load-bearing wall issues making the cost of a reconfiguration prohibitive.

The district is looking at other ways to improve middle school serving speed by providing students with an alternative serving area along the cafeteria wall opposite of where the current serving lines are in each middle school. We will need to buy some refrigeration and warming equipment and coordinate with the facility department to bring in extra electricity, but it should be a more cost effective solution than our original thoughts. It should also provide middle school students more time to eat and socialize with their friends. The estimated cost of equipment is around \$22,000 per middle school plus the cost of adding electricity to the new equipment area.

As a part of the new Aramark contract, they agreed to invest about \$240,000 in the CB food service program over a five year period. The middle school projects can be paid for using Aramark funding leaving the \$800,000 food service capital fund intact. In addition, Aramark would like to install a Java City at the CB South concession stand across the hallway from the gym. It would be similar to the Java City currently at CB West. The estimated cost is in the \$60,000 - \$65,000 range and would be paid for by Aramark funding.

Q: Is Aramark in favor of making these changes?

A: Yes, the proposals will enhance food preparation efficiency, provide faster service, and provide a wider variety of food to middle school students.

The committee directed administration to bring these projects before the Board as they are ready to start.

Scoreboards -

Three companies have some interest in sponsoring a high school stadium scoreboard. Administration has had some discussions but can't get any firm commitments toward sponsorship. The committee gave guidance, such as checking with other districts to see the levels of financial commitment companies may be providing, and perhaps checking with competitors as to their interest in sponsorships.

The committee directed administration to provide a future update on sponsorship.

ADJOURNMENT

The meeting adjourned at 8:55 p.m.

Notes 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
February 18th, 2015 7:00 pm Projected time – 60 Minutes

Jerel Wohl, Chairperson
Paul Faulkner, Member
Dave Matyas, Business Administrator

Geri McMullin, Member

Susan Vincent, Director of Finance

Agenda

- | | | |
|---|-------------------------------|---------------|
| 1) Call to Order | Chairperson | Start Time |
| 2) Public Comment | Chairperson | |
| 3) Review of Prior Meeting Notes | Chairperson/Committee | Pages 1 - 4 |
| 4) Information / Discussion / Action Items | | |
| a. * Thompson Properties Assessment Appeals | 10 minutes
Dave Matyas | Pages 5 – 19 |
| b. * GPS Tracking on School Buses | 10 minutes
Dave Matyas | Pages 20 - 21 |
| c. * Copier Update | 10 minutes
Dave Matyas | Pages 22 - 23 |
| d. Policy 616 Update | 5 minutes
Susan Vincent | Pages 24 – 28 |
| e. * Food Service Update | 5 minutes
Dave Matyas | Pages 29 – 36 |
| f. Scoreboard Sponsorship | 5 minutes
Dave Matyas | Discussion |
| 5) Adjournment | Chairperson | End Time |
| 6) Next Meeting Date: | March 18 th , 2015 | |

Information Items

- | | |
|-----------------------------|---------------|
| * Treasurers Report | Pages 37 – 41 |
| Other Funds Report | Pages 42 – 43 |
| * Investment Report | Pages 44 – 48 |
| Payroll Expense Projections | Page 49 |
| Tax Collection Projections | Page 50 |
| Benefits Projections | Page 51 |
| LOGIC Report | Page 52 - 92 |

* 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 Notes
November 19, 2014

Committee Members Present

Jerel Wohl, Chairperson

Joe Jagelka, Member

Tyler Tomlinson, Member

Dave Matyas, Business Administrator

Susan Vincent, Director of Finance

Committee Members Absent

Jim Duffy, Member

Other Board Members and Administrators Present

Steve Corr

Paul Faulkner

John Gamble

Dr. Dave Weitzel, Superintendent

Dr. David Bolton, Assistant Superintendent

Dr. Nancy Silvius, Assistant Superintendent

The Finance Committee meeting was called to order at 7:20 p.m. by Jerel Wohl, Chairperson

PUBLIC COMMENT

Four members of the public were present. One comment suggested the Board consider a community based audit committee to help advise the Board on financial matters.

APPROVAL OF MINUTES

The October 14, 2014 Finance Committee meeting minutes were accepted as presented.

INFORMATION/ DISCUSSION/ACTION ITEMS

Budget Update – Discussion started with information from The Circuit Riders that presented information at the Bucks County IU Board Meeting. The Circuit Riders are mainly retired superintendents from across the state who are providing information on the inadequacy of the state’s current Basic Education Funding (BEF) subsidy. The state legislature is considering changes to the BEF to make it meaningful again. For many years, the BEF has been static with only minor additional revenues being driven out and hold harmless provisions which keep subsidies to districts the same even if student enrollment declines. Now that the state legislature revised the special education subsidy funding criteria last year, they are turning their focus to the BEF. The committee expressed an interest in having a Circuit Rider come to a school board meeting to discuss some of the funding changes recommended and how it might impact CBSD.

2013-14 Budget

Attention then turned to budget information. Administration reviewed the 2013-14 budget status now that the audit is nearly complete and the books are closed on the past fiscal year. 2013-14 was a positive financial year. Revenues exceeded budget by about \$11,040,000. Of that amount \$2,000,000 of current real estate tax revenues were written down to replenish a commercial property assessment appeal liability. The liability account was depleted with the latest rounds of payments back to property owners from real estate assessment appeals court cases. \$2,000,000 will help cover future commercial property assessment appeals with limited budget impact. Of the

\$11,040,000 in revenues exceeding budget, about \$3.9M was from one-time sources of revenue. \$2.4M in state reimbursement for principal and interest payments on debt was received as a result of prepayment of some of the district's debt. The state reimburses the district 5 to 6% of debt payments and the \$2.4M was the present value of what the state would have reimbursed the district in the future if it had not prepaid some debt. In addition the state reimbursed the district \$1.5M in excess of budgeted retirement revenues since the district had budgeted the 2013-14 employer contribution amount at Governor Corbet's recommended percentage of 14.7% and the legislature adopted the actuarial recommended rate of 16.9%. Given this, state revenues were higher for retirement reimbursement but expenses were also higher than budgeted. After factoring out one-time sources of revenue, 2013-14 revenues exceeded the budget amount by 2.5%. This is a positive sign that the local economy (real estate market and wage earnings) is starting to recover and is impacting the district budget in a positive way.

The expenses for 2013-14 also ended on a positive note as expenses were below budget by \$11.3M. This amount was transferred to the capital account reserve for future prepayment of debt. In addition the district transferred an additional \$10M for debt pre-payment due to actual revenues exceeding the budget revenues. This action brought the general fund balance into the 5 to 6% range at year end.

2014-15 Budget

Revenues for the current fiscal year are on track with the planned cash flow schedule. At this point in the year, it is anticipated that revenues will exceed the budget amount by \$3.5M. Revenues for the state Ready to Learn / Accountability Block Grant will need to be monitored to make sure we receive the extra \$1.1M that was placed into Governor Corbet's budget proposal. Currently the state is projecting a \$2B revenue deficit which could impact state subsidies. As of October 2014 expenses are expected to be under the budgeted amount by \$4.1M. As the district is self-funded for health care benefits, expenses will continue to present themselves through the early part of September 2015 for health care invoices applicable to the 2014-15 school year.

2015-16 Budget

The positive trends seen in fiscal year 2013-14 and so far in 2014-15 allow administration to be more aggressive in developing revenue projections for the 2015-16 budget year. However, Pennsylvania will have a new governor in January 2015 and state laws allow a new governor an extra month to prepare a budget. School districts probably will not have an indication as to the direction of state subsidies until March 2015 instead of the normal February time line. This will delay the district's ability to finalize the 2015-16 revenue budget.

The proposed preliminary budget is \$308,267,740. As an initial budget the amount of increase is purposely greater than the Act 1 base index which allows the district to qualify for Act 1 taxing exceptions if they are needed.

Q: Is it anticipated that the district will need to use Act 1 exceptions to balance the 2015-16 budget?

A: At this point in time, the district does not anticipate the need to use Act 1 exceptions unless state subsidies are reduced.

Most of the increase projected for 2015-16 is due to the 20% increase in the mandated state retirement contributions which are projected to increase by \$7.1M for 2015-16. To bring the 2015-

16 expense budget in line with initial projections for revenues, \$10M was reduced from the transfer to debt service line item for future debt prepayment.

The committee discussed continued prepayment of debt in the future. It is anticipated that an additional \$65 in debt will need to be prepaid over the next few years to counteract the impact of growing mandated retirement expenses. The goal of debt prepayment is to reduce future principal and interest payments to the extent that they offset the projected increase in mandated state retirement expenses. The district currently has \$24.1M available in the debt prepayment account, \$10.8M as a scheduled transfer to the debt prepayment account during 2014-15 and \$11.8M available in the post-employment health care fund for a total of \$46.7M. These funds could be made available as soon as this spring to prepay some additional debt and help hold down future tax increases.

Q: If the district needs \$65M in debt prepayment to offset proposed pension increases in the future, should the district wait until it has accumulated the total \$65M before the next round of debt prepayment?

A: There are rumors coming out of Harrisburg that school districts with larger fund balances may not receive any basic education subsidy increase under a new formula. Although this is counter intuitive in an era when districts should be planning to minimize the budget impact of huge pension increases, some state legislators interpret larger fund balances as a clear sign that a district does not need additional subsidies. When in fact, districts with larger fund balances are trying to minimize the tax impact of pension system increases on their local communities.

If the district accomplishes its goal of counteracting pension increases with debt decreases, consideration to continue the debt prepayment plan may be needed to address rising health care costs in the future.

It was noted that real estate tax increases have been modest from 2011-12 through 2014-15 ranging from 0 to 1.66%. In the four years from 2007-08 through 2010-11 the increases were 3.47% to 4.37%.

The committee directed administration to prepare a presentation on the 2015-16 proposed preliminary budget and place it on the Board agenda for consideration.

Copier Replacement –

CBSD currently has a 48 month lease on a Savin fleet of copiers. The current lease expires at the end of July 2015. Keystone Digital Imaging is the current supplier of the Savin copiers and also maintains the fleet. The Savin copier fleet was installed as a result of a bid conducted three and a half years ago after specifying machine speed, location, and copy volume. The district is finding that the current copiers cannot stand up to the demands of our schools and KDI agrees that the solution is to replace the copiers.

In addition, the district has not been satisfied with the quality of maintenance services as machines are not as available for use as they have been under prior contractors.

When KDI submitted a proposal to replace the Savin copier fleet with Canon machines, the district also sought an alternate proposal from Canon Solutions America as they provided copier and maintenance services to the district in prior years with very good results.

Administration provided an analysis of cost differentials between the two companies. KDI's proposal was \$194,250 lower than Canon Solutions over a four year term. With service being an issue over the past 3 1/2 years, the recommendation was to use Canon Solutions since the district has had success with their maintenance of the copier fleet in the past.

Rather than lease copiers for another four year term, there is an option to purchase the copier machines. The committee was not comfortable with an outright purchase, but felt that a purchase option after the initial first-year of a four-year lease might be something that should be considered and put into a future lease contract. The committee recommended that this item be placed on a future Board agenda for consideration.

Policy 616

Administration continues to work through issues on policy 616. The intent of the policy change is to have the Board approve payments prior to the checks being released to companies. During most months check approval is not an issue. But, in months where there may only be one school board meeting it could present a problem with making timely payments to companies. The intent is to continue to provide the board with detailed accounts payable information as checks are being processed.

In a month where there may only be one school board meeting, board members are asked to let administration know within five days if they have an issue with any of the pending payments. If no issues are raised within five days it will be assumed that checks can be sent out to companies to meet district obligations. The committee discussed various scenarios for payment of bills but agreed upon the draft language developed to date. A committee member requested administration look into other reporting formats where greater detail can be provided to show the proration of an expense between multiple cost centers.

ADJOURNMENT

The meeting adjourned at 8:40 p.m.

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

Central Bucks School District
Proposed Real Estate Tax Assessment Appeal Settlement with Thompson Properties

John H Thompson 6205 Easton RD
Parcel # 34-004-009-001

Effective Date	School Tax Year	Old Assessment	New Assessment	Assessment Change	Millage rate	Refund due
January 1, 2012- June 30,2012	11-12	84,200	59,325	24,875	0.1208	1,502.45
July 1, 2012-Dec 31, 2012	12-13	84,200	56,700	27,500	0.1228	1,688.50
January 1, 2013- June 30,2013	12-13	84,200	56,700	27,500	0.1228	1,688.50
July 1, 2013-Dec 31, 2013	13-14	84,200	57,750	26,450	0.1228	1,624.03
January 1, 2014- June 30,2014	13-14	84,200	57,750	26,450	0.1228	1,624.03
July 1, 2014-Dec 31, 2014	14-15	84,200	56,700	27,500	0.1241	1,706.38
January 1, 2015- June 30,2015	14-15	84,200	56,700	27,500	0.1241	1,706.38
Total Amount of refund						11,540.26

TF Part 450 Broad Street
Parcel # 09-009-043-001

Effective Date	School Tax Year	Old Assessment	New Assessment	Assessment Change	Millage rate	Refund due
January 1, 2012- June 30,2012	11-12	191,720	132,775	58,945	0.1208	3,560.28
July 1, 2012-Dec 31, 2012	12-13	191,720	126,960	64,760	0.1228	3,976.26
January 1, 2013- June 30,2013	12-13	191,720	126,960	64,760	0.1228	3,976.26
July 1, 2013-Dec 31, 2013	13-14	191,720	129,250	62,470	0.1228	3,835.66
January 1, 2014- June 30,2014	13-14	191,720	129,250	62,470	0.1228	3,835.66
July 1, 2014-Dec 31, 2014	14-15	191,720	126,900	64,820	0.1241	4,022.08
January 1, 2015- June 30,2015	14-15	191,720	126,900	64,820	0.1241	4,022.08
Total Amount of refund						27,228.28

TF Part 651 N Main Street
Parcel # 08-002-003

Effective Date	School Tax Year	Old Assessment	New Assessment	Assessment Change	Millage rate	Refund due
January 1, 2012- June 30,2012	11-12	75,600	39,211	36,389	0.1208	2,197.90
July 1, 2012-Dec 31, 2012	12-13	75,600	37,476	38,124	0.1228	2,340.81
January 1, 2013- June 30,2013	12-13	75,600	37,476	38,124	0.1228	2,340.81
July 1, 2013-Dec 31, 2013	13-14	75,600	38,170	37,430	0.1228	2,298.20
January 1, 2014- June 30,2014	13-14	75,600	38,170	37,430	0.1228	2,298.20
July 1, 2014-Dec 31, 2014	14-15	75,600	37,476	38,124	0.1241	2,365.59
January 1, 2015- June 30,2015	14-15	75,600	37,476	38,124	0.1241	2,365.59
Total Amount of refund						16,207.12

Grand Total of refund of current & prior fiscal years \$54,975.66

Lost real estate revenue per year starting in 2015-2016 \$16,188.10
assuming millage rate remains fixed at 124.1 mills

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
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LYNN S. EVANS
JOHN A. TORRENTE*
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P.O. BOX 8188
HAMILTON, NJ 08690
609.588.5599

December 2, 2014

VIA EMAIL – dmatyas@cbsd.org

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

Re: Thompson Properties

Dear Dave:

Attached please find three (3) proposed Settlement Stipulations in connection with the three pending matters involving the Thompson property holdings.

The numbers appear reasonable and are based on the dialogue that had occurred between myself, the District's appraiser and the attorney for the Thompson property owners.

Please review and advise if you are agreeable that I execute the Stipulations. Obviously, you may want to discuss this with the Finance Committee.

Please advise.

Very truly yours,



Jeffrey P. Garton

JPG:vp
enclosures



P : 570-820-3332
F : 570-820-3262
HoegenLaw.com

Phone Extension 305
E-MAIL: fhoegen@hoegenlaw.com

November 6, 2014

Via email jgarton@begleycarlin.com

JEFFREY GARTON, ESQUIRE
680 MIDDLETOWN BOULEVARD
LANGHORNE, PA 19047

RE: John H. Thompson v. Bucks County Board of Assessment Appeals, et al
Docket #2011-10932-26-6 / **6205 Easton Road**
TF Partners, LLP v. Bucks County Board of Assessment Appeals, et al
Docket #2011-10946-29-6 / **450 Broad Street**
TF Partners, LLP v. Bucks County Board of Assessment Appeals, et al
Docket #2011-10947-30-6 / **651 North Main Street**

Dear Jeff:

Attached are the Stipulations and Orders for the above-referenced matters. Kindly sign on behalf of the School District and return the original to me at your earliest opportunity.

Thank you in advance for your anticipated prompt response. If you have any questions or comments, please do not hesitate to contact me.

Very truly yours,

FRANCIS J. HOEGEN

FJH/lh
Enc.

Cc: Client

L:\Tax Appeals\Thompson Org2012\Garton Ltr5.Doc

152 South Franklin Street • P.O. Box 346 • Wilkes-Barre, Pennsylvania • 18703-0346

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

IN RE:	Appeal of John H. Thompson	:	No. 11-10932-26-6
		:	
	From Bucks County Board of	:	
	Assessment Appeals	:	
	Tax Parcel No. 34-004-009-001	:	
		:	
	Municipality: Plumstead Township	:	ASSESSMENT APPEAL
	Assessment for Year 2012	:	
		:	
	Property of John H. Thompson	:	

STIPULATION

AND NOW, this ____ day of _____, 2014, the parties to the above-captioned action, hereby stipulate and agree as follows:

1. That the Assessment for Tax Parcel No. 34-004-009-001, located at 6205 Easton Road, is fixed as follows:

Fifty-Nine Thousand Three Hundred Twenty-Five (\$59,325) Dollars effective for the 2012 Tax Year;

Fifty-Six Thousand Seven Hundred (\$56,700) Dollars effective for the 2013 Tax Year;

Fifty-Seven Thousand Seven Hundred Fifty (\$57,750) Dollars effective for the 2014 Tax Year; and

Fifty-Six Thousand Seven Hundred (\$56,700) Dollars effective for the 2015 tax year and subsequent years (until changed or modified in accordance with the Laws of the Commonwealth of Pennsylvania);

2. That Central Bucks School District shall, within forty-five (45) days of the date of entry of the Order on this Stipulation, issue real estate tax refunds due John H. Thompson to Hoegen & Associates, P.C., 152 South Franklin Street, Wilkes-Barre, Pennsylvania 18701, which real estate tax refunds shall be determined on the basis of the assessment fixed for the 2012, 2013, 2014 and 2015 Tax Years under the Order entered on this Stipulation;
3. That Bucks County and Plumstead Township shall, within forty-five (45) days of the date of entry of the Order on this Stipulation, issue real estate tax refunds due John H. Thompson to Hoegen & Associates, P.C., 152 South Franklin Street, Wilkes-Barre, Pennsylvania 18701, which real estate tax refunds shall be determined on the basis of the assessment fixed for the 2012, 2013, 2014 and 2015 Tax Years under the Order entered on this Stipulation;
4. That no interest shall accrue on the real estate tax refunds due from Bucks County, Plumstead Township and the Central Bucks School District under the Order entered on this Stipulation, including during the period that the real estate tax refunds due from Central Bucks School District for Tax Years 2012, 2013, 2014 and 2015 for the 2012, 2013, 2014 and 2015 Tax Years of the School District; and

5. That this Appeal shall be marked SETTLED, DISCONTINUED AND ENDED, and each party shall pay their respective costs.

HOEGEN & ASSOCIATES, P.C.

CENTRAL BUCKS SCOOOL DISTRICT

By: _____
Francis J. Hoegen, Esquire
Counsel for John H. Thompson
COUNTY OF BUCKS

By: _____
Jeffrey Garton, Solicitor

**BUCKS COUNTY BOARD OF
ASSESSMENT APPEALS**

By: _____
Donald E. Williams
Assistant County Solicitor

By: _____
Edward Rudolph, Solicitor

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

IN RE: Appeal of John H. Thompson	:	No. 11-10932-26-6
	:	
From Bucks County Board of Assessment Appeals	:	
Tax Parcel No. 34-004-009-001	:	
	:	
Municipality: Plumstead Township	:	ASSESSMENT APPEAL
Assessment for Year 2012	:	
	:	
Property of John H. Thompson	:	

ORDER

AND NOW, this ____ day of _____, 2014, upon consideration of the Stipulation entered into by the parties in this Tax Assessment Appeal, it is ORDERED, ADJUDGED AND DECREED:

1. That the Assessment for Tax Parcel No. 34-004-009-001, located at 6205 Easton Road, is fixed as follows:

Fifty-Nine Thousand Three Hundred Twenty-Five (\$59,325) Dollars effective for the 2012 Tax Year;

Fifty-Six Thousand Seven Hundred (\$56,700) Dollars effective for the 2013 Tax Year;

Fifty-Seven Thousand Seven Hundred Fifty (\$57,750) Dollars effective for the 2014 Tax Year; and

Fifty-Six Thousand Seven Hundred (\$56,700) Dollars effective for the 2015 tax year and subsequent years (until changed or modified in accordance with the Laws of the Commonwealth of Pennsylvania);

2. That Central Bucks School District shall, within forty-five (45) days of the date of entry of this Order, issue real estate tax refunds due John H. Thompson to Hoegen & Associates, P.C., 152 South Franklin Street, Wilkes-Barre, Pennsylvania 18701, which real estate tax refunds shall be determined on the basis of the assessment fixed for the 2012, 2013, 2014 and 2015 Tax Years by this Order;
3. That Bucks County and Plumstead Township shall, within forty-five (45) days of the date of entry of this Order, issue real estate tax refunds due John H. Thompson to Hoegen & Associates, P.C., 152 South Franklin Street, Wilkes-Barre, Pennsylvania 18701, which real estate tax refunds shall be determined on the basis of the assessments fixed for the 2012, 2013, 2014 and 2015 Tax Years by this Order;
4. That no interest shall accrue on the real estate tax refunds due from Bucks County, Plumstead Township and the Central Bucks School District under this Order, including during the period that the real estate tax refunds due from Central Bucks School District for Tax Years 2012,

2013, 2014 and 2015 for the 2012, 2013, 2014 and 2015 Tax Years of the School District;
and

5. That this Appeal shall be marked SETTLED, DISCONTINUED AND ENDED, and each party shall pay their respective costs.

BY THE COURT:

J.

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

IN RE: Appeal of T F Part LP	:	No. 11-10946-29-6
	:	
From Bucks County Board of Assessment Appeals	:	
Tax Parcel No. 09-009-043-001	:	
	:	
Municipality: Doylestown Township	:	ASSESSMENT APPEAL
Assessment for Year 2012	:	
	:	
Property of T F Part LP	:	
	:	

STIPULATION

AND NOW, this ____ day of _____, 2014, the parties to the above-captioned action, hereby stipulate and agree as follows:

1. That the Assessment for Tax Parcel No. 09-009-043-001, located at 450 North Broad Street, is fixed as follows:

One Hundred Thirty-Two Thousand Seven Hundred Seventy-Five (\$132,775) Dollars effective for the 2012 Tax Year;

One Hundred Twenty-Six Thousand, Nine Hundred Sixty (\$126,960) Dollars effective for the 2013 Tax Year;

One Hundred Twenty-Nine Thousand, Two Hundred Fifty (\$129,250) Dollars effective for the 2014 Tax Year;

One Hundred Twenty-Six Thousand Nine Hundred (\$126,900) Dollars effective for the 2015 tax year and subsequent years (until changed or modified in accordance with the Laws of the Commonwealth of Pennsylvania);

2. That Central Bucks School District shall, within forty-five (45) days of the date of entry of the Order on this Stipulation, issue real estate tax refunds due T F Part LP to Hoegen & Associates, P.C., 152 South Franklin Street, Wilkes-Barre, Pennsylvania 18701, which real estate tax refunds shall be determined on the basis of the assessment fixed for the 2012, 2013, 2014 and 2015 Tax Years under the Order entered on this Stipulation;
3. That Bucks County and Doylestown Township shall, within forty-five (45) days of the date of entry of the Order on this Stipulation, issue real estate tax refunds due T F Part LP to Hoegen & Associates, P.C., 152 South Franklin Street, Wilkes-Barre, Pennsylvania 18701, which real estate tax refunds shall be determined on the basis of the assessment fixed for the 2012, 2013, 2014 and 2015 Tax Years under the Order entered on this Stipulation;
4. That no interest shall accrue on the real estate tax refunds due from Bucks County, Doylestown Township and the Central Bucks School District under the Order entered on this Stipulation, including during the period that the real estate tax refunds due from Central

Bucks School District for Tax Years 2012, 2013, 2014 and 2015 for the 2012, 2013, 2014 and 2015 Tax Years of the School District; and

5. That this Appeal shall be marked SETTLED, DISCONTINUED AND ENDED, and each party shall pay their respective costs.

HOEGEN & ASSOCIATES, P.C.

By: _____
Francis J. Hoegen, Esquire
Counsel for T F Part LP

CENTRAL BUCKS SCOOOL DISTRICT

By: _____
Jeffrey Garton, Solicitor

COUNTY OF BUCKS

By: _____
Donald E. Williams
Assistant County Solicitor

**BUCKS COUNTY BOARD OF
ASSESSMENT APPEALS**

By: _____
Edward Rudolph, Solicitor

DOYLESTOWN TOWNSHIP

By: _____
Jeffrey Garton, Solicitor

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

IN RE:	Appeal of T F Part LP	:	No. 11-10946-29-6
		:	
	From Bucks County Board of	:	
	Assessment Appeals	:	
	Tax Parcel No. 09-009-043-001	:	
		:	
	Municipality: Doylestown Township	:	ASSESSMENT APPEAL
	Assessment for Year 2012	:	
		:	
	Property of T F Part LP	:	

ORDER

AND NOW, this ____ day of _____, 2014, upon consideration of the Stipulation entered into by the parties in this Tax Assessment Appeal, it is ORDERED, ADJUDGED AND DECREED:

1. That the Assessment for Tax Parcel No. 09-009-043-001, located at 450 North Broad Street, is fixed as follows:

One Hundred Thirty-Two Thousand Seven Hundred Seventy-Five (\$132,775) Dollars effective for the 2012 Tax Year;

One Hundred Twenty-Six Thousand, Nine Hundred Sixty (\$126,960) Dollars effective for the 2013 Tax Year;

One Hundred Twenty-Nine Thousand, Two Hundred Fifty (\$129,250) Dollars effective for the 2014 Tax Year;

One Hundred Twenty-Six Thousand Nine Hundred (\$126,900) Dollars effective for the 2015 tax year and subsequent years (until changed or modified in accordance with the Laws of the Commonwealth of Pennsylvania);
2. That Central Bucks School District shall, within forty-five (45) days of the date of entry of this Order, issue real estate tax refunds due T F Part LP to Hoegen & Associates, P.C., 152 South Franklin Street, Wilkes-Barre, Pennsylvania 18701, which real estate tax refunds shall be determined on the basis of the assessment fixed for the 2012, 2013, 2014 and 2015 Tax Years by this Order;
3. That Bucks County and Doylestown Township shall, within forty-five (45) days of the date of entry of this Order, issue real estate tax refunds due T F Part LP to Hoegen & Associates, P.C., 152 South Franklin Street, Wilkes-Barre, Pennsylvania 18701, which real estate tax refunds shall be determined on the basis of the assessments fixed for the 2012, 2013, 2014 and 2015 Tax Years by this Order;
4. That no interest shall accrue on the real estate tax refunds due from Bucks County, Doylestown Township and the Central Bucks School District under this Order, including during the period that the real estate tax refunds due from Central Bucks School District for

Tax Years 2012, 2013, 2014 and 2015 for the 2012, 2013, 2014 and 2015 Tax Years of the School District; and

5. That this Appeal shall be marked SETTLED, DISCONTINUED AND ENDED, and each party shall pay their respective costs.

BY THE COURT:

_____ J.

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

IN RE:	Appeal of T F Part LP	:	No. 11-10947-30-6
		:	
	From Bucks County Board of	:	
	Assessment Appeals	:	
	Tax Parcel No. 08-002-003	:	
		:	
	Municipality: Doylestown Borough	:	ASSESSMENT APPEAL
	Assessment for Year 2012	:	
		:	
	Property of T F Part LP	:	

STIPULATION

AND NOW, this ____ day of _____, 2014, the parties to the above-captioned action, hereby stipulate and agree as follows:

1. That the Assessment for Tax Parcel No. 08-002-003, located at 651 North Main Street, is fixed as follows:
 - Thirty-Nine Thousand Two Hundred Eleven (\$39,211) Dollars effective for the 2012 Tax Year;
 - Thirty-Seven Thousand Four Hundred Seventy-Six (\$37,476) Dollars effective for the 2013 Tax Year;
 - Thirty-Eight Thousand One Hundred Seventy (\$38,170) Dollars effective for the 2014 Tax Year;
 - Thirty-Seven Thousand Four Hundred Seventy-Six (\$37,476) Dollars effective for the 2015 tax year and subsequent years (until changed or modified in accordance with the Laws of the Commonwealth of Pennsylvania);
2. That Central Bucks School District shall, within forty-five (45) days of the date of entry of the Order on this Stipulation, issue real estate tax refunds due T F Part LP to Hoegen & Associates, P.C., 152 South Franklin Street, Wilkes-Barre, Pennsylvania 18701, which real estate tax refunds shall be determined on the basis of the assessment fixed for the 2012, 2013, 2014 and 2015 Tax Years under the Order entered on this Stipulation;
3. That Bucks County and Doylestown Borough shall, within forty-five (45) days of the date of entry of the Order on this Stipulation, issue real estate tax refunds due T F Part LP to Hoegen & Associates, P.C., 152 South Franklin Street, Wilkes-Barre, Pennsylvania 18701, which real estate tax refunds shall be determined on the basis of the assessment fixed for the 2012, 2013, 2014 and 2015 Tax Years under the Order entered on this Stipulation;
4. That no interest shall accrue on the real estate tax refunds due from Bucks County, Doylestown Borough and the Central Bucks School District under the Order entered on this Stipulation, including during the period that the real estate tax refunds due from Central

Bucks School District for Tax Years 2012, 2013, 2014 and 2015 for the 2012, 2013, 2014 and 2015 Tax Years of the School District; and

5. That this Appeal shall be marked SETTLED, DISCONTINUED AND ENDED, and each party shall pay their respective costs.

HOEGEN & ASSOCIATES, P.C.

By: _____
Francis J. Hoegen, Esquire
Counsel for T F Part LP
COUNTY OF BUCKS

By: _____
Donald E. Williams
Assistant County Solicitor

DOYLESTOWN BOROUGH

By: _____
David F. Conn, Solicitor

CENTRAL BUCKS SCHOOL DISTRICT

By: _____
Jeffrey Garton, Solicitor

**BUCKS COUNTY BOARD OF
ASSESSMENT APPEALS**

By: _____
Edward Rudolph, Solicitor

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

IN RE:	Appeal of T F Part LP	:	No. 11-10947-30-6
		:	
	From Bucks County Board of	:	
	Assessment Appeals	:	
	Tax Parcel No. 08-002-003	:	
		:	
	Municipality: Doylestown Borough	:	ASSESSMENT APPEAL
	Assessment for Year 2012	:	
		:	
	Property of T F Part LP	:	

ORDER

AND NOW, this ____ day of _____, 2014, upon consideration of the Stipulation entered into by the parties in this Tax Assessment Appeal, it is ORDERED, ADJUDGED AND DECREED:

1. That the Assessment for Tax Parcel No. 08-002-003, located at 651 North Main Street, is fixed as follows:

Thirty-Nine Thousand Two Hundred Eleven (\$39,211) Dollars effective for the 2012 Tax Year;

Thirty-Seven Thousand Four Hundred Seventy-Six (\$37,476) Dollars effective for the 2013 Tax Year;

Thirty-Eight Thousand One Hundred Seventy (\$38,170) Dollars effective for the 2014 Tax Year;

Thirty-Seven Thousand Four Hundred Seventy-Six (\$37,476) Dollars effective for the 2015 tax year and subsequent years (until changed or modified in accordance with the Laws of the Commonwealth of Pennsylvania);

2. That Central Bucks School District shall, within forty-five (45) days of the date of entry of this Order, issue real estate tax refunds due T F Part LP to Hoegen & Associates, P.C., 152 South Franklin Street, Wilkes-Barre, Pennsylvania 18701, which real estate tax refunds shall be determined on the basis of the assessment fixed for the 2012, 2013, 2014 and 2015 Tax Years by this Order;
3. That Bucks County and Doylestown Borough shall, within forty-five (45) days of the date of entry of this Order, issue real estate tax refunds due T F Part LP to Hoegen & Associates, P.C., 152 South Franklin Street, Wilkes-Barre, Pennsylvania 18701, which real estate tax refunds shall be determined on the basis of the assessments fixed for the 2012, 2013, 2014 and 2015 Tax Years by this Order;
4. That no interest shall accrue on the real estate tax refunds due from Bucks County, Doylestown Borough and the Central Bucks School District under this Order, including during the period that the real estate tax refunds due from Central Bucks School District for

Tax Years 2012, 2013, 2014 and 2015 for the 2012, 2013, 2014 and 2015 Tax Years of the School District; and

5. That this Appeal shall be marked SETTLED, DISCONTINUED AND ENDED, and each party shall pay their respective costs.

BY THE COURT:

_____ J.

GPS Tracking of School Buses

TURN VEHICLE TRACKING INTO A HIGH-RETURN PLATFORM

- › Next generation GPS + real-time vehicle diagnostics
- › Operations improvements + preventive maintenance

V3™/V3R™

The image shows two Zonar GPS tracking devices. The top one is a black rectangular unit with a silver connector on the side. The bottom one is a smaller, black rectangular unit with the Zonar logo and 'V3' printed on it. Both are set against a background of concentric circles.

Overview:

We are proposing to change the GPS tracking system the district currently uses on its school buses. Our current system was a low cost add-on to our two-way radio system that was installed 5 or 6 years ago. It works by piggybacking a GPS signal over our two-way radio frequency. The system is very slow and can only track two or three buses at a time in a timely manner.

The new proposed GPS tracking system is by Zonar. It is the same system that First Student uses so we can integrate with First Student buses and see live reports on where all CBSD and First Student buses are at all times. We can also monitor all buses to make sure they are on time. If a bus is not on time, we will be able to provide more timely text message communications to parents letting them know if a bus is running late and how late the bus will be.

One feature that we are excited about is the ability to use our routing software to draw a virtual boundary around each CBSD and First Student bus depot. This combined with the database of each bus route's start time would give us a warning message that a bus did not depart from a depot at the scheduled time giving us better information to communicate with parents in a more timely fashion.

The Zonar GPS tracking system would also integrate with our bus routing software enabling us to see when a school bus arrived and departed from each bus stop along a route. This will help us monitor, verify, and report back to parents if there are bus stop timing issues. It will also help our transportation staff verify that bus drivers are following the directions laid out by our routers to help ensure driver accountability and student safety. Sometimes we hear from parents that a bus driver is speeding. With Zonar, we can confirm that a driver is speeding and take the appropriate action, or show parents a report to verify that a driver has not been speeding.

The Zonar GPS tracking only provides information to dispatchers on bus location. It does not provide two-way voice or texting capability. This means the district would continue to use cell phones on buses that are traveling outside of the district for field trips, sports trips, or special education transportation that goes beyond the reach of our two-way radio system.

The Zonar units would be turned off during July and August except for about 70 units that would remain on for the Extended School Year (ESY) program and other special education required buses.

A new Zonar GPS tracking system would require a one-time hardware investment of about \$71,000 which could be paid from the transportation capital fund. There would also be a recurring expense

of about \$83,000 per year for cell tower usage and software licensing that would need to be added to the general fund budget.

In the recent past, the cost of GPS signals transmitting on cell towers was about \$30 per bus per month. The cost has dropped to \$15 per bus per month making this a potential option for the district.

Summary:

Zonar will help improve our communication and customer service to parents and provide more timely text messaging to them concerning the status of our buses and First Student buses as well. It is an improvement in the area of safety as we will know the location of all buses in real time. The system will also help improve driver accountability by verifying that they are following approved routes and meeting scheduled stop times. Additionally it will ensure that buses are picking students up and dropping them off on the curb side of the road when traffic or vision restrictions create safety concerns for students crossing the street.

Item	Units	Unit Cost	Initial Cost	Recurring Monthly Cost
Zonar V3	150	\$209.95	\$31,492.50	
Activation Fees	150	\$25.00	\$3,750.00	
Data Communication (Per Month)	150	\$15.00		\$2,250.00
On-Site Installation of the Above	150	\$175.00	\$26,250.00	
Shipping and Handling	150	\$3.00	\$450.00	
Edutracker - Comparative Analysis Software (Per Month)	340	\$15.00		\$5,100.00
Edutracker (Activation Fee - 1 - 100 buses)	1	\$2,500.00	\$2,500.00	
Edutracker (Activation Fee - 101 - 330 buses)	230	\$15.00	\$3,450.00	
Google maps (per month)	340	\$1.50	\$0.00	\$510.00
Spatially Accurate Geocode Map	1		\$3,000.00	
Edutracker on-line training (unlimited for 1 year)			\$0.00	
Total			\$70,892.50	\$7,860.00
			Total initial Cost	\$83,010.00
				Per Year Recurring Exp. Factoring in Summer Savings

Copier Proposal: Switching the Current Savin Copier Line Up to a Canon Product Line Up

Wednesday, November 19, 2014

KDI Proposal	Canon Solutions America Equipment Line Up Matches KDI	Canon Solutions America Substitute in More Durable Equipment Upgrade 20 Machines
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Leasing Cost Component					
48 Month Lease	60 Month Lease	48 Month Lease	60 Month Lease	48 Month Lease	60 Month Lease
\$277,464.00 per year	\$224,304.00 per year	\$292,667.64 per year	\$247,328.64 per year	\$298,025.40 per year	\$252,035.88 per year
\$1,109,856.00 per 4 yr lease	\$1,121,520.00 per 5 yr lease	\$1,170,670.56 per 4 yr lease	\$1,236,643.20 per 5 yr lease	\$1,192,101.60 per 4 yr lease	\$1,260,179.40 per 5 yr lease

Maintenance Cost Component as a Charge Per Copy		
KDI Cost Per Copy 0.0028 per copy	Canon Cost Per Copy 0.0035 per copy	Canon Cost Per Copy 0.0035 per copy
Copy Volume 40M / yr \$112,000 Est. Maintenance Cost Per Yr	Copy Volume 40M / yr \$140,000 Est. Maintenance Cost Per Yr	Copy Volume 40M / yr \$140,000 Est. Maintenance Cost Per Yr

Total Cost Calculation					
Lease + Maintenance Exp. 48 month	Lease + Maintenance Exp. 60 month	Lease + Maintenance Exp. 48 month	Lease + Maintenance Exp. 60 month	Lease + Maintenance Exp. 48 month	Lease + Maintenance Exp. 60 month
\$389,464 per year	\$336,304 per year	\$432,668 per year	\$387,329 per year	\$438,025 per year	\$392,036 per year
\$1,557,856 per 4 yr lease	\$1,681,520 per 5 yr lease	\$1,730,671 per 4 yr lease	\$1,936,643 per 5 yr lease	\$1,752,102 per 4 yr lease	\$1,960,179 per 5 yr lease

\$ Difference Compared to KDI		\$ Difference Compared to KDI	
	48 Month Lease	60 Month Lease	
	\$172,815	\$255,123	\$194,246 \$278,659

The cost proposals provided by each company are significantly under state Co-Stars bid list for copier leasing. Canon Solutions would need to buy out the remaining months on the Savin copier lease - about 8 months

November 2014 Proposal

Copier Proposal: Switching the Current Savin Copier Line Up to a Canon Product Line Up
 Wednesday, February 18, 2015

KDI Proposal

Canon Solutions America
 Substitute in More Durable Equipment
 Upgrade 20 Machines

Leasing Cost Component

48 Month Lease	60 Month Lease
\$277,464.00 per year	\$224,304.00 per year
\$1,109,856.00 per 4 yr lease	\$1,121,520.00 per 5 yr lease

48 Month Lease	60 Month Lease
\$285,953.40 per year	\$240,962.76 per year
\$1,143,813.60 per 4 yr lease	\$1,204,813.80 per 5 yr lease

Maintenance Cost Component as a Charge Per Copy

KDI Cost Per Copy
0.0028 per copy

Canon Cost Per Copy
0.0035 per copy

Copy Volume 40M / yr
\$112,000
Est. Maintenance Cost Per Yr

Copy Volume 40M / yr
\$140,000
Est. Maintenance Cost Per Yr

Total Cost Calculation

Lease + Maintenance Exp.	
48 month	60 month
\$389,464 per year	\$336,304 per year
\$1,557,856 per 4 yr lease	\$1,681,520 per 5 yr lease

Lease + Maintenance Exp.	
48 month	60 month
\$425,953 per year	\$380,963 per year
\$1,703,814 per 4 yr lease	\$1,904,814 per 5 yr lease

\$ Difference Compared to KDI

48 Month Lease	60 Month Lease
\$145,958	\$223,294

Listed pricing is available through July 2015. The price could go down some if special promotions are offered. Once the district signs the contract pricing is locked for the 48 month term.

The cost proposals provided by each company are significantly under state Co-Stars bid list for copier leasing.

<p>1. Purpose</p> <p>2. Authority SC 439, 607, 1155</p> <p>SC 427, 439</p> <p>3. Delegation of Responsibility</p>	<p style="text-align: center;">616. PAYMENT OF BILLS</p> <p>It is the Board's intent to direct prompt payment of bills but at the same time to ensure that due care has been taken in the review of district bills.</p> <p>Each bill or obligation of this district must be fully itemized, verified and ratifiedapproved by the Board before a check can be drawn for its payment, except that the Board Secretary is permitted to draw payment orders for:</p> <p>{ X } The prompt payment of items that will accrue to the district's advantage.</p> <p>{ X } Progress payments to contractors specified in a contract approved by the Board.</p> <p>{ X } Orders to cover approved payrolls, associated benefits, and agency account deposits.</p> <p>{ X } Utility bills in months the Board does not meet.</p> <p>{ X } Payment of bills in months the Board meets only once: The Board shall be provided with a detailed list of pending payments for their review prior to the release of the payments. The Board shall have the opportunity to notify the Business Administrator, within five days, of any payment(s) they wish to have held for further review prior to release. Any payments that are held will not be released until the payment has been Board approved in a subsequent Board meeting.</p> <p>{ X } Re-issue of a previously approved check.</p> <p>It shall be the responsibility of the Business Manager or designee upon receipt of an invoice to verify that the purchase invoice is in order, goods were received in acceptable condition or services were satisfactorily rendered, funds are available to cover the payment, the Board had budgeted for the item, and invoice is for the amount contracted. At a minimum, employee expenses shall be reviewed by the next in line supervisor. Expenses of the Superintendent shall be reviewed and approved by the School Board President and Vice President prior to payment and ratification approval by the board.</p> <p>Should the an invoice vary from the acknowledged purchase order, the Business</p>
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<p>SC 607, 609, 687 Pol. 612</p>	<p>Manager or designee shall document on the invoice the reason for such variance.</p> <p>Should funds not be available in the account to which a proposed purchase will be charged, the Business Manager or designee shall determine the overage and request the Board make a legal transfer to cover it.</p> <p>All claims for payment shall be submitted to the Board and recorded in the minutes of the Board meeting.</p> <p>The list of bills for payment report shall include for each:</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Check number. <input checked="" type="checkbox"/> Check date. <input checked="" type="checkbox"/> Vendor. <input checked="" type="checkbox"/> Amount of remittance. <input type="checkbox"/> Reason for remittance. <input type="checkbox"/> Account charged. <p><input checked="" type="checkbox"/> Prior to the Board's consideration of the bills for payment report,</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> each invoice <input type="checkbox"/> each invoice in excess of \$ _____ <p>shall be reviewed by the purchasing and accounting departments for accuracy, proper expense codes, and authorization.</p> <p><input checked="" type="checkbox"/> The Board will be provided with a cash requirements report that includes description of purchase.</p>
<p>SC 439</p>	<p>Upon approval of an order, the Treasurer shall prepare authorize the preparation of a check or Automated Clearing House (ACH) transaction for payment and cancel the commitment placed against the appropriate account.</p>
<p>SC 427, 433, 439</p>	<p>All checks approved by the Board shall be signed by the President, Board Secretary and the</p> <ul style="list-style-type: none"> <input type="checkbox"/> Vice-President. <input checked="" type="checkbox"/> Treasurer.
<p>SC 428</p>	<p>The Vice President may sign for the President.</p>
<p>4. Guidelines</p>	<p>Signatures of the President, Vice President, Treasurer and Board Secretary may be</p>

65 P.S. Sec. 302	engraved on a signature plate, computer chip , or stamp.
	No check shall be made out to cash.
	After entering invoices for payment into the computer system, but before board approval, the accounts payable department will create a detailed payable report for review by the School Board.
	<u>Sales Tax</u>
Title 61 Sec. 32.23 72 P.S. Sec. 7204	The district is exempt from sales tax on the purchase of tangible, personal property or services that are sold or used by the district. The district shall control use of its sales tax exemption number issued by the Department of Revenue, in compliance with established regulations. The exemption number shall be used only when buying property or services for district use.
Title 61 Sec 32.23 72 P.S. Sec 7208 Pol. 618	The district shall obtain a sales tax license number for school organizations who purchase items to be resold.
	In order to monitor these activities, the <input type="checkbox"/> Superintendent or designee <input checked="" type="checkbox"/> Business Manager
	shall develop procedures to assure coordination and accumulation of information and proper reporting and remittance to the Department of Revenue.
November 2003 Building Committee	<u>Construction</u>
	Change Orders from -\$5,000 to \$ 5,000: May be approved & signed by the Project's Construction Coordinator
	Change Orders from -\$15,000 to - \$5,001 or from \$ 5,001 to \$15,000: May be approved & signed by the Director of Operations
	Change Orders from -\$25,000 to -\$15,001 or from \$15,001 to \$25,000: Approved by the Operations Committee and signed by the Operations Committee Chairperson
	Change Orders less than -\$25,000 or greater than \$25,000: Approved by the Board of School Directors and Signed by the Board President
	Urgent Change Order Approvals – Time Sensitive and greater than +/- \$15,000

Recommended by the Director of Operations (or the Assistant Director) and approved by the Superintendent and/or the Building Committee Chairperson.

References:

School Code – 24 P.S. Sec. 427, 428, 433, 439, 607, 608, 609, 610, 687, 1155

Department of Revenue Regulations – 61 PA Code Sec. 32.23

Uniform Facsimile Signature of Public Officials Act – 65 P.S. Sec. 302

Exclusion From Tax – 72 P.S. Sec. 7204, 7208

Board Policy – 612, 618

PSBA Revision 1/08

DRAFT

January 8, 2015 Cash Requirements Fund 1

Check No.	Check Date	Vendor Name	Description	Amount	Function Description
183639	01/08/15	21ST CENTURY CYBER CHARTER SCHOOL	Blanket PO	8,878.76	Alt Reg Education Pr
183640	01/08/15	A.D.I. COMMERCIAL SOUND PRODUCTS	Electrical Supplies	447.12	Oper/Maint Of Plant
183641	01/08/15	AATF/AMER ASSOC OF TCHRS OF FRENCH	Profess. Membership-AATF	63.00	Regular Programs
183642	01/08/15	AATSP	Profess. Membership AATSP	65.00	Regular Programs
183643	01/08/15	ACDA	Annual Membership for J. Ohrt	95.00	Regular Programs
183644	01/08/15	ACHIEVEMENT HOUSE CHARTER SCHOOL	Blanket PO	6,999.81	Alt Reg Education Pr
183645	01/08/15	ACT RESEARCH SERVICES (64)	ACT H5 Reports	250.00	Regular Programs
183646	01/08/15	AFFINITY LAND SERVICES	PARCEL #26-017-010	398.43	NBT Tax Escrow
183647	01/08/15	ALAMPI, JERRY	Dr. Ed class CBE ending 12/16/14	780.00	Other Adult Ed Prog
183648	01/08/15	ALLEN INC., GEORGE C.	Property Services	1,184.00	Oper/Maint Of Plant
183649	01/08/15	AMCA SYSTEMS	Stop Loss Insurance Premium	54,937.00	Health Care
183650	01/08/15	AMERA-CHEM, INC	New Edition of Drug ID Bible	46.95	Office Of Principal
183651	01/08/15	ANGRISANI, SUSAN	bal due	50.00	Other Pupil Personne
183652	01/08/15	AQUA PA	Water & Sewer Usage 14/15	1,078.09	Oper/Maint Of Plant
183653	01/08/15	ARAMARK	Interviews 12/8, 12/9 & 15	220.20	Office Of Principal
183654	01/08/15	ARDEN THEATRE COMPANY	Acting Workshop for Theater Class	800.00	Regular Programs
183655	01/08/15	ASCD	MEMBER #1642659	59.00	Office Of Principal
183656	01/08/15	ASCD	MEMBER#346852	59.00	Special Ed
183657	01/08/15	ASCD	MEMBER #1815120	59.00	Office Of Principal
183658	01/08/15	ASSURANT EMPLOYEE BENEFITS	Employee Term life Insurance	18,329.47	Fringe Benefits
183659	01/08/15	ATTAINMENT COMPANY, INC.	Math Books	555.45	Learning Support
183660	01/08/15	AUSTILL'S REHABILITATION SERVICES	OT/PT Blanket 2014-2015 (Internal)	109,919.74	Special Ed
183661	01/08/15	AZZARANO, LINDA	Mileage Blanket	103.93	Learning Support
183662	01/08/15	B.E.S.T. SERVICE INC	SERVICE AGREEMENT RENEWAL	1,631.20	Business
183663	01/08/15	BAUER, TODD	TUITION REIMB 14/15	4,122.00	Other Admin Services
183664	01/08/15	BAUMHER, PAMELA	HB Mileage	36.96	Homebound Instructio
183665	01/08/15	BEARINGS & DRIVES UNLIMITED	General Supplies	148.15	Oper/Maint Of Plant
183666	01/08/15	BROADVIEW NETWORKS	Phone Service for 14/15	1,548.68	Support Services
183667	01/08/15	BSN SPORTS	P.O.#14003033	720.00	School Spon Athletic
183668	01/08/15	BUCHER, JASON	TUITION REIMB 14/15	4,122.00	Other Admin Services
183669	01/08/15	BUCKS COUNTY IU #22	EES Licenses Renewal	208,343.40	Support Services
183670	01/08/15	CAMPBILL SPECIAL SCHOOL INC	Blanket PO	3,208.35	Alt Education Progra
183671	01/08/15	CAPSTONE	BOOKS FOR LIBRARY	503.70	School Library Servi
183672	01/08/15	CAROLINA BIO SUPPLY CO. (STC)	p.o.#15001847	131.99	Regular Programs
183673	01/08/15	CASHMAN, STEPHEN	TUITION REIMB 14/15	4,122.00	Other Admin Services
183674	01/08/15	Caldwells of Bucks County	printing on jacket and pants for CBST	192.00	Community Services

Join us for the New



LET'S MOVE
Salad Bars
to Schools
Grant

www.saladbars2schools.org

4 new Elementary
Sized Salad Bars
were donated to
Central Bucks by:



Founded by
Whole Foods
Market

refresh. refuel. relax.

Join us for the New Times

to go

We are hitting road blocks in our attempts to redesign the student serving areas in our middle schools to improve the speed that we can serve students. Walls need to be knocked down and of course they are load bearing and expensive to replace.

We are looking at other ways to improve middle school serving speed by providing students with an alternative serving area along the cafeteria wall opposite of where the current serving lines are in each middle school. We will need to buy some refrigeration and warming equipment and coordinate with Facilities to bring in some extra electricity, but it should be a more cost effective solution than our original thoughts. It should also give middle school students more time to eat and socialize with their friends.

As a part of the new Aramark contract, they are going to invest about \$240,000 in the CB food service program over a five year period. The middle school projects can be paid for using Aramark funding.

refresh. refuel. relax.

Lenape Middle School

to go



Air Screen



Allows students to Grab and Go Salads, Sandwiches, Yogurt Parfaits, Fruit Cups etc.

Allows for an expanded Grab and Go Menu

\$7,500

Pizza Heated Shelf with Sneeze Guard



Provides the Middle Schools with a more High School/ Retail look

\$550

Grill Warmer



Allows for an expanded
Grab and Go Menu

\$3,600

Turbo Chef Oven



Turbo Chef Ovens to produce hot sandwiches and subs quickly. About \$10,000 each. These require a 220 volt electrical outlet.

Coffee, drinks and grab and go food items.

Estimated cost
\$60,000 to \$65,000.
Funded by Aramark.

The internal area of the concession stand across from the gym would be retrofitted into a Java City and also allow parents to use the concession stand for winter sports fund raisers.

No signage will be placed in the hallway and no renovations will be done in the hallway areas in an effort to maintain a consistant look at CB South.

refresh. refuel. relax.

Page 36 of 92

Java City at South HS. East and West currently have a Java City





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: February 2, 2015

Board Agenda Information:

General Fund Disbursements, January 2015

Checks	2,958,901.38
Electronic Payments	\$10,421,560.79
Transfers to Payroll	7,381,280.00
TOTAL	<u>\$20,761,742.17</u>

Other Disbursements, January 2015

Capital Fund Checks	\$1,549,640.32
Food Service Checks & Electronic Payments	\$400,757.50
TOTAL	<u>\$1,950,397.82</u>

Grand total of all Funds \$22,712,139.99

**The Central Bucks School District
General Fund
Treasurer's Report
1/31/2015**

Beginning Cash Balance		\$10,458,135.99
Receipts		
Local General Funds Receipts		
Local Collectors	313,735.17	
County of Bucks	367,787.46	
EIT	829,507.28	
Interest Earnings	19,478.99	
Facility Use Fees	24,632.50	
Tuition, Community School	313,339.73	
Contributions	34,468.35	
Miscellaneous	399,208.90	
Total Local General Funds Receipts	\$2,302,158.38	
State General Fund Receipts		
State Subsidy- Other	1,372,783.30	
Total State General Fund Receipts	\$1,372,783.30	
Federal General Fund Receipts		
Title 2	91,870.81	
Other Federal Subsidies	7,021.20	
Total Federal General Fund Receipts	\$98,892.01	
Other Receipts		
Investments Matured	17,500,000.00	
Offsets to Expenditures	63,894.09	
Total Other Receipts	\$17,563,894.09	
Total Receipts		\$21,337,727.78
Total Beginning Cash Balance and Receipts		\$31,795,863.77

**The Central Bucks School District
General Fund
Treasurer's Report
1/31/2015**

Disbursements		
Checks (see detail on following page)		2,958,901.38
Electronic Payments:		
Debt Service Payments	565,257.74	
Employee Payroll Taxes	1,454,498.05	
Employer Payroll Taxes	423,809.69	
PSERS Retire	902,345.56	
403B/457PMT	384,288.37	
Health Benefit Payments	6,441,361.38	
Transfer to Other Banks	<u>250,000.00</u>	
Electronic Payments Total:		10,421,560.79
Transfer to Payroll		7,381,280.00
Total Disbursements		\$20,761,742.17
Summary:		
Total Beginning Cash Balance and Receipts (from previous page)		\$31,795,863.77
Cash Disbursements		\$20,761,742.17
Ending Cash Balance	1/31/2015	\$11,034,121.60

**The Central Bucks School District
 General Fund
 Treasurer's Report
 Check Reconciliation
 1/31/2015**

First Check Run- Board Approved 01/13/2015	\$2,599,561.62
Second Check Run- Board Approved 01/27/2015	\$418,898.08
Third Check Run- Board Approved 02/10/2015	<u>\$119,070.49</u>
Total Check Runs- Detail provided when Board Approved	\$3,137,530.19
Less Voided Checks	<u>(\$5,477.04)</u>
Check Run Sub-Total	\$3,132,053.15
Add Prior Month A/P Funded This Month	\$312,311.59
Less This Month A/P To Be Funded Next Month	<u>\$485,463.36</u>
Checks Funded This Month	<u><u>\$2,958,901.38</u></u>

**The Central Bucks School District
Food Service
Treasurer's Report
1/31/2015**

Beginning Cash Balance		\$	605,582.64
Receipts			
Subsidies	\$	62,790.76	
Student Lunch Account Deposits	\$	372,206.67	
Interest Earnings	\$	<u>149.34</u>	
Total Receipts			\$ 435,146.77
Disbursements			
Checks	\$	-	
Electronic payments	\$	396,125.03	
Prior month checks paid in January	\$	4,632.47	
Less this months checks to be paid next month	\$	<u>-</u>	
			\$ 400,757.50
Ending Cash Balance		\$	639,971.91

Capital Fund Balance Projections as of Jan 31, 2015

	Beg. Bal. 7/1/2014	*Transfers from (to other Funds)	Transfers from General Fund	Interest Earnings	Expenditures	Commitments	Balance 1/31/2015	Target Amount	Percent of Target	Comments
Short term Capital	\$6,049,511		\$4,330,000	\$ 14,509	\$ 7,443,802	\$ 492,020	\$ 2,458,198	\$ 6,000,000	41%	
Short Term Capital- Café Equip	\$600,005	\$200,000		\$ 1,378			\$ 801,383			
Technology	\$4,223,479		\$2,000,000	\$ 8,455	\$ 1,290,953	\$ 25,985	\$ 4,914,996	\$ 3,500,000	140%	
Transportation	\$646,202		\$1,000,000	\$ 1,742	\$ 461,596		\$ 1,186,348	\$ 2,100,000	56%	
Long Term Capital	\$11,024,797		\$3,160,000	\$ 23,252	\$ 2,552,104	\$ 335,141	\$ 14,208,049	\$ 25,000,000	57%	
2008 Bond Fund Proceeds	\$7,957,359			\$ 4,571	\$ 5,773,337	\$ 2,038,593	\$ 150,000			
Totals **	\$ 30,501,354	\$ 200,000	\$10,490,000.00	\$ 53,907	\$ 17,521,792	\$ 2,891,739	\$ 23,718,975	\$ 36,600,000	65%	

Expenditure Detail:

Short Term Capital

Unami	\$ 12,622.00
Misc. Projects	\$ 7,431,180.49
Total Expenditures	\$ 7,443,802.49

Long Term Capital

Holicong	\$ 2,552,103.90
Total Expenditures	\$ 2,552,103.90

2008 Bond Proceeds

Stadium Expenses	\$ 3,306,834.66
CBE Expenses	\$ 1,300,713.71
Holicong Expenses	\$ 1,165,788.70
Total Expenditures	\$ 5,773,337.07

Debt Service Fund Balance Projections as of Jan 31, 2015

	Beg. Bal. 7/1/2014	*Transfers from (to other Funds)	Transfers from General Fund	Interest Earnings	Expenditures	Commitments	Balance 1/31/2015	Target Amount	Percent of Target	Comments
Debt Service	\$ 17,128,313		\$7,000,000	\$ 10,039			\$ 24,138,352	\$ 65,000,000	37%	
Totals **	\$ 17,128,313	\$ -	\$ 7,000,000	\$ 10,039	\$ -	\$ -	\$ 24,138,352	\$ 65,000,000	37%	

Trust Fund Balance Projections as of Jan 31, 2015

	Beg. Bal. 7/1/2014	*Transfers from (to other Funds)	Transfers from General Fund	Interest Earnings	Commitments	Balance 1/31/2015	Comments
Post Employment (GASB 45)	\$ 7,278,429		\$1,998,890	\$ 18,955		\$ 9,296,274	Per the Actuarial Report, the present value of benefits payable in the years, as of 10/1/13, is \$64,094,298. Goal is to fund \$2M per yr toward liability. Funds remain unrestricted, so can be accessed if needed.
Health Care	\$ 2,239,436		\$750,000	\$ 6,104	\$ 490,000	\$ 2,505,540	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		\$2,748,890	\$ 25,059	\$ 490,000	\$ 11,801,814	

**Central Bucks School District
Investment Portfolio
Summary Totals by Bank
January 31, 2015**

Bank Name	Principal Amount
3rd Fed Bank	249,000
First Niagara	3,085,465
Firsttrust Bank	248,000
Hatboro Savings & Loan	248,000
MBS	3,675,000
Milestone Bank	243,000
Monument Bank	246,000
National Penn	31,061,630
PLGIT	26,241,378
Provident Bank(Team Capital Bank)	247,000
PSDLAF	20,445,294
Quakertown National Bank	33,279,210
Santander	45,089,385
Susquehanna	73,209
TD Bank	42,473,229
William Penn Bank	247,000
Total	207,151,800

Central Bucks School District
Investment Portfolio
General Fund- Bank Balances
January 31, 2015

<u>Purchase Date</u>	<u>Bank Name</u>	<u>Maturity Date</u>	<u>Rate of Interest</u>	<u>Principal Amount</u>
<u>GENERAL FUND BANK ACCOUNTS</u>				
1/31/15	TD Bank	2/1/15	0.30%	11,034,122
1/31/15	TD Bank Munciple Choice	2/1/15	* 0.55%	10,799,925
1/31/15	PLGIT	2/1/15	0.02%	1,378
1/31/15	PSDLAF MAX Acct	2/1/15	0.02%	1,132
1/31/15	PSDLAF MAX Acct	2/1/15	0.02%	234,795
Total General Fund Bank Accounts				22,071,351
<u>GENERAL FUND CDs</u>				
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	Provident Bank{Team Capital Bank}	5/22/16	0.50%	247,000
PLGIT CDs :				
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
12/10/14	Beal Bank USA (NV)	6/10/15	0.30%	110,000
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:				
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
10/21/14	Northpointe Bank, Grand Rapids, MI	12/21/15	0.40%	245,000
2/20/14	Compass Bank Birmingham, AL	2/22/16	0.50%	245,000
10/17/14	GE Capital Bank, Salt Lake City, UT	4/18/16	0.70%	245,000
Total General Fund CDs				33,608,000
<u>GENERAL FUND MONEY MARKET ACCOUNTS</u>				
1/31/15	First Niagara	2/1/15	0.02%	5,535
1/31/15	Santander	2/1/15	0.30%	30,881,336
1/31/15	National Penn (1652)	2/1/15	0.22%	31,061,630
1/31/15	Quakertown National Bank	2/1/15	0.30%	29,765,951
Total General Fund Money Market Accounts				91,714,452
Total General Fund				147,393,803

* Interest earnings credited to offset fees

**Central Bucks School District
Investment Portfolio
Capital Fund- Bank Balances
January 31, 2015**

<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>				
1/31/15	PSDLAF Max Acct	2/1/15	0.02%	147
1/31/15	TD Bank Fund 3 Acct	2/1/15	0.30%	509,640
1/31/15	TD Bank	2/1/15	0.30%	675,864
			Total Short Term Capital Reserve	1,185,651
<u>Capital Café Equip Reserve</u>				
1/31/15	TD Bank Capital Proj- Bldg Cafeteria/Equip	2/1/15	0.30%	801,383
			Capital Café Equip Reserve	801,383
<u>Technology Capital Reserve</u>				
1/31/15	TD Bank	2/1/15	0.30%	5,050,494
			Total Technology Reserve	5,050,494
<u>Transportation Capital Reserve</u>				
1/31/15	TD Bank	2/1/15	0.30%	1,186,348
			Total Transportation Reserve	1,186,348
<u>Long Term Capital Reserve</u>				
1/31/15	Santander	2/1/15	0.30%	14,208,049
			Total Long Term Capital Reserve	14,208,049
<u>2008 Bond</u>				
1/31/15	First Niagara	2/1/15	0.15%	1,385,905
			Total 2008 Bond Account	1,385,905
			Total Capital Fund	23,817,830

**Central Bucks School District
Investment Portfolio
Debt Service Fund- Bank Balances
January 31, 2015**

<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>				
1/31/15	PSDLAF MAX ACCT	2/1/15	0.02%	5,078
1/31/15	PSDLAF Full Flex	2/1/15	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
1/31/15	TD Bank	2/1/15	0.30%	7,005,602
1/31/15	Susquehanna	2/1/15	0.10%	1,209
6/27/14	Susquehanna	12/27/15	0.25%	72,000
Total Debt Service Reserve				24,138,352

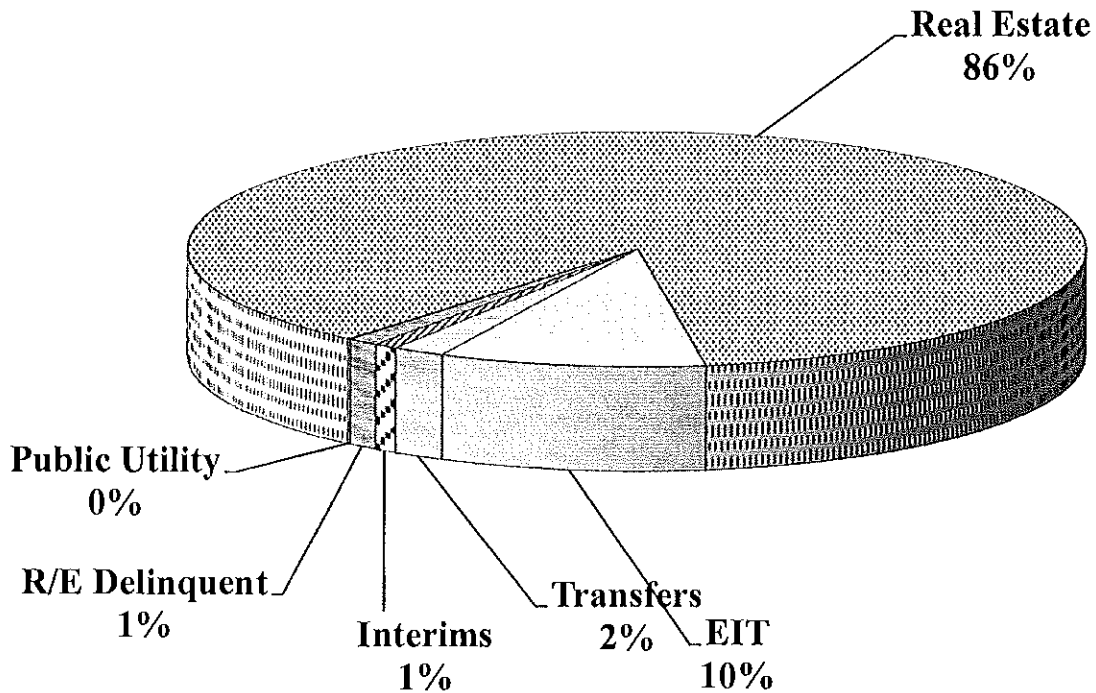
**Central Bucks School District
Investment Portfolio
Trust Fund- Bank Balances
January 31, 2015**

<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>				
1/31/15	First Niagara	2/1/15	0.15%	1,694,025
1/31/15	Quakertown National Bank	2/1/15	0.55%	3,513,260
1/31/15	TD Bank	2/1/15	0.30%	4,088,989
Total Post Employment Reserve				9,296,274
 <u>Healthcare Trust Fund Reserve</u>				
1/31/15	PSDLAF MAX ACCT	2/1/15	0.02%	4,679
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	P5DLAF(Ally Bank)	7/31/15	0.65%	200,000
1/31/15	TD Bank	2/1/15	0.30%	1,320,862
Healthcare Reserve				2,505,540
Total Trust Fund				11,801,814
Grand Total- All Funds				207,151,800
Weighted Average Rate of Return				0.29%

**Payroll Projection
January 31, 2015**

	Estimated Final
<i>Budgeted Payroll, Social Security & Retirement ** Adjusted for Transfers**</i>	183,969,725 **
<i>Projected spending</i>	<u>182,796,838</u>
<i>Positive (Negative) Variance</i>	<u>1,172,887</u>

**Central Bucks School District
Projected Tax Collections
January 31, 2015**



<u>Revenues</u>	<u>Projected</u>	<u>Budget</u>	<u>Variance</u>
Real Estate	\$207,141,643	\$206,851,191	\$290,452
EIT	23,000,000	21,520,000	1,480,000
Transfers	4,500,000	4,000,000	500,000
Interims	1,995,000	1,543,922	451,078
R/E Delinquent	2,700,000	2,750,000	(50,000)
Public Utility	<u>293,751</u>	<u>285,011</u>	<u>8,740</u>
Total	<u>\$239,630,394</u>	<u>\$236,950,124</u>	<u>\$2,680,270</u>

**Central Bucks School District
Fringe Benefits
31-Jan-15**

	Budget	Adjusted Budget	Encumbered	Spent	Balance	% Committed
Health care	20,081,327	20,081,327	8,700,000	9,292,166	2,089,161	90%
Dental coverage	1,487,648	1,487,648	542,982	760,175	184,490	88%
Life insurance	250,000	250,000	89,681	125,553	34,766	86%
Disability coverage	373,120	373,120	70,344	98,482	204,295	45%
Prescription drugs	5,392,449	5,392,449	2,080,000	3,133,171	179,278	97%
Unemployment comp	350,000	350,000	75,819	39,181	235,000	33%
Workers comp	1,278,722	1,278,722	152,772	1,066,446	59,504	95%
Miscellaneous	249,981	249,981	72,960	102,144	74,877	70%
Totals	29,463,247	29,463,247	11,784,557	14,617,319	3,061,371	90%

fringe.xls

LOGIC
QUARTERLY REPORT
(AS OF DECEMBER 30, 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 ended 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 signaled that it is prepared to begin increasing short-term rates sometime after the first quarter of 2015. The banking industry extended its string of profitable quarters with the largest quarterly revenue increase since 2009.

Monetary Policy and Interest Rates. The Federal Reserve completed its economic stimulus programs in October when it ended its bond-buying quantitative easing program. The Fed now holds over \$4 trillion of Treasury and mortgage bonds as a result of its purchases since December 2012. The Fed 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 Federal Open Market Committee (FOMC) noted at its meeting in December that information suggests that economic activity is expanding at a moderate pace with improvements in labor market conditions with solid job gains and a lower unemployment rate. Household spending is rising moderately and business fixed investment is advancing. The Committee expects inflation to rise gradually towards its 2 percent target as the labor market improves further and the transitory effects of lower energy prices and other factors dissipate.

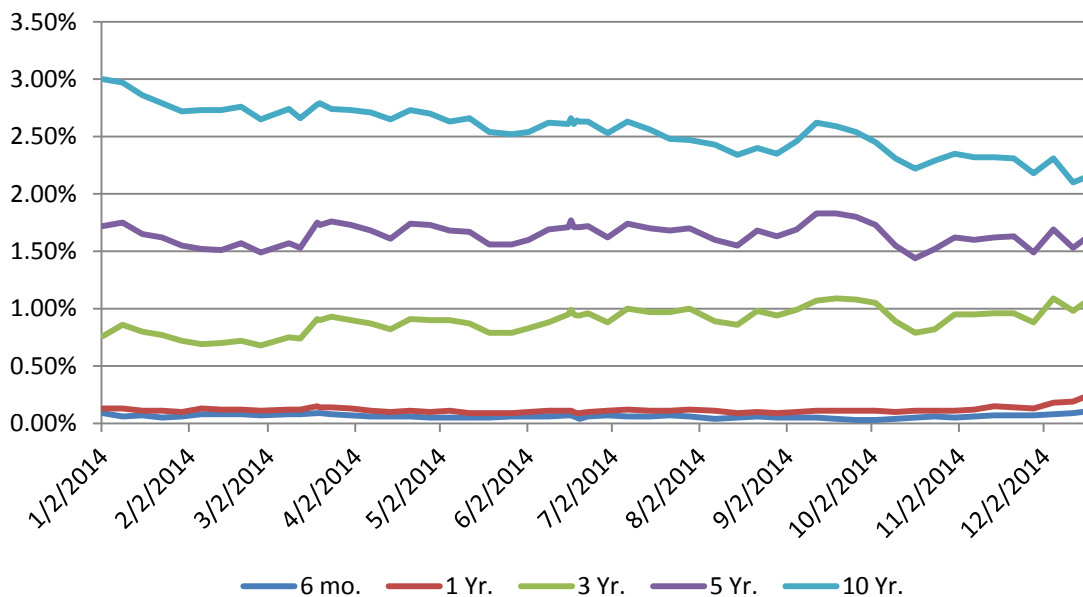
The Committee reaffirmed its view that the current 0 to ¼ percent target range for the fed funds rate was appropriate. How long the Fed will maintain this target range will depend on the Committee's evaluation of progress toward its twin objectives of maximum employment and 2 percent inflation, examining such factors as measurements of labor market conditions, indicators of inflation pressures and inflation expectations and readings on financial developments. The FOMC judged that it can be "patient in beginning to normalize the stance of monetary policy" and left in place its statement 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." Subsequent remarks by Chair Janet Yellen suggested that no increase in short term rates would occur before the end of the first quarter of 2015.

The Fed also released rate forecasts from FOMC members which showed that fifteen 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. The median of the 17 forecasts predicted that the target interest rate will be between 1.0% and 1.25% at the end of 2015 and at 2.5% by the end of 2016.

The chart below shows the bond market's reaction to these developments over the last year. Short-term rates began to rise in December after holding steady over most of 2014 with 6-month notes on December 19 at 0.11% (compared to 0.09% at the beginning of January 2014). Intermediate term rates declined over 2014, in spite of many predictions that rates would rise as the Fed cut back its economic stimulus program. Five-year and ten-year rates were 1.66% and 2.17%, respectively, as of December 19 compared to 1.72% and 3.00%, respectively, as of January 2, 2014. Most Wall Street forecasters are again bearish, predicting that bond prices will fall sharply and yields will rise as the economy strengthens and the Fed begins to tighten its easy money policies.

Treasury Daily Yield Curve Rates January to December 2014



Banking Industry Highlights. Quarterly net income for FDIC-insured institutions was \$38.7 billion in the third quarter of 2014, 7.3% higher than for the corresponding quarter in 2013, with almost 63 percent of institutions reporting year-over-year improvement in quarterly net income. Net operating revenue totaled \$171.3 billion, a year-over-year increase of 4.8% and the largest year-over-year growth in revenue since the fourth quarter of 2009. Noninterest income rose 9.2 percent, led by gains on loan sales and trading income. Average net interest income was 3.14%, 12 basis points over that figure in the third quarter of 2013 and virtually unchanged from the second quarter. Most of the erosion in net interest margin was concentrated among some of the largest banks. Only 6.4% of banks reported net losses for the quarter, compared with 8.7% a year ago.

Banks charged off \$9.2 billion in uncollectible loan balances in the third quarter, down 21% from a year ago and the 17th consecutive quarter that charge-offs were below year-earlier levels. The quarterly net charge-off rate of 0.45% was the lowest average since the first quarter of 2007. The amount of noncurrent loan and lease balances also fell for the 18th consecutive quarter. The FDIC reported that capital growth trailed asset growth with the average equity-to-assets ratio falling from 11.25% to 11.20% during the quarter. At the end of the quarter, 98.5% of all insured institutions, representing 991.8% of total industry assets, met or exceeded the requirements for the highest regulatory capital category. Total assets of insured institutions increased by 1.2%, with balances of U.S. Treasury securities rising by 26.3%. This increase in Treasury holdings follows new rules adopted in September that require banks to hold a minimum amount of safe assets that can be converted to cash quickly. The rule treats U.S. Treasury holdings favorably compared with other assets.

The FDIC quarterly report includes a section on the performance of community banks, the institutions that provide traditional relationship-based banking services in their local communities. The third quarter showed that net income of community banks increased by 10.7% compared to the third quarter of 2013, thanks to lower loan loss provisions and improved net interest income. In contrast, net income in the rest of the banking industry increased 7.6%. Sixty-three percent of all community banks reported higher earnings compared with the year-ago quarter, and those reporting a loss fell to 6.6 percent—the lowest level since second quarter 2006. The report covered 6,107 community banks in the third quarter of 2014, down 56 from the second quarter. Two community banks failed during the quarter. Community banks continued to represent 93 percent of all insured institutions, with \$2 trillion in assets, \$1.7 trillion in deposits, and \$226 billion in equity capital.

The number of problem banks fell from 354 to 329, the fewest problem institutions since March 31, 2009. Mergers absorbed 64 institutions, two failed and one did not file a report. Only eighteen 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 October 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.

Bank Insight Ratings. The LOGIC program uses financial analysis provided by SNL Financial Bank Insight (successor to Thomson Reuters) as one tool for evaluating the strength of a financial institution. 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 September 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%.

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.

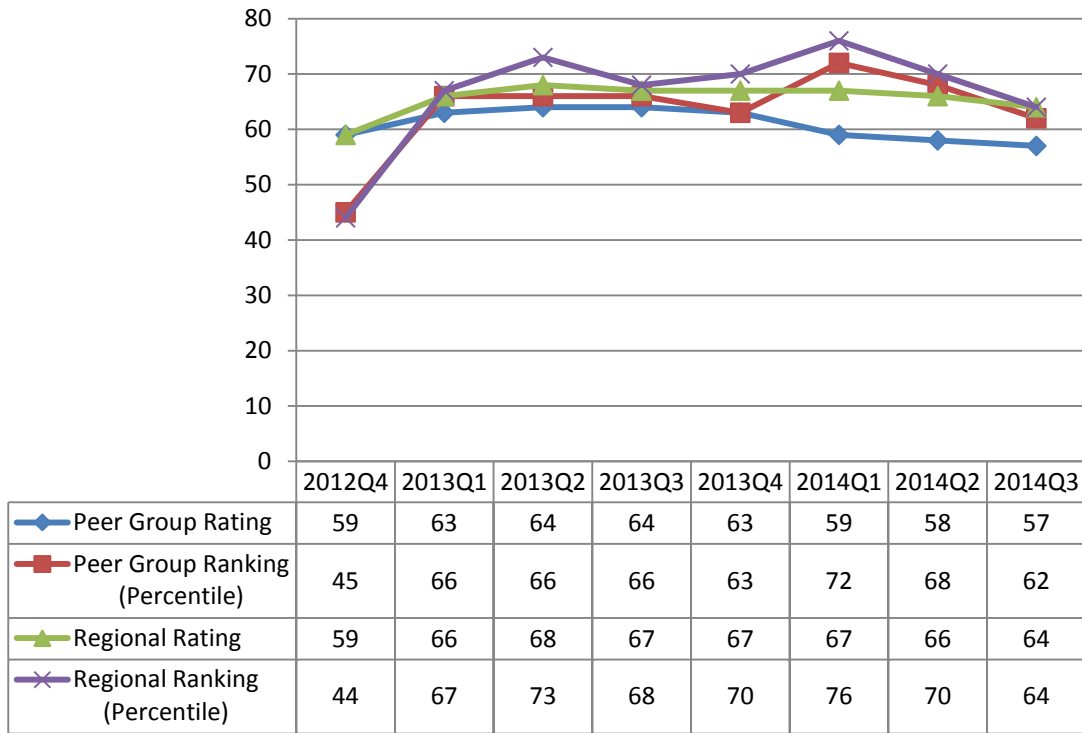
Quarterly Results. Citigroup Inc. is the parent company of Citibank, N.A. Citigroup Inc. reported net income of \$2.83 billion on revenues of \$19.6 billion for the third quarter of 2014 compared to net income of \$3.2 billion on revenues of \$17.9 billion for the corresponding quarter of 2013. The results for the third quarter of 2014 were adjusted downward from the initial reported results due to a \$600 million increase in legal accruals resulting from evolving regulatory inquiries and investigations.

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

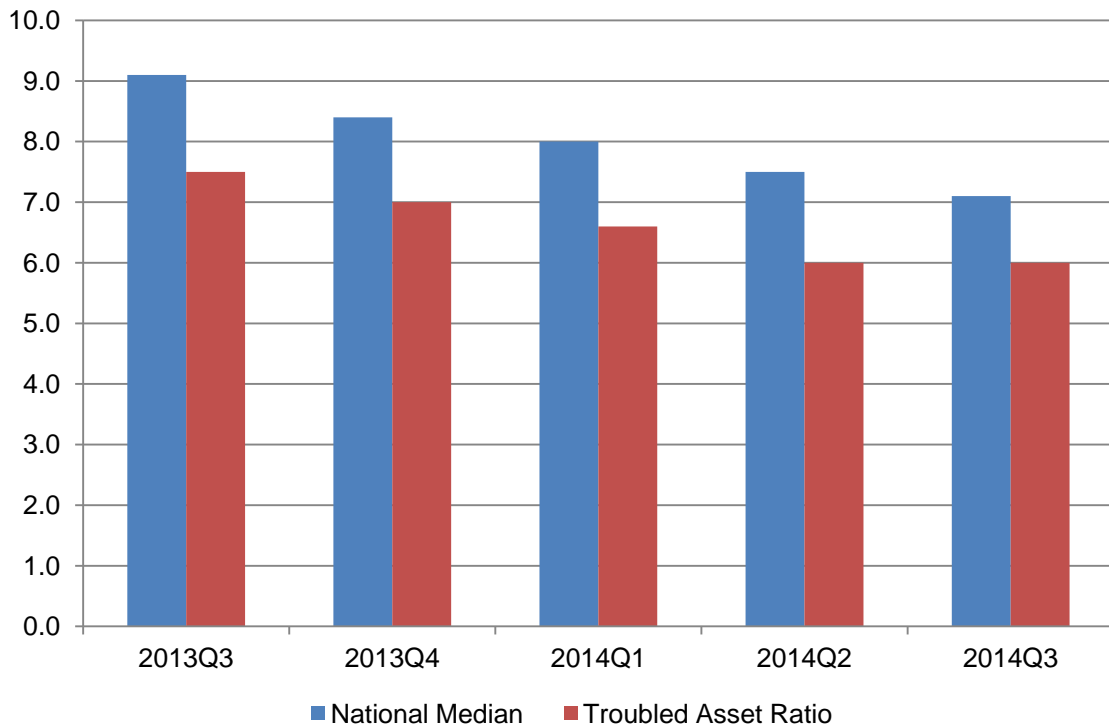
Citibank’s Bank Insight peer group rating for September 30 was “57”, placing the bank in the 62nd percentile of its peer group of banks with total assets exceeding \$10 billion. Bank Insight ratings and rankings for the last two years were:

Citibank Peer Group Ratings and Rankings



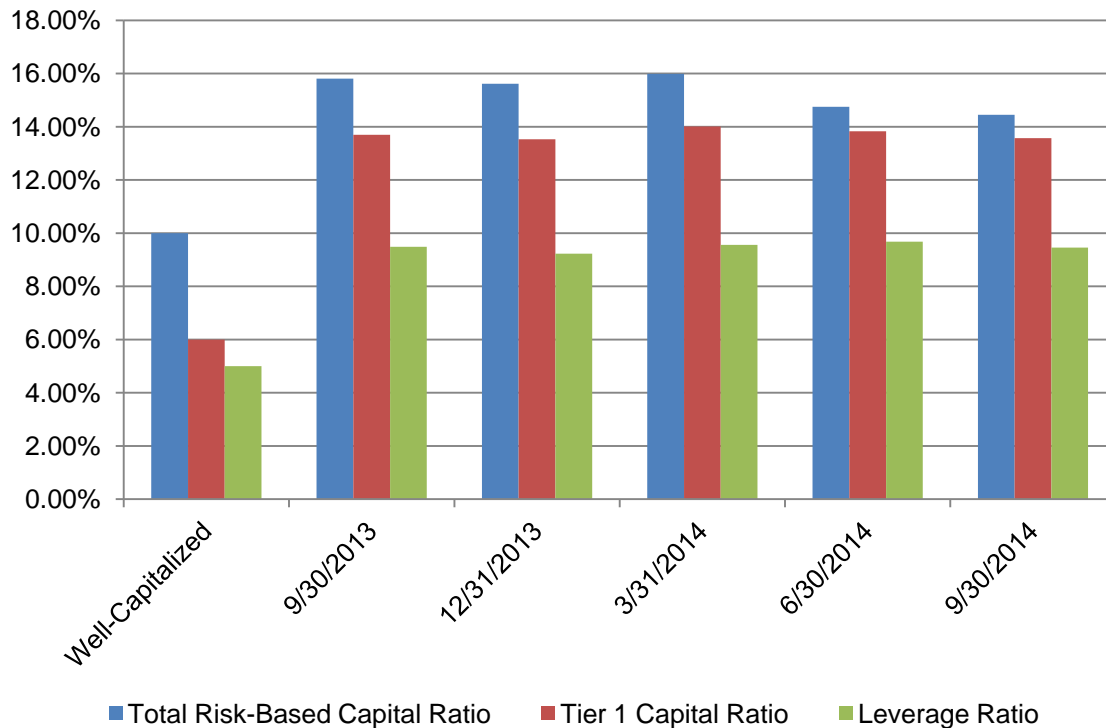
Troubled Assets. The bank’s “troubled asset ratio” for the last five quarters is set forth below:

Citibank Troubled Asset Ratios



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



Citizens Bank of Pennsylvania

Recent Developments. The Royal Bank of Scotland Group plc (RBSG), the ultimate 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 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.

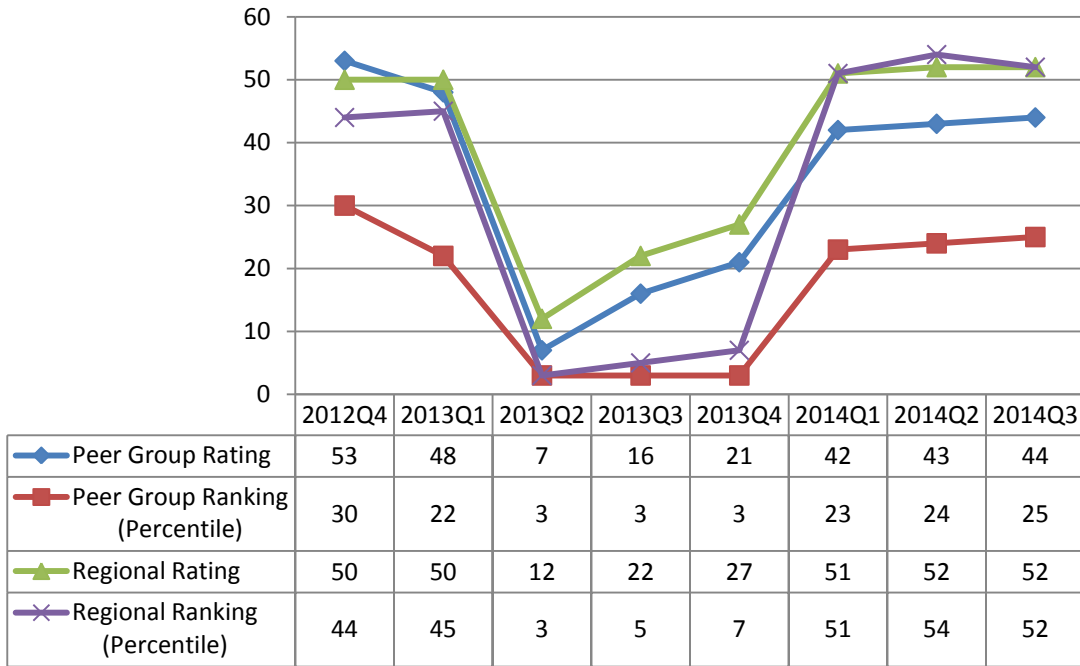
Citizens Bank has resumed use of pooled securities as collateral for public funds deposits following the expiration of unlimited FDIC insurance coverage for non-interest bearing transaction accounts that expired on December 31, 2012.

Credit Ratings. Current ratings for RBSG, CFG and Citizens follow:

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

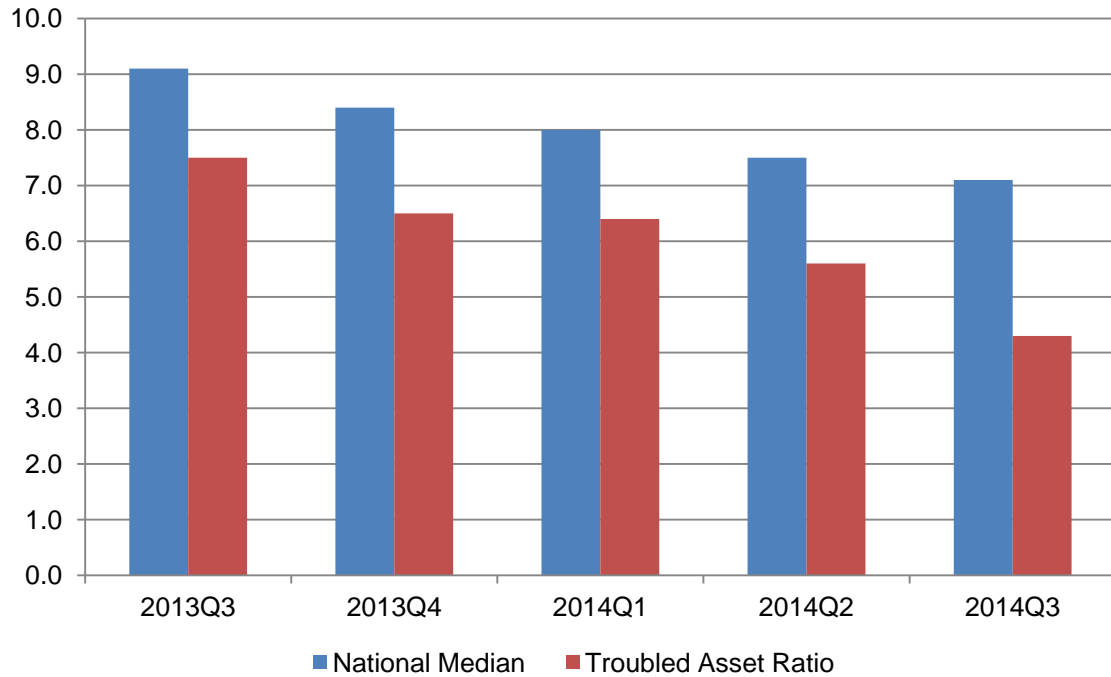
Peer Group Ratings. Citizens’ Thomson Reuters Bank Insight peer group rating for September 30 was “44”, placing the bank in the 25th percentile of its peer group of banks with total assets greater than \$10 billion. Bank Insight ratings and rankings for the last two years were:

Citizens Bank of Pennsylvania Peer Group Ratings and Rankiings



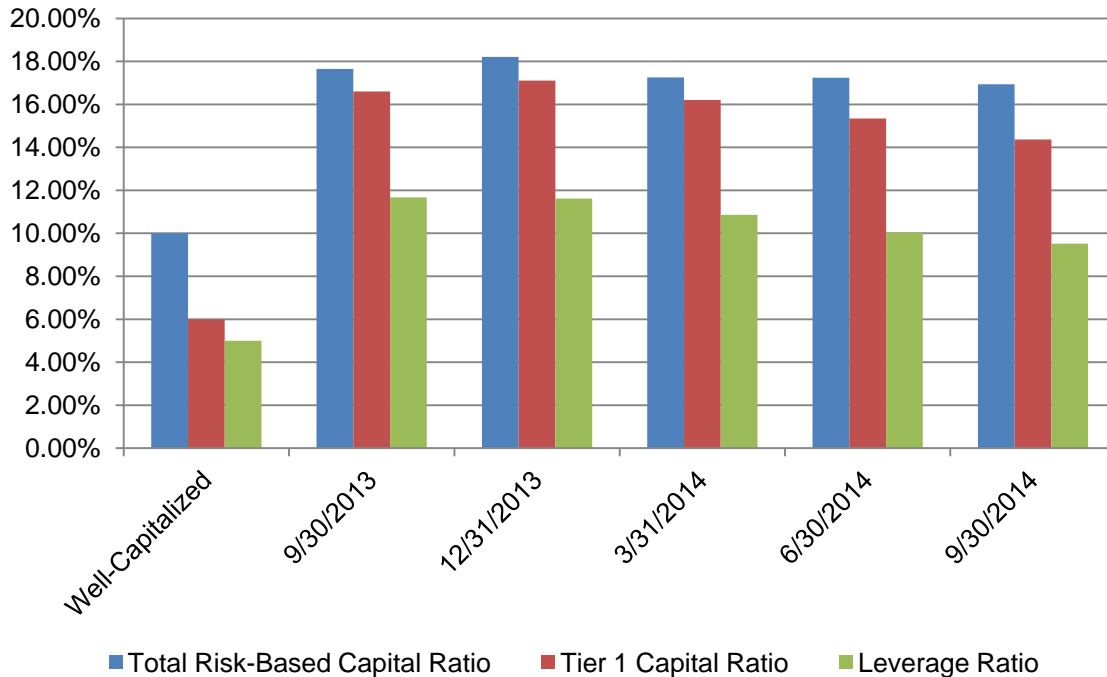
Troubled Assets. The bank’s “troubled asset ratio” for the last five quarters is set forth below:

Citizens Bank of Pennsylvania Troubled Asset Ratios



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



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

Quarterly Results. First Niagara Financial Group, the parent company of First Niagara Bank, reported a third quarter net loss of \$665 million, equal to \$1.90 per share. Results included a non-cash goodwill impairment charge of \$800 million, as well as a pretax \$45 million reserve. Excluding these charges, operating net income available to shareholders was \$63.6 million, or \$0.18 per diluted share, compared to net income of \$71.6 million, or \$0.20 per diluted share in the third quarter of 2013. The net loss for First Niagara Bank by itself was \$912.8 million compared to net income of \$90.4 million for the third quarter of 2013.

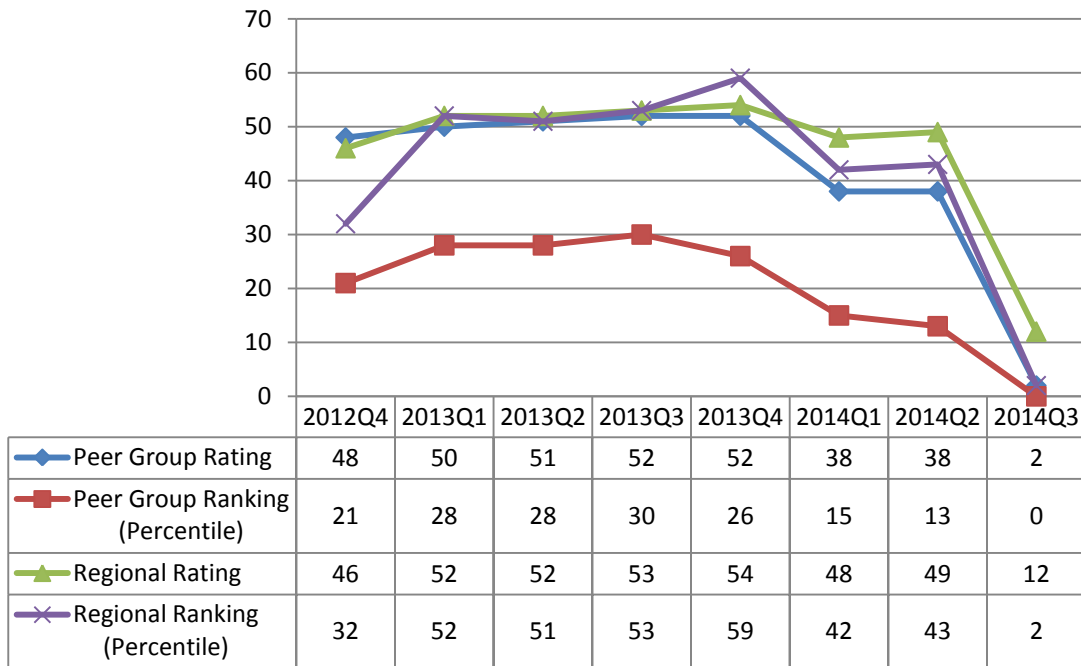
The CEO of First Niagara emphasized that the net loss “is a non-cash accounting charge and has no impact on our daily operations, our ability to continue to serve customers, or our future profitability, and does not negatively impact key regulatory and tangible equity ratios.” Management also emphasized improvement in its strong credit quality and loan growth.

Credit Ratings. Moody’s revised its outlook to negative following the third quarter results saying that the negative outlook “reflects control and oversight challenges arising from the company’s aggressive growth and lower profitability.” S&P also downgraded its ratings by one notch citing reduced flexibility as a result of operating losses. “The rating action reflects our view that First Niagara Financial Group’s past aggressive acquisition strategy has led to senior management changes in the past year accompanied by a shift in strategy, a weaker capital position, and somewhat constrained financial flexibility relative to peers,” according to S&P. Ratings for both FNFG and First Niagara Bank are as follows:

	Moody's	S&P	Fitch
First Niagara Financial Group			
Outlook	Negative	Stable	Negative Watch
Long Term	Ba1	BB-B	BBB-
First Niagara Bank			
Outlook	Negative	Stable	Stable
Long Term	Baa3	BBB	BBB-

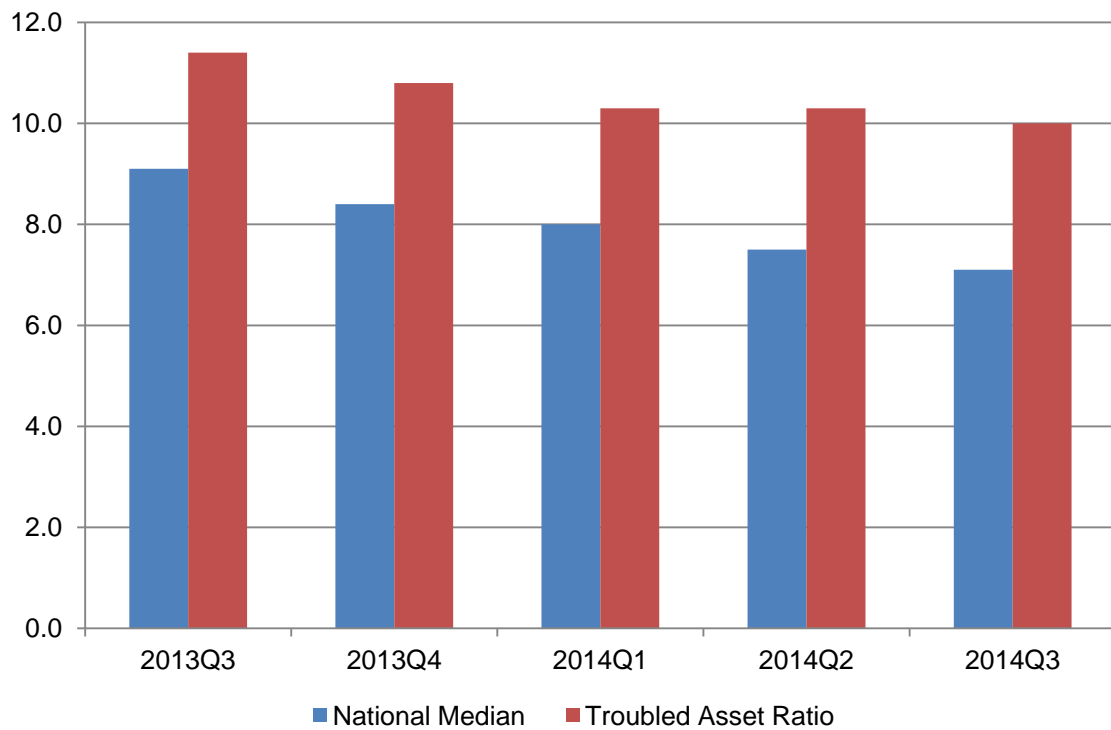
Peer Group Ratings. First Niagara Bank’s Bank Insight peer group rating for September 30 was “2”, placing the bank in the 0 percentile of its peer group of banks with assets of greater than \$10 billion. The drop in peer group ratings resulted from the large net loss reported for the quarter discussed above. Bank Insight ratings and rankings for the last two years were:

First Niagara Bank Peer Group Ratings and Rankings



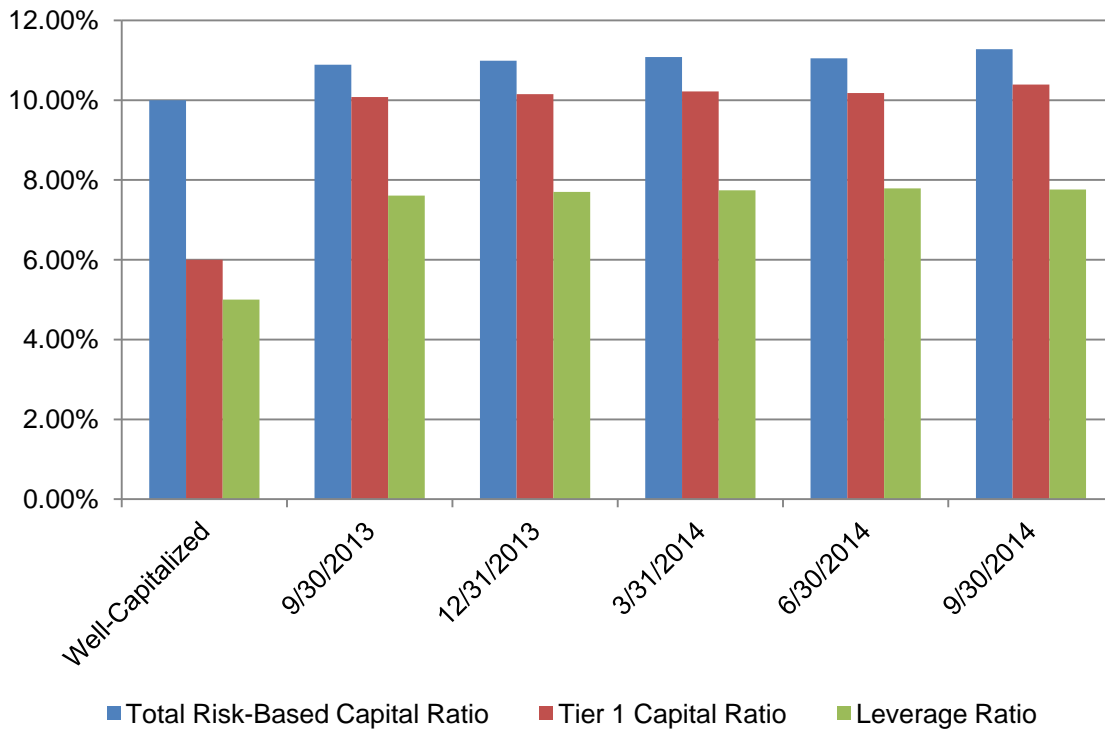
Troubled Assets. The bank’s “troubled asset ratio” for the last five quarters is set forth below:

First Niagara Bank Troubled Asset Ratios



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



Collateral Review. First Niagara Bank maintained collateral coverage of 124.02% of public funds held for deposit as of September 30, 2014 (with non-Pennsylvania municipal securities valued at 80% of market value). The securities in the First Niagara collateral pool as of September 30 consisted of federal agency securities (28.49%), Pennsylvania municipal securities (16.69%) and municipal securities from outside of Pennsylvania (54.81%).

JPMorgan Chase Bank N.A.

Quarterly Earnings. 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 \$5.6 billion, or \$1.36 per share, for the third quarter of 2014 compared to a net loss of \$0.4 billion, or \$(0.17) per share for the corresponding quarter in 2013.

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

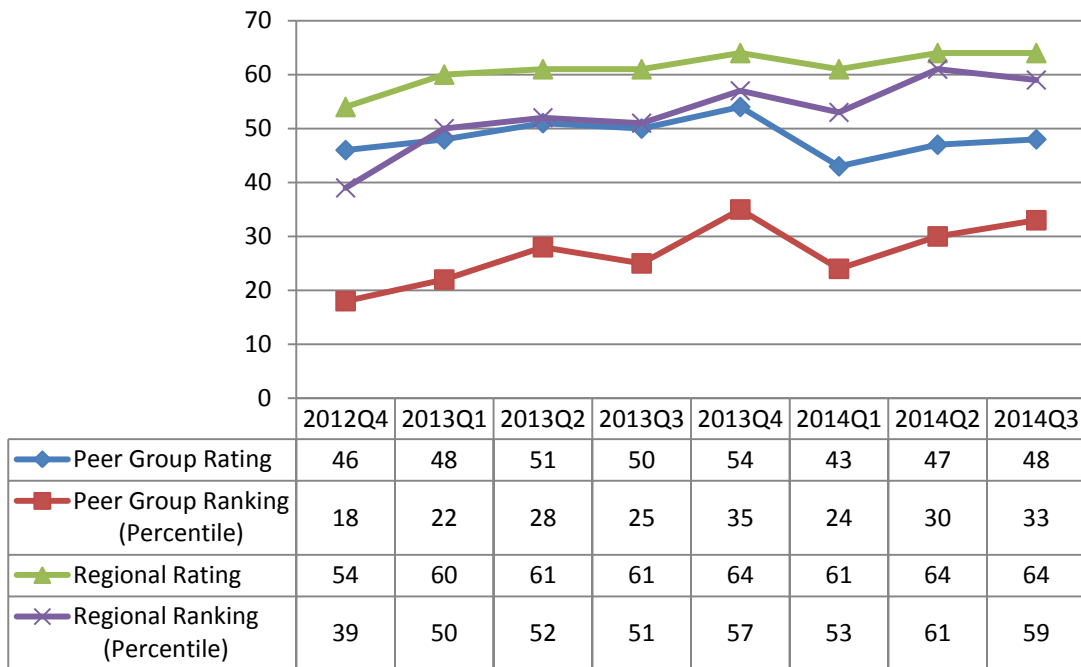
	Moody's	S&P	Fitch
JPMorgan Chase & Co.			
Outlook Senior Debt	Stable A3	Negative A	Stable A+

JPMorgan Chase
Bank

Outlook	Stable	Stable	Stable
Long-Term Debt	Aa3	A+	A+

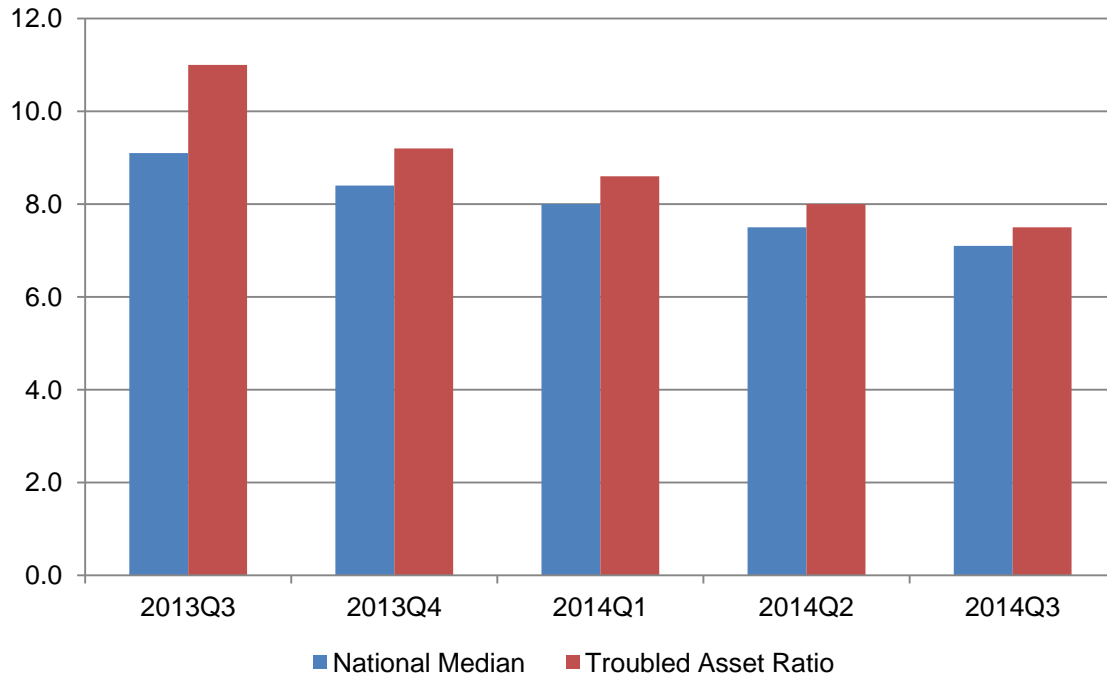
Peer Group Ratings. JPMorgan Chase’s Bank Insight peer group rating for September 30 was “48”, placing the bank in the 33rd percentile of its peer group of 19 banks with total assets exceeding \$10 billion. Bank Insight ratings and rankings for the last two years were:

JPMorgan Chase Bank Peer Group Ratings and Rankings



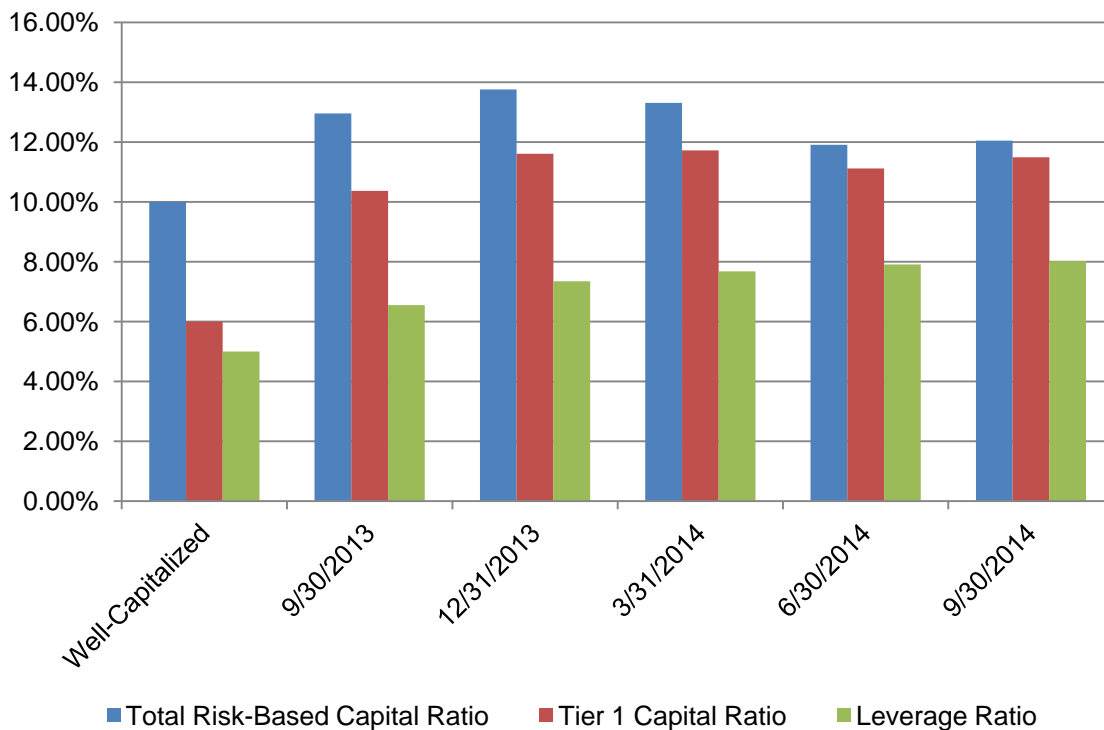
Troubled Assets. The bank’s “troubled asset ratio” for the last five quarters is set forth below:

JPMorgan Chase Bank Troubled Asset Ratios



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



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

National Penn Bank

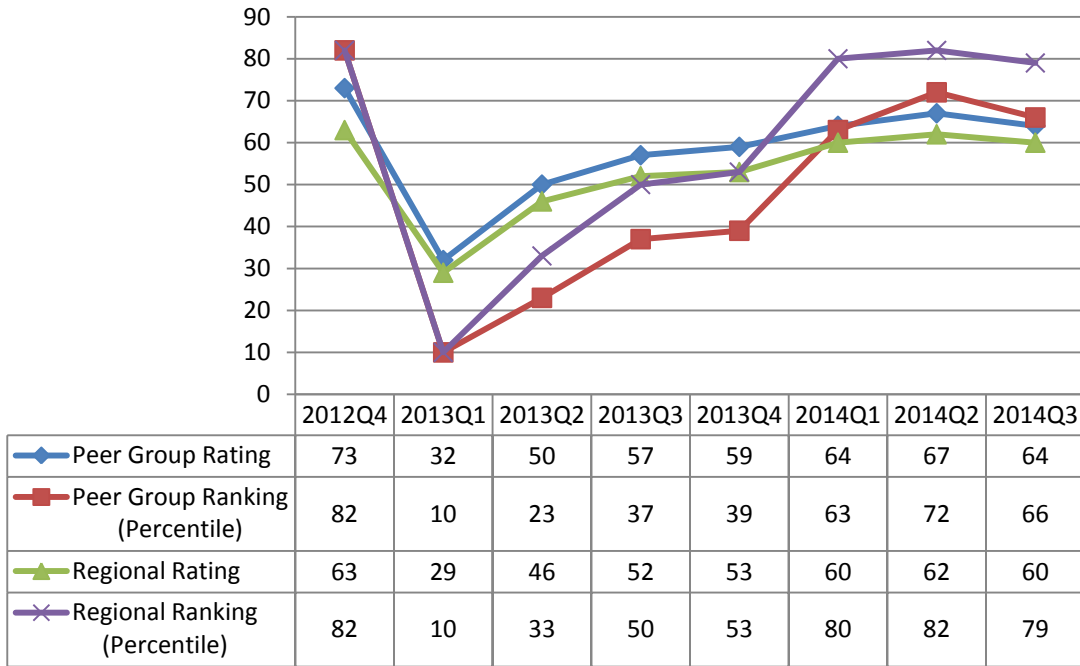
Quarterly Results. National Penn Bancshares, the parent company of National Penn Bank, reported net income of \$25.3 million, or \$0.18 per share compared to adjusted net income of \$26.2 million for the second quarter of 2014, or \$0.19 per diluted common share inclusive of a restructuring charge. Nonperforming assets also continued to decline.

National Penn Bancshares completed the acquisition of TF Financial on October 24, 2014 and the merger of 3d Fed Bank into National Penn Bank. National Penn Bank operates 127 branch offices comprising 119 branches in Pennsylvania, seven branches in New Jersey, and one branch in Maryland.

Credit Ratings. National Penn Bancshares, Inc., the parent company of National Penn Bank, has a Baa2 (Outlook Stable) long-term rating from Moody’s.

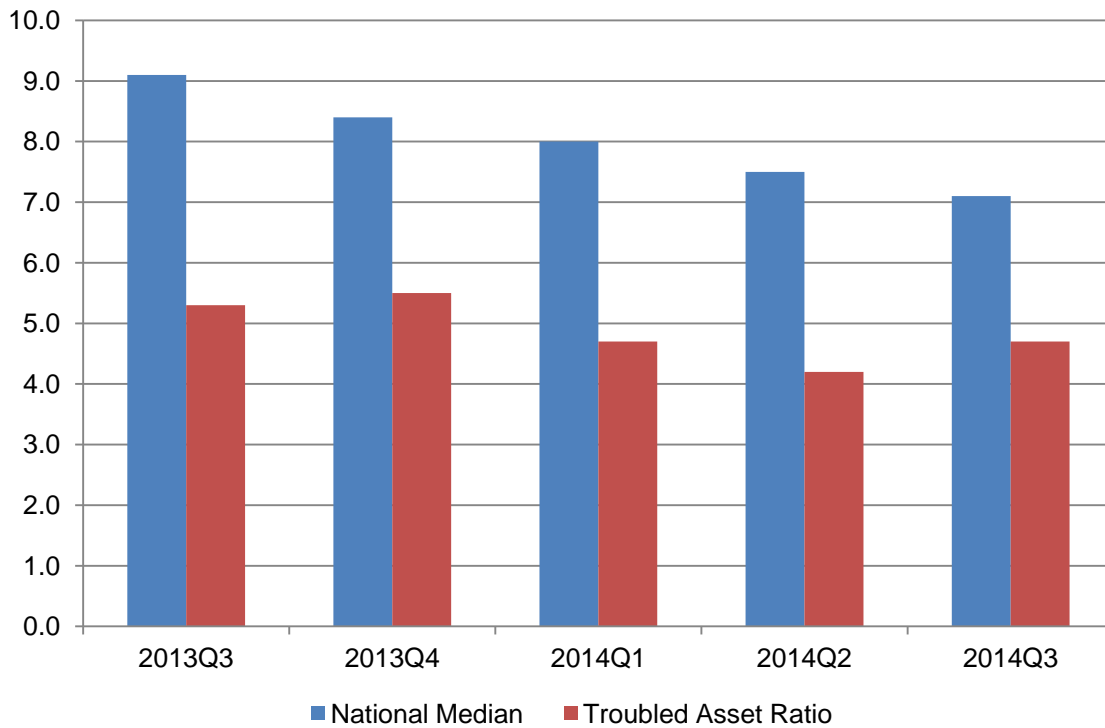
Peer Group Ratings. National Penn Bank’s Bank Insight peer group rating for September 30 was “64”, placing the bank in the 66th percentile of peer group banks with assets of \$5 billion to \$9.9 billion. Bank Insight ratings and rankings for the last two years were:

National Penn Bank Peer Group Ratings and Rankings



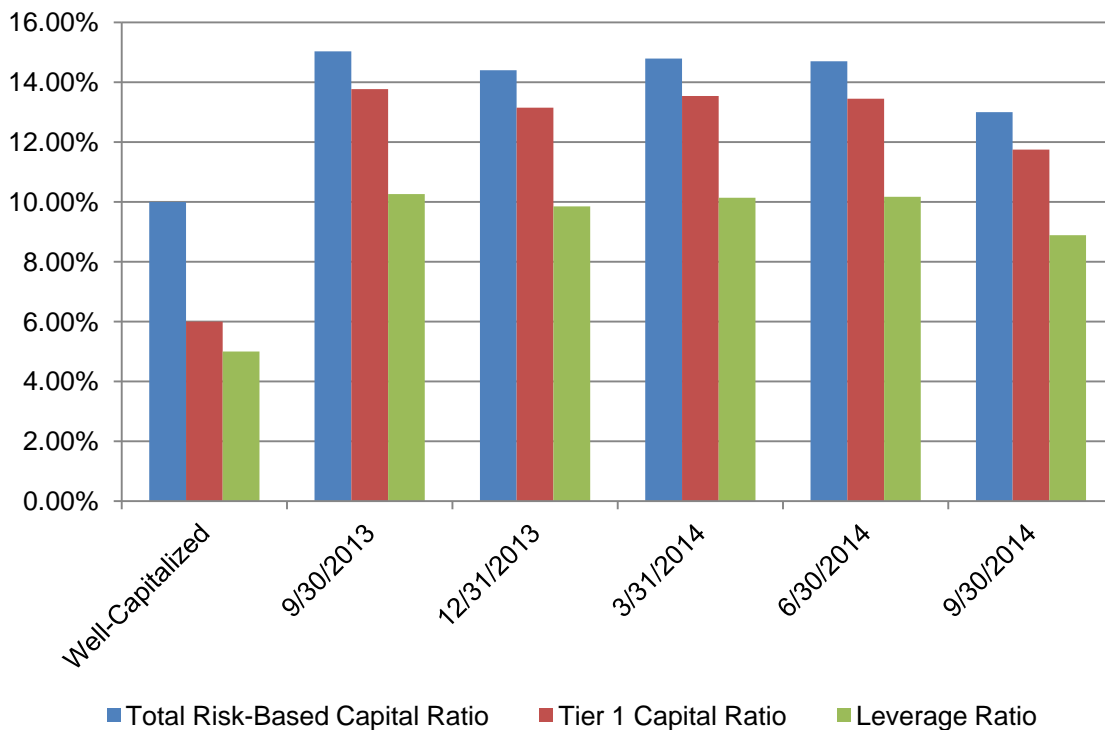
Troubled Assets. The bank’s “troubled asset ratio” for the last five quarters is set forth below:

National Penn Bank Troubled Asset Ratios



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



Collateral Review. National Penn Bank maintained collateral coverage of 102% as of September 30, 2014 and as of June 30, 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

Quarterly Results. PNC Financial Services Group (PNCFSG), the parent company of PNC Bank, reported net income for the third quarter of 2014 of \$1.0 billion, or \$1.79 per diluted common share, a decrease of \$14 million compared to net income of \$1.1 billion, or \$1.86 per diluted common share for the second quarter of 2014 and \$1.0 billion or \$1.77 per diluted common share for the third quarter of 2013. Nonperforming assets to total assets were 0.89% at September 30, 2014, compared to 0.97 % at June 30, 2014 and 1.17% at September 30, 2013.

Credit Ratings. Credit ratings for PNCFSG and PNC Bank are as follows:

	Moody's	S&P	Fitch
PNC Financial Services Group, Inc.			
Outlook	Stable	Stable	Stable
Long-Term Rating	A3	A-	A+

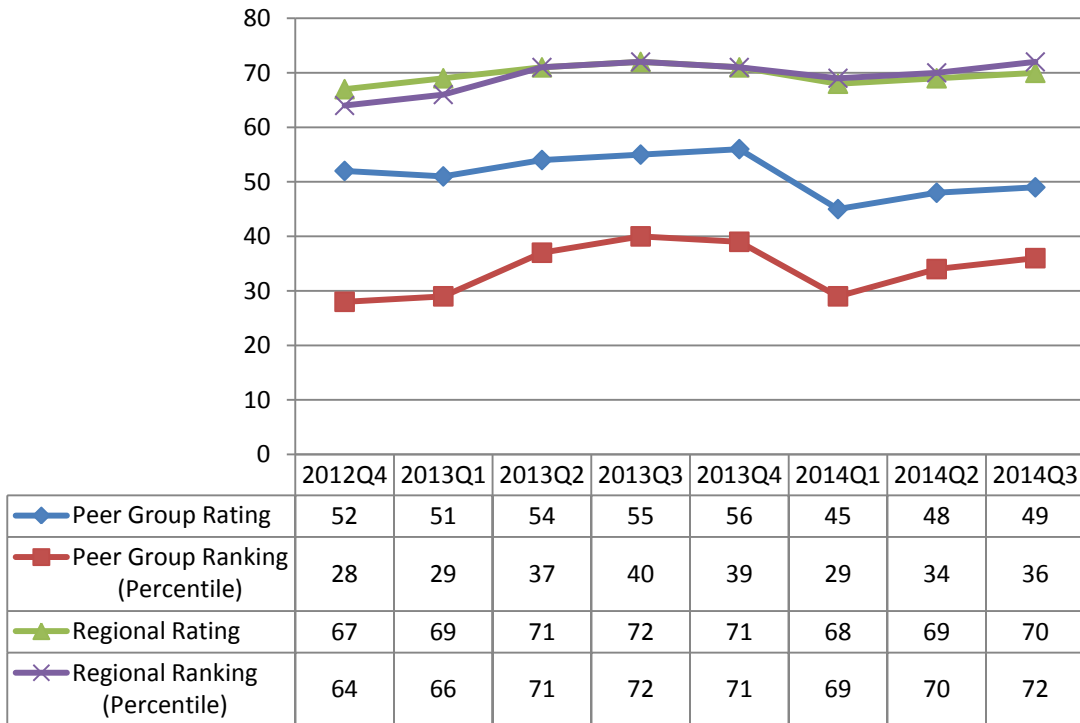
PNC Bank, N.A.

	Moody's	S&P	Fitch
PNC Bank, N.A.			
Outlook	Stable	Stable	Stable
Long-Term Rating	A2	A	A+

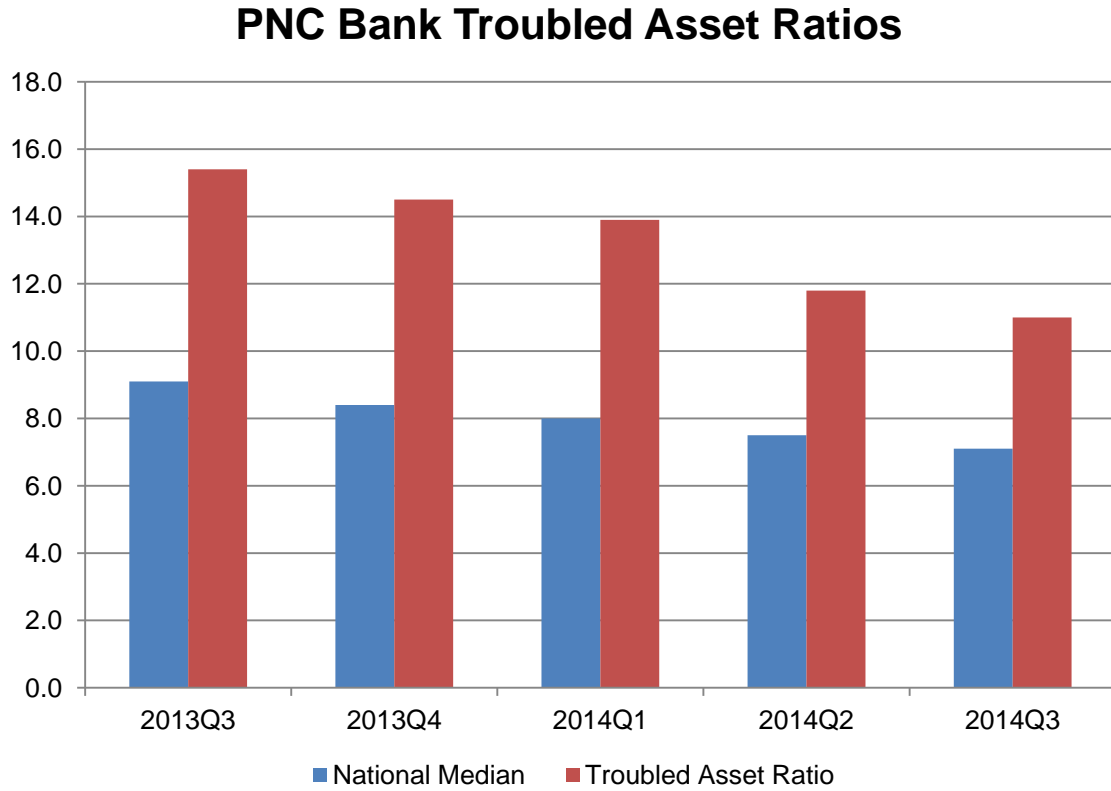
PNC's Thomson Reuters Bank Insight peer group rating for September 30 was "48", placing the bank

Peer Group Ratings. PNC's Bank Insight peer group rating for September 30 was "49", placing the bank in the 36th 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:

PNC Bank Peer Group Ratings and Rankings

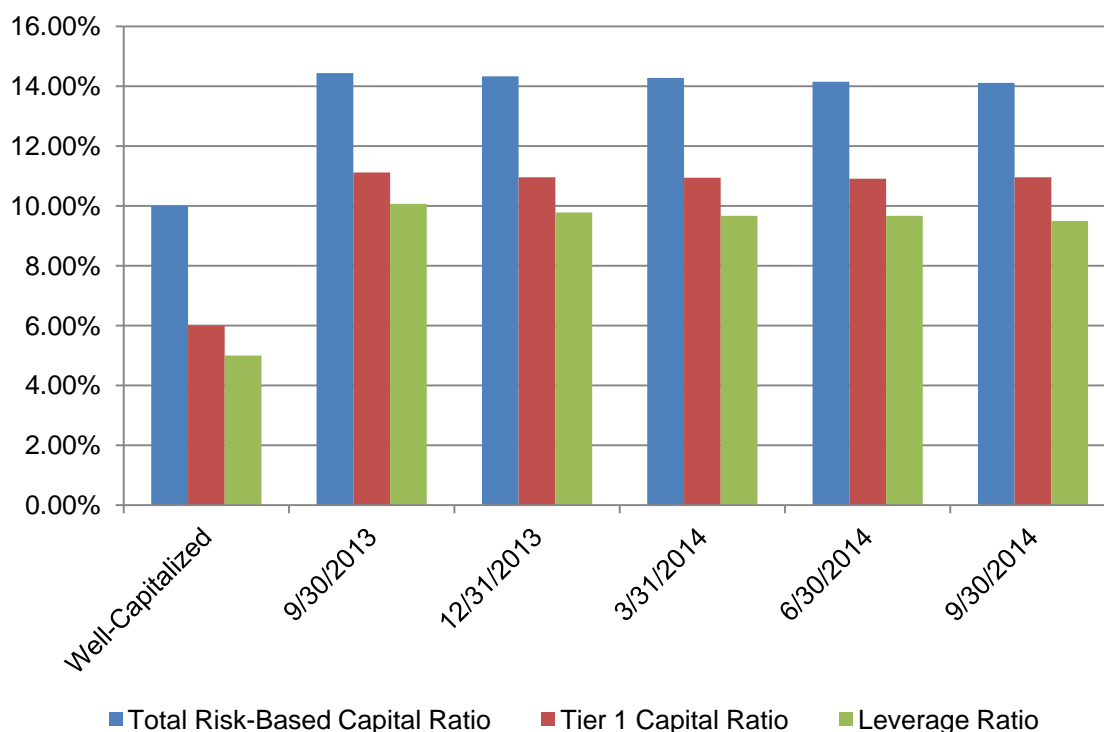


Troubled Assets. The bank’s “troubled asset ratio” for the last five quarters is set forth below:



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



Collateral Review. As of November 30, 2014 PNC maintained collateral coverage of 112.05% as of November 30, 2014 and 101.5% as of October 31, 2014. The security for the collateral 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.

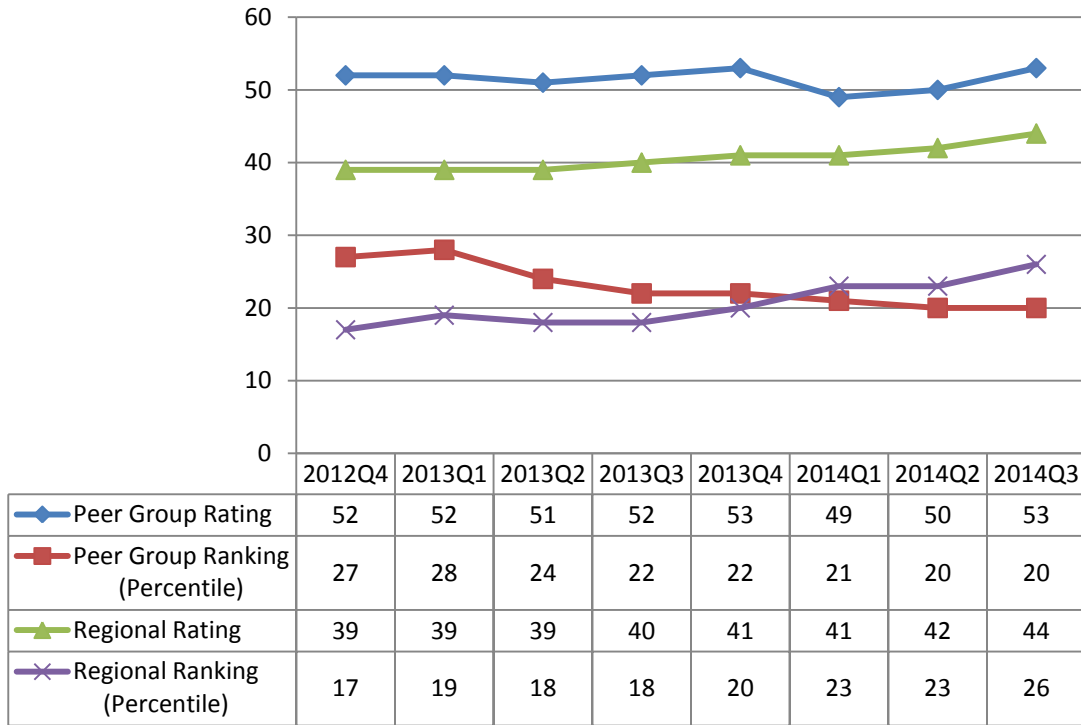
QNB Bank

Quarterly Results. QNB Corp. is the holding company for QNB Bank, headquartered in Quakertown. QNB Corp. reported net income of \$2,044,000 or \$0.62 per share on a diluted basis for the quarter ended September 30, 2014 compared to \$2,128,000 or \$0.65 per share for the corresponding quarter of 2013. Nonperforming assets were 1.81% of total assets for the quarter ended September 30, 2014 compared to 2.15% for the quarter ended June 30, 2014.

Credit Ratings. QNB Corp and QNB Bank do not have long-term credit ratings.

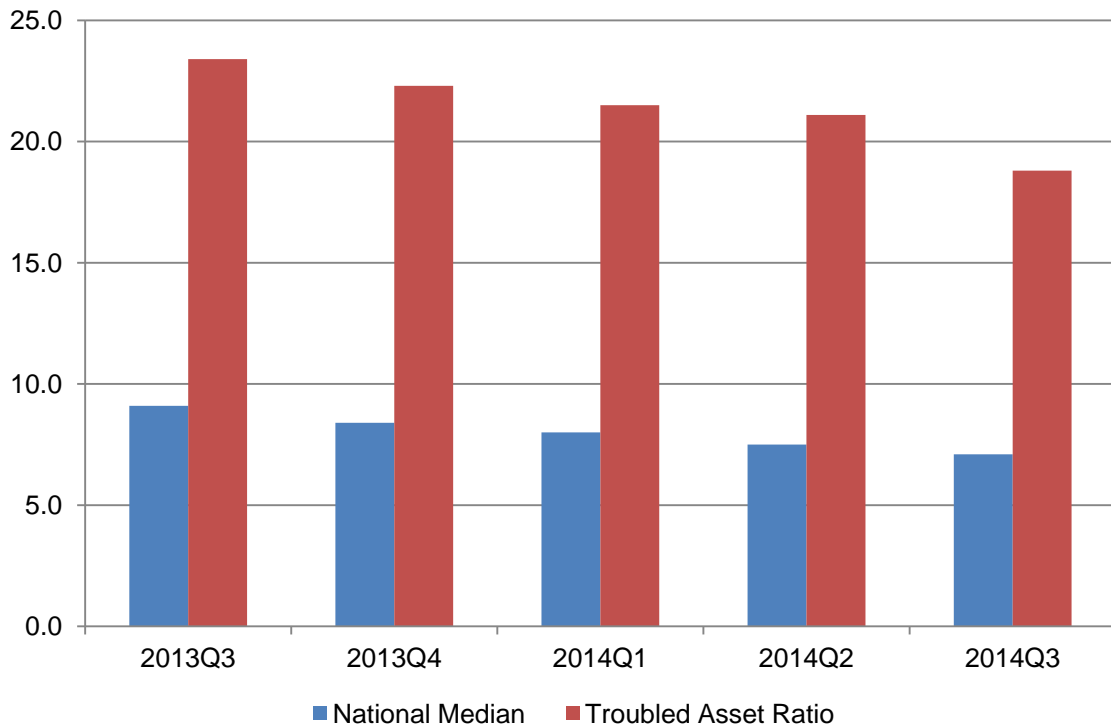
Peer Group Ratings. QNB Bank’s Bank Insight peer group rating for September 30 was “53”, placing the bank in the 20th percentile of its peer group of banks with total assets of \$500 million to \$999 million. Bank Insight ratings and rankings for the last two years were:

QNB Bank Peer Group Ratings and Rankings



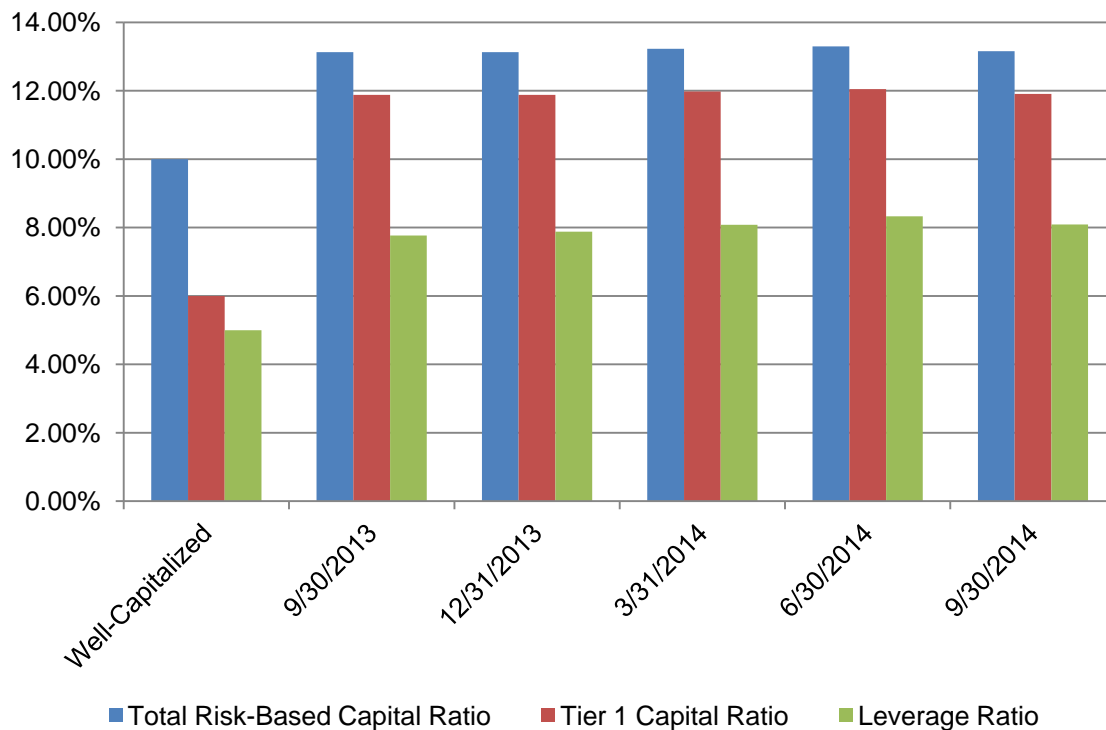
Troubled Assets. The bank’s “troubled asset ratio” for the last five quarters is set forth below:

QNB Bank Troubled Asset Ratios



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



Collateral Review. The Bank maintained collateral coverage in its Act 72 collateral pool of 109% of public funds held for deposit as of September 30, 2014 and 111.43% as of June 30, 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

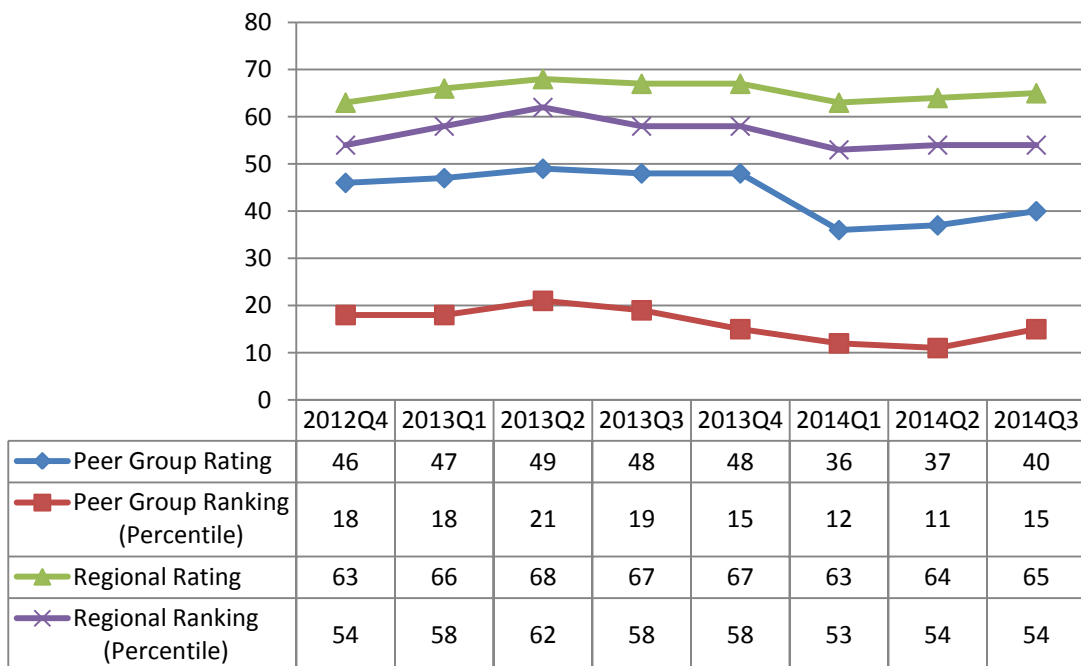
Quarterly Results. Santander Holdings USA Inc. is the holding company for Santander Bank, N.A. which in turn is owned by Banco Santander SA in Spain. S&T Bancorp reported net income of \$14.7 million, or \$0.49 per share on a diluted basis, for the quarter ended September 30, 2014 compared to \$14.7 million, or \$0.49 per share, for the quarter ended June 30 and \$12.2 million, or \$0.41 per share, for the corresponding quarter of 2013. Nonperforming assets declined to 1.03% of total loans compared to 1.07% for the quarter ended June 30, 2014.

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

	Moody's	S&P	Fitch
Banco Santander Long Term Outlook	Baa1 Stable	BBB+ Stable	A- Stable
Santander Bank, N.A. Long Term Outlook	Baa1 Stable	BBB Stable	BBB+ Stable

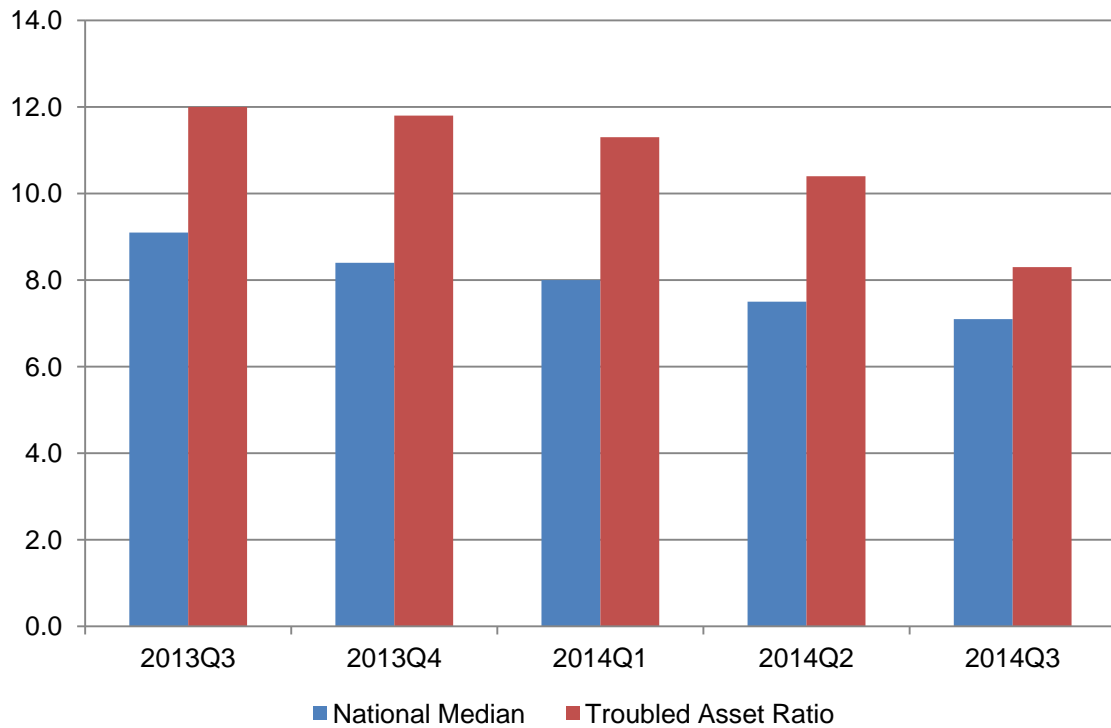
Peer Group Ratings. Santander Bank's Thomson Reuters Bank Insight peer group rating for September 30 was "40", placing the bank in the 15th percentile of its peer group of banks with total assets greater than \$10 billion. Bank Insight ratings and rankings for the last two years were:

Santander Bank Peer Group Ratings and Rankings



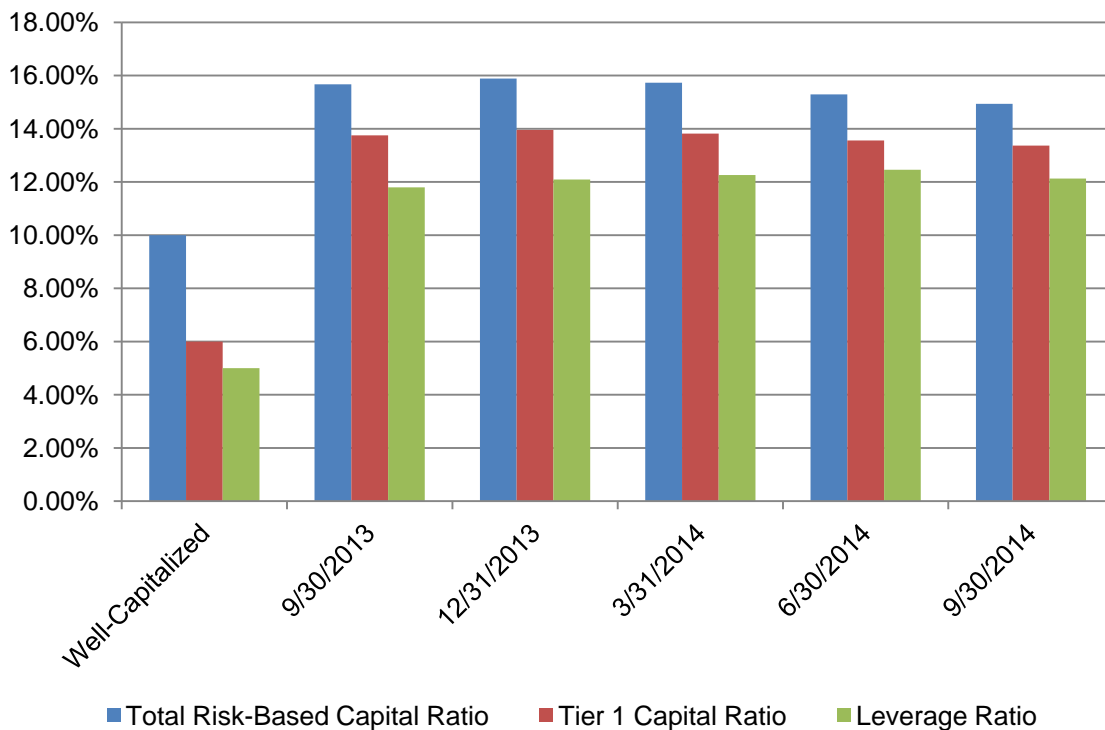
Troubled Assets. The bank's "troubled asset ratio" for the last five quarters is set forth below:

Santander Bank Troubled Asset Ratios



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.

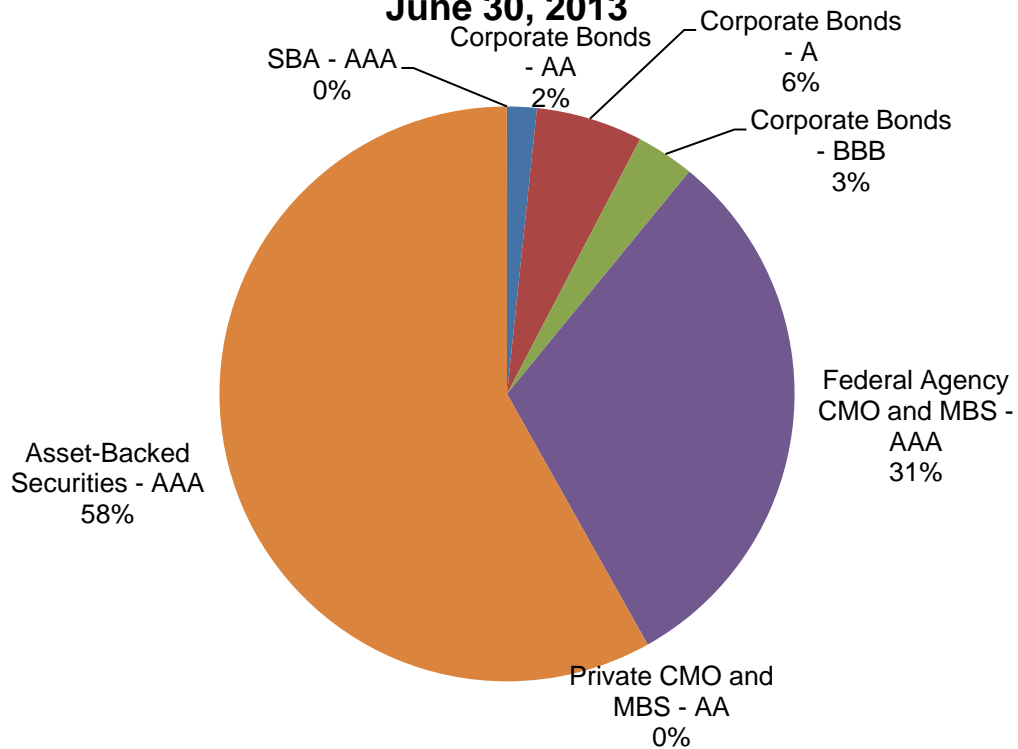
Santander Bank Capital Ratios



Collateral Review. Santander Bank maintained collateral coverage of 107.48% as of September 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.

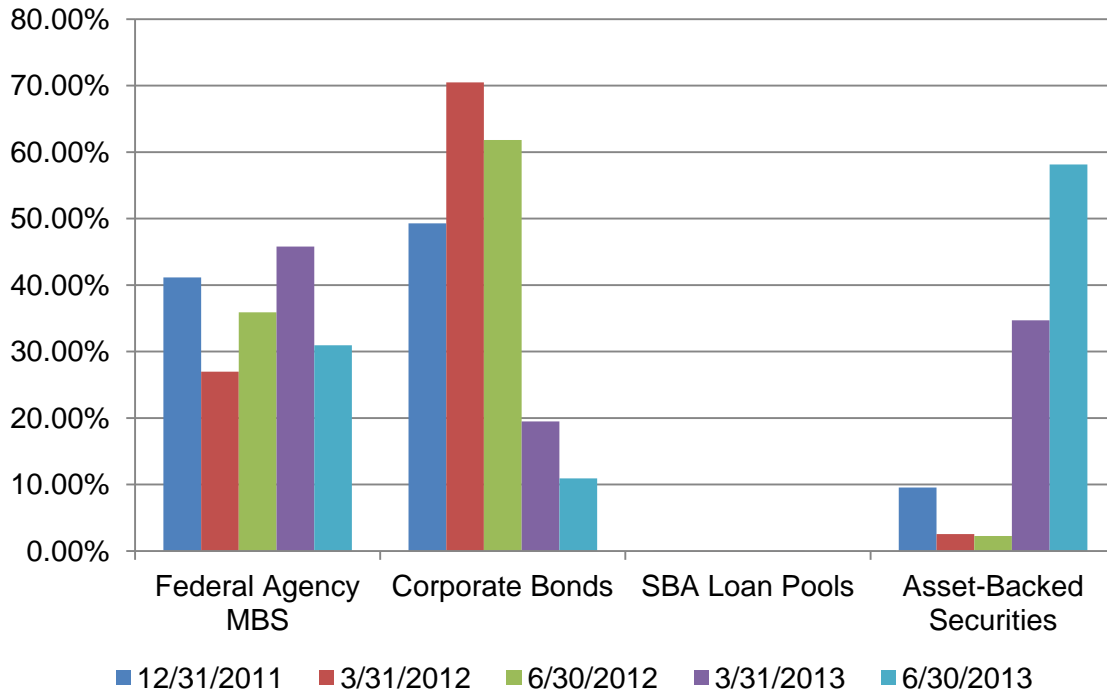
Santander’s collateral portfolio as of June 30, 2013 consisted of the securities shown in the chart below. We have not received a collateral listing since June 30, 2013. Federal agency securities in the portfolio included direct and pooled obligations of Fannie Mae and Freddie Mac. The portfolio included 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

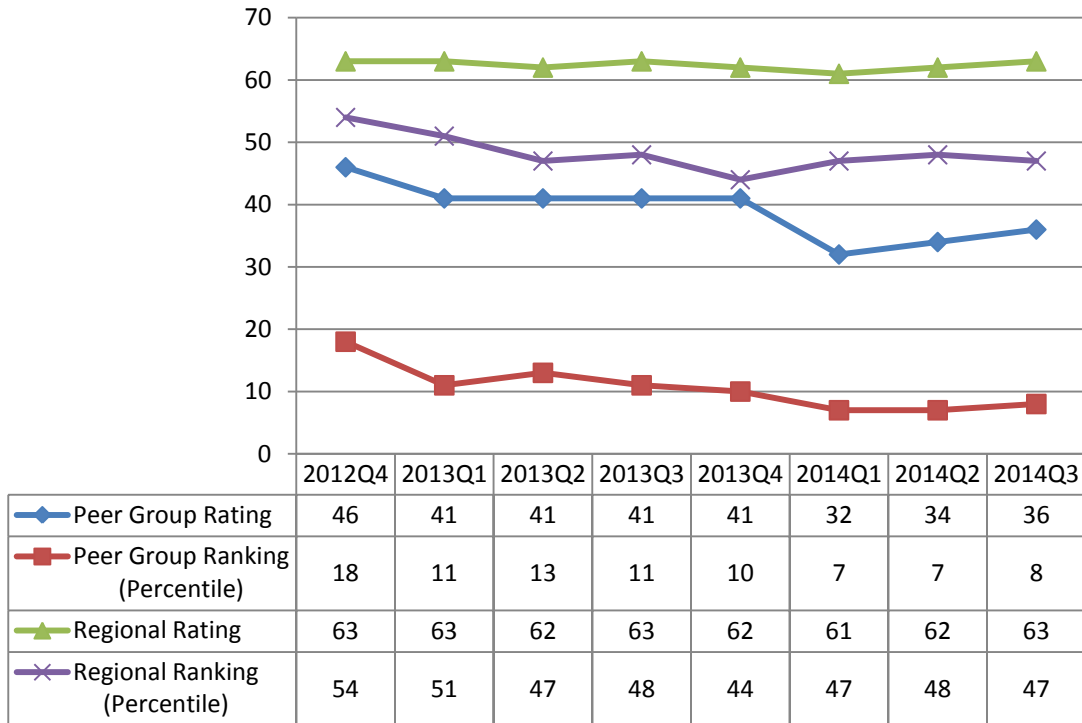
Quarterly Results. Toronto-Dominion Bank of Canada is the parent company of TD Bank US Holding Company which owns TD Bank, N.A. TD Bank reported net income for the third quarter of 2014 of \$253.1 million compared to net income of \$342.9 million for the second quarter of 2014 and \$216.6 million for the third quarter of 2013. Nonperforming assets to total assets were 0.68% at September 30, 2014, compared to 0.71 % at June 30, 2014 and 0.76% at September 30, 2013.

Credit Ratings. The ratings for Toronto-Dominion Bank and TD Bank, N.A. are as follows:

	Moody's	S&P	Fitch
Toronto-Dominion Bank			
Long Term Rating	Aa1	AA-	AA-
Outlook	Stable	Negative	Stable
TD Bank, N.A.			
Long Term Rating	Aa3	AA-	AA-
Outlook	Stable	Negative	Stable

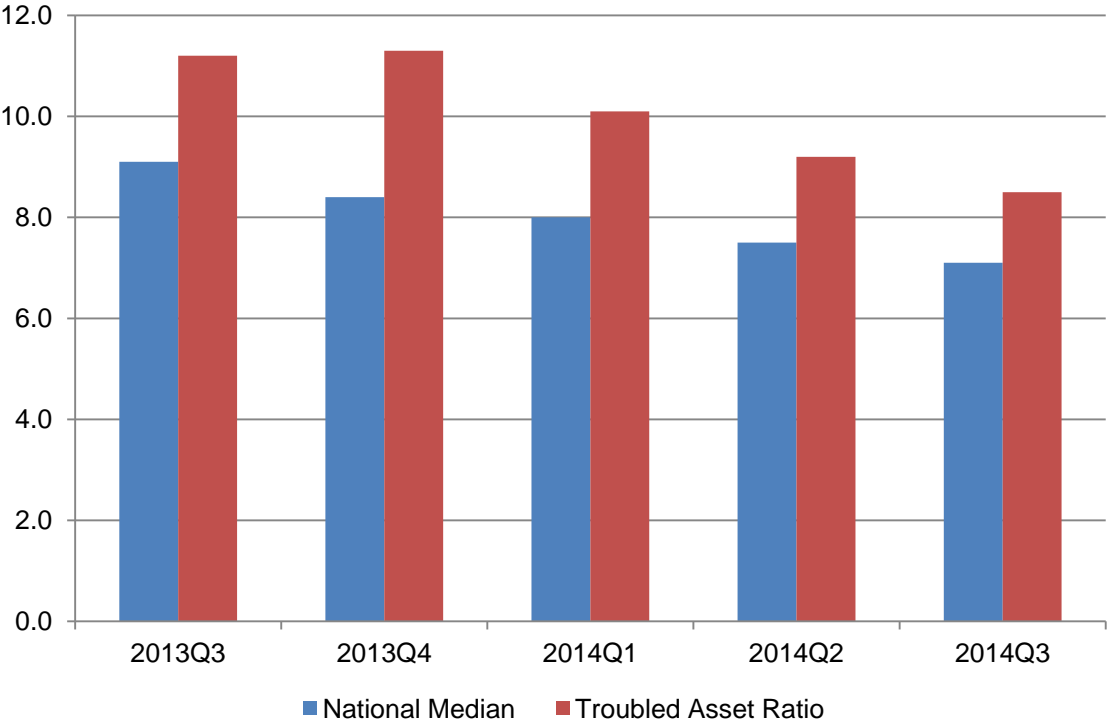
Peer Group Ratings. TD Bank’s Thomson Reuters Bank Insight peer group rating for September 30 was “36”, placing the bank in the 8th percentile of its peer group of banks with more than \$10 billion in total assets. Bank Insight ratings and rankings for the last two years were:

TD Bank Peer Group Ratings and Rankings



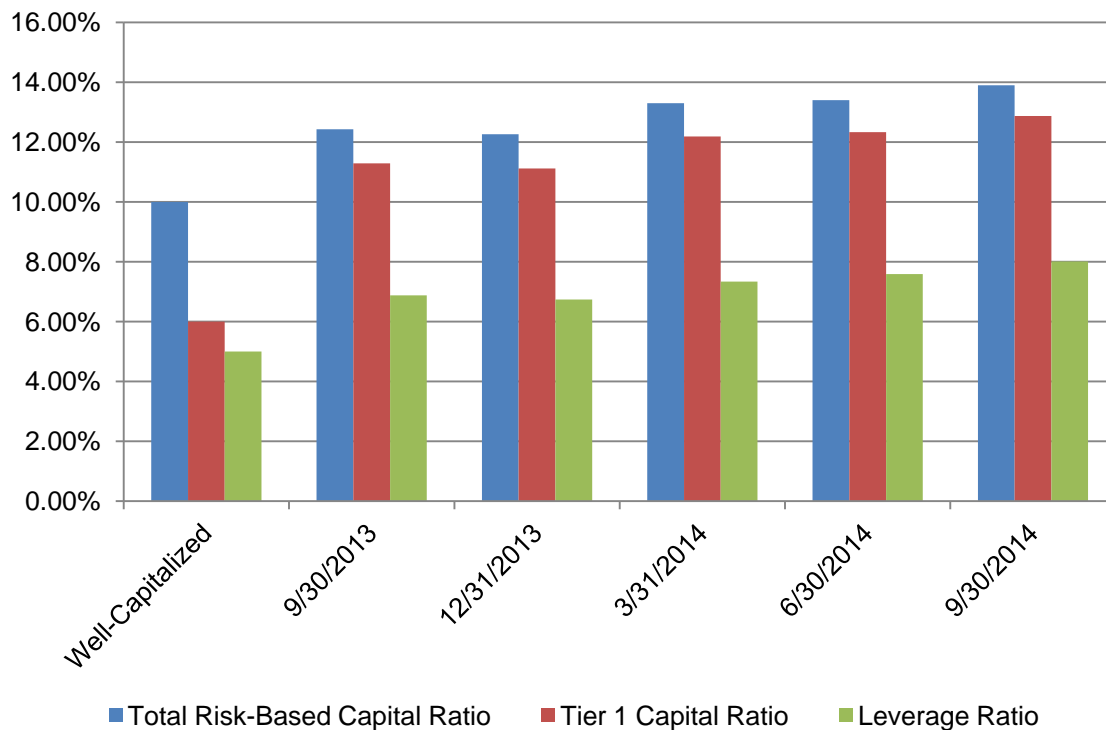
Troubled Assets. The bank’s “troubled asset ratio” for the last five quarters is set forth below:

TD Bank Troubled Asset Ratios



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



Collateral Review. TD Bank maintained collateral coverage of 105.63% of public funds held for deposit as of November 30, 2014 and 104.70% as of October 31, 2014.

The securities in TD’s collateral pool as of November 30 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 investments 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

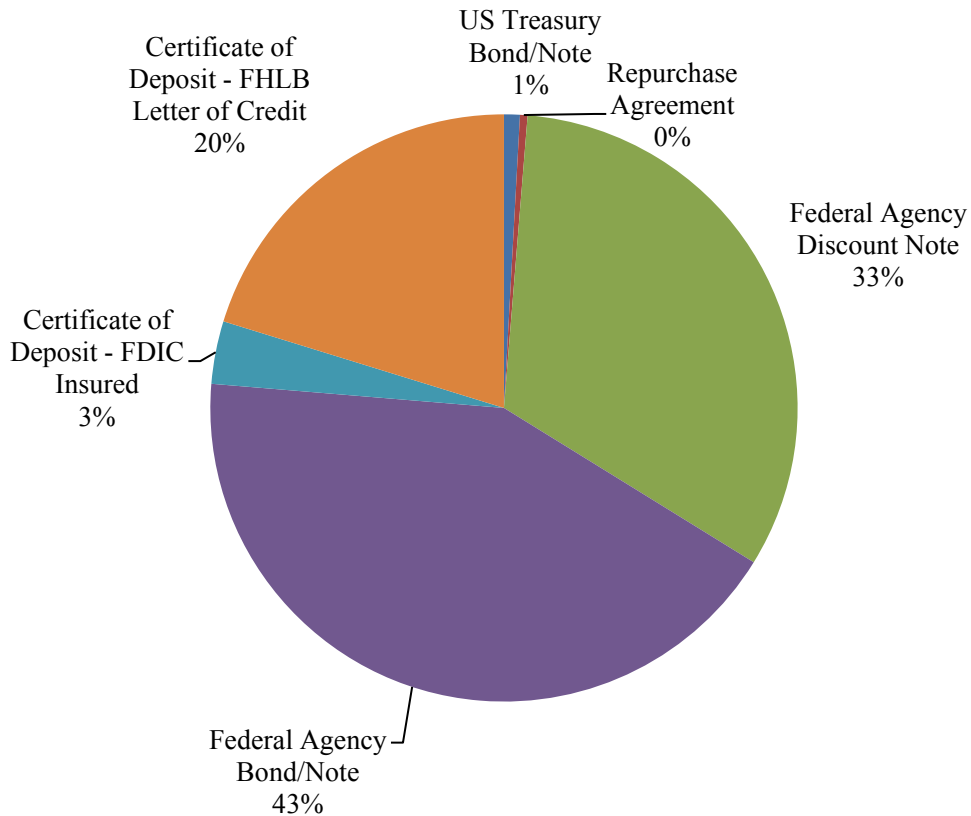
Investments placed with PLGIT and PSDLAF are similar to an investment in a AAA rated money market mutual fund (although they are not eligible for SIPC insurance coverage). As such, collateral is not required since the School District owns a proportionate share in the securities held in the Trust. Therefore, 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 September 30, 2014.

PLGIT PLUS Composition of Securities in Portfolio September 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 October 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 to the 62nd percentile. Citibank has capital ratios well in excess of the required minimums. Citibank's troubled asset ratio is a point below the national median.

Citizens Bank's Bank Insight rankings were steady at the 25th percentile after falling to the 3rd percentile a year ago. As discussed above, the drop to that level followed a goodwill impairment charge 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 three points below the national median. Citizens' Act 72 collateral pool provides very strong coverage for public funds deposits. ***We have not received a collateral report from Citizens since February.***

First Niagara's Bank Insight ranking plummeted over the last year from the 28th percentile a year ago to 0. The abysmal rating resulted from the large net loss reported for the quarter discussed above which should not be repeated since it resulted from a one-time accounting charge. Nonetheless, First Niagara's ability to show improved results must be monitored. Its troubled asset ratio is almost three points above the national median. The bank's Total Risk Based Capital Ratio has climbed slowly over the last year up to 11.28%, and is now over one percent above the 10.0% minimum; 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 from the 30th percentile to the 33rd 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 less than 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 dropped from the 72nd percentile to the 66th percentile. Its troubled asset ratio is almost 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 ranking was steady at the 36th percentile and its troubled asset ratio is now 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 September. The bank's troubled asset ratio is almost twelve 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 rose slightly from the 11th percentile to the 15th percentile during the third quarter. Its troubled asset ratio is close to one point 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 8th 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.

December 30, 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 October 31, 2014

