CENTRAL BUCKS SCHOOL DISTRICT
Finance Committee Notes
October 21st, 2015

Committee Members Present

Jerel Wohl, Chairperson
Paul Faulkner, Member

Dave Matyas, Business Administrator
Susan Vincent, Director of Finance

Committee Members Absent
Geri McMullin, Member

Other Board Members and Administrators Present

John Gamble
Joe Jagelka

Dr. Weitzel
Dr. Bolton

New School Board Member Candidates
Sharon Collopy
Beth Darcy
Karen Smith
Dennis Weldon

Wayne Marquez
Member of the Press

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

PUBLIC COMMENT
Six members of the public were present.

Review of Notes
The May 20, 2015 Finance Committee meeting notes were accepted as presented.

INFORMATION/ DISCUSSION/ACTION ITEMS

Financial Overview and First Look at the 2016-17 Budget – Administration handed out a comprehensive budget for 2015-16 that includes five years of past financial history as well as a prospective look at the budget five years into the future. In addition administration provided a reference document which gives a broad financial overview of the district.

Administration then gave an interactive PowerPoint presentation on district finances reviewing:

- The budget calendar
- Act 1 Tax Reform
- State retirement system outlook
- District cost control measures
- History of key expense trends
- Review of capital planning and budgeting
- Student enrollment review
- First look at the 2016-17 budget

The first look at the 2016-17 expenditure budget has an increase of about 3.9% over the current 2015-16 budget or about a $12M increase. Almost half in the expenditure increase is associated with additional contributions to the state retirement system which is increasing the contribution rate by 15%.

Four employee groups will enter into negotiations with the school board during the 2015-16 fiscal year. Administration will provide a future update on its study of athletics and QUEST (Questioning and Understanding through Engineering Science and Technology) program.

Request for an Additional School Bus – Due to greater than expected growth in the population of special needs students and homeless students the district had a need for two additional 36-passenger school buses. An engine was replaced in an older 36-passenger bus at a cost of $14,000 to extend the vehicle's life and seems to be working out very well. Administration is requesting one 36-passenger bus to be awarded to the low bidder, Wolfington Body Company, at the next school board meeting.

36 Passenger Type "C"	Rohrer	Wolfington	**Wolfington (alternate)**	Brightbill
36 Passenger-1 each	$ 69,400.00	$ 85,607.00	$ 81,953.00	No bid
Trade-In: Bus L-8	$ 1,600.00	$ 1,200.00	$ 1,200.00	
	Used Bus 49,500 miles	New Bus, Must Be Ordered, 4 -5 Month Delivery	New Bus On Dealer Lot, 2-3 week Delivery	
36 Passenger bus cost, less trade value	$ 67,800.00	$ 84,407.00	**$ 80,753.00**	

New Accounting Position for the Business Office – Administration presented an initial plan to reorganize the business office if an additional accounting position is added. The position is requested due to the need to develop more detailed budgets and more detailed negotiations information. In addition the increased demands of federal and state reporting requirements have strained staff schedules and deadline commitments.

- Federal Affordable Care Act - for 2015, new requirements to report health care benefits provided to each employee and dependents detailed for each month. Provide forms 1094/1095b forms to employees and the IRS.
- State Title IX reporting for athletics – for 2015 add race and ethnicity data for each student in addition to the 2013 new reporting requirements.
- Federal ACCESS Reporting for health care services provided to special needs students.
    - Develop more detailed accounting for indirect organizational costs to feed into the new ACCESS report.
    - Break special education costs into greater detail to feed into ACCESS reports and PDE yearend reports.
- Federal Healthy Hunger-free Kids Act compliance with nutrition guidelines and reporting. New on site reporting standards for auditing student portions and offer vs serve.
- Federal compliance with changing regulations for evaluating free / reduced price lunch applications.

- Develop special education costs by individual student with special needs to comply with the new Pennsylvania Act 16 special education funding formula. This is a verification requirement that must be in place as a part of the new funding formula
- Local oversight of student activity funds.
- This position will also work closely with the HR department to help set up database work flows to more fully integrate HR and Payroll data.

	Wages	Health Care Benefits
Savings by Eliminating Accounts Payable Secretary 1.0 FTE	- 39,000	- 14,000
Add 1.0 Accounting Position	+75,000	+14,000
Total Approximate Additional Cost	**$36,000**	**0**

The finance Committee directed administration to place this item on a future school board agenda for consideration.

ADJOURNMENT

The meeting adjourned at 9:22 p.m.

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

Central Bucks School District
Finance Committee

Administration Center – 20 Welden Drive
Wednesday October 21st, 2015 7:00 pm Projected time – 90 Minutes

Jerel Wohl, Chairperson	**Geri McMullin, Member**
Paul Faulkner, Member	
Dave Matyas, Business Administrator	**Susan Vincent, Director of Finance**

Agenda

1) Call to Order	Chairperson	Start Time
2) Public Comment	Chairperson	
3) Approval of Prior Meeting Notes	Chairperson/Committee	Pages 1 - 7
4) Information / Discussion / Action Items		
a. Financial Overview and First Look at the 2016-17 Budget	60 minutes Dave Matyas / Susan Vincent	Handout
b. * School Bus Replacement	5 minutes Dave Matyas	Pages 8 - 10
c. * Business Office Reorganization	10 minutes Dave Matyas / Susan Vincent	Pages 11 - 24
5) Adjournment	Chairperson	End Time
6) Next Meeting Date: November 18th, 2015		

Information Items

* Treasurers Report	Pages 25 - 29
* Investment Report	Pages 30 - 34
Other Funds Report	Page 35
Payroll Expense Projections	Page 36
Tax Collection Projections	Page 37
Benefit Expense Projections	Page 38
LOGIC Report	Pages 39 - 63

* **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
May 20, 2015

Committee Members Present	Other Board Members and Administrators Present
Jerel Wohl, Chairperson	Steve Corr
Paul Faulkner, Member	Jim Duffy
	John Gamble
Dave Matyas, Business Administrator	Joe Jagelka
Susan Vincent, Director of Finance	
	Ken Rodemer, Assistant Director of Operations

Committee Members Absent
Geri McMullin, Member

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

PUBLIC COMMENT
Three members of the public were present.

Review of Notes
The April 15, 2015 Finance Committee meeting notes were accepted as presented.

INFORMATION/ DISCUSSION/ACTION ITEMS

2015-16 Budget Update – There were three changes to revenue that were reviewed. Local real estate revenues were adjusted upwards by approximately $169,000 due to a reduction in revenue received from the state from gambling proceeds to be used as a discount on real estate tax bills for homesteads and farmsteads. The impact of the state revenue reduction will be that homestead and farmstead owners will pay an estimated $6 or $7 dollars extra on their real estate tax bill even though there is no millage increase slated for the 2015-16 school year.

	2014-15 School Year		**2015-16 School Year**
Typical Tax Bill	40,000 Assessment x 124.1 mills		40,000 Assessment x 124.1 mills
Gross R.E. Tax	$4,964		$4,964
State Gambling Rebate	-200		-193
Discounted Tax Bill	$4,764	⇦ $7 difference ⇨	$4,771

State gambling revenue for real estate tax discounts is reduced by $169,000 based on the latest state estimates. Also Title 1 federal subsidies are increasing by about $75,000 for 2015-16 due to a slightly larger population of Central Bucks families classified as below the poverty level. Total revised revenues now stand at $311,497,754.

With the increase in Title 1 federal funding, expenses were also increased for the program by approximately $75,000. The extra funding was placed into classroom assistant salaries and benefits. If a different use of those funds is determined over the summer months a budget transfer can be made in October 2015. The expenditure budget now stands at $311,497,754 as well with no millage increase proposed for 2015-16.

Q: If the number of families below the poverty line in CBSD are increasing, is it likely that the number of student qualifying for free and reduced price lunches will also increase?

A: It is likely that students eligible for free and reduced price lunches will increase. We did see an increase in this category since the start of the great recession. The last couple of school years fewer students have been qualifying for free and reduced price lunches which is an indicator that the financial health of school district families is improving. The school district will have more information on this topic by the end of October as most applications will have been processed by that time.

The committee gave direction to administration to continue with the scheduled budget presentation and timeline for final budget adoption.

Deputy Tax Collectors – Act 164 of 2014 requires all tax collectors to appoint a deputy collector, in case of incapacitation, starting with the 2015-16 school year. The deputies must then be approved by the county, municipality, and school district. All of the Central Bucks tax collectors have submitted recommendations for their deputies except for John Mohan of Warrington Township. Once approved the tax collectors will need to provide proof of bonding insurance coverage for the tax collector and deputy tax collector.

Central Bucks School District		
Appointment of Deputy Tax Collector		
Tax Collector	**Municipality**	**Deputy Tax Collector**
Ann Calderaio	Buckingham Township	Denise Betts
Kari Williams Tyksinski	Doylestown Borough	Kim MacMinn
Sarah Tomlinson	Doylestown Township	Thomas McCambridge
Rich Sabol	New Britain Borough	Richard Sabol Sr.
Nancy Jones	New Britain Township / Chalfont Borough	Helena Melendez
Sherry Labs	Plumstead Township	Denise Betts
John Mohan	Warrington Township	
Denise Betts	Warwick Township	Shannon Brooks

Q: Why isn’t there a deputy real estate tax collector established for Warrington Township?

A: Administration has reached out to Mr. Mohan to ask who his appointment is. We have not received any updates from Mr. Mohan, so we thought it best to have the school board approve all other deputy real estate tax collectors prior to the start of the new fiscal year.

Q: Is it practical that one tax collector can be a deputy for multiple primary real estate tax collectors?

A: To date, the school district has seen minimal need for the use of a deputy real estate tax collector. All of the primary real estate tax collectors have been able to perform their job functions without interruption. There are many open issues with the deputy tax collector requirement such as are they required to have the same educational training, do they need to be a resident of the municipality, who pays the deputy tax collector? These items will need to be addressed with legislative actions in the future.

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

Replacement of School Bus and Special Education Vans – The school district has completed our review of the current fleet to determine what type and how many new buses/vehicles we will need to maintain an appropriate number for the 2015-2016 school year.

In addition to the (12) new 77 passenger buses, (1) 48 passenger bus and (2) 36 passenger buses for which we seek approval, we will need (3) 7 passenger vans to replace 3 aging (1-2004, 2- 2006) vans from our Special Needs Department. The 3 vans that need to be replaced are 9-11 years old and all approaching 200,000 miles. All buses will go through the standard vendor purchase bidding process. The vans will be a separate purchase request via a state contract.

The type of van that the district has historically used is a sliding passenger door configuration. We have found this style of door suitable to address our special needs students that have difficulty entering and exiting our vehicles. The vans can come equipped (we have specified) with sliding side doors for easy access and exit rather than your standard car door opening. Very few auto manufacturers currently offer this feature.

Estimated costs for the large school buses	15 x $77,000 = $1,155,000
Estimated costs for the three vans are	3 x $22,500 = $ 67,500
Total Estimated Costs	$1,222,500

Q: Are all of these buses and vans in need of replacement?

A: The school district tries to replace school buses around the 12 year mark of operation. If the mechanics feel a school bus still has life, it is kept as a spare vehicle to be used when other buses come in for routine maintenance. Newer buses tend to be used for sport strips and field trips that go outside of school district boundaries. The school buses identified for replacement would need extensive work to pass state inspection, so it is economically more feasible to replace them.

The committee gave direction to administration to proceed with the procurement process through advertised bids and using state contracts to purchase the vans.

Replacement of Copiers – CBSD currently has a 48 month lease on a Savin fleet of copiers. The current lease expires at the end of June 2015. Keystone Digital Imaging (KDI) 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 4 years ago after specifying machine speed, location, and copy volume. We are finding that the current copiers cannot stand up to the demands of our schools. The solution is to replace the copiers at the completion of the lease and change the configuration of equipment to more durable models.

In addition, the district has also not been satisfied with the quality of maintenance services under the current contract, 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 experience.

A standard Canon copier will have:

- four paper drawers that allow for multiple paper size configurations
- a document feeder
- sorting/collating/stapling ability
- each machine will have the ability to copy, scan, and to function as a printer since each machine will be connected to the district network

Some slight changes to the standard machine configuration, such as adding a three-hole punch option, may be needed depending on the needs of individual schools.
The proposed Canon Solutions America machine configurations have higher capacities with a longer production cycle before requiring routine maintenance as compared to the current copier fleet. While a contract with Canon Solutions America will cost about $22,570 more per year than the KDI proposal, Canon will be providing 20 machines that have a higher duty cycle capacity than the machines proposed by KDI. This should help reduce monthly maintenance downtime. Installation and implementation of the new equipment would take place at the end of June and early July.

Q: What can be done to reduce the copy volume throughout the school district?
A: Paper copies are used for test taking, student drills and practice, and as supplemental textbooks with more up-to-date materials. The scanning feature of the copiers is used extensively by all employees to distribute information and minimize paper usage.

The committee gave direction to administration to continue with the leasing process and place the item on the school board agenda for consideration.

Aramark Food Service Contracts Renewal, Year 2 – The district changed the food service contract to update it with a reduced financial guarantee changing the contract from a $750,000 guarantee to a $650,000 guarantee. The contract also calls for Aramark to utilize an additional $100,000 to enhance the elementary menu. The updated contract has been submitted to the Pennsylvania Department of Education for their review and approval. Once PDE’s approval has been received, the contract will be placed on a future school board agenda for consideration.

Budgetary Transfers for the 2014-15 School Year – The annual expenditure budget is approved on a detailed state mandated format. As the fiscal year progresses, actual required expenditures may exceed the original budget in certain categories and also some expenditures may fall below the original budget in other categories. The State requires that the Board approve budgetary transfers to cover all higher than anticipated expenditures that occur in budget categories.

Q: Why is there a need for a budget transfers?
A: The budget is a financial plan. Items come up during the year that may not have been anticipated. Budgeted expenses could also come in slightly higher or lower than budgeted amounts. The district tries to budget to the anticipated actual needs of each department so as

not to overly inflate the expenditure budget. Budget transfers balance out areas of the expenditure budget where items have surplus funding with areas that have deficit funding with no change to the bottom line of the budget.

It was recommended that this item be placed on the school board agenda for consideration

Fund Transfers – It has been determined that funds held in the Trust Fund (7) for Post-Employment Benefit and Healthcare Benefit Reserves are better held in the General Fund (1). These funds will be classified as assigned fund balance within the General Fund (1) and continue to be maintained in line with the need to cover future Post Employment and Healthcare benefit expense obligations. These funds were initially established in Fund 7, the Trust Fund category, as reserves to address future employee benefit obligations, as recommended by GASB 45. At the time the Post Employment Benefit Account was established the school board wanted to maintain control and flexibility of the account and did not establish it as an irrevocable trust.

A recommendation was received from our auditors that the funds are better classified as an assigned fund balance within the General Fund. It is recommended that the funds be transferred from the Trust Fund (7) to the General Fund (1). The school board will retain complete control and flexibility over the use of these funds as it has in the past.

Q: What is the total liability of the postemployment benefits as calculated by the actuary?
A: Approximately $60 million. This amount has increased in recent years as interest rates on investments have not kept up with the assumed rate of return of 4%.

Q: Should the district revisit how much money he keeps in the postemployment fund?
A: This may be a good topic for a future finance committee meeting. The purpose of this fund is to establish funding to cover the total financial burden of post employment benefits should the school district go out of business at some point in the future. It may be more prudent to establish funding for a percentage of the total liability to be held in reserve rather than keep funds tied up for this purpose when they can be better utilized for other capital items.

It was recommended that this item be placed on the school board agenda for consideration.

Community School Child Care Software – The district's current custom software has been provided by a sole proprietorship for the past 13 years. The district has been worried about sustainability if there were issues impacting the long term viability of the software developer. For the past 8 years, the district has been looking at software providers to fit the needs of our before and after school child care program. Administration has identified a software package that it feels will meet all the needs of the child care program, meet the reporting requirements of the Pennsylvania Department of Human Services, and provide better customer service to parents using the child care program.

The new software has two components, the database engine and the financial transaction processing system. The database engine was designed by School Care Works. It tracks the student and parent data, child custody agreements, calendar of designated service days, and authorized individuals that may pick up a student. The software also tracks other needed data to run the before and after school child care program and has a report program that will provide information to the Pennsylvania Department of Human Services in their preferred format.

The second piece of software by UnityFiSolutions is the financial software provider. They partner with School Care Works to facilitate the parent payment process via credit cards, automatic debit of checking accounts, or ACH transfer. UnityFiSolutions will hold all the parent financial information on their servers which will help minimize the school district's exposure to fraud. Of the firms that could partner with School Care Works, UnityFiSolutions has the lowest transaction processing costs for on-line payments. Ultimately, parents will be able to see their bill online for the upcoming month and see past payments made which will save the district printing and postage costs each month and provide better customer service to parents. The financial software will help reduce employee trips to the bank for deposits and will help minimize returned check fees.
The parent portal of the software allows parents to access the account 24 hours a day, provides financial security of their personal data, allows payment by major credit cards and debit cards, has automatic monthly payment options, IRS tax form downloads for filing federal tax deductions, and provides a calendar of events that allows parents to see future schedules and activities at a glance.

At a later point in the 2015-16 school year, phase 2 of the software implementation may help to provide greater student security through the use of android tablets at each elementary school to actively accept and release children to their families and other authorized individuals. Each individual that is allowed to drop off or pick up a child would be assigned a unique PIN number that would need to be keyed in to the android tablet. This will help the child care staff verify that a student is going home with the correct guardian on any given day of the week and also help the school district comply with court ordered custody arrangements.
After looking at the savings from the elimination of monthly printed billing statements and the elimination of associated postage expenses, the new software package should cost the district around $5,500 per year. The current software for the child care program costs the district approximately $6,000 per year.

Tax Collector Audits – the school district audit firm reviewed the financial information prepared by the New Britain Borough tax collector and Warrington Township tax collector. The New Britain Borough tax collector report did not have any findings.

The Warrington Township report noted that the auditors were unable to trace financial transactions from the tax payers through to the school district's bank account. The Warrington Township tax collector deposits school district real estate tax collections into an intermediary account and later transfers amounts from the intermediary account into the school district account. This causes problems for auditing as well as a delay in receiving tax revenues by the school district. This also reduces school district investment returns unnecessarily. Administration is recommending that the solicitor write a letter to the Warrington Township tax collector asking that this matter be resolved and reference the school district resolution on tax collection as well as the tax collector manual. It is further recommended that if the tax collection process does not change, payment to the tax collector for services rendered will be withheld until processing is in compliance with the school district's resolution on timely tax deposits.

The committee directed administration to continue with the proposed plan.

Fixed Asset Report –administration shared a summary copy of the fixed asset appraisal report as published by Asset Control Solutions. The summary report showed the insurable value of the school district as of their completion of the school district review this spring. It's been 11 years since the district last had an appraisal completed. Insured asset values have been kept up to date over the years by adding the value of new buildings or the contracted renovation amount to the prior total of insured values. A cursory review of the report showed some mislabeling of items compared to their insured values. Administration will go back and work with Asset Control Solutions to determine the appropriate descriptions for the summary items and report back to the finance committee.

ADJOURNMENT

The meeting adjourned at 8:22 p.m.

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

Agenda Item

Recommendation to purchase a 36-passenger school bus from Wolfington Bus Company who had the low bid meeting specifications at $80,753.

FOR ACTION: Purchase approval

We have reviewed our fleet to determine the appropriate number of buses to safely transport the students in Central Bucks School District in a timely manner. We are recommending purchasing a 36 passenger bus and trading in a 2002 bus with 173,000 miles used as a substitute vehicle when maintenance on a primary vehicle is needed. The trade-in value of the bus is $1,200.

We have reviewed and examined our bus fleet in an effort to determine how many additional small buses we needed to adequately service our continued expansion of the special needs students in the school district. To be specific, we are now transporting approximately 500 Special Needs students which is an increase from approximately 450 Special Needs students from the 2014-15 school year. Further, we have 21 Homeless students which is an increase from 12 students last school year.

This school year, we have had to create a new bus run to accommodate special needs students living near the edges of our district boundaries. We have also had to add an additional special needs bus to transport to the Centennial School in the Lehigh Valley. We were able to salvage one older 36 passenger bus by replacing the engine along with minor repairs to get it back in service. Therefore, our request at this time would be for one additional 36 passenger bus.

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

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

RECOMMENDATION:

The administration is recommending approval of the school bus purchase from Wolfington Bus Company as the lowest, on-specification bidder for the vehicles.

PURCHASING ACTION – SCHOOL BUS

TRANSPORTATION CAPITAL FUND

Bids were solicited by advertisement and electronic mail to suppliers of student transportation vehicles. A bid tabulation is available in the Purchasing Department for review.

The following 3 vendors received bid documents:

Rohrer Bus Sales	**Responded**
Brightbill Body Works	No Response
Wolfington Body Company	**Responded**

At this time it is recommended that a purchase order be awarded to the following supplier. Although it is an alternate bid, it is providing the best value to the district due to the quick delivery and price value compared to the used bus option.

Wolfington Body Company (Pricing reflects trade-in value of $ 1,200.00)

(1) 2016 36-Passenger Type "C" Bus $ 80,753.00

Central Bucks School District October 1st, 2015 Bid Tabulation				
36 Passenger Type "C"	Rohrer	Wolfington	**Wolfington (alternate)**	Brightbill
36 Passenger-1 each	$ 69,400.00	$ 85,607.00	$ 81,953.00	No bid
Trade-In: Bus L-8	$ 1,600.00	$ 1,200.00	$ 1,200.00	
	Used Bus 49,500 miles	New Bus, Must Be Ordered, 4 -5 Month Delivery	New Bus On Dealer Lot, 2-3 week Delivery	
36 Passenger bus cost less trade value	$ 67,800.00	$ 84,407.00	**$ 80,753.00**	

Business Office Proposed Reorganization for 2015-16

The Business Office is proposing a reorganization plan to better meet both current and future needs of the school district.

Overview

There are several factors driving the need for this reorganization, some of which are internal and some that are driven by outside factors. Internal factors include the need to provide staff time to create more detailed budget documents and the need for succession planning, as over the next four to five years the business office will lose several key staff members. External factors include changes in federal mandates related to the Affordable Care Act, the Hunger Free Kids Act, ACCESS Reporting Requirements and changes to the Direct and Indirect Cost reporting requirements and the impact of Act 1, which is driving the need for longer term budget and planning processes.

- All school districts will lose Act 1 exceptions associated with the retirement system during the term of the next contracts adding to the need to develop tighter budget projections. While the retirement contribution rate will level off, it will remain at a high rate for years to come, which when combined with salary increases that will likely occur as new contracts are settled it will still be a pressure point on the budget. It is also very likely that medical and prescription inflation will exceed the limitations of the Act 1 index, so both of these benefits costs will require careful budgeting that will need to encompass several years' projections, not just the immediate budget year.

- It is important for the business office to have a succession plan in place as we will likely have three vacancies to fill over the next five years due to staff that have been with the district for 15 to 22 years retiring; and as it literally takes years of training to master the craft in some of these positions it is important to have a transition plan in place.

- The external factors noted above have all had a significant impact on the work load of staff in the business office. For example, as a result of the recommendations from the last state food service audit and Dale Scafuro's retirement, the business office has taken over processing free/reduced price meals from the student services department as well as implementing more oversight of the breakfast program. This is driven by The Healthy and Hunger Free Kids Act requirements. The mandates just don't stop. Staff time is needed to perform this work. Over the summer we did hire a .6 FTE secretarial position (without health care benefits) to help with the extra food service responsibilities and to help replace the accounts payable clerk who retired last March. See the details of the change below under Reorganization.

- Other changes at both the state and federal level, as listed above, have increased the work load for both the business office and human resources. A more detailed list is provided below.

Reorganization – Completed and Proposed

Completed Reorganization (put in place June, 2015)

With the retirement of Dale Scafuro, Director of Student Services, the business office was tasked with taking on the review and auditing of family free/reduced price lunch applications. To meet the demands of our federal lunch program and to supplement our one remaining accounts payable position during the peak summer demand, we needed to add a general secretary position of .6 Full Time Equivalent (FTE) position.

The general secretary position currently reviews the applications that are received from families to make sure they are complete and meet the standards of the National School Lunch Program. This position may need to work with an interpreter service to communicate with families who have limited English proficiency. The free/reduced lunch applications are audited every two to three years by the state to make sure the district is performing the due diligence necessary to maintain accurate free/reduced records, so it is important that our process is sound. In addition this general secretary position will help the accounts payable secretary during the peak demand periods of June through October and provide backup for the accounts payable secretary absences.

To pay for this .6 FTE position, the business office eliminated a 1.0 FTE with full benefits accounts payable position via retirement. The .6 FTE general secretarial position will not be eligible for healthcare benefits.

Proposed Reorganization

We propose creating an Assistant Business Manager Position and making internal transfers of staff with the end result of having an open Supervisor of Payroll Accounting Position that will need to be filled.

	Supervisor of Payroll Accounting (Modification of Existing Supervisor of Accounting Position)	Director of Accounting (Existing Director of Finance)	Assistant Business Manager (New Position)
Currently ⇨	Cheryl Rubanich 6 years	Susan Vincent 22 Years	
Proposed ⇨	Hire for this Position	Cheryl Rubanich	Susan Vincent

Susan Vincent the Director of Finance will likely retire in the next four to five years. After some internal staff discussion, Cheryl Rubanich, Supervisor of Accounting, would like to be considered for the position in the future and start learning various aspects of the job. (No one is interested in training for a future Business Administrator position at this point) To prepare for this eventual staff turn-over the proposal is to hire a Supervisor of Payroll Accounting and have Cheryl become the trainer for that position while learning the current Director of Finance position. It will take at least two years to become proficient as a Supervisor of Payroll

Accounting and three years to become proficient as the Director of Finance/Accounting. Susan will move to a new job title of Assistant Business Administrator and work to mentor Cheryl in many of her current job responsibilities and provide more assistance to the Business Administrator to help with better budget practices. Upon Susan Vincent's retirement, we can evaluate staffing to see if a position must be replaced or if the work can be absorbed by the other existing positions. Perhaps once we have trained staff in key positions, achieve more efficiencies with our financial software technology and hopefully see a decrease in the volume of changes from the outside we will have the ability to eliminate a position.

Other staff changes that need to be considered as they will impact the business office are that we will probably lose both confidential payroll secretaries to retirement within the next two or three years and it is likely that the HR Manager of 20 year will also retire. We will be losing a lot of institutional knowledge in a short period and need to prepare (this is all in addition to Tom McCambridge's 30+ years lost just recently).

Critical tasks to prepare for:

1. As noted above, it is critical to have solid detailed salary and benefit projections with "what-if" capabilities to prepare for negotiations and the budget process. The chart below shows the status of our current employee groups and it is clearly demonstrates the salary and benefit analysis work that will be needed in the near term.

Confidential Secretaries	Administrators Act 93 Group	Maintenance, Custodial, Secretary, Nurses, and Teacher Aides Contract	Transportation Bus Drivers and Mechanics	Teachers
Negotiations Start	Negotiations Start	Negotiations Start	Negotiations Start	Negotiations Start
January 2016	January 2016	January 2016	January 2016	January 2018

2. Within the next eight months a major new version of financial/Payroll/HR software will be rolled out which will require all users at 20 Welden to be retrained to use new features and to learn new sequences to process payroll, accounts payable, accounts receivable, journal entries, benefits administration, etc.. All building secretaries will need to be retrained to process purchase orders and to process building level purchases received so that they may be paid.

3. **Summary of changes [mostly federal] over the past three years that are creating growing demands on staff time and the ability to meet deadlines:**

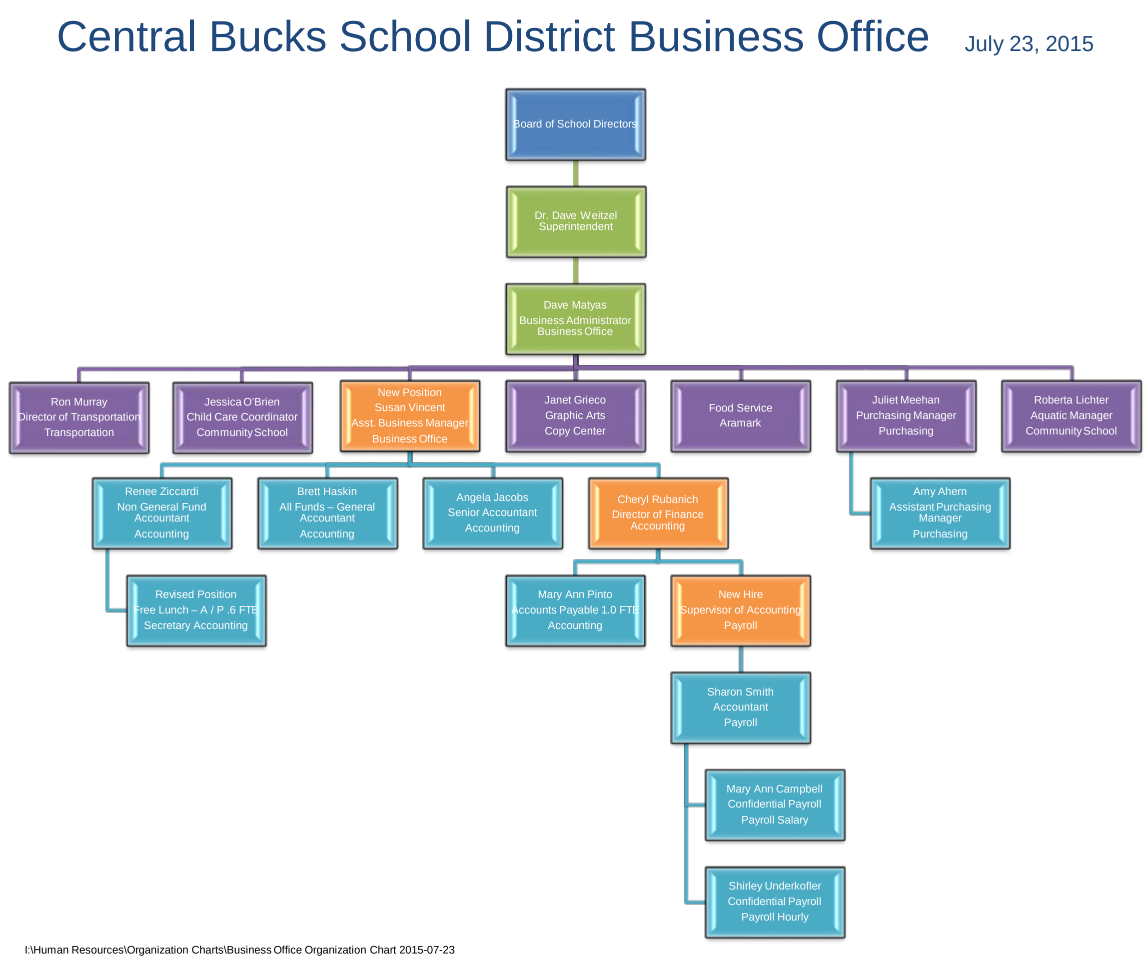
- Affordable Care Act - for 2015, new requirements to report health care benefits provided to each employee and dependents detailed for each month. Provide forms 1094/1095b forms to employee and the IRS.
- Title IX reporting for athletics – for 2015 add race and ethnicity data for each student in addition to the 2013 new reporting requirements.
- Develop a more detailed budget with five year projections.
- Develop more detailed negotiations data to prepare for upcoming contracts and the associated future budget impact.
- ACCESS Reporting for health care services provided to special needs students.
- Develop more detailed accounting for indirect organizational costs to feed into the new ACCESS report.
- Break special education costs into greater detail to feed into ACCESS reports and PDE yearend reports.

- Healthy Hunger-free Kids Act compliance with nutrition guidelines and reporting. New on site reporting standards for auditing student portions and offer vs serve.
- Comply with changing regulations for evaluating free / reduced price lunch applications.\
- Oversight of student activity funds.
- Greater integration of electronic payments and compliance with IRS rules for W4 management by vendor.
- Develop special education costs by individual special needs student to comply with the new Pennsylvania Act 16 special education funding formula. This is a verification requirement that must be in place as a part of the new funding formula
- Budget constraints of Act 1 make it imperative to develop detailed budget projections at least five years out into the future. The business office has done this on a macro level but we have never had the staff time to develop detailed projections by employee for salaries and benefits. Salaries and benefits make up 70% of the budgeted expenses each year. We hoped to have our financial software database system perform these projections, but are tired of waiting for requested program enhancements to be developed. Currently, there is no indication that our software company will add budget projections to the existing software functionality. Doing this budget work using Excel to import data from our financial software and using pivot tables to develop analytical reports will be time intensive. Salary and benefit projections for negotiations will be critical over the next couple of years and will become an integral part of our budget development process each year moving forward.

Estimated Costs of the proposed and completed reorganization:

	Wages	Health Care Benefits
Savings by Eliminating Accounts Payable Secretary 1.0 FTE	- 39,000	- 14,000
Add .6 FTE General Secretary (free and reduce price lunch applications)	+27,500	
Add 1.0 Supervisor of Accounting	+75,000	+14,000
Total Approximate Additional Cost	**+ 63,500**	**0**

The orange cells in the organization chart below show the impacted positions of this proposal.



Central Bucks School District
Position Description

Position Title: Assistant Business Administrator – New Position to be filled by Susan Vincent
Department Business
Reports to: Business Administrator

Summary:
Responsible for the overall support of the financial operations of the district, and development of multi-year budgets.

Essential Duties and Responsibilities:

1. Responsible for the development of multi-year budgets including assumptions for inflation parameters and contract negotiation parameters for integration into the overall budget process.
2. Develop and recommends policies and operational procedures for business, fiscal and support services.
3. Assist the Business Administrator and staff to analyze financial and educational problems and develop solutions which ultimately improve daily operations and efficiency.
4. Advise the Business Administrator on business and operations communication matters with the press, public, and affiliated groups.
5. Participate with county and state organizations in staying abreast of school finance and other district-wide issues related to operations.
6. Oversee district financials reporting. Ensure that report formats meet all state, local and in-district reporting requirements including applicable deadlines.
7. Maintain financial controls to ensure proper use of public funds.
8. Serve as administrative liaison to the Board Finance Committee.
9. Prepare and submit tax resolutions for the Board.
10. Manage the community school department to include child care, aquatics, and student fund raising activities.
11. Manage the audit process for federal, state, and local auditors to ensure all regulatory and acceptable accounting practices are maintained.
12. Assist with the development and review of the food service Request for Proposal Process.
13. Manage the insurance needs of the district (property, casualty, automobile, and general liability).
14. Prepare accounting reports and communicate with parent groups on concession stand operations.
15. Serve as Board Treasurer in reporting on funds management for the district.
16. Oversee cash flow and investments for the district.
17. Manage debt service; provide short and long-range financial management.

Supervisory Responsibilities:
Manage three staff accountants and community school operations. Carry out supervisory responsibilities in accordance with organization's and applicable laws. Responsible for approving certain support services staff, and appraising performance.

Education and Experience: Master's degree in business administration, certified public accountant or educational administration or related field preferred. Ten years experience in financial and/or operations management. Five years educational administration desirable.

Central Bucks School District

Position Description

Position Title: Director of Finance   Position currently held by Susan Vincent replaced by Cheryl Rubanich
Department Business
Reports to: Assistant Business Administrator

Summary:
Responsible for the overall support of the financial operations of the district, including business office software systems, ~~development and maintenance~~ support of the annual budget process, long-range financial projections, payroll systems oversight, and completion of the yearly audit process.

Essential Duties and Responsibilities:

1. Responsible for the development of multi-year salary and benefit projections in support of the budget process and contract negotiations.
2. Analysis of encumbrances to ensure that they are current and accurate to facilitate the current year budget projection process.
3. Oversee federal program accounting and reporting.
4. ~~Responsible~~ Support for budget development, administration and long-range financial planning.
5. ~~Develop and recommends policies and operational procedures for business, fiscal and support services.~~
6. ~~Assist the Business Administrator and staff to analyze financial and educational problems and develop solutions which ultimately improve daily operations.~~
7. ~~Interface on business and operations matters with press, public and affiliated groups.~~
8. Participate with county and state organizations in staying abreast of school finance and other district-wide issues related to operations.
9. Prepare and oversee district financials reporting. Ensure that report formats meet all state, local and in-district reporting requirements including applicable deadlines.
10. Implement financial controls and recommend updates as needed to ensure proper use of public funds.
11. Prepare local revenue projections; payroll, FICA/Medicare, retirement expense projections and fringe benefit projections for Finance Committee reporting.
12. ~~Serve as administrative liaison to the Board Finance Committee.~~
13. ~~Prepare and submit tax resolutions for the Board.~~
14. Manage the earned income tax collection process.
15. Ensure the timely transfer of funds from taxing authorities to the district.
16. Cooperate with auditors to ensure all regulatory and acceptable accounting practices are maintained.
17. ~~Serve as Board Treasurer in reporting on funds management for the district.~~
18. Oversee cash flow, banking, and investments for the district.
19. ~~Manage debt service; provide short and long-range financial management.~~
20. Supervise the tax collection process and address tax collector / taxpayer issues.
21. Responsible for the integration of all financial related software and the implementation of updates.
22. Supervise the accounts payable function.

1

CENTRAL BUCKS SCHOOL DISTRICT
Position Description

Position Title: Accounting Supervisor New Hire, position currently held by Cheryl Rubanich

Department: Accounting
Reports to: Director of Finance

Summary:

Responsible for management of district cash, payroll operations, the time and attendance system, financial accounting system software, federal programs, special project work, and compliance with audit requirements.

Evaluates the Performance of: Payroll Accountant and Payroll Staff

Education and/or experience: Bachelor of Science-Accounting, Finance or Management. 5 to 8 years general accounting management experience. Background in fund accounting (especially public school accounting); strong supervisory skills; experience in internal controls and procedures, minimum 5 years of payroll systems related management.

Essential Duties and Responsibilities:

1. Establish and implement procedures for all district related payroll operations and monitor compliance with regard to employee contracts, district policy and federal, state and local payroll tax regulations.
2. Supervise payroll operation, related federal, state & local tax filings and payroll liability account reconciliations.
3. Supervise PSERS processing, including NPAS reporting and integration with district payroll software system, ensuring system integrity.
4. Assist with budget projections for salaries and benefits. Manage encumbrance of budgeted salary and benefits and other expenditure lines as assigned by the Director of Finance.
5. Manage 403(b) and 457 retirement plans.
6. Manage the financial aspects of federal programs to include input on budgets, completing quarterly, yearend and audit reports, as well as coordinating payroll adjustments and budgetary transfers to fit program needs.
7. Interface with Human Resources, Information Technology, and Accounting Department to assure compliance with all payroll accounting and budgeting requirements.
8. Manage district-wide time and attendance software including daily functions, new implementations and maintaining version updates in accordance with operations and labor contracts.
9. Manage the electronic payment process associated with payroll, accounts payable, and the purchasing card program.
10. Manage daily cash flow and investments. Communicate with banks as needed to manage investment placements and district bank accounts with direction from the Director of Finance.

11. Review monthly revenue reports and suggest changes to budget assumptions as needed.
12. Assist with establishing internal control procedures and maintenance, and with keeping documentation of procedures current.
13. Interface with Federal, State and Local auditors.
14. Contribute to the preparation of internal and external financial reports, actual, budget, and projected.
15. Assist with development and preparation of annual budget at the direction of the Assistant Business Administrator and Director of Finance.
16. Act as the liaison between the HR and Business departments attending both staff meetings and working to integrate software and data flow between the two departments.
17. Special project work and other duties as may be assigned.

Revised July 2015

Central Bucks School District

Position Description

Position Title: Accountant: General – All Funds Brett Haskin

Department: Accounting, Business, and Finance

Reports to: Director of Finance

Summary: Responsible for cash management, banking activities, budgeting, accounts receivable, account analysis, auditing functions, and associated reporting.

Education: Bachelor of Science - Accounting

Experience: 0 – 5 years

Essential Duties and Responsibilities:

1. ~~Responsible for providing accounting reports to managers of federal programs.~~
2. ~~Maintain a district-wide accounts receivable system that integrates into the financial software. Ensure related internal controls and reconciliation procedures.~~
3. Assist the Supervisor of Accounting with maintaining multi-year detailed salary and benefit projections in preparation for the yearly budget and contract negotiations.
4. Support the Assistant Business Administrator with the preparation and maintenance of multi-year expense budget projections.
5. Maintain the multi-year revenue budget report on a monthly basis.
6. Review investment quotations, recommend investment placement, and ensure all banking institution accounts are properly collateralized.
7. Maintain the cash flow schedule for the General Fund, update future inflation parameters as needed, and prepare the monthly investment report.
8. ~~Interface with the Information Technology department as needed for software development.~~
9. ~~Provide accounting support to district departments as needed.~~
10. ~~Review Procurement Card transactions and assure interface into the financial and purchasing software.~~
11. Assist the senior accountant with Title IX reporting requirements.
12. Monitor various budgets and generate exception reports for review with department supervisors.
13. ~~Analyze and report on bank collateral statements in coordination with district policies.~~
14. Maintain internal controls and keep documentation of procedures current.
15. Manage and report status of bank and investment account agreements.

16. Prepare the monthly treasurer’s report and associated subsidiary schedules in coordination with other accountants.
17. Conduct a monthly review/reconciliation of assigned general ledger accounts.
18. Provide recommendations for expenditure reductions and revenue enhancements.
19. Perform general fund bank reconciliations for review by the senior accountant.
20. Assist with the development of special projects as directed.
21. Provide schedules, analysis and general support to outside auditors as assigned.
22. Other duties and reporting as assigned.

Central Bucks School District
Position Description

Position Title:	Business Office Secretary – Part Time	This is a new position
Department:	Accounting	
Reports To:	Director of Finance	

Summary: Accounts Payable Processing / Federal Free Lunch Application Processing

Essential Duties & Responsibilities:

1. At the direction of the Director of Finance develops and implements check disbursement entries and follows applicable accounts payable procedures through the actual distribution of general fund checks.

2. Assures that appropriate internal control procedures for check disbursements are followed on a daily basis including review of invoices and expense reports.

3. Manages and performs the data input and all other functions required to process payments and to provide for proper reports, records, and audit trails as required by the Director of Finance.

4. Coordination of the United States Department of Agriculture (USDA) free and reduced price lunch program application process.

5. Processing of Direct Certification files from the state Department of Health and Human Services in support of the free and reduced price lunch program application process.

6. Coordination of the free and reduced price lunch program statistical testing process in preparation for the yearly audit and state and federal food service audits.

7. Completes monthly bank reconciliations for funds (not the general fund) as assigned in preparation for yearly audits. (others)

8. Reviews monthly Procurement Card transactions for appropriateness and maintains supporting documentation. (Brett)

9. Maintain a district-wide accounts receivable system that integrates into the financial software. Ensure related internal controls and reconciliation procedures. (Brett)

10. After detailed planning of cash flow needs and future parameters are set, maintain the cash flow schedule for the General Fund, obtain investment quotations and provide information to accountant for investment evaluations and recommendations. (Brett)

11. Manage paperwork necessary to establish new bank invest accounts and report the status of bank agreements obtaining necessary signatures from appropriate supervisors. (Brett)

12. Process Certificate of Insurance requests as needed by the district to cover student events that take place outside of district facilities (Dave).

13. Review student activity account information for accuracy and completeness.

14. Review Home and School account information for accuracy and completeness.

15. Performs other support function duties as required by the Director of Finance and/or his designee.

16. Process Administration Center U.S. mail in coordination with the district student-based work experience program.

17. Other job duties and reporting as assigned.

CENTRAL BUCKS SCHOOL DISTRICT

LEADING THE WAY

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

To: Sharon Reiner
From: Brett Haskin
Date: October 1, 2015

Board Agenda Information:

General Fund Disbursements, September 2015

Checks		2,596,789.21
Electronic Payments		$61,843,731.61
Transfers to Payroll		7,280,015.16
	TOTAL	**$71,720,535.98**

Other Disbursements, September 2015

Capital Fund Checks		$4,771,418.59
Food Service Checks & Electronic Payments		$86,107.08
	TOTAL	**$4,857,525.67**
	Grand total of all Funds	**$76,578,061.65**

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

The Central Bucks School District
General Fund
Treasurer's Report
9/30/2015

Beginning Cash Balance		**$67,606,686.75**
Receipts		
Local General Funds Receipts		
Local Collectors	22,388,904.53	
County of Bucks	939,760.86	
EIT	1,492,063.55	
Interest Earnings	12,431.35	
Facility Use Fees	18,663.55	
Tuition, Community School	368,173.83	
Contributions	32,963.76	
Miscellaneous	57,878.50	
Total Local General Funds Receipts	**$25,310,839.93**	
State General Fund Receipts		
State Subsidy- Other	194,887.05	
Total State General Fund Receipts	**$194,887.05**	
Federal General Fund Receipts		
Total Federal General Fund Receipts	**$0.00**	
Other Receipts		
Offsets to Expenditures	126,903.67	
Transfer from Other Funds	63,162.00	
Total Other Receipts	**$190,065.67**	
Total Receipts		**$25,695,792.65**
Total Beginning Cash Balance and Receipts		**$93,302,479.40**

The Central Bucks School District
General Fund
Treasurer's Report
9/30/2015

Disbursements			
Checks (see detail on following page)		2,596,789.21	
Electronic Payments:			
Employee Payroll Taxes/WH	1,485,673.64		
Employer Payroll Taxes	492,378.90		
PSERS Retire	11,562,333.75		
403B/457PMT	208,255.23		
Health Benefit Payments	2,600,090.09		
Transfer to Other Banks	250,000.00		
Investments Placed	45,245,000.00		
Electronic Payments Total:		61,843,731.61	
Transfer to Payroll		7,280,015.16	
Total Disbursements			**$71,720,535.98**

Summary:		
Total Beginning Cash Balance and Receipts (from previous page)		**$93,302,479.40**
Cash Disbursements		**$71,720,535.98**
Ending Cash Balance	**9/30/2015**	**$21,581,943.42**

The Central Bucks School District
General Fund
Treasurer's Report
Check Reconciliation
9/30/2015

First Check Run-	Board Approved 09/08/2015	$1,034,602.31
Second Check Run-	Board Approved 09/21/2015	$578.20
Third Check Run-	Board Approved 09/21/2015	$1,362,388.26
Fourth Check Run-	Board Approved 10/13/2015	$47,847.66
Fifth Check Run	Board Approved 10/13/2015	$903.87
Total Check Runs-	Detail provided when Board Approved	**$2,446,320.30**
Less Voided Checks		($43,159.04)
Check Run Sub-Total		**$2,403,161.26**
Add Prior Month A/P Funded This Month		$381,146.85
Less This Month A/P To Be Funded Next Month		$187,518.90
Checks Funded This Month		**$2,596,789.21**

The Central Bucks School District
Food Service
Treasurer's Report
9/30/2015

Beginning Cash Balance		$ 97,473.27
Receipts		
Guarantee	$ 162,013.00	
Student Lunch Account Deposits	$ 391,162.05	
Interest Earnings	$ 123.17	
Total Receipts		$ 553,298.22
Disbursements		
Checks	$ 86,107.08	
Electronic payments	$ -	
Prior month checks paid in August	$ -	
Less last months checks to be paid next month	$ -	
		$ 86,107.08
Ending Cash Balance		$ 564,664.41

Central Bucks School District
Investment Portfolio
Summary Totals by Bank
September 30, 2015

Bank Name	Principal Amount
Covenant Bank(Milestone Bank)	243,000
First Niagara	2,478,892
Firstrust Bank	25,258,985
Hatboro Federal Savings	248,000
MBS	2,450,000
Monument Bank	246,000
National Penn	12,003,874
PLGIT	20,250,620
Provident Bank(Team Capital Bank)	247,000
PSDLAF	10,676,092
Quakertown National Bank	23,447,798
Susquehanna	42,517,970
TD Bank	46,619,073
Valley Green Bank(Univest)	25,245,148
William Penn Bank	248,000
Total	212,180,451

Central Bucks School District
Investment Portfolio
General Fund- Bank Balances
September 30, 2015

Purchase Date	Bank Name	Maturity Date	Rate of Interest	Principal Amount
GENERAL FUND BANK ACCOUNTS				
9/30/15	TD Bank	10/1/15	0.30%	21,581,943
9/30/15	TD Bank Municiple Choice	10/1/15	* 0.55%	8,800,000
9/30/15	PLGIT	10/1/15	0.03%	3,620
9/30/15	Valley Green Bank(Univest)	10/1/15	0.35%	245,148
9/30/15	PSDLAF MAX Acct- Healthcare	10/1/15	0.01%	10,363
9/30/15	PSDLAF MAX Acct	10/1/15	0.01%	672
9/30/15	PSDLAF MAX Acct	10/1/15	0.01%	294,463
		Total General Fund Bank Accounts		**30,936,209**
GENERAL FUND CDs				
	Individual Bank CDs:			
5/23/13	Covenant Bank(Milestone Bank)	12/23/15	1.05%	243,000
8/11/15	Valley Green Bank(Univest)	2/11/16	0.50%	15,000,000
8/17/15	Valley Green Bank(Univest)	2/17/16	0.50%	10,000,000
9/1/14	Monument Bank	3/1/16	1.00%	246,000
3/2/14	Hatboro Federal Savings	3/4/16	0.50%	148,000
5/22/14	Provident Bank(Team Capital Bank)	5/22/16	0.50%	247,000
8/20/15	William Penn Bank	8/19/16	0.55%	248,000
9/1/15	Hatboro Federal Savings	9/1/16	0.50%	100,000
	PLGIT CDs :			
9/18/15	PLGIT Term	6/24/16	0.39%	20,000,000
8/19/15	Bank Leumi USA	8/18/16	0.75%	247,000
	PSDLAF CD's:			
2/7/14	Carver Federal Savings Bank	2/5/16	0.80%	245,000
6/11/15	Nexbank, SSB	6/10/16	0.60%	220,000
7/23/15	One West Bank-Healthcare	7/22/16	0.80%	245,000
8/4/15	Financial Federal Savings Bank-Healthcare	8/3/16	0.70%	245,000
8/4/15	GBC International Bank-Healthcare	8/3/16	0.55%	200,000
7/29/15	American Express FSB-Healthcare	1/30/17	0.80%	245,000
	Multi Bank Securities CDs:			
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
8/24/15	Comenity Capital Bank	8/24/16	0.65%	245,000
8/28/15	Enerbank USA	8/29/16	0.60%	245,000
9/2/15	Beal Bank USA	8/31/16	0.65%	245,000
6/26/15	Mercantil Commercebank	12/27/16	0.80%	245,000
7/1/15	Discover Bank, Greenwood, Del	1/3/17	0.75%	245,000
7/1/15	Goldman Sachs Bank USA	1/3/17	0.75%	245,000
7/1/15	American Express Centurion Bank	1/3/17	0.80%	245,000
		Total General Fund CDs		**50,329,000**
GENERAL FUND MONEY MARKET ACCOUNTS				
9/30/15	First Niagara	10/1/15	0.02%	5,535
9/30/15	Santander	10/1/15	0.30%	26,492,997
9/30/15	National Penn (1652)	10/1/15	0.25%	12,003,874
9/30/15	Firstrust Bank	10/1/15	0.30%	25,258,985
9/30/15	Quakertown National Bank	10/1/15	0.30%	19,921,760
9/30/15	First Niagara- Post Employment	10/1/15	0.15%	1,695,718
9/30/15	Quakertown National Bank-Post Employment	10/1/15	0.55%	3,526,038
9/30/15	TD Bank- Healthcare	10/1/15	0.30%	1,568,818
9/30/15	TD Bank- Post Employment	10/1/15	0.30%	4,097,129
		Total General Fund Money Market Accounts		**94,570,854**
		Total General Fund		**175,836,064**

* Interest earnings credited to offset fees

Central Bucks School District
Investment Portfolio
Capital Fund- Bank Balances
September 30, 2015

Purchase Date	Bank Name	Maturity Date	Rate of Interest	Principal Amount
Fund 3 Operations Account				
9/30/15	TD Bank Fund 3 Operations Acct	10/1/15	0.30%	159,941
		Total Fund 3 Operations Account		**159,941**
Short Term Capital Reserve				
9/30/15	PSDLAF Max Acct	10/1/15	0.01%	147
9/30/15	TD Bank	10/1/15	0.30%	2,404,465
		Total Short Term Capital Reserve		**2,404,612**
Capital Café Equip Reserve				
9/30/15	TD Bank Capital Proj- Bldg Cafeteria/Equip	10/1/15	0.30%	756,648
		Capital Café Equip Reserve		**756,648**
Technology Capital Reserve				
9/30/15	TD Bank	10/1/15	0.30%	2,314,960
		Total Technology Reserve		**2,314,960**
Transportation Capital Reserve				
9/30/15	TD Bank	10/1/15	0.30%	1,989,884
		Total Transportation Reserve		**1,989,884**
Long Term Capital Reserve				
9/30/15	Santander	10/1/15	0.30%	15,951,763
		Total Long Term Capital Reserve		**15,951,763**
2008 Bond				
9/30/15	First Niagara	10/1/15	0.15%	777,639
		Total 2008 Bond Account		**777,639**
		Total Capital Fund		**24,355,448**

Central Bucks School District
Investment Portfolio
Debt Service Fund- Bank Balances
September 30, 2015

Purchase Date	Bank Name	Maturity Date	Rate of Interest	Principal Amount
Debt Service Reserve				
9/30/15	PSDLAF MAX ACCT	10/1/15	0.01%	7,982
5/29/14	PSDLAF(US Treasury Strip)	8/15/16	0.34%	4,962,500
6/10/14	PSDLAF(US Treasury Strip)	8/15/16	0.40%	3,999,964
9/30/15	TD Bank	10/1/15	0.30%	2,945,283
9/30/15	Susquehanna	10/1/15	0.10%	1,210
6/27/14	Susquehanna	12/27/15	0.25%	72,000
			Total Debt Service Reserve	**11,988,939**
			Grand Total- All Funds	**212,180,451**
			Weighted Average Rate of Return	**0.34%**

Central Bucks School District
Ratification of Investments for the Month of September, 2015

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

General Fund

Category	Purchase Date	Principal	Maturity Date	Rate	Yield	Bank Name
Bank CD	9/1/2015	$100,000.00	9/1/2016	0.50%	$501.37	Hatboro Federal Savings
MBS	9/2/2015	$245,000.00	8/31/2016	0.65%	$1,588.14	Beal Bank USA
PLGIT	9/18/2015	$20,000,000.00	6/24/2016	0.39%	$59,835.62	PLGIT Term
	TOTALS	**$20,345,000.00**			**$61,925.12**	

Fund 3-Summary of Reseve Account Commitments & Balances

	Beg. Bal. 7/1/2015	Transfers from General Fund	Interest Earnings	Expenditures	Commitments	Balance 9/30/2015	Target Amount	Percent of Target	Comments
Short term Capital	$2,368,073.00	$5,330,000.00	$2,300.44	$5,295,761.11	$868,414.54	$1,536,197.79	$6,000,000.00	26%	
Short Term Capital- Café Equip	$802,372.00		$603.00	$46,326.99		$756,648.01			
Technology	$3,020,246.00		$1,973.28	$707,258.97	$93,387.30	$2,221,573.01	$3,500,000.00	63%	
Transportation	$1,125,561.00	$1,000,000.00	$1,229.75	$136,906.35	$1,155,891.00	$833,993.40	$2,100,000.00	40%	
Long Term Capital	$10,596,472.00	$8,489,665.00	$9,102.83	$3,143,476.76	$1,349,628.52	$14,602,134.55	$25,000,000.00	58%	
2008 Bond Fund Proceeds	$1,236,334.00		$321.50	$459,016.48	$901,665.00	($124,025.98)			Commitments are estimates; any actual expenditures that exceed available funds will be funded by STC
Totals	**$19,149,058.00**	**$14,819,665.00**	**$15,530.80**	**$9,788,746.66**	**$4,368,986.36**	**$19,826,520.78**	**$36,600,000.00**	**54%**	

Reserve Account Expenditure Detail:

Short Term Capital			Long Term Capital			2008 Bond Proceeds		
Unami	$	1,866,406				Stadium Expenses	$	290,035
Misc. Projects	$	3,429,355	Holicong	$	3,143,477	CBE Expenses	$	168,981
Total	$	**5,295,761**	Total	$	**3,143,477**	**Total**	$	**459,016**

Fund 4-Debt Service Fund Balance Projections

	Beg. Bal. 7/1/2015	Transfers from General Fund	Interest Earnings	Expenditures	Commitments	Balance 9/30/2015	Target Amount	Percent of Target	Comments
Debt Service	$11,986,713.00		$2,226.00			$11,988,939.00	$65,000,000.00	**18%**	
Totals	**$11,986,713.00**		**$2,226.00**			**$11,988,939.00**	**$65,000,000.00**	**18%**	

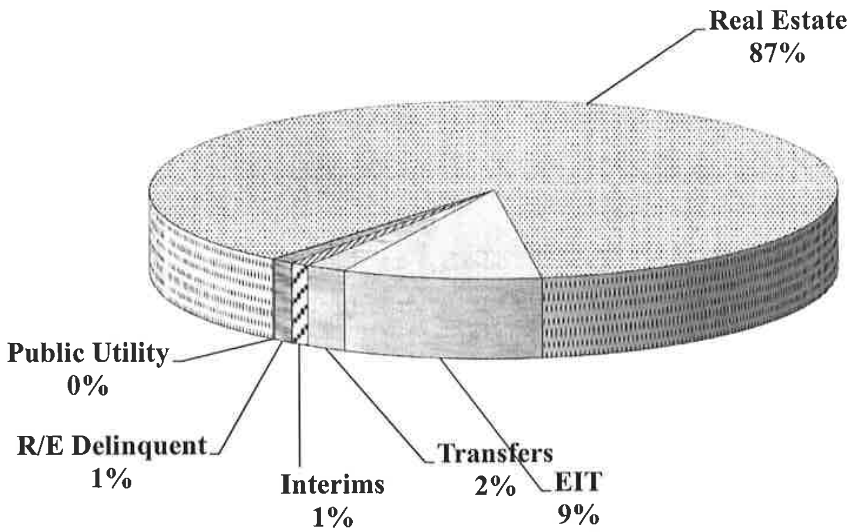
Fund 1-General Fund Designated Reserve Fund Balances

	Beg. Bal. 7/1/2015	Transfers from General Fund	Interest Earnings	Commitments	Balance 9/30/2015	Comments
Post Employment Reserve (GASB 45)	$9,310,265.00		$8,620.00		$9,318,885.00	Transferred money to General Fund per auditor recommendation and board action May 2015. Is now fund balance in the GF.
Health Care Reserve	$2,509,169.00		$5,012.00		$2,514,181.00	
Total Reserve	**$11,819,434.00**		**$13,632.00**		**$11,833,066.00**	

Payroll Projection
September 30, 2015

	Estimated Final
Budgeted Payroll, Social Security & Retirement	196,172,541
Projected spending	196,082,942
Positive (Negative) Variance	89,599

Central Bucks School District
Projected Tax Collections
September 30, 2015



Revenues	Est. Actual	Budget	Variance
Real Estate	$209,750,500	$210,025,826	($275,326)
EIT	$22,675,225	22,375,000	$300,225
Transfers	4,650,000	4,522,500	127,500
Interims	2,150,000	2,000,000	150,000
R/E Delinquent	2,450,000	2,487,000	(37,000)
Public Utility	274,496	295,000	(20,504)
Total	**$241,950,221**	**$241,705,326**	**$244,895**

Central Bucks School District
Fringe Benefits
30-Sep-15

	Budget	* Adjusted Budget	Encumbered	Spent	Balance	% Committed
Health care	19,537,340	19,537,340	13,179,662	6,296,276	61,402	100%
Dental coverage	1,388,743	1,200,000	893,475	297,825	8,700	99%
Life insurance	175,000	230,000	168,750	56,250	5,000	98%
Disability coverage	301,306	281,405	189,825	63,275	28,305	90%
Prescription drugs	5,293,592	5,375,000	3,975,041	1,324,959	75,000	99%
Unemployment comp	318,997	115,000	79,215	26,405	9,380	92%
Workers comp	1,303,616	1,280,000	937,750	312,250	30,000	98%
Miscellaneous	255,151	555,000	416,660	138,340	-	100%
Totals	28,573,745	28,573,745	19,840,378	8,515,580	217,787	99%

* Adjusted budget shows budget amount reallocated within the 200 objects.

LOGIC
QUARTERLY REPORT
(AS OF SEPTEMBER 30, 2015)

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 again held its ground on short-term interest rates but signaled that it still expects to begin increasing short-term interest rates before the end of 2015. The banking industry continued its string of profitable quarters. Only 5.6% of banks were unprofitable, the lowest percentage since the first quarter of 2005. Asset quality indicators showed improvement while net interest margin failed to improve.

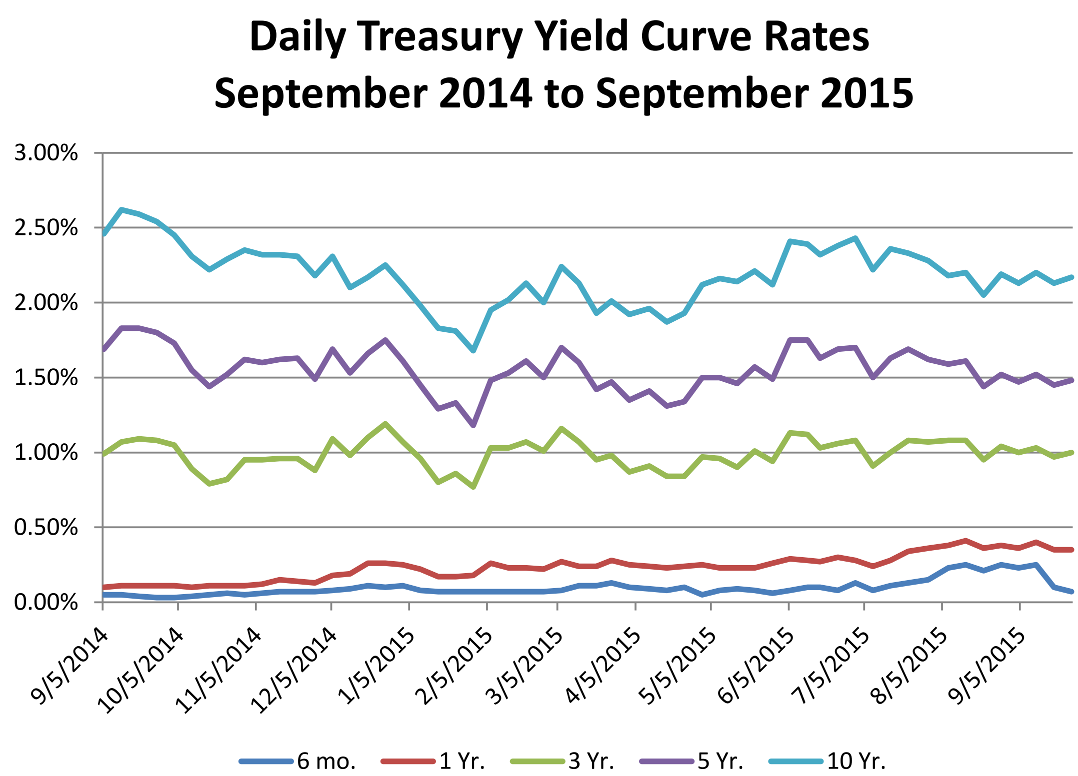
Monetary Policy and Interest Rates. Yogi Berra said it best: "It's *déjà vu* all over again." Once again the Federal Reserve took no action to increase interest rates at its meeting on September 17 while indicating that it expects to make the first move later this year. The Federal Open Market Committee (FOMC) noted that economic activity has been expanding at a moderate pace with household spending and business fixed investment increasing moderately and further improvements in the housing sector. Net exports have been soft with continued improvements in the labor market. At the same time, inflation has stayed below the Committee's target of 2% over the medium term, partly reflecting earlier declines in energy prices and in prices of non-energy imports. The Committee expects economic activity to expand at a moderate pace with labor market indicators moving toward levels the Committee judges consistent with its dual mandate of fostering maximum employment and price stability; developments abroad require monitoring in balancing the outlook for continued growth. The Committee still foresees inflation gradually rising to 2% "as the labor market improves further and the transitory effects of earlier declines in energy and import prices dissipate."

The Committee reaffirmed its view that the current 0 to ¼ percent target range for the fed funds rate was appropriate, a range that has been in effect since 2008. The FOMC repeated that it "anticipates that it will be appropriate to raise the target range for the federal funds rate when it has seen some further improvement in the labor market and is reasonably confident that inflation will move back to its 2 percent objective over the medium term."

The Fed reaffirmed its practice of reinvesting principal payments on its holdings in agency mortgage-backed securities and rolling over maturing Treasury securities at auction and anticipated that keeping its holdings of longer-term securities at sizable levels would help maintain accommodative financial conditions. The Committee's statement reiterated that it "currently anticipates that, even after employment and inflation are near mandate-consistent levels, economic conditions may, for some time, warrant keeping the target federal funds rate below levels the Committee views as normal in the longer run."

These indications of slower economic growth affected estimates of future interest rates. Thirteen of the Committee's 17 members think the first increase in the fed funds rate should occur in 2015 with the midpoint of the expected target at 0.5% for 2015 and rising to 1.5% in 2016. This represents a slower pace for higher rates than anticipated earlier in 2015. The fed funds rate is not expected to exceed 2.75% by 2017.

The chart below shows the bond market's reaction to these developments over the last year. Short-term rates rose during the year with greater increases in July and August as the market anticipated an increase in federal funds rates. Short-term rates fell sharply after the FOMC September meeting. By September 18 6-month notes were at 0.35%. Intermediate term rates declined over the last year until February when they began to rise in anticipation that the Fed would begin to raise interest rates. Five-year and ten-year rates moved in a relatively narrow range over the summer and were 1.48% and 2.17%, respectively, as of September 25.



<u>Banking Industry Highlights</u>. FDIC-insured institutions reported net income of $43.0 billion in the second quarter of 2015, 7.3% higher than for the corresponding quarter in 2014, with 58.9% of institutions reporting year-over-year improvement in quarterly net income. The improvement in net income was attributed to a $3.6 billion increase in net operating revenue (the sum of net interest income and total noninterest income). The proportion of unprofitable banks fell to 5.6%, the lowest percentage of

unprofitable institutions since first quarter 2005. FDIC Chairman Martin J. Gruenberg observed that "Bankers generally reported another quarter of higher earnings, improved asset quality, and increased lending. . . .However, the low interest-rate environment remains a challenge. Many institutions have responded by acquiring higher-yielding, longer-term assets, but this has left banks more vulnerable to rising interest rates and that is a matter of ongoing supervisory attention." Net operating revenue was 2.1% higher than a year ago with loan growth boosting revenue as net interest income rose $2.4 billion (2.3%) compared to the second quarter of 2014. Noninterest income increased by 1.9% as servicing income increased while trading income fell by 14.1%.

Asset quality indicators showed improvement as net loan losses declined year-over-year for the 20th consecutive quarter and noncurrent loan balances declined for a 21st consecutive quarter. The annualized net charge-off rate fell to 0.42% from 0.50% a year ago and was the lowest quarterly rate since the third quarter of 2006. Net interest margins remained under pressure. The average net interest margin (the difference between the average yield on banks' interest-earning investments and the average interest expense of funding those investments) rose to 3.06% in the second quarter from 3.02% in the first quarter. That margin is below the 3.15% average in second quarter 2014. The FDIC reported modest capital growth of 0.3% during the quarter reflecting reduced contribution from retained earnings and a decline in unrealized gains in available-for-sale securities portfolios.

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 second quarter showed that net income of community banks increased by 11.8% compared to the second quarter of 2014, almost twice the rate of non-community banks (6.4%). Close to sixty percent of all community banks reported higher earnings compared with the year-ago quarter. The report covered 5,881 community banks in the second quarter of 2015, down 65 from the first quarter.

The number of problem banks fell for the 17th consecutive quarter from 253 to 228, the smallest number of problem institutions in nearly seven years. One community bank failed during the quarter, the first time since fourth quarter 2007 that there has been only one failure in a quarter.

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 Investment Report as of August 31, 2015 shows that the School District maintains significant investment deposits with First Niagara Bank, Firstrust Savings Bank, National Penn Bank, QNB Bank, Santander Bank, TD Bank, Univest (Valley Green), 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.

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 turmoil in credit markets during and after the financial crisis.

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.

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 June 30, 2015, 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%.

Asset Quality Ranking. Bank Insight also provides analysis and rankings of the quality of a bank's assets. The Asset Quality ranking used herein calculates "the percentile rank of a depository institution's asset quality ratio within its asset-size peer group as compared to all depository institutions in that peer group." The rankings are based on the cumulative percentage of institutions rated below a particular asset quality ratio This Asset Quality Ranking is used instead of the Troubled Asset Ratio provided in prior reports.

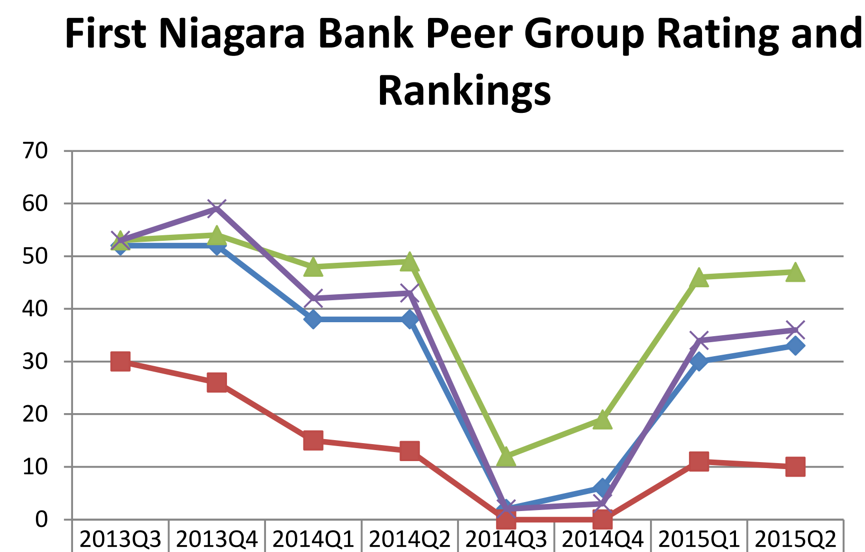
First Niagara Bank

Quarterly Results. First Niagara Financial Group, the parent company of First Niagara Bank, reported net income available to common shareholders of $53.5 million or $0.15 per diluted share for the second quarter of 2015, compared to $43.8 million, or $0.12 per diluted share, for the quarter ended June 30, 2015. Non-performing assets for the bank were 0.74% of total assets as of June 30, compared to 0.82% as of March 31, 2015.

Credit Ratings. Moody's upgraded the ratings of 60 U.S. regional banks and three custodian banks, including First Niagara, on May 14 following the release of its new bank rating methodology, under which bank subsidiaries of 62 U.S. banking groups were assigned counterparty risk assessments and which takes into account the "very strong" U.S. macro profiles, the banks' strong core financial ratios, the protection offered to depositors compared to senior creditors and the likelihood of government support for these institutions. S&P had previously downgraded its ratings for First Niagara by one notch in January 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, Inc.			
Long-Term Ratings	Ba1	BBB-	BBB-
Outlook	Negative	Stable	Negative
First Niagara Bank N.A.			
Long-Term Ratings	Baa1	BBB-	BBB-
Outlook	Negative	Stable	Negative

Peer Group Ratings. First Niagara Bank's Bank Insight peer group rating for June 30 was "33", placing the bank in the 10th percentile of its peer group of banks with assets of greater than $10 billion. The drop to 0 in peer group ratings for the prior quarter resulted from the large net loss reported for the third quarter 2014. Bank Insight ratings and rankings for the last two years were:

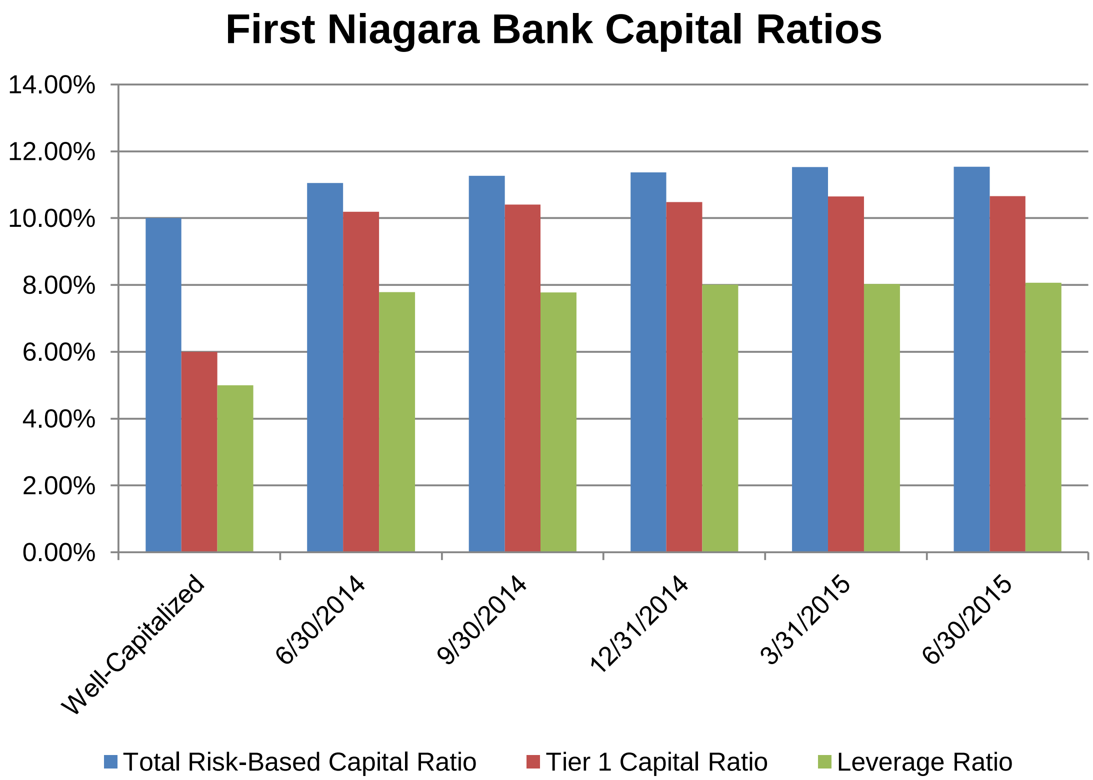


	2013Q3	2013Q4	2014Q1	2014Q2	2014Q3	2014Q4	2015Q1	2015Q2
Peer Group Rating	52	52	38	38	2	6	30	33
Peer Group Ranking (Percentile)	30	26	15	13	0	0	11	10
Regional Rating	53	54	48	49	12	19	46	47
Regional Ranking (Percentile)	53	59	42	43	2	3	34	36

Asset Quality Ranking. The bank's asset quality ratios and percentile rankings for the last five quarters are set forth below:

	6/30/2014	9/30/2014	12/31/2014	3/31/2015	6/30/2015
Asset Quality Ratio	1.40	1.38	1.33	1.41	1.25
Asset Quality Ranking	30	27	28	25	28

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.



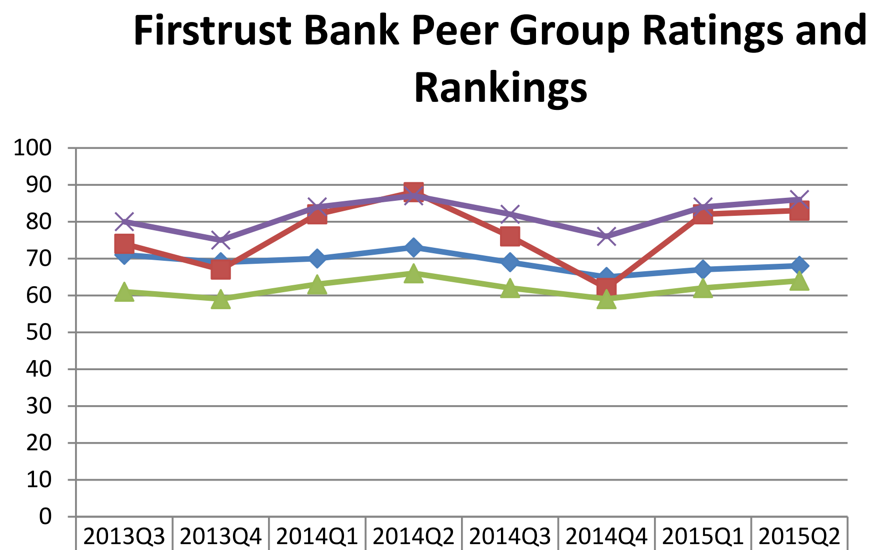
Collateral Review. First Niagara Bank maintained collateral coverage of 120.8% of public funds held for deposit as of June 30, 2015. The securities in the First Niagara collateral pool as of June 30 consisted of federal agency securities (5.03%), Pennsylvania municipal securities (9.84%) and municipal securities from outside of Pennsylvania (85.1%).

Firstrust Saving Bank

Overview. Firstrust Savings Bank, based in Conshohocken, was established in 1934 and has $2.62 billion in assets. The bank reported net income of $10,352,000 for the second quarter of 2015, compared to net income of $11,073,000 for the corresponding quarter in 2014. Net interest margin rose from 4.50% for the second quarter of 2014 to 4.52% for the second quarter of 2015. Nonperforming assets were 1.31% of total assets as of June 30, 2015 compared to 1.31% as of March 31, 2015 and 1.05% as of June 30, 2014.

Credit Ratings. Firstrust Savings Bank does not have a long-term credit rating.

Peer Group Ratings. Firstrust Savings Bank's Bank Insight peer group rating for June 30 was "68", placing the bank in the 83rd percentile of its peer group of banks with total assets between $1 billion to $4.9 billion. Bank Insight ratings and rankings for the last two years were:



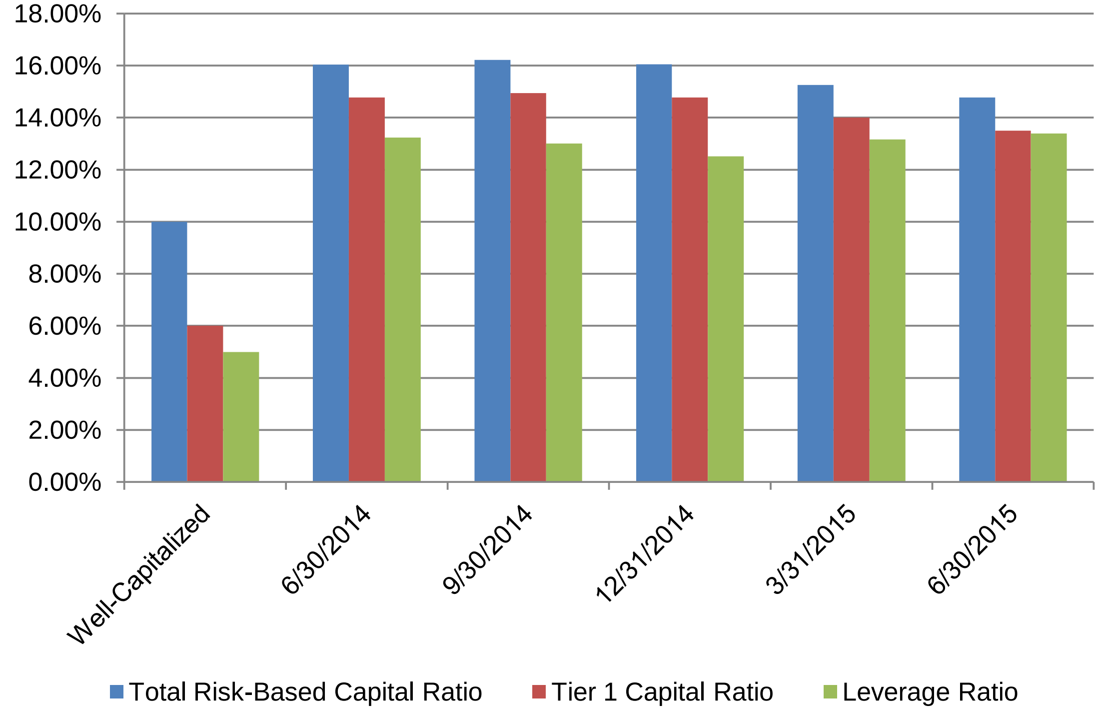
	2013Q3	2013Q4	2014Q1	2014Q2	2014Q3	2014Q4	2015Q1	2015Q2
Peer Group Rating	71	69	70	73	69	65	67	68
Peer Group Ranking (Percentile)	74	67	82	88	76	62	82	83
Regional Rating	61	59	63	66	62	59	62	64
Regional Ranking (Percentile)	80	75	84	87	82	76	84	86

Asset Quality Ranking. The bank's asset quality ratios and percentile rankings for the last five quarters are set forth below:

	6/30/2014	9/30/2014	12/31/2014	3/31/2015	6/30/2015
Asset Quality Ratio	0.90	0.80	0.94	1.13	1.16
Asset Quality Ranking	65	65	53	45	39

Capital Adequacy. Firstrust Savings Bank is classified as "well-capitalized" (Capital Category 1) for federal regulatory purposes by meeting or exceeding the minimum measurements as shown below.

Firstrust Bank Capital Ratios



Collateral Review. Firstrust Savings Bank maintained collateral coverage of 171.77% of public funds held for deposit as of June 30, 2015. The report stated that the collateral was held at the Federal Home Loan Bank of Pittsburgh as custodian for the collateral pool. This use of a third-party custodian is a recommended way to protect school district depositors in the event of a bank default. The collateral consisted of federal agency securities.

National Penn Bank

Quarterly Results. National Penn Bancshares, the parent company of National Penn Bank, reported net income of $27.2 million, or $0.19 per diluted share compared to net income of $26.7 million for the first quarter of 2015, or $0.19 per diluted common share. Nonperforming assets as a percentage of total assets were 0.54% as of June 30, down from 0.66% as of March 31, 2015.

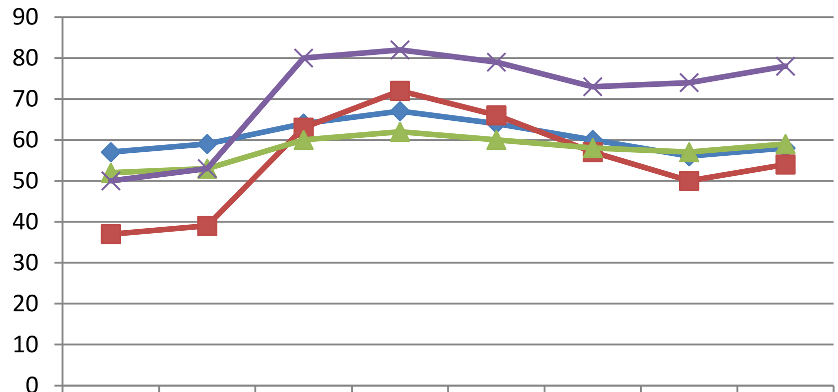
BB&T Corporation and National Penn Bancshares, Inc. announced on August 17 the signing of a definitive agreement under which BB&T will acquire National Penn in a cash and stock transaction for total consideration valued at approximately $1.8 billion. This acquisition will significantly expand BB&T's footprint in the Mid-Atlantic region and improve its deposit market share to #4 in Pennsylvania. BB&T completed its acquisition of Susquehanna Bancshares, Inc., parent of Susquehanna Bank, in early August 2015. BB&T, based in Winston-Salem, North Carolina, is the twelfth largest banking institution in the United States with $210.0 billion in assets as of August 17,

2015. BB&T operates 2,149 financial centers in 15 states and Washington, D.C. The National Penn acquisition is expected to close in mid-2016.

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 June 30 was "58", placing the bank in the 54th 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



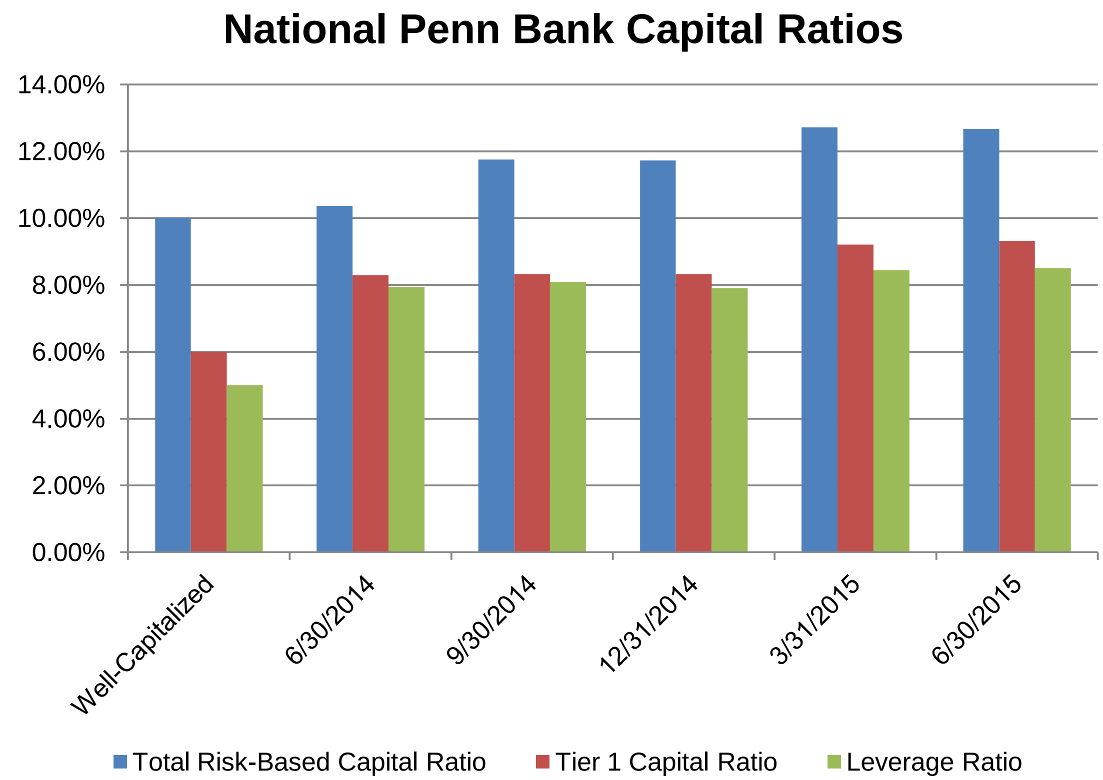
	2013Q3	2013Q4	2014Q1	2014Q2	2014Q3	2014Q4	2015Q1	2015Q2
Peer Group Rating	57	59	64	67	64	60	56	58
Peer Group Ranking (Percentile)	37	39	63	72	66	57	50	54
Regional Rating	52	53	60	62	60	58	57	59
Regional Ranking (Percentile)	50	53	80	82	79	73	74	78

Asset Quality Ranking. The bank's asset quality ratios and percentile rankings for the last five quarters are set forth below:

	6/30/2014	9/30/2014	12/31/2014	3/31/2015	6/30/2015
Asset Quality Ratio	0.71	0.71	0.93	0.94	0.73
Asset Quality Ranking	78	78	60	56	65

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 102.28% as of August 31, 2015 and 109.13% as of July 31, 2015. 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.

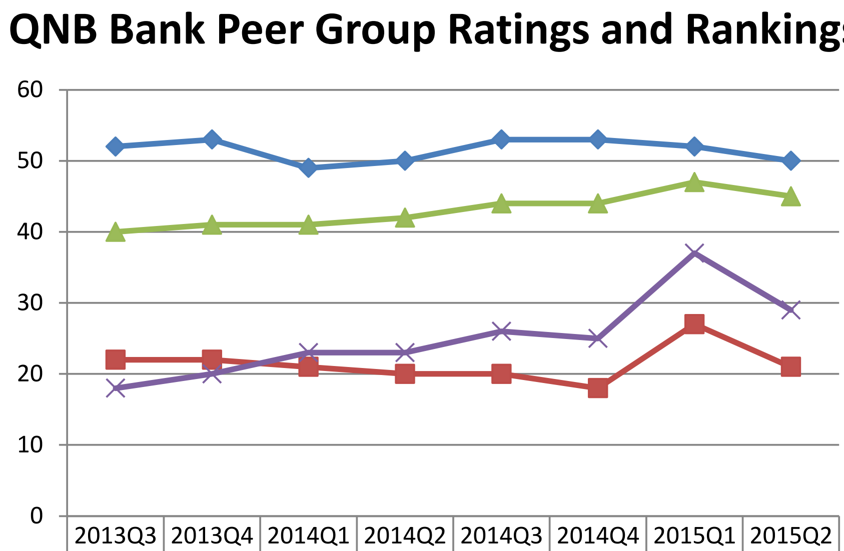
We reviewed the list of collateral in the pool securing public funds deposits as of June 30, 2009, the last listing available to us. The collateral consisted entirely of municipal general obligation and revenue bonds, some from Pennsylvania but the majority from out-of-state issuers. While the School 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.

QNB Bank

Quarterly Results. QNB Corp. is the holding company for QNB Bank, headquartered in Quakertown. QNB Corp. reported net income of $1,934,000 or $0.58 per share on a diluted basis for the quarter ended June 30, 2015 compared to $2,172,000 or $0.66 per share for the corresponding quarter of 2014. Nonperforming assets for the bank were 1.57% of total assets for the quarter ended June 30, 2015 compared to 1.37% for the quarter ended March 31, 2015.

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 June 30 was "50", placing the bank in the 21st 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:

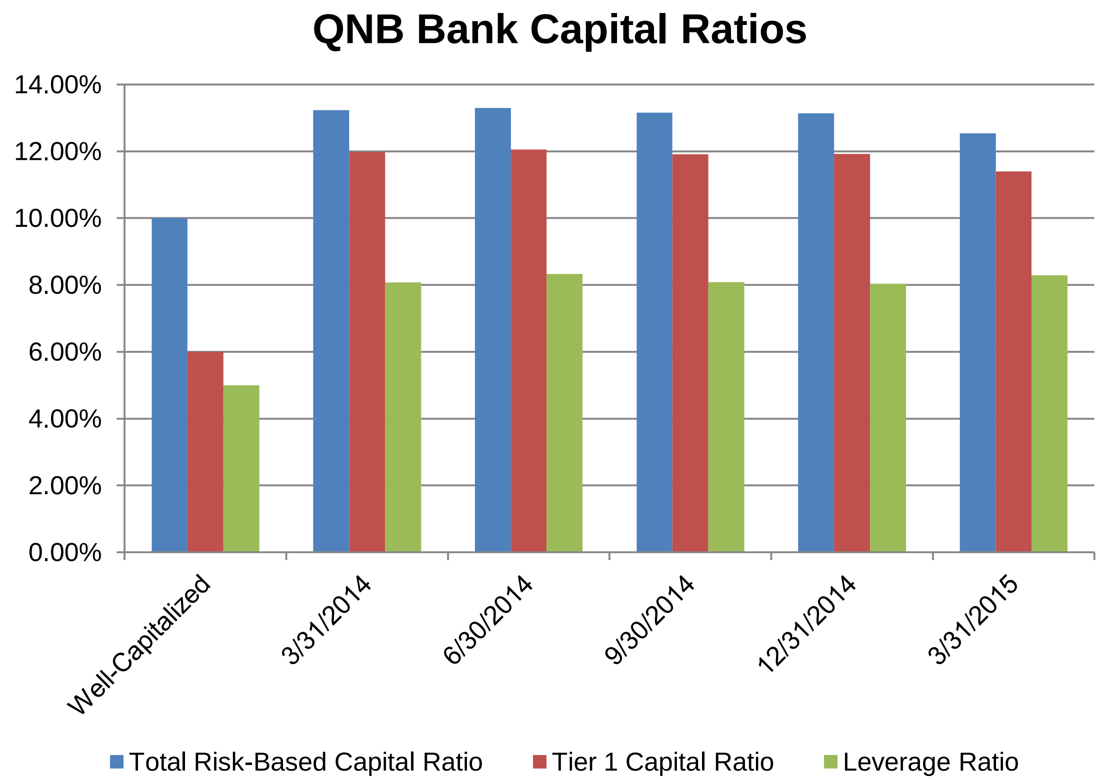


	2013Q3	2013Q4	2014Q1	2014Q2	2014Q3	2014Q4	2015Q1	2015Q2
Peer Group Rating	52	53	49	50	53	53	52	50
Peer Group Ranking (Percentile)	22	22	21	20	20	18	27	21
Regional Rating	40	41	41	42	44	44	47	45
Regional Ranking (Percentile)	18	20	23	23	26	25	37	29

Asset Quality Ranking. The bank's asset quality ratios and percentile rankings for the last five quarters are set forth below:

	6/30/2014	9/30/2014	12/31/2014	3/31/2015	6/30/2015
Asset Quality Ratio	2.94	2.52	2.47	1.48	1.75
Asset Quality Ranking	21	23	22	41	31

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



Collateral Review. The Bank maintained collateral coverage in its Act 72 collateral pool of 113.87% of public funds held for deposit as of June 30, 2015 and 107.88% as of March 31, 2015. 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.

Santander (Sovereign) Bank

Quarterly Results. Santander Holdings USA Inc. is the holding company for Santander Bank, N.A. and is in turn is owned by Banco Santander SA in Spain. Santander Bank reported net income of $98.4 million for the quarter ended June 30, 2015 compared to $58.7 million for the quarter ended March 31, 2015 and $79.4 million for the corresponding quarter of 2014. Nonperforming assets declined to 1.01% of total assets compared to 1.14% for the quarter ended March 31, 2015.

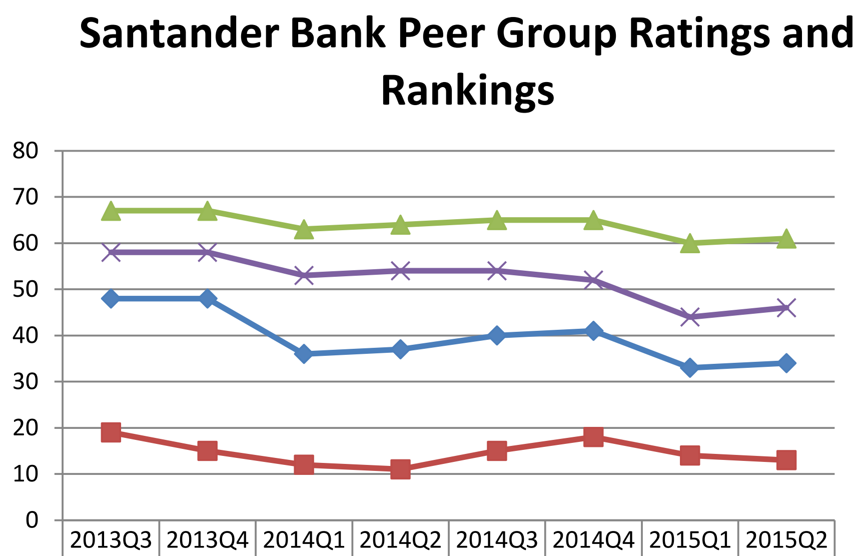
Credit Ratings. Credit ratings for Banco Santander, the Bank's parent company, and Santander Bank are shown below.

	Moody's	S&P	Fitch
Banco Santander SA			
Long-Term Ratings	A3	BBB+	A-
Outlook	Positive	Stable	Stable

Santander Bank, N.A.

Long-Term Ratings	A2	BBB
Outlook	Stable	Stable

Peer Group Ratings. Santander Bank's Bank Insight peer group rating for June 30 was "34", placing the bank in the 13th 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:

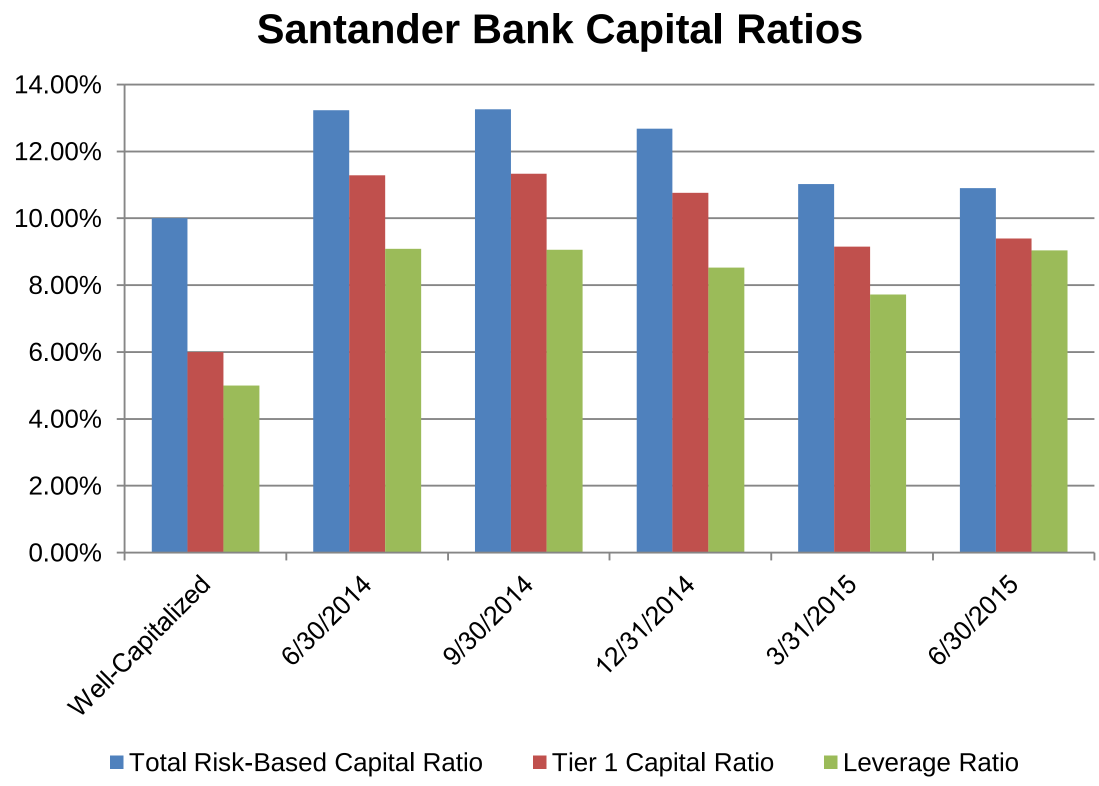


	2013Q3	2013Q4	2014Q1	2014Q2	2014Q3	2014Q4	2015Q1	2015Q2
Peer Group Rating	48	48	36	37	40	41	33	34
Peer Group Ranking (Percentile)	19	15	12	11	15	18	14	13
Regional Rating	67	67	63	64	65	65	60	61
Regional Ranking (Percentile)	58	58	53	54	54	52	44	46

Asset Quality Ranking. The bank's asset quality ratios and percentile rankings for the last five quarters are set forth below:

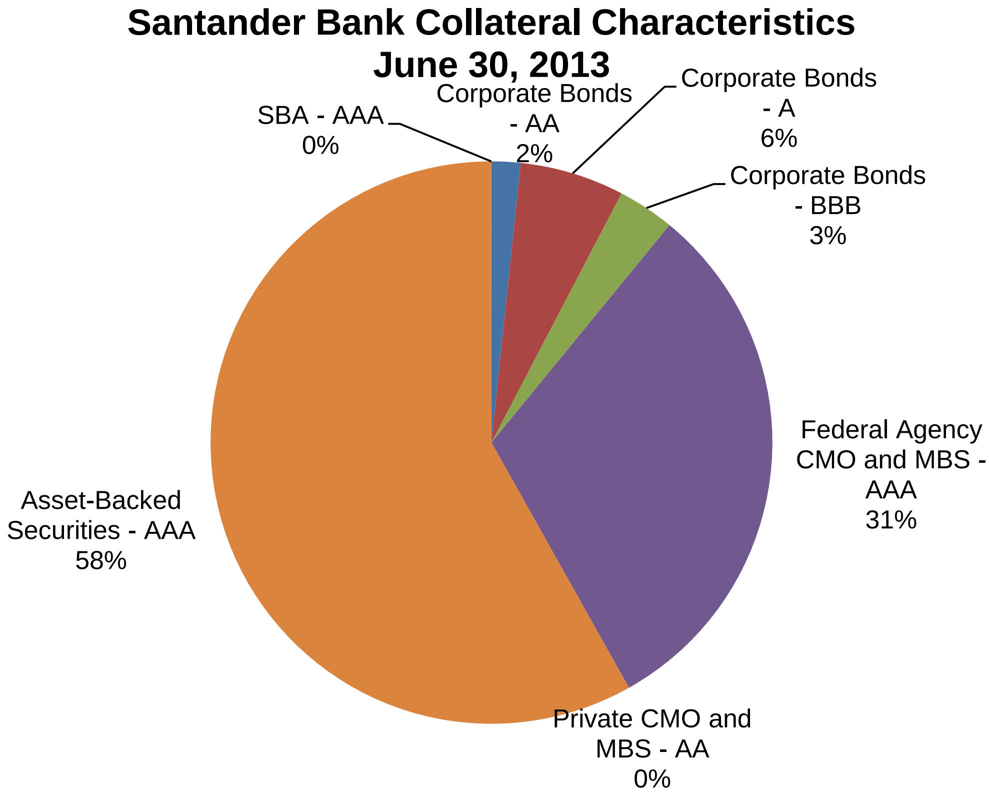
	6/30/2014	9/30/2014	12/31/2014	3/31/2015	6/30/2015
Asset Quality Ratio	1.88	1.54	1.35	1.23	1.05
Asset Quality Ranking	18	22	27	34	38

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.



Collateral Review. Santander Bank maintained collateral coverage of 111.57% as of December 31, 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.



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 second quarter of 2015 of $277.5 million compared to net income of $227.6 million for the first quarter of 2015 and $342.9 million for the second quarter of 2014. Nonperforming assets to total assets were 0.69% at June 30, 2015, compared to 0.67 % at March 31, 2015 and 0.71% at June 30, 2014.

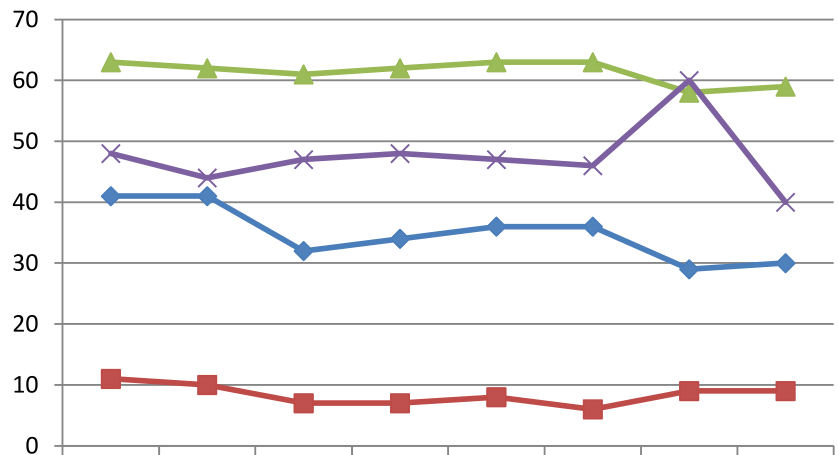
Credit Ratings. Moody's upgraded the ratings of 60 U.S. regional banks and three custodian banks, including TD, on May 14 following the release of its new bank rating methodology, under which bank subsidiaries of 62 U.S. banking groups were assigned counterparty risk assessments and which takes into account the "very strong" U.S. macro profiles, the banks' strong core financial ratios, the protection offered to depositors compared to senior creditors and the likelihood of government support for these institutions.

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

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

Peer Group Ratings. TD Bank's Bank Insight peer group rating for June 30 was "30", placing the bank in the 9th 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

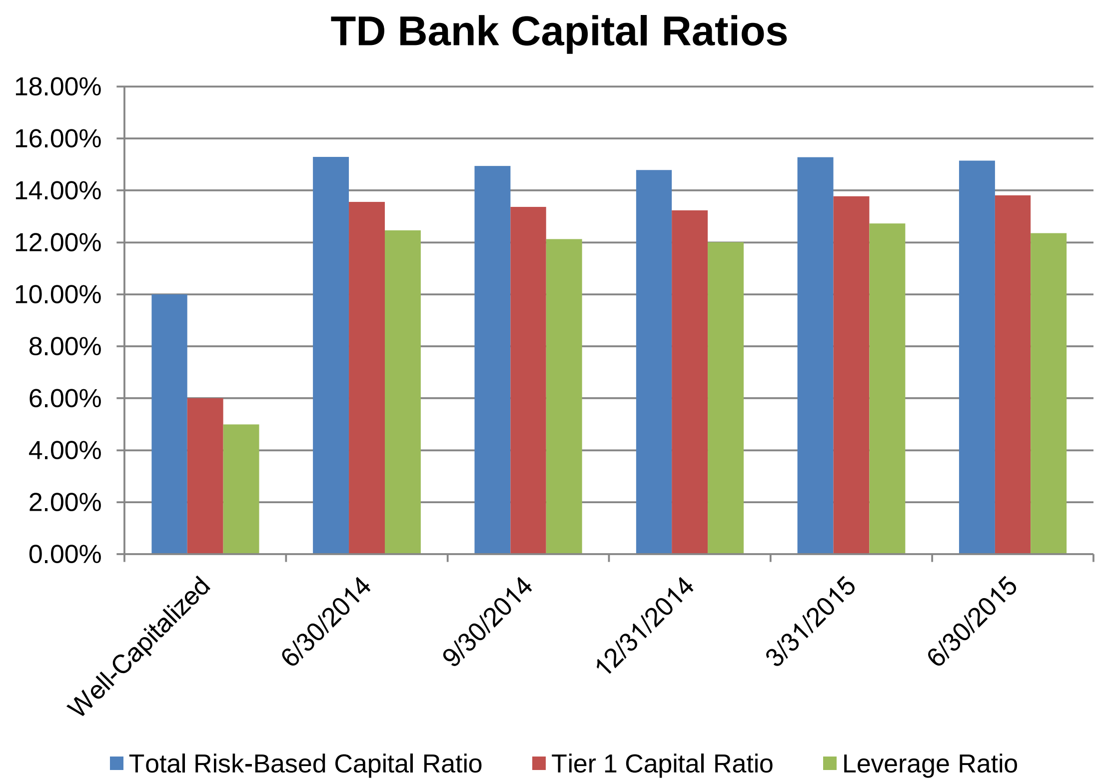


	2013Q3	2013Q4	2014Q1	2014Q2	2014Q3	2014Q4	2015Q1	2015Q2
Peer Group Rating	41	41	32	34	36	36	29	30
Peer Group Ranking (Percentile)	11	10	7	7	8	6	9	9
Regional Rating	63	62	61	62	63	63	58	59
Regional Ranking (Percentile)	48	44	47	48	47	46	60	40

Asset Quality Ranking. The bank's asset quality ratios and percentile rankings for the last five quarters are set forth below:

	6/30/2014	9/30/2014	12/31/2014	3/31/2015	6/30/2015
Asset Quality Ratio	1.50	1.43	1.45	1.39	1.36
Asset Quality Ranking	29	26	23	27	22

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.



Collateral Review. TD Bank maintained collateral coverage of 102.88% as of August 31, 2015 and 107.63% as of July 31, 2015 of public funds held for deposit.

The securities in TD's collateral pool as of August 31 consist of asset-backed securities (ABS) backed by credit card, auto loan and equipment loan receivables. An ABS is a debt obligation backed by financial assets such as credit card receivables, auto loans and home-equity loans. The financial institutions that originate the loans sell pools of the loans to a special purpose-vehicle, usually a corporation that sells them to a trust. The loans are then repackaged by the trust as interest-bearing securities issued by the trust and sold to investors by 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.

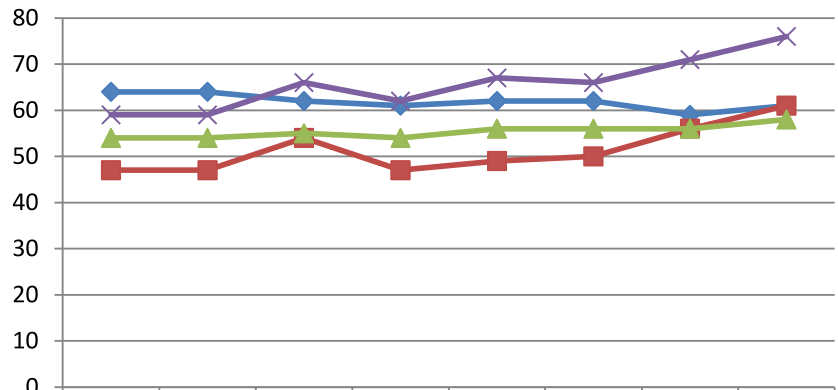
Univest Bank and Trust Co.

Overview. Univest Corp. of Pennsylvania is the parent company of Univest Bank and Trust Co. and is based in Souderton. Univest Bank has $2.75 billion in assets. Univest Corp. completed its acquisition of Valley Green Bank on January 1, 2015. The bank reported net income of $7,834,000 for the second quarter of 2015, compared to net income of $4,604,000 for the corresponding quarter in 2014 (before the Valley Green acquisition). Net interest margin rose from 3.62% for the second quarter of 2014 to 3.92% for the second quarter of 2015. Nonperforming assets were 0.96% of total assets as of June 30, 2015 compared to 0.91 % as of March 31, 2015 and 1.18% as of June 30, 2014.

Credit Ratings. Neither Univest Corp. of Pennsylvania nor Univest Bank and Trust Co. has a long-term credit rating.

Peer Group Ratings. Univest Bank's Bank Insight peer group rating for June 30 was "61", placing the bank in the 61st percentile of its peer group of banks with total assets between $1 billion to $4.9 billion. Bank Insight ratings and rankings for the last two years were:

Univest Bank & Trust Company Peer Group Ratings and Rankings

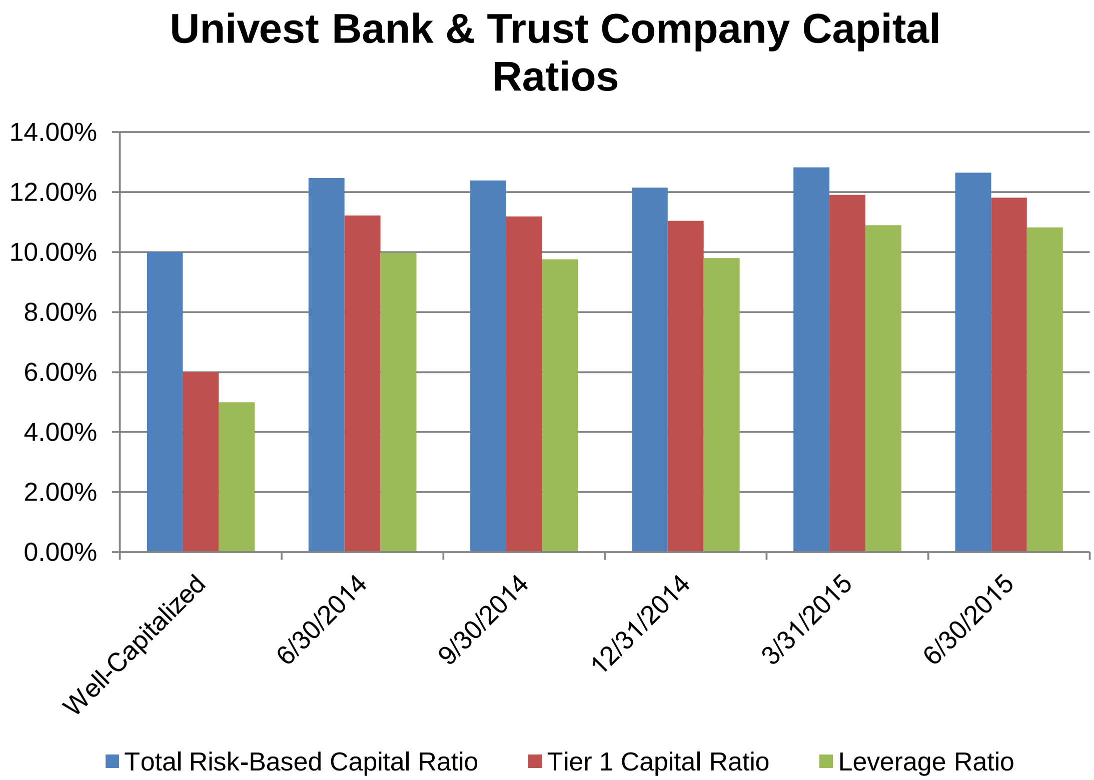


	2013Q3	2013Q4	2014Q1	2014Q2	2014Q3	2014Q4	2015Q1	2015Q2
Peer Group Rating	64	64	62	61	62	62	59	61
Peer Group Ranking (Percentile)	47	47	54	47	49	50	56	61
Regional Rating	54	54	55	54	56	56	56	58
Regional Ranking (Percentile)	59	59	66	62	67	66	71	76

Asset Quality Ranking. The bank's asset quality ratios and percentile rankings for the last five quarters are set forth below:

	6/30/2014	9/30/2014	12/31/2014	3/31/2015	6/30/2015
Asset Quality Ratio	1.22	1.16	1.04	0.93	0.92
Asset Quality Ranking	50	50	50	53	49

Capital Adequacy. Univest Bank and Trust Co. is classified as "well-capitalized" (Capital Category 1) for federal regulatory purposes by meeting or exceeding the minimum measurements as shown below.



Collateral Review. Univest maintained collateral coverage of 104.28% of public funds held for deposit as of June 30, 2015. The June 30 report did not include a listing of the collateral securities. The report for April 30, 2012 showed that the collateral at that time consisted of federal agency securities.

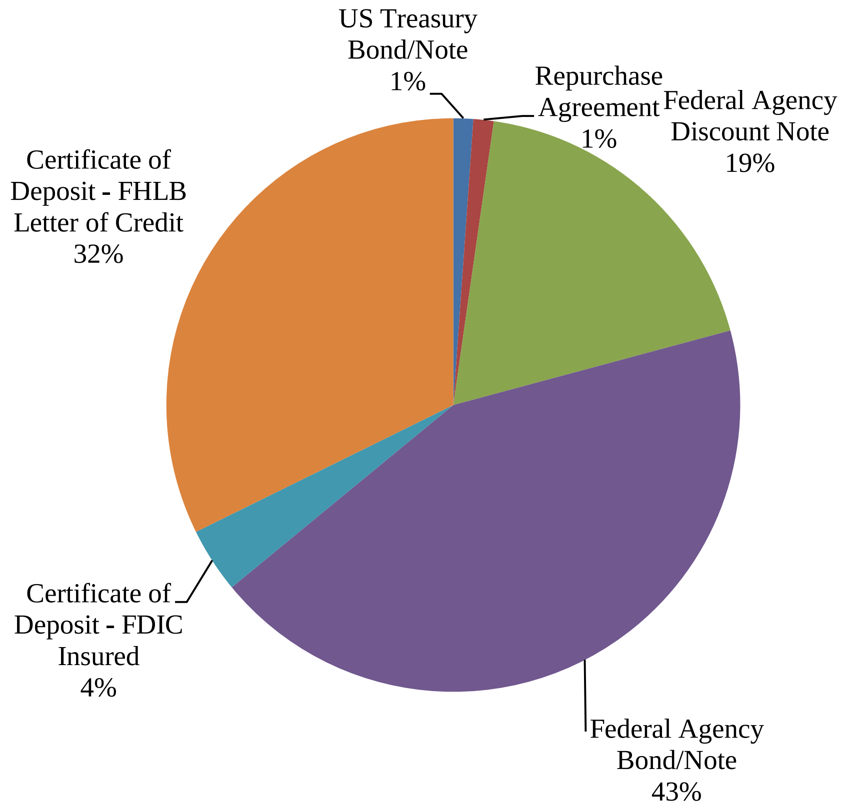
PLGIT AND PSDLAF

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, 2014 consisted of demand deposits (9.16%), repurchase agreements (15.57%), municipal obligations (2.22%) and U.S. Government Agency obligations (73.04%).

PLGIT's pooled investment vehicles are similarly invested in a variety of permitted securities. The following chart shows the composition of PLGIT's Plus portfolio as of June 30, 2015.

PLGIT PLUS Composition of Securities in Portfolio
June 30, 2015



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 August 31, 2015 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.

First Niagara's Bank Insight ranking hovered at the 10th percentile, two quarters after ranking at 0. The abysmal rating of 0 resulted from the large net loss reported for the third quarter 2014 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 four points above the national median. The bank's Total Risk Based Capital Ratio has climbed slowly over the last year up to 11.54%, and is now over one and a half 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. First Niagara's troubles have sparked rumors of a sale or merger.

Firstrust Savings Bank's peer group Bank Insight ranking was strong at the 83rd percentile in June. The bank's asset ranking as of June 30 was at the 39th percentile. Firstrust's capital ratios are well in excess of the required minimums. Firstrust Savings Bank provides satisfactory collateral coverage.

National Penn's Bank Insight peer group ranking climbed from the 50th percentile to the 54th percentile; its asset quality ranking was at the 65th percentile. The bank's capital ratios are over two percentage points above the required minimums. National Penn provides collateral of reasonable quality and with satisfactory coverage ratios to provide additional security.

QNB Bank's peer group Bank Insight ranking fell from the 27th percentile to the 21st percentile in June and its asset quality ranking dropped ten points to the 31sth percentile. 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 was very good.

Santander (Sovereign) Bank's Bank Insight ranking hovered at the 13th percentile during the second quarter while its asset quality ranking climbed four points to the 38th percentile. 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 stayed the same at the 9th percentile while its asset quality ranking was at the 22nd percentile. It maintains strong margins above the required capital ratio minimums. TD's collateral consists exclusively of highly-rated asset backed securities. Collateral coverage for TD provides a reasonable cushion over the required minimum.

Univest Bank and Trust Co's Bank Insight peer group ranking was steady at the 61st percentile. The bank's asset quality ratio was at the 49th percentile. Its capital ratios are well above the required minimums. Univest provides satisfactory collateral coverage.

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

September 30, 2015 ***LAWLACE CONSULTING LLC***

<u>Disclosure</u>

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
August 31, 2015