

SPENCER COUNTY PUBLIC SCHOOLS

207 West Main Street
Taylorsville, Kentucky 40071

OFFICIAL QUOTE FORM FOR DEPOSITORY FOR BOARD OF EDUCATION ACCOUNTS

THE SPENCER COUNTY BOARD OF EDUCATION RESERVES THE RIGHT TO NEGOTIATE ANY OR ALL OF THE TERMS OF SUBMITTED QUOTES FROM FINANCIAL INSTITUTIONS

I. Deposits

A. Demand Deposits

In accordance with Item 19 of the General Conditions and Specifications, we agree to service all accounts of the Spencer County Board of Education without charge provided a minimum balance of \$1 million is maintained in the General Fund Account.

B. Time Deposits

We agree to pay interest on all deposits maintained by the Spencer County Public School District compared to the Friday Federal Funds rate (recorded as the previous day's high) as published in the **Wall Street Journal** on Monday (or the first working day) of each week for the next week as follows:

Basis Points Difference
(please state + or -)

+ .15

How Computed?

Simple Interest

How Paid?

Monthly

We agree to pay a minimum rate of 0.25 %

II. Direct Deposits

If designated as the primary depository, we agree to compensate the Board \$.00 for each direct deposit credit originated in lieu of paper payroll checks paid in the event the Board elects to use the direct deposit method of compensating employees. (This reflects a reduced operating cost of originating electronic entries versus issuing paper documents.)

III. Loans

We agree to extend credit as needed on legally drawn notes of the Board of Education of Spencer County for amounts up to the Board's legal borrowing limit at a rate not to exceed the greater of 6 % percent per annum (maximum of 6%) or 70 % percent (maximum of 70%) of the federal reserve discount rate on ninety (90) day commercial paper in effect in the federal reserve district in which the loan is made in accordance with KRS 160.540 (copy attached).

IV. Location of Offices

The following is a listing of this financial institution's branch office (s):

Branch Office	Location
<u>Main Office-Taylorsville</u>	<u>23 West Main St, Taylorsville, KY</u>
<u>Elk Creek - Fisherville</u>	<u>5511 Taylorsville, Fisherville, KY</u>

V. Collected Funds

For investment purposes, we agree to credit the Board's account on the day funds are collected by the bank.

VI. Collateral

A. Execution of Bond of Depository and Collateral

A Bond of Depository for Public School Funds will be executed by the primary depository and collateral deposited in escrow to secure said bond as hereafter set out. The Bond of Depository includes a pledge of collateral in the amount of the required penal sum.

The Bond of Depository needed to cover the Spencer County Board of Education funds is estimated in the amount of \$12,400,000 effective July 1, 2015 subject to approval of the Kentucky Department of Education. The penal sum of the depository bond is calculated by one of two methods per the Kentucky Department of Education Bond of Depository Instructions, copy attached. The amount of the Bond of Depository is determined by the Kentucky Department of Education and will fluctuate from year to year or daily, depending on the method approved by the Kentucky Department of Education. In the event the amount of Board of Education funds on deposit, including certificates of deposit, exceed the Bond of Depository amount, the primary depository is required to pledge additional collateral for any such excess funds on deposit with a fair market value equal to the excess amount.

In this regard, the Board of Education will give the primary depository an advance schedule of anticipated revenues. The secondary depository shall be required to pledge collateral in the amount of not less than 103% of the uninsured balance of investments on deposit with that depository. A written proof of collateral must be sent to the Board of Education at the end of the month showing the dollar amounts provided as collateral.

B. Type of Collateral

All collateral pledged by the primary depository selected must have a fair market value equal to at least 103% of all deposits (including all investment instruments) of the Board of Education and shall consist of U.S. Government Bonds, Kentucky School Revenue Bonds, and/or Federal Government Agency Obligations. Repurchase Agreements for either or both classes of

collateral are unacceptable security. The collateral represents the total amount required to cover all funds, including investments and construction funds. These funds may be on deposit with the primary depository or a combination of all depositories.

C. Safekeeping Receipt(s)

The primary depository will execute a safekeeping receipt for collateral which will include an endorsement as follows (the form of the endorsement on the safekeeping receipt may be amended so as to modify the endorsement in any manner required by the rules and regulation of the Federal Reserve Banks, provided that the collateral pledged for safekeeping in connection with the bond depository is deposited in a federal reserve bank.):

“The securities described herein have been pledged as collateral to funds on deposit in Memphis (city), Tennessee (county), Kentucky to the credit of the Board of Education of Spencer County, Taylorsville, Kentucky under terms of a depository agreement. These securities may not be withdrawn or substituted except with the **written consent of the Board of Education**. The **original** of this receipt has been delivered to the Board of Education of Spencer County, Taylorsville, Kentucky.”

VII. **Length of Contract**

The quotations and undertakings offered herein will be valid for the fiscal year beginning July 1, 2015 and ending June 30, 2016 and, at the option of the Board of Education, and with the primary depository's consent, may be extended for up to four additional one (1) year periods. The bank contract will be renewed by March first each year if in agreement.

VIII. Designated Employee


Pamela Mason shall be the employee of our firm who will be responsible for compliance with the terms of the Bond of Depository contract.

IX. Type of Financial Institution

We have read and understand the General Conditions and Specifications for Board of Education accounts and agree to comply with all said stipulations should we be selected as the Board's primary depository. Our firm is a: (check the following description that applies)

X **Commercial Bank** is a member of the Federal Deposit Insurance Corporation and, as such, we propose to accept and hold in SECURED CUSTODY funds belonging to the Board of Education of Spencer County, and to pay out any funds on order of the Board as provided by law. We hereby offer our quote to the Board of Education of Spencer County under terms and conditions as above specified.

 Savings and Loan Association and is insured up to \$250,000 by the Federal Government (GAF) and as such we propose to accept and hold in SECURED CUSTODY funds belonging to the Board of Education of Spencer County, and to pay out any funds on order of the Board as provided by law. We hereby offer our quote to the Board of Education of Spencer County under terms and conditions as above specified.

Firm Name: The Peoples Bank
Signature:  Title: CEO
Address: 23 West Main Street
Taylorsville, KY 40071
Telephone: 502-477-2244 Date: 5/12/15