

**Comprehensive Annual
Financial Report**

of the

Township of Union, Board of Education

County of Union

Union, New Jersey

For the Fiscal Year Ended June 30, 2015

Prepared by

**Township of Union, Board of Education
Finance Department**

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INTRODUCTORY SECTION

Township of Union Public Schools

Gregory A. Tatum
Superintendent

December 4, 2015

Honorable President and Members of
The Board of Education of the
Township of Union
2369 Morris Avenue
Union, New Jersey 07083

Dear Board Members:

The comprehensive annual financial report of the Township of Union School District (the "District") for the fiscal year ended June 30, 2015, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Township of Union Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the district. All disclosures necessary to enable the reader to gain an understanding of the district's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the management's discussion and analysis, general-purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, "Audits of State, Local Governments and Non-Profit Organizations," and the state Treasury Circular Letter 04-04 NJOMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.

1. **REPORTING ENTITY AND ITS SERVICES:** The Township of Union School District is an independent reporting entity within the criteria adopted by the Financial Accounting Standard Board ("FASB") as established by Governmental Accounting Standard Board ("GASB") in codification section 2100. All funds and account groups of the District are included in this report. The Township of Union School District and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-Kindergarten through twelve as well as education for children with special needs grades Pre-School through twelve. The District completed the 2014-2015 fiscal year with an enrollment of 7505.9 students, which is an increase of 14.5 students from the previous year's enrollment. The following details the changes in the average student enrollment of the District over the last ten years.

AVERAGE DAILY ENROLLMENT

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2014-2015	7505.9	+0.19%
2013-2014	7491.4	-0.02%
2012-2013	7492.7	-0.24%
2011-2012	7510.7	-2.48%
2010-2011	7702.0	-0.76%
2009-2010	7760.7	-1.54%
2008-2009	7882.3	-.13%
2007-2008	7892.9	-.32%
2006-2007	7918.3	.71%
2005-2006	7975.3	+.15%

2. **ECONOMIC CONDITION AND OUTLOOK** - The Township of Union continues to reflect the economic conditions of the state and country as a whole. Residential, commercial and industrial property values are beginning to increase and foreclosures have leveled off. There are two major residential developments in the Township in the planning stages which will further improve the economic conditions in the Township. The major commercial tax appeals have leveled off. Union Station and the surrounding area continue to demonstrate great economic. The Township remains well positioned for the impending economic growth.

3. MAJOR INITIATIVES - Initiative One- During the 2015-2016 school year the Township of Union Public Schools Personnel Office will facilitate recruitment by continuing to build relationships between colleges and universities in order to sustain recruitment of diverse candidates. The Director of Personnel will continue to discuss with key stakeholders building needs that are related to personnel and student outcome. Faculty surveys will also be utilized to establish professional development needs. Faculty workshops will be placed on the Teachscape system and tie professional development workshops to identified student and faculty needs.

Initiative Two- The Township of Union Public Schools second initiative is to continue to upgrade and improve the technology infrastructure of the district and provide one to one computers for district students. It is the intention of the district to phase in the one to one computers over the next four years. The district is reviewing possible options for offsite information storage and seamless wireless connections in all district schools and office buildings. Additionally, the district will begin the process of reviewing online instruction via web-based programs in the event that students cannot attend a district location.

Initiative Three- The Township of Union Public Schools third initiative to implement a number of the recommendation identified in the district security analysis. These include addition security personnel for all district buildings, as well as trainings for all district personnel on issues pertaining to school security within the district. Additionally, an audit will be complete to provide a plan for emergency location(s) in the event of a major tragedy leading to student displacement within one of more of the districts school buildings for a substantial amount of time. This analysis will be completed in partnership with district and township municipal leaders.

Initiative Four- The Township of Union Public School will continue to offer all district students the opportunity to enhance their learning experience through world language. All students grades K-6 will participate in a Spanish world language program. All students grade 7th and 8th will have the opportunity to take part in world language Spanish, French, or German. District high school students will continue to have the opportunity to take a full four years of world language including level IV and Advanced Placement classes while in high school with student surveys completed for interest in additional languages.

4. INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.
5. BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital project fund. The final budget amount as amended for the fiscal year is reflected in the financial section.
6. ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account group are explained in "Notes to the Financial Statements", Note 1.
7. DEBT ADMINISTRATION: On February 5, 2015, School Bonds in the amount of \$4,280,000.00 were refunded with a maturity date of January 1, 2023. Information related to the District's outstanding debt is recorded in the long-term debt schedules of the comprehensive annual financial report. Debt refundings are done when economically feasible and/or required by regulation.
8. CASH MANAGEMENT: The investment policy of the district is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 2. The District has adopted a cash management plan, which requires it to deposit public Government Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories

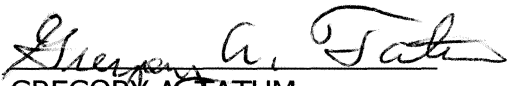
located in New Jersey, where the funds are secured in accordance with the act.


9. RISK MANAGEMENT: The District carries various forms of insurance, including but not limited to general liability, excess liability, errors and omissions, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.
10. OTHER INFORMATION: Independent Audit – State statutes require an annual audit by independent certified public accountants. The accounting firm of Suplee, Clooney & Company, CPAs was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendment of 1996 and the related OMB Circular A-133 and State Treasury Circular Letter 04-04 NJOMB.


The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit section of this report.

11. ACKNOWLEDGEMENTS: We would like to express our appreciation to the members of the Township of Union Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our staff.

Respectfully submitted,


GREGORY A. TATUM
SUPERINTENDENT OF SCHOOLS


MANUEL E. VIEIRA
BUSINESS ADMINISTRATOR


JAMES J. DAMATO
BOARD SECRETARY

**TOWNSHIP OF UNION BOARD OF EDUCATION
UNION, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2015**

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>TERM EXPIRES</u>
David Arminio, President	2015
Vito A. Nufrio, Vice President	2017
Guy Francis	2015
Thomas Layden	2015
Richard J. Galante	2016 (resigned 6/16/15)
Lois Jackson	2016
Angel Salcedo	2016
Ron McDowell	2017
Nancy Zuena	2017

OTHER OFFICIALS

Mr. Gregory A. Tatum, Superintendent of Schools

Dr. Noreen Lishak, Assistant Superintendent of Schools

Mrs. Annie Moses, Assistant Superintendent of Schools (Board approved 6/16/15)

Mr. Manuel E. Vieira, Business Administrator

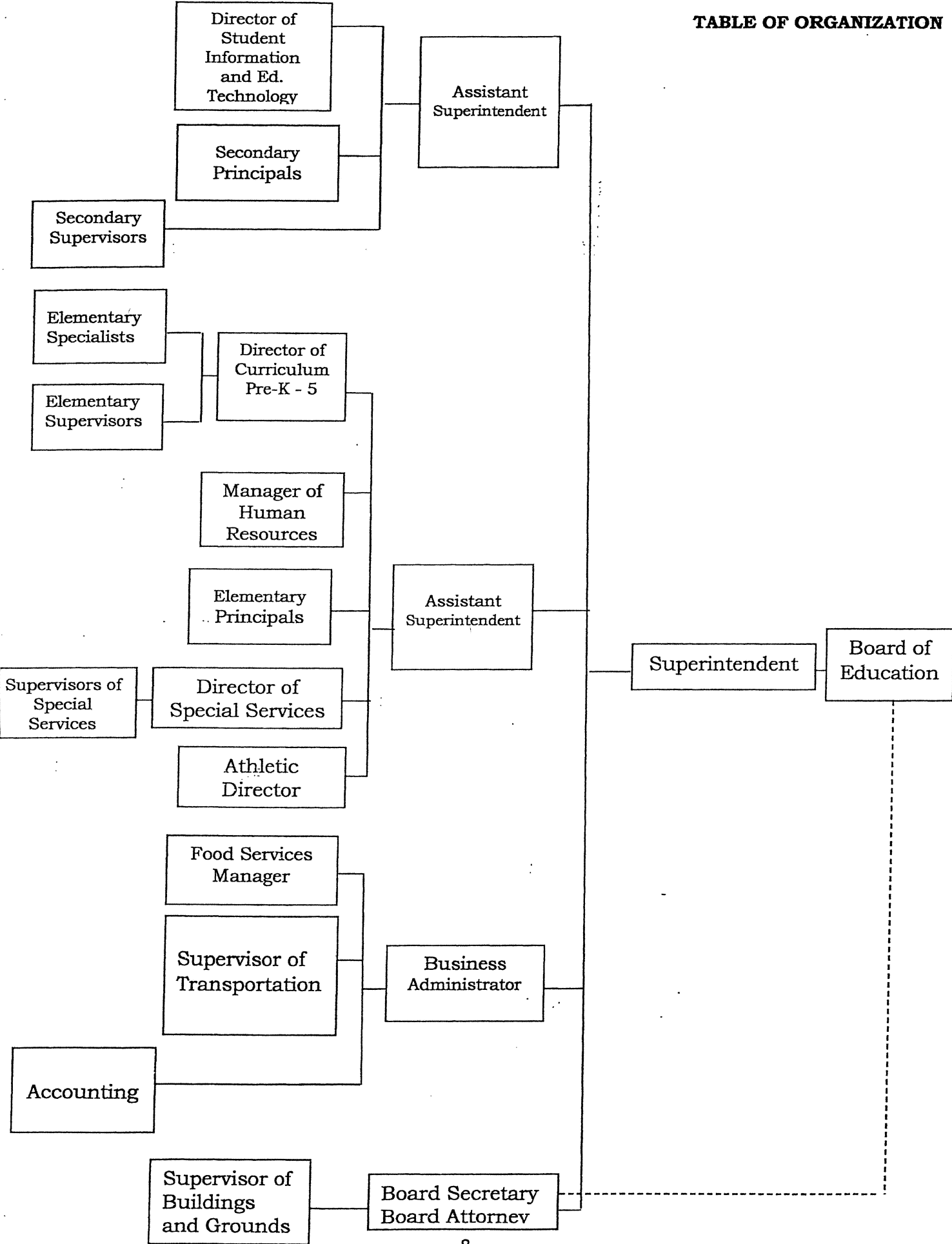
Mrs. Fernanda Manochio, Assistant Board Secretary

Mr. James J. Damato, Board Secretary/Board Attorney

Mr. Thomas Wiggins, Supervisor of Buildings and Grounds

Mrs. Debra L. Cyburt, Treasurer of School Monies

TABLE OF ORGANIZATION



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FINANCIAL SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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E-mail info@scnco.com

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Township of Union
County of Union
Union, New Jersey 07083

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Union School District, County of Union, New Jersey as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey, the provisions of U.S. Office of Management and Budget (OMB) *Circular A-133* "Audits of States, Local Governments and Non-Profit Organizations" and State of New Jersey *OMB Circular 04-04* "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

SUPLEE, CLOONEY & COMPANY

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township of Union School District, County of Union, New Jersey as of June 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 6 to the basic financial statements, in 2015, the District adopted Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions and Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date (an amendment of GASB Statement 68). Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information in Exhibit C-1 through C-3 and the pension schedules in Exhibit L-1 through L-4 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

SUPLEE, CLOONEY & COMPANY

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Union School District's basic financial statements. The accompanying supplementary information schedules such as the combining and individual fund financial statements and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Nonprofit Organization," New Jersey's OMB Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and the State of New Jersey, Department of Education, Division of Finance, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information schedules such as the combining and individual fund financial statements and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Nonprofit Organization," New Jersey's OMB Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and the State of New Jersey, Department of Education, Division of Finance is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The other information, such as the introductory and statistical sections, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 4, 2015 on our consideration of the Township of Union School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Township of Union School District's internal control over financial reporting and compliance.


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 962

December 4, 2015

REQUIRED SUPPLEMENTARY INFORMATION – PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

**TOWNSHIP OF UNION SCHOOL DISTRICT
UNION, NJ
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED**

The discussion and analysis of Township of Union School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

The Management's Discussion and Analysis (MD&A) is a new element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments* issued in June 1999. Certain comparative information between the current year (2014-2015) and the prior year (2013-2014) is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for 2015 are as follows:

- ◆ In total, net position increased \$490,749 which represents a 32.32 percent decrease from the \$725,147 increase in 2014.
- ◆ General revenues accounted for \$121,590,925 in revenue or 83 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$25,730,157 or 17 percent of total revenues of \$147,321,082.
- ◆ Total assets of governmental activities increased by 1,248,765 as cash and cash equivalents increased by \$629,545. Receivables increased by \$1,702,279. Restricted cash and cash equivalents decreased by \$1,541,526, and capital assets increased by \$458,467.
- ◆ The School District had \$146,830,334 in expenses; only \$25,730,158 of these expenses are offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$121,590,925 were adequate to provide for these programs.
- ◆ Among governmental funds, the General Fund had \$125,293,183 in revenues, \$125,943,842 in expenditures and a transfer out of \$1,847,406. The General Fund's fund balance decreased \$2,498,065 over 2014. This decrease was not anticipated by the Board of Education.

Using this Comprehensive Annual Financial Report (CAFR)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Union School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The *Statement of Net Position* and *Statement of Activities* provide information about the activities of the whole School district, presenting both an aggregate view of the School district's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School district's most significant funds with all other non-major funds presented in total in one column. In the case of Township of Union School District, the General Fund is by far the most significant fund.

**TOWNSHIP OF UNION SCHOOL DISTRICT
UNION, NJ
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School district as a whole looks at all financial transactions and asks the question, "How did we do financially during 2015?" The Statement of Net Assets and the Statement of Activities answers this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account, all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the school district as a whole, the financial position of the School district has improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- ◆ Governmental activities – All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- ◆ Business-Type Activity – This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service enterprise fund is reported as a business activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's funds. The School District uses many funds to account for a multitude of financial transactions. The School District's governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund.

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School district's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**TOWNSHIP OF UNION SCHOOL DISTRICT
UNION, NJ
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

Enterprise Fund

The enterprise fund uses the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. The notes to the financial statements can be found immediately following the fund financial statements.

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Net Position may serve over time as a useful indicator of a government's financial position. The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Table 1 provides a comparative summary of the School District's net position for 2015 and 2014.

	Table 1 Net Assets	
	<u>2015</u>	<u>2014</u>
Assets		
Current and Other Assets	\$ 30,780,168	\$ 29,813,660
Capital Assets	<u>79,357,597</u>	<u>78,976,940</u>
Total Assets	<u>\$ 110,137,765</u>	<u>\$ 108,790,600</u>
Deferred Outflow of Resources:		
Pension Related	<u>\$ 4,642,821</u>	<u>\$</u>
Liabilities		
Long-Term Liabilities	\$ 63,012,915	\$ 30,323,116
Other Liabilities	<u>7,621,081</u>	<u>3,854,954</u>
Total Liabilities	<u>\$ 70,633,996</u>	<u>\$ 34,178,070</u>
Deferred Inflow of Resources:		
Pension Related	<u>\$ 2,062,770</u>	<u>\$</u>
Net Position		
Net Investment in Capital Assets	\$ 51,969,097	\$ 49,762,065
Restricted	26,714,466	27,872,924
Unrestricted (Deficit)	<u>(36,599,744)</u>	<u>(3,022,459)</u>
Total Net Position	<u><u>\$ 42,083,819</u></u>	<u><u>\$ 74,612,530</u></u>

The District's combined Net Position was \$42,083,819.23 on June 30, 2015. The Net Position for June 30, 2014 has not been restated to reflect the District's Net Pension Liability required by the implementation of GASB 68.

**TOWNSHIP OF UNION SCHOOL DISTRICT
UNION, NJ
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

Table 2 shows changes in net position for fiscal year 2015 and 2014.

**Table 2
Changes in Net Position**

	<u>2015</u>	<u>2014</u>
Revenues		
Program Revenues:		
Charges for Services	\$ 1,570,430	\$ 1,612,301
Operating Grants and Contributions	24,159,728	11,099,254
General Revenues:		
Property Taxes	84,490,626	82,919,685
Grants and Entitlements	36,395,653	35,445,395
Other	704,646	685,049
Total Revenues	\$ <u>147,321,083</u>	\$ <u>131,761,684</u>
Program Expenses		
Instruction	80,794,722	70,798,308
Support Services:		
Pupils and Instructional Staff	27,224,852	24,672,530
General Administration, School Administration, Business Operations and Maintenance of Facilities	26,680,099	24,408,400
Pupil Transportation	7,718,452	6,629,300
Interest on Debt	1,155,993	1,149,619
Business Type Activities	2,973,746	3,186,555
Other	218,845	128,200
Amortization	63,625	63,625
Total Expenses	\$ <u>146,830,334</u>	\$ <u>131,036,537</u>
Increase/(Decrease) in Net Position	\$ <u><u>490,749</u></u>	\$ <u><u>725,147</u></u>

The information for FY 2014 has not been restated to reflect the effect of the District's implementation of GASB 68 and the related pension liability. Both revenues and expenses increased mainly as a result of the District's recognizing in FY 2015 a larger on-behalf TPAF contribution as a revenue and as an expense based upon the State's Actuarial Report

Governmental Activities

The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for the School District operations, if the tax levy increase is greater than 2%. Property taxes made up 57.35 percent of revenues for governmental activities for the Union School District for fiscal year 2015. The District's total revenues were \$147,321,083 for the year ended June 30, 2015.

Sources of Revenue for Fiscal Year 2015

Federal/State Grants 41.10%
Property Taxes 57.35%
Charges for Services 1.07%
Other 0.48%

**TOWNSHIP OF UNION SCHOOL DISTRICT
UNION, NJ
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

The total cost of all program and services was \$146,830,334. Instruction comprises 55.03 percent of District expenses.

Expenses for Fiscal Year 2015

Instruction-Related 55.03%
Maintenance & Operations 9.79%
Administration 5.88%
Student Support Services 18.54%
Transportation 5.26%
Business Type Activities 2.02%
Interest on Debt Service 0.79%
Other 0.15%
Unallocated Amortization 0.04%

Business-Type Activities

Revenues for the District's business-type activities (food service program) were comprised of charges for services and federal and state reimbursements.

- ◆ Income exceeded expenses by \$95,722.
- ◆ Charges for services represent \$1,570,430 of revenue. This represents amounts paid by patrons for daily food service.
- ◆ Federal and state reimbursement for meals, including payments for free and reduced lunches and breakfast, and donated commodities was \$1,499,038.
- ◆ Interest revenue was \$2,676
- ◆ There were no transfers this year

Governmental Activities

The Statement of Net Position shows the cost of program services and the charges for services and grants offsetting those services. Table 3A & 3B show the total cost of services and the net cost of services for 2015, 2014 respectively. The net cost shows the financial burden that was placed on the District's taxpayers by each of these functions.

**TOWNSHIP OF UNION SCHOOL DISTRICT
UNION, NJ
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

Table 3A

	Total Cost of Services <u>2015</u>	Net Cost of Services <u>2015</u>
Instruction	\$ 80,794,722	\$ 67,274,633
Support Services: Pupils and Instructional Staff	27,224,852	24,000,311
General Administration, School Administration, Business Operation and Maintenance of Facilities	26,680,099	22,130,589
Pupil Transportation	7,718,451	6,479,110
Interest and Fiscal Charges	1,155,993	1,028,785
Other	218,846	218,845
Amortization	63,625	63,625
Business Type Activities	<u>2,973,746</u>	<u>(95,722)</u>
Total Expenses	\$ <u>146,830,334</u>	\$ <u>121,100,176</u>

Table 3B

	Total Cost of Services <u>2014</u>	Net Cost of Services <u>2014</u>
Instruction	\$ 70,798,308	\$ 65,108,477
Support Services: Pupils and Instructional Staff	24,672,530	23,315,505
General Administration, School Administration, Business Operation and Maintenance of Facilities	24,408,400	22,493,772
Pupil Transportation	6,629,301	6,107,733
Interest and Fiscal Charges	1,149,619	1,022,182
Other	128,200	128,200
Amortization	63,625	63,625
Business Type Activities	<u>3,186,555</u>	<u>85,489</u>
Total Expenses	\$ <u>131,036,538</u>	\$ <u>118,324,983</u>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration, and business include expenses associated with administrative and financial supervision of the District.

**TOWNSHIP OF UNION SCHOOL DISTRICT
UNION, NJ
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

Operation and maintenance of facilities involve keeping the school grounds, buildings, and equipment in an effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by State law.

Interest on debt involves the transactions associated with the payment of interest and other related charges to debt of the School District.

"Other" includes special schools and unallocated depreciation.

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund and debt service fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$131,409,972 and expenditures were \$132,090,964 resulting in an excess of expenditures over revenues of \$680,992.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2015, and the amount and percentage of increases and decreases in relation to prior year revenues.

<i>Revenue</i>	<i>2015 Amount</i>	<i>Percent of Total</i>	<i>Increase (Decrease) From 2014</i>	<i>Percent of Increase (Decrease)</i>
Local sources	\$ 85,178,884	64.82%	\$ 1,577,228	1.89%
State Sources	43,189,815	32.87%	1,433,070	3.43%
Federal Sources	<u>3,041,273</u>	<u>2.31%</u>	<u>(257,866)</u>	<u>(7.82)%</u>
Total	\$ <u>131,409,972</u>	<u>100.00%</u>	<u>2,752,432</u>	<u>2.14%</u>

Local revenues increased by \$1,577,228. The increase in local revenue was due to increases in property taxes, transportation fees, interest earned and miscellaneous revenues and decreases in tuition and interest on capital reserves.

The following schedule represents a summary of general fund, special revenue fund, and debt service fund expenditures for the fiscal year ended June 30, 2015, and the percentage of increases and decreases in relation to prior year amounts.

**TOWNSHIP OF UNION SCHOOL DISTRICT
UNION, NJ
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

<i>Expenditures</i>	<i>2015 Amount</i>	<i>Percent of Total</i>	<i>Increase (Decrease) From 2014</i>	<i>Percent of Increase (Decrease)</i>
Current Expense:				
Instruction	\$ 50,273,997	38.06%	\$ 1,128,807	2.30%
Undistributed expenditures	73,858,180	55.91%	2,939,174	4.14%
Capital Outlay	1,811,665	1.37%	(874,016)	(32.54)%
Special Revenues	3,151,547	2.39%	(436,127)	(12.16)%
Debt Service:				
Principal	1,890,000	1.43%	60,000	3.28%
Interest	<u>1,105,575</u>	<u>0.84%</u>	<u>(61,500)</u>	<u>(5.27)%</u>
Total	\$ <u>132,090,964</u>	<u>100.00%</u>	\$ <u>2,756,338</u>	<u>2.13%</u>

Changes in expenditures were the results of varying factors. Current expense increased due to additional staff salary and capital outlay.

General Fund Budgeting Highlights

The School District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

Over the course of the year, the District revised the annual operating budget. Revisions in the budget were made to prevent over-expenditures in specific line item accounts. Several of these revisions bear notation:

- ◆ Interest income was less than anticipated. Interest rates remained some what constant due to economic conditions.
- ◆ Extraordinary aid, which is state aid for special education students whose individual program cost exceeds \$40,000 per year, was not fully anticipated, as there is no guarantee from the Department of Education that these funds would be available.
- ◆ TPAF, which is the state's contribution to the pension fund, is neither a revenue item nor an expenditure item to the district but is required to be reflected in the financial statements.
- ◆ Tuition for special education students is budgeted based on the existing and known incoming students at the time the budget is submitted. Students move into the District during the summer as well as the school year, which necessitates transferring funds to the appropriate account to pay these special education costs.

**TOWNSHIP OF UNION SCHOOL DISTRICT
UNION, NJ
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

Capital Assets

At the end of the fiscal year 2015, the School District had \$78,517,359 invested in land, building, furniture and equipment, and vehicles. Table 4 shows fiscal year 2015 balances compared to 2014.

**Table 4
Capital Assets (Net of Depreciation) at June 30**

	<u>2015</u>		<u>2014</u>
Land	\$ 9,553,000	\$	9,553,000
Site Improvements	2,631,614		2,734,958
Building and Bldg. Improvements	61,159,727		60,671,466
Machinery & Equipment	<u>5,173,019</u>		<u>5,099,466</u>
Total	<u>\$ 78,517,359</u>	\$	<u>78,058,890</u>

Overall capital assets increased \$458,469 from fiscal year 2014 to fiscal year 2015. The increase in capital assets is due primarily to building improvements, and machinery and equipment. For more detailed information, please refer to the Notes to the Financial Statements.

Debt Administration

At June 30, 2015 the School District had \$64,972,914.75 of outstanding debt. Of this amount, \$2,971,027 is for compensated absences; \$34,613,388.00 is for Net Pension Liability; and \$27,842,000 of serial bonds for school construction.

**Table 5
Outstanding Bonded Debt at June 30**

	<u>2015</u>		<u>2014</u>
2005 Refunding bonds	\$	\$	5,035,000
2010 Refunding bonds	17,550,000		18,745,000
2011 General obligation bonds	6,012,000		6,262,000
2015 Refunding bonds	<u>4,280,000</u>		
Total	<u>\$ 27,842,000</u>	\$	<u>30,042,000</u>

At June 30, 2015, the School District's overall legal debt margin was \$220,551,109. For more detailed information, please refer to the statistical section of the CAFR.

**TOWNSHIP OF UNION SCHOOL DISTRICT
UNION, NJ
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED (CONTINUED)**

For the Future

The Township of Union School District is in good financial condition. The School District is proud of its community support of the public schools. A major concern is the continued reliance on local property taxes. However, future finances are not without challenges as the community continues to grow and State funding is uncertain.

In conclusion, the Township of Union School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenge of the future.

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Mr. Manuel E. Vieira, School Business Administrator at Township of Union Board of Education, Administration Building, 2369 Morris Avenue, Union, New Jersey 07083.

Please visit our website at www.townshipunionschools.org

BASIC FINANCIAL STATEMENTS

The basic financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all funds as of June 30,2015

DISTRICT-WIDE FINANCIAL STATEMENTS

The statement of net position and the statement of activities display information about the District. These statements include the financial activities of the overall district, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

TOWNSHIP OF UNION SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2015

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
ASSETS:			
Cash and cash equivalents	\$ 21,957,174.24	\$ 1,272,651.71	\$ 23,229,825.95
Receivables, net	2,719,866.65	140,824.70	2,860,691.35
Restricted assets:			
Restricted cash and cash equivalents	4,689,650.38		4,689,650.38
Capital assets:			
Land and improvements	9,553,000.00		9,553,000.00
Other capital assets net of depreciation	68,964,358.93	840,238.02	69,804,596.95
Total Assets	<u>\$ 107,884,050.20</u>	<u>\$ 2,253,714.43</u>	<u>\$ 110,137,764.63</u>
DEFERRED OUTFLOW OF RESOURCES:			
Related to Pensions	<u>\$ 4,642,821.00</u>	<u>\$</u>	<u>\$ 4,642,821.00</u>
LIABILITIES:			
Accounts payable	\$ 4,715,258.58		\$ 4,715,258.58
Payable to state government	44,560.01		44,560.01
Unearned revenue	542,683.67		542,683.67
Accrued Interest Payable	358,579.00		358,579.00
Noncurrent liabilities:			
Due within one year:			
Bonds payable	1,960,000.00		1,960,000.00
Due beyond one year:			
Compensated absences payable	2,971,026.75		2,971,026.75
Net Pension Liability	34,613,388.00		34,613,388.00
Bonds payable	25,428,500.00		25,428,500.00
Total liabilities	<u>\$ 70,633,996.01</u>	<u>\$</u>	<u>\$ 70,633,996.01</u>
DEFERRED INFLOW OF RESOURCES:			
Related to Pensions	<u>\$ 2,062,770.00</u>	<u>\$</u>	<u>\$ 2,062,770.00</u>
NET POSITION:			
Net investment in capital assets	\$ 51,128,858.93	\$ 840,238.02	\$ 51,969,096.95
Restricted for:			
Capital projects fund	6,225,421.03		6,225,421.03
Debt service fund (deficit)	(329,699.58)		(329,699.58)
Other purposes	20,818,744.99		20,818,744.99
Unrestricted (deficit)	<u>(38,013,220.18)</u>	<u>1,413,476.41</u>	<u>(36,599,743.77)</u>
Total net position	<u>\$ 39,830,105.19</u>	<u>\$ 2,253,714.43</u>	<u>\$ 42,083,819.62</u>

The accompanying notes to the financial statements are an integral part of this statement.

TOWNSHIP OF UNION SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
JUNE 30, 2015

Functions/Programs	EXPENSES	INDIRECT EXPENSES ALLOCATION	PROGRAM REVENUES CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental activities:							
Instruction:							
Regular	\$ 39,720,262.57	\$ 21,031,339.90		\$ 10,257,241.07	\$ (50,494,361.40)		\$ (50,494,361.40)
Special	9,423,067.46	4,629,482.11		2,257,854.92	(11,794,694.65)		(11,794,694.65)
Other Instruction	3,929,942.26	2,060,627.76		1,004,993.30	(4,985,576.72)		(4,985,576.72)
Support services:							
Tuition	7,596,460.24				(7,596,460.24)		(7,596,460.24)
Student and instruction related services	13,016,826.06	6,611,565.77		3,224,541.29	(16,403,850.54)		(16,403,850.54)
General and business administrative services	2,367,839.04	1,298,287.89		633,190.84	(3,032,936.09)		(3,032,936.09)
School administrative services	5,571,724.25	3,067,840.44		1,496,223.22	(7,143,341.47)		(7,143,341.47)
Plant operations and maintenance	9,412,267.99	4,962,139.49		2,420,095.98	(11,954,311.50)		(11,954,311.50)
Pupil transportation	5,177,318.79	2,541,132.90		1,239,341.52	(6,479,110.17)		(6,479,110.17)
Unallocated benefits	30,787,766.96	(30,787,766.96)					
Charter Schools	218,845.25				(218,845.25)		(218,845.25)
Unallocated Depreciation	3,207,035.29	(3,207,035.29)					
Interest on long-term debt	1,155,993.06			127,208.00	(1,028,785.06)		(1,028,785.06)
Unallocated Amortization	63,625.00				(63,625.00)		(63,625.00)
Total governmental activities	<u>\$ 131,648,974.22</u>	<u>\$ 12,207,614.00</u>		<u>\$ 22,660,690.14</u>	<u>\$ (121,195,898.08)</u>		<u>\$ (121,195,898.09)</u>
Business-type activities:							
Food service:	\$ 2,973,745.73		\$ 1,570,429.68	\$ 1,499,038.10		\$ 95,722.05	\$ 95,722.05
Total business-type activities	<u>\$ 2,973,745.73</u>		<u>\$ 1,570,429.68</u>	<u>\$ 1,499,038.10</u>		<u>\$ 95,722.05</u>	<u>\$ 95,722.05</u>
Total primary government	<u>\$ 134,622,719.95</u>	<u>\$ 12,207,614.00</u>	<u>\$ 1,570,429.68</u>	<u>\$ 24,159,728.24</u>	<u>\$ (121,195,898.08)</u>	<u>\$ 95,722.05</u>	<u>\$ (121,100,176.04)</u>

General Revenues:

Taxes:

Property taxes, levied for general purposes, net	\$ 81,661,987.00		\$ 81,661,987.00
Taxes levied for debt service	2,828,639.00		2,828,639.00
Federal and state aid not restricted - net	33,332,746.87		33,332,746.87
Federal and state aid restricted	3,062,906.38		3,062,906.38
Miscellaneous income	701,969.21	2,676.15	704,645.36
Total general revenues, special items and Transfers	<u>\$ 121,588,248.46</u>	<u>\$ 2,676.15</u>	<u>\$ 121,590,924.61</u>
Change in Net Position	\$ 392,350.38	\$ 98,398.20	\$ 490,748.57
Net Position - beginning as restated		39,437,754.81	41,593,071.04
Net Position - ending	<u>\$ 39,830,105.19</u>	<u>\$ 2,253,714.43</u>	<u>\$ 42,083,819.61</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

MAJOR FUND FINANCIAL STATEMENTS

The Individual Fund financial statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.

TOWNSHIP OF UNION SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

	<u>GENERAL</u> <u>FUND</u>	<u>SPECIAL</u> <u>REVENUE</u> <u>FUND</u>	<u>CAPITAL</u> <u>PROJECTS</u> <u>FUND</u>	<u>DEBT</u> <u>SERVICE</u> <u>FUND</u>	<u>TOTAL</u> <u>GOVERNMENTAL</u> <u>FUNDS</u>
ASSETS:					
Cash and Cash Equivalents	\$ 14,974,635.25	\$	\$ 6,967,371.07	\$ 15,167.92	\$ 21,957,174.24
Cash, Capital Reserve	4,689,650.38				4,689,650.38
Other Receivables	43,676.03	12,542.04			56,218.07
Interfund Receivables	1,555,434.56			13,711.50	1,569,146.06
Receivables from Other Governments	215,423.54	953,625.69	1,494,599.35		2,663,648.58
	<u>215,423.54</u>	<u>953,625.69</u>	<u>1,494,599.35</u>	<u>13,711.50</u>	<u>2,663,648.58</u>
Total Assets	<u>\$ 21,478,819.76</u>	<u>\$ 966,167.73</u>	<u>\$ 8,461,970.42</u>	<u>\$ 28,879.42</u>	<u>\$ 30,935,837.33</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 2,975,090.09	\$ 140,083.49	\$	\$	\$ 3,115,173.58
Interfund Payables		302,840.56	1,266,305.50		1,569,146.06
Payable to State Government		44,560.01			44,560.01
Unearned Revenue	64,000.00	478,683.67			542,683.67
	<u>64,000.00</u>	<u>478,683.67</u>			<u>542,683.67</u>
Total Liabilities	<u>\$ 3,039,090.09</u>	<u>\$ 966,167.73</u>	<u>\$ 1,266,305.50</u>	<u>\$</u>	<u>\$ 5,271,563.32</u>
Fund Balances:					
Restricted for:					
Excess Surplus - Current Year	\$ 4,589,630.18	\$	\$	\$	\$ 4,589,630.18
Designated for Subsequent Years Expenditures -					
Excess Surplus	6,727,450.00				6,727,450.00
Capital Reserve Account	4,689,650.38				4,689,650.38
Maintenance Reserve	1,050,000.00				1,050,000.00
Emergency Reserve	1,000,000.00				1,000,000.00
Debt Service				28,879.42	28,879.42
Capital Purposes			6,225,421.03		6,225,421.03
Committed to:					
Designated for Subsequent Years Expenditures	339,176.00				339,176.00
Assigned:					
ARRA/SEMI	43,823.11				43,823.11
Year End Encumbrances			970,243.89		970,243.89
	<u>43,823.11</u>		<u>970,243.89</u>		<u>970,243.89</u>
Total Fund Balances	<u>\$ 18,439,729.67</u>	<u>\$</u>	<u>\$ 7,195,664.92</u>	<u>\$ 28,879.42</u>	<u>\$ 25,664,274.01</u>
Total Liabilities and Fund Balances	<u>\$ 21,478,819.76</u>	<u>\$ 966,167.73</u>	<u>\$ 8,461,970.42</u>	<u>\$ 28,879.42</u>	<u>\$ 30,935,837.33</u>

The accompanying notes to the financial statements are an integral part of this statement.

TOWNSHIP OF UNION SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

Total Fund Balances (Brought Forward)		\$	25,664,274.01
Amounts Reported for Governmental Activities in the Statement of Net Position (A-1) are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			
Cost of Assets	\$	119,900,908.64	
Accumulated Depreciation		<u>(41,383,549.71)</u>	78,517,358.93
Long term liabilities, including bonds payable, and other related amounts that are not due and payable in the current period and therefore are not reported as liabilities in the funds (See Note 4).			
			(64,972,914.75)
Deferred Outflows and Inflows of resources are applicable to future periods and therefore are not reported in the funds.			
Pensions:			
Deferred Outflows			
Pension related		3,042,736.00	
Employer Contribution related to pensions		<u>1,600,085.00</u>	4,642,821.00
Deferred Inflows:			
Pension related			(2,062,770.00)
Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.			
Accounts Payable - Pension Related		(1,600,085.00)	
Accrued Interest Payable		<u>(358,579.00)</u>	<u>(1,958,664.00)</u>
Net Position of Governmental Activities		\$	<u><u>39,830,105.19</u></u>

The accompanying notes to financial statements are an integral part of this statement.

TOWNSHIP OF UNION SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 81,661,987.00			\$ 2,828,639.00	\$ 84,490,626.00
Tuition	136,115.25				136,115.25
Transportation Fees	12,899.00				12,899.00
Interest on Capital Reserve	5,880.11				5,880.11
Interest Earned	54,803.04		13,711.50		68,514.54
Miscellaneous	380,524.80	88,640.37		9,395.14	478,560.31
Total - Local Sources	\$ 82,252,209.20	\$ 88,640.37	\$ 13,711.50	\$ 2,838,034.14	\$ 85,192,595.21
State Sources	\$ 42,739,297.14	\$ 323,310.52	\$ 1,231,604.00	\$ 127,208.00	\$ 44,421,419.66
Federal Sources	301,676.87	2,739,595.86			3,041,272.73
Total Revenues	\$ 125,293,183.21	\$ 3,151,546.75	\$ 1,245,315.50	\$ 2,965,242.14	\$ 132,655,287.60
EXPENDITURES:					
Current Expense:					
Regular Instruction	\$ 36,920,987.04	\$ 2,799,275.53			\$ 39,720,262.57
Special Education Instruction	9,423,067.46				9,423,067.46
Other Instruction	3,929,942.26				3,929,942.26
Support Services:					
Tuition	7,596,460.24				7,596,460.24
Student and Instruction Related Services	12,698,744.22	318,081.84			13,016,826.06
General and Business Administrative Services	2,367,839.04				2,367,839.04
School Administrative Services	5,571,724.25				5,571,724.25
Plant Operations and Maintenance	9,412,267.99				9,412,267.99
Pupil Transportation	5,177,318.79				5,177,318.79
Unallocated Benefits	30,814,980.71				30,814,980.71
Transfer Funds to Charter School	218,845.25				218,845.25
Debt Service:					
Principal				1,890,000.00	1,890,000.00
Interest				1,105,575.00	1,105,575.00
Capital Outlay	1,811,665.06	34,189.38	1,819,648.88		3,665,503.32
Total Expenditures	\$ 125,943,842.31	\$ 3,151,546.75	\$ 1,819,648.88	\$ 2,995,575.00	\$ 133,910,612.94
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (650,659.10)		\$ (574,333.38)	\$ (30,332.86)	\$ (1,255,325.34)
Other Financing Sources (Uses):					
Transfers In	\$		\$ 1,847,406.00	\$ 13,711.50	\$ 1,861,117.50
Transfers (Out)	(1,847,406.00)		(13,711.50)		(1,861,117.50)
Total Other Financing Sources (Uses)	\$ (1,847,406.00)		\$ 1,833,694.50	\$ 13,711.50	
Net Change in Fund Balances	\$ (2,498,065.10)		\$ 1,259,361.12	\$ (16,621.36)	\$ (1,255,325.34)
Fund Balances, June 30, 2014	20,937,794.77		5,936,303.80	45,500.78	26,919,599.35
Fund Balances, June 30, 2015	\$ 18,439,729.67	\$ -0-	\$ 7,195,664.92	\$ 28,879.42	\$ 25,664,274.01

The accompanying notes to the financial statements are an integral part of this statement.

TOWNSHIP OF UNION SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Total net change in fund balances - governmental funds (from B-2)	\$	(1,255,325.34)
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Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period

Depreciation expense	\$	(3,207,035.29)	
Capital outlays		3,665,503.32	458,468.03

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.	1,890,000.00
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Bond Issue costs are reported in the Governmental Funds as expenditures in the year the bonds are issued. However, on the Statement of Activities the costs are amortized over the life of the Bonds.	(63,625.00)
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In the statement of activities, interest on long-term debt is accrued, regardless of when due. In governmental funds, interest is reported when due. The accrued interest is an reduction in the reconciliation.	(50,418.06)
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District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

District pension contributions	\$	1,524,071.00	
Less: Pension expense		(2,138,034.00)	(613,963.00)

In the statement of activities, certain expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).	27,213.75
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Change in net position of governmental activities	\$	392,350.38
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The accompanying notes to the financial statements are an integral part of this statement.

OTHER FUNDS

TOWNSHIP OF UNION SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS</u>
ASSETS:	
Current assets:	
Cash	\$ 1,272,651.71
Accounts receivable:	
Federal:	
National School Lunch Program	81,876.18
School Breakfast Program	18,751.80
State	2,445.09
Inventories	<u>37,751.63</u>
Total current assets	\$ <u>1,413,476.41</u>
Non Current assets:	
Equipment	\$ <u>840,238.02</u>
Total non current assets	\$ <u>840,238.02</u>
Total Assets:	\$ <u><u>2,253,714.43</u></u>
LIABILITIES:	
NET POSITION:	
Net Investment if Capital Assets	\$ 840,238.02
Unrestricted	<u>1,413,476.41</u>
Total Net Position	\$ <u><u>2,253,714.43</u></u>

The accompanying notes to financial statements are an integral part of this statement.

TOWNSHIP OF UNION SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS</u>
OPERATING REVENUES:	
Local sources:	
Daily sales-reimbursable programs:	
School lunch program	\$ 1,541,875.48
Daily sales non-reimbursable programs:	
Special functions	<u>28,554.20</u>
Total operating revenue	<u>\$ 1,570,429.68</u>
OPERATING EXPENSES:	
Cost of Sales	\$ 1,100,095.17
Labor	1,299,435.22
Other Purchased Professional Services	44,276.41
Cleaning, Repair and Maintenance Services	30,093.49
Insurance	45,242.33
Supplies	143,246.21
Other expense	149,073.09
Management Fee	80,713.77
Depreciation	<u>81,570.04</u>
Total operating expenses	<u>\$ 2,973,745.73</u>
Operating (Loss)	<u>\$ (1,403,316.05)</u>
Nonoperating revenues:	
State sources:	
State school lunch program	\$ 35,060.43
Federal sources:	
National school lunch program	1,161,242.74
School Breakfast program	209,025.66
Food distribution commodities program	93,709.27
Interest revenue	<u>2,676.15</u>
Total nonoperating revenues (expenses)	<u>1,501,714.25</u>
Net Income/(Loss)	\$ 98,398.20
Change in Net Position	98,398.20
Total net position - beginning	<u>2,155,316.23</u>
Total net position - ending	<u>\$ 2,253,714.43</u>

The accompanying notes to financial statements are an integral part of this statement.

TOWNSHIP OF UNION SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2015

	<u>STATE UNEMPLOYMENT INSURANCE PAYABLE</u>	<u>PRIVATE PURPOSE AWARD FUND</u>	<u>AGENCY FUNDS</u>	<u>ESCROW DEPOSITS</u>
ASSETS:				
Cash and investments	\$ 1,151,261.41	\$ 88,986.41	\$ 3,469,508.33	\$ 26,176.15
Due from payroll agency	<u>230,698.14</u>			
Total assets	<u>\$ 1,381,959.55</u>	<u>\$ 88,986.41</u>	<u>\$ 3,469,508.33</u>	<u>\$ 26,176.15</u>
LIABILITIES:				
Liabilities:				
Payroll deductions and withholdings	\$	\$	\$ 2,963,850.97	\$
Due to student groups			274,959.22	
Due to state unemployment insurance			<u>230,698.14</u>	
Total liabilities	<u>\$</u>	<u>\$</u>	<u>\$ 3,469,508.33</u>	<u>\$</u>
NET POSITION:				
Held in trust for unemployment				
Claims and other purposes	\$ 1,381,959.55	\$ 29,000.00	\$	\$ 26,176.15
Reserved for awards		<u>59,986.41</u>		
Total net position	<u>\$ 1,381,959.55</u>	<u>\$ 88,986.41</u>	<u>\$ -0-</u>	<u>\$ 26,176.15</u>

The accompanying notes to financial statements are an integral part of this statement.

TOWNSHIP OF UNION SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	STATE UNEMPLOYMENT INSURANCE	PRIVATE PURPOSE AWARD FUND	ESCROW DEPOSITS
ADDITIONS:			
Contributions:	\$ 112,067.25	\$ 4,337.00	\$
Investment earnings:			
Interest	\$ 8,563.17	\$ 606.54	\$ 25.99
Net investment earnings	\$ 8,563.17	\$ 606.54	\$ 25.99
Total additions	\$ 120,630.42	\$ 4,943.54	\$ 25.99
DEDUCTIONS:			
Scholarships awarded	\$	\$ 16,282.00	\$
Unemployment claims	109,345.52		
Total deductions	\$ 109,345.52	\$ 16,282.00	\$
Change in net position	\$ 11,284.90	\$ (11,338.46)	\$ 25.99
Net position beginning of year	1,370,674.65	100,324.87	26,150.16
Net position end of year	\$ 1,381,959.55	\$ 88,986.41	\$ 26,176.15

The accompanying notes to financial statements are an integral part of this statement.

Township of Union School District
Notes to the Financial Statements
June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Township of Union School District have been prepared in conformity with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Board's accounting policies are described below.

Reporting Entity

The Township of Union School District is a Type II District located in Union County, New Jersey. The School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The District consists of elected officials. These officials are responsible for the fiscal control of the District. A Superintendent is appointed by the Board and is responsible for the administrative control of the District.

The primary criterion for including activities within the District's reporting entity, are set forth in Statement No. 39 of the Governmental Accounting Standards Board entitled "*Determining Whether Certain Organizations are Component Units*" (GASB 39) as codified in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards.

Organizations that are legally separate, tax-exempt entities and that meet *all* of the following criteria should be discretely presented as component units. These criteria are:

1. The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government.
2. The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources of the organization.
3. The economic resources received or held by an *individual organization* that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government.

The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include seven elementary schools, two middle schools and a high school. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

Township of Union School District
Notes to the Financial Statements
June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation, Basis of Accounting

The District's basic financial statements consist of District-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Basis of Presentation

District-Wide Statements: The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish generally between the governmental and business-type activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of net assets presents the financial condition of the governmental and business-type activity of the District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirement of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as generally revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements: During the fiscal year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all funds as major is important for public interest and to promote consistency among district financial reporting models.

Township of Union School District
Notes to the Financial Statements
June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Types

General Fund - The general fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay subfund.

As required by the New Jersey State Department of Education, the District includes budgeted Capital outlay in this fund. U.S. Generally accepted accounting principles as they pertain to governmental entities state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to current expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Thus, the Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Governments (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted or committed to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, funds appropriated from the General Fund, and from aid provided by the state to offset the cost of approved capital projects.

Debt Service Fund - The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Township of Union School District
Notes to the Financial Statements
June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Proprietary Fund

Enterprise Fund - The enterprise fund accounts for all revenues and expenses pertaining to cafeteria operations. The food service fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges. The district also considers the operations of the CAST as an enterprise fund.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method.

Fiduciary Fund Types

Agency Funds - The agency funds are used to account for assets held by the District on behalf of outside parties, including other governments, or on behalf of other funds within the District. The agency funds included in this category are as follows:

Payroll and Student Activities Funds - These are agency funds used to account for the assets that the District holds on behalf of others as their agent. Agency funds are custodial in nature and do not involve measurement of results of operations.

Private Purpose Trust Funds - A trust fund used to account for assets donated by individuals that will provide for the payment of awards and scholarships to district students.

Unemployment Insurance Trust Fund - A trust fund used to account for assets to finance the costs of unemployment compensation claims as they arise.

Township of Union School District
Notes to the Financial Statements
June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting – Measurement Focus

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

District-Wide, Proprietary, and Fiduciary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available.

The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transactions can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

All governmental and business type activities and enterprise funds of the District follow FASB Statements and Interpretations issued on or before November 30, 1989, Account Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

Township of Union School District
Notes to the Financial Statements
June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. In accordance with P.L. 2011, c. 202, which became effective in 2012, the districts elected to move the April school board elections to the date of the November general election, thereby eliminating the note on an annual base budget. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2 (m) 1. All budget amendments and transfers must be approved by School Board resolution. There were no budget amendments during the year ended June 30, 2015.

All budget amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial records.

Township of Union School District
Notes to the Financial Statements
June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Encumbrance Accounting

Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as assigned fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund and capital projects fund for which the District has received advances are reflected in the balance sheet as deferred revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

Interfunds

Interfund receivables and payables arise from transactions between particular funds and are considered short term in duration. The Interfund transactions are recorded by all funds affected in the period in which the transactions are executed and are part of the district's available spendable resources.

Inventories and Prepaid Expenses

Inventories of materials and supplies held for consumption in the governmental funds are recorded as expenditures at the time of purchase and year end balances are not reported in the financial statements.

Inventories of food and/or supplies in the food service fund are recorded at cost on a first-in, first-out basis or, in the case of Food Distribution Commodities, at stated value which approximates market.

Prepaid expenses which benefit future period, other than those recorded in the enterprise fund, are recorded as an expenditure in the year of purchase.

Township of Union School District
Notes to the Financial Statements
June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

The District has an established formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets are depreciated in the district-wide statements using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
School Buildings	50
Building Improvements	20
Electrical/Plumbing	30
Vehicles	8
Office and Computer Equipment	5-10
Instructional Equipment	10
Grounds Equipment	15

Compensated Absences

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences." A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with employee after fifteen years of service.

Township of Union School District
Notes to the Financial Statements
June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences (Continued)

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave and vacation days that are expected to become eligible for payment upon termination. The district estimates its accrued compensated absences liability based on the accumulated sick and vacation days at the balance sheet date by those employees who are currently eligible to receive termination payments.

For the District-wide statements of net assets, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, for the governmental funds, in the fund financial statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

Fund Equity

Fund balance restrictions are used to indicate that portion of the fund balance that is not available for expenditures or is legally segregated for a specific future use. Designation of portions of the fund balances are established to indicate tentative plans for financial utilization in a future period. The unassigned fund balances represent the amount available for future budgetary operations.

Unrestricted retained earnings represents the remains of the District's equity in the cumulative earnings of the proprietary funds.

Unearned Revenue

Unearned revenue in the special revenue and capital projects funds represents funds which have been received but not yet earned. A corresponding accounts receivable has also been established for any open encumbrances at year end which is allowable under generally accepted accounting principles.

Accrued Liabilities and Long-Term Liabilities

All payables, accrued liabilities, and long-term liabilities are reported on the District-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, contractually required pension contributions and compensated absences that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

Township of Union School District
Notes to the Financial Statements
June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

GASB 63 provides guidance for reporting net position in the statement of financial position and related disclosures. In compliance with GASB 63, the Statement of Net Assets has been renamed the Statement of Net Position. Net Position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

Fund Balance Restrictions

The District has implemented GASB Statement 54, "Fund Balance Reporting and Governmental Fund Type Definitions". This statement modifies fund balance reporting and clarifies fund type definitions. This new Statement aims to enhance the usefulness of fund balance information by providing clearer fund balance clarifications that can be applied more consistently.

Under the new standard, in the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation. The District reports the Capital Reserve, Emergency Reserve, Maintenance Reserve and Excess Surplus as Restricted Fund Balance.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education. The District reports amounts Designated for Subsequent Year's Expenditures as Committed Fund Balance.

Assigned – includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator. The District reports Year End Encumbrances as Assigned Fund Balance.

Township of Union School District
Notes to the Financial Statements
June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Restrictions (Continued)

Unassigned – includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

The general fund is the only fund that will report a negative unassigned fund balance. For all other governmental funds the amount of a residual deficit would be classified as unassigned.

Revenues – Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, income taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from property taxes is recognized in the period in which the income is earned. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered both measurable and available at fiscal year end: property taxes available as an advance, interest, and tuition.

Township of Union School District
Notes to the Financial Statements
June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the enterprise fund. For the District, these revenues are sales in the Enterprise Funds. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the enterprise fund.

Allocation of Indirect Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions but are reported separately in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of the program. Depreciation expense, where practicable, is specifically identified by function and is included in the indirect expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Net Position.

Extraordinary and Special Items

Extraordinary items are transactions or events that are unusual in nature and infrequent of occurrence. Special items are transactions or events that are within control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

Management Estimates

The preparation of financial statements in conformity with GAAP requires management to make assumptions that affect the amounts reported as revenue and expenditures/expenses during the reporting period. These estimates may differ from actual results.

Accounting and Financial Reporting for Pensions

In fiscal year 2015, the District implemented GASB 68. This Statement amends GASB Statement No. 27. It improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local government employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision useful information, supporting

Township of Union School District
Notes to the Financial Statements
June 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting and Financial Reporting for Pensions (Continued)

assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirement of Statement No. 27, *Accounting for Pension by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. This statement is effective for periods beginning after June 15, 2014.

The District has also implemented GASB Statement 71, Pension Transition for Contributions made Subsequent to the Measurement Date—an amendment to GASB No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. Statement 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources.

In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events. At transition to Statement 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation.

Township of Union School District
Notes to the Financial Statements
June 30, 2015

Accounting and Financial Reporting for Pensions (Continued)

This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has only two items that qualify for reporting in this category, deferred amounts from refunding debt and deferred amounts related to pensions.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualify in this category, deferred amounts related to pension.

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

The Board considers petty cash, change funds, cash in banks, deposits in the New Jersey Cash Management Fund, and short-term investments with original maturities of three months or less as cash and cash equivalents. Investments are stated at cost, which approximates market.

Deposits

New Jersey statutes permit the deposit of public funds in public depositories which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain

Township of Union School District
Notes to the Financial Statements
June 30, 2015

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Deposits (Continued)

collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a Banking Institution that is a member of the Federal Reserve System, and has capital funds of not less than \$25,000,000.00. Under (GUDPA), if a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of the deposits to the governmental unit.

Investments

The purchase of investments by the Board is strictly limited by the express authority of the N.J.S.A. 18A:20-37 Education, Administration of School Districts. Permitted investments include any of the following type of securities:

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. These funds are also required to be rated by a nationally recognized statistical rating organization.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor.
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.

Township of Union School District
Notes to the Financial Statements
June 30, 2015

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments (Continued)

5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by School Districts.
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or
8. Agreements for the repurchase of fully collateralized securities if:
 - a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days;
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and;
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

As of June 30, 2015, the District had no investments outstanding. Based upon the limitations set forth by New Jersey Statutes 40A:5-15.1 and existing investment practices, the District is not generally exposed to credit risks and interest rate risks for its investments, nor is it exposed to foreign currency risk for its deposits and investments.

Township of Union School District
Notes to the Financial Statements
June 30, 2015

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Investments (Continued)

As of June 30, 2015 cash and cash equivalents of the District consisted of the following:

	<u>Cash In</u>		<u>Additions</u>		<u>Deletions</u>		<u>Reconciled</u>
	<u>Bank</u>						<u>Balance</u>
Governmental Funds	\$ 27,977,757.16	\$		\$	(1,330,932.54)	\$	26,646,824.62
Proprietary Fund	1,303,195.14				(30,543.43)		1,272,651.71
Fiduciary Fund	<u>4,761,833.84</u>		<u>37,776.00</u>		<u>(61,515.95)</u>		<u>4,738,093.89</u>
	<u>34,042,786.14</u>		<u>37,776.00</u>		<u>(1,422,991.92)</u>	\$	<u>32,657,570.22</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The District does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of June 30, 2015, based upon the coverage provided by FDIC and NJGUDPA, no amount of the reconciled bank balance was exposed to custodial credit risk. Of the cash on balance in the bank of \$34,042,786.14, \$501,506.20 was covered by Federal Depository Insurance and \$33,541,279.94 was covered under the provisions of NJGUDPA.

Township of Union School District
Notes to the Financial Statements
June 30, 2015

NOTE 3: CHANGE IN CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2015 was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending</u> <u>Balance</u>
Governmental activities:				
Capital assets that are not being depreciated:				
Land	\$ 9,553,000.00	\$	\$	\$ 9,553,000.00
Total capital assets not being depreciated	<u>\$ 9,553,000.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 9,553,000.00</u>
Site Improvements	\$ 3,591,296.08	\$ 53,892.00	\$	\$ 3,645,188.08
Building and Building Improvements	90,995,823.24	2,541,725.19		93,537,548.43
Machinery and Equipment	12,100,286.00	1,069,886.13	(5,000.00)	13,165,172.13
Totals at historical cost	<u>\$ 106,687,405.32</u>	<u>\$ 3,665,503.32</u>	<u>\$ (5,000.00)</u>	<u>\$ 110,347,908.64</u>
Total Gross Assets (Memo Only)	<u>\$ 116,240,405.32</u>	<u>\$ 3,665,503.32</u>	<u>\$ (5,000.00)</u>	<u>\$ 119,900,908.64</u>
Less: Accumulated Depreciation for:				
Site Improvements	\$ (856,337.51)	\$ (157,236.98)	\$	\$ (1,013,574.49)
Building and Building Improvements	(30,324,357.17)	(2,053,464.71)		(32,377,821.88)
Machinery and Equipment	(7,000,819.74)	(996,333.60)	5,000.00	(7,992,153.34)
	<u>\$ (38,181,514.42)</u>	<u>\$ (3,207,035.29)</u>	<u>\$ 5,000.00</u>	<u>\$ (41,383,549.71)</u>
Total Capital Assets being depreciated, net of accumulated depreciation	<u>68,505,890.90</u>	<u>458,468.03</u>	<u>0.00</u>	<u>68,964,358.93</u>
Governmental activities capital assets, net	<u>\$ 78,058,890.90</u>	<u>\$ 458,468.03</u>	<u>\$</u>	<u>\$ 78,517,358.93</u>
Business-type activities:				
Machinery and Equipment	\$ 1,955,335.26	\$ 3,759.00	\$	\$ 1,959,094.26
Less: Accumulated Depreciation for:	(1,063,056.50)	(78,538.24)		(1,141,594.74)
	<u>\$ 892,278.76</u>	<u>\$ (74,779.24)</u>	<u>\$ 0.00</u>	<u>\$ 817,499.52</u>
Cast Fund:				
Machinery and Equipment	\$ 30,318.00	\$	\$	\$ 30,318.00
Less: Accumulated Depreciation for:	(4,547.70)	(3,031.80)		(7,579.50)
	<u>\$ 25,770.30</u>	<u>\$ (3,031.80)</u>	<u>\$</u>	<u>\$ 22,738.50</u>
Business-type activities capital assets-net	<u>\$ 918,049.06</u>	<u>\$ (77,811.04)</u>	<u>\$ 0.00</u>	<u>\$ 840,238.02</u>

Township of Union School District
Notes to the Financial Statements
June 30, 2015

NOTE 3: CHANGE IN CAPITAL ASSETS (CONTINUED)

Depreciation Expense was charged to governmental expenses as follows:

Instruction:	
Regular	\$ 1,459,842.46
Special	321,344.94
Other Instruction	143,033.77
Support services:	
Student & instruction related services	458,926.75
General and business administrative services	90,117.69
School administrative services	212,947.14
Plant operations and maintenance	344,435.59
Pupil transportation	<u>176,386.94</u>
	<u>\$ 3,207,035.29</u>

NOTE 4: LONG-TERM LIABILITIES

Bonds are issued by the District pursuant to the provisions of Title 18A, Education, of the New Jersey Statutes and are required to be approved by the voters of the municipality through referendum. The proceeds of bonds are recorded in the Capital Projects Fund and are restricted to the use for which they were approved in the bond referendum. All bonds are retired in annual installments within the statutory period of usefulness.

School Bonds issued by the District are entitled to and benefit from the provision of the New Jersey School Board Reserve Act P.L. 1980 c.72. Basically, funds are held by the State of New Jersey within its State Fund for the Support of Free Public Schools as a school bond reserve pledged by law to secure payment of principal and interest due on such bonds in the event of the inability of the issuer to make payments.

Township of Union School District
Notes to the Financial Statements
June 30, 2015

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

The following is a summary of changes in liabilities that effect other long-term obligations for the year ended June 30, 2015:

	<u>Bonds</u> <u>Payable</u>	<u>Compensated</u> <u>Absences</u> <u>Payable</u>	<u>Net</u> <u>Pension</u> <u>Liability</u>	<u>Total</u>
Balance, June 30, 2014	\$30,042,000.00	\$2,998,240.50	\$33,019,459.00	\$66,059,699.50
Additions	4,280,000.00		1,593,929.00	5,873,929.00
Reductions	6,480,000.00	27,213.75		6,507,213.75
	<hr/>	<hr/>	<hr/>	<hr/>
Balance, June 30, 2015	\$27,842,000.00	\$2,971,026.75	\$34,613,388.00	\$65,426,414.75
Unamortized Balance of Refunding Bonds	(453,500.00)			(453,500.00)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance, June 30, 2015	<u>\$27,388,500.00</u>	<u>\$2,971,026.75</u>	<u>\$34,613,388.00</u>	<u>\$64,972,914.75</u>
Amounts due within one year	<u>\$1,960,000.00</u>			<u>\$1,960,000.00</u>

Township of Union School District
Notes to the Financial Statements
June 30, 2015

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

Bonds Payable

The annual requirements to amortize all debt outstanding as of June 30, 2015 with interest payments on issued debt, are as follows:

Year Ending	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<u>June 30</u>			
2016	\$1,960,000.00	\$949,943.06	\$2,909,943.06
2017	2,045,000.00	905,900.00	2,950,900.00
2018	2,105,000.00	833,250.00	2,938,250.00
2019	2,175,000.00	757,350.00	2,932,350.00
2020	2,190,000.00	673,750.00	2,863,750.00
2021	2,215,000.00	589,650.00	2,804,650.00
2022	2,240,000.00	504,550.00	2,744,550.00
2023	2,275,000.00	425,125.00	2,700,125.00
2024	1,635,000.00	350,178.13	1,985,178.13
2025	1,625,000.00	298,162.51	1,923,162.51
2026	1,560,000.00	244,762.51	1,804,762.51
2027	1,555,000.00	192,093.76	1,747,093.76
2028	1,545,000.00	137,296.88	1,682,296.88
2029	1,520,000.00	80,212.50	1,600,212.50
2030	400,000.00	43,887.50	443,887.50
2031	400,000.00	29,387.50	429,387.50
2032	397,000.00	14,887.50	411,887.50
	<u>\$27,842,000.00</u>	<u>\$7,030,386.85</u>	<u>\$34,872,386.85</u>

Township of Union School District
Notes to the Financial Statements
June 30, 2015

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

School and refunding bonds payable with their outstanding balances are comprised of the following individual issues:

<u>Issue</u>	<u>Amount Outstanding 6/30/2015</u>	<u>Bonds Authorized But Not Issued</u>
\$20,175,000.00 in Refunding School Bonds dated November 11, 2010, due in remaining annual installments ranging between \$1,125,000.00 and \$1,330,000.00 beginning August 15, 2014 and ending August 15, 2028 with interest from 3.00% to 4.00%	\$17,550,000.00	\$-0-
\$6,712,000.00 in School Bonds dated September 8, 2011, due in remaining annual installments ranging between \$250,000.00 and \$400,000.00 beginning January 1, 2015 and ending January 1, 2032 with interest from 2.00% to 3.75%	6,012,000.00	165.00
\$4,280,000.00 in Refunding School Bonds dated January 1, 2015, due in remaining annual installments ranging between \$485,000.00 and \$620,000.00 beginning January 1, 2015 and ending January 1, 2023 with interest from 2.00% to 4.00%	<u>4,280,000.00</u>	<u> </u>
	<u>\$ 27,842,000.00</u>	<u>\$165.00</u>

Township of Union School District
Notes to the Financial Statements
June 30, 2015

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

Refunding School Bonds

The district issued, in fiscal year 2011, \$20,175,000.00 in Refunding School bonds to advance refund \$19,157,000.00 of the districts previously issued and outstanding school bonds. The reacquisition price exceeded the net carrying amount by \$1,018,000.00. This amount will be amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued. The current year portion charged to the Statement of Activities was \$63,625.00 leaving a balance of \$763,500.00.

Under the escrow agreement, the escrow is irrevocably pledged to the payment of principal and interest on the refunded bonds. As a result, the \$19,157,000.00 of the refunded obligations are considered to be defeased and the liability for those bonds has been removed from the financial statements.

The district issued, in fiscal year 2015, \$4,280,000.00 in Refunding School bonds to advance refund \$4,590,000.00 of the districts previously issued and outstanding school bonds. The net carrying amount exceeded the reacquisition price by \$310,000.00. This amount will be amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued.

Under the escrow agreement, the escrow is irrevocably pledged to the payment of principal and interest on the refunded bonds. As a result, the \$4,590,000.00 of the refunded obligations are considered to be defeased and the liability for those bonds has been removed from the financial statements.

Bonds Authorized But Not Issued

As of June 30, 2015, the District had \$165.00 in Bonds Authorized but not issued.

Township of Union School District
Notes to the Financial Statements
June 30, 2015

NOTE 5: PENSION PLANS

Description of Plans - All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, P.O. Box 295, Trenton, New Jersey, 08625.

Teachers' Pension and Annuity Fund (TPAF) - The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

Public Employees' Retirement System (PERS) - The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provision of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

Township of Union School District
Notes to the Financial Statements
June 30, 2015

NOTE 5: PENSION PLANS (CONTINUED)

Defined Contribution Retirement Program (DCRP) - The Defined Contribution Retirement Program (DCRP) was established under the provision of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 to provide coverage to elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one year of membership.

Significant Legislation

Effective June 28, 2011, P.L. 2011, c. 78 enacted certain changes in the operations and benefit provisions of the TPAF and the PERS systems.

Pension Plan Design Changes

Effective June 28, 2011, P.L. 2011, c. 78, new members of TPAF and PERS, hired on or after June 28, 2011, will need 30 years of creditable service and have attained the age of 65 for receipt of the early retirement benefit without a reduction of 1/4 of 1% for each month that the member is under age 65. New members will be eligible for a service retirement benefit at age 65.

Funding Changes

Under the new legislation, the methodology for calculating the unfunded accrued liability payment portion of the employer's annual pension contribution to the PERS, and TPAF. The unfunded actuarial accrued liability (UAAL) will be amortized for each plan over an open-ended 30 year period and paid in level dollars. Beginning with the July 1, 2019 actuarial valuation (July 1, 2018 for PFRS), the UAAL will be amortized over a closed 30 year period until the remaining period reaches 20, when the amortization period will revert to an open-ended 20 year period.

COLA Suspension

The payment of automatic cost-of-living adjustment to current and future retirees and beneficiaries are suspended until reactivated as permitted by this law.

Vesting and Benefit Provisions The vesting and benefit provisions of PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after ten years of service, except for post-retirement healthcare benefits that vest after 25 years of service. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Township of Union School District
Notes to the Financial Statements
June 30, 2015

NOTE 5: PENSION PLANS (CONTINUED)

Contribution Requirements The contribution policy is set by N.J.S.A. 43:15A and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation.

Effective June 28, 2011, P.L. 2011, c. 78 provides for increases in the employee contribution rates: from 5.5% to 6.5% plus an additional 1% phased-in over 7 years beginning in the first year, meaning after 12 months, after the law's effective date for TPAF and PERS.

Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of TPAF (*i.e.* the State of New Jersey makes the employer contribution on behalf of public school districts).

PERS Contribution Requirements

<u>Year</u> <u>June 30,</u>	<u>Annual Pension</u> <u>Cost (APC)</u>	<u>Percentage of</u> <u>APC Contributed</u>	<u>Net Pension</u> <u>Obligation</u>
2015	\$ 1,451,000.00	100.00%	\$ 1,451,000.00
2014	1,449,536.00	100.00%	1,449,536.00
2013	1,335,799.00	100.00%	1,335,799.00

During the fiscal years ended June 30, 2015, 2014, and 2012, the State of New Jersey contributed \$2,768,678.00 \$2,112,653.00 and \$3,444,456.00, respectively, to the TPAF pension system on behalf of the District.

In accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$3,775,877.14 during the year ended June 30, 2015 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements, and the governmental fund statements and schedules as a revenue and expenditure in accordance with GASB 68.

Township of Union School District
Notes to the Financial Statements
June 30, 2015

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68

Public Employees Retirement System (PERS)

At June 30, 2015, the District reported a liability of \$34,613,388.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2014, the District's proportion was 0.1848735643 percent, which was an increase of 0.121052447 percent from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized pension expense of \$2,138,034.00. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Inflow of Resources</u>	<u>Deferred Outflow of Resources</u>
Differences between expected and actual experience		
Changes of assumptions		1,088,431.00
Net difference between projected and actual earnings on pension plan investments	2,062,770.00	
Changes in proportion and differences between District contributions and proportionate share of contributions		1,954,305.00
District contributions subsequent to the measurement date		<u>1,600,085.00</u>
	<u>2,062,770.00</u>	<u>4,642,821.00</u>

Township of Union School District
Notes to the Financial Statements
June 30, 2015

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(Continued)

Public Employees Retirement System (PERS) (Continued)

The \$1,600,085.00 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	Amount
<u>June 30</u>	
2016	(\$315,613.28)
2017	(\$315,613.28)
2018	(\$315,613.28)
2019	\$200,079.17
Thereafter	\$88,034.84

Additional Information

Collective balances at December 31, 2013 and 2014 are as follows

	<u>12/31/2014</u>	<u>12/31/2013</u>
Collective deferred outflows of resources	\$952,194,675	Not Available
Collective deferred inflows of resources	1,479,224,662	Not Available
Collective net pension liability	18,722,735,003	19,111,986,911
District's Proportion	0.1848735643%	0.1727683196%

Township of Union School District
Notes to the Financial Statements
June 30, 2015

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which rolled forward to June 30, 2014. The total pension liability for the July 1, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

Inflation	3.01 Percent
Salary Increases	
2012-2021	2.15-4.40 Percent (based on age)
Thereafter	3.15-5.40 Percent (based on age)
Investment Rate of Return	7.90 Percent

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.

Mortality Rates

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback one year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

Township of Union School District
Notes to the Financial Statements
June 30, 2015

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bond	1.00%	2.49%
Intermediate Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation Indexed Bonds	2.50%	3.51%
Broad U.S. Equities	25.90%	8.22%
Developed Foreign Markets	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Returns	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%
	<u>100.00%</u>	

Township of Union School District
Notes to the Financial Statements
June 30, 2015

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 5.39% and 5.55% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the collective net pension liability to changes in the discount rate.

The following presents the collective net pension liability of the participating employers as of June 30, 2014 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1 -percentage point lower or 1- percentage-point higher than the current rate:

	June 30, 2014		
	1% Decrease <u>4.39%</u>	1% Decrease <u>5.39%</u>	1% Increase <u>6.39%</u>
District's proportionate share of the pension liability	43,544,820.00	34,613,388.00	27,113,257.00

Township of Union School District
Notes to the Financial Statements
June 30, 2015

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Pension plan fiduciary net position.

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS).

Teachers Pensions and Annuity Fund (TPAF)

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2015 was as follows:

Net Pension Liability:	
Districts proportionate share	-0-
State's proportionate share associated with the District	<u>\$266,911,214</u>
	<u><u>\$266,911,214</u></u>

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2014, the proportion of the TPAF net pension liability associated with the District was .0.4993965717%.

For the year ended June 30, 2015, the District recognized on-behalf pension expense and revenue of \$14,362,329 for contributions provided by the State.

Township of Union School District
Notes to the Financial Statements
June 30, 2015

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (continued)

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	2.50%
Salary increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment rate of return	7.90%

Mortality rates

Mortality rates were based on the RP-2000 Health Annuitant M01tality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement. The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2014 are summarized in the following table:

Township of Union School District
Notes to the Financial Statements
June 30, 2015

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (continued)

Actuarial Assumptions (Continued)

Long-Term Expected Rate of Return (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate- Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%
	<u>100.00%</u>	

Township of Union School District
Notes to the Financial Statements
June 30, 2015

NOTE 6: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 4.68% and 4.95% as of June 30, 2014 and 2013, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9%, and a municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability,

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

Because the District's proportionate share of the net pension liability is zero, consideration of potential changes in the discount rate is not applicable to the District.

NOTE 7: OTHER POST-RETIREMENT BENEFITS

For eligible retired employees, the School District participates in the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under N.J.S.A. 52:14-17.25 *et seq.*, to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The State Health Benefits Commission is the executive body established by statute to be responsible for the operation of the SHBP. The State of New

Township of Union School District
Notes to the Financial Statements
June 30, 2015

NOTE 7: OTHER POST-RETIREMENT BENEFITS(CONTINUED)

Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295.

P.L. 1987, c. 384 and P.L.1990, c. 6 required Teachers Pension and Annuity Fund (TPAF) and Public Employees Retirement System (PERS), respectively, to fund Post Retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on state disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post retirement medical benefits through TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2014, there were 103,432 retirees receiving post-retirement medical benefits. The cost of these benefits and the State contributed \$1.07 billion on their behalf. He cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62.

Funding of post-retirement medical premiums changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 17,356 eligible retired members in Fiscal Year 2014.

The State will set the contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45.

The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the years ended June 30, 2015, 2014 and 2012 were \$4,395,276.00\$3,463,957.00 and \$3,894,809.00 respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

Township of Union School District
Notes to the Financial Statements
June 30, 2015

NOTE 8: LITIGATION

The Board attorney's letter advises that there is no litigation, pending litigation, claims, contingent liabilities, unasserted claims or assessments or statutory violations which involve the Board of Education and which might materially affect the Board's financial position.

NOTE 9: CONTINGENCIES

The Board receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended in the 2014-2015 fiscal year were subject to the U.S. OMB A-133 and New Jersey OMB Circular 04-04 which mandates that grant revenues and expenditures be audited in conjunction with the Board's annual audit. Findings and questioned costs, if any, relative to federal and state financial assistance programs will be discussed in the Single Audit Section, Schedule of Findings and Questioned Costs. In addition, all grants and cost reimbursements are subject to financial and compliance audits by the grantors. The Board management does not believe such an audit would result in material amounts of disallowed costs.

NOTE 10: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, and student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The table below is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid, and the ending balance of the District's expendable trust fund for the current and previous two years:

Township of Union School District
Notes to the Financial Statements
June 30, 2015

NOTE 10: RISK MANAGEMENT (CONTINUED)

<u>Fiscal Year</u>	<u>District Contribution</u>	<u>Interest</u>	<u>Employee Contribution</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2014-2015		\$8,563.17	\$112,067.25	\$109,345.52	\$1,381,959.55
2013-2014	\$50,000.00	8,085.71	177,749.56	168,390.45	1,370,674.65
2012-2013	50,000.00	7,589.85	105,336.92	132,255.22	1,298,930.63

NOTE 11: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2015:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 1,257,302.83	\$
Capital Projects Fund		1,266,305.50
Debt Service Fund	13,711.50	
State Unemployment Insurance	226,398.94	
Payroll Agency		230,457.52
Net Payroll		650.25
	<u>\$ 1,497,413.27</u>	<u>\$ 1,497,413.27</u>

All balances resulted from the time lag between the dates that short-term loans were disbursed and payments between funds were made.

NOTE 12: FUND BALANCE APPROPRIATED – BUDGETARY BASIS

General Fund - Of the \$25,543,600.44 General Fund balance at June 30, 2015, \$1,400,344.87 is assigned to year-end encumbrances; \$4,689,650.38 has been restricted for the Capital Reserve Account; \$1,050,000.00 is restricted for maintenance, \$1,000,000.00 is restricted for emergencies, \$4,589,630.18 is restricted for excess surplus in accordance with N.J.S.A. 18A:7F-7; \$7,066,626.00 has been appropriated and included as anticipated revenue for the year ended June 30, 2015, \$ 52,249.67 assigned fund balance for subsequent year's expenditures and \$2,695,099.34 is unassigned.

Debt Service Fund - Of the \$28,879.42 Debt Service Fund balance at June 30, 2015 the entire \$28,879.42 is restricted for Debt Service.

Township of Union School District
Notes to the Financial Statements
June 30, 2015

NOTE 13: CALCULATION OF EXCESS SURPLUS – BUDGETARY BASIS

In accordance with N.J.S.A.18A:7F-7, as amended by, the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2015 is \$ 4,589,630.18.

General Fund Expenditures		\$	125,943,842.31
Increased by:			
Transfer from Capital Reserve to Capital Projects			<u>1,847,406.00</u>
Fiscal Year Ended June 30, 2015		\$	127,791,248.31
Less:			
On Behalf State Aid Payments:			
Pension Contribution	\$	2,768,678.00	
Post Retirement Medical Contribution		4,395,276.00	
Social Security		<u>3,775,877.14</u>	
			<u>10,939,831.14</u>
Adjusted General Expenditures		\$	116,851,417.17
Applicable Excess Surplus Percentage			<u>2.00%</u>
2% of Adjusted 2014-2015 General Fund Expenditures		\$	2,337,028.34
Higher of line above or \$250,000.00			2,337,028.34
Increased by:			
Extraordinary Aid	\$	280,652.00	
Non-Public School Transportation Aid		<u>77,419.00</u>	
			<u>358,071.00</u>
Maximum Unreserved/Undesignated Fund Balance		\$	2,695,099.34
Total Unassigned Fund Balance			<u>7,284,729.52</u>
Reserved - Excess Surplus-(June 30, 2015)		\$	<u><u>4,589,630.18</u></u>

Township of Union School District
Notes to the Financial Statements
June 30, 2015

NOTE 14: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Township of Union Board of Education in the amount of \$1,401,000.00 in the 2000-2001 school year for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d) 7, the balance in the account cannot at any time exceed the local costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the year ending June 30, 2015 year is as follows:

Beginning balance July 1, 2014		\$	6,231,176.27
Increased by:			
Transfer In	\$		1,200,000.00
Interest Earnings			5,880.11
			1,205,880.11
Decreased by:			
Transfer out		\$	2,747,406.00
Ending balance June 30, 2015		\$	4,689,650.38

The June 30, 2015 LRFP balance of local support costs of uncompleted capital projects is \$48,923,190.00. The withdrawals from the capital reserve were for use in a DOE approved facilities project, consistent with the district's Long Range Facilities Plan.

Township of Union School District
Notes to the Financial Statements
June 30, 2015

NOTE 15: MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by the Township of Union Board of Education in the amount of \$250,000.00 in the 2007-2008 school year for the accumulation of funds for use as maintenance expenditures in subsequent fiscal years. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The maintenance reserve account is used to accumulate funds for the required maintenance of a facility in accordance with EFCFA (N.J.S.A. 18A:7G-9). The passage of S1701 also impacts deposits into maintenance reserve. EFCFA requires that upon the district completion of school facilities project, the district must submit a plan for the maintenance of that facility. The activity of the maintenance reserve for the June 30, 2015 year is as follows:

Beginning balance July 1, 2014	\$ 2,050,000.00
Decreased by:	
Transfer out	<u>1,000,000.00</u>
Ending balance June 30, 2015	\$ <u><u>1,050,000.00</u></u>

NOTE 16: EMERGENCY RESERVE ACCOUNT

An emergency reserve account was established by the Township of Union Board of Education in the amount of \$250,000.00 in the 2007-2008 school year for the accumulation of funds for use as emergency expenditures in subsequent fiscal years. The emergency reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The emergency reserve account was created to fund medical expenses in excess of 4%. The emergency reserve account is used to fund unanticipated general fund current expense costs and may be established to supplement the reserve in the district's annual budget or through a transfer by board resolution at year end of any unanticipated revenue and unexpended line item appropriation amounts in accordance with N.J.S.A. 18A:7F-41.

Beginning balance July 1, 2014 and ending balance June 30, 2015	\$ <u><u>1,000,000.00</u></u>
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Township of Union School District
Notes to the Financial Statements
June 30, 2015

NOTE 17: COMMITMENTS

The District has active construction projects as of June 30, 2015 relating to the approved referendum projects, which include additions and renovations at various schools. At June 30, 2015, the District's commitments with contractors amounted to \$970,243.89, which is included as restricted for capital projects on the balance sheet in the capital projects fund.

NOTE 18: INVENTORY

Inventory in the Food Service Fund at June 30, 2015 consisted of the following:

Food and Supplies	\$37,751.63
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The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Act of 1996) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

NOTE 19: SUBSEQUENT EVENTS

The District has evaluated material subsequent events occurring after the financial statement date through December 4, 2015, which is the date the financial statements were available to be issued. The District has determined that there are no material subsequent events needed to be disclosed.

NOTE 20: RESTATEMENT

As stated in Note 6 in FY2015 the District implemented GASB 68. As a result the District's Net Position at June 30, 2014 was restated as follows:

	<u>Governmental Activities</u>
Beginning Net Position 06/30/14	\$ 72,457,213.81
Adjustments:	
Recognition of Net Pension Liability	<u>(33,019,459.00)</u>
Beginning Net Position 06/30/14 (As restated)	\$ <u><u>39,437,754.81</u></u>

REQUIRED SUPPLEMENTARY INFORMATION - Part II

BUDGETARY COMPARISON SCHEDULES

TOWNSHIP OF UNION SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2015

	ADOPTED BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 81,661,987.00	\$	\$ 81,661,987.00	\$ 81,661,987.00	\$
Tuition	99,999.00		99,999.00	136,115.25	36,116.25
Transportation Fees				12,899.00	12,899.00
Interest on Capital Reserve	20,000.00		20,000.00	5,880.11	(14,119.89)
Miscellaneous				435,327.84	435,327.84
Total - Local Sources	\$ 81,781,986.00	\$	\$ 81,781,986.00	\$ 82,252,209.20	\$ 470,223.20
State Sources:					
Extraordinary Aid	\$ 700,000.00	\$	\$ 700,000.00	\$ 980,652.00	\$ 280,652.00
Categorical Special Education Aid	4,542,770.00		4,542,770.00	4,542,770.00	
Categorical Security Aid	349,231.00		349,231.00	349,231.00	
Categorical Transportation Aid	256,269.00		256,269.00	256,269.00	
Equalization Aid	25,485,236.00		25,485,236.00	25,485,236.00	
Additional Adjustment Aid	1.00			1.00	
PAARC Readiness Aid	73,510.00			73,510.00	
Per pupil Growth Aid	73,510.00			73,510.00	
Non- Public Transportation Aid (Non-Budgeted)				77,419.00	77,419.00
On Behalf TPAF Pension Contributions (Non-Budgeted)				2,768,678.00	2,768,678.00
On Behalf TPAF Post Retirement Medical (Non-Budgeted)				4,395,276.00	4,395,276.00
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				3,775,877.14	3,775,877.14
Total - State Sources	\$ 31,480,527.00	\$	\$ 31,333,506.00	\$ 42,773,429.14	\$ 11,297,902.14
Federal Sources:					
Medicaid Reimbursement - Special Education Initiative (SEMI)	\$ 76,672.00	\$	\$ 76,672.00	\$ 225,856.63	\$ 149,184.63
Medicaid Reimbursement - Medicaid Administrative Claiming (MAC)				23,570.57	23,570.57
ARRA/SEMI				52,249.67	52,249.67
	\$ 76,672.00	\$	\$ 76,672.00	\$ 301,676.87	\$ 225,004.87
Total Revenues	\$ 113,339,185.00	\$	\$ 113,192,164.00	\$ 125,332,315.21	\$ 11,993,130.21
EXPENDITURES:					
CURRENT EXPENSE:					
Instruction - Regular Programs:					
Salaries of Teachers:					
Preschool	\$ 476,225.00	\$ (500.00)	\$ 475,725.00	\$ 463,361.00	\$ 12,364.00
Kindergarten	1,756,899.00	(75,200.00)	1,681,699.00	1,675,885.78	5,813.22
Grades 1-5	12,041,724.00	877,870.08	12,919,594.08	12,888,291.87	31,302.21
Grades 6-8	7,531,960.00	309,741.83	7,841,701.83	7,832,420.62	9,281.21
Grades 9-12	11,041,945.00	(117,616.21)	10,924,328.79	10,853,674.82	70,653.97
Regular Programs - Home Instruction:					
Salaries of Teachers	244,500.00	12,000.00	256,500.00	211,983.03	44,516.97
Purchased Professional Educational Services	60,001.00	21,500.00	81,501.00	68,382.60	13,118.40
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	716,863.00	75,599.30	792,462.30	778,229.42	14,232.88
Purchased Technical Services	40,000.00	(4,500.00)	35,500.00	20,685.00	14,815.00
Other Purchased Services	390,455.00	2,724.97	393,179.97	340,330.31	52,849.66
General Supplies	1,351,652.00	69,880.26	1,421,532.26	1,246,248.74	175,283.52
Textbooks	699,384.00	(130,504.89)	568,879.11	541,493.85	27,385.26
Total Regular Programs	\$ 36,351,608.00	\$ 1,040,995.34	\$ 37,392,603.34	\$ 36,920,987.04	\$ 471,616.30
Special Education:					
Cognitive - Moderate:					
Salaries of teachers	\$ 106,198.00	\$	\$ 106,198.00	\$ 105,247.00	\$ 951.00
Other salaries for instruction	25,459.00		25,459.00	22,200.00	3,259.00
General supplies	4,800.00	(2,293.73)	2,506.27	2,037.93	468.34
Textbooks	200.00		200.00		200.00
Total cognitive moderate	\$ 136,657.00	\$ (2,293.73)	\$ 134,363.27	\$ 129,484.93	\$ 4,878.34

TOWNSHIP OF UNION SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2015

(Continued from prior page)	BUDGET				VARIANCE
	ADOPTED BUDGET	TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)
Learning and/or Language Disabilities:					
Salaries of teachers	\$ 412,341.00	\$ 75,581.38	\$ 487,922.38	\$ 487,907.38	\$ 15.00
Other salaries for instruction	180,660.00	(40,624.00)	140,036.00	136,806.50	3,229.50
General supplies	5,900.00	(2,000.00)	3,900.00	3,106.02	793.98
Textbooks	2,011.00	(1,577.37)	433.63	337.44	96.19
Total learning and/or language disabilities	\$ 600,912.00	\$ 31,380.01	\$ 632,292.01	\$ 628,157.34	\$ 4,134.67
Behavioral disabilities:					
Salaries of teachers	\$ 332,005.00	\$	\$ 332,005.00	\$ 329,568.00	\$ 2,437.00
Other salaries for instruction	216,018.00	(45,000.00)	171,018.00	167,236.94	3,781.06
General supplies	5,900.00	(3,500.00)	2,400.00	1,442.04	957.96
Textbooks	2,011.00	(2,011.00)			
Total behavioral disabilities	\$ 555,934.00	\$ (50,511.00)	\$ 505,423.00	\$ 498,246.98	\$ 7,176.02
Multiple disabilities:					
Salaries of teachers	\$ 221,078.00	\$ (69,131.00)	\$ 151,947.00	\$ 147,706.00	\$ 4,241.00
Other salaries for instruction	27,735.00	22,262.00	49,997.00	49,640.00	357.00
General supplies	4,900.00	(525.75)	4,374.25	3,616.43	757.82
Textbooks	1,601.00	(1,601.00)			
Total multiple disabilities	\$ 255,314.00	\$ (48,995.75)	\$ 206,318.25	\$ 200,962.43	\$ 5,355.82
Resource room:					
Salaries of teachers	\$ 6,828,614.00	\$ (147,156.51)	\$ 6,681,457.49	\$ 6,680,974.95	\$ 482.54
Other salaries for instruction	103,033.00	256,376.00	359,409.00	358,775.67	633.33
General supplies	17,800.00	(9,200.00)	8,600.00	7,959.71	640.29
Textbooks	10,956.00	(10,956.00)			
Total resource room	\$ 6,960,403.00	\$ 89,063.49	\$ 7,049,466.49	\$ 7,047,710.33	\$ 1,756.16
Instruction Autism:					
Salaries of teachers	\$ 192,094.00	\$ 133,093.50	\$ 325,187.50	\$ 324,782.50	\$ 405.00
Other salaries for instruction	70,517.00	(40,288.00)	30,229.00	27,720.50	2,508.50
General supplies	20,100.00	(1,000.00)	19,100.00	18,937.15	162.85
Textbooks	1,771.00	(1,771.00)			
Total Instruction Autism	\$ 284,482.00	\$ 90,034.50	\$ 374,516.50	\$ 371,440.15	\$ 3,076.35
Preschool disabilities - part-time:					
Salaries of teachers	\$ 198,097.00	\$ 3,434.40	\$ 201,531.40	\$ 201,040.40	\$ 491.00
Other salaries for instruction	128,570.00	(2,688.00)	125,882.00	124,330.00	1,552.00
General supplies	4,000.00	(1,000.00)	3,000.00	2,871.95	128.05
Total preschool disabilities - part-time:	\$ 330,667.00	\$ (253.60)	\$ 330,413.40	\$ 328,242.35	\$ 2,171.05
Preschool disabilities - full-time:					
Salaries of teachers	\$ 127,410.00	\$ 39,948.53	\$ 167,358.53	\$ 167,171.29	\$ 187.24
Other salaries for instruction	69,998.00	(18,764.00)	51,234.00	50,977.20	256.80
General supplies	2,000.00	(1,000.00)	1,000.00	674.46	325.54
Total preschool disabilities - full-time	\$ 199,408.00	\$ 20,184.53	\$ 219,592.53	\$ 218,822.95	\$ 769.58
Total special education	\$ 9,323,777.00	\$ 128,608.45	\$ 9,452,385.45	\$ 9,423,067.46	\$ 29,317.99
Basic skills/remedial:					
Salaries of teachers	\$ 2,297,650.00	\$ (29,999.90)	\$ 2,267,650.10	\$ 2,239,806.72	\$ 27,843.38
Bilingual education:					
Salaries of teachers	\$ 578,392.00	\$ 55,705.00	\$ 634,097.00	\$ 634,078.38	\$ 18.62
Total bilingual education	\$ 578,392.00	\$ 55,705.00	\$ 634,097.00	\$ 634,078.38	\$ 18.62
Vocational Programs-Local - Instruction					
Purchased Services	\$ 5,000.00	\$ 1,537.00	\$ 6,537.00	\$ 1,523.00	\$ 5,014.00
General supplies	16,630.00	(0.11)	16,629.89	14,078.65	2,551.24
Total Vocational Programs-Local - Instruction	\$ 21,630.00	\$ 1,536.89	\$ 23,166.89	\$ 15,601.65	\$ 7,565.24

TOWNSHIP OF UNION SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2015

(Continued from prior page)	BUDGET				VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)
	ADOPTED BUDGET	TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	
School sponsored cocurricular activities:					
Salaries	\$ 167,798.00	\$ (7,000.00)	\$ 160,798.00	\$ 157,706.00	\$ 3,092.00
Supplies and materials	3,500.00	90,000.00	93,500.00	2,800.00	90,700.00
Other Objects	35,137.00	(6,712.00)	28,425.00	20,166.00	8,259.00
Total school sponsored cocurricular activities	\$ 206,435.00	\$ 76,288.00	\$ 282,723.00	\$ 180,672.00	\$ 102,051.00
School sponsored athletics - instruction:					
Salaries	\$ 607,779.00	\$ (10,900.00)	\$ 596,879.00	\$ 595,149.61	\$ 1,729.39
Purchased Services	132,324.00	(7,000.00)	125,324.00	94,080.75	31,243.25
Supplies and Materials	94,511.00	56,725.43	151,236.43	128,849.97	22,386.46
Other Objects	21,650.00		21,650.00	17,946.95	3,703.05
Total school sponsored athletics	\$ 856,264.00	\$ 38,825.43	\$ 895,089.43	\$ 836,027.28	\$ 59,062.15
Before/After School Programs - Instruction:					
Salaries of teachers	\$ 24,400.00	\$ 6,000.00	\$ 30,400.00	\$ 23,756.23	\$ 6,643.77
Total before/after school programs - instruction	\$ 24,400.00	\$ 6,000.00	\$ 30,400.00	\$ 23,756.23	\$ 6,643.77
Total - instruction	\$ 49,660,156.00	\$ 1,317,959.21	\$ 50,978,115.21	\$ 50,273,996.76	\$ 704,118.45
Undistributed Expenditures - Instruction:					
Tuition to Other LEA's Within the State-Regular	\$ 45,000.00		\$ 45,000.00	\$ 474.32	\$ 44,525.68
Tuition to Other LEA's Within the State-Special	4,162,092.00	(741,592.88)	3,420,499.12	3,244,303.51	176,195.61
Tuition to County Vocational School District-Regular	812,500.00		812,500.00	638,050.00	174,450.00
Tuition to County Vocational School District-Special	100,000.00		100,000.00	87,600.00	12,400.00
Tuition to CSSD and Regional Day Schools	40,000.00		40,000.00	39,780.00	220.00
Tuition to Private Schools for the Disabled					
Within the State	3,635,648.00	380,414.76	4,016,062.76	3,399,182.17	616,880.59
Tuition to Private Schools for the Disabled & Other LEA's					
Special- Outside the State	67,835.00	0.25	67,835.25	60,750.24	7,085.01
Tuition-State Facilities	144,020.00		144,020.00	126,320.00	17,700.00
Total Undistributed Expenditures - Instruction	\$ 9,007,095.00	\$ (361,177.87)	\$ 8,645,917.13	\$ 7,596,460.24	\$ 1,049,456.89
Undistributed Expenditures-Attendance and Social Work Services:					
Salaries	\$ 197,247.00		\$ 197,247.00	\$ 182,210.88	\$ 15,036.12
Purchased Professional and Technical Services		90,420.00	90,420.00	45,315.00	45,105.00
Other Objects	722.00	(0.07)	721.93	313.27	408.66
Total Undistributed Expenditures- Attendance and Social Work Services	\$ 197,969.00	\$ 90,419.93	\$ 288,388.93	\$ 227,839.15	\$ 60,549.78

TOWNSHIP OF UNION SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2015

(Continued from prior page)	BUDGET				VARIANCE
	ADOPTED BUDGET	TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)
Undistributed Expenditures -Health Services:					
Salaries	\$ 903,135.00	\$ 15,909.00	\$ 919,044.00	\$ 916,483.32	\$ 2,560.68
Salaries of Social Services Coordinators	156,435.00	(493.00)	155,942.00	155,348.00	594.00
Purchased Professional and Technical Services	52,295.00	(136.00)	52,159.00	43,763.20	8,395.80
Supplies and materials	22,136.00	(4,686.12)	17,449.88	14,311.40	3,138.48
Total Undistributed Expenditures - Health Services	\$ 1,134,001.00	\$ 10,593.88	\$ 1,144,594.88	\$ 1,129,905.92	\$ 14,688.96
Undistributed Expenditures -Other Support Services - Student Related Services:					
Salaries	\$ 1,411,809.00	\$ (17,818.75)	\$ 1,393,990.25	\$ 1,388,344.07	\$ 5,646.18
Purchased Professional - Educational Services	417,700.00	23,044.44	440,744.44	344,748.59	95,995.85
Supplies and materials	25,000.00	25,379.57	50,379.57	49,466.58	912.99
Total Undistributed Expenditures -Other Support Services - Student Related Services:	\$ 1,854,509.00	\$ 30,605.26	\$ 1,885,114.26	\$ 1,782,559.24	\$ 102,555.02
Undistributed Expenditures -Other support services- Students- Extra Services					
Salaries	\$ 1,290,188.00	\$ 481,344.00	\$ 1,771,532.00	\$ 1,747,203.05	\$ 24,328.95
Undistributed Expenditures -Other Support Services - Students - Regular:					
Salaries of other professional staff	\$ 1,924,689.00	\$ 0.26	\$ 1,924,689.26	\$ 1,846,296.26	\$ 78,393.00
Salaries of secretarial and clerical assistants	292,786.00		292,786.00	291,875.68	910.32
Supplies an Materials	919.00	40,861.91	41,780.91	41,293.61	487.30
Other objects	11,264.00	(1,175.34)	10,088.66	8,056.12	2,032.54
Total Undistributed Expenditures -Other Support Services - Students - Regular:	\$ 2,229,658.00	\$ 39,686.83	\$ 2,269,344.83	\$ 2,187,521.67	\$ 81,823.16
Undistributed Expenditures - Child Study Teams:					
Salaries of other professional staff	\$ 2,354,324.00	\$ (45,301.25)	\$ 2,309,022.75	\$ 2,283,719.45	\$ 25,303.30
Salaries of secretarial and clerical assistants	258,629.00		258,629.00	241,167.40	17,461.60
Purchased Professional - Educational Services	82,100.00	18,775.00	100,875.00	55,133.80	45,741.20
Misc. Purchased Services other than Resid. Costs	5,000.00	1,085.00	6,085.00	2,674.00	3,411.00
Supplies an Materials		1,915.20	1,915.20	1,915.20	
Other objects	2,500.00		2,500.00	922.00	1,578.00
Total Undistributed Expenditures Other Support Services - Students - Special Services:	\$ 2,702,553.00	\$ (23,526.05)	\$ 2,679,026.95	\$ 2,585,531.85	\$ 93,495.10
Improvement of instruction services/ other support services-instructional staff:					
Salaries of Supervisor of Instruction	\$ 1,749,886.00	\$ (100,000.00)	\$ 1,649,886.00	\$ 1,580,830.28	\$ 69,055.72
Salaries of other professional staff	71,100.00		71,100.00	59,100.00	12,000.00
Salaries of secretarial and clerical assistants	289,765.00		289,765.00	269,723.00	20,042.00
Supplies an Materials	140,000.00	(40,130.65)	99,869.35	99,869.35	
Other objects	21,233.00	(2,000.00)	19,233.00	9,730.62	9,502.38
Total improvement of instruction services/ other support services-instructional staff	\$ 2,271,984.00	\$ (142,130.65)	\$ 2,129,853.35	\$ 2,019,253.25	\$ 110,600.10
Educational Media Services/School Library:					
Salaries	\$ 904,439.00	\$ (0.08)	\$ 904,438.92	\$ 874,308.00	\$ 30,130.92
Supplies and Materials	92,048.00	(3,345.50)	88,702.50	78,077.96	10,624.54
Other objects	18,000.00	(4,531.00)	13,469.00	13,439.00	30.00
Total Educational Media Services/School Library:	\$ 1,014,487.00	\$ (7,876.58)	\$ 1,006,610.42	\$ 965,824.96	\$ 40,785.46
Instructional Staff Training Services:					
Salaries of Other Professional Staff	\$ 30,320.00	\$ 3,560.00	\$ 33,880.00	\$ 26,460.00	\$ 7,420.00
Purchased Professional - Educational Services	69,272.00	(10,105.00)	59,167.00	15,100.00	44,067.00
Other Purchased Services (400-500)	30,000.00	1,505.00	31,505.00	11,545.13	19,959.87
Total Instructional Staff Training Services	\$ 129,592.00	\$ (5,040.00)	\$ 124,552.00	\$ 53,105.13	\$ 71,446.87

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2015

(Continued from prior page)	BUDGET				VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)
	ADOPTED BUDGET	TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	
Support Services-General Administration					
Salaries	\$ 1,124,214.00	\$ (104,461.38)	\$ 1,019,752.62	\$ 986,713.86	\$ 33,038.76
UE SS-GA Salaries of Attorneys	31,200.00		31,200.00	31,200.00	
Legal services	175,000.00	56,800.00	231,800.00	135,682.56	96,117.44
Audit Fees	56,000.00		56,000.00	52,650.00	3,350.00
Architectural/Engineering Services	100,000.00	(21,100.00)	78,900.00	73,742.50	5,157.50
Other Purchased Professional services	19,000.00	(10,000.00)	9,000.00	4,694.00	4,306.00
Purchased Technical Services	4,000.00		4,000.00		4,000.00
Communications/telephone	445,785.00	11,359.99	457,144.99	420,701.87	36,443.12
BOE Other Purchased Services	12,000.00	498.00	12,498.00	5,878.00	6,620.00
Other purchased services	612,000.00	(12,235.31)	599,764.69	534,802.66	64,962.03
General Supplies	65,000.00	10,253.49	75,253.49	61,031.84	14,221.65
BOE In-House Training/Meeting Supplies	12,000.00		12,000.00	822.99	11,177.01
Judgments against School District	38,000.00	50,000.00	88,000.00	22,582.74	65,417.26
Miscellaneous expenditures	75,000.00	132,942.16	207,942.16	10,438.42	197,503.74
BOE Membership Dues and Fees	35,000.00		35,000.00	26,897.60	8,102.40
Total Support Services General Administration	\$ 2,804,199.00	\$ 114,056.95	\$ 2,918,255.95	\$ 2,367,839.04	\$ 550,416.91
Support Services School Administration:					
Salaries of Principals/Asst. principals	\$ 2,424,927.00	\$ 42,690.00	\$ 2,467,617.00	\$ 2,424,958.93	\$ 42,658.07
Salaries of Other Professional Staff	285,483.00	14,226.68	299,709.68	299,709.68	
Salaries of Secretarial and Clerical Assistants	1,169,947.00		1,169,947.00	1,071,652.10	98,294.90
Other Salaries	22,530.00		22,530.00	3,772.00	18,758.00
Purchased Professional and Technical Services	5,100.00	40,000.00	45,100.00	3,267.00	41,833.00
Other Purchased Services (400-500)	14,000.00	2,134.54	16,134.54	7,684.52	8,450.02
Supplies and Materials	66,806.00	5,873.66	72,679.66	58,888.96	13,790.70
Other objects	80,799.00	56,414.39	137,213.39	65,831.35	71,582.04
Total Support Services School Administration	\$ 4,069,592.00	\$ 161,339.27	\$ 4,230,931.27	\$ 3,935,564.54	\$ 295,366.73
Central Services:					
Salaries	\$ 795,842.00	\$ 22,660.88	\$ 818,502.88	\$ 780,894.04	\$ 37,608.84
Purchased Professional Services	62,500.00	67,300.00	129,800.00	58,846.73	70,953.27
Purchased Technical Services	3,000.00		3,000.00		3,000.00
Miscellaneous Purchased Services (400-500)	13,000.00	(1,500.00)	11,500.00	7,331.00	4,169.00
Supplies and materials	24,000.00	(6,000.00)	18,000.00	15,690.82	2,309.18
Miscellaneous Expenditures	13,000.00		13,000.00	7,286.97	5,713.03
Total Undistributed Expend - Central Servs.	\$ 911,342.00	\$ 82,460.88	\$ 993,802.88	\$ 870,049.56	\$ 123,753.32
Undistributed Expend. - Admin. Info. Tech.:					
Salaries	\$ 534,600.00	\$ 8,400.00	\$ 543,000.00	\$ 520,219.71	\$ 22,780.29
Purchased Technical Services	227,700.00	(84,577.00)	143,123.00	127,993.88	15,129.12
Supplies and materials	90,000.00	33,726.00	123,726.00	117,896.56	5,829.44
Total Undistributed Expend - Admin. Info. Tech.	\$ 852,300.00	\$ (42,451.00)	\$ 809,849.00	\$ 766,110.15	\$ 43,738.85
Required Maintenance for School Facilities:					
Salaries	\$ 1,056,125.00	\$ (9,000.00)	\$ 1,047,125.00	\$ 1,007,349.84	\$ 39,775.16
Cleaning, Repair and Maintenance Services	691,262.00	30,169.28	721,431.28	620,406.12	101,025.16
General supplies	358,004.00	(33,036.45)	324,967.55	267,183.36	57,784.19
Other Objects	40,600.00	23,234.18	63,834.18	60,756.40	3,077.78
Total Required Maintenance for School Facilities	\$ 2,145,991.00	\$ 11,367.01	\$ 2,157,358.01	\$ 1,955,695.72	\$ 201,662.29

TOWNSHIP OF UNION SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2015

(Continued from prior page)	BUDGET				VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)
	ADOPTED BUDGET	TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	
Other Operations and Maint. of Plant					
Salaries	\$ 3,364,835.00	\$ 58,700.00	\$ 3,423,535.00	\$ 3,376,044.50	\$ 47,490.50
Salaries - Aides	497,153.00	(40,000.00)	457,153.00	311,542.76	145,610.24
Purchased Professional and Technical Services	33,950.00	(9,870.00)	24,080.00	18,444.00	5,636.00
Cleaning, Repair and Maint. Services	161,750.00	(2,834.48)	158,915.52	138,110.30	20,805.22
Other Purchased Property Services	113,800.00		113,800.00	103,359.82	10,440.18
General Supplies	201,750.00	103,370.00	305,120.00	260,512.59	44,607.41
Energy (Natural Gas)	800,000.00	76,000.00	876,000.00	616,276.99	259,723.01
Energy (Electricity)	1,331,800.00	(110,654.60)	1,221,145.40	1,153,453.88	67,691.52
Total Other Operation and Maint. of Plant	\$ 6,505,038.00	\$ 74,710.92	\$ 6,579,748.92	\$ 5,977,744.84	\$ 602,004.08
Care and Upkeep of Grounds:					
Salaries	\$ 341,817.00	\$ 9,949.38	\$ 351,766.38	\$ 341,089.84	\$ 10,676.54
Cleaning, Repair and Maintenance Services	60,361.00	(46,599.38)	13,761.62	13,165.38	596.24
General Supplies	76,910.00	(13,276.42)	63,633.58	54,288.91	9,344.67
Total Care and Upkeep of Grounds:	\$ 479,088.00	\$ (49,926.42)	\$ 429,161.58	\$ 408,544.13	\$ 20,617.45
Security:					
Salaries	\$ 949,407.00	\$ 39,417.34	\$ 988,824.34	\$ 983,569.94	\$ 5,254.40
Purchased Professional and Technical Services	10,560.00	52,159.96	62,719.96	50,335.46	12,384.50
General Supplies	12,000.00	52,034.81	64,034.81	31,574.72	32,460.09
Other Objects	6,000.00	2,642.24	8,642.24	4,803.18	3,839.06
Total Security	\$ 977,967.00	\$ 146,254.35	\$ 1,124,221.35	\$ 1,070,283.30	\$ 53,938.05
Student Transportation Services:					
Salaries for pupil transportation - aides	\$ 609,786.00	\$ (53,991.14)	\$ 555,794.86	\$ 420,322.96	\$ 135,471.90
Salaries for pupil transportation (between home and school)-regular	1,481,134.00	(94,999.60)	1,386,134.40	1,260,876.23	125,258.17
Salaries for pupil transportation (other than between home & school)	20,000.00		20,000.00	19,005.32	994.68
Management Fee - ESC & CTSA Trans. Program	88,000.00	9,681.37	97,681.37	90,633.98	7,047.39
Purchased Professional and Technical Services	12,500.00		12,500.00	8,123.00	4,377.00
Cleaning, Repair and Maintenance Services	291,000.00	(196,236.00)	94,764.00	48,068.92	46,695.08
Contracted Services - Aid in Lieu of Payments - Non Pub Schools	380,000.00	(29,217.27)	350,782.73	258,998.52	91,784.21
Contracted Services (Other Than Between Home and School)-Vendors	129,521.00	4,143.09	133,664.09	106,561.46	27,102.63
Contracted services (regular students) - ESCs & CTSA	350,000.00	(34,251.57)	315,748.43	283,746.72	32,001.71
Contracted services (special ed. students) - ESCs & CTSA	2,000,000.00	452,399.38	2,452,399.38	2,443,212.09	9,187.29
General Supplies	52,555.00	1,120.20	53,675.20	12,454.08	41,221.12
Transportation Supplies	343,150.00	(8,192.29)	334,957.71	223,093.16	111,864.55
Other Objects	3,300.00		3,300.00	2,222.35	1,077.65
Total Student Transportation Services	\$ 5,760,946.00	\$ 50,456.17	\$ 5,811,402.17	\$ 5,177,318.79	\$ 634,083.38
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	\$ 1,451,000.00	\$ 60,000.00	\$ 1,511,000.00	\$ 1,477,122.09	\$ 33,877.91
Other Retirement Contributions - PERS	1,714,000.00	(100,000.00)	1,614,000.00	1,490,026.70	123,973.30
Other Retirement Contributions - Regular	50,000.00		50,000.00	25,899.91	24,100.09
Unemployment Compensation	50,000.00	(20,000.00)	30,000.00		30,000.00
Workers Compensation	900,000.00	(190,000.00)	710,000.00	644,303.14	65,696.86
Health Benefits	17,070,000.00	(935,000.00)	16,135,000.00	15,814,694.85	320,305.15
Tuition Reimbursements	250,000.00		250,000.00	83,530.88	166,469.12
Other Employee Benefits	400,000.00		400,000.00	339,572.00	60,428.00
Total Unallocated Benefits - Employee Benefits:	\$ 21,885,000.00	\$ (1,185,000.00)	\$ 20,700,000.00	\$ 19,875,149.57	\$ 824,850.43
On Behalf TPAF Pension Contributions (Non-Budgeted)	\$	\$	\$	\$ 2,768,678.00	(2,768,678.00)
On Behalf TPAF Post Retirement Medical (Non-Budgeted)				4,395,276.00	(4,395,276.00)
Reimbursed TPAF Social Security Contributions (non-budgeted)				3,775,877.14	(3,775,877.14)
Total On-Behalf Contributions	\$	\$	\$	\$ 10,939,831.14	(10,939,831.14)
Total Undistributed Expenditures	\$ 68,223,499.00	\$ (523,833.12)	\$ 67,699,665.88	\$ 73,639,335.24	\$ (5,939,669.36)
TOTAL GENERAL - CURRENT EXPENSE	\$ 117,883,855.00	\$ 794,126.09	\$ 118,677,981.09	\$ 123,913,332.00	\$ (5,235,550.91)

TOWNSHIP OF UNION SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2015

(Continued from prior page)	BUDGET				VARIANCE
	ADOPTED BUDGET	TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)
CAPITAL OUTLAY:					
Interest Deposit to Capital Reserve	\$ 20,000.00	\$	\$ 20,000.00	\$	\$ 20,000.00
Total increase to Capital Reserve	\$ 20,000.00	\$	\$ 20,000.00	\$	\$ 20,000.00
Equipment:					
Grades 1-5	\$ 185,344.00	\$ (87,531.45)	\$ 97,812.55	\$ 46,569.00	\$ 51,243.55
Grades 6-8	64,500.00	(44,123.31)	20,376.69	19,611.15	765.54
Grades 9-12	15,000.00	29,571.41	44,571.41	43,395.56	1,175.85
School- Sponsored and Other Instructional Program	30,500.00	(13,836.58)	16,663.42	10,061.17	6,602.25
Undistributed Expenditure- Instruction	3,325.00		3,325.00		3,325.00
Undistributed Expenditure- Support Services Students - Regular	16,180.00	7,656.80	23,836.80	19,547.17	4,289.63
Undistributed Expenditure- Support Services Students - Special	10,000.00		10,000.00	6,650.60	3,349.40
Undistributed Expenditure-Admin. Info. Tech.	120,000.00	116,766.00	236,766.00	234,752.30	2,013.70
Undistributed Expenditure-Require Maintenance for School Facilities	70,000.00	3,000.00	73,000.00	63,951.28	9,048.72
Undistributed Expenditure-Custodial Services	65,000.00	17,398.00	82,398.00	47,050.91	35,347.09
Undistributed Expenditure-Care and Upkeep of Grounds	95,000.00	11,169.60	106,169.60	59,864.60	55,305.00
Undistributed Expenditure-Security Equipment	100,000.00	(50,684.00)	49,316.00	10,344.00	38,472.00
Undistributed Expenditure-Student Trans. - Non- Instruct Equipment	6,000.00	58,852.50	64,852.50	29,426.25	35,426.25
School Buses Regular		288,143.81	288,143.81	193,143.81	95,000.00
Total Equipment	\$ 780,849.00	\$ 336,382.78	\$ 1,117,231.78	\$ 775,867.80	\$ 341,363.98
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	\$ 108,000.00	\$ 19,515.00	\$ 127,515.00	\$ 70,364.00	\$ 57,151.00
Construction Services	1,080,000.00	86,093.05	1,166,093.05	863,973.26	302,119.79
Assessment for Debt Service on SDA Funding	101,460.00		101,460.00	101,460.00	
Total Facilities Acquis. and Const. Services	\$ 1,289,460.00	\$ 105,608.05	\$ 1,395,068.05	\$ 1,035,797.26	\$ 359,270.79
TOTAL CAPITAL OUTLAY	\$ 2,090,309.00	\$ 441,990.83	\$ 2,532,299.83	\$ 1,811,665.06	\$ 720,634.77
Transfer of Funds to Charter Schools	\$ 179,758.00	\$ 40,000.00	\$ 219,758.00	\$ 218,845.25	\$ 912.75
TOTAL EXPENDITURES	\$ 120,153,722.00	\$ 1,276,116.92	\$ 121,429,838.92	\$ 125,943,842.31	\$ (4,514,003.39)
Excess (deficiency) of revenues over (under) expenditures	\$ (6,814,537.00)	\$ (1,276,116.92)	\$ (8,237,674.92)	\$ (611,527.10)	\$ 7,626,147.82
Other financing sources (uses)					
Capital Reserve- Transfer to Capital Projects	\$ (3,100,000.00)	\$	\$ (3,100,000.00)	\$ (1,847,406.00)	\$ (1,252,594.00)
Total other financing sources (uses)	\$ (3,100,000.00)	\$	\$ (3,100,000.00)	\$ (1,847,406.00)	\$ (1,252,594.00)
Excess of Revenues and other Financing Sources: Over Expenditures and Other Expenditures and other Financing uses	\$ (9,914,537.00)	\$ (1,276,116.92)	\$ (11,337,674.92)	\$ (2,458,933.10)	\$ 8,878,741.82
Fund balances, July 1	\$ 25,003,530.77	\$	\$ 25,003,530.77	\$ 25,003,530.77	\$
Fund balances, June 30	\$ 15,088,993.77	\$ (1,276,116.92)	\$ 13,665,855.85	\$ 22,544,597.67	\$ 8,878,741.82
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve			\$ 4,689,650.38		
Maintenance Reserve			1,050,000.00		
Emergency Reserve			1,000,000.00		
Excess Surplus-designated for subsequent year's expenditure			6,727,450.00		
Excess Surplus-Current Year			4,589,630.18		
Assigned Fund Balance:					
Year-End Encumbrances			1,400,344.87		
ARRA/SEMI			52,249.67		
Committed Fund Balance:					
Designated for Subsequent Year's Expenditures			339,176.00		
Unassigned Fund Balance			2,696,096.57		
			\$ 22,544,597.67		
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis			(4,104,868.00)		
Fund Balance per Governmental Funds (GAAP)			\$ 18,439,729.67		

TOWNSHIP OF UNION SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
REVENUES:					
Federal sources	\$ 1,923,469.00	\$ 1,114,375.10	\$ 3,037,844.10	\$ 2,723,850.69	\$ (313,993.41)
State sources	316,669.00	89,443.00	406,112.00	361,551.99	(44,560.01)
Local sources	<u>496,290.37</u>	<u>496,290.37</u>	<u>496,290.37</u>	<u>95,004.81</u>	<u>(401,285.56)</u>
Total revenues	<u>\$ 2,240,138.00</u>	<u>\$ 1,700,108.47</u>	<u>\$ 3,940,246.47</u>	<u>\$ 3,180,407.49</u>	<u>\$ (759,838.98)</u>
EXPENDITURES:					
Instruction:					
Salaries of teachers	\$ 120,000.00	\$ 596,181.08	\$ 716,181.08	\$ 567,716.34	\$ 148,464.74
Purchased professional and technical services	230,761.00	93,932.00	324,693.00	280,721.00	43,972.00
Other purchased services	800,000.00	960,799.00	1,760,799.00	1,755,315.00	5,484.00
General supplies	544,259.40	(347,110.87)	197,148.53	127,797.73	69,350.80
Textbooks	30,990.00	1,362.00	32,352.00	32,297.67	54.33
Other objects	<u>11,300.00</u>	<u>429,390.86</u>	<u>440,690.86</u>	<u>46,480.73</u>	<u>394,210.13</u>
Total instruction	<u>\$ 1,737,310.40</u>	<u>\$ 1,734,554.07</u>	<u>\$ 3,471,864.47</u>	<u>\$ 2,810,328.47</u>	<u>\$ 661,536.00</u>
Support services:					
Salaries of program directors	\$	\$ 68,181.00	\$ 68,181.00	\$ 64,284.03	\$ 3,896.97
Personal services-employee benefits		107,952.00	107,952.00	107,952.00	
Purchased professional and technical services	43,618.00	49,788.00	93,406.00	61,172.43	32,233.57
Purchased professional educational services	350,000.00	(252,272.00)	97,728.00	71,502.70	26,225.30
Other purchased services		4,260.00	4,260.00	3,073.59	1,186.41
Contracted services-transportation (other than between home and school)		6,872.00	6,872.00	6,114.32	757.68
General supplies	<u>109,209.60</u>	<u>(56,976.52)</u>	<u>52,233.08</u>	<u>18,295.57</u>	<u>33,937.51</u>
Total support services	<u>\$ 502,827.60</u>	<u>\$ (72,195.52)</u>	<u>\$ 430,632.08</u>	<u>\$ 332,394.64</u>	<u>\$ 98,237.44</u>
Facilities acquisition and construction services:					
Instructional equipment	\$	\$ 11,795.00	\$ 11,795.00	\$ 11,729.46	\$ 65.54
Non-instructional equipment		<u>25,954.92</u>	<u>25,954.92</u>	<u>25,954.92</u>	
Total facilities acquisition and construction services	<u>\$</u>	<u>\$ 37,749.92</u>	<u>\$ 37,749.92</u>	<u>\$ 37,684.38</u>	<u>\$ 65.54</u>
Total expenditures	<u>\$ 2,240,138.00</u>	<u>\$ 1,700,108.47</u>	<u>\$ 3,940,246.47</u>	<u>\$ 3,180,407.49</u>	<u>\$ 759,838.98</u>

TOWNSHIP OF UNION SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
BUDGET TO GAAP RECONCILIATION
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Note A - Explanation of difference between budgetary inflows and outflows
and GAAP Revenues and Expenditures

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 125,332,315.21	\$ 3,180,407.49
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		15,745.17
State Aid payment recognized for GAAP statements in the current year, previously recognized for budget purposes	4,065,736.00	
State Aid payment recognized for budgetary purposes not recognized for GAAP statements until the subsequent year	(4,104,868.00)	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	\$ 125,293,183.21	\$ 3,196,152.66
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 125,943,842.31	\$ 3,180,407.49
Difference - budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes but in the year the supplies are received for financial reporting purposes.		15,745.17
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance - governmental funds	\$ 125,943,842.31	\$ 3,196,152.66

REQUIRED SUPPLEMENTARY INFORMATION - PART III

SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR PENSION (GASB 68)

Township of Union School District
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employees Retirement System
Last Ten Years

<u>Fiscal Year</u> <u>Ending</u> <u>June 30,</u>	<u>District's</u> <u>Proportion Share</u> <u>of the Net Pension</u> <u>Liability (Asset)</u>	<u>District's</u> <u>Proportionate</u> <u>Share of</u> <u>the Net Pension</u> <u>Liability (Asset)</u>	<u>District's</u> <u>Covered-Employee</u> <u>Payroll</u>	<u>District's</u> <u>Proportion Share</u> <u>of the Net Pension</u> <u>Liability (Asset)</u> <u>as a percentage</u> <u>of it's Covered-</u> <u>Employee Payroll</u>	<u>Plan Fiduciary</u> <u>Net Position</u> <u>as a percentage</u> <u>of the total</u> <u>Pension Liability</u>
2014	0.1848735643%	\$ 34,613,388	\$ 12,413,608.00	278.83%	40.71%
2015	0.1727683196%	33,019,459	11,766,218.00	280.63%	42.74%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

Township of Union School District
Schedule of the District's Contributions
Public Employees Retirement System
Last Ten Years

Fiscal Year Ending <u>June 30,</u>	Contractually Required <u>Contribution</u>	Contributions in Relation to the Contractually Required <u>Contributions</u>	Contribution Deficiency <u>(Excess)</u>	District's Covered- Employee <u>Payroll</u>	Contributions as a Percentage of Covered- Employee <u>Payroll</u>
2014	\$ 1,524,071	\$ 1,524,071	\$ -0-	\$ 12,413,608.00	12.28%
2015	1,301,774	1,301,774	-0-	11,766,218.00	11.06%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

Township of Union School District
Schedule of the District's Proportionate Share of the Net Pension Liability
Teachers Pension and Annuity Fund
Last Ten Years

Fiscal Year Ending June 30,	District's Proportion Share of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Covered-Employee Payroll	District's Proportion Share of the Net Pension Liability (Asset) as a percentage of it's Covered- Employee Payroll	Plan Fiduciary Net Position as a percentage of the total Pension Liability
2014	0.5330693008%	\$ -0-	\$ 50,438,662.00	-0-	33.76%
2015	0.4993965717%	-0-	52,609,495.00	-0-	33.64%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

Township of Union School District
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2015

Public Employees Retirement System

Change in benefit terms None

Change in assumptions The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was a change in the municipal bond index rate from the prior measurement date (4.63%) to the current measurement date (4.29%), resulting in a change in the discount rate from 5.55% to 5.39%. This change in the discount rate is considered to be a change in actuarial assumptions under GASB No. 68.

Teacher Pension and Annuity Fund

Change in benefit terms None

Change in assumptions The calculation of the discount rate used to measure the total pension liability is dependent upon the long-term expected rate of return, and the municipal bond index rate. There was a change in the municipal bond index rate from the prior measurement date (4.63%) to the current measurement date (4.29%), resulting in a change in the discount rate from 4.95% to 4.68%. This change in the discount rate is considered to be a change in actuarial assumptions under GASB No. 68.

OTHER SUPPLEMENTARY INFORMATION

**SPECIAL REVENUE FUND
DETAIL STATEMENTS**

TOWNSHIP OF UNION SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULES OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	TITLE I PART A	I.D.E.A. BASIC	IDEA - PSH	VOCATIONAL EDUCATION	TITLE II TRAINING	TITLE III ENGLISH LANGUAGE	UNIFY INSTRUCTION SUPPLEMENTAL BURNETT MIDDLE SCHOOL	UNIFY INSTRUCTION SUPPLEMENTAL HANNAH CALDWELL
REVENUES:								
Federal sources	\$ 640,655.15	\$ 1,776,193.70	\$ 50,624.00	\$ 42,596.06	\$ 138,639.49	\$ 71,630.95	\$ 2,757.79	\$ 753.55
State sources								
Local sources								
Total revenues	\$ 640,655.15	\$ 1,776,193.70	\$ 50,624.00	\$ 42,596.06	\$ 138,639.49	\$ 71,630.95	\$ 2,757.79	\$ 753.55
EXPENDITURES:								
Instruction:								
Salaries of teachers	\$ 452,837.38			\$ 4,714.00	\$ 100,000.00	\$ 10,164.96		\$
Purchased professional and technical services	15,120.00			4,492.00				
Other purchased services		1,704,691.00	50,624.00					
General supplies	30,091.15			23,645.74		50,803.53	2,537.79	753.55
Textbooks								
Other objects				1,419.00				
Total instruction	\$ 498,048.53	\$ 1,704,691.00	\$ 50,624.00	\$ 34,270.74	\$ 100,000.00	\$ 60,968.49	\$ 2,537.79	\$ 753.55
Support services:								
Salaries of program directors	\$ 62,354.03			\$ 1,930.00				\$
Personal services-employee benefits	75,137.00			501.00	31,200.00	1,114.00		
Purchased professional and technical services	3,356.00				6,900.00			
Purchased professional educational services		71,502.70						
Other purchased services	1,759.59					1,314.00		
Contracted services-transportation (other than between home and school)				5,894.32			220.00	
General supplies					539.49			
Other objects								
Total support services	\$ 142,606.62	\$ 71,502.70	\$	\$ 8,325.32	\$ 38,639.49	\$ 2,428.00	\$ 220.00	\$
Facilities acquisition and construction services:								
Instructional equipment						8,234.46		
Non-instructional equipment								
Total facilities acquisition and construction services	\$	\$	\$	\$	\$	\$ 8,234.46	\$	\$
Total expenditures	\$ 640,655.15	\$ 1,776,193.70	\$ 50,624.00	\$ 42,596.06	\$ 138,639.49	\$ 71,630.95	\$ 2,757.79	\$ 753.55

TOWNSHIP OF UNION SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULES OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	TEXTBOOKS	COMPENSATORY EDUCATION	ENGLISH AS A SECOND LANGUAGE	TRANSPORTATION	SUPPLEMENTAL INSTRUCTION	EXAMINATION AND CLASSIFICATION	CORRECTIVE SPEECH	NURSING
REVENUES:								
Federal sources	\$	\$	\$	\$	\$	\$	\$	\$
State sources	32,297.67	130,484.00	11,610.00	14,271.00	33,857.00	43,410.00	27,477.00	50,916.43
Local sources								
Total revenues	<u>\$ 32,297.67</u>	<u>\$ 130,484.00</u>	<u>\$ 11,610.00</u>	<u>\$ 14,271.00</u>	<u>\$ 33,857.00</u>	<u>\$ 43,410.00</u>	<u>\$ 27,477.00</u>	<u>\$ 50,916.43</u>
EXPENDITURES:								
Instruction:								
Salaries of teachers	\$	\$	\$	\$	\$	\$	\$	\$
Purchased professional and technical services		130,484.00	11,610.00	14,271.00	33,857.00	43,410.00	27,477.00	
Other purchased services								
General supplies								
Textbooks	32,297.67							
Other objects								
Total instruction	<u>\$ 32,297.67</u>	<u>\$ 130,484.00</u>	<u>\$ 11,610.00</u>	<u>\$ 14,271.00</u>	<u>\$ 33,857.00</u>	<u>\$ 43,410.00</u>	<u>\$ 27,477.00</u>	<u>\$</u>
Support services:								
Salaries of program directors	\$	\$	\$	\$	\$	\$	\$	\$
Personal services-employee benefits								
Purchased professional and technical services								50,916.43
Purchased professional educational services								
Other purchased services								
Contracted services-transportation (other than between home and school)								
General supplies								
Other objects								
Total support services	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 50,916.43</u>
Facilities acquisition and construction services:								
Instructional equipment	\$	\$	\$	\$	\$	\$	\$	\$
Non-instructional equipment								
Total facilities acquisition and construction services	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Total expenditures	<u>\$ 32,297.67</u>	<u>\$ 130,484.00</u>	<u>\$ 11,610.00</u>	<u>\$ 14,271.00</u>	<u>\$ 33,857.00</u>	<u>\$ 43,410.00</u>	<u>\$ 27,477.00</u>	<u>\$ 50,916.43</u>

TOWNSHIP OF UNION SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULES OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	NON PUBLIC TECH INITIATIVE	BATTLE HILL SCHOOL	CENTRAL FIVE SCHOOL	LIVINGSTON SCHOOL	WASHINGTON SCHOOL	BURNETT MIDDLE SCHOOL	HANNAH CALDWELL SCHOOL	CONNECTICUT FARMS AC
REVENUES:								
Federal sources	\$	\$	\$	\$	\$	\$	\$	\$
State sources	17,228.89							
Local sources		2,292.84	6,159.60	4,072.00	4,944.36	2,298.04	834.50	4,487.50
Total revenues	<u>\$ 17,228.89</u>	<u>\$ 2,292.84</u>	<u>\$ 6,159.60</u>	<u>\$ 4,072.00</u>	<u>\$ 4,944.36</u>	<u>\$ 2,298.04</u>	<u>\$ 834.50</u>	<u>\$ 4,487.50</u>
EXPENDITURES:								
Instruction:								
Salaries of teachers	\$	\$	\$	\$	\$	\$	\$	\$
Purchased professional and technical services								
Other purchased services								
General supplies								
Textbooks								
Other objects	17,228.89	2,292.84	6,159.60	4,072.00	4,944.36	2,298.04	834.50	4,487.50
Total instruction	<u>\$ 17,228.89</u>	<u>\$ 2,292.84</u>	<u>\$ 6,159.60</u>	<u>\$ 4,072.00</u>	<u>\$ 4,944.36</u>	<u>\$ 2,298.04</u>	<u>\$ 834.50</u>	<u>\$ 4,487.50</u>
Support services:								
Salaries of program directors	\$	\$	\$	\$	\$	\$	\$	\$
Personal services-employee benefits								
Purchased professional and technical services								
Purchased professional educational services								
Other purchased services								
Contracted services-transportation (other than between home and school)								
General supplies								
Other objects								
Total support services	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Facilities acquisition and construction services:								
Instructional equipment	\$	\$	\$	\$	\$	\$	\$	\$
Non-instructional equipment								
Total facilities acquisition and construction services	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Total expenditures	<u>\$ 17,228.89</u>	<u>\$ 2,292.84</u>	<u>\$ 6,159.60</u>	<u>\$ 4,072.00</u>	<u>\$ 4,944.36</u>	<u>\$ 2,298.04</u>	<u>\$ 834.50</u>	<u>\$ 4,487.50</u>

TOWNSHIP OF UNION SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULES OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	UNION PLAZA SPECIAL ED	BASF SCIENCE EDUCATION GRANT	SAFETY NJSBA SUPPLY	MERCK UHS LAW EQUIPMENT	MERCK BMS STREET LAW	CEO (OLIVO)	TOTAL
REVENUES:							
Federal sources	\$	\$	\$	\$	\$	\$	\$ 2,723,850.69
State sources							361,551.99
Local sources	11,700.00	3,864.00	43,711.00	8,006.00	259.97	2,375.00	95,004.81
Total revenues	\$ 11,700.00	\$ 3,864.00	\$ 43,711.00	\$ 8,006.00	\$ 259.97	\$ 2,375.00	\$ 3,180,407.49
EXPENDITURES:							
Instruction:							
Salaries of teachers	\$	\$	\$	\$	\$	\$	\$ 567,716.34
Purchased professional and technical services							280,721.00
Other purchased services							1,755,315.00
General supplies	11,700.00			8,006.00	259.97		127,797.73
Textbooks							32,297.67
Other objects		369.00				2,375.00	46,480.73
Total instruction	\$ 11,700.00	\$ 369.00	\$	\$ 8,006.00	\$ 259.97	\$ 2,375.00	\$ 2,810,328.47
Support services:							
Salaries of program directors	\$	\$	\$	\$	\$	\$	\$ 64,284.03
Personal services-employee benefits							107,952.00
Purchased professional and technical services							61,172.43
Purchased professional educational services							71,502.70
Other purchased services							3,073.59
Contracted services-transportation (other than between home and school)							6,114.32
General supplies			17,756.08				18,295.57
Total support services	\$	\$	\$ 17,756.08	\$	\$	\$	\$ 332,394.64
Facilities acquisition and construction services:							
Instructional equipment	\$	3,495.00	\$	\$	\$	\$	\$ 11,729.46
Non-instructional equipment			25,954.92				25,954.92
Total facilities acquisition and construction services	\$	\$ 3,495.00	\$ 25,954.92	\$	\$	\$	\$ 37,684.38
Total expenditures	\$ 11,700.00	\$ 3,864.00	\$ 43,711.00	\$ 8,006.00	\$ 259.97	\$ 2,375.00	\$ 3,180,407.49

**CAPITAL PROJECTS FUND
DETAIL STATEMENTS**

TOWNSHIP OF UNION SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES - BUDGETARY BASIS
AS OF JUNE 30, 2015

<u>ISSUE/PROJECT TITLE</u>	<u>REVISED BUDGETARY APPROPRIATIONS</u>	<u>EXPENDITURES TO DATE</u>		<u>UNEXPENDED BALANCE</u>
		<u>PRIOR YEARS</u>	<u>CURRENT YEAR</u>	
Jefferson Elementary School The turn of the century wing will be demolished and replaced with a new 2-story addition with a new main entrance. The remaining 1920's wing will be renovated. Small addition to the old gym as it is converted into the new auditorium	\$ 23,972,072.00	\$ 19,138,168.69	\$ (382,940.23)	\$ 5,216,843.54
Union High School Electrical Upgrades	1,846,615.00		1,585,233.51	261,381.49
Washington Elementary School HVAC Upgrades	<u>1,232,395.00</u>		<u>485,034.00</u>	<u>747,361.00</u>
	<u>\$ 27,051,082.00</u>	<u>\$ 19,138,168.69</u>	<u>\$ 1,687,327.28</u>	<u>\$ 6,225,586.03</u>
<u>Reconciliation to GAAP:</u>				
				\$ 6,225,586.03
				970,243.89
				<u>(165.00)</u>
				<u>\$ 7,195,664.92</u>

TOWNSHIP OF UNION SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2015

Revenues and Other Financing
Sources

State Sources - SDA Grant Cancelled	\$	1,231,604.00
Transfer from Capital Reserve		<u>1,847,406.00</u>
Total Revenue	\$	<u>3,079,010.00</u>

Expenditures and Other Financing

Uses:

Purchased Profession and Technical Services	\$	209,244.62
Construction Services		1,154,777.09
Equipment Purchases		314,586.40
Miscellaneous		<u>8,719.17</u>
Total Expenditures	\$	1,687,327.28

Excess (Deficiency) of Revenues over (under) Expenditures		1,391,682.72
Fund Balance - Beginning		<u>4,833,903.31</u>
Fund Balance - Ending	\$	<u><u>6,225,586.03</u></u>

TOWNSHIP OF UNION SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
 JEFFERSON ELEMENTARY SCHOOL
 FROM THE INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COSTS
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$ 5,259,907.00	\$	\$ 5,259,907.00	\$ 5,259,907.00
Bond proceeds and Transfers	6,712,165.00		6,712,165.00	6,712,165.00
Transfer from capital reserve and Transfers	12,000,000.00		12,000,000.00	12,000,000.00
Total Revenue	\$ 23,972,072.00	\$	\$ 23,972,072.00	\$ 23,972,072.00
Expenditures and Other Financing Uses				
Purchased Profession and Technical Services	1,940,349.87	\$ 1,444.62	\$ 1,941,794.49	\$ 2,458,106.42
Construction Services	16,723,603.41	(707,690.42)	16,015,912.99	20,359,149.85
Equipment Purchases	240,104.22	314,586.40	554,690.62	
Miscellaneous	90,726.83	8,719.17	99,446.00	1,154,815.73
Total Expenditures	\$ 18,994,784.33	\$ (382,940.23)	\$ 18,611,844.10	\$ 23,972,072.00
Excess (Deficiency) of Revenues over (under) Expenditures	\$ 4,977,287.67	\$ 382,940.23	\$ 5,360,227.90	
<u>Additional Project Information</u>				
Project Number	5290-085-09-00BK			
Grant date	8/20/2010			
Bond Authorization Date	4/20/2010			
Bonds Authorized	\$ 6,712,165.00			
Bonds Issued	\$ 6,712,000.00			
<u>Original Authorized Cost</u>	\$ 23,972,072.00			
Additional Authorized Cost				
Revised Authorized Cost	\$ 23,972,072.00			
Percentage Incr (Decr) over Original Authorized Costs				
Percentage Completion	0.79			
Original Completion Date	9/1/2013			
Revised Completion Date	9/1/2014			
Revised Authorized Cost	\$ 23,972,072.00			
Percentage Increase over Original Authorized Costs	100.88%			
Percentage Completion	79.24%			
Original Completion Date	N/A			
Revised Completion Date	N/A			

TOWNSHIP OF UNION SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
UNION HIGH SCHOOL ELECTRICAL UPGRADES
FROM THE INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

	<u>PRIOR</u> <u>PERIODS</u>	<u>CURRENT</u> <u>YEAR</u>	<u>TOTALS</u>	<u>REVISED</u> <u>AUTHORIZED</u> <u>COSTS</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$	\$ 738,646.00	\$ 738,646.00	\$ 738,646.00
Transfer from Capital Reserve and Transfers	\$	1,107,969.00	1,107,969.00	1,107,969.00
Total Revenue	\$	\$ 1,846,615.00	\$ 1,846,615.00	\$ 1,846,615.00
Expenditures and Other Financing Uses				
Purchased Profession and Technical Services	\$	\$ 143,000.00	\$ 143,000.00	\$ 166,195.00
Construction Services	\$	1,442,233.51	1,442,233.51	1,680,420.00
Total Expenditures	\$	\$ 1,585,233.51	\$ 1,585,233.51	\$ 1,846,615.00
Excess (Deficiency) of Revenues over (under) Expenditures	\$	\$ 261,381.49	\$ 261,381.49	\$
<u>Additional Project Information</u>				
Project Number		5290-050-14-1001		
Grant date		3/31/2014		
Bond Authorization Date				
Bonds Authorized		N/A		
Bonds Issued		N/A		
Original Authorized Cost	\$	1,846,615.00		
Additional Authorized Cost				
Revised Authorized Cost	\$	1,846,615.00		
Percentage Incr (Decr) over Original Authorized Costs				
Percentage Completion		85.85%		
Original Completion Date		N/A		
Revised Completion Date		N/A		

TOWNSHIP OF UNION SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
WASHINGTON ELEMENTARY SCHOOL HVAC UPGRADES
FROM THE INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2015

	<u>PRIOR</u> <u>PERIODS</u>	<u>CURRENT</u> <u>YEAR</u>	<u>TOTALS</u>	<u>REVISED</u> <u>AUTHORIZED</u> <u>COSTS</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$	\$ 492,958.00	\$ 492,958.00	\$ 492,958.00
Transfer from Capital Reserve and Transfers		739,437.00	739,437.00	739,437.00
Total Revenue	\$	\$ 1,232,395.00	\$ 1,232,395.00	\$ 1,232,395.00
Expenditures and Other Financing Uses				
Purchased Profession and Technical Services	\$	\$ 64,800.00	\$ 64,800.00	\$ 64,800.00
Construction Services		420,234.00	420,234.00	420,234.00
Total Expenditures	\$	\$ 485,034.00	\$ 485,034.00	\$ 485,034.00
Excess (Deficiency) of Revenues over (under) Expenditures	\$	\$ 747,361.00	\$ 747,361.00	\$ 747,361.00
<u>Additional Project Information</u>				
Project Number		5290-140-14-1002		
Grant date		3/31/2014		
Bond Authorization Date				
Bonds Authorized		N/A		
Bonds Issued		N/A		
Original Authorized Cost	\$	1,232,395.00		
Additional Authorized Cost				
Revised Authorized Cost	\$	1,232,395.00		
Percentage Incr (Decr) over Original Authorized Costs				
Percentage Completion		39.36%		
Original Completion Date		7/23/2015		
Revised Completion Date		7/23/2015		

PROPRIETARY FUND DETAIL STATEMENTS

Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the district's board is that the costs of providing goods or services be financed through user charges.

FOOD SERVICES FUND:

This fund provides for the operation of food services in all schools within the school district.

**COMMUNICATION, ARTS AND
SCIENCE TRAINING (CAST) FUND:**

This fund provides for the operation of communication arts and science training in the high school.

TOWNSHIP OF UNION SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUNDS-ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>BUSINESS TYPE ACTIVITIES- ENTERPRISE FUND</u>		
	<u>FOOD</u>		
	<u>SERVICES</u>	<u>CAST</u>	
	<u>FUND</u>	<u>FUND</u>	<u>TOTAL</u>
ASSETS:			
Current assets:			
Cash	\$ 428,345.09	\$ 844,306.62	\$ 1,272,651.71
Accounts receivable:			
Federal:			
National School Lunch Program	81,876.18		81,876.18
School Breakfast Program	18,751.80		18,751.80
State	2,445.09		2,445.09
Interfunds			
Inventories	<u>37,751.63</u>		<u>37,751.63</u>
Total current assets	<u>\$ 569,169.79</u>	<u>\$ 844,306.62</u>	<u>\$ 1,413,476.41</u>
Non Current assets:			
Equipment	\$ 1,959,094.26	\$ 30,318.00	\$ 1,989,412.26
Accumulated depreciation	<u>(1,141,594.74)</u>	<u>(7,579.50)</u>	<u>(1,149,174.24)</u>
Total non current assets	<u>\$ 817,499.52</u>	<u>\$ 22,738.50</u>	<u>\$ 840,238.02</u>
Total Assets:	<u>\$ 1,386,669.31</u>	<u>\$ 867,045.12</u>	<u>\$ 2,253,714.43</u>
LIABILITIES:			
NET POSITION:			
Net Investment in Capital Assets	\$ 817,499.52	\$ 22,738.50	\$ 840,238.02
Unrestricted	<u>569,169.79</u>	<u>844,306.62</u>	<u>1,413,476.41</u>
Total Net Position	<u>\$ 1,386,669.31</u>	<u>\$ 867,045.12</u>	<u>\$ 2,253,714.43</u>

TOWNSHIP OF UNION SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS-ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	BUSINESS TYPE ACTIVITIES- ENTERPRISE FUND		
	FOOD SERVICES FUND	CAST FUND	TOTAL
OPERATING REVENUES:			
Local sources:			
Daily sales-reimbursable programs:			
School lunch program	\$ 1,541,875.48	\$	\$ 1,541,875.48
Daily sales non-reimbursable programs:			
Special functions	28,554.20		28,554.20
Total operating revenue	\$ 1,570,429.68	\$	\$ 1,570,429.68
OPERATING EXPENSES:			
Cost of Sales	1,100,095.17		1,100,095.17
Labor	1,299,435.22		1,299,435.22
Other Purchased Professional Services	44,276.41		44,276.41
Cleaning, Repair and Maintenance Services	30,093.49		30,093.49
Insurance	45,242.33		45,242.33
Supplies	143,246.21		143,246.21
Other expense	149,073.09		149,073.09
Management Fee	80,713.77		80,713.77
Depreciation	78,538.24	3,031.80	81,570.04
Total operating expenses	\$ 2,970,713.93	\$ 3,031.80	\$ 2,973,745.73
Operating Income (Loss)	\$ (1,400,284.25)	\$ (3,031.80)	\$ (1,403,316.05)
NON-OPERATING REVENUES:			
State sources:			
State school lunch program	\$ 35,060.43	\$	\$ 35,060.43
Federal sources:			
National school lunch program	1,161,242.74		1,161,242.74
National school breakfast program	209,025.66		209,025.66
Food distribution commodities program	93,709.27		93,709.27
Interest revenue	998.45	1,677.70	2,676.15
Total non-operating revenues (expenses)	\$ 1,500,036.55	\$ 1,677.70	\$ 1,501,714.25
Income (loss) before contributions and transfers	\$ 99,752.30	\$ (1,354.10)	\$ 98,398.20
Total net position - beginning	1,286,917.01	868,399.22	2,155,316.23
Total net position - ending	\$ 1,386,669.31	\$ 867,045.12	\$ 2,253,714.43

TOWNSHIP OF UNION SCHOOL DISTRICT
 COMBINING STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS-ENTERPRISE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	BUSINESS TYPE ACTIVITIES- ENTERPRISE FUND		
	FOOD SERVICES FUND	CAST FUND	TOTAL
Cash flows from operating activities:			
Receipts from customers	\$ 1,570,429.68	\$	\$ 1,570,429.68
Payments for labor	(1,293,406.23)		(1,293,406.23)
Payments to suppliers	(1,482,941.04)		(1,482,941.04)
Net cash provided by (used for) operating activities	\$ (1,205,917.59)	\$	\$ (1,205,917.59)
Cash flows from noncapital financing activities:			
State Sources	\$ 37,259.78	\$	\$ 37,259.78
Federal Sources	1,379,493.79		1,379,493.79
Operating subsidies and transfers from other funds			
Net cash provided by (used for) noncapital financing activities	\$ 1,416,753.57	\$	\$ 1,416,753.57
Cash flows from investing activities:			
Interest on Investments	\$ 998.45	\$ 1,677.70	\$ 2,676.15
Net cash provided by (used for) investing activities	\$ 998.45	\$ 1,677.70	\$ 2,676.15
Net increase in cash and cash equivalents	\$ 211,834.43	\$ 1,677.70	\$ 213,512.13
Cash and cash equivalents, June 30, 2014	216,510.66	842,628.92	1,059,139.58
Cash and cash equivalents, June 30, 2015	\$ 428,345.09	\$ 844,306.62	\$ 1,272,651.71
Cash flows from operating activities:			
Operating income(loss)	\$ (1,400,284.25)	\$ (3,031.80)	\$ (1,403,316.05)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:			
Depreciation	78,538.24	3,031.80	81,570.04
Federal commodities	93,709.27		93,709.27
Change in assets and liabilities:			
(Increase) Decrease in accounts receivable	(3,759.00)		(3,759.00)
(Increase) Decrease in Equipment	25,878.15		25,878.15
(Increase) Decrease in inventory			
Net cash provided (used) by operating activities	\$ (1,205,917.59)	\$	\$ (1,205,917.59)

FIDUCIARY FUNDS DETAIL STATEMENTS
--

Fiduciary funds are used to account for funds received by the District for a specific purpose.

Private Purpose Trust Funds: This fund is used to account for assets held by the district under the terms of a formal trust agreement, whereby the district is under obligations to maintain the trust principal and award scholarships from the income and to account for donations held by the district for grants to students where there are no restrictions regarding the use of principal and income.

Unemployment Compensation Insurance Trust Fund: This trust fund is used to pay unemployment compensation claims as they arise.

Agency funds are used to account for assets held by the District as an agent for another party.

Student Activity Fund: This agency fund is used to account for student funds held at the schools.

Payroll Fund: This agency fund is used to account for the payroll transactions of the school district.

TOWNSHIP OF UNION SCHOOL DISTRICT
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 JUNE 30, 2015

	STATE UNEMPLOYMENT <u>INSURANCE</u>	PRIVATE PURPOSE <u>AWARD FUND</u>	<u>AGENCY FUNDS</u>		ESCROW <u>DEPOSITS</u>	<u>TOTALS</u>
			<u>STUDENT ACTIVITY</u>	<u>PAYROLL AGENCY</u>		
ASSETS:						
Cash and investments	\$ 1,151,261.41	\$ 88,986.41	\$ 274,959.22	\$ 3,194,549.11	\$ 26,176.15	\$ 4,735,932.30
Due from Payroll agency	<u>230,698.14</u>					<u>230,698.14</u>
Total assets	<u>\$ 1,381,959.55</u>	<u>\$ 88,986.41</u>	<u>\$ 274,959.22</u>	<u>\$ 3,194,549.11</u>	<u>\$ 26,176.15</u>	<u>\$ 4,966,630.44</u>
LIABILITIES:						
Liabilities:						
Payroll deductions & withholdings	\$	\$		\$ 2,963,850.97		\$ 2,963,850.97
Due to student groups			274,959.22			274,959.22
Due to state unemployment insurance				<u>230,698.14</u>		<u>230,698.14</u>
Total liabilities	<u>\$</u>	<u>\$</u>	<u>\$ 274,959.22</u>	<u>\$ 3,194,549.11</u>	<u>\$</u>	<u>\$ 3,469,508.33</u>
NET POSITION:						
Held in trust for Unemployment claims and other purposes	\$ 1,381,959.55	\$ 29,000.00	\$	\$	\$ 26,176.15	\$ 1,437,135.70
Reserved for awards		<u>59,986.41</u>				<u>59,986.41</u>
Total net position	<u>\$ 1,381,959.55</u>	<u>\$ 88,986.41</u>	<u>\$</u>	<u>\$</u>	<u>\$ 26,176.15</u>	<u>\$ 1,497,122.11</u>

TOWNSHIP OF UNION SCHOOL DISTRICT
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>PRIVATE PURPOSE AWARD FUND</u>	<u>UNEMPLOYMENT COMPENSATION TRUST</u>	<u>ESCROW DEPOSITS</u>	<u>TOTAL</u>
ADDITIONS:				
Contributions	\$ 4,337.00	\$ 112,067.25	\$	\$ 116,404.25
Total contributions	\$ 4,337.00	\$ 112,067.25	\$	\$ 116,404.25
Investment earnings:				
Interest	\$ 606.54	\$ 8,563.17	\$ 25.99	\$ 9,195.70
Net investment earnings	\$ 606.54	\$ 8,563.17	\$ 25.99	\$ 9,195.70
Total additions	\$ 4,943.54	\$ 120,630.42	\$ 25.99	\$ 125,599.95
DEDUCTIONS:				
Scholarships awarded	\$ 16,282.00	\$	\$	\$ 16,282.00
Unemployment Claims	\$	109,345.52	\$	109,345.52
Total deductions	\$ 16,282.00	\$ 109,345.52	\$	\$ 16,282.00
Change in net position	\$ (11,338.46)	\$ 11,284.90	\$ 25.99	\$ (27.57)
Net position beginning of year	100,324.87	1,370,674.65	26,150.16	1,497,149.68
Net position end of year	\$ 88,986.41	\$ 1,381,959.55	\$ 26,176.15	\$ 1,497,122.11

TOWNSHIP OF UNION SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>BALANCE</u> <u>JUNE 30, 2013</u>	<u>CASH</u> <u>RECEIPTS</u>	<u>CASH</u> <u>DISBURSEMENTS</u>	<u>BALANCE</u> <u>JUNE 30, 2013</u>
ELEMENTARY SCHOOLS:				
Battle Hill	\$ 6,693.64	\$ 6,716.00	\$ 7,675.83	\$ 5,733.81
Central Five - Jefferson	123.57			123.57
Connecticut Farms	1,362.41	2,261.99	2,258.00	1,366.40
Franklin	100.00			100.00
Hannah Caldwell	1,726.00	1,799.96	3,475.96	50.00
Livingston	9.77		5.00	4.77
Washington	<u>86.69</u>			<u>86.69</u>
Total Elementary Schools	\$ <u>10,102.08</u>	\$ <u>10,777.95</u>	\$ <u>13,414.79</u>	\$ <u>7,465.24</u>
JUNIOR HIGH SCHOOLS:				
Burnett	\$ 30,331.31	\$ 31,509.52	\$ 26,388.10	\$ 35,452.73
Kawameeh	<u>40,896.36</u>	<u>64,451.00</u>	<u>69,572.99</u>	<u>35,774.37</u>
Total Junior High Schools	\$ <u>71,227.67</u>	\$ <u>95,960.52</u>	\$ <u>95,961.09</u>	\$ <u>71,227.10</u>
SENIOR HIGH SCHOOLS:				
Union-Activities	\$ 104,136.81	\$ 452,505.18	\$ 408,329.91	\$ 148,312.08
Union-Athletics Clubs	<u>45,511.96</u>	<u>151,541.60</u>	<u>149,098.76</u>	<u>47,954.80</u>
Total Senior High Schools	\$ <u>149,648.77</u>	\$ <u>604,046.78</u>	\$ <u>557,428.67</u>	\$ <u>196,266.88</u>
Total All Schools	\$ <u><u>230,978.52</u></u>	\$ <u><u>710,785.25</u></u>	\$ <u><u>666,804.55</u></u>	\$ <u><u>274,959.22</u></u>

TOWNSHIP OF UNION SCHOOL DISTRICT
PAYROLL AGENCY FUNDS
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	BALANCE JUNE 30, 2014	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2014
ASSETS:				
Cash and Cash Equivalents	\$ 3,370,928.49	\$ 39,910,668.37	\$ 40,087,047.75	\$ 3,194,549.11
Total assets	\$ <u>3,370,928.49</u>	\$ <u>39,910,668.37</u>	\$ <u>40,087,047.75</u>	\$ <u>3,194,549.11</u>
LIABILITIES:				
Due Unemployment Compensation Trust	\$ 226,398.94	\$ 163,058.93	\$ 158,759.73	\$ 230,698.14
Payroll deductions and withholdings	<u>3,144,529.55</u>	<u>39,747,609.44</u>	<u>39,928,288.02</u>	<u>2,963,850.97</u>
Total Liabilities	\$ <u>3,370,928.49</u>	\$ <u>39,910,668.37</u>	\$ <u>40,087,047.75</u>	\$ <u>3,194,549.11</u>

LONG-TERM DEBT SCHEDULES

The Long-Term schedules are used to reflect the outstanding principal balances of the long-term liabilities of the District. This includes obligations under Serial Bonds and Capital Leases.

TOWNSHIP OF UNION SCHOOL DISTRICT
 LONG-TERM DEBT
 SCHEDULE OF SERIAL BONDS
 JUNE 30, 2015

ISSUE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES		RATE OF INTEREST	BALANCE JUNE 30, 2014	INCREASED	RETIRED	BALANCE JUNE 30, 2015
			DATE	AMOUNT					
Refunding Bonds Series 2006	4/2/2005	\$ 8,080,000.00		\$		\$ 5,035,000.00		\$ 5,035,000.00	
Refunding Bonds Series 2010	11/10/2010	20,175,000.00	8/15/2015	1,225,000.00	3.00%				
			8/15/2016	1,265,000.00	4.00%				
			8/15/2017	1,310,000.00	4.00%				
			8/15/2018	1,330,000.00	4.00%				
			8/15/2019	1,325,000.00	4.00%				
			8/15/2020	1,315,000.00	4.00%				
			8/15/2021	1,310,000.00	4.00%				
			8/15/2022	1,295,000.00	3.00%				
			8/15/2023	1,275,000.00	3.13%				
			8/15/2024	240,000.00	4.00%				
			8/15/2024	1,015,000.00	3.25%				
			8/15/2025	1,190,000.00	3.38%				
			8/15/2026	1,175,000.00	3.50%				
			8/15/2027	1,155,000.00	3.63%				
8/15/2028	1,125,000.00	4.00%			18,745,000.00		1,195,000.00	17,550,000.00	
School Bonds	9/8/2011	6,712,000.00	1/1/2016	250,000.00	2.00%				
			1/1/2017	300,000.00	2.25%				
			1/1/2018	300,000.00	2.75%				
			1/1/2019-20	330,000.00	3.00%				
			1/1/2021-22	340,000.00	3.00%				
			1/1/2023-24	360,000.00	3.00%				
			1/1/2025-26	370,000.00	3.00%				
			1/1/2027	380,000.00	3.50%				
			1/1/2028	390,000.00	3.50%				
			1/1/2029	395,000.00	3.50%				
			1/1/2030-31	400,000.00	3.63%				
			1/1/2032	397,000.00	3.75%			6,262,000.00	
Refunding Bonds Series 2015	1/15/2015	4,280,000.00	1/1/2016	485,000.00	2.00%				
			1/1/2017	480,000.00	3.00%				
			1/1/2018	495,000.00	3.00%				
			1/1/2019	515,000.00	4.00%				
			1/1/2020	535,000.00	4.00%				
			1/1/2021	560,000.00	4.00%				
			1/1/2022	590,000.00	4.00%				
			1/1/2023	620,000.00	4.00%				
						4,280,000.00		4,280,000.00	
						\$ 30,042,000.00	\$ 4,280,000.00	\$ 6,480,000.00	\$ 27,842,000.00

TOWNSHIP OF UNION SCHOOL DISTRICT
DEBT SERVICE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014

	2015			2014		
	BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
REVENUES:						
Local Sources:						
Local Tax Levy	\$ 2,828,639.00	\$ 2,828,639.00	\$	\$ 2,858,913.00	\$ 2,858,913.00	\$
Miscellaneous		23,106.64	23,106.64		5,773.05	5,773.05
State sources:						
Debt Service Aid Type II	<u>127,208.00</u>	<u>127,208.00</u>		<u>127,436.00</u>	<u>127,436.00</u>	
Total Revenues	\$ <u>2,955,847.00</u>	\$ <u>2,978,953.64</u>	\$ <u>23,106.64</u>	\$ <u>2,986,349.00</u>	\$ <u>2,992,122.05</u>	\$ <u>5,773.05</u>
EXPENDITURES:						
Regular debt service:						
Interest	\$ 1,105,575.00	\$ 1,105,575.00	\$	\$ 1,167,075.00	\$ 1,167,075.00	\$
Redemption of Principal	<u>1,890,000.00</u>	<u>1,890,000.00</u>		<u>1,830,000.00</u>	<u>1,830,000.00</u>	
Total Regular Debt Service-Expenditures	\$ <u>2,995,575.00</u>	\$ <u>2,995,575.00</u>	\$	\$ <u>2,997,075.00</u>	\$ <u>2,997,075.00</u>	\$
Excess (deficiency) of revenues over (under) expenditures	\$ 1.00	\$ (16,621.36)	\$ 23,106.64	\$ (10,726.00)	\$ (4,952.95)	\$ 5,773.05
Fund balance, July 1	<u>39,727.73</u>	<u>45,500.78</u>		<u>50,453.73</u>	<u>50,453.73</u>	
Fund balance, June 30	\$ <u><u>39,728.73</u></u>	\$ <u><u>28,879.42</u></u>	\$ <u><u>46,213.28</u></u>	\$ <u><u>39,727.73</u></u>	\$ <u><u>45,500.78</u></u>	\$ <u><u>5,773.05</u></u>

**STATISTICAL SECTION
(UNAUDITED)**

TOWNSHIP OF UNION SCHOOL DISTRICT
STATISTICAL SECTION

<u>Contents</u>	<u>Page</u>
Financial Trends:	
These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	J-1 to J-4
Revenue Capacity:	
These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	J-5 to J-9
Debt Capacity:	
These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	J-10 to J-13
Demographic and Economic Information:	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	J-14 to J-15
Operating Information:	
These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	J-16 to J-20

Sources

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year.

TOWNSHIP OF UNION SCHOOL DISTRICT
 NET POSITION BY COMPONENT
 LAST TEN FISCAL YEARS
 (UNAUDITED)
 (Accrual Basis of Accounting)

	Fiscal Year Ended June 30									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Net Investment in Capital Assets	\$ 21,697,568.52	\$ 23,003,426.22	\$ 24,996,992.34	\$ 27,817,438.79	\$ 30,501,543.03	\$ 34,136,548.56	\$ 35,319,295.13	\$ 46,148,044.02	\$ 48,844,015.90	\$ 51,128,858.93
Restricted	18,245,283.47	19,079,872.42	19,641,224.14	39,398,158.83	30,729,385.74	31,360,471.83	36,160,170.68	29,289,218.30	27,872,923.93	26,714,466.44
Unrestricted (deficit)	<u>(2,426,994.14)</u>	<u>(2,273,115.71)</u>	<u>(2,931,011.22)</u>	<u>(5,581,514.22)</u>	<u>(5,482,805.81)</u>	<u>(3,842,314.54)</u>	<u>(3,739,077.26)</u>	<u>(3,786,510.56)</u>	<u>(4,259,726.02)</u>	<u>(38,013,220.18)</u>
Total governmental activities net position	<u>\$ 37,515,857.85</u>	<u>\$ 39,810,182.93</u>	<u>\$ 41,707,205.26</u>	<u>\$ 61,634,083.40</u>	<u>\$ 55,748,122.96</u>	<u>\$ 61,654,705.85</u>	<u>\$ 67,740,388.55</u>	<u>\$ 71,650,751.76</u>	<u>\$ 72,457,213.81</u>	<u>\$ 39,830,105.19</u>
Business-type activities										
Net Investment in Capital Assets	\$ 395,282.32	\$ 400,799.23	\$ 341,989.63	\$ 283,747.70	\$ 272,306.15	\$ 239,154.55	\$ 224,930.23	\$ 722,551.99	\$ 918,049.06	\$ 840,238.02
Unrestricted (deficit)	<u>1,481,960.10</u>	<u>3,235,954.37</u>	<u>19,063,155.48</u>	<u>2,174,533.47</u>	<u>2,147,079.46</u>	<u>2,163,203.04</u>	<u>2,113,754.04</u>	<u>1,514,079.35</u>	<u>1,237,267.17</u>	<u>1,413,476.41</u>
Total business-type activities net position	<u>\$ 1,877,242.42</u>	<u>\$ 3,636,753.60</u>	<u>\$ 19,405,145.11</u>	<u>\$ 2,458,281.17</u>	<u>\$ 2,419,385.61</u>	<u>\$ 2,402,357.59</u>	<u>\$ 2,338,684.27</u>	<u>\$ 2,236,631.34</u>	<u>\$ 2,155,316.23</u>	<u>\$ 2,253,714.43</u>
District-wide										
Net Investment in Capital Assets	\$ 22,092,850.84	\$ 23,404,225.45	\$ 25,338,981.97	\$ 28,101,186.49	\$ 30,773,849.18	\$ 34,375,703.11	\$ 35,544,225.36	\$ 46,870,596.01	\$ 49,762,064.96	\$ 51,969,096.95
Restricted	18,245,283.47	19,079,872.42	19,641,224.14	39,398,158.83	30,729,385.74	31,360,471.83	36,160,170.68	29,289,218.30	27,872,923.93	26,714,466.44
Unrestricted (deficit)	<u>(945,034.04)</u>	<u>962,838.66</u>	<u>16,132,144.26</u>	<u>(3,406,980.75)</u>	<u>(3,335,726.35)</u>	<u>(1,679,111.50)</u>	<u>(1,625,323.22)</u>	<u>(2,272,431.21)</u>	<u>(3,022,458.85)</u>	<u>(36,599,743.77)</u>
Total district net position	<u>\$ 39,393,100.27</u>	<u>\$ 43,446,936.53</u>	<u>\$ 61,112,350.37</u>	<u>\$ 64,092,364.57</u>	<u>\$ 58,167,508.57</u>	<u>\$ 64,057,063.44</u>	<u>\$ 70,079,072.82</u>	<u>\$ 73,887,383.10</u>	<u>\$ 74,612,530.04</u>	<u>\$ 42,083,819.62</u>

Source: School District Financial Reports

TOWNSHIP OF UNION SCHOOL DISTRICT
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS
(UNAUDITED)
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities										
Instruction										
Regular	\$ 43,359,619.19	\$ 47,343,333.62	\$ 49,706,203.66	\$ 48,358,573.91	\$ 50,556,603.72	\$ 52,376,918.86	\$ 52,217,721.16	\$ 52,466,603.89	\$ 53,776,649.65	\$ 55,194,696.55
Special education	7,825,521.80	8,712,550.48	9,157,099.34	9,179,863.22	9,901,269.57	10,439,297.04	10,797,298.38	11,548,961.83	11,932,207.63	12,829,346.65
Other education	3,187,408.80	3,383,285.96	3,695,686.19	4,536,901.58	4,893,650.54	5,043,022.30	4,436,422.76	5,143,017.37	5,089,450.88	5,446,110.44
Support Services:										
Tuition	8,563,537.49	9,187,462.89	10,190,049.96	9,864,915.31	9,935,515.03	8,628,490.76	7,837,709.70	7,639,507.66	7,577,508.46	7,596,460.24
Student & instruction related services	12,124,393.41	12,589,244.15	13,267,777.97	13,473,516.81	14,684,445.46	14,750,834.05	14,325,463.18	16,489,730.60	17,095,021.73	17,881,482.26
General & business admin. services	2,779,790.55	2,923,974.35	2,971,426.03	2,604,390.31	2,956,194.77	2,984,890.34	2,908,892.52	3,239,943.35	3,286,224.28	3,323,092.98
School administrative services	6,177,665.95	6,339,516.71	6,673,327.09	6,545,847.89	7,056,065.87	7,198,559.12	7,544,965.85	7,652,110.47	7,571,482.03	7,828,979.12
Plant operations and maintenance	9,655,957.51	9,984,935.39	11,050,890.32	10,781,097.38	10,603,395.50	10,385,492.69	10,221,600.36	12,385,363.37	13,550,694.13	13,063,309.75
Pupil transportation	4,993,454.43	5,306,702.65	5,599,295.74	5,360,970.34	5,192,921.90	4,671,127.84	5,003,000.20	6,340,912.20	6,629,300.45	7,047,032.91
Other support services	220,996.64	271,947.67	288,110.28	250,351.27	267,094.77	289,093.28	311,084.60			
Charter Schools			22,478.00	20,683.00	8,745.00		22,410.00	65,516.50	128,200.00	218,845.25
Unallocated Depreciation										
Interest on long-term debt	1,591,674.76	1,625,048.29	1,488,975.00	1,434,563.81	1,386,498.69	1,041,957.64	1,244,639.51	1,214,817.17	1,149,618.75	1,155,993.06
Unallocated Amortization							63,625.00	63,625.00	63,625.00	63,625.00
Total governmental activities expenses	\$ 100,480,020.53	\$ 107,668,002.16	\$ 114,111,319.58	\$ 112,411,674.83	\$ 117,442,400.82	\$ 117,809,683.92	\$ 116,934,833.22	\$ 124,250,109.41	\$ 127,849,982.99	\$ 131,648,974.22
Business-type activities:										
Food service	\$ 2,655,593.31	\$ 2,663,206.20	\$ 2,936,066.82	\$ 2,994,870.37	\$ 3,026,442.58	\$ 2,997,204.57	\$ 3,131,227.32	\$ 3,036,045.68	\$ 3,186,554.67	\$ 2,973,745.73
C.A.S.T.	1,255.30									
Total business-type activities expense	\$ 2,656,848.61	\$ 2,663,206.20	\$ 2,936,066.82	\$ 2,994,870.37	\$ 3,026,442.58	\$ 2,997,204.57	\$ 3,131,227.32	\$ 3,036,045.68	\$ 3,186,554.67	\$ 2,973,745.73
Total district expenses	\$ 103,136,869.14	\$ 110,331,208.36	\$ 117,047,386.40	\$ 115,406,545.20	\$ 120,468,843.40	\$ 120,806,888.49	\$ 120,066,060.54	\$ 127,286,155.09	\$ 131,036,537.66	\$ 134,622,719.95
Program Revenues										
Governmental activities:										
Charges for services:										
Operating grants and contributions	\$ 5,906,885.65	\$ 6,765,844.13	\$ 9,797,581.73	\$ 6,489,259.45	\$ 7,176,241.44	\$ 7,381,358.08	\$ 8,705,419.96	\$ 11,261,351.83	\$ 9,610,489.44	\$ 22,660,690.14
Total governmental activities program revenues	\$ 5,906,885.65	\$ 6,765,844.13	\$ 9,797,581.73	\$ 6,489,259.45	\$ 7,176,241.44	\$ 7,381,358.08	\$ 8,705,419.96	\$ 11,261,351.83	\$ 9,610,489.44	\$ 22,660,690.14
Business-type activities:										
Charges for services:										
Food service	\$ 1,795,235.87	\$ 1,783,506.01	\$ 1,778,484.89	\$ 1,604,173.56	\$ 1,604,611.62	\$ 1,563,825.51	\$ 1,607,620.79	\$ 1,533,692.18	\$ 1,612,301.13	\$ 1,570,429.68
C.A.S.T.	25,283.24	10,416.60	1,053.89							
Operating grants and contributions	856,624.81	955,000.36	1,082,614.68	1,322,153.82	1,378,474.92	1,420,418.31	1,446,136.28	1,396,896.38	1,488,764.32	1,499,038.10
Total business type activities program revenues	\$ 2,677,143.92	\$ 2,748,922.97	\$ 2,862,153.46	\$ 2,926,327.38	\$ 2,983,086.54	\$ 2,984,243.82	\$ 3,053,757.07	\$ 2,930,588.56	\$ 3,101,065.45	\$ 3,069,467.78
Total district program revenues	\$ 8,584,029.57	\$ 9,514,767.10	\$ 12,659,735.19	\$ 9,415,586.83	\$ 10,159,327.98	\$ 10,365,601.90	\$ 11,759,177.03	\$ 14,191,940.39	\$ 12,711,554.89	\$ 25,730,157.92

TOWNSHIP OF UNION SCHOOL DISTRICT
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS
(UNAUDITED)
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net (Expense)-Revenue										
Governmental activities	\$ (94,573,134.88)	\$ (100,902,158.03)	\$ (104,313,737.85)	\$ (105,922,415.38)	\$ (110,266,159.38)	\$ (110,428,325.84)	\$ (108,229,413.26)	\$ (112,988,757.58)	\$ (118,239,493.55)	\$ (121,195,898.09)
Business-type activities	20,295.31	85,716.77	(73,913.36)	(68,542.99)	(43,356.04)	(12,960.75)	(77,470.25)	(105,457.12)	(85,489.22)	95,722.05
Total district-wide net expense	\$ (94,552,839.57)	\$ (100,816,441.26)	\$ (104,387,651.21)	\$ (105,990,958.37)	\$ (110,309,515.42)	\$ (110,441,286.59)	\$ (108,306,883.51)	\$ (113,094,214.70)	\$ (118,324,982.77)	\$ (121,100,176.04)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 59,025,119.00	\$ 63,712,897.00	\$ 68,832,048.00	\$ 72,223,280.00	\$ 73,473,280.00	\$ 75,443,054.00	\$ 76,951,915.00	\$ 78,490,953.00	\$ 80,060,772.00	\$ 81,661,987.00
Taxes levied for debt service	2,708,718.00	2,389,737.00	2,546,935.00	2,267,313.00	1,449,278.00	1,832,700.00	2,407,988.00	2,603,922.00	2,858,913.00	2,828,639.00
Grants and contributions	28,181,456.29	27,793,613.31	26,752,890.18	32,816,581.11	28,762,469.93	38,016,690.81	34,198,245.03	35,057,716.16	35,445,395.22	36,395,653.25
Miscellaneous income	1,210,992.02	2,095,400.50	1,990,218.79	1,146,618.57	650,667.94	1,028,605.14	761,656.63	746,529.63	681,970.28	701,969.21
Gain on Disposal of Fixed Assets						13,858.78	(4,708.70)			
Transfers	(47,763.33)	(88,256.92)	(6,704.99)						(1,094.90)	
Total governmental activities	\$ 91,078,521.98	\$ 95,903,390.89	\$ 100,115,386.98	\$ 108,453,792.68	\$ 104,335,695.87	\$ 116,334,908.73	\$ 114,315,095.96	\$ 116,899,120.79	\$ 119,045,955.60	\$ 121,588,248.46
Business-type activities:										
Investment earnings	\$ 22,400.34	\$ 42,726.78	\$ 115,290.06	\$ 523,848.39	\$ 50,323.55	\$ 4,794.04	\$ 4,935.62	\$ 3,404.19	\$ 3,079.21	\$ 2,676.15
Transfers			(2,566.66)						1,094.90	
Total business-type activities	\$ 22,400.34	\$ 42,726.78	\$ 112,723.40	\$ 517,179.89	\$ 48,963.55	\$ 4,794.04	\$ 4,935.62	\$ 3,404.19	\$ 4,174.11	\$ 2,676.15
Total district-wide	\$ 91,100,922.32	\$ 95,946,117.67	\$ 100,228,110.38	\$ 108,970,972.57	\$ 104,384,659.42	\$ 116,339,702.77	\$ 114,320,031.58	\$ 116,902,524.98	\$ 119,050,129.71	\$ 121,590,924.61
Change in Net Position										
Governmental activities	\$ (3,494,612.90)	\$ (4,998,767.14)	\$ (4,198,350.87)	\$ 2,531,377.30	\$ (5,930,463.51)	\$ 5,906,582.89	\$ 6,085,682.70	\$ 3,910,363.21	\$ 806,462.05	\$ 392,350.37
Business-type activities	42,695.65	128,443.55	38,810.04	448,636.90	5,607.51	(8,166.71)	(72,534.63)	(102,052.93)	(81,315.11)	98,398.20
Total district	\$ (3,451,917.25)	\$ (4,870,323.59)	\$ (4,159,540.83)	\$ 2,980,014.20	\$ (5,924,856.00)	\$ 5,898,416.18	\$ 6,013,148.07	\$ 3,808,310.28	\$ 725,146.94	\$ 490,748.57

Source: District records.

TOWNSHIP OF UNION SCHOOL DISTRICT
 FUND BALANCES, GOVERNMENTAL FUNDS
 YEAR ENDING JUNE 30
 (UNAUDITED)
 (Modified Accrual Basis of Accounting)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund					
Restricted for:					
Excess Surplus - Current Year	\$ 7,179,107.02	\$ 5,571,862.16	\$ 3,915,406.25	\$ 6,727,450.00	\$ 4,589,630.18
Capital Reserve Account	3,420,466.77	5,008,551.47	6,218,659.27	6,231,176.27	4,689,650.38
Maintenance Reserve	250,000.00	250,000.00	2,050,000.00	2,050,000.00	1,050,000.00
Emergency Reserve	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00
Committed to:					
Designated for Subsequent Years Expenditures	949,909.00	8,120,050.02	6,208,928.00	4,914,537.00	7,066,626.00
Assigned to:					
Encumbrances	795,330.50		2,216,934.65	14,631.50	43,823.11
Unassigned	<u>(1,192,189.54)</u>	<u>(73,645.14)</u>			
Total General Fund	<u>\$ 12,402,623.75</u>	<u>\$ 19,876,818.51</u>	<u>\$ 21,609,928.17</u>	<u>\$ 20,937,794.77</u>	<u>\$ 18,439,729.67</u>
All Other Governmental Funds					
Restricted for:					
Debt Service	\$ 283,839.66	\$ 292,430.73	\$ 50,453.73	\$ 45,500.78	\$ 28,879.42
Capital Purposes	16,231,280.02	5,095,105.68	4,977,122.67	4,833,738.31	6,225,421.03
Assigned to:					
Year End Encumbrances	<u>1,505,568.55</u>	<u>10,479,038.95</u>	<u>2,142,872.11</u>	<u>1,102,565.49</u>	<u>970,243.89</u>
Total All Other Governmental Funds	<u>\$ 18,020,688.23</u>	<u>\$ 15,866,575.36</u>	<u>\$ 7,170,448.51</u>	<u>\$ 5,981,804.58</u>	<u>\$ 7,224,544.34</u>

This Schedule does not contain ten years of information as GASB #54 was implemented during this fiscal year ending June 30, 2011.

Source: School District Financial Reports

TOWNSHIP OF UNION SCHOOL DISTRICT
 CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 UNAUDITED
 (Modified Accrual Basis Accounting)

	Fiscal Year Ended June 30									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Local Tax Levy	\$ 66,102,634.00	\$ 71,378,983.00	\$ 74,577,529.00	\$ 74,490,593.00	\$ 74,922,558.00	\$ 77,275,754.00	\$ 79,359,903.00	\$ 81,094,875.00	\$ 82,919,685.00	\$ 84,490,626.00
Tuition Charges	143,301.10	104,988.90	113,741.00	143,558.28	164,819.21	211,139.46	239,752.58	189,794.35	236,378.68	136,115.25
Transportation Fees	10,105.85	15,653.10	2,152.50	1,242.50	5,004.00	9,345.00	4,754.00	4,280.00	8,269.00	12,899.00
Interest on Capital Reserve	71,349.38	71,782.77	43,335.87	350,557.78	35,408.49	31,661.22	18,585.13	10,107.80	12,517.00	5,880.11
Miscellaneous	1,870,644.17	1,797,794.02	1,650,863.19	1,053,429.35	491,299.31	776,459.46	518,393.58	542,347.48	424,805.60	547,074.85
State Sources	31,697,244.26	33,755,973.19	36,744,197.17	36,005,632.75	28,066,733.24	41,076,652.44	38,360,855.32	43,263,465.92	41,756,745.70	44,421,419.66
Federal Sources	2,862,213.18	2,794,498.72	2,879,469.98	3,300,207.81	7,871,978.13	4,321,396.45	4,518,021.20	3,055,602.07	3,299,138.96	3,041,272.73
Total Revenue	\$ 102,757,491.94	\$ 109,919,673.70	\$ 116,011,288.71	\$ 115,345,221.47	\$ 111,557,800.38	\$ 123,702,408.03	\$ 123,020,264.81	\$ 128,160,472.62	\$ 128,657,539.94	\$ 132,655,287.60
Expenditures										
Instruction:										
Regular	\$ 32,382,075.62	\$ 33,764,130.29	\$ 35,312,043.57	\$ 35,842,441.28	\$ 37,043,262.45	\$ 37,925,855.55	\$ 36,667,484.57	\$ 37,928,274.42	\$ 39,616,616.20	\$ 39,720,262.57
Special	5,827,401.10	6,256,709.11	6,555,122.86	6,919,687.00	7,460,495.28	7,629,276.09	7,988,660.40	8,349,001.27	8,815,258.27	9,423,067.46
Other	2,489,654.27	2,401,862.09	2,663,326.72	3,606,860.86	3,893,404.02	3,972,437.25	3,287,431.32	3,718,001.60	3,702,066.23	3,929,942.26
Support services:										
Tuition	8,563,537.49	9,187,462.89	10,190,049.96	9,864,915.31	9,935,515.03	8,628,490.76	7,837,709.70	7,639,507.66	7,577,508.46	7,596,460.24
Student & instruction related services	10,023,054.46	10,031,840.54	10,553,575.04	11,125,347.93	12,147,808.06	12,038,502.96	11,402,773.18	11,920,792.86	12,643,570.09	13,016,826.06
General and business administrative services	2,148,529.49	2,166,753.40	2,168,022.61	1,911,536.81	2,201,545.01	2,184,278.49	2,046,894.61	2,342,227.08	2,412,109.74	2,367,839.04
School administrative services	4,495,919.10	4,360,167.19	4,570,913.22	4,743,175.40	5,106,443.95	5,114,441.38	5,300,083.37	5,531,880.79	5,505,958.70	5,571,724.25
Plant operations and maintenance	7,932,780.68	7,852,704.22	8,792,643.45	8,815,648.60	8,466,321.73	8,116,213.65	7,779,988.13	8,953,654.54	10,209,772.36	9,412,267.99
Pupil transportation	4,538,147.00	4,743,594.59	5,002,890.88	4,841,969.05	4,650,183.89	4,071,888.65	4,358,246.78	4,583,986.41	4,918,400.10	5,177,318.79
Unallocated benefits	19,891,596.84	23,716,206.34	24,981,914.84	21,565,379.95	23,550,253.13	25,622,615.07	26,524,348.72	29,305,655.45	28,086,371.06	30,814,980.71
Capital outlay	8,104,790.09	1,553,198.47	2,254,320.15	3,485,355.78	3,387,463.82	4,397,348.18	8,659,433.39	11,771,840.80	3,904,316.16	3,665,503.32
Debt Service:										
Principal - Lease Purchase Agreement	375,000.00	382,812.50	400,000.00							
Interest - Lease Purchase Agreement	35,734.38	24,484.38	13,000.00							
Principal	1,045,000.00	985,000.00	1,045,000.00	1,115,000.00	1,175,000.00	1,240,000.00	1,445,000.00	1,715,000.00	1,830,000.00	1,890,000.00
Interest	1,477,600.00	1,611,460.00	1,489,250.00	1,445,481.25	1,397,881.25	1,078,846.70	1,091,718.75	1,297,150.43	1,167,075.00	1,105,575.00
transfer of Funds to Charter Schools			22,478.00	20,683.00	8,745.00		22,410.00	65,516.50	128,200.00	218,845.25
Total Expenditures	\$ 109,330,820.52	\$ 109,038,386.01	\$ 116,014,551.30	\$ 115,303,462.22	\$ 120,424,322.62	\$ 122,220,194.73	\$ 124,412,182.92	\$ 135,123,469.81	\$ 130,517,222.37	\$ 133,910,612.94
Excess (Deficiency) of Revenues										
Over (under) expenditures	\$ (6,573,328.58)	\$ 881,287.69	\$ (3,262.59)	\$ 41,739.25	\$ (8,866,522.24)	\$ 1,482,213.30	\$ (1,391,918.11)	\$ (6,963,017.19)	\$ (1,859,682.43)	\$ (1,255,325.34)
Other Financing Sources (uses)										
Bond Proceeds										
Transfers in	\$ 266,868.68	\$ 229,742.85	\$ 151,131.91	\$ 17,611,292.93	\$ 2,544,014.83	\$ 12,572,702.00	\$ 6,712,000.00	\$	\$	\$
Transfers out	(266,868.68)	(229,742.85)	(151,131.91)	(611,292.93)	(2,544,014.83)	(12,572,702.00)	(1,093,317.08)		(1,094.90)	
Total Other financing sources (uses)	\$	\$	\$	\$ 17,000,000.00	\$	\$	\$ 6,712,000.00	\$	\$ (1,094.90)	\$
Net change in fund balances	\$ (6,573,328.58)	\$ 881,287.69	\$ (3,262.59)	\$ 17,041,739.25	\$ (8,866,522.24)	\$ 1,482,213.30	\$ 5,320,081.89	\$ (6,963,017.19)	\$ (1,860,777.33)	\$ (1,255,325.34)
Debt service as a percentage of non-capital expenditures	2.98%	2.87%	2.66%	2.34%	2.25%	2.01%	2.24%	2.50%	2.43%	2.36%

This Schedule does not contain ten years of information as GASB #44 was implemented during this fiscal year ending June 30, 2006.

Source: District records.

TOWNSHIP OF UNION SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
UNAUDITED

<u>FISCAL YEAR</u> <u>ENDED JUNE 30</u>	<u>REFUNDS</u> <u>AND</u> <u>CANCELLATIONS</u>	<u>TUITION</u>	<u>RENTAL</u> <u>INCOME</u>	<u>INTEREST ON</u> <u>INVESTMENTS</u>	<u>MISCELLANEOUS</u>	<u>TOTAL</u>
2015	\$ 333,934.53	\$ 136,115.25	\$ 42,547.00	\$ 60,683.15	\$ 128,689.28	\$ 701,969.21
2014	196,764.44	236,378.68	52,011.00	64,473.21	25,935.55	575,562.88
2013	97,393.00	189,794.35	58,575.90	72,732.00	156,259.56	574,754.81
2012	200,613.81	239,753.58	89,398.25	65,601.31	10,597.35	605,964.30
2011	453,401.69	211,139.46	145,294.62	72,134.87	30,202.43	912,173.07
2010	193,459.03	164,819.21	140,263.16	35,408.49	116,030.43	649,980.32
2009	256,667.28	143,558.28	161,231.77	874,406.17	28,153.25	1,464,016.75
2008	408,536.15	113,741.00	136,079.04	941,341.43	29,547.17	1,629,244.79
2007	410,238.99	104,988.90	136,245.95	995,612.27	16,519.38	1,663,605.49
2006	518,884.30	143,301.10	133,590.16	757,414.49	102,983.15	1,656,173.20

Source: District Records

TOWNSHIP OF UNION SCHOOL DISTRICT
 ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN YEARS
 UNAUDITED

YEAR	VACANT LAND	RESIDENTIAL	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	TAX EXEMPT PROPERTY	PUBLIC UTILITIES a	NET VALUATION TAXABLE	EQUALIZED VALUE)	TOTALDIRECT SCHOOL TAX RATE b
2015	\$ 8,549,400.00	\$ 742,161,900.00	\$ 190,863,500.00	\$ 70,630,300.00	\$ 20,603,500.00	\$ 1,032,808,600.00	\$ 187,327,400.00	\$ 1,454,499.00	\$ 1,034,263,099.00	\$ 6,082,385,634.96	8.420
2014	\$ 6,348,400.00	\$ 741,128,900.00	\$ 185,346,700.00	\$ 69,774,800.00	\$ 20,572,300.00	\$ 1,023,171,100.00	\$ 185,224,600.00	\$ 1,437,411.00	\$ 1,024,608,511.00	\$ 6,023,633,409.00	8.247
2013	\$ 5,725,100.00	\$ 739,570,500.00	\$ 187,297,800.00	\$ 70,256,500.00	\$ 20,572,300.00	\$ 1,023,422,200.00	\$ 184,689,800.00	\$ 1,592,044.00	\$ 1,025,014,244.00	\$ 6,322,915,082.91	8.090
2012	\$ 5,127,600.00	\$ 741,447,600.00	\$ 183,215,700.00	\$ 82,123,700.00	\$ 20,746,500.00	\$ 1,032,661,100.00	\$ 182,160,000.00	\$ 1,755,137.00	\$ 1,034,416,237.00	\$ 6,380,143,648.43	7.840
2011	\$ 4,925,900.00	\$ 741,672,200.00	\$ 186,972,400.00	\$ 93,708,500.00	\$ 20,751,500.00	\$ 1,048,030,500.00	\$ 182,056,000.00	\$ 1,604,756.00	\$ 1,049,635,256.00	\$ 6,815,847,278.76	7.561
2010	\$ 5,219,200.00	\$ 743,316,700.00	\$ 188,371,200.00	\$ 96,046,700.00	\$ 20,751,500.00	\$ 1,053,705,300.00	\$ 184,054,100.00	\$ 1,632,739.00	\$ 1,055,338,039.00	\$ 7,087,747,735.64	7.090
2009	\$ 5,219,700.00	\$ 742,566,000.00	\$ 189,280,800.00	\$ 97,427,400.00	\$ 20,856,400.00	\$ 1,055,350,300.00	\$ 181,499,100.00	\$ 1,495,970.00	\$ 1,056,846,270.00	\$ 7,325,231,570.28	7.090
2008	\$ 7,689,100.00	\$ 741,040,200.00	\$ 190,999,300.00	\$ 100,159,600.00	\$ 20,913,700.00	\$ 1,060,801,900.00	\$ 181,499,100.00	\$ 1,495,970.00	\$ 1,062,297,870.00	\$ 7,744,575,532.04	7.010
2007	\$ 4,417,900.00	\$ 739,367,800.00	\$ 194,116,500.00	\$ 102,058,600.00	\$ 21,539,000.00	\$ 1,061,499,800.00	\$ 190,388,600.00	\$ 1,585,067.00	\$ 1,063,084,867.00	\$ 7,710,370,833.00	7.020
2006	\$ 4,310,000.00	\$ 737,126,500.00	\$ 196,306,400.00	\$ 103,873,900.00	\$ 21,474,800.00	\$ 1,063,091,600.00	\$ 189,844,200.00	\$ 1,906,690.00	\$ 1,064,998,290.00	\$ 7,098,646,343.00	6.700

This Schedule does not contain ten years of information as GASB #44 was implemented during this fiscal year ending June 30, 2006.

Source: Municipal Tax Assessor

Note: Real Property is required to be assessed at some percentage of true value (fair or market value) established by the County Board of Taxation.

Reassessments occur when ordered by the County Board of Taxation.

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100.00

Source: Abstract of Ratables, County of Union

TOWNSHIP OF UNION SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
UNAUDITED
(RATE PER \$100 OF ASSESSED VALUATION)

YEAR	<u>UNION TOWNSHIP SCHOOL DISTRICT DIRECT RATE</u>			<u>OVERLAPPING RATES</u>		TOTAL DIRECT AND OVERLAPPING TAX RATE
	<u>BASIC RATE a</u>	<u>GENERAL OBLIGATION DEBT SERVICE b</u>	<u>TOTAL DIRECT</u>	<u>UNION TOWNSHIP</u>	<u>UNION COUNTY</u>	
2015	\$ 5.728	\$ 2.692	8.420	\$ 6.741	\$ 3.174	\$ 18.335
2014	5.315	2.932	8.247	6.528	3.149	17.924
2013	7.811	0.279	8.090	6.413	3.097	17.600
2012	7.588	0.252	7.840	6.261	2.997	17.098
2011	7.332	0.229	7.561	6.104	2.893	16.558
2010	6.950	0.140	7.090	5.667	2.591	15.348
2009	6.950	0.140	7.090	5.670	2.590	15.350
2008	6.800	0.210	7.010	5.450	2.520	14.980
2007	6.800	0.220	7.020	5.090	2.342	14.452
2006	6.460	0.240	6.700	4.880	2.342	13.922
2005	5.984	0.224	6.208	4.513	2.133	12.854

Source: Township Audits and Audited Financial Statements.

Note: NJS A 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.

b Rates for debt service are based on each year's requirements.

TOWNSHIP OF UNION SCHOOL DISTRICT
SCHEDULE OF PRINCIPAL TAXPAYERS
CURRENT YEAR
UNAUDITED

<u>TAXPAYER</u>	<u>ASSESSED</u> <u>VALUATION</u> <u>2015</u>	<u>AS A %</u> <u>OF DISTRICT'S</u> <u>NET ASSESSED</u> <u>VALUATION</u>
Union Mill Run, LLC	\$ 10,450,000.00	1.01%
Mcminn-L. Robbins, Trustee	8,966,000.00	0.87%
Union 22 Plaza	8,902,400.00	0.86%
Union VF, LLC	8,500,000.00	0.82%
MERCK Corporation	6,708,100.00	0.65%
VNO 2445 Springfield Ave.	6,300,000.00	0.61%
Bed, Bath & Beyond	5,127,700.00	0.50%
Liberty Hall Joint Venture	3,855,600.00	0.37%
Island Southeast Union	3,538,900.00	0.34%
Target Corporation	3,372,700.00	0.33%
Union Medical Center	3,054,700.00	0.30%
Dayton Hudson Corp	3,029,400.00	0.29%
<u>TOTAL</u>	<u>\$ 71,805,500.00</u>	<u>6.94%</u>

Source: Township of Union

TOWNSHIP OF UNION SCHOOL DISTRICT
MUNICIPAL PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS
UNAUDITED

<u>YEAR</u>	<u>TOTAL TAX</u> <u>LEVY</u>	<u>CURRENT TAX</u> <u>COLLECTIONS a</u>	<u>PERCENT OF TAX</u> <u>LEVY COLLECTED</u>
2014	\$ 184,208,843.32	\$ 181,113,436.55	\$ 98.32%
2013	180,798,250.08	177,531,603.98	98.19%
2012	177,350,621.77	173,427,427.99	97.79%
2011	174,111,329.37	170,770,333.79	98.08%
2010	167,931,475.37	165,150,137.80	98.34%
2009	162,482,513.15	159,046,705.30	97.89%
2008	159,565,425.96	156,461,222.75	98.05%
2007	154,081,787.79	151,141,859.20	98.09%
2006	148,301,111.88	145,216,448.75	97.92%
2005	137,806,412.89	135,304,285.91	98.18%
2004	130,373,036.99	128,450,891.08	98.53%

Source: Township Audits and unaudited Financial Statements

- a** School taxes are collected by the Municipal Tax Collector Under New Jersey State Statute, a municipality is required To remit to the school district the entire property tax balance in the amount voted upon or certified prior to the end of school year.

TOWNSHIP OF UNION SCHOOL DISTRICT
 RATIOS OF OUTSTANDING DEBT BY TYPE
 LAST TEN FISCAL YEARS
 UNAUDITED

Year Ended June 30,	Governmental Activities				Business-Type Activities	Total District	Percentage of Personal Income ^a	Per Capita ^a	District Population	Income per capita
	General Obligation Bonds ^b	Capital Leases	Lease Purchase Agreements	Bond Anticipation Notes (BANs)	Capital Leases					
2015	\$ 27,842,000.00	\$	\$	\$	\$	\$ 27,842,000.00	**	\$ **	**	\$ **
2014	30,042,000.00					30,042,000.00	**	**	57,832	**
2013	31,872,000.00					31,872,000.00	1.02%	552.69	57,667	54,382
2012	33,587,000.00					33,587,000.00	1.09%	586.21	57,295	53,638
2011	28,320,000.00					28,320,000.00	0.95%	497.58	56,916	52,297
2010	28,542,000.00					28,542,000.00	1.01%	502.78	56,768	49,897
2009	29,717,000.00					29,717,000.00	1.12%	553.70	53,670	49,285
2008	30,832,000.00					30,832,000.00	1.12%	578.08	53,335	51,645
2007	31,877,000.00	400,000.00		2,400,000.00		34,677,000.00	1.28%	649.84	53,362	50,683
2006	32,862,000.00	782,812.50		7,000,000.00		40,644,812.50	1.55%	756.56	53,723	48,743

Source: School District Financial Reports

** Not available

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

a See Exhibit J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

b Includes Early Retirement Incentive Plan (ERIP) refunding

TOWNSHIP OF UNION SCHOOL DISTRICT
 RATIO OF NET GENERAL BONDED DEBT
 TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
 LAST TEN FISCAL YEARS
 UNAUDITED

General Bonded Debt Outstanding												
FISCAL YEAR ENDED JUNE 30	General Obligation		Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property a	NET BONDED DEBT PER CAPITA	NET ASSESSED VALUATION TAXABLE	NET BONDED DEBT	RATIO OF BONDED DEBT TO ASSESSED VALUE	NET BONDED DEBT PER CAPITA b	Population	
	Bonds											
2015	\$ 27,842,000.00	\$ -0-		\$ 27,842,000.00	2.69%	\$ **	\$ 1,034,263,099.00	\$ 27,842,000.00	2.69%	\$ **	**	
2014	30,042,000.00	-0-		30,042,000.00	2.93%	519.47	1,024,608,511.00	30,042,000.00	2.93%	519.47	57,832	
2013	31,872,000.00	-0-		31,872,000.00	3.11%	552.69	1,025,014,244.00	31,872,000.00	3.11%	552.69	57,667	
2012	33,587,000.00	-0-		33,587,000.00	3.25%	586.21	1,034,416,237.00	33,587,000.00	3.25%	586.21	57,295	
2011	28,320,000.00	-0-		28,320,000.00	2.70%	497.58	1,049,635,256.00	28,320,000.00	2.70%	497.58	56,916	
2010	28,542,000.00	-0-		28,542,000.00	2.70%	502.78	1,055,338,039.00	28,542,000.00	2.70%	502.78	56,768	
2009	29,717,000.00	-0-		29,717,000.00	2.81%	553.70	1,056,883,138.00	29,717,000.00	2.81%	553.70	53,670	
2008	30,832,000.00	-0-		30,832,000.00	2.90%	578.08	1,062,297,870.00	30,832,000.00	2.90%	578.08	53,335	
2007	31,877,000.00	-0-		31,877,000.00	3.00%	597.37	1,063,084,867.00	31,877,000.00	3.00%	597.37	53,362	
2006	33,862,000.00	-0-		33,862,000.00	3.18%	630.31	1,064,998,290.00	33,862,000.00	3.18%	630.31	53,723	

This Schedule does not contain ten years of information as GASB #44 was implemented during this fiscal year ending June 30, 2006.

** Not available at time of audit

Source: School District Financial Reports

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements

a See Exhibit J-6 for property tax data.

b Population data can be found in Exhibit J-14

TOWNSHIP OF UNION SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2015
UNAUDITED

<u>Governmental Unit</u>	Debt Outstanding	Estimated Percentage Applicable ^a	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes			
Township of Union	\$ 37,762,279.22	100.00%	\$ 37,762,279.22
Union County General Obligation Debt	584,277,145.84	9.520%	<u>55,622,541.58</u>
Subtotal, Overlapping Debt			93,384,820.80
Union Township School District Debt			<u>27,842,000.00</u>
Total Direct and Overlapping Bonded Debt			\$ <u><u>121,226,820.80</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the Union County Board of Taxation.
 Debt outstanding data provided by each governmental unit.

Note Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of the businesses of the Township of Union. This process recognizes that, when considering the District's ability to issue and repay the long term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

^a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

TOWNSHIP OF UNION SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST NINE FISCAL YEARS
UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2014

	YEAR	Legal Debt Margin Calculation for Fiscal Year 2014
	2014	\$ 6,162,919,802.00
	2013	6,088,174,896.00
	2012	<u>6,378,388,511.00</u>
		<u>\$ 18,629,483,209.00</u>
Average equalized valuation of taxable property		<u>\$ 6,209,827,736.33</u>
Debt Limit (4% of \$6,426,935,310.00)		\$ 248,393,109.45
Net Bonded school debt		<u>27,842,000.00</u>
Legal debt margin		<u>\$ 220,551,109.45</u>

	Ffiscal Year								
	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt Limit	\$ 225,686,389.39	\$ 253,534,219.44	\$ 281,289,996.97	\$ 303,674,679.04	\$ 295,372,402.12	\$ 282,987,908.27	\$ 270,383,280.41	257,077,412.40	248,393,109.45
Total net debt applicable to limit	<u>32,862,000.00</u>	<u>31,877,000.00</u>	<u>30,832,000.00</u>	<u>28,542,000.00</u>	<u>28,320,000.00</u>	<u>33,587,000.00</u>	<u>31,872,000.00</u>	<u>30,042,000.00</u>	<u>27,842,000.00</u>
Legal Debt margin	<u>\$ 192,824,389.39</u>	<u>\$ 221,657,219.44</u>	<u>\$ 250,457,996.97</u>	<u>\$ 275,132,679.04</u>	<u>\$ 267,052,402.12</u>	<u>\$ 249,400,908.27</u>	<u>\$ 238,511,280.41</u>	<u>227,035,412.40</u>	<u>220,551,109.45</u>
Total net debt applicable to the limit as a percentage of debt limit	14.56%	12.57%	10.96%	9.40%	9.59%	11.87%	11.79%	11.69%	11.21%

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation

a Limit set by NJSA 18A 24-19 for a K through 12 district, other % limits would be applicable for other district types.

TOWNSHIP OF UNION SCHOOL DISTRICT
DEMOGRAPHIC STATISTICS
LAST TEN YEARS
UNAUDITED

<u>YEAR</u>	<u>SCHOOL DISTRICT POPULATION a</u>	<u>PERSONAL INCOME b (THOUSANDS OF DOLLARS)</u>	<u>UNION COUNTY PER CAPITA INCOME c</u>	<u>UNEMPLOYMENT RATE d</u>
2014	57,832		**	6.40%
2013	57,667		54,382	8.00%
2012	57,295		53,638	9.20%
2011	56,916		52,297	9.70%
2010	56,768		49,897	9.60%
2009	53,670		49,285	9.10%
2008	53,335		51,645	5.30%
2007	53,362		50,683	4.40%
2006	53,723		48,743	4.40%
2005	54,140		44,972	4.20%

** Not available at time of audit

Source:

a Population information provided by the NJ Dept of Labor and Workforce Development

b Personal income has been estimated based upon the municipal population and per capita personal income presented

c Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

d Unemployment data provided by the NJ Dept of Labor and Workforce Development

TOWNSHIP OF UNION SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR
UNAUDITED

<u>Employer</u>	<u>2015</u>			<u>2006</u>		
	<u># of</u> <u>Employees</u>	<u>Rank</u> <u>(Optional)</u>	<u>Percentage of Total</u> <u>Employment</u>	<u># of</u> <u>Employees</u>	<u>Rank</u> <u>(Optional)</u>	<u>Percentage of Total</u> <u>Employment</u>

Data Not Available

TOWNSHIP OF UNION SCHOOL DISTRICT
 FULL TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION /PROGRAM
 LAST TEN FISCAL YEARS
 UNAUDITED

Function/Program	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Instruction										
Regular	579	537	527	523	533	582	503	578	565	552
Special education	163	153	159	155	151	162	154	105	101	121
Other special education							10	10	11	12
Other instruction										13
Nonpublic school programs										1
Support Services:										
Student & instruction related services	246	199	171	168	170	172	153	150	144	143
General administration	14	13	10	10	14	14	12	13	12	11
School administrative services	44	48	48	48	48	50	51	48	48	45
Central services	11	10	10	10	10	9	9	8	8	8
Administrative Information Technology	6	7	7	7	7	7	5	4	4	2
Plant operations and maintenance	159	140	137	137	146	136	132	92	94	93
Pupil transportation	80	74	72	72	74	80	83	85	85	85
Total	1,302	1,181	1,141	1,130	1,153	1,212	1,112	1,093	1,072	1,086

Source: District Personnel Records

TOWNSHIP OF UNION SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

<u>FISCAL YEAR</u>	<u>a</u>				<u>% CHANGE</u>	<u>b</u>	<u>Pupil Teacher Ratio d</u>			<u>c</u>	<u>c</u>	<u>% CHANGE IN AVERAGE DAILY ENROLLMENT</u>	<u>STUDENT ATTENDANCE PERCENTAGE</u>
	<u>ENROLLMENT</u>	<u>OPERATING EXPENDITURES</u>	<u>COST PER PUPIL</u>	<u>TEACHING STAFF</u>			<u>ELEMENTARY SCHOOL</u>	<u>MIDDLE SCHOOL</u>	<u>HIGH SCHOOL</u>				
2015	7,506	\$ 123,615,831.21	\$ 14,006.00	742	15.70%	1:11	1:11	1:11	7,505.87	7,134.21	-0.33%	95.05%	
2014	7,491	123,615,831.21	13,730.00	690	19.30%	1:11	1:11	1:11	7,491.37	7,138.88	-3.47%	95.29%	
2013	7,414	120,339,498.58	12,475.00	686	8.39%	1:11	1:11	1:11	7,492.70	7,108.70	-3.45%	94.88%	
2012	7,654	113,193,620.78	11,830.00	689	8.48%	1:11	1:11	1:11	7,510.70	7,137.30	-3.23%	95.03%	
2011	7,702	115,503,999.85	12,105.00	665	11.00%	1:11	1:11	1:11	7,530.50	7,129.50	-2.97%	94.67%	
2010	7,568	114,463,977.55	11,509.00	685	5.54%	1:11	1:10	1:11	7,760.70	7,353.70	-0.01%	94.76%	
2009	7,672	109,257,645.19	10,905.00	667	5.49%	1:15	1:12	1:12	7,761.20	7,337.00	-1.67%	94.53%	
2008	7,893	110,828,244.03	10,337.00	693	5.18%	1:14	1:13	1:13	7,893.00	7,443.00	-0.32%	94.30%	
2007	7,946	104,481,430.66	9,828.00	651	3.87%	1:14	1:13	1:13	7,918.30	7,471.60	-0.71%	94.36%	
2006	7,877	98,292,696.05	9,462.00	660		1:20	1:24	1:21	7,975.30	7,541.00		94.55%	

Source: Per Advertised Section of the School District Budget Statement

Note: Enrollment based on annual October district count

- a** Operating expenditures equal total expenditures less debt service and capital outlay
- b** Teaching staff includes only full-time equivalents of certificate staff
- c** Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS)
- d** School Report Card

TOWNSHIP OF UNION SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
FISCAL YEAR 2015
UNAUDITED

(Modified Accrual Basis of Accounting)

		<u>2015</u>
<u>District Building</u>		
<u>Elementary</u>		
Battle Hill	Square Feet	57,375
	Capacity (students)	387.3
	Enrollment	428.2
Connecticut Farms	Square Feet	57,740
	Capacity (students)	513.3
	Enrollment	422.4
Franklin	Square Feet	58,635
	Capacity (students)	580.8
	Enrollment	442.3
Hamilton	Square Feet	35,328
	Capacity (students)	312
	Enrollment	0.0
Hannah Caldwell	Square Feet	87,000
	Capacity (students)	549.9
	Enrollment	619.5
Livingston	Square Feet	48,600
	Capacity (students)	525.0
	Enrollment	432.2
Washington	Square Feet	64,615
	Capacity (students)	655.8
	Enrollment	607.9
Jefferson / Central Five	Square Feet	68,940
	Capacity (students)	660.0
	Enrollment	557.7
<u>Middle School</u>		
Burnet	Square Feet	167,163
	Capacity (students)	1,035.8
	Enrollment	1,034.0
Kawameeh	Square Feet	105,202
	Capacity (students)	821.6
	Enrollment	637.4

TOWNSHIP OF UNION SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
FISCAL YEAR 2015
(CONTINUED)
(Modified Accrual Basis of Accounting)

District Building

High School

Union High School

Square Feet	358,161
Capacity (students)	2,227.9
Enrollment	2,324.4

Other

Field House

Square Feet	11,315
Capacity (students)	
Enrollment	

Administration Building

Square Feet	25,200
-------------	--------

Number of Schools at June 30, 2015

Elementary =8
Middle School = 2
Senior High School = 1
Other = 2

Source: District Facilities Office

TOWNSHIP OF UNION SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS
UNAUDITED

UNDISTRIBUTED EXPENDITURES - REQUIRED
 MAINTENANCE FOR SCHOOL FACILITIES
 11-000-261-XXX

<u>* School Facilities</u>	<u>Project #</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Battle Hill	N/A	\$ 73,356.89	\$ 25,652.17	\$ 72,189.52	\$ 33,895.71	\$ 24,997.10	\$ 35,389.06	\$ 38,588.97	\$ 34,819.04	\$ 35,032.34	\$ 29,418.39
Connecticut Farms	N/A	24,922.80	49,271.00	40,746.23	19,253.39	15,248.97	22,806.17	20,198.70	14,780.14	17,770.93	17,358.33
Franklin	N/A	28,093.44	35,651.95	83,868.18	36,940.51	59,195.65	45,414.09	26,324.66	43,977.07	18,915.32	34,107.51
Hamilton	N/A	24,466.37	29,871.58	15,732.84	23,208.43	7,136.06	21,708.66	9,168.84	14,408.28	13,330.55	16,505.38
Central Five	N/A	31,168.32	21,314.16		8,166.57	10,127.82	24,632.39	44,616.07	12,371.75	19,139.39	13,858.38
Livingston	N/A	31,437.01	75,976.68	58,571.98	91,485.37	37,799.02	25,491.54	32,854.49	16,110.20	21,779.98	21,529.99
Washington	N/A	53,611.08	42,968.82	36,329.60	30,772.76	16,175.11	15,664.06	18,494.44	33,010.46	17,445.33	19,326.52
Kawameeh	N/A	45,849.55	36,570.00	103,561.17	21,527.35	26,807.53	26,045.97	41,878.29	31,481.82	31,625.04	33,431.54
Union High School	N/A	232,820.21	513,269.68	287,404.06	122,524.32	80,540.42	132,853.94	137,457.79	178,262.77	114,330.40	128,837.11
Burnet	N/A	45,041.88	129,331.56	179,099.02	76,279.65	42,978.06	50,981.57	61,983.29	129,636.94	54,417.79	51,799.91
Hannah Caldwell	N/A	76,683.38	65,620.46	86,764.37	37,645.30	31,744.53	47,191.75	41,313.09	55,884.91	53,067.88	39,850.74
		\$ <u>667,450.93</u>	\$ <u>1,025,498.06</u>	\$ <u>964,266.97</u>	\$ <u>501,699.36</u>	\$ <u>352,750.27</u>	\$ <u>448,179.20</u>	\$ <u>472,878.63</u>	\$ <u>564,743.38</u>	\$ <u>396,854.95</u>	\$ <u>406,023.80</u>
District Wide Facilities	N/A	\$ <u>1,288,244.79</u>	\$ <u>1,365,497.65</u>	\$ <u>1,150,572.72</u>	\$ <u>1,088,272.92</u>	\$ <u>975,751.59</u>	\$ <u>1,130,639.56</u>	\$ <u>74,302.44</u>	\$ <u>82,811.84</u>	\$ <u>63,921.82</u>	\$ <u>63,921.82</u>
Total School Facilities		\$ <u><u>1,955,695.72</u></u>	\$ <u><u>2,390,995.71</u></u>	\$ <u><u>2,114,839.69</u></u>	\$ <u><u>1,589,972.28</u></u>	\$ <u><u>1,328,501.86</u></u>	\$ <u><u>1,578,818.76</u></u>	\$ <u><u>547,181.07</u></u>	\$ <u><u>647,555.22</u></u>	\$ <u><u>460,776.77</u></u>	\$ <u><u>469,945.62</u></u>

* School facilities as defined under EFCFA.
 (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: District records

TOWNSHIP OF UNION SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2015
UNAUDITED

	<u>COMPANY</u>	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
Commercial Package Policy			
Property:			
All Buildings and Personal Property	American Guarantee & Liability Insurance Company	\$188,101,013	5,000
Demolition Coverage and Increased Cost of Construction		2,000,000	
Newly Acquired property - Building		1,000,000	
Newly Acquired business personal property		500,000	
Extra expenses - Various		5,000,000	50,000 Separately per building & contents
Flood - Zone A, V or D		5,000,000	50,000 Separately per building & contents
Flood - Zone A, & V		1,000,000	500,000 Separately per building & contents
Flood - Zone C Included unshaded X		5,000,000	50,000
Earthquake and Volcanic Eruption		5,000,000	5% 5,000 Standard Perils 25,000 Earthquake & Flood 50,000 Flood 5,000 Mechan. Breakdown
Electronic Data Processing Equipment		3,000,000	
Boiler and Machinery		75,000,000	5,000
General Liability:	American Guarantee & Liability Insurance Company		
General Aggregate		2,000,000	
Products Completed Operations, Aggregate Limit		2,000,000	
Personal and Advertising Injury limit		1,000,000	
Each Occurrence		1,000,000	
Fire Damage		1,000,000	
Medical Expense Limit		10,000	
Employee Benefits:	American Guarantee & Liability Insurance Company		
Program Liability:			
Each Claim		1,000,000	
Aggregate		1,000,000	
Commercial Umbrella	American Guarantee & Liability Insurance Company	10,000,000	10,000 Retention- Limit applies to each occurrence and aggregate
General Liability			
Business Auto Liability:	American Guarantee & Liability Insurance Company		
Liability Limit		1,000,000	
Uninsured/ Underinsured Motorist		1,000,000	
Physical Damage Collision		Actual Cash Value	1,000
Comprehensive		Actual Cash Value	1,000
Public Employees Comprehensive Crime Coverage:	American Zurich Insurance Company		
Faithful Performance Blanket		500,000	5,000
Depositors Forgery or Alteration		50,000	1,000
Computer Fraud		50,000	1,000
School Leaders Legal Liability:	Darwin National Assurance Company		
Each occurrence		5,000,000	25,000
Employment Practices Liability		5,000,000	50,000
Policy Aggregate		5,000,000	

TOWNSHIP OF UNION SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2015
UNAUDITED

	<u>COMPANY</u>	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
Workers Compensation	New Jersey School Board Association Insurance Group		
Employers Liability			
Each Accident			\$2,000,000
Disease Limit			2,000,000
Disease Per Employee			2,000,000
Compensation Benefits		NJ Statutory	
Surety Bonds	Travelers Insurance Co.		
Treasurer			530,000
Board Secretary/Attorney			25,000
Business Administrator		25,000	

Source: Union Township Board of Education

SINGLE AUDIT SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

308 East Broad Street, Westfield, New Jersey 07090-2122

Telephone 908-789-9300 Fax 908-789-8535

E-mail info@scnco.com

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF BASIC FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Honorable President and Members
of the Board of Education
Township of Union School District
County of Union
Union, New Jersey 07083

We have audited, in accordance with the auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Township of Union School District (the "District") as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated December 4, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township of Union School District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

SUPLEE, CLOONEY & COMPANY

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted other matters of noncompliance that we have report to the Board of Education of the Township of Union School District in a separate Auditor's Management Report & Administrative Findings-Financial and Compliance dated December 4, 2015.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 962

December 4, 2015



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL
AND STATE FINANCIAL ASSISTANCE PROGRAMS AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH U.S. OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04**

Honorable President and Members
of the Board of Education
Township of Union School District
County of Union
Union, New Jersey 07083

Report on Compliance for Each Major Federal and State Program

We have audited the Township of Union School District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey OMB State Grant Compliance Supplement* that could have a direct and material effect on each of the Township of Union School District's major federal and state programs for the year ended June 30, 2015. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Township of Union School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations* and *New Jersey OMB 04-04*. Those standards, *OMB Circular A-133* and *New Jersey OMB 04-04* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Township of Union School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

SUPLEE, CLOONEY & COMPANY

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Township of Union School District's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Township of Union School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the Township of Union School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Township of Union School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with *OMB Circular A-133* and *New Jersey OMB 04-04*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Township of Union School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

SUPLEE, CLOONEY & COMPANY

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of *OMB Circular A-133* and State of New Jersey *OMB 04-04*. Accordingly, this report is not suitable for any other purpose.


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 962

December 4, 2015

TOWNSHIP OF UNION SCHOOL DISTRICT
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE AT AT JUNE 30, 2014	CARRYOVER	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS	REPAYMENT OF PRIOR YEAR'S BALANCE	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2015	DEFERRED REVENUE AT JUNE 30, 2015	DUE TO GRANTOR AT AT JUNE 30, 2015
U.S. Department of Education												
General Fund												
ARRA- SEMI	93.778	10/1/2008- 12/31/2010	\$52,249.67	\$	\$	\$ 52,249.67	\$	\$	\$	\$	\$ 52,249.67	\$
Medicaid Administrative Claiming (MAC)	93.778	7/01/14-6/30/15	23,570.57			23,570.57	(23,570.57)					
Medical Assistance Program (SEMI)	93.778	7/01/14-6/30/15	225,856.63			195,908.05	(225,856.63)			(29,948.58)		
Total General Fund				\$	\$	\$ 271,728.29	\$ (249,427.20)	\$	\$	\$ (29,948.58)	\$ 52,249.67	\$
U.S. Department of Education												
Passed-through State Department of Education:												
Special Revenue Fund												
Title I - Part A	84.010	9/1/14-8/31/15	840,011.00	\$	\$	\$ 416,429.00	\$ (640,655.15)	\$	\$	\$ (224,226.15)	\$	\$
Title I - Part A	84.010	9/1/13-8/31/14	1,059,799.00	(203,190.72)		203,190.72						
Title I - Part A	84.010	9/1/13-8/31/14	248,361.28	(0.28)		0.28						
Title II- Part A	84.367	9/1/14-8/31/15	207,682.00			80,539.00	(138,639.49)			(58,100.49)		
Title II- Part A	84.367	9/1/13-8/31/14	183,771.97	(51,017.00)		51,017.00						
Title III- English Language	84.365	9/1/14-8/31/15	79,285.00			15,465.00	(71,630.95)			(56,165.95)		
Title III- English Language	84.365	9/1/13-8/31/14	56,752.87	(9,655.00)		9,655.00						
Vocational Education	84.048	9/1/14-8/31/15	45,101.00			12,563.00	(42,596.06)			(30,033.06)		
Vocational Education	84.048	9/1/13-8/31/14	41,508.00	(27,185.00)		27,185.00						
I.D.E.A. Part B Basic	84.027	9/1/14-8/31/15	1,807,903.00			1,194,605.00	(1,776,193.70)			(581,588.70)		
I.D.E.A. Part B Basic	84.027	9/1/13-8/31/14	1,762,440.10	(251,145.53)		251,145.53						
I.D.E.A. Part B Basic	84.027	9/1/13-8/31/14	140,385.52	(0.47)		0.47						
I.D.E.A. Part B Preschool	84.173	9/1/14-8/31/15	50,624.00			50,624.00	(50,624.00)			(2,757.79)		
UNIFY BMS	84.380W	9/1/14-8/31/15	2,993.10				(2,757.79)			(753.55)		
UNIFY HC	84.380W	9/1/14-8/31/15	3,000.00				(753.55)			(753.55)		
Total U.S. Department of Education				\$ (542,194.00)	\$	\$ 2,312,419.00	\$ (2,723,850.69)	\$	\$	\$ (953,625.69)	\$	\$
Total Special Revenue Fund				\$ (542,194.00)	\$	\$ 2,312,419.00	\$ (2,723,850.69)	\$	\$	\$ (953,625.69)	\$	\$
Enterprise Fund:												
U.S. Department of Agriculture												
Passed-through State Department of Education:												
Food Distribution Commodities Program	10.550	9/1/14-8/31/15	93,709.27	\$	\$	\$ 93,709.27	\$ (93,709.27)	\$	\$	\$	\$	\$
School Breakfast Program	10.553	9/1/14-8/31/15	209,025.66			190,273.86	(209,025.66)			(18,751.80)		
School Breakfast Program	10.553	9/1/13-8/31/14	199,717.03	(27,758.49)		27,758.49						
National School Lunch Program	10.555	9/1/14-8/31/15	1,161,242.74			1,079,366.56	(1,161,242.74)			(81,876.18)		
National School Lunch Program	10.555	9/1/13-8/31/14	1,117,935.26	(82,094.89)		82,094.89						
Total Enterprise Fund				\$ (109,853.38)	\$	\$ 1,473,203.07	\$ (1,463,977.67)	\$	\$	\$ (100,627.98)	\$	\$
Total Federal Financial Assistance				\$ (652,047.38)	\$	\$ 4,057,350.36	\$ (4,437,255.56)	\$	\$	\$ (1,084,202.25)	\$ 52,249.67	\$

See accompanying notes to schedules of financial assistance.

TOWNSHIP OF UNION SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2014			CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS/ REPAYMENT OF PRIOR YEAR'S BALANCES	BALANCE AT JUNE 30, 2015			MEMO CUMULATIVE TOTAL	
				DEFERRED REVENUE (ACCTS RECEIVABLE)	DUE TO GRANTOR	CARRYOVER				(ACCOUNTS RECEIVABLE)	DEFERRED REVENUE	DUE TO GRANTOR	BUDGETARY RECEIVABLE	EXPENDITURES
State Department of Education														
General Funds:														
Equalization Aid	15- 495-034-5120-078	\$ 25,485,236.00	7/1/14-6/30/15	\$	\$	\$	\$ 22,911,061.00	\$ (25,485,236.00)	\$	\$ (2,574,175.00)	\$	\$	\$ 2,574,175.00	\$ 25,485,236.00
Equalization Aid	14- 495-034-5120-078	25,485,236.00	7/1/13-6/30/14	(2,574,180.00)			2,574,180.00							
Special Education Categorical Aid	15- 495-034-5120-089	4,542,770.00	7/1/14-6/30/15				4,145,400.00	(4,542,770.00)		(397,370.00)			397,370.00	4,542,770.00
Special Education Categorical Aid	14- 495-034-5120-089	4,542,770.00	7/1/13-6/30/14	(392,091.00)			392,091.00							
Nonpublic School Transportation Aid	15- Not Available	77,419.00	7/1/14-6/30/15					(77,419.00)		(77,419.00)			77,419.00	77,419.00
Nonpublic School Transportation Aid	14- Not Available	76,686.00	7/1/13-6/30/14	(76,686.00)			76,686.00							
Extraordinary Aid	15- 495-034-5120-044	980,652.00	7/1/14-6/30/15					(980,652.00)		(980,652.00)			980,652.00	980,652.00
Extraordinary Aid	14- 495-034-5120-044	962,229.00	7/1/13-6/30/14	(962,229.00)			962,229.00							
Categorical Transportation Aid	15- 495-034-5120-014	256,269.00	7/1/14-6/30/15				230,634.00	(256,269.00)		(25,635.00)			25,635.00	256,269.00
Categorical Transportation Aid	14- 495-034-5120-014	256,269.00	7/1/13-6/30/14	(25,626.90)			25,626.90							
Categorical Security Aid	15- 495-034-5120-084	349,231.00	7/1/14-6/30/15				314,316.00	(349,231.00)		(34,915.00)			34,915.00	349,231.00
Categorical Security Aid	14- 495-034-5120-084	349,231.00	7/1/13-6/30/14	(34,923.10)			34,923.10							
PARCC Readiness Aid	15- 495-034-5120-098	73,510.00	7/1/14-6/30/15				66,159.00	(73,510.00)		(7,351.00)			7,351.00	73,510.00
Per Pupil Growth Aid	15- 495-034-5120-097	73,510.00	7/1/14-6/30/15				66,159.00	(73,510.00)		(7,351.00)			7,351.00	73,510.00
Reimbursed TPAF Social Security Contributions	15- 495-034-5095-002	3,775,877.14	7/1/14-6/30/15				3,590,402.18	(3,775,877.14)		(185,474.96)			185,474.96	3,775,877.14
Reimbursed TPAF Social Security Contributions	14- 495-034-5095-002	3,906,443.44	7/1/13-6/30/14	(192,749.50)			192,749.50							
Total General Funds				\$ (4,258,485.50)	\$	\$	\$ 12,671,555.68	\$ (35,614,474.14)	\$	\$ (4,290,342.96)	\$	\$	\$ 4,290,342.96	\$ 35,614,474.14
Special Revenue Fund:														
N.J. Nonpublic Aid:														
Textbook Aid	15- 100-034-5120-064	32,352.00	7/1/14-6/30/15	\$	\$	\$	32,352.00	(32,297.67)	\$	\$	\$	\$	54.33	32,297.67
Textbook Aid	14- 100-034-5120-064	30,990.00	7/1/13-6/30/14		288.37			(288.37)						
Nursing Services	15- 100-034-5120-070	51,503.00	7/1/14-6/30/15				51,503.00	(50,916.43)					586.57	50,916.43
Nursing Services	14- 100-034-5120-070	43,618.00	7/1/13-6/30/14		551.52			(551.52)						
Technology Initiative Program	15- 100-034-5120-373	17,376.00	7/1/14-6/30/15				17,376.00	(17,228.89)					147.11	17,228.89
Technology Initiative Program	14- 100-034-5120-373	11,300.00	7/1/13-6/30/14		975.52			(975.52)						
Auxiliary Services:														
Compensatory Education	15- 100-034-5120-067	160,527.00	7/1/14-6/30/15				160,527.00	(130,484.00)					30,043.00	130,484.00
Compensatory Education	14- 100-034-5120-067	160,839.00	7/1/13-6/30/14		15,635.00			(15,635.00)						
English as a Second Language	15- 100-034-5120-067	13,885.00	7/1/14-6/30/15				13,885.00	(11,610.00)					2,275.00	11,610.00
Transportation	15- 100-034-5120-067	15,857.00	7/1/14-6/30/15				15,857.00	(14,271.00)					1,586.00	14,271.00
Handicapped Services:														
Supplemental Instruction	15- 100-034-5120-066	40,963.00	7/1/14-6/30/15				40,963.00	(33,857.00)					7,106.00	33,857.00
Examination & Classification	15- 100-034-5120-066	44,493.00	7/1/14-6/30/15				44,493.00	(43,410.00)					1,083.00	43,410.00
Examination & Classification	14- 100-034-5120-066	50,475.00	7/1/13-6/30/14		1,596.00			(1,596.00)						
Corrective Speech	15- 100-034-5120-066	29,156.00	7/1/14-6/30/15				29,156.00	(27,477.00)					1,679.00	27,477.00
Total Special Revenue Fund				\$	\$ 19,046.41	\$	\$ 406,112.00	\$ (361,551.99)	\$	\$ (19,046.41)	\$	\$	\$ 44,560.01	\$ 361,551.99

TOWNSHIP OF UNION SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2014		CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS/ REPAYMENT OF PRIOR YEAR'S BALANCES	BALANCE AT JUNE 30, 2015			MEMO CUMULATIVE TOTAL	
				(ACCOUNTS RECEIVABLE)	DUE TO GRANTOR				(ACCOUNTS RECEIVABLE)	DEFERRED REVENUE	DUE TO GRANTOR	BUDGETARY RECEIVABLE	EXPENDITURES
Capital Projects Fund													
New Jersey Economic Development Authority													
Demolish and Replace													
Jefferson School	5290-085-09-1003	\$ 5,259,907.00		\$ (262,995.35)	\$	\$	\$ (197,503.41)	\$	\$ (262,995.35)	\$	\$	\$ 262,995.00	\$ 5,194,415.06
UHS Electrical Upgrades	5290-050-14-1001	738,646.00		\$	\$	\$	\$ (336,342.54)	\$	\$ (336,342.54)	\$	\$	\$ 336,342.54	\$ 336,342.54
Washington School HVAC	5290-140-14-1002	194,013.60		\$	\$	\$	\$ (194,013.60)	\$	\$ (194,013.60)	\$	\$	\$ 194,013.64	\$ 194,013.60
Total Capital Projects Fund				\$ (262,995.35)	\$	\$	\$ (727,859.55)	\$	\$ (793,351.49)	\$	\$	\$ 793,351.18	\$ 5,724,771.20
Debt Service Fund:													
Debt Service Aid Type II													
	15- 495-034-5120-075	127,208.00	7/1/14-6/30/15	\$	\$	\$ 127,208.00	\$ (127,208.00)	\$	\$	\$	\$	\$	\$ 127,208.00
Total Debt Service Fund				\$	\$	\$ 127,208.00	\$ (127,208.00)	\$	\$	\$	\$	\$	\$ 127,208.00
Enterprise Fund:													
State School Lunch Program													
	15- 100-010-3350-023	35,060.43	7/1/14-6/30/15	\$	\$	\$ 32,615.34	\$ (35,060.43)		(2,445.09)			2,445,309.00	35,060.43
State School Lunch Program													
	14- 100-010-3350-023	39,452.01	7/1/13-6/30/14	(4,644.44)		4,644.44							
Total Enterprise Fund				\$ (4,644.44)	\$	\$ 37,259.78	\$ (35,060.43)	\$	\$ (2,445.09)	\$	\$	\$ 2,445,309.00	\$ 35,060.43
Total State Financial Assistance subject to State OMB 04-04				\$ (4,526,125.29)	\$ 19,046.41	\$ 13,242,135.46	\$ (36,866,154.11)	\$ (19,046.41)	\$ (5,086,139.54)	\$	\$ 44,560.01	\$ 7,529,003.14	\$ 41,863,065.76
On-behalf TPAF Contributions Not Subject to OMB 04-04													
On-behalf TPAF Non-contributory Insurance													
						\$ 2,768,678.00	\$ (2,768,678.00)						
On-behalf TPAF Post retirement medical													
						4,395,276.00	(4,395,276.00)						
						20,406,089.46	(44,030,108.11)						

See accompanying notes to schedules of financial assistance

Township of Union School District
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance
Year Ended June 30, 2015

NOTE 1. GENERAL

The accompanying schedules of expenditures of Federal Awards and State financial assistance include federal and state award activity of the Board of Education, Township of Union School District. The Board of Education is defined in Note 1 to the District's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditure of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Note 1 to the board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States Local Governments, and Non-profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedule (RSI) are presented for the general fund and special revenue fund to demonstrate finance-regulated legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, payments are not recognized until the subsequent budget year due to the state deferral and recording of one or more June state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenue, whereas GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with N.J.S.A. 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$39,132.00 for the general fund and (15,745.17) for the special revenue fund. See Exhibit "C-3" for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following pages.

Township of Union School District
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance
Year Ended June 30, 2015

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 301,676.87	\$ 42,739,297.14	\$ 43,040,974.01
Special Revenue Fund	2,739,595.86	323,310.52	3,062,906.38
Capital Projects Fund		1,231,604.00	1,231,604.00
Debt Service Fund		127,208.00	127,208.00
Food Service Fund	1,463,977.67	35,060.43	1,499,038.10
	<u>\$ 4,505,250.40</u>	<u>\$ 44,456,480.09</u>	<u>\$ 48,961,730.49</u>
GAAP Adjustment	15,745.17	(39,132.00)	(23,386.83)
Total Awards & Financial Assistance	<u>\$ 4,520,995.57</u>	<u>\$ 44,417,348.09</u>	<u>\$ 48,938,343.66</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2014. TPAF Social Security contributions represents the amount reimbursed by the state for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2014.

Township of Union School District
Union County, New Jersey

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2015

Section I – Summary of Auditor’s Results

Financial Statements

- | | | |
|-----|--|------------|
| (1) | Type of Auditor’s Report Issued: | Unmodified |
| (2) | Internal Control Over Financial Reporting: | |
| | (a) Material weaknesses identified? | No |
| | (b) Significant deficiencies identified that are not considered to be material weaknesses? | No |
| (3) | Noncompliance material to the basic financial statements noted? | No |

Federal Program(s)

- | | | |
|-----|---|-------------|
| (1) | Internal Control Over Major Federal Programs: | |
| | (a) Material weaknesses identified? | No |
| | (b) Significant deficiencies identified that are not considered to be material weaknesses? | No |
| (2) | Type of Auditor’s Report issued on compliance for major federal program(s)? | Unmodified |
| (3) | Any audit findings disclosed that are required to be reported in accordance with Section .510 (a) of Circular OMB A-133 and listed in Section III of this schedule? | No |
| (4) | Identification of Major Federal Programs: | |
| | <u>Grant Programs</u> | <u>CFDA</u> |
| | I.D.E.A Part B Basic | 84.027 |
| (5) | Program Threshold Determination:
Type A Federal Program Threshold > \$300,000.00
Type B Federal Program Threshold <= \$300,000.00 | |
| (6) | Auditee qualified as a low-risk auditee under OMB Circular A-133? | Yes |

Township of Union School District
Union County, New Jersey

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2015

Section I – Summary of Auditor’s Results (Continued)

State Program(s)

- (1) Internal Control Over Major State Programs:
- (a) Material weaknesses identified? No
- (b) Significant deficiencies that are not considered to be material weaknesses? No
- (2) Type of Auditor’s Report issued on compliance for major state programs? Unmodified
- (3) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 04-04 and listed in Section III of the schedule? No
- (4) Identification of Major State Programs:
- | <u>Grant Programs</u> | <u>Account Number</u> |
|--------------------------|-----------------------|
| Equalization Aid | 15- 495-034-5120-078 |
| Categorical Security Aid | 15- 495-034-5120-084 |
| Debt Service Aid Type II | 15- 495-034-5120-075 |
- (5) Program Threshold Determination:
- Type A State Program Threshold > \$1,105,984.62
- Type B State Program Threshold <= \$1,105,984.62
- (6) Auditee qualified as a low-risk auditee under OMB Circular A-133? Yes

Township of Union School District
Union County, New Jersey

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2015

Section II – Financial Statement Audit – Reported Findings Under Government Auditing Standards

Internal Control Findings

None Reported

Compliance Findings

None Reported

Section III – Findings and Questioned Costs Relative to Major Federal and State Programs

Federal Programs – None Reported

State Programs – None Reported

Township of Union School District
Union County, New Jersey

Schedule of Prior Year Audit Findings

2015-01

All prior year audit recommendations have been implemented.

