

**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, 2013

Prepared by

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

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INTRODUCTORY SECTION

Patrick W. Martin
Superintendent

October 21, 2013

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, 2013, 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.

Honorable President and Members of
The Board of Education of the Township of Union

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 2012-2013 fiscal year with an enrollment of 7493 students, which is a decrease of 18 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>
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%
2004-2005	7963.6	-.07%
2003-2004	7968.9	-.67%

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 and the Merck site will be sold for re-development and closing is scheduled for as early as the end

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of 2013. Union Station and the surrounding area continue to demonstrate great economic vitality with the most recent residential project having sold out within one year. The Township remains well positioned for the impending economic growth.

3. **MAJOR INITIATIVES:** During the 2013-2014 school year, the first level of initiative for the Township of Union Public Schools is to improve student attendance in classes throughout the district. Multiple studies have shown the correlation between student attendance and their academic achievement. The Superintendent of Schools addressed assembled parents at nine of the ten Back-to-School Nights at the beginning of the school year, identifying the importance of their children attending school every day. The administration and guidance department of each of the district's schools will make an immediate concerted effort to address situations where pupils show poor attendance throughout the school year. Attendance statistics are reviewed by the Superintendent and Board of Education during the Board of Education's monthly, televised public meeting.

During the 2013-2014 school year, the second level of initiative for the Township of Union Public School District is to continue to comply with the mandates set forth for school districts in the area of bullying by the New Jersey State Department of Education. All staff and Board of Education members will be trained on how to recognize and report bullying. Proper parent/community meetings regarding the bullying initiative will be conducted. Incidents of bullying will be addressed by appropriate personnel, with the school community member who has bullied and the school community member who did the bullying receiving proper attention. Incidents of bullying will be appropriately reported to the school district's administration and Board of Education. During the 2012-2013 school year the incidents of bullying in the school district declined from the previous school year.

It is the goal of the Township of Union Public School District to eradicate incidences of bullying from the school community.

The third level of initiative will again have to do with Academic Proficiency Lists and Testing. The results of standardized testing during the 2012-2013 school year showed general improvement. Thus, this initiative and others concerning student academic growth, will be repeated and re-emphasized.

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For each grade level, pre-kindergarten through grade 8, a "Proficiency List" for mathematics and a "Proficiency List" for language arts was created by teachers and administrators. These lists are kept to one-page and outline the topics/skills that students MUST master on each grade level if they are to be able to compete and survive on the next higher grade level. The reasoning behind these lists is that if each student masters the "non-negotiable" skills and learns the non-negotiable knowledge for each grade level, he/she should be able to succeed as he/she progresses through the years of education. The success rate for all students should be 100%, as is called for in federal No Child Left Behind legislation.

The proficiency lists were distributed to all parents at Back-to-School Nights, and they are easily accessible on the school district's website: www.twpunionschools.org.

All students will again be tested on their knowledge of the items on the Proficiency Lists twice a year: once on a Mid-Year Proficiency test in January . . . and then again on an End-of-the-Year Proficiency Test in June. The Mid-Year Proficiency Test is given to provide students, teachers, and parents with a mid-year look at how well each student is progressing. If a student is not able to complete the work on the End-of-the Year Proficiency Test, it is an indication that the student may not be ready for the academic challenges of the subsequent grade level, and proper remediation should be initiated. The results of Proficiency Tests will be shared with parents.

The fourth level of initiative will again have to do with Chapter Books. All students, pre-kindergarten through grade 12, in the school district will again be being asked to read six chapter books (beginning in middle school, these books are referred to as novels) during the course of the school year. These books are provided by the school district, and their titles are selected by faculty. Students in a class all read the same book at the same time. This allows the teacher and students to conduct discussions regarding the meaning of each book. This also allows the teacher to check to see if all students are completing reading assignments (through the use of comprehension quizzes).

After a class has completed a book, each student is required to write an essay about the message of the book. Faculty will provide essay topics. These essays, beginning in grade 3, must be in classic five-paragraph

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format. All essays will be graded by appropriate teachers, and it is recommended the copies are sent home to parents. Copies of each essay will be sent to the district superintendent for review. Copies of all essays will be kept on file in the conference room of the district office.

The fifth level of initiative will again have to do with the "Bees" that will be taking place in the district's six elementary schools throughout the school year. These are old-fashioned spelling bees, mathematics bees, history-fact bees, etc. They require the students to study and memorize a certain set of facts in preparation for a visitor to their school (usually the math and language arts supervisor) who will conduct the "bee" in a large area such as the school auditorium. Efforts are made to visit the children first and announce and explain the "bee", and then, several weeks later, visit the children again to conduct the actual bee. This gives the children time to practice. Parents are informed of the coming bee, and this allows them an opportunity to help their children with their readiness.

The purpose of the bees is to encourage the children's mastery of essential "academic building blocks" that the child will call upon throughout his/her school experiences.

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

Honorable President and Members of
The Board of Education of the Township of Union

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.

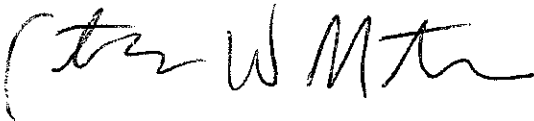
6. ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principals, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.
7. DEBT ADMINISTRATION: The District passed a \$23.4 million dollar bond referendum on April 20, 2010, in order to demolish and reconstruct a major portion of Jefferson School and renovate the remaining portion of the school. The cost of which has been funded through the issuance of school bonds on September 8, 2011 in the amount of \$6,712,000 and a New Jersey School Development Authority grant in the amount of \$5,259,907 and a local education agency capital reserve withdrawal in the amount of \$12,000,000. Information related to the District's outstanding debt is recorded in the long-term debt schedules of the comprehensive annual financial report.
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 or registered municipal accountants. The accounting firm of Suplee, Clooney & Company,

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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,



PATRICK W. MARTIN
SUPERINTENDENT OF SCHOOLS



MANUEL E. VIEIRA
BUSINESS ADMINISTRATOR



JAMES J. DAMATO
BOARD SECRETARY

/pd

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

**ROSTER OF OFFICIALS
JUNE 30, 2013**

MEMBERS OF THE BOARD OF EDUCATION

TERM EXPIRES

Francis R. Perkins, President	2014
Richard J. Galante, Vice President	2013
Versie McNeil	2013
Linda Gaglione	2013
Susanna Cooley	2014
Vito A. Nufrio	2014
David Arminio	2015
Thomas Layden	2015
Guy Francis	2015

OTHER OFFICIALS

Dr. Patrick W. Martin, Superintendent of Schools

Mr. Gregory A. Tatum, Assistant Superintendent of Schools

Dr. Noreen Lishak, Assistant Superintendent of Schools

Mr. Manuel E. Vieira, Business Administrator

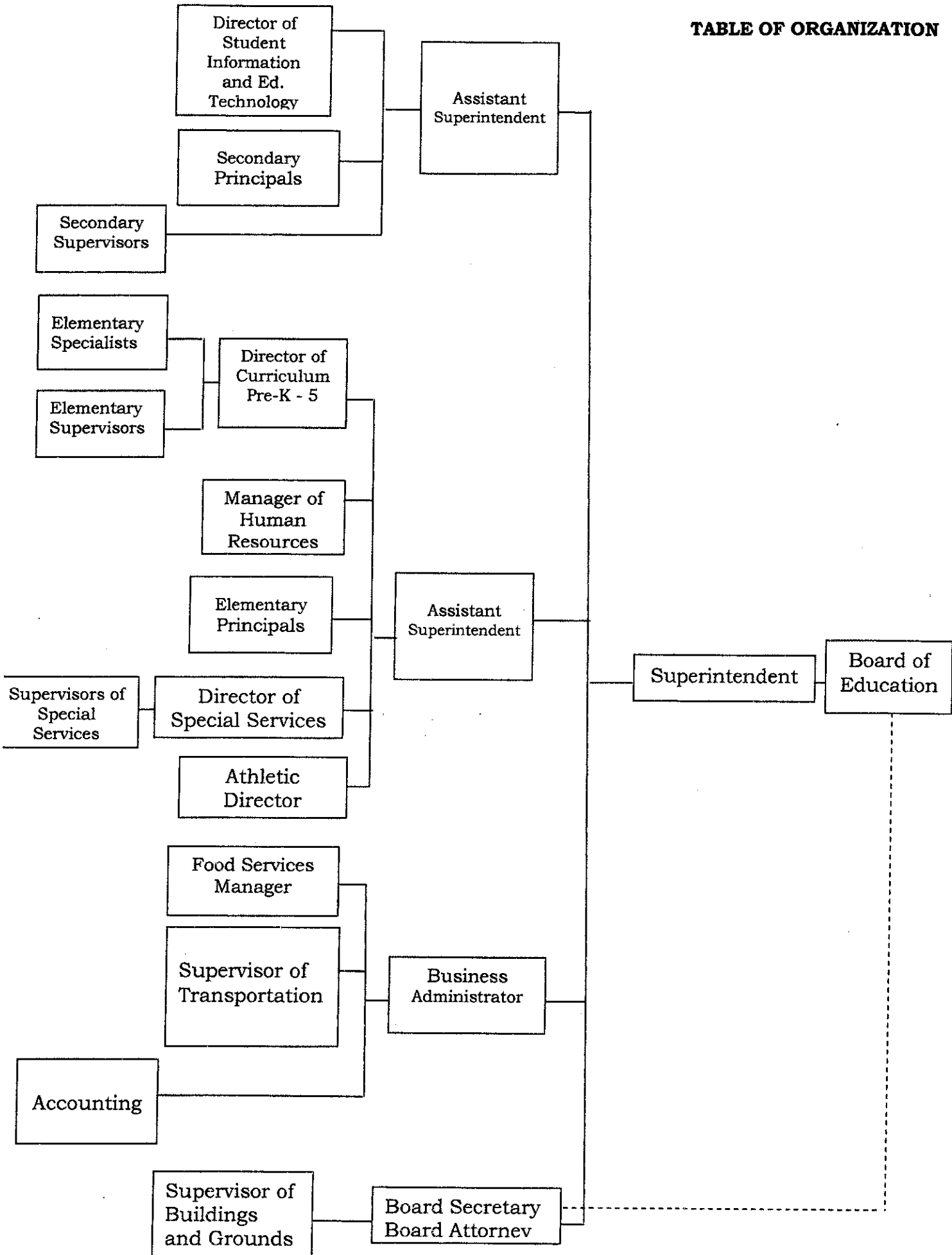
Mrs. Fernanda Manochio, Assistant Board Secretary

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



FINANCIAL 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

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, 2013, 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, 2013, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information in Exhibit C-1 through C-3 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 NJOMB 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 NJOMB 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 October 21, 2013 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. 93

October 21, 2013

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, 2013
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, 2013. 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 (2012-2013) and the prior year (2011-2012) is required to be presented in the MD&A.

Financial Highlights

Key financial highlights for 2013 are as follows:

- ◆ In total, net assets increased \$3,808,310 which represents a 5.43 percent increase from 2012.
- ◆ General revenues accounted for \$116,902,525 in revenue or 89 percent of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$14,191,940 or 11 percent of total revenues of \$131,094,465.
- ◆ Total assets of governmental activities increased by \$2,469,585 as cash and cash equivalents decreased by \$6,224,771. Receivables decreased by \$1,693,126. Restricted cash and cash equivalents increased by \$1,210,108, and capital assets increased by \$9,177,374.
- ◆ The School District had \$127,286,155 in expenses; only \$14,191,940 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes) of \$116,902,525 were adequate to provide for these programs.
- ◆ Among governmental funds, the General Fund had \$121,968,698 in revenues and \$120,235,588 in expenditures. The General Fund's fund balance increased \$1,733,110 over 2012. This increase 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 Assets* 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, 2013
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 2013?" 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, 2013
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 2013 and 2012.

	Table 1 Net Assets	
	<u>2013</u>	<u>2012</u>
Assets		
Current and Other Assets	\$ 32,256,104.00	\$ 39,524,989.00
Capital Assets	<u>77,851,846.00</u>	<u>68,176,850.00</u>
Total Assets	<u>\$ 110,107,950.00</u>	<u>\$ 107,701,839.00</u>
Liabilities		
Long-Term Liabilities	\$ 32,103,302.00	\$ 33,831,975.00
Other Liabilities	<u>4,117,265.00</u>	<u>3,790,791.00</u>
Total Liabilities	<u>\$ 36,220,567.00</u>	<u>\$ 37,622,766.00</u>
Net Position		
Net Investment in Capital Assets	\$ 46,870,596.00	\$ 35,544,225.00
Restricted	29,289,218.00	36,160,171.00
Unrestricted	<u>(2,272,431.00)</u>	<u>(1,625,323.00)</u>
Total Net Assets	<u>\$ 73,887,383.00</u>	<u>\$ 70,079,073.00</u>

The District's combined net position were \$73,887,383 on June 30, 2013. This was an increase of \$3,808,310 or 5.43 percent from the prior year.

**TOWNSHIP OF UNION SCHOOL DISTRICT
UNION, NJ
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED (CONTINUED)**

Table 2 shows changes in net position for fiscal year 2013 and 2012.

**Table 2
Changes in Net Position**

	<u>2013</u>	<u>2012</u>
Revenues		
Program Revenues:		
Charges for Services	\$ 1,533,692	\$ 1,607,621
Operating Grants and Contributions	12,658,248	10,151,556
General Revenues:		
Property Taxes	81,094,875	79,359,903
Grants and Entitlements	35,057,716	34,198,245
Gain(Loss) on Sale of Fixed Assets		(4,709)
Other	749,934	766,593
Total Revenues	\$ <u>131,094,465</u>	\$ <u>126,079,209</u>
Program Expenses		
Instruction	69,158,583	67,451,442
Support Services:		
Pupils and Instructional Staff	24,129,238	22,163,173
General Administration, School Administration, Business Operations and Maintenance of Facilities	23,277,417	20,675,459
Pupil Transportation	6,340,912	5,003,000
Interest on Debt	1,214,817	1,244,640
Business Type Activities	3,036,046	3,131,227
Other	65,517	333,495
Amortization	63,625	63,625
Total Expenses	\$ <u>127,286,155</u>	\$ <u>120,066,061</u>
 Increase/(Decrease) in Net Position	 \$ <u>3,808,310</u>	 \$ <u>6,013,148</u>

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 61.86 percent of revenues for governmental activities for the Union School District for fiscal year 2013. The District's total revenues were \$131,094,465 for the year ended June 30, 2013.

Sources of Revenue for Fiscal Year 2013

Federal/State Grants 36.40%
Property Taxes 61.86%
Charges for Services 1.17%
Other 0.57%

**TOWNSHIP OF UNION SCHOOL DISTRICT
UNION, NJ
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED (CONTINUED)**

The total cost of all program and services was \$127,286,155. Instruction comprises 54.33 percent of District expenses.

Expenses for Fiscal Year 2013

Instruction-Related 54.33%
Maintenance & Operations 9.73%
Administration 8.56%
Student Support Services 18.96%
Transportation 4.98%
Business Type Activities 2.39%
Interest on Debt Service 0.95%
Other 0.10%

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.

- ◆ Expenses exceeded income by \$102,053.
- ◆ Charges for services represent \$1,533,692 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 \$1,396,896.
- ◆ Interest revenue was \$3,404.

Governmental Activities

The Statement of Activities 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 2013, 2012 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, 2013
UNAUDITED (CONTINUED)**

Table 3A

	Total Cost of Services <u>2013</u>	Net Cost of Services <u>2013</u>
Instruction	\$ 69,158,583	\$ 62,477,821
Support Services: Pupils and Instructional Staff	24,129,238	22,536,320
General Administration, School Administration, Business	10,892,054	9,839,875
Operation and Maintenance of Facilities	12,385,363	11,188,930
Pupil Transportation	6,340,912	5,728,376
Interest and Fiscal Charges	1,214,817	1,088,294
Other	65,517	65,517
Amortization	63,625	63,625
Business Type Activities	<u>3,036,046</u>	<u>105,457</u>
Total Expenses	\$ <u>127,286,155</u>	\$ <u>113,094,215</u>

Table 3B

	<u>2012</u>	<u>2013</u>
Instruction	\$ 67,451,442	\$ 61,748,240
Support Services: Pupils and Instructional Staff	22,163,173	21,277,838
General Administration, School Administration, Business	10,453,858	9,467,294
Operation and Maintenance of Facilities	10,221,600	9,500,979
Pupil Transportation	5,003,000	4,812,550
Interest and Fiscal Charges	1,244,640	1,118,044
Other	333,495	240,843
Amortization	63,625	63,625
Business Type Activities	<u>3,131,227</u>	<u>77,470</u>
Total Expenses	\$ <u>120,066,060</u>	\$ <u>108,306,883</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, 2013
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 \$128,160,473 and expenditures were \$126,669,340 resulting in an excess of revenues over expenditures of \$1,491,133.

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, 2013, and the amount and percentage of increases and decreases in relation to prior year revenues.

<i>Revenue</i>	<i>2013 Amount</i>	<i>Percent of Total</i>	<i>Increase (Decrease) From 2012</i>	<i>Percent of Increase (Decrease)</i>
Local sources	\$ 81,841,405	63.86%	\$ 1,719,845	2.15%
State Sources	43,263,466	33.76%	4,473,653	11.53%
Federal Sources	<u>3,055,602</u>	<u>2.38%</u>	<u>(1,487,638)</u>	<u>(32.71)%</u>
Total	\$ <u>128,160,473</u>	<u>100.00%</u>	<u>\$ 4,705,860</u>	<u>3.81%</u>

Local revenues increased by \$1,719,845. The increase in local revenue was due to increases in property taxes and miscellaneous revenues and decreases in tuition, transportation fees 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, 2013, 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, 2013
UNAUDITED (CONTINUED)**

<i>Expenditures</i>	<i>2013 Amount</i>	<i>Percent of Total</i>	<i>Increase (Decrease) From 2012</i>	<i>Percent of Increase (Decrease)</i>
Current Expense:				
Instruction	\$ 47,303,180	37.34%	\$ 2,118,605	4.69%
Undistributed expenditures	69,614,718	54.97%	5,160,670	8.01%
Capital Outlay	3,317,691	2.62%	2,289,003	222.52%
Special Revenues	3,421,601	2.70%	(439,514)	(11.38)%
Debt Service:				
Principal	1,715,000	1.35%	270,000	18.69%
Interest	1,297,150	1.02%	205,431	18.82%
Total	\$ <u>126,669,340</u>	<u>100.00%</u>	\$ <u>9,604,195</u>	<u>8.20%</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, 2013
UNAUDITED (CONTINUED)**

Capital Assets

At the end of the fiscal year 2013, the School District had \$77,129,074 invested in land, building, furniture and equipment, and vehicles. Table 4 shows fiscal year 2013 balances compared to 2012.

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

	<u>2013</u>	<u>2012</u>
Land	\$ 9,553,000	\$ 9,553,000
Construction in Progress		8,397,762
Site Improvements	2,787,642	2,869,892
Building and Bldg. Improvements	60,589,138	43,872,164
Machinery & Equipment	<u>4,199,514</u>	<u>3,259,402</u>
Total	<u>\$ 77,129,294</u>	<u>\$ 67,952,220</u>

Overall capital assets increased \$9,177,074 from fiscal year 2012 to fiscal year 2013. 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, 2013 the School District had \$34,824,052 of outstanding debt. Of this amount, \$2,952,052 is for compensated absences; and \$31,872,000 of serial bonds for school construction.

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

	<u>2013</u>	<u>2012</u>
2003 General obligation bonds	\$ 975,000	\$ 975,000
2005 Refunding bonds	5,460,000	5,860,000
2010 Refunding bonds	19,900,000	20,040,000
2011 General obligation bonds	<u>6,512,000</u>	<u>6,712,000</u>
Total	<u>\$ 31,872,000</u>	<u>\$ 33,587,000</u>

At June 30, 2013, the School District's overall legal debt margin was \$238,383,280. For more detailed information, please refer to the statistical section of the CAFR.

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.

**TOWNSHIP OF UNION SCHOOL DISTRICT
UNION, NJ
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED (CONTINUED)**

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, 2013

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, 2013

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS:			
Cash and cash equivalents	\$ 19,853,564.34	\$ 1,190,272.98	\$ 21,043,837.32
Receivables, net	4,668,601.42	111,279.25	4,779,880.67
Due from other funds		158,774.10	158,774.10
Inventory		54,952.62	54,952.62
Restricted assets:			
Restricted cash and cash equivalents	6,218,659.27		6,218,659.27
Capital assets:			
Land and improvements	9,553,000.00		9,553,000.00
Other capital assets net of depreciation	67,576,294.02	722,551.99	68,298,846.01
Total Assets	<u>\$ 107,870,119.05</u>	<u>\$ 2,237,830.94</u>	<u>\$ 110,107,949.99</u>
LIABILITIES:			
Accounts payable	\$ 1,061,009.04	1,199.60	\$ 1,062,208.64
Due to other funds	158,774.10		158,774.10
Payable to state government	939.39		939.39
Deferred revenue	739,725.82		739,725.82
Bond Interest Payable	325,617.19		325,617.19
Noncurrent liabilities:			
Due within one year:			
Bonds payable	1,830,000.00		1,830,000.00
Due beyond one year:			
Compensated absences payable	2,952,051.75		2,952,051.75
Bonds payable	29,151,250.00		29,151,250.00
Total liabilities	<u>\$ 36,219,367.29</u>	<u>\$ 1,199.60</u>	<u>\$ 36,220,566.89</u>
NET POSITION:			
Net investment in capital assets	\$ 46,148,044.02	\$ 722,551.99	\$ 46,870,596.01
Restricted for:			
Capital projects fund	4,977,122.67		4,977,122.67
Debt service fund (deficit)	(275,163.46)		(275,163.46)
Other purposes	24,587,259.09		24,587,259.09
Unrestricted (deficit)	<u>(3,786,510.56)</u>	<u>1,514,079.35</u>	<u>(2,272,431.21)</u>
Total net position	<u>\$ 71,650,751.76</u>	<u>\$ 2,236,631.34</u>	<u>\$ 73,887,383.10</u>

See accompanying notes to financial statements.

TOWNSHIP OF UNION SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
JUNE 30, 2013

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Programs Revenues</u> <u>Operating Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position</u>		
				<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Governmental activities:						
Instruction:						
Regular	\$ 52,466,603.89	\$	5,088,306.30	\$ (47,398,297.59)	\$	\$ (47,398,297.59)
Special	11,548,961.83		1,115,636.84	(10,433,324.99)		(10,433,324.99)
Other Instruction	5,143,017.37		496,818.65	(4,646,198.72)		(4,646,198.72)
Support services:						
Tuition	7,639,507.66			(7,639,507.66)		(7,639,507.66)
Student and instruction related services	16,489,730.60		1,592,918.15	(14,896,812.45)		(14,896,812.45)
General and business administrative services	3,239,943.35		312,980.53	(2,926,962.82)		(2,926,962.82)
School administrative services	7,652,110.47		739,198.59	(6,912,911.88)		(6,912,911.88)
Plant operations and maintenance	12,385,363.37		1,196,433.74	(11,188,929.63)		(11,188,929.63)
Pupil transportation	6,340,912.20		612,536.03	(5,728,376.17)		(5,728,376.17)
Charter Schools	65,516.50			(65,516.50)		(65,516.50)
Interest on long-term debt	1,214,817.17		126,523.00	(1,088,294.17)		(1,088,294.17)
Unallocated Amortization	63,625.00			(63,625.00)		(63,625.00)
Total governmental activities	\$ 124,250,109.41	\$	11,261,351.83	\$ (112,988,757.58)	\$	\$ (112,988,757.58)
Business-type activities:						
Food service:	\$ 3,036,045.68	\$ 1,533,692.18	\$ 1,396,896.38	\$	\$ (105,457.12)	\$ (105,457.12)
Total business-type activities	\$ 3,036,045.68	\$ 1,533,692.18	\$ 1,396,896.38	\$	\$ (105,457.12)	\$ (105,457.12)
Total primary government	\$ 127,286,155.09	\$ 1,533,692.18	\$ 12,658,248.21	\$ (112,988,757.58)	\$ (105,457.12)	\$ (113,094,214.70)
General Revenues:						
Taxes:						
Property taxes, levied for general purposes, net				\$ 78,490,953.00	\$	\$ 78,490,953.00
Taxes levied for debt service				2,603,922.00		2,603,922.00
Federal and state aid not restricted - net				31,768,161.38		31,768,161.38
Federal and state aid restricted				3,289,554.78		3,289,554.78
Miscellaneous income				746,529.63	3,404.19	749,933.82
Total general revenues and special items				\$ 116,899,120.79	\$ 3,404.19	\$ 116,902,524.98
Change in Net Position				3,910,363.21	(102,052.93)	3,808,310.28
Net Position - beginning				67,740,388.55	2,338,684.27	70,079,072.82
Net Position - ending				\$ 71,650,751.76	\$ 2,236,631.34	\$ 73,887,383.10

See accompanying notes to financial statements.

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

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS:					
Cash and Cash Equivalents	\$ 15,839,060.03	\$	\$ 3,971,548.73	\$ 42,955.58	\$ 19,853,564.34
Cash, Capital Reserve	6,218,659.27				6,218,659.27
Other Receivables	38,687.64				38,687.64
Interfund Receivables	494,480.35			7,498.15	501,978.50
Receivables from Other Governments	189,370.08	1,284,599.50	3,155,944.20		4,629,913.78
Total Assets	\$ 22,780,257.37	\$ 1,284,599.50	\$ 7,127,492.93	\$ 50,453.73	\$ 31,242,803.53
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 947,555.10	\$ 113,453.94	\$	\$	\$ 1,061,009.04
Interfund Payables	158,774.10	494,480.35	7,498.15		660,752.60
Payable to State Government		939.39			939.39
Deferred Revenue	64,000.00	675,725.82			739,725.62
Total Liabilities	\$ 1,170,329.20	\$ 1,284,599.50	\$ 7,498.15	\$	\$ 2,462,426.85
Fund Balances:					
Restricted for:					
Excess Surplus - Current Year	\$ 3,915,406.25	\$	\$	\$	\$ 3,915,406.25
Designated for Subsequent Years Expenditures - Excess Surplus	5,571,862.16				5,571,862.16
Capital Reserve Account	6,218,659.27				6,218,659.27
Maintenance Reserve	2,050,000.00				2,050,000.00
Emergency Reserve	1,000,000.00				1,000,000.00
Debt Service				50,453.73	50,453.73
Capital Purposes			4,977,122.67		4,977,122.67
Committed to:					
Designated for Subsequent Years Expenditures	637,065.84				637,065.84
Assigned:					
Year End Encumbrances	2,216,934.65		2,142,872.11		4,359,806.76
Total Fund Balances	\$ 21,609,928.17	\$	\$ 7,119,994.78	\$ 50,453.73	\$ 28,780,376.68
Total Liabilities and Fund Balances	\$ 22,780,257.37	\$ 1,284,599.50	\$ 7,127,492.93	\$ 50,453.73	

Amounts reported for governmental activities in the statement of net assets (a-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of assets is \$112,343,589.16 and the accumulated depreciation is \$35,619,828.23

77,129,294.02

Accrued interest on serial bonds and capital leases are not due and payable in the current period and therefore are not reported as liabilities in the funds

(325,617.19)

Long term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see note 4)

(33,933,301.75)

Net position of governmental activities

\$ 71,650,751.76

See accompanying notes to financial statements.

TOWNSHIP OF UNION SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 78,490,953.00			\$ 2,603,922.00	\$ 81,094,875.00
Tuition	189,794.35				189,794.35
Transportation Fees	4,280.00				4,280.00
Interest on Capital Reserve	10,107.80				10,107.80
Miscellaneous	370,572.66	132,046.39		39,728.43	542,347.48
Total - Local Sources	\$ 79,065,707.81	\$ 132,046.39	\$	\$ 2,643,650.43	\$ 81,841,404.63
State Sources	\$ 42,803,334.83	\$ 333,608.09		\$ 126,523.00	\$ 43,263,465.92
Federal Sources	99,655.38	2,955,946.69			3,055,602.07
Total Revenues	\$ 121,968,698.02	\$ 3,421,601.17	\$	\$ 2,770,173.43	\$ 128,160,472.62
EXPENDITURES:					
Current Expense:					
Regular Instruction	\$ 35,236,177.13	\$ 2,693,097.29			\$ 37,929,274.42
Special Education Instruction	8,349,001.27				8,349,001.27
Other Instruction	3,718,001.60				3,718,001.60
Support Services:					
Tuition	7,639,507.66				7,639,507.66
Student and Instruction Related Services	11,192,288.98	728,503.88			11,920,792.86
General and Business Administrative Services	2,342,227.08				2,342,227.08
School Administrative Services	5,531,880.79				5,531,880.79
Plant Operations and Maintenance	8,953,654.54				8,953,654.54
Pupil Transportation	4,583,986.41				4,583,986.41
Unallocated Benefits	29,305,655.45				29,305,655.45
Transfer Funds to Charter School	65,516.50				65,516.50
Debt Service:					
Principal				1,715,000.00	1,715,000.00
Interest				1,297,150.43	1,297,150.43
Capital Outlay	3,317,690.95		8,454,149.85		11,771,840.80
Total Expenditures	\$ 120,235,588.36	\$ 3,421,601.17	\$ 8,454,149.85	\$ 3,012,150.43	\$ 135,123,489.81
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 1,733,109.66		\$ (8,454,149.85)	\$ (241,977.00)	\$ (6,963,017.19)
Net Change in Fund Balances	\$ 1,733,109.66		\$ (8,454,149.85)	\$ (241,977.00)	\$ (6,963,017.19)
Fund Balances, June 30, 2012	19,876,818.51		15,574,144.63	292,430.73	35,743,393.87
Fund Balances, June 30, 2013.	\$ 21,609,928.17	\$ -0-	\$ 7,119,994.78	\$ 50,453.73	\$ 28,780,376.68

See accompanying notes to financial statements.

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, 2013

Total net change in fund balances - governmental funds (from B-2)	\$	(6,963,017.19)
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	\$	(2,594,466.91)
Capital outlays		<u>11,771,840.80</u>
		9,177,373.89
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.		1,715,000.00
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)
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 addition in the reconciliation.		82,333.26
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 (+).		<u>(37,701.75)</u>
Change in net position of governmental activities	\$	<u>3,910,363.21</u>

See accompanying notes to financial statements.

OTHER FUNDS

TOWNSHIP OF UNION SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS</u>
ASSETS:	
Current assets:	
Cash	\$ 1,190,272.98
Accounts receivable:	
Federal:	
National School Lunch Program	90,915.44
School Breakfast Program	17,435.92
State	2,927.89
Interfunds	158,774.10
Inventories	<u>54,952.62</u>
Total current assets	\$ <u>1,515,278.95</u>
Non-current assets:	
Equipment	\$ 1,719,040.44
Accumulated depreciation	<u>(996,488.45)</u>
Total non-current assets	\$ <u>722,551.99</u>
Total Assets:	\$ <u><u>2,237,830.94</u></u>
LIABILITIES:	
Current liabilities:	
Accounts payable	\$ 1,199.60
Total Liabilities	\$ <u>1,199.60</u>
NET POSITION:	
Net Investment in Capital Assets	\$ 722,551.99
Unrestricted	<u>1,514,079.35</u>
Total Net Position	\$ <u><u>2,236,631.34</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF UNION SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS</u>
OPERATING REVENUES:	
Local sources:	
Daily sales-reimbursable programs:	
School lunch program	\$ 1,523,223.09
Daily sales non-reimbursable programs:	
Special functions	<u>10,469.09</u>
Total operating revenue	<u>\$ 1,533,692.18</u>
OPERATING EXPENSES:	
Cost of sales	\$ 1,039,033.52
Labor	1,321,985.22
Other purchased professional services	29,600.58
Cleaning, repair and maintenance services	8,018.94
Insurance	62,483.98
Supplies	104,723.68
Other expense	315,728.00
Management Fee	79,839.68
Depreciation	<u>74,632.08</u>
Total operating expenses	<u>\$ 3,036,045.68</u>
Operating (Loss)	<u>\$ (1,502,353.50)</u>
NON-OPERATING REVENUES:	
State sources:	
State school lunch program	\$ 35,183.07
Federal sources:	
National school lunch program	1,101,989.07
School breakfast program	140,916.01
Food distribution commodities program	118,808.23
Interest revenue	<u>3,404.19</u>
Total non-operating revenues (expenses)	<u>1,400,300.57</u>
Net Income/(Loss)	<u>\$ (102,052.93)</u>
Total net position - beginning	<u>2,338,684.27</u>
Total net position - ending	<u>\$ 2,236,631.34</u>

See accompanying notes to financial statements.

TOWNSHIP OF UNION SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS</u>
Cash flows from operating activities:	
Receipts from customers	\$ 1,533,692.18
Payments for labor	(1,321,985.22)
Payments to suppliers	(1,749,774.14)
Interfunds	<u>82,552.53</u>
Net cash provided by (used for) operating activities)	\$ <u>(1,455,514.65)</u>
Cash flows from noncapital financing activities:	
State Sources	\$ 34,399.82
Federal Sources	<u>1,226,287.70</u>
Net cash provided by (used for) noncapital financing activities	\$ <u>1,260,687.52</u>
Cash flows from capital and related financing activities:	
Purchases of capital assets	<u>(572,253.84)</u>
Net cash provided by (used for) capital and or related financing activities	\$ <u>(572,253.84)</u>
Cash flows from investing activities:	
Interest on Investments	\$ <u>3,404.19</u>
Net cash provided by (used for) investing activities	\$ <u>3,404.19</u>
Net decrease in cash and cash equivalents	\$ (763,676.78)
Cash and cash equivalents, June 30, 2012	<u>1,953,949.76</u>
Cash and cash equivalents, June 30, 2013	\$ <u><u>1,190,272.98</u></u>
Cash flows from operating activities:	
Operating (loss)	\$ (1,502,353.50)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:	
Depreciation	74,632.08
Federal commodities	118,808.23
Change in assets and liabilities:	
(Increase) Decrease in inventory	(26,406.73)
(Increase) Decrease in interfunds	82,552.53
Increase (Decrease) in accounts payable	<u>(202,747.26)</u>
Net cash provided (used) by operating activities	\$ <u><u>(1,455,514.65)</u></u>

See accompanying notes to financial statements.

TOWNSHIP OF UNION SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2013

	<u>STATE UNEMPLOYMENT INSURANCE PAYABLE</u>	<u>PRIVATE PURPOSE AWARD FUND</u>	<u>AGENCY FUNDS</u>	<u>ESCROW DEPOSITS</u>
ASSETS:				
Cash and investments	\$ 1,006,752.65	\$ 53,883.37	\$ 3,302,922.60	\$ 26,123.89
Due from payroll agency	<u>292,177.98</u>			
Total assets	<u>\$ 1,298,930.63</u>	<u>\$ 53,883.37</u>	<u>\$ 3,302,922.60</u>	<u>\$ 26,123.89</u>
LIABILITIES:				
Liabilities:				
Payroll deductions and withholdings	\$	\$	\$ 2,804,077.02	\$
Due to student groups			206,667.60	
Due to state unemployment insurance			<u>292,177.98</u>	
Total liabilities	<u>\$</u>	<u>\$</u>	<u>\$ 3,302,922.60</u>	<u>\$</u>
NET POSITION:				
Held in trust for unemployment Claims and other purposes	\$ 1,298,930.63	\$ 29,000.00		\$ 26,123.89
Reserved for awards		<u>24,883.37</u>		
Total net position	<u>\$ 1,298,930.63</u>	<u>\$ 53,883.37</u>	<u>\$ -0-</u>	<u>\$ 26,123.89</u>

See accompanying notes to financial statements.

TOWNSHIP OF UNION SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>STATE UNEMPLOYMENT INSURANCE</u>	<u>PRIVATE PURPOSE AWARD FUND</u>	<u>ESCROW DEPOSITS</u>
ADDITIONS:			
Contributions:	\$ 155,336.92	\$ 3,900.00	\$
Investment earnings:			
Interest	\$ 7,589.85	\$ 285.25	\$ 26.04
Net investment earnings	\$ 7,589.85	\$ 285.25	\$ 26.04
Total additions	\$ 162,926.77	\$ 4,185.25	\$ 26.04
DEDUCTIONS:			
Scholarships awarded	\$	\$ 6,830.00	\$
Unemployment claims	132,255.22		
Total deductions	\$ 132,255.22	\$ 6,830.00	\$
Change in net position	\$ 30,671.55	\$ (2,644.75)	\$ 26.04
Net position beginning of year	1,268,259.08	56,528.12	26,097.85
Net position end of year	\$ 1,298,930.63	\$ 53,883.37	\$ 26,123.89

See accompanying notes to financial statements.

Township of Union School District
Notes to the Financial Statements
June 30, 2013

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, 2013

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, 2013

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, 2013

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, 2013

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, 2013

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. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. 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, 2013.

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, 2013

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 reservations of 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, 2013

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 & 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, 2013

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 reserves 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 unreserved 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.

Deferred Revenue

Deferred 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 Obligations

All payables, accrued liabilities, and long-term obligations 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, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

In fiscal year 2013, the District implemented GASB 63. 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 Reserves

In fiscal year 2011, the District 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, 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance Reserves (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 income 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, 2013

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 Activities.

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.

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.

Township of Union School District
Notes to the Financial Statements
June 30, 2013

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

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 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.

Township of Union School District
Notes to the Financial Statements
June 30, 2013

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

Investments (Continued)

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.
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, 2013, 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, 2013

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

Investments (Continued)

As of June 30, 2013 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	\$ 28,923,980.75	\$	29,672.13	\$	(2,881,429.27)	\$	26,072,223.61
Proprietary Fund	1,793,238.31		2.12		(602,967.45)		1,190,272.98
Fiduciary Fund	<u>4,619,492.13</u>				<u>(229,809.62)</u>		<u>4,389,682.51</u>
	<u>35,336,711.19</u>		<u>29,674.25</u>		<u>(3,714,206.34)</u>	\$	<u>31,652,179.10</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, 2013, 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 \$35,336,711.19, \$501,997.28 was covered by Federal Depository Insurance and \$34,834,713.91 was covered under the provisions of NJGUDPA.

Township of Union School District
Notes to the Financial Statements
June 30, 2013

NOTE 3: CHANGE IN CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2013 was as follows:

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Transfers</u>	Ending <u>Balance</u>
Governmental activities:				
Capital assets that are not being depreciated:				
Land	\$ 9,553,000.00	\$	\$	\$ 9,553,000.00
Construction in Progress	<u>8,397,762.37</u>	<u></u>	<u>(8,397,762.37)</u>	<u>0.00</u>
Total capital assets not being depreciated	<u>\$ 17,950,762.37</u>	<u>\$ 0.00</u>	<u>\$ (8,397,762.37)</u>	<u>\$ 9,553,000.00</u>
Site Improvements	\$ 3,423,378.46	\$ 67,228.90	\$	\$ 3,490,607.36
Building and Building Improvements	70,467,268.76	10,090,912.60	8,397,762.37	88,955,943.73
Machinery and Equipment	<u>8,730,338.77</u>	<u>1,613,699.30</u>	<u></u>	<u>10,344,038.07</u>
Totals at historical cost	<u>\$ 82,620,985.99</u>	<u>\$ 11,771,840.80</u>	<u>\$ 8,397,762.37</u>	<u>\$ 102,790,589.16</u>
Total Gross Assets (Memo Only)	<u>\$ 100,571,748.36</u>	<u>\$ 11,771,840.80</u>	<u>\$</u>	<u>\$ 112,343,589.16</u>
Less: Accumulated Depreciation for:				
Site Improvements	\$ (553,786.21)	\$ (149,178.82)	\$	\$ (702,965.03)
Building and Building Improvements	(26,595,105.04)	(1,771,701.01)		(28,366,806.05)
Machinery and Equipment	<u>(5,470,936.98)</u>	<u>(673,587.08)</u>	<u></u>	<u>(6,144,524.06)</u>
	<u>\$ (32,619,828.23)</u>	<u>\$ (2,594,466.91)</u>	<u>\$</u>	<u>\$ (35,214,295.14)</u>
Total Capital Assets being depreciated, net of accumulated depreciation	<u>50,001,157.76</u>	<u>9,177,373.89</u>	<u>8,397,762.37</u>	<u>67,576,294.02</u>
Governmental activities capital assets, net	<u>\$ 67,951,920.13</u>	<u>\$ 9,177,373.89</u>	<u>\$</u>	<u>\$ 77,129,294.02</u>
Business-type activities:				
Food Service Fund:				
Capital assets that are not being depreciated:				
Construction in Progress	\$ 2,049.15	\$	\$ (2,049.15)	\$
Total capital assets not being depreciated	<u>\$ 2,049.15</u>	<u>\$</u>	<u>\$ (2,049.15)</u>	<u>\$</u>
Machinery and Equipment	\$ 1,144,737.45	\$ 541,935.84	\$ 2,049.15	\$ 1,688,722.44
Less: Accumulated Depreciation for:	<u>(921,856.37)</u>	<u>(73,116.18)</u>	<u></u>	<u>(994,972.55)</u>
	<u>\$ 222,881.08</u>	<u>\$ 468,819.66</u>	<u>\$ 2,049.15</u>	<u>\$ 693,749.89</u>
Cast Fund:				
Machinery and Equipment	\$	\$ 30,318.00	\$	\$ 30,318.00
Less: Accumulated Depreciation for:	<u></u>	<u>(1,515.90)</u>	<u></u>	<u>(1,515.90)</u>
	<u>\$</u>	<u>\$ 28,802.10</u>	<u>\$</u>	<u>\$ 28,802.10</u>
Business-type activities capital assets-net	<u>\$ 224,930.23</u>	<u>\$ 497,621.76</u>	<u>\$ 0.00</u>	<u>\$ 722,551.99</u>

Township of Union School District
Notes to the Financial Statements
June 30, 2013

NOTE 3: CHANGE IN CAPITAL ASSETS (CONTINUED)

Depreciation Expense was charged to governmental expenses as follows:

Instruction:	
Regular	\$ 1,180,938.94
Special	259,948.57
Other Instruction	115,761.06
Support services:	
Student & instruction related services	371,157.34
General and business administrative services	72,925.92
School administrative services	172,236.71
Plant operations and maintenance	278,774.63
Pupil transportation	<u>142,723.74</u>
	<u>\$ 2,594,466.91</u>

NOTE 4: LONG-TERM DEBT

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, 2013

NOTE 4: LONG-TERM DEBT (CONTINUED)

The following is a summary of changes in liabilities that effect other long-term obligations for the year ended June 30, 2013:

	<u>Bonds</u> <u>Payable</u>	<u>Compensated</u> <u>Absences</u> <u>Payable</u>	<u>Total</u>
Balance, June 30, 2012	\$33,587,000.00	\$2,914,350.00	\$36,501,350.00
Additions		37,701.75	37,701.75
Reductions	<u>1,715,000.00</u>		<u>1,715,000.00</u>
Balance, June 30, 2013	<u>\$31,872,000.00</u>	<u>\$2,952,051.75</u>	<u>\$34,824,051.75</u>
Unamortized Balance of Refunding Bonds	<u>(\$890,750.00)</u>		<u>(\$890,750.00)</u>
Balance, June 30, 2013	<u>\$30,981,250.00</u>	<u>\$2,952,051.75</u>	<u>\$33,933,301.75</u>
Amounts due within one year	<u>\$1,830,000.00</u>		<u>\$1,830,000.00</u>

Township of Union School District
Notes to the Financial Statements
June 30, 2013

NOTE 4: LONG-TERM DEBT (CONTINUED)

Bonds Payable

The annual requirements to amortize all debt outstanding as of June 30, 2013 with interest payments on issued debt, are as follows:

<u>Year Ending</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$1,830,000.00	\$1,167,075.00	\$2,997,075.00
2015	1,890,000.00	1,105,575.00	2,995,575.00
2016	1,950,000.00	1,042,025.00	2,992,025.00
2017	2,060,000.00	969,600.00	3,029,600.00
2018	2,135,000.00	886,600.00	3,021,600.00
2019	2,215,000.00	799,300.00	3,014,300.00
2020	2,235,000.00	708,550.00	2,943,550.00
2021	2,270,000.00	616,850.00	2,886,850.00
2022	2,305,000.00	523,400.00	2,828,400.00
2023	2,345,000.00	434,825.00	2,779,825.00
2024	1,875,000.00	350,178.13	2,225,178.13
2025	1,385,000.00	298,162.51	1,683,162.51
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	137,296.87	1,682,296.87
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>\$31,872,000.00</u>	<u>\$9,644,668.78</u>	<u>\$41,516,668.78</u>

Township of Union School District
Notes to the Financial Statements
June 30, 2013

NOTE 4: LONG-TERM DEBT (CONTINUED)

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

<u>Issue</u>	Amount Outstanding <u>6/30/2013</u>	Bonds Authorized But <u>Not Issued</u>
\$8,080,000.00 in Refunding School Bonds, Series 2010 dated April 2, 2005, due in remaining annual installments ranging between \$425,000.00 and \$690,000.00 beginning January 1, 2014 and ending January 1, 2023 with interest at 5.00%	\$5,460,000.00	\$-0-
\$20,175,000.00 in Refunding School Bonds dated November 11, 2010, due in remaining annual installments ranging between \$1,015,000.00 and \$1,330,000.00 beginning August 15, 2014 and ending August 15, 2028 with interest from 3.00% to 4.00%	19,900,000.00	-0-
\$6,712,000.00 in School Bonds dated September 8, 2011, due in remaining annual installments ranging between \$200,000.00 and \$395,000.00 beginning January 1, 2014 and ending January 1, 2029 with interest from 2.00% to 3.50%	<u>6,512,000.00</u>	<u>165.00</u>
	<u>\$ 31,872,000.00</u>	<u>\$165.00</u>

Township of Union School District
Notes to the Financial Statements
June 30, 2013

NOTE 4: LONG-TERM DEBT (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 \$890,750.00.

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.

Bonds Authorized But Not Issued

As of June 30, 2013, the District had \$165.00 in Bonds Authorized but not issued.

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.

Township of Union School District
Notes to the Financial Statements
June 30, 2013

NOTE 5: PENSION PLANS (CONTINUED)

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.

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.

Township of Union School District
Notes to the Financial Statements
June 30, 2013

NOTE 5: PENSION PLANS (CONTINUED)

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.

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>
2013	\$ 1,335,799.00	100.00%	\$ 1,335,799.00
2012	1,301,629.40	100.00%	1,301,629.40
2011	1,252,902.00	100.00%	1,252,902.00

During the fiscal years ended June 30, 2013, 2012, and 2011, the State of New Jersey contributed \$150,594.00, \$1,623,810.00, 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 \$3,795,563.83 during the year ended June 30, 2013 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 27.

Township of Union School District
Notes to the Financial Statements
June 30, 2013

NOTE 6: 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 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, 2012, there were 97,661 retirees eligible for post-retirement medical benefits. The 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 \$146.6 million toward Chapter 126 benefits for 16,618 eligible retired members in Fiscal Year 2012.

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.

Township of Union School District
Notes to the Financial Statements
June 30, 2013

NOTE 6: OTHER POST-RETIREMENT BENEFITS

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, 2013, 2012 and 2011 were \$3,894,809.00 \$3,264,283.00 and \$3,198,620.00 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.

NOTE 7: 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 8: 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 2012-2013 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.

Township of Union School District
Notes to the Financial Statements
June 30, 2013

NOTE 9: 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:

<u>Fiscal Year</u>	<u>District Contribution</u>	<u>Interest</u>	<u>Employee Contribution</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2012-2013	\$50,000.00	\$7,589.85	\$105,336.92	\$132,255.22	\$1,298,930.63
2011-2012	200,000.00	6,999.56	99,374.52	252,444.65	1,268,259.08
2010-2011		8,580.22	99,963.58	169,984.60	1,214,329.65

Township of Union School District
Notes to the Financial Statements
June 30, 2013

NOTE 10: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2013:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 494,480.35	\$ 158,774.10
Special Revenue Fund		494,480.35
Capital Projects Fund		7,498.15
Debt Service Fund	7,498.15	
Enterprise Fund	158,774.10	
State Unemployment Insurance	292,177.98	
Payroll Agency		292,177.98
	<u>\$ 952,930.58</u>	<u>\$ 952,930.58</u>

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

NOTE 11: FUND BALANCE APPROPRIATED – BUDGETARY BASIS

General Fund - Of the \$25,797,032.84 General Fund balance at June 30, 2013, \$3,051,393.46 is assigned to year-end encumbrances; \$6,218,659.27 has been restricted for the Capital Reserve Account; \$2,050,000.00 is restricted for maintenance, \$1,000,000.00 is restricted for emergencies, \$3,915,406.25 is restricted for excess surplus in accordance with N.J.S.A. 18A:7F-7; \$6,208,928.00 has been appropriated and included as anticipated revenue for the year ended June 30, 2013 and \$3,352,645.86 is unassigned.

Debt Service Fund - Of the \$50,453.73 Debt Service Fund balance at June 30, 2013 the entire \$50,453.73 is restricted for Debt Service.

Township of Union School District
Notes to the Financial Statements
June 30, 2013

NOTE 12: 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, 2013 is \$ 3,915,406.25.

General Fund Expenditures		\$	120,235,588.36
Increased by:			
Transfer from Capital Reserve to Capital Projects			-0-
Fiscal Year Ended June 30, 2013		\$	120,235,588.36
Less:			
Reimbursed On Behalf TPAF Pension	\$	7,339,265.00	
On Behalf Social Security		3,795,563.83	
			11,134,828.83
Adjusted General Expenditures		\$	109,100,759.53
Applicable Excess Surplus Percentage			2.00%
2% of Adjusted 2012-2013 General Fund Expenditures		\$	2,182,015.19
Higher of line above or \$250,000.00			2,182,015.19
Increased by:			
Extraordinary Aid	\$	1,107,515.00	
Non-Public School Transportation Aid		63,115.67	
			1,170,630.67
Maximum Unreserved/Undesignated Fund Balance		\$	3,352,645.86
Total Unassigned Fund Balance			7,268,052.11
Reserved - Excess Surplus-(June 30, 2013)		\$	3,915,406.25

Township of Union School District
Notes to the Financial Statements
June 30, 2013

NOTE 13: 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, 2013 year is as follows:

Beginning balance July 1, 2012	\$	5,008,551.47
Increased by:		
Transfer In	\$	1,200,000.00
Interest Earnings		<u>10,107.80</u>
		<u>1,210,107.80</u>
Decreased by:		
Transfer out	\$	<u>-0-</u>
Ending balance June 30, 2013	\$	<u><u>6,218,659.27</u></u>

The June 30, 2013 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, 2013

NOTE 14: 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 July 1, 2012 to June 30, 2013 year is as follows:

Beginning balance July 1, 2012	\$ 250,000.00
Increased by:	
Transfer In	<u>1,800,000.00</u>
Ending balance June 30, 2013	\$ <u><u>2,050,000.00</u></u>

NOTE 15: 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, 2012 and ending balance June 30, 2013	\$ <u><u>1,000,000.00</u></u>
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Township of Union School District
Notes to the Financial Statements
June 30, 2013

NOTE 16: INVENTORY

Inventory in the Food Service Fund at June 30, 2013 consisted of the following:

Food and Supplies	\$ <u>54,952.62</u>
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The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1984) 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.

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, 2013

	ADOPTED BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 78,490,953.00	\$	\$ 78,490,953.00	\$ 78,490,953.00	\$
Tuition	25,040.00		25,040.00	189,794.35	164,754.35
Transportation Fees				4,280.00	4,280.00
Interest on Capital Reserve	18,000.00		18,000.00	10,107.80	(7,892.20)
Miscellaneous	63,592.00		63,592.00	370,572.86	306,980.86
Total - Local Sources	\$ 78,597,585.00	\$	\$ 78,597,585.00	\$ 79,085,707.81	\$ 488,122.81
State Sources:					
Extraordinary Aid	\$	\$	\$	1,107,515.00	1,107,515.00
Categorical Special Education Aid	4,520,284.00		4,520,284.00	4,520,284.00	
Categorical Security Aid	312,596.00		312,596.00	312,599.00	
Categorical Transportation Aid	309,228.00		309,228.00	309,228.00	
Equalization Aid	25,491,399.00		25,491,399.00	25,491,399.00	
Non- Public Transportation Aid (Non-Budgeted)				63,115.67	63,115.67
On Behalf TPAF Pension Contributions (Non-Budgeted)				3,444,456.00	3,444,456.00
On Behalf TPAF Post Retirement Medical (Non-Budgeted)				3,894,809.00	3,894,809.00
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				3,795,563.83	3,795,563.83
Total - State Sources	\$ 30,633,507.00	\$	\$ 30,633,507.00	\$ 42,938,966.50	\$ 12,305,459.50
Federal Sources:					
Medicaid Reimbursement - Special Education Initiative (SEMI)	\$ 85,732.00	\$	\$ 85,732.00	\$ 86,887.10	\$ 955.10
Medicaid Reimbursement - Medicaid Administrative Claiming (MAC)				10,219.28	10,219.28
Education Jobs Fund		2,749.00	2,749.00	2,749.00	
	\$ 85,732.00	\$ 2,749.00	\$ 88,481.00	\$ 99,655.38	\$ 11,174.38
Total Revenues	\$ 109,316,824.00	\$ 2,749.00	\$ 109,319,573.00	\$ 122,104,329.69	\$ 12,784,756.69
EXPENDITURES:					
CURRENT EXPENSE:					
Instruction - Regular Programs:					
Salaries of Teachers:					
Preschool	\$ 367,968.00	\$ 36,199.00	\$ 404,167.00	\$ 402,600.00	\$ 1,567.00
Kindergarten	1,542,368.00	3,757.30	1,546,125.30	1,538,256.30	7,869.00
Grades 1-5	11,792,473.00	(76,888.45)	11,715,784.55	11,688,633.84	27,150.71
Grades 6-8	7,814,529.00	(91,131.49)	7,723,397.51	7,711,868.41	11,529.10
Grades 9-12	10,715,527.00	(108,870.41)	10,606,656.59	10,590,761.37	15,895.22
Regular Programs - Home Instruction:					
Salaries of Teachers	64,500.00	136,196.96	200,696.96	186,355.76	4,341.18
Purchased Professional Educational Services	60,000.00	14,500.00	74,500.00	48,482.60	28,017.40
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	756,886.00	(9,226.13)	747,657.87	737,534.98	10,122.89
Purchased Technical Services	50,000.00	12,232.00	62,232.00	12,232.00	50,000.00
Other Purchased Services	360,455.00	2,202.00	362,657.00	337,729.08	24,927.92
General Supplies	1,254,497.00	271,584.01	1,526,071.01	1,378,119.52	147,951.49
Textbooks	619,816.00	8,374.15	628,190.15	595,603.25	32,586.90
Total Regular Programs	\$ 35,399,009.00	\$ 199,126.94	\$ 35,598,135.94	\$ 35,236,177.13	\$ 361,958.81
Special Education:					
Cognitive - Moderate:					
Salaries of teachers	\$ 103,551.00	(2,600.00)	\$ 100,951.00	\$ 100,880.00	\$ 71.00
Other salaries for instruction	24,223.00		24,223.00	24,113.00	110.00
General supplies	3,037.00		3,037.00	1,062.30	1,974.70
Total cognitive moderate	\$ 130,811.00	\$ (2,600.00)	\$ 128,211.00	\$ 126,055.30	\$ 2,155.70

TOWNSHIP OF UNION SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2013

(Continued from prior page)	ADOPTED BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)
Learning and/or Language Disabilities:					
Salaries of teachers	\$ 404,140.00	\$ (9,581.14)	\$ 394,548.86	\$ 390,213.91	\$ 4,334.95
Other salaries for instruction	136,648.00	10,740.90	149,388.90	148,066.92	1,321.98
General supplies	7,575.00	874.50	8,449.50	5,330.47	3,119.03
Total learning and/or language disabilities	\$ 550,363.00	\$ 2,024.26	\$ 552,387.26	\$ 543,611.30	\$ 8,775.96
Behavioral disabilities:					
Salaries of teachers	\$ 320,928.00	\$ 21,585.40	\$ 342,513.40	\$ 341,116.50	\$ 1,396.90
Other salaries for instruction	184,181.00	72,869.08	257,030.08	256,637.17	392.89
General supplies	4,500.00		4,500.00	1,381.21	3,118.79
Total behavioral disabilities	\$ 509,589.00	\$ 94,454.46	\$ 604,043.46	\$ 598,116.88	\$ 4,926.58
Multiple disabilities:					
Salaries of teachers	\$ 209,141.00	\$ (9,000.00)	\$ 200,141.00	\$ 199,907.80	\$ 233.20
Other salaries for instruction	87,770.00	(19,414.73)	68,355.27	64,787.00	3,568.27
General supplies	3,600.00		3,600.00	2,708.73	891.27
Total multiple disabilities	\$ 300,511.00	\$ (28,414.73)	\$ 272,096.27	\$ 267,403.53	\$ 4,692.74
Resource room:					
Salaries of teachers	\$ 5,834,658.00	\$ 35,920.68	\$ 5,870,578.68	\$ 5,859,123.49	\$ 11,455.19
Other salaries for instruction	467,325.00	(228,159.90)	241,165.10	239,662.39	1,602.71
General supplies	15,775.00		15,775.00	7,786.87	7,978.13
Textbooks	750.00		750.00		750.00
Total resource room	\$ 6,318,508.00	\$ (190,239.22)	\$ 6,128,268.78	\$ 6,106,482.75	\$ 21,786.03
Instruction Autism:					
Salaries of teachers	\$ 241,014.00	\$ (44,270.80)	\$ 196,743.20	\$ 183,710.89	\$ 13,032.31
Other salaries for instruction	67,732.00	(20,000.00)	47,732.00	43,253.66	4,478.32
General supplies	15,093.00	0.17	15,093.17	9,318.99	5,774.18
Total Instruction Autism	\$ 323,839.00	\$ (64,270.63)	\$ 259,568.37	\$ 236,283.56	\$ 23,284.81
Preschool disabilities - part-time:					
Salaries of teachers	\$ 188,073.00	\$ 2,902.64	\$ 190,975.64	\$ 183,362.41	\$ 7,613.23
Other salaries for instruction	122,707.00	(1,500.00)	121,207.00	119,676.00	1,532.00
General supplies	9,000.00		9,000.00	383.85	8,616.35
Total preschool disabilities - part-time:	\$ 319,780.00	\$ 1,402.64	\$ 321,182.64	\$ 303,421.06	\$ 17,761.58
Preschool disabilities - full-time:					
Salaries of teachers	\$ 119,099.00	\$ 3,500.00	\$ 122,599.00	\$ 120,549.81	\$ 2,049.19
Other salaries for instruction	67,081.00	(19,350.00)	47,731.00	45,389.00	2,342.00
General supplies	2,250.00		2,250.00	688.08	1,561.92
Total preschool disabilities - full-time	\$ 188,430.00	\$ (15,850.00)	\$ 172,580.00	\$ 166,628.89	\$ 5,953.11
Total special education	\$ 8,641,831.00	\$ (203,493.22)	\$ 8,438,337.78	\$ 8,349,001.27	\$ 89,336.51
Basic skills/remedial:					
Salaries of teachers	\$ 1,859,550.00	\$ 243,048.66	\$ 2,102,598.66	\$ 2,102,598.66	\$
Total basic skills/remedial	\$ 1,859,550.00	\$ 243,048.66	\$ 2,102,598.66	\$ 2,102,598.66	\$
Bilingual education:					
Salaries of teachers	\$ 472,237.00	\$ 22,362.08	\$ 494,599.08	\$ 494,599.08	\$
Total bilingual education	\$ 472,237.00	\$ 22,362.08	\$ 494,599.08	\$ 494,599.08	\$
Vocational Programs-Local - Instruction					
Purchased Services	\$ 11,000.00	\$ 836.67	\$ 11,836.67	\$ 1,728.81	\$ 10,106.86
General supplies	19,790.00	(415.00)	19,375.00	12,788.81	6,606.09
Total Vocational Programs-Local - Instruction	\$ 30,790.00	\$ 421.67	\$ 31,211.67	\$ 14,498.72	\$ 16,712.95

TOWNSHIP OF UNION SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2013

(Continued from prior page)	BUDGET				VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)
	ADOPTED BUDGET	TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	
School sponsored cocurricular activities:					
Salaries	\$ 160,775.00	\$ 3,000.00	\$ 163,775.00	\$ 156,899.00	\$ 6,876.00
Supplies and materials	6,475.00	(679.00)	5,796.00	4,485.00	1,341.00
Other Objects	41,717.00	(9,670.56)	32,046.44	22,499.12	9,547.32
Total school sponsored cocurricular activities	\$ 208,967.00	\$ (7,349.56)	\$ 201,617.44	\$ 183,853.12	\$ 17,764.32
School sponsored athletics - instruction:					
Salaries	\$ 563,007.00	\$ (0.16)	\$ 563,006.84	\$ 543,924.41	\$ 19,082.43
Purchased Services	149,340.00	27,219.58	176,559.58	108,758.08	67,801.50
Supplies and Materials	94,511.00	27,333.33	121,844.33	95,804.62	26,039.71
Other Objects	48,459.00	(21,709.00)	26,750.00	25,262.31	1,487.69
Total school sponsored athletics	\$ 855,309.00	\$ 32,852.75	\$ 888,160.75	\$ 773,749.42	\$ 114,411.33
Other Instructional Programs - Instruction					
Salaries	\$ 148,147.00	\$	\$ 148,147.00	\$ 146,417.00	\$ 1,730.00
Total other instructional programs - instruction	\$ 148,147.00	\$	\$ 148,147.00	\$ 146,417.00	\$ 1,730.00
Before/After School Programs - Instruction:					
Salaries of teachers	\$	\$ 8,050.00	\$ 8,050.00	\$ 3,978.00	\$ 4,072.00
Total before/after school programs - instruction	\$	\$ 8,050.00	\$ 8,050.00	\$ 3,978.00	\$ 4,072.00
Before/After School Programs - Support Services:					
Salaries	\$	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$
Total before/after school programs - support services	\$	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$
Total - Instruction	\$ 47,615,839.00	\$ 297,019.32	\$ 47,912,858.32	\$ 47,306,872.40	\$ 605,985.92
Undistributed Expenditures - Instruction:					
Tuition to Other LEA's Within the State-Regular	\$	\$ 12,750.00	\$ 12,750.00	\$ 12,319.95	\$ 430.05
Tuition to Other LEA's Within the State-Special	4,575,753.00	(399,122.65)	4,176,630.35	3,747,294.15	429,336.20
Tuition to County Vocational School District-Regular	812,500.00	(40,777.50)	771,722.50	653,050.00	118,672.50
Tuition to County Vocational School District-Special	80,000.00	2,000.00	82,000.00	78,800.00	3,200.00
Tuition to CSSD and Regional Day Schools	147,000.00	15,043.00	162,043.00	154,243.00	7,800.00
Tuition to Private Schools for the Disabled Within the State	3,337,601.00	(71,022.93)	3,266,578.07	2,855,050.58	410,927.51
Tuition to Private Schools for the Disabled & Other LEA's Special- Outside the State	63,794.00	(0.20)	63,793.80	62,415.00	1,378.80
Tuition-State Facilities	76,335.00		76,335.00	76,335.00	
Total Undistributed Expenditures - Instruction	\$ 9,092,983.00	\$ (481,730.28)	\$ 8,611,252.72	\$ 7,639,507.66	\$ 971,745.06
Undistributed Expenditures-Attendance and Social Work Services:					
Salaries	\$ 230,376.00	\$ (2,240.33)	\$ 228,135.67	\$ 224,266.68	\$ 3,848.79
Other Objects	1,337.00	(299.55)	1,037.45	838.26	199.19
Total Undistributed Expenditures- Attendance and Social Work Services	\$ 231,713.00	\$ (2,539.88)	\$ 229,173.12	\$ 225,125.14	\$ 4,047.98

TOWNSHIP OF UNION SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2013

(Continued from prior page)	BUDGET				VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)
	ADOPTED BUDGET	TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	
Undistributed Expenditures -Health Services:					
Salaries	\$ 844,115.00	\$ 3,778.00	\$ 847,893.00	\$ 847,619.00	\$ 274.00
Salaries of Social Services Coordinators		148,300.24	148,300.24	148,234.00	66.24
Purchased Professional and Technical Services	31,295.00	6,999.00	38,294.00	36,869.00	1,625.00
Supplies and materials	23,055.00	(671.72)	22,183.28	19,333.14	2,850.14
Total Undistributed Expenditures - Health Services	\$ 898,465.00	\$ 158,205.52	\$ 1,058,670.52	\$ 1,051,854.14	\$ 4,816.38
Undistributed Expenditures -Other Support Services - Student Related Services:					
Salaries	\$ 1,130,175.00	\$ 13,220.00	\$ 1,143,395.00	\$ 1,122,118.75	\$ 21,276.25
Purchased Professional - Educational Services	331,000.00	43,800.00	374,800.00	336,278.10	38,521.90
Supplies and materials	13,500.00	6,500.00	20,000.00	17,190.04	2,809.96
Total Undistributed Expenditures -Other Support Services - Student Related Services:	\$ 1,474,675.00	\$ 63,520.00	\$ 1,538,195.00	\$ 1,475,586.89	\$ 62,608.11
Undistributed Expenditures -Other support services- Students- Extra Services					
Salaries	\$ 665,440.00	\$ 270,768.02	\$ 936,208.02	\$ 916,499.56	\$ 17,708.46
Undistributed Expenditures -Other Support Services - Students - Regular:					
Salaries of other professional staff	\$ 2,096,251.00	\$ (144,289.84)	\$ 1,951,961.16	\$ 1,801,205.98	\$ 150,755.20
Salaries of secretarial and clerical assistants	281,372.00		281,372.00	280,530.80	841.20
Supplies and Materials	919.00		919.00	691.27	227.73
Other objects	12,459.00	(246.89)	12,210.11	10,878.29	1,331.82
Total Undistributed Expenditures -Other Support Services - Students - Regular:	\$ 2,391,001.00	\$ (144,536.73)	\$ 2,246,462.27	\$ 2,093,306.32	\$ 153,155.95
Undistributed Expenditures - Child Study Teams:					
Salaries of other professional staff	\$ 2,358,378.00	\$ (50,584.15)	\$ 2,307,793.85	\$ 2,302,912.67	\$ 2,878.18
Salaries of secretarial and clerical assistants	275,044.00	8,940.20	283,984.20	282,090.23	1,893.97
Purchased Professional - Educational Services	40,000.00	26,000.00	66,000.00	34,216.00	31,784.00
Misc. Purchased Services other than Resid. Costs	3,000.00	2,900.00	5,900.00	5,412.00	488.00
Supplies and Materials	20,000.00	5,000.00	25,000.00	22,610.56	2,389.44
Other objects	5,000.00		5,000.00	1,885.00	3,115.00
Total Undistributed Expenditures Other Support Services - Students - Special Services:	\$ 2,699,420.00	\$ (7,743.95)	\$ 2,691,676.05	\$ 2,649,106.46	\$ 42,569.59
Improvement of instruction services/ other support services-instructional staff:					
Salaries of Supervisor of Instruction	\$ 1,423,354.00		\$ 1,423,354.00	\$ 1,361,658.77	\$ 61,695.23
Salaries of other professional staff	35,800.00	15,917.50	51,717.50	35,700.00	16,017.50
Salaries of secretarial and clerical assistants	385,050.00	(3,160.34)	381,889.66	304,308.16	77,581.50
Purchased Professional - Educational Services		4,400.00	4,400.00	4,400.00	
Supplies and Materials		109,672.00	109,672.00	80,507.97	49,164.03
Other objects	10,114.00	0.11	10,114.11	5,352.37	4,761.74
Total Improvement of instruction services/ other support services-instructional staff	\$ 1,854,318.00	\$ 126,829.27	\$ 1,981,147.27	\$ 1,771,927.27	\$ 209,220.00
Educational Media Services/School Library:					
Salaries	\$ 863,492.00		\$ 863,492.00	\$ 836,290.14	\$ 27,201.86
Supplies and Materials	103,651.00	(4,858.31)	98,692.69	90,576.98	8,115.71
Other objects	23,282.00	(8,436.00)	14,846.00	13,414.00	1,432.00
Total Educational Media Services/School Library:	\$ 990,425.00	\$ (13,294.31)	\$ 977,030.69	\$ 940,281.12	\$ 36,749.57
Instructional Staff Training Services:					
Salaries of Other Professional Staff	\$ 16,204.00	\$ 3,297.50	\$ 19,501.50	\$ 18,737.50	\$ 764.00
Purchased Professional - Educational Services	74,847.00	14,285.00	89,932.00	30,740.60	58,191.40
Other Purchased Services (400-500)	22,000.00	3,400.00	25,400.00	17,123.98	8,276.02
Total Instructional Staff Training Services	\$ 112,851.00	\$ 20,982.50	\$ 133,833.50	\$ 66,602.08	\$ 67,231.42

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2013**

(Continued from prior page)	ADOPTED BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)
Support Services-General Administration					
Salaries	\$ 848,720.00	\$ 198,122.77	\$ 1,046,842.77	\$ 1,037,769.68	\$ 11,073.09
UE SS-GA Salaries of Attorneys	31,200.00		31,200.00	31,200.00	
Legal services	45,000.00	105,502.80	150,502.80	143,819.40	6,688.40
Aud/R Fees	55,000.00	(1,659.66)	53,340.34	50,625.00	2,715.34
Architectural/Engineering Services	103,000.00	155,483.74	258,483.74	156,824.53	99,639.21
Other Purchased Professional services	23,000.00	(2,346.34)	20,653.66	2,847.50	17,806.16
Purchased Technical Services	32,000.00	(5,164.50)	26,835.50	499.00	26,336.50
Communications/telephone	435,000.00	16,800.67	451,800.67	321,430.77	130,369.90
BOE Other Purchased Services	539,000.00	(38,284.83)	500,735.37	473,488.14	27,247.23
General Supplies	55,625.00	9,638.18	65,263.18	41,124.59	24,138.59
BOE In-House Training/Meeting Supplies	10,000.00	754.24	10,754.24	10,754.24	
Judgments against School District	37,500.00		37,500.00	27,000.00	10,500.00
Miscellaneous expenditures	33,750.00		33,750.00	14,924.53	18,825.47
BOE Membership Dues and Fees	57,000.00	5,685.80	62,685.80	27,922.70	34,763.10
Total Support Services General Administration	\$ 2,306,795.00	\$ 445,533.07	\$ 2,752,328.07	\$ 2,342,227.08	\$ 410,100.99
Support Services School Administration:					
Salaries of Principals/Asst. principals	\$ 2,188,441.00	\$ 166,207.60	\$ 2,354,648.60	\$ 2,244,848.60	\$ 110,000.00
Salaries of Other Professional Staff	532,048.00	(114,405.36)	417,642.64	407,642.64	10,000.00
Salaries of Secretarial and Clerical Assistants	1,132,583.00	(5,079.64)	1,127,503.36	1,110,244.58	17,258.78
Other Salaries	2,630.00	20,652.00	23,282.00	23,282.00	
Purchased Professional and Technical Services	6,800.00		6,800.00	4,439.00	2,361.00
Other Purchased Services (400-500)	14,000.00		14,000.00	8,351.43	5,648.57
Supplies and Materials	43,311.00	37,588.71	80,899.71	66,176.27	14,723.44
Other objects	107,011.00	(10,683.49)	96,327.51	83,070.99	13,256.52
Total Support Services School Administration	\$ 4,026,824.00	\$ 94,279.82	\$ 4,121,103.82	\$ 3,947,855.51	\$ 173,248.31
Central Services:					
Salaries	\$ 751,839.00	\$ 667.49	\$ 752,706.49	\$ 728,398.51	\$ 24,307.98
Purchased Professional Services	55,000.00	73,417.61	128,417.61	42,603.02	85,814.59
Purchased Technical Services	4,000.00		4,000.00	168.39	3,833.61
Miscellaneous Purchased Services (400-500)	12,000.00		12,000.00	6,288.00	5,734.00
Supplies and materials	18,000.00	50,576.21	68,576.21	24,030.67	44,545.54
Miscellaneous Expenditures	6,500.00	2,325.19	8,825.19	8,824.19	1.00
Total Undistributed Expend - Central Servs.	\$ 847,339.00	\$ 127,186.50	\$ 974,525.50	\$ 810,268.78	\$ 164,236.72
Undistributed Expend. - Admin. Info. Tech.:					
Salaries	\$ 499,745.00	\$ 9,999.52	\$ 509,744.52	\$ 499,209.03	\$ 10,535.49
Purchased Technical Services	246,150.00	(11,149.27)	235,000.73	189,746.11	45,254.62
Other Purchased Services (400-500)	3,750.00		3,750.00	459.56	3,290.44
Supplies and materials	87,000.00	(837.00)	86,163.00	80,629.40	5,533.60
Total Undistributed Expend - Admin. Info. Tech.	\$ 836,645.00	\$ (1,986.75)	\$ 834,658.25	\$ 770,044.10	\$ 64,614.15
Required Maintenance for School Facilities:					
Salaries	\$ 939,608.00	\$ 6,004.67	\$ 939,612.67	\$ 916,363.67	\$ 23,249.00
Cleaning, Repair and Maintenance Services	3,003,412.00	(1,572,499.74)	1,430,912.26	879,872.57	551,039.69
General supplies	743,850.00	(342,957.85)	400,892.15	243,801.75	156,890.40
Other Objects	27,200.00	86,881.62	114,081.62	74,801.70	39,259.92
Total Required Maintenance for School Facilities	\$ 4,707,870.00	\$ (1,822,581.30)	\$ 2,885,278.70	\$ 2,114,839.69	\$ 770,439.01

TOWNSHIP OF UNION SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2013

(Continued from prior page)	ADOPTED	BUDGET			VARIANCE
	BUDGET	TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)
Other Operations and Maint. of Plant					
Salaries	\$ 3,196,232.00	\$ 45,259.86	\$ 3,241,491.86	\$ 3,134,522.13	\$ 106,969.83
Salaries - Aides	393,745.00	6,808.54	400,553.54	309,713.95	90,839.59
Purchased Professional and Technical Services	46,785.00	16,790.00	63,575.00	23,206.40	40,368.60
Cleaning, Repair and Maint. Services	183,500.00	(14,081.01)	169,418.99	134,540.91	34,878.08
Other Purchased Property Services	92,740.00	19,244.43	111,984.43	99,304.93	12,679.50
General Supplies	190,550.00	121,800.32	312,350.32	289,335.31	23,015.01
Energy (Natural Gas)	1,013,313.00	(19,386.16)	993,926.84	563,642.08	430,284.76
Energy (Electricity)	1,618,092.00	(263,031.95)	1,355,060.05	981,282.27	373,777.78
Total Other Operation and Maint. of Plant	\$ 8,734,957.00	\$ (86,775.87)	\$ 8,648,181.13	\$ 5,535,547.96	\$ 1,112,633.17
Care and Upkeep of Grounds:					
Salaries	\$ 335,368.00	\$ (0.55)	\$ 335,367.45	\$ 324,740.01	\$ 10,627.44
Cleaning, Repair and Maintenance Services	73,175.00	10,019.96	83,194.96	26,685.54	56,509.42
General Supplies	85,400.00	1,324.43	86,724.43	46,228.89	40,494.74
Total Care and Upkeep of Grounds:	\$ 493,943.00	\$ 11,343.84	\$ 505,286.84	\$ 397,655.24	\$ 107,631.60
Security:					
Salaries	\$ 725,875.00	\$ 49,462.00	\$ 775,337.00	\$ 736,586.38	\$ 38,770.62
Purchased Professional and Technical Services		285,868.00	285,868.00	86,316.50	179,549.50
General Supplies		88,898.00	88,898.00	78,123.77	10,784.23
Other Objects		6,000.00	6,000.00	4,803.00	1,397.00
Total Security	\$ 725,875.00	\$ 410,218.00	\$ 1,136,093.00	\$ 905,811.65	\$ 230,481.35
Student Transportation Services:					
Salaries for pupil transportation - aides	\$ 584,729.00	\$	\$ 584,729.00	\$ 382,025.88	\$ 202,703.12
Salaries for pupil transportation (between home and school)-regular	1,530,928.00	(63,027.62)	1,467,900.38	1,142,964.94	324,935.44
Salaries for pupil transportation (other than between home & school)	52,158.00	(9,823.71)	42,334.29	15,373.65	27,160.64
Management Fee - ESC & CTSA Trans. Program	88,000.00	5,085.87	93,085.87	86,940.64	6,145.23
Purchased Professional and Technical Services	15,300.00	4,000.00	19,300.00	12,003.30	7,296.70
Cleaning, Repair and Maintenance Services	486,885.00	(244,585.00)	242,300.00	84,724.04	157,595.96
Contracted Services (Other Than Between Home and School)-Vendors	113,290.00	8,855.00	122,145.00	95,385.74	26,759.26
Contracted services (regular students) - ESCs & CTSA	300,000.00	4,827.30	304,827.30	299,206.93	5,620.37
Contracted services (special ed. students) - ESCs & CTSA	1,900,000.00	18,836.07	1,919,836.07	1,919,836.07	
Contracted Services - Aid in Lieu of Payments - Non Pub Schools	380,000.00	(45,580.00)	334,420.00	284,957.58	49,462.42
General Supplies	26,427.00		26,427.00	22,688.33	3,738.67
Transportation Supplies	337,950.00	6,742.93	344,692.93	254,523.00	92,169.93
Other Objects	9,000.00	341.94	9,341.94	3,356.33	5,985.61
Total Student Transportation Services	\$ 5,824,687.00	\$ (311,107.22)	\$ 5,513,559.78	\$ 4,583,986.41	\$ 929,573.37
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	\$ 1,350,000.00	\$	\$ 1,350,000.00	\$ 1,308,176.31	\$ 43,823.69
Other Retirement Contributions - PERS	1,580,000.00	(5,286.07)	1,554,713.93	1,336,267.24	218,446.69
Other Retirement Contributions - Regular		5,286.07	5,286.07	4,790.03	496.04
Unemployment Compensation	50,000.00		50,000.00	50,000.00	
Workers Compensation	875,000.00		875,000.00	761,027.33	93,972.67
Health Benefits	14,800,000.00	500,349.00	15,300,349.00	14,256,250.63	1,044,098.37
Tuition Reimbursements	400,000.00		400,000.00	169,031.41	230,968.59
Other Employee Benefits	650,000.00		650,000.00	267,283.87	382,716.33
Total Unallocated Benefits - Employee Benefits:	\$ 19,685,000.00	\$ 500,349.00	\$ 20,185,349.00	\$ 18,170,826.82	\$ 2,014,522.38
On Behalf TPAF Pension Contributions (Non-Budgeted)	\$	\$	\$	\$ 3,444,456.00	(3,444,456.00)
On Behalf TPAF Post Retirement Medical (Non-Budgeted)	\$	\$	\$	\$ 3,894,809.00	(3,894,809.00)
Reimbursed TPAF Social Security Contributions (non-budgeted)	\$	\$	\$	\$ 3,795,883.83	(3,795,883.83)
Total On-Behalf Contributions	\$	\$	\$	\$ 11,134,828.83	(11,134,828.83)
Total Undistributed Expenditures	\$ 66,601,206.00	\$ (843,192.75)	\$ 65,958,013.25	\$ 69,545,508.51	\$ (3,587,495.26)
TOTAL GENERAL - CURRENT EXPENSE	\$ 114,217,045.00	\$ (348,173.43)	\$ 113,870,871.57	\$ 116,852,380.91	\$ (2,981,509.34)

TOWNSHIP OF UNION SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2013

(Continued from prior page)	BUDGET		FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL FAVORABLE/ (UNFAVORABLE)
	ADOPTED BUDGET	TRANSFERS/ AMENDMENTS			
CAPITAL OUTLAY:					
Interest Deposit to Capital Reserve	\$ 18,000.00	\$	\$ 18,000.00	\$	\$ 18,000.00
Total Increase to Capital Reserve	\$ 18,000.00	\$	\$ 18,000.00	\$	\$ 18,000.00
Equipment:					
Grades 1-5	\$ 203,000.00	\$ (41,672.25)	\$ 161,327.75	\$ 154,290.85	\$ 7,036.90
Grades 6-8	124,010.00	30,204.00	154,214.00	148,805.00	5,409.00
Grades 9-12	35,000.00	49,238.02	84,238.02	70,066.90	14,171.12
School- Sponsored and Other Instructional Program	35,000.00	4,286.37	39,286.37	23,977.58	15,288.79
Undistributed Expenditure- Instruction		3,325.00	3,325.00	3,325.00	
Undistributed Expenditure- Support Services Students - Regular	6,252.00	13,648.99	18,900.99	18,545.99	355.00
Undistributed Expenditure- Support Services Students - Special	10,000.00		10,000.00	8,288.04	1,701.96
Undistributed Expenditure-Central Services		4,325.00	4,325.00	4,325.00	
Undistributed Expenditure-Admin. Info. Tech.	100,000.00	30,716.00	130,716.00	128,437.00	4,279.00
Undistributed Expenditure-Require Maintenance for School Facilities	20,000.00		20,000.00	11,500.00	8,500.00
Undistributed Expenditure-Custodial Services	56,000.00	(5,000.00)	51,000.00	17,993.00	33,007.00
Undistributed Expenditure-Care and Upkeep of Grounds	101,500.00	27,050.00	128,550.00	103,833.58	24,716.44
Undistributed Expenditure-Security Equipment	84,575.00	(5,298.55)	79,276.45	18,712.00	40,563.45
Undistributed Expenditure-Student Trans. - Non- Instruct Equipment		5,398.50	5,398.50	5,398.50	
School Buses Regular	591,000.00	840.00	591,840.00	494,823.03	96,816.97
Total Equipment	\$ 1,345,337.00	\$ 116,840.08	\$ 1,462,177.08	\$ 1,210,331.45	\$ 251,845.63
Facilities Acquisition and Construction Services:					
Architectural/Engineering Services	\$ 157,000.00	\$ 117,400.00	\$ 274,400.00	\$ 158,990.00	\$ 117,410.00
Construction Services	1,570,000.00	1,748,781.25	3,318,781.25	1,848,908.50	1,469,871.75
Assessment for Debt Service on SDA Funding	101,490.00		101,490.00	101,460.00	
Total Facilities Acquis. and Const. Services	\$ 1,828,490.00	\$ 1,866,181.25	\$ 3,694,671.25	\$ 2,107,359.50	\$ 1,587,281.75
TOTAL CAPITAL OUTLAY	\$ 3,191,797.00	\$ 1,983,021.33	\$ 5,174,818.33	\$ 3,317,690.95	\$ 1,857,127.38
Transfer of Funds to Charter Schools	\$ 28,032.00	\$ 57,925.50	\$ 85,957.50	\$ 65,516.50	\$ 20,441.00
TOTAL EXPENDITURES	\$ 117,436,874.00	\$ 1,694,773.49	\$ 119,131,647.40	\$ 120,235,568.36	\$ (1,103,940.96)
Excess (deficiency) of revenues over (under) expenditures	\$ (8,120,050.00)	\$ (1,692,024.40)	\$ (9,812,074.40)	\$ 1,868,741.33	\$ 11,680,815.73
Excess of Revenues and other Financing Sources Over Expenditures and Other Expenditures and other Financing uses	\$ (8,120,050.00)	\$ (1,692,024.40)	\$ (9,812,074.40)	\$ 1,868,741.33	\$ 11,680,815.73
Fund balances, July 1	\$ 23,928,291.51	\$	\$ 23,928,291.51	\$ 23,928,291.51	\$
Fund balances, June 30	\$ 15,808,241.51	\$ (1,692,024.40)	\$ 14,116,217.11	\$ 25,797,032.84	\$ 11,680,815.73
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				\$ 6,218,659.27	
Maintenance Reserve				2,050,000.00	
Emergency Reserve				1,000,000.00	
Excess Surplus-designated for subsequent year's expenditure				5,571,852.16	
Excess Surplus-Current Year				3,915,406.25	
Assigned Fund Balance:					
Year-End Encumbrances				3,051,393.46	
Committed Fund Balance:					
Designated for Subsequent Year's Expenditures				837,065.84	
Unassigned Fund Balance				3,352,845.86	
				\$ 25,797,032.84	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not recognized on GAAP basis				(4,187,104.67)	
Fund Balance per Governmental Funds (GAAP)				\$ 21,609,928.17	

TOWNSHIP OF UNION SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEARS ENDED JUNE 30, 2013

	<u>ADOPTED BUDGET</u>	<u>BUDGET TRANSFERS/ AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE/ (UNFAVORABLE)</u>
REVENUES:					
Federal Sources:					
ARRA- Education Jobs Fund (EJF)	\$ _____	\$ 2,749.00	\$ 2,749.00	\$ 2,749.00	\$ _____
Total Revenues	\$ _____	\$ 2,749.00	\$ 2,749.00	\$ 2,749.00	\$ _____
EXPENDITURES:					
Current Expenses:					
Instruction:					
Grades 9-12 Salaries of Teachers	\$ _____	\$ 2,400.00	\$ 2,400.00	\$ 2,400.00	\$ _____
Health Benefits	_____	349.00	349.00	349.00	_____
	\$ _____	\$ 2,749.00	\$ 2,749.00	\$ 2,749.00	\$ _____
Excess (deficiency) of revenues over (under) expenditures	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

TOWNSHIP OF UNION SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
REVENUES:					
Federal sources	\$ 2,548,114.00	\$ 1,206,613.45	\$ 3,754,727.45	\$ 3,045,309.92	\$ (709,417.53)
State sources	283,776.00	50,771.48	334,547.48	333,608.09	(939.39)
Local sources		573,551.74	573,551.74	112,217.73	(461,334.01)
Total revenues	\$ 2,831,890.00	\$ 1,830,936.67	\$ 4,662,826.67	\$ 3,491,135.74	\$ (1,171,690.93)
EXPENDITURES:					
Instruction:					
Salaries of teachers	\$ 133,000.00	\$ 693,025.85	\$ 826,025.85	\$ 547,787.75	\$ 278,238.10
Purchased professional and technical services	215,761.00	57,112.70	272,873.70	264,110.06	8,763.64
Other purchased services	800,000.00	848,900.93	1,648,900.93	1,596,691.63	52,209.30
General supplies	832,318.00	(401,675.56)	430,642.44	179,065.34	251,577.10
Textbooks	28,008.00	1,826.90	29,834.90	29,805.68	29.22
Other objects		453,839.55	453,839.55	72,661.73	381,177.82
Total instruction	\$ 2,009,087.00	\$ 1,653,030.37	\$ 3,662,117.37	\$ 2,690,122.19	\$ 971,995.18
Support services:					
Salaries of program directors	\$	\$ 99,227.00	\$ 99,227.00	\$ 54,962.02	\$ 44,264.98
Salaries of other professional staff		12,682.14	12,682.14	12,682.14	
Personal services-employee benefits		102,027.00	102,027.00	80,875.76	21,151.24
Purchased professional and technical services	40,007.00	157,976.98	197,983.98	110,057.59	87,926.39
Purchased professional educational services	350,000.00	128,131.82	478,131.82	478,101.82	30.00
Other purchased services		61,050.00	61,050.00	57,951.82	3,098.18
Contracted services-transportation (other than between home and school)		8,600.00	8,600.00	4,300.00	4,300.00
Miscellaneous purchased services		2,875.00	2,875.00		2,875.00
General supplies	432,796.00	(430,702.60)	2,093.40	2,082.40	11.00
Total support services	\$ 822,803.00	\$ 141,867.34	\$ 964,670.34	\$ 801,013.55	\$ 163,656.79
Facilities acquisition and const. services:					
Buildings	\$	\$ 10,000.00	\$ 10,000.00	\$	\$ 10,000.00
Non- instructional equipment		26,038.96	26,038.96		26,038.96
Total facilities acquisition and const. services	\$	\$ 36,038.96	\$ 36,038.96	\$	\$ 36,038.96
Total expenditures	\$ 2,831,890.00	\$ 1,830,936.67	\$ 4,662,826.67	\$ 3,491,135.74	\$ 1,171,690.93

TOWNSHIP OF UNION SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
BUDGET TO GAAP RECONCILIATION
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 122,104,329.69	\$ 3,491,135.74
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(69,534.57)
State Aid payment recognized for GAAP statements in the current year, previously recognized for budget purposes	4,051,473.00	
State Aid payment recognized for budgetary purposes not recognized for GAAP statements until the subsequent year	<u>(4,187,104.67)</u>	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	\$ <u>121,968,698.02</u>	\$ <u>3,421,601.17</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 120,235,588.36	\$ 3,491,135.74
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.		<u>(69,534.57)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance - governmental funds	\$ <u>120,235,588.36</u>	\$ <u>3,421,601.17</u>

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, 2013

	TITLE I PART A	TITLE I JULY-AUG RUNOUT	TITLE III IMMIGRANT	I.D.E.A. BASIC	I.D.E.A. JULY-AUG RUNOUT	IDEA - PSH	IDEA - PSH JULY-AUG RUNOUT	RACE TO THE TOP
REVENUES:								
Federal sources	\$ 409,836.10	\$ 227,642.23	\$ 49,274.46	\$ 1,863,721.27	\$ 156,174.18	\$ 56,135.00	\$ 563.00	\$ 65,000.00
State sources								
Local sources								
Total revenues	\$ 409,836.10	\$ 227,642.23	\$ 49,274.46	\$ 1,863,721.27	\$ 156,174.18	\$ 56,135.00	\$ 563.00	\$ 65,000.00
EXPENDITURES:								
Instruction:								
Salaries of teachers	\$ 200,897.98	\$ 170,238.60	\$ 13,000.00	\$	\$	\$	\$	\$
Purchased professional and technical services	2,173.36	5,250.22						
Other purchased services				1,421,904.70	118,098.93	56,135.00	563.00	
General supplies	125,566.18	2,026.27	15,987.46					
Textbooks								
Other objects								
Total instruction	\$ 328,627.50	\$ 177,515.09	\$ 28,987.46	\$ 1,421,904.70	\$ 118,098.93	\$ 56,135.00	\$ 563.00	\$
Support services:								
Salaries of program directors	\$ 23,732.02	\$ 25,234.00	\$	\$	\$	\$	\$	\$
Salaries of other professional staff		10,882.14			1,800.00			
Personal services-employee benefits	37,133.76	14,011.00	2,847.00					
Purchased professional and technical services	17,000.00	17,440.00						15,000.00
Purchased professional educational services				441,816.57	36,285.25			50,000.00
Other purchased services	3,342.82							
Contracted services-transportation (other than between home and school)								
General supplies								
Total support services	\$ 81,208.60	\$ 50,127.14	\$ 20,287.00	\$ 441,816.57	\$ 36,085.25	\$	\$	\$ 65,000.00
Total expenditures	\$ 409,836.10	\$ 227,642.23	\$ 49,274.46	\$ 1,863,721.27	\$ 156,174.18	\$ 56,135.00	\$ 563.00	\$ 65,000.00

TOWNSHIP OF UNION SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULES OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	VOCATIONAL EDUCATION	TITLE II TRAINING	TITLE II TRAINING JULY-AUG RUNOUT	TEXTBOOKS	COMPENSATORY EDUCATION	ENGLISH AS A SECOND LANGUAGE	HOME INSTRUCTION	TRANSPORTATION
REVENUES:								
Federal sources	\$ 29,922.24	\$ 185,604.44	\$ 1,437.00	\$ 29,507.78	\$ 143,972.00	\$ 8,185.00	\$ 1,605.48	\$ 13,304.00
State sources								
Local sources								
Total revenues	\$ 29,922.24	\$ 185,604.44	\$ 1,437.00	\$ 29,507.78	\$ 143,972.00	\$ 8,185.00	\$ 1,605.48	\$ 13,304.00
EXPENDITURES:								
Instruction:								
Salaries of teachers	\$ 3,574.00	\$ 120,000.00	\$	\$	\$ 143,972.00	\$ 8,185.00	\$ 1,605.48	\$ 13,304.00
Purchased professional and technical services								
Other purchased services	14,034.24	18,837.44		29,507.78				
General supplies								
Textbooks	2,542.00							
Other objects								
Total instruction	\$ 20,150.24	\$ 138,837.44	\$	\$ 29,507.78	\$ 143,972.00	\$ 8,185.00	\$ 1,605.48	\$ 13,304.00
Support services:								
Salaries of program directors	\$ 4,796.00	\$	\$ 1,200.00	\$	\$	\$	\$	\$
Salaries of other professional staff								
Personal services-employee benefits	367.00	26,260.00	237.00					
Purchased professional and technical services		20,487.00						
Purchased professional educational services								
Other purchased services	4,609.00							
Contracted services-transportation (other than between home and school)								
General supplies								
Total support services	\$ 9,772.00	\$ 46,767.00	\$ 1,437.00	\$	\$	\$	\$	\$
Total expenditures	\$ 29,922.24	\$ 185,604.44	\$ 1,437.00	\$ 29,507.78	\$ 143,972.00	\$ 8,185.00	\$ 1,605.48	\$ 13,304.00

TOWNSHIP OF UNION SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULES OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	SUPPLEMENTAL INSTRUCTION	EXAMINATION AND CLASSIFICATION	CORRECTIVE SPEECH	NURSING	TECHNOLOGY	BATTLE HILL SCHOOL	CONNECTICUT FARMS SCHOOL	CENTRAL FIVE SCHOOL
REVENUES:								
Federal sources	\$ 29,280.00	\$ 35,674.00	\$ 21,092.00	\$ 40,130.59	\$ 10,857.24	\$ 2,146.46	\$ 630.00	\$ 1,015.00
State sources								
Local sources								
Total revenues	\$ 29,280.00	\$ 35,674.00	\$ 21,092.00	\$ 40,130.59	\$ 10,857.24	\$ 2,146.46	\$ 630.00	\$ 1,015.00
EXPENDITURES:								
Instruction:								
Salaries of teachers	\$ 29,280.00	\$ 35,674.00	\$ 21,092.00					
Purchased professional and technical services								
Other purchased services								
General supplies								
Textbooks								
Other objects								
Total instruction	\$ 29,280.00	\$ 35,674.00	\$ 21,092.00		\$ 10,857.24	\$ 2,146.46	\$ 630.00	\$ 1,015.00
Support services:								
Salaries of program directors	\$	\$	\$	\$	\$	\$	\$	\$
Salaries of other professional staff								
Personal services-employee benefits				40,130.59				
Purchased professional and technical services								
Purchased professional educational services								
Other purchased services								
Contracted services-transportation (other than between home and school)								
General supplies								
Total support services	\$	\$	\$	\$ 40,130.59	\$	\$	\$	\$
Total expenditures	\$ 29,280.00	\$ 35,674.00	\$ 21,092.00	\$ 40,130.59	\$ 10,857.24	\$ 2,146.46	\$ 630.00	\$ 1,015.00

TOWNSHIP OF UNION SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULES OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	LIVINGSTON SCHOOL	WASHINGTON SCHOOL	BURNETT MIDDLE SCHOOL	HANNAH CALDWELL SCHOOL	MIDDLE SCHOOL ACADEMY	NU SCHOOL BD SECURITY UHS	MERCK UHS STREET LAW	BURNETT MIDDLE SCHOOL HANDICAPPED
REVENUES:								
Federal sources	\$ 1,014.95	\$ 3,438.00	\$ 1,220.00	\$ 601.37	\$ 94,270.80	\$ 2,082.40	\$ 1,893.00	\$ 3,175.00
State sources	\$ 1,014.95	\$ 3,438.00	\$ 1,220.00	\$ 601.37	\$ 94,270.80	\$ 2,082.40	\$ 1,893.00	\$ 3,175.00
Local sources	\$ 1,014.95	\$ 3,438.00	\$ 1,220.00	\$ 601.37	\$ 94,270.80	\$ 2,082.40	\$ 1,893.00	\$ 3,175.00
Total revenues	\$ 1,014.95	\$ 3,438.00	\$ 1,220.00	\$ 601.37	\$ 94,270.80	\$ 2,082.40	\$ 1,893.00	\$ 3,175.00
EXPENDITURES:								
Instruction:								
Salaries of teachers	\$	\$	\$	\$	\$ 43,651.19	\$	\$	\$
Purchased professional and technical services								
Other purchased services								
General supplies					297.90			1,893.00
Textbooks					46,021.71			
Other objects	\$ 1,014.95	\$ 3,438.00	\$ 1,220.00	\$ 601.37	\$	\$	\$	\$ 3,175.00
Total instruction	\$ 1,014.95	\$ 3,438.00	\$ 1,220.00	\$ 601.37	\$ 89,970.80	\$	\$ 1,893.00	\$ 3,175.00
Support services:								
Salaries of program directors	\$	\$	\$	\$	\$	\$	\$	\$
Salaries of other professional staff								
Personal services-employee benefits								
Purchased professional and technical services								
Purchased professional educational services								
Other purchased services					4,300.00			
Contracted services-transportation (other than between home and school)								
General supplies						2,082.40		
Total support services	\$	\$	\$	\$	\$ 4,300.00	\$ 2,082.40	\$	\$
Total expenditures	\$ 1,014.95	\$ 3,438.00	\$ 1,220.00	\$ 601.37	\$ 94,270.80	\$ 2,082.40	\$ 1,893.00	\$ 3,175.00

TOWNSHIP OF UNION SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULES OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	MERCER BMS STREET LAW	TOTAL
REVENUES:		
Federal sources		\$ 3,045,309.92
State sources	730.75	333,608.09
Local sources		112,217.73
Total revenues	<u>730.75</u>	<u>\$ 3,491,135.74</u>
EXPENDITURES:		
Instruction:		
Salaries of teachers		\$ 547,787.75
Purchased professional and technical services		264,110.06
Other purchased services		1,596,691.63
General supplies	730.75	179,066.34
Textbooks		29,605.68
Other objects		72,661.73
Total instruction	<u>730.75</u>	<u>\$ 2,690,122.19</u>
Support services:		
Salaries of program directors		\$ 54,962.02
Salaries of other professional staff		12,682.14
Personal services-employee benefits		80,875.76
Purchased professional and technical services		110,057.59
Purchased professional educational services		478,101.82
Other purchased services		57,951.82
Contracted services-transportation (other than between home and school)		4,300.00
General supplies		2,082.40
Total support services		<u>\$ 801,013.55</u>
Total expenditures	<u>730.75</u>	<u>\$ 3,491,135.74</u>

**CAPITAL PROJECTS FUND
DETAIL STATEMENTS**

TOWNSHIP OF UNION SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES - BUDGETARY BASIS
AS OF JUNE 30, 2013

<u>ISSUE/PROJECT TITLE</u>	<u>REVISED BUDGETARY APPROPRIATIONS</u>	<u>EXPENDITURES TO DATE PRIOR YEARS</u>	<u>CURRENT YEAR</u>	<u>UNEXPENDED BALANCE</u>
New early childhood classrooms with reception area, directors office, faculty work room, toilets storage and new play area	\$ 2,432,077.36 \$	2,432,077.36 \$	\$	\$
Central Five-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	<u>23,972,072.00</u>	<u>18,876,801.32</u>	<u>117,983.01</u>	<u>4,977,287.67</u>
	<u>\$ 26,404,149.36 \$</u>	<u>21,308,878.68 \$</u>	<u>117,983.01 \$</u>	<u>4,977,287.67</u>

Reconciliation to GAAP:

Unexpended project balances	\$ 4,977,287.67
Encumbrances	2,142,872.11
Bonds authorized but not issued	<u>(165.00)</u>
Unreserved capital fund balance - GAAP	<u>\$ 7,119,994.78</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, 2013

Revenues and Other Financing
Sources

Total Revenue	\$	
---------------	----	--

Expenditures and Other Financing
Uses:

Purchased Profession and Technical Services	\$	(37,598.55)
Construction Services		(89,669.66)
Equipment Purchases		240,104.22
Miscellaneous		5,147.00
		117,983.01

Total Expenditures	\$	117,983.01
--------------------	----	------------

Excess (Deficiency) of Revenues over (under) Expenditures	\$	(117,983.01)
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Fund Balance - Beginning		5,095,270.68
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Fund Balance - Ending	\$	4,977,287.67
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TOWNSHIP OF UNION SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
HANNAH CALDWELL SCHOOL NEW EARLY CHILDHOOD CLASSROOMS
FROM THE INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2013

	<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 - SCC Grant	\$ 715,197.36	\$	\$ 715,197.36	\$ 715,197.36
Transfer from Capital Reserve and Transfers	<u>1,716,880.00</u>	<u> </u>	<u>1,716,880.00</u>	<u>1,716,880.00</u>
Total Revenue	\$ <u>2,432,077.36</u>	\$ <u> </u>	\$ <u>2,432,077.36</u>	\$ <u>2,432,077.36</u>
Expenditures and Other Financing Uses				
Purchased Profession and Technical Services	\$ 69,397.50	\$	\$ 69,397.50	\$ 69,397.50
Construction Services	1,502,492.50		1,502,492.50	1,502,492.50
Miscellaneous	8,103.39		8,103.39	8,103.39
Transfer to Capital Reserve	<u>852,083.97</u>	<u> </u>	<u>852,083.97</u>	<u>852,083.97</u>
Total Expenditures	\$ <u>2,432,077.36</u>	\$ <u> </u>	\$ <u>2,432,077.36</u>	\$ <u>2,432,077.36</u>
Excess (Deficiency) of Revenues over (under) Expenditures	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>
<u>Additional Project Information</u>				
Project Number	5290-083-09-OYAS			
Grant date	11/6/2009			
Bond Authorization Date				
Bonds Authorized	\$			
Bonds Issued				
Original Authorized Cost	2,861,466.00			
Additional Authorized Cost				
Revised Authorized Cost	2,432,077.36			
Percentage Incr (Decr) over Original Authorized Costs				
Percentage Completion	100.00%			
Original Completion Date	9/1/2010			
Revised Completion Date	10/1/2010			

TOWNSHIP OF UNION SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND PROJECT STATUS - BUDGETARY BASIS
CENTRAL FIVE - JEFFERSON ELEMENTARY SCHOOL
FROM THE INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2013

	<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 - SCC 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	<u>12,000,000.00</u>		<u>12,000,000.00</u>	<u>12,000,000.00</u>
Total Revenue	<u>\$ 23,972,072.00</u>	<u>\$</u>	<u>\$ 23,972,072.00</u>	<u>\$ 23,972,072.00</u>
Expenditures and Other Financing Uses				
Purchased Profession and Technical Services	\$ 1,977,948.42	\$ (37,598.55)	\$ 1,940,349.87	\$ 2,458,106.42
Land and Improvements				
Construction Services	16,813,273.07	(89,669.66)	16,723,603.41	20,359,149.85
Equipment Purchases		240,104.22	240,104.22	
Miscellaneous	<u>85,579.83</u>	<u>5,147.00</u>	<u>90,726.83</u>	<u>1,154,815.73</u>
Total Expenditures	<u>\$ 18,876,801.32</u>	<u>\$ 117,983.01</u>	<u>\$ 18,994,784.33</u>	<u>\$ 23,972,072.00</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>\$ 5,095,270.68</u>	<u>\$ (117,983.01)</u>	<u>\$ 4,977,287.67</u>	<u>\$</u>
Additional Project Information				
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			
Original Authorized Cost	23,972,072.00			
Additional Authorized Cost				
Revised Authorized Cost	23,972,072.00			
Percentage Incr (Decr) over Original Authorized Costs				
Percentage Completion	79.24%			
Original Completion Date	9/1/2013			
Revised Completion Date	9/1/2013			

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, 2013

	<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	\$ 349,336.72	\$ 840,936.26	\$ 1,190,272.98
Accounts receivable:			
Federal:			
National School Lunch Program	90,915.44		90,915.44
School Breakfast Program	17,435.92		17,435.92
State	2,927.89		2,927.89
Interfunds	158,774.10		158,774.10
Inventories	<u>54,952.62</u>		<u>54,952.62</u>
Total current assets	\$ <u>674,342.69</u>	\$ <u>840,936.26</u>	\$ <u>1,515,278.95</u>
Non Current assets:			
Equipment	\$ 1,688,722.44	\$ 30,318.00	\$ 1,719,040.44
Accumulated depreciation	<u>(994,972.55)</u>	<u>(1,515.90)</u>	<u>(996,488.45)</u>
Total non current assets	\$ <u>693,749.89</u>	\$ <u>28,802.10</u>	\$ <u>722,551.99</u>
Total Assets:	\$ <u><u>1,368,092.58</u></u>	\$ <u><u>869,738.36</u></u>	\$ <u><u>2,237,830.94</u></u>
LIABILITIES:			
Current liabilities:			
Accounts Payable	\$ <u>1,199.60</u>	\$ _____	\$ <u>1,199.60</u>
Total Liabilities	\$ <u>1,199.60</u>	\$ _____	\$ <u>1,199.60</u>
NET POSITION:			
Investment in Capital Assets	\$ 693,749.89	\$ 28,802.10	\$ 722,551.99
Unrestricted	<u>673,143.09</u>	<u>840,936.26</u>	<u>1,514,079.35</u>
Total Net Position	\$ <u><u>1,366,892.98</u></u>	\$ <u><u>869,738.36</u></u>	\$ <u><u>2,236,631.34</u></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, 2013

	<u>BUSINESS TYPE ACTIVITIES- ENTERPRISE FUND</u>		
	<u>FOOD</u> <u>SERVICES</u> <u>FUND</u>	<u>CAST</u> <u>FUND</u>	<u>TOTAL</u>
OPERATING REVENUES:			
Local sources:			
Daily sales-reimbursable programs:			
School lunch program	\$ 1,523,223.09	\$	\$ 1,523,223.09
Daily sales non-reimbursable programs:			
Special functions	<u>10,469.09</u>		<u>10,469.09</u>
Total operating revenue	<u>\$ 1,533,692.18</u>	<u>\$</u>	<u>\$ 1,533,692.18</u>
OPERATING EXPENSES:			
Cost of Sales	1,039,033.52		1,039,033.52
Labor	1,321,985.22		1,321,985.22
Other Purchased Professional Services	29,600.58		29,600.58
Cleaning, Repair and Maintenance Services	8,018.94		8,018.94
Insurance	62,483.98		62,483.98
Supplies	104,723.68		104,723.68
Other expense	315,728.00		315,728.00
Management Fee	79,839.68		79,839.68
Depreciation	<u>73,116.18</u>	<u>1,515.90</u>	<u>74,632.08</u>
Total operating expenses	<u>\$ 3,034,529.78</u>	<u>\$ 1,515.90</u>	<u>\$ 3,036,045.68</u>
Operating Income (Loss)	<u>\$ (1,500,837.60)</u>	<u>\$ (1,515.90)</u>	<u>\$ (1,502,353.50)</u>
NON-OPERATING REVENUES:			
State sources:			
State school lunch program	\$ 35,183.07	\$	\$ 35,183.07
Federal sources:			
National school lunch program	1,101,989.07		1,101,989.07
National school breakfast program	140,916.01		140,916.01
Food distribution commodities program	118,808.23		118,808.23
Interest revenue	<u>1,683.92</u>	<u>1,720.27</u>	<u>3,404.19</u>
Total non-operating revenues (expenses)	<u>\$ 1,398,580.30</u>	<u>\$ 1,720.27</u>	<u>\$ 1,400,300.57</u>
Change in net position	<u>\$ (102,257.30)</u>	<u>\$ 204.37</u>	<u>\$ (102,052.93)</u>
Total net position - beginning	<u>\$ 1,469,150.28</u>	<u>\$ 869,533.99</u>	<u>\$ 2,338,684.27</u>
Total net position - ending	<u>\$ 1,366,892.98</u>	<u>\$ 869,738.36</u>	<u>\$ 2,236,631.34</u>

TOWNSHIP OF UNION SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS-ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>BUSINESS TYPE ACTIVITIES- ENTERPRISE FUND</u>		
	<u>FOOD SERVICES FUND</u>	<u>CAST FUND</u>	<u>TOTAL</u>
Cash flows from operating activities:			
Receipts from customers	\$ 1,533,692.18	\$	\$ 1,533,692.18
Payments for labor	(1,321,985.22)		(1,321,985.22)
Payments to suppliers	(1,749,774.14)		(1,749,774.14)
Interfunds	82,552.53		82,552.53
Net cash provided by (used for) operating activities	<u>\$ (1,455,514.65)</u>	<u>\$</u>	<u>\$ (1,455,514.65)</u>
Cash flows from noncapital financing activities:			
State Sources	\$ 34,399.82	\$	\$ 34,399.82
Federal Sources	1,226,287.70		1,226,287.70
Net cash provided by (used for) noncapital financing activities	<u>\$ 1,260,687.52</u>	<u>\$</u>	<u>\$ 1,260,687.52</u>
Cash flows from capital and related financing activities:			
Purchases of capital assets	\$ (541,935.84)	\$ (30,318.00)	\$ (572,253.84)
Net cash provided by (used for) capital and or related financing activities	<u>\$ (541,935.84)</u>	<u>\$ (30,318.00)</u>	<u>\$ (572,253.84)</u>
Cash flows from investing activities:			
Interest on Investments	\$ 1,683.92	\$ 1,720.27	\$ 3,404.19
Net cash provided by (used for) investing activities	<u>\$ 1,683.92</u>	<u>\$ 1,720.27</u>	<u>\$ 3,404.19</u>
Net increase in cash and cash equivalents	\$ (735,079.05)	\$ (28,597.73)	\$ (763,676.78)
Cash and cash equivalents, June 30, 2012	<u>1,084,415.77</u>	<u>869,533.99</u>	<u>1,953,949.76</u>
Cash and cash equivalents, June 30, 2013	<u>\$ 349,336.72</u>	<u>\$ 840,936.26</u>	<u>\$ 1,190,272.98</u>
Cash flows from operating activities:			
Operating income(loss)	\$ (1,500,837.60)	\$ (1,515.90)	\$ (1,502,353.50)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:			
Depreciation	73,116.18	1,515.90	74,632.08
Federal commodities	118,808.23		118,808.23
Change in assets and liabilities:			
(Increase) Decrease in inventory	(26,406.73)		(26,406.73)
(Increase) Decrease in interfunds	82,552.53		82,552.53
Increase (Decrease) in accounts payable	(202,747.26)		(202,747.26)
Net cash provided (used) by operating activities	<u>\$ (1,455,514.65)</u>	<u>\$</u>	<u>\$ (1,455,514.65)</u>

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, 2013

	<u>STATE UNEMPLOYMENT INSURANCE</u>	<u>PRIVATE PURPOSE AWARD FUND</u>	<u>AGENCY FUNDS</u>		<u>ESCROW DEPOSITS</u>	<u>TOTALS</u>
			<u>STUDENT ACTIVITY</u>	<u>PAYROLL AGENCY</u>		
ASSETS:						
Cash and investments	\$ 1,006,752.65	\$ 53,883.37	\$ 206,667.60	\$ 3,096,255.00	\$ 26,123.89	\$ 4,389,682.51
Due from Payroll agency	<u>292,177.98</u>					<u>292,177.98</u>
Total assets	\$ <u>1,298,930.63</u>	\$ <u>53,883.37</u>	\$ <u>206,667.60</u>	\$ <u>3,096,255.00</u>	\$ <u>26,123.89</u>	\$ <u>4,681,860.49</u>
LIABILITIES:						
Liabilities:						
Payroll deductions & withholdings	\$	\$	\$	\$ 2,804,077.02	\$	\$ 2,804,077.02
Due to student groups			206,667.60			206,667.60
Due to state unemployment Insurance				<u>292,177.98</u>		<u>292,177.98</u>
Total liabilities	\$	\$	\$ <u>206,667.60</u>	\$ <u>3,096,255.00</u>	\$	\$ <u>3,302,922.60</u>
NET POSITION:						
Held in trust for Unemployment claims and other purposes	\$ 1,298,930.63	\$ 29,000.00	\$	\$	\$ 26,123.89	\$ 1,354,054.52
Reserved for awards		<u>24,883.37</u>				<u>24,883.37</u>
Total net position	\$ <u>1,298,930.63</u>	\$ <u>53,883.37</u>	\$	\$	\$ <u>26,123.89</u>	\$ <u>1,378,937.89</u>

TOWNSHIP OF UNION SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>PRIVATE PURPOSE AWARD FUND</u>	<u>UNEMPLOYMENT COMPENSATION TRUST</u>	<u>ESCROW DEPOSITS</u>	<u>TOTAL</u>
ADDITIONS:				
Contributions	\$ 3,900.00	\$ 105,336.92	\$	\$ 109,236.92
Transfer from General Fund		<u>50,000.00</u>		<u>50,000.00</u>
Total contributions	<u>\$ 3,900.00</u>	<u>\$ 155,336.92</u>	<u>\$</u>	<u>\$ 159,236.92</u>
Investment earnings:				
Interest	<u>\$ 285.25</u>	<u>\$ 7,589.85</u>	<u>\$ 26.04</u>	<u>\$ 7,901.14</u>
Net investment earnings	<u>\$ 285.25</u>	<u>\$ 7,589.85</u>	<u>\$ 26.04</u>	<u>\$ 7,901.14</u>
Total additions	<u>\$ 4,185.25</u>	<u>\$ 162,926.77</u>	<u>\$ 26.04</u>	<u>\$ 167,138.06</u>
DEDUCTIONS:				
Scholarships awarded	\$ 6,830.00		\$	\$ 6,830.00
Unemployment Claims		<u>132,255.22</u>		<u>132,255.22</u>
Total deductions	<u>\$ 6,830.00</u>	<u>\$ 132,255.22</u>	<u>\$</u>	<u>\$ 6,830.00</u>
Change in net position	\$ (2,644.75)	\$ 30,671.55	\$ 26.04	\$ 28,052.84
Net position beginning of year	<u>56,528.12</u>	<u>1,268,259.08</u>	<u>26,097.85</u>	<u>1,350,885.05</u>
Net position end of year	<u>\$ 53,883.37</u>	<u>\$ 1,298,930.63</u>	<u>\$ 26,123.89</u>	<u>\$ 1,378,937.89</u>

TOWNSHIP OF UNION SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>BALANCE</u> <u>JUNE 30, 2012</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	\$ 1,015.08	\$ 9,547.43	\$ 5,648.11	\$ 4,914.40
Central Five - Jefferson	218.57		95.00	123.57
Connecticut Farms	1,544.14	2,015.12	2,224.00	1,335.26
Franklin	100.00			100.00
Hannah Caldwell	50.00	4,009.50	4,009.50	50.00
Livingston	9.77	5.00	5.00	9.77
Washington	30.69			30.69
	<u>2,968.25</u>	<u>15,577.05</u>	<u>11,981.61</u>	<u>6,563.69</u>
Total Elementary Schools	\$ 2,968.25	\$ 15,577.05	\$ 11,981.61	\$ 6,563.69
JUNIOR HIGH SCHOOLS:				
Burnett	\$ 24,394.07	\$ 28,182.56	\$ 26,173.36	\$ 26,403.27
Kawameeh	31,504.18	69,563.93	62,914.51	38,153.80
	<u>55,898.25</u>	<u>97,746.49</u>	<u>89,087.87</u>	<u>64,556.87</u>
Total Junior High Schools	\$ 55,898.25	\$ 97,746.49	\$ 89,087.87	\$ 64,556.87
SENIOR HIGH SCHOOLS:				
Union-Activities	\$ 136,817.13	\$ 420,118.41	\$ 450,606.99	\$ 106,328.55
Union-Athletics Clubs	25,274.17	156,155.75	152,211.43	29,218.49
	<u>162,091.30</u>	<u>576,274.16</u>	<u>602,818.42</u>	<u>135,547.04</u>
Total Senior High Schools	\$ 162,091.30	\$ 576,274.16	\$ 602,818.42	\$ 135,547.04
Total All Schools	\$ 220,957.80	\$ 689,597.70	\$ 703,887.90	\$ 206,667.60

TOWNSHIP OF UNION SCHOOL DISTRICT
PAYROLL AGENCY FUNDS
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>BALANCE</u> <u>JUNE 30, 2012</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2013</u>
ASSETS:				
Cash and Cash Equivalents	\$ <u>2,920,425.02</u>	\$ <u>35,876,219.16</u>	\$ <u>35,700,389.18</u>	\$ <u>3,096,255.00</u>
Total assets	\$ <u>2,920,425.02</u>	\$ <u>35,876,219.16</u>	\$ <u>35,700,389.18</u>	\$ <u>3,096,255.00</u>
LIABILITIES:				
Due Unemployment Compensation Trust	\$ 279,259.86	\$ 100,510.67	\$ 87,592.55	\$ 292,177.98
Due General Fund	113,772.80		113,772.80	
Payroll deductions and withholdings	<u>2,527,392.36</u>	<u>35,775,708.49</u>	<u>35,499,023.83</u>	<u>2,804,077.02</u>
Total Liabilities	\$ <u>2,920,425.02</u>	\$ <u>35,876,219.16</u>	\$ <u>35,700,389.18</u>	\$ <u>3,096,255.00</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, 2013

ISSUE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES		RATE OF INTEREST	BALANCE JUNE 30, 2012	INCREASED	RETIRED	BALANCE JUNE 30, 2013
			DATE	AMOUNT					
School Bonds	8/15/2003	\$ 25,557,000.00		\$	4.75%	\$ 975,000.00	\$	975,000.00	\$
Refunding Bonds Series 2006	4/2/2005	8,080,000.00	1/1/2014	425,000.00	5.00%				
			1/1/2015	445,000.00	5.00%				
			1/1/2016	475,000.00	5.00%				
			1/1/2017	495,000.00	5.00%				
			1/1/2018	525,000.00	5.00%				
			1/1/2019	565,000.00	5.00%				
			1/1/2020	580,000.00	5.00%				
			1/1/2021	615,000.00	5.00%				
			1/1/2022	655,000.00	5.00%				
			1/1/2023	690,000.00	5.00%	5,860,000.00		400,000.00	5,460,000.00
Refunding Bonds Series 2010	11/10/2010	20,175,000.00	8/15/2013	1,155,000.00	3.000%				
			8/15/2014	1,195,000.00	3.000%				
			8/15/2015	1,225,000.00	3.000%				
			8/15/2016	1,265,000.00	4.000%				
			8/15/2017	1,310,000.00	4.000%				
			8/15/2018	1,330,000.00	4.000%				
			8/15/2019	1,325,000.00	4.000%				
			8/15/2020	1,315,000.00	4.000%				
			8/15/2021	1,310,000.00	4.000%				
			8/15/2022	1,295,000.00	3.000%				
			8/15/2023	1,275,000.00	3.125%				
			8/15/2024	240,000.00	4.000%				
			8/15/2024	1,015,000.00	3.250%				
			8/15/2025	1,190,000.00	3.375%				
			8/15/2026	1,175,000.00	3.500%				
			8/15/2027	1,155,000.00	3.625%				
			8/15/2028	1,125,000.00	4.000%	20,040,000.00		140,000.00	19,900,000.00
School Bonds	9/8/2011	6,712,000.00	1/1/2014-16	250,000.00	2.000%				
			1/1/2017	300,000.00	2.250%				
			1/1/2018	300,000.00	2.750%				
			1/1/2019-20	330,000.00	3.000%				
			1/1/2021-22	340,000.00	3.000%				
			1/1/2023-24	360,000.00	3.000%				
			1/1/2025-26	370,000.00	3.000%				
			1/1/2027	380,000.00	3.500%				
			1/1/2028	390,000.00	3.500%				
			1/1/2029	395,000.00	3.500%	6,712,000.00		200,000.00	6,512,000.00
						\$ 33,587,000.00	\$ -0-	\$ 1,715,000.00	\$ 31,872,000.00

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, 2013 AND 2012

	2013			2012		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES:						
Local Sources:						
Local Tax Levy	\$ 2,603,922.00	\$ 2,603,922.00	\$	\$ 2,407,988.00	\$ 2,407,988.00	\$
Miscellaneous		39,728.43	39,728.43		10,725.82	10,725.82
State sources:						
Debt Service Aid Type II	<u>126,523.00</u>	<u>126,523.00</u>		<u>126,596.00</u>	<u>126,596.00</u>	
Total Revenues	\$ <u>2,730,445.00</u>	\$ <u>2,770,173.43</u>	\$ <u>39,728.43</u>	\$ <u>2,534,584.00</u>	\$ <u>2,545,309.82</u>	\$ <u>10,725.82</u>
EXPENDITURES:						
Regular debt service:						
Interest	\$ 1,297,151.00	\$ 1,297,150.43	\$ 0.57	\$ 1,091,719.00	\$ 1,091,718.75	\$ 0.25
Redemption of Principal	<u>1,715,000.00</u>	<u>1,715,000.00</u>		<u>1,445,000.00</u>	<u>1,445,000.00</u>	
Total Regular Debt Service-Expenditures	\$ <u>3,012,151.00</u>	\$ <u>3,012,150.43</u>	\$ <u>0.57</u>	\$ <u>2,536,719.00</u>	\$ <u>2,536,718.75</u>	\$ <u>0.25</u>
Excess (deficiency) of revenues over (under) expenditures	\$ (281,706.00)	\$ (241,977.00)	\$ 39,729.00	\$ (2,135.00)	\$ 8,591.07	\$ 10,726.07
Fund balance, July 1	<u>292,430.73</u>	<u>292,430.73</u>		<u>283,839.66</u>	<u>283,839.66</u>	
Fund balance, June 30	\$ <u>10,724.73</u>	\$ <u>50,453.73</u>	\$ <u>39,729.00</u>	\$ <u>281,704.66</u>	\$ <u>292,430.73</u>	\$ <u>10,726.07</u>

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**STATISTICAL SECTION
(UNAUDITED)**

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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. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2003; schedules presenting district-wide information include information beginning in that year.

TOWNSHIP OF UNION SCHOOL DISTRICT
 NET POSITION BY COMPONENT
 LAST EIGHT FISCAL YEARS
 (UNAUDITED)
 (accrual basis of accounting)

	Fiscal Year Ended June 30							
	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities								
Invested in capital assets, net of related debt	\$ 21,697,568.52	\$ 23,003,426.22	\$ 24,996,992.34	\$ 27,817,438.79	\$ 30,501,543.03	\$ 34,136,548.56	\$ 35,319,285.13	\$ 46,148,044.02
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	36,160,170.88	29,289,218.30
Unrestricted	(2,426,994.14)	(2,273,115.71)	(2,831,011.22)	(5,581,514.22)	(5,482,805.81)	(3,842,314.54)	(3,739,077.26)	(3,786,510.56)
Total governmental activities net position	\$ 37,515,857.85	\$ 39,810,182.93	\$ 41,707,205.26	\$ 61,634,083.40	\$ 55,748,122.96	\$ 61,654,705.85	\$ 67,740,388.55	\$ 71,650,751.76
Business-type activities								
Invested in capital assets, net of related debt	\$ 385,282.32	\$ 400,799.23	\$ 341,989.63	\$ 283,747.70	\$ 272,306.15	\$ 239,154.55	\$ 224,930.23	\$ 722,551.99
Restricted								
Unrestricted	1,481,960.10	3,235,954.37	19,063,155.48	2,174,533.47	2,147,079.46	2,163,203.04	2,113,754.04	1,514,079.35
Total business-type activities net position	\$ 1,877,242.42	\$ 3,636,753.60	\$ 19,405,145.11	\$ 2,458,281.17	\$ 2,419,385.61	\$ 2,402,357.59	\$ 2,338,684.27	\$ 2,236,631.34
District-wide								
Invested in capital assets, net of related debt	\$ 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
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	36,160,170.88	29,289,218.30
Unrestricted	(945,034.04)	(962,838.66)	(16,132,144.26)	(3,406,980.75)	(3,335,726.35)	(1,679,111.50)	(1,825,323.22)	(2,272,431.21)
Total district net position	\$ 39,393,100.27	\$ 43,446,936.53	\$ 61,112,350.37	\$ 64,092,364.57	\$ 58,167,508.57	\$ 64,057,063.44	\$ 70,079,072.82	\$ 73,867,363.10

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

Source: School District Financial Reports

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

	Fiscal Year Ended June 30							
	2006	2007	2008	2009	2010	2011	2012	2013
Expenses								
Governmental activities								
Instruction								
Regular	\$ 43,359,619.19	\$ 47,343,333.62	\$ 49,706,203.66	\$ 48,356,573.91	\$ 50,556,603.72	\$ 52,376,919.86	\$ 52,217,721.16	\$ 52,466,603.89
Special education	7,825,521.80	6,712,550.48	9,157,099.34	9,179,863.22	9,901,269.57	10,439,297.04	10,797,296.38	11,548,961.83
Other education	3,187,408.80	3,363,285.96	3,693,686.19	4,536,901.88	4,983,650.54	5,043,022.30	4,436,422.76	5,143,017.37
Support Services:								
Tuition	8,563,537.49	9,187,462.69	10,190,049.96	9,864,915.31	9,935,515.03	8,628,460.76	7,837,709.70	7,639,507.66
Student & instruction related services	12,124,393.41	12,589,244.15	13,297,777.97	13,473,516.81	14,684,445.46	14,750,834.05	14,325,463.18	16,489,730.60
General administration	2,779,790.55	2,923,974.35	2,971,426.03	2,604,350.31	2,956,194.77	2,584,860.34	2,906,692.52	3,239,843.35
School Administrative Services	6,177,665.95	6,339,516.71	6,673,327.09	6,545,847.89	7,056,065.67	7,190,595.12	7,544,965.85	7,652,110.47
Plant Operations and Maintenance	9,655,957.51	9,984,933.39	11,059,890.32	10,781,097.38	10,605,365.50	10,385,492.69	10,221,600.36	12,365,363.37
Pupil transportation	4,993,454.43	5,306,702.65	5,569,295.74	5,360,970.34	5,192,921.90	4,671,127.84	5,003,000.20	6,340,912.20
Other support services	220,996.64	271,947.67	286,110.28	290,351.27	287,094.77	289,083.28	311,084.60	
Charter Schools			22,478.00	20,683.00	8,745.00		22,410.00	
Interest on long-term debt	1,591,674.76	1,625,048.29	1,486,975.00	1,434,563.81	1,386,498.69	1,041,957.64	1,244,639.51	65,516.50
Unallocated Amortization							63,625.00	
Unallocated Amortization							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	\$ 117,803,683.92	\$ 116,934,633.22	\$ 124,250,109.41
Business-type activities:								
Food service	\$ 2,855,593.31	\$ 2,663,206.20	\$ 2,596,066.82	\$ 2,994,870.37	\$ 3,026,442.58	\$ 2,997,204.57	\$ 3,131,227.32	\$ 3,036,045.68
C.A.S.T.	1,255.30							
Total business-type activities expense	\$ 2,856,848.61	\$ 2,663,206.20	\$ 2,596,066.82	\$ 2,994,870.37	\$ 3,026,442.58	\$ 2,997,204.57	\$ 3,131,227.32	\$ 3,036,045.68
Total district expenses	\$ 103,336,869.14	\$ 110,331,208.36	\$ 117,047,386.40	\$ 115,406,545.20	\$ 120,468,843.40	\$ 120,800,888.49	\$ 120,066,060.54	\$ 127,286,155.09
Program Revenues								
Governmental activities:								
Charges for services:								
Operating grants and contributions	\$ 5,906,895.65	\$ 6,765,844.13	\$ 9,797,581.73	\$ 6,469,259.45	\$ 7,176,241.44	\$ 7,381,358.08	\$ 8,705,419.96	\$ 11,261,351.83
Operating grants and contributions	5,906,895.65	6,765,844.13	9,797,581.73	6,469,259.45	7,176,241.44	7,381,358.08	8,705,419.96	11,261,351.83
Total governmental activities program revenues	\$ 5,906,895.65	\$ 6,765,844.13	\$ 9,797,581.73	\$ 6,469,259.45	\$ 7,176,241.44	\$ 7,381,358.08	\$ 8,705,419.96	\$ 11,261,351.83
Business-type activities:								
Charges for services:								
Food service	\$ 1,795,235.87	\$ 1,783,508.01	\$ 1,778,484.89	\$ 1,604,173.66	\$ 1,604,611.62	\$ 1,563,825.51	\$ 1,607,620.79	\$ 1,533,692.18
C.A.S.T.	25,283.24	10,416.60	1,053.89					
Operating grants and contributions	859,524.81	955,000.36	1,092,614.68	1,322,163.82	1,378,474.92	1,420,418.31	1,446,136.28	1,398,896.38
Operating grants and contributions	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	2,830,598.56
Total business type activities program revenues	\$ 3,577,183.84	\$ 3,797,947.74	\$ 3,934,306.92	\$ 3,632,664.86	\$ 3,617,766.16	\$ 3,568,573.62	\$ 3,661,514.05	\$ 3,333,587.12
Total district program revenues	\$ 9,584,079.57	\$ 10,563,791.87	\$ 13,731,888.65	\$ 10,101,924.31	\$ 10,793,957.60	\$ 10,949,931.70	\$ 12,366,934.91	\$ 14,594,948.95

TOWNSHIP OF UNION SCHOOL DISTRICT
CHANGES IN NET POSITION - LAST EIGHT FISCAL YEARS
(UNAUDITED)

	Fiscal Year Ended June 30							
	2006	2007	2008	2009	2010	2011	2012	2013
Net (Expense)-Revenue								
Governmental activities	\$ (94,573,134.89)	\$ (100,902,158.03)	\$ (104,313,737.85)	\$ (105,922,415.38)	\$ (110,265,159.38)	\$ (110,426,325.84)	\$ (108,229,413.26)	\$ (112,988,757.58)
Business-type activities	20,595.31	85,716.77	(73,913.36)	(68,542.99)	(43,356.04)	(12,960.75)	(77,470.25)	(105,457.12)
Total district-wide net expense	\$ (94,552,539.57)	\$ (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)
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	\$ 75,473,280.00	\$ 75,443,054.00	\$ 76,851,915.00	\$ 78,490,853.00
Taxes levied for debt service	2,708,718.00	2,389,737.00	2,546,835.00	2,267,313.00	1,449,278.00	1,632,700.00	2,407,986.00	2,603,922.00
Grants and contributions	28,181,456.29	27,793,613.31	26,752,890.18	32,816,581.11	28,762,468.93	38,016,690.81	34,198,245.03	35,057,716.16
Miscellaneous income	1,210,892.02	2,095,400.50	1,990,218.79	1,146,618.57	650,667.94	1,028,605.14	761,658.63	746,529.63
Gain on Disposal of Fixed Assets								
Transfers	(47,763.33)	(68,256.92)	(6,704.99)		13,858.78		(4,708.70)	
Total governmental activities	\$ 91,076,521.98	\$ 85,903,390.89	\$ 100,115,385.98	\$ 108,453,792.68	\$ 104,335,695.87	\$ 116,334,908.73	\$ 114,315,095.96	\$ 116,889,120.79
Business-type activities:								
Investment earnings	\$ 22,400.34	\$ 42,726.78	\$ 115,290.06	\$ 523,848.38	\$ 50,323.55	\$ 4,794.04	\$ 4,935.62	\$ 3,404.19
Loss on disposal of fixed assets				(6,668.50)	(1,360.00)			
Transfers			(2,566.68)					
Total business-type activities	\$ 22,400.34	\$ 42,726.78	\$ 112,723.40	\$ 517,179.88	\$ 48,963.55	\$ 4,794.04	\$ 4,935.62	\$ 3,404.19
Total district-wide	\$ 91,100,922.32	\$ 95,946,117.67	\$ 100,228,110.38	\$ 109,970,972.57	\$ 104,384,659.42	\$ 116,339,702.77	\$ 114,320,031.58	\$ 116,902,524.98
Change in Net Position								
Governmental activities	(3,494,612.90)	(4,988,767.14)	(4,198,350.87)	2,531,377.30	(5,930,463.51)	5,906,682.89	6,085,682.70	3,910,363.21
Business-type activities	42,695.65	128,443.55	39,810.04	448,636.90	5,607.51	(8,165.71)	(72,534.63)	(102,052.93)
Total district	\$ (3,451,917.25)	\$ (4,870,323.59)	\$ (4,159,540.83)	\$ 2,980,014.20	\$ (6,924,856.00)	\$ 5,898,517.18	\$ 6,013,148.07	\$ 3,808,310.28

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

TOWNSHIP OF UNION SCHOOL DISTRICT
FUND BALANCES, GOVERNMENTAL FUNDS
YEAR ENDING JUNE 30
(UNAUDITED)
(modified accrual basis of accounting)

	<u>2012</u>	<u>2013</u>
General Fund		
Restricted for:		
Excess Surplus - current year	\$ 5,571,862.16	\$ 3,915,406.25
Capital Reserve Account	5,008,551.47	6,218,659.27
Maintenance reserve	250,000.00	2,050,000.00
Emergency Reserve	1,000,000.00	1,000,000.00
Committed to:		
Designated for Subsequent Years' Expenditures	7,179,107.02	6,208,928.00
Assigned to:		
Encumbrances	1,692,025.12	
Unassigned	<u>(824,727.26)</u>	<u>(834,458.81)</u>
Total General Fund	<u>\$ 19,876,818.51</u>	<u>\$ 18,558,534.71</u>
All Other Governmental Funds		
Restricted for:		
Debt Service	\$ 292,430.73	\$ 50,453.73
Capital Purposes	5,095,105.68	4,977,122.67
Assigned to:		
Year End Encumbrances	<u>10,479,038.95</u>	<u>5,194,265.57</u>
Total all other governmental funds	<u>\$ 15,866,575.36</u>	<u>\$ 10,221,841.97</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 EIGHT FISCAL YEARS
 UNAUDITED
 (modified accrual basis accounting)

	Fiscal Year Ended June 30							
	2006	2007	2008	2009	2010	2011	2012	2013
Revenues								
Local Tax Levy	\$ 65,102,634.00	\$ 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
Tuition Charges	143,301.10	104,988.90	113,741.00	143,588.25	164,919.21	211,139.46	239,752.58	189,794.35
Transfer of Funds	10,705.85	7,182.77	2,192.50	1,292.50	5,004.00	9,345.00	4,754.00	4,200.00
Interest on Capital Reserve	1,870,644.17	1,797,794.02	45,335.87	390,557.78	35,408.49	31,661.22	18,585.13	10,107.80
Miscellaneous	31,687,244.25	33,755,973.19	36,744,197.17	36,005,632.75	481,299.31	776,459.46	518,393.58	542,347.48
State 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	38,360,855.32	43,263,465.92
Federal Sources	102,757,491.94	109,919,673.70	116,011,288.71	115,343,221.47	111,557,800.38	123,702,408.03	123,020,264.81	128,160,472.82
Total Revenue	\$ 22,382,075.52	\$ 33,754,130.29	\$ 35,312,043.57	\$ 35,842,441.28	\$ 37,043,262.45	\$ 37,925,855.55	\$ 36,667,484.57	\$ 37,929,274.42
Expenditures								
Instruction:	\$ 5,827,401.10	\$ 6,256,708.11	\$ 6,565,122.86	\$ 6,919,687.00	\$ 7,460,485.28	\$ 7,829,276.09	\$ 7,888,680.40	\$ 8,349,001.27
Regular	2,489,654.27	2,401,862.09	2,563,326.72	3,606,860.86	3,893,404.02	3,972,437.25	3,287,431.32	3,718,001.60
Special	8,563,537.49	9,167,462.89	10,190,049.96	9,864,915.31	9,835,515.03	8,628,490.76	7,837,709.70	7,539,502.66
Other	10,023,054.46	10,031,640.54	10,553,575.04	11,125,347.53	12,147,808.06	12,038,502.96	11,407,773.18	11,920,792.86
Support 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	2,046,694.61	2,342,227.08
Tuition	4,495,919.10	4,390,167.19	4,570,913.22	4,743,175.40	5,106,443.55	5,114,441.38	5,300,083.37	5,381,860.79
Student & instruction related services	7,932,780.68	7,852,704.22	8,792,643.45	8,615,648.60	8,486,321.73	8,116,213.65	7,778,968.13	8,953,694.94
General and business administrative services	4,538,147.00	4,743,594.59	5,002,890.88	4,841,569.05	4,650,183.89	4,071,688.65	4,398,246.78	4,583,966.41
School administrative services	19,891,596.84	23,716,206.34	24,861,914.84	21,665,379.95	23,550,293.13	25,622,615.07	26,524,348.72	29,305,656.45
Plant operations and maintenance	6,104,790.09	1,553,198.47	2,254,320.15	3,485,355.78	3,387,463.82	4,387,348.18	8,659,433.39	11,771,840.80
Pupil transportation	375,000.00	382,812.50	400,000.00	400,000.00	400,000.00	400,000.00	400,000.00	400,000.00
Unallocated benefits	35,734.38	24,484.38	13,000.00	13,000.00	13,000.00	13,000.00	13,000.00	13,000.00
Capital outlay	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
Debt Service:	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	1,297,190.43
Principal - Lease Purchase Agreement			22,478.00	20,693.00	8,745.00		22,410.00	65,516.50
Interest - Lease Purchase Agreement								
Principal - Lease Purchase Agreement								
Interest								
Transfer of Funds to Charter Schools								
Total Expenditures	\$ 109,330,820.52	\$ 109,038,386.01	\$ 116,014,551.30	\$ 115,303,482.22	\$ 120,424,322.82	\$ 122,220,194.73	\$ 124,412,182.92	\$ 135,123,489.81
Excess (Deficiency) of Revenues Over (under) expenditures	\$ (6,573,328.58)	\$ 881,287.69	\$ (3,262.59)	\$ 41,739.25	\$ (8,666,522.24)	\$ 1,482,213.30	\$ (1,391,918.11)	\$ (6,963,017.19)
Other Financing Sources (uses)								
Bond Proceeds	\$ 266,666.68	\$ 229,742.85	\$ 151,131.91	\$ 17,611,252.93	\$ 2,544,614.83	\$ 12,572,702.09	\$ 6,712,000.00	\$ 6,712,000.00
Transfers in	(266,666.68)	(229,742.85)	(151,131.91)	(611,292.93)	(2,544,614.83)	(12,572,702.09)	1,068,317.08	1,068,317.08
Transfers out							(6,712,000.00)	(6,712,000.00)
Total Other financing sources (uses)	\$ (6,573,328.58)	\$ 881,287.69	\$ (3,262.59)	\$ 17,041,739.25	\$ (6,666,522.24)	\$ 1,482,213.30	\$ 5,320,081.89	\$ (6,963,017.19)
Net change in fund balances	2.88%	2.87%	2.86%	2.34%	2.25%	2.01%	2.24%	2.50%
Debt service as a percentage of non-capital expenditures								

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>
2013	\$ 259,480.36	\$ 189,794.35	\$ 58,575.90	\$ 62,624.20	\$ 176,054.82	\$ 746,529.63
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
2005	109,759.75	159,735.08	153,182.71	404,744.47	35,545.70	862,967.71
2004	397,599.55	235,931.49	133,545.72	261,214.89	35,806.70	1,064,098.35

Source: District Records

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

<u>YEAR</u>	<u>VACANT LAND</u>	<u>RESIDENTIAL</u>	<u>COMMERCIAL</u>	<u>INDUSTRIAL</u>	<u>APARTMENT</u>	<u>TOTAL ASSESSED VALUE</u>	<u>TAX EXEMPT PROPERTY</u>	<u>PUBLIC UTILITIES a</u>	<u>NET VALUATION TAXABLE</u>	<u>EQUALIZED VALUE</u>	<u>TOTAL DIRECT SCHOOL TAX RATE b</u>
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	186,872,400.00	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	748,316,700.00	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	7.060
2008	7,689,100.00	741,040,200.00	190,989,300.00	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	102,858,600.00	21,539,000.00	1,061,499,800.00	190,388,600.00	1,585,057.00	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	189,644,200.00	1,906,690.00	1,064,996,290.00	7,086,646,343.00	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

TOWNSHIP OF UNION SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN YEARS
UNAUDITED

(RATE PER \$100 OF ASSESSED VALUATION)

YEAR	UNION TOWNSHIP SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES			TOTAL DIRECT AND OVERLAPPING TAX RATE
	BASIC RATE ^a	GENERAL OBLIGATION DEBT SERVICE ^b	TOTAL DIRECT	UNION TOWNSHIP	UNION COUNTY		
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
2004	5.520	0.250	5.770	4.333	2.081		12.184

Source: Township Audits and Audited Financial Statements.

Note:

NJSA 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>2012</u>	<u>AS A %</u> <u>OF DISTRICT'S</u> <u>NET ASSESSED</u> <u>VALUATION</u>
MERCK Corporation	\$	17,287,900.00	1.67%
Union Mill Run, LLC		10,450,000.00	1.01%
Union 22 Plaza		8,928,600.00	0.86%
Union VF, LLC		8,500,000.00	0.82%
McMinn - L. Robins, Trustee		7,250,000.00	0.70%
VNO 2445 Springfield Ave.		6,400,000.00	0.62%
Liberty Hall Joint Venture		3,855,600.00	0.37%
Bed, Bath & Beyond		3,836,300.00	0.37%
Target Corporation		3,372,700.00	0.33%
Dayton Hudson Corp		<u>3,029,400.00</u>	<u>0.29%</u>
<u>TOTAL</u>	\$	<u>72,910,500.00</u>	<u>7.05%</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 LEVY</u>		<u>CURRENT TAX COLLECTIONS a</u>		<u>PERCENT OF TAX LEVY COLLECTED</u>
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%
2003		121,988,508.60		119,290,707.60		97.79%

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						
2013	\$ 31,872,000.00	\$	\$	\$	\$	\$ 31,872,000.00	**	\$	**	\$	**
2012	33,587,000.00					33,587,000.00	**		587.97	57,124	**
2011	28,320,000.00					28,320,000.00	0.96%		497.24	56,954	51,860
2010	28,542,000.00					28,542,000.00	1.00%		503.00	56,744	50,448
2009	29,717,000.00					29,717,000.00	1.14%		553.70	53,670	48,723
2008	30,832,000.00					30,832,000.00	1.11%		578.08	53,335	52,307
2007	31,877,000.00	400,000.00		2,400,000.00		34,677,000.00	1.28%		649.84	53,362	50,752
2006	32,862,000.00	782,812.50		7,000,000.00		40,644,812.50	1.56%		756.56	53,723	48,636
2005	33,907,000.00	1,274,486.16				35,181,486.16	1.47%		649.82	54,140	44,243
2004	34,052,000.00	2,029,849.27				36,081,849.27	1.55%		661.35	54,558	42,775

Sources: 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

FISCAL YEAR ENDED JUNE 30	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
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding							
2013	\$ 31,872,000.00	\$ -	\$ 31,872,000.00	3.11%	**	\$ 1,025,014,244.00	\$ 31,872,000.00	3.11%	**	**
2012	33,587,000.00	-	33,587,000.00	3.25%	587.97	1,034,416,237.00	33,587,000.00	3.25%	587.97	57,124
2011	28,320,000.00	-	28,320,000.00	2.70%	487.24	1,048,635,256.00	28,320,000.00	2.70%	487.24	56,954
2010	26,542,000.00	-	26,542,000.00	2.70%	503.00	1,055,338,039.00	26,542,000.00	2.70%	503.00	58,744
2009	29,717,000.00	-	29,717,000.00	2.81%	583.70	1,056,893,138.00	29,717,000.00	2.81%	583.70	53,670
2008	30,832,000.00	-	30,832,000.00	2.90%	578.08	1,082,297,870.00	30,832,000.00	2.90%	578.08	53,335
2007	31,877,000.00	-	31,877,000.00	3.00%	587.37	1,063,084,867.00	31,877,000.00	3.00%	587.37	53,382
2006	33,862,000.00	-	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, 2013
UNAUDITED

<u>Governmental Unit</u>	Debt Outstanding	Estimated Percentage Applicable ^a	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes			
Township of Union	\$ 35,333,173.55	100.00%	\$ 35,333,173.55
Union County General Obligation Debt	548,231,132.54	9.698%	<u>53,168,442.05</u>
Subtotal, Overlapping Debt			88,501,615.60
Union Township School District Debt			<u>31,872,000.00</u>
Total Direct and Overlapping Bonded Debt			\$ <u><u>120,373,615.60</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 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.

LEGAL DEBT MARGIN INFORMATION
 LAST SEVEN FISCAL YEARS
 UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2012

YEAR	Legal Debt Margin Calculation for Fiscal year 2012
2012	\$ 6,378,388,511.00
2011	6,814,242,523.00
2010	7,086,114,987.00
	<u>\$ 20,278,746,031.00</u>
	Average equalized valuation of taxable property \$ 6,759,562,010.33
	Debt Limit (4% of \$6,759,562,010.33) \$ 270,383,280.41 ^a
	Net Bonded school debt <u>31,872,000.00</u>
	Legal debt margin \$ <u>238,511,280.41</u>

	Fiscal year						
	2006	2007	2008	2009	2010	2011	2012
Debt Limit	\$ 225,686,389.39	\$ 253,534,219.44	\$ 261,289,986.97	\$ 303,674,679.04	\$ 295,372,402.12	\$ 282,687,908.27	\$ 270,383,280.41
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>
Legal Debt margin	\$ <u>192,824,389.39</u>	\$ <u>221,657,219.44</u>	\$ <u>250,457,986.97</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>
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%

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 NJS A 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>
2012	57,124		**	9.20%
2011	56,954		51,860.00	9.70%
2010	56,744		50,448.00	9.60%
2009	53,670		48,723.00	9.10%
2008	53,335		52,307.00	5.30%
2007	53,362		50,752.00	4.40%
2006	53,723		48,636.00	4.40%
2005	54,140		44,243.00	4.20%
2004	54,558		42,775.00	3.80%
2003	54,927		41,452.00	4.70%

** 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

2012			
<u>Employer</u>	<u>Employees</u>	<u>Rank [Optional]</u>	<u>Percentage of Total Municipal Employment</u>
Union Board of Education	1,050	2	0.42%
Cintas Corporation	190	9	0.08%
Costco	200	8	0.08%
Emiliani Enterprises	275	6	0.11%
Lowe's Home Improvement	300	5	0.12%
Mulberry Metal Products	150	10	0.06%
Planet Honda	136	11	0.05%
Merck	1,400	1	0.56%
Union Township	465	4	0.18%
Union Center National Bank	214	7	0.09%
	<u>4,380</u>		<u>1.74%</u>

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

Function/Program	2013	2012	2011	2010	2009	2008	2007	2006
Instruction								
Regular	527	523	533	582	503	578	565	552
Special education	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	171	168	170	172	163	150	144	143
General administration	10	10	14	14	12	13	12	11
School administrative services	48	48	48	50	51	48	48	45
Central services	10	10	10	9	9	8	8	8
Administrative Information Technology	7	7	7	7	5	4	4	2
Plant operations and maintenance	137	137	146	136	132	92	94	93
Pupil transportation	72	72	74	80	83	85	85	85
Total	1,141	1,130	1,153	1,212	1,112	1,093	1,072	1,086

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

Source: District Personnel Records

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

FISCAL YEAR	a		b		Pupil Teacher Ratio d				% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE	
	ENROLLMENT	OPERATING EXPENDITURES	% CHANGE	TEACHING STAFF	ELEMENTARY SCHOOL	MIDDLE SCHOOL	HIGH SCHOOL	AVERAGE DAILY ENROLLMENT			AVERAGE DAILY ATTENDANCE
2013	7,414	\$ 120,339,498.58	15.15%	686	1:11	1:11	1:11	7,492.7	7,108.70	-3.45%	94.88%
2012	7,654	113,193,620.78	8.48%	689	1:11	1:11	1:11	7,510.7	7,137.30	-3.23%	95.03%
2011	7,702	115,503,999.85	11.00%	665	1:11	1:11	1:11	7,530.5	7,129.50	-2.97%	94.67%
2010	7,568	114,463,977.55	5.54%	685	1:11	1:10	1:11	7,760.7	7,353.70	-0.01%	94.76%
2009	7,672	109,257,645.19	5.48%	667	1:15	1:12	1:12	7,761.2	7,337.00	-1.67%	94.53%
2008	7,893	110,828,244.03	5.18%	693	1:14	1:13	1:13	7,893.0	7,443.00	-0.32%	94.30%
2007	7,946	104,481,430.66	3.87%	651	1:14	1:13	1:13	7,918.3	7,471.60	-0.71%	94.36%
2006	7,877	98,292,686.05		660	1:20	1:24	1:21	7,975.3	7,541.00		94.55%

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

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 2013
UNAUDITED

(modified accrual basis of accounting)

	2013
<u>District Building</u>	
<u>Elementary</u>	
Battle Hill	
Square Feet	51,983
Capacity (students)	387.3
Enrollment	417.0
Connecticut Farms	
Square Feet	50,839
Capacity (students)	513.3
Enrollment	420.0
Franklin	
Square Feet	55,065
Capacity (students)	580.8
Enrollment	448.0
Hamilton	
Square Feet	20,670
Capacity (students)	312
Enrollment	0.0
Hannah Caldwell	
Square Feet	60,022
Capacity (students)	549.9
Enrollment	585.0
Livingston	
Square Feet	49,232
Capacity (students)	525.0
Enrollment	423.0
Washington	
Square Feet	53,259
Capacity (students)	655.8
Enrollment	585.0
Jefferson	
Square Feet	69,000
Capacity (students)	660.0
Enrollment	541.0
<u>Middle School</u>	
Burnet	
Square Feet	147,996
Capacity (students)	1,035.8
Enrollment	1,086.0
Kawameeh	
Square Feet	97,257
Capacity (students)	821.6
Enrollment	651.0

TOWNSHIP OF UNION SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
FISCAL YEAR 2013
(CONTINUED)
(modified accrual basis of accounting)

District Building

High School

Union High School

Square Feet	298,463
Capacity (students)	2,227.9
Enrollment	2,382.0

Other

Field House

Square Feet	11,316
Capacity (students)	
Enrollment	

Administration Building

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

Number of Schools at June 30, 2013

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 EIGHT FISCAL YEARS
 UNAUDITED

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

* School Facilities	Project #	2013	2012	2011	2010	2009	2008	2007	2006
Battle Hill	N/A	\$ 72,189.52	\$ 33,895.71	\$ 24,987.10	\$ 35,389.06	\$ 38,588.97	\$ 34,819.04	\$ 35,032.34	\$ 29,418.39
Connecticut Farms	N/A	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	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	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		8,166.57	10,127.82	24,632.39	44,616.07	12,371.75	19,139.39	13,858.38
Livingston	N/A	58,571.98	91,485.37	37,799.02	25,491.54	32,854.49	16,110.20	21,778.98	21,529.99
Washington	N/A	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	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	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	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	86,764.37	37,645.30	31,744.53	47,191.75	41,313.09	55,884.91	53,067.88	39,850.74
		\$ 964,266.97	\$ 501,699.36	\$ 352,750.27	\$ 448,179.20	\$ 472,878.63	\$ 564,743.38	\$ 396,854.95	\$ 406,023.80
District Wide Facilities	N/A	\$ 1,150,572.72	\$ 1,088,272.92	\$ 975,751.59	\$ 1,130,639.56	\$ 74,302.44	\$ 82,611.84	\$ 63,921.82	\$ 63,921.82
Total School Facilities		\$ 2,114,839.69	\$ 1,589,972.28	\$ 1,328,501.86	\$ 1,578,818.76	\$ 547,181.07	\$ 647,555.22	\$ 460,776.77	\$ 469,945.62

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

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
INSURANCE SCHEDULE
JUNE 30, 2013
UNAUDITED

	COMPANY	COVERAGE	DEDUCTIBLE
Commercial Package Policy			
Property:			
	American Guarantee & Liability Insurance Company	\$174,828,727	5,000
All Buildings and Personal Property			
Demolition Coverage		2,000,000	
Increased Cost of Construction		2,000,000	
Newly Acquired Property - Building		500,000	
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	500,000 Separately per building & contents
Flood - Zone A, & V		1,000,000	100,000 Separately per building & contents
Flood - Zone B Included Shaded X		2,000,000	
Earthquake		5,000,000	5% 5,000 Standard Perils 5,000 Earthquake 25,000 Flood 5,000 Mechan. Breakdown
Electronic Data Processing Equipment		3,000,000	
Boiler and Machinery		75,000,000	5,000
	American Guarantee & Liability Insurance Company		
General Liability:			
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	
	American Guarantee & Liability Insurance Company		
Employee Benefits:			
Program Liability:			
Each Claim		1,000,000	1,000
Aggregate		1,000,000	
	American Guarantee & Liability Insurance Company		
Commercial Umbrella			
General Liability		10,000,000	10,000 Retention- Limit applies to each occurrence and aggregate
	American Guarantee & Liability Insurance Company		
Business Auto Liability:			
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
	American Zurich Insurance Company		
Public Employees Comprehensive Crime Coverage:			
Faithful Performance Blanket		500,000	5,000
Depositors Forgery or Alteration		50,000	1,000
Computer Fraud		50,000	1,000
	ACE American Insurance Company		
School Leaders Legal Liability:			
Each Occurrence		10,000,000	25,000
Employment Practices Liability		Included	
Aggregate		10,000,000	

TOWNSHIP OF UNION SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2013
UNAUDITED

	COMPANY	COVERAGE	DEDUCTIBLE
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		10,000	
Business Administrator		10,000	

Source: Union Township Board of Education

SINGLE AUDIT SECTION



SUPLEE, CLOONEY & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

EXHIBIT "K-1"

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

Telephone 908-789-9300

Fax 908-789-8535

E-mail info@senco.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, 2013, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated October 21, 2013.

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*.

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. 93

October 21, 2013



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

EXHIBIT "K-2"

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 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, 2013. 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, 2013.

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.

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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

October 21, 2013


PUBLIC SCHOOL ACCOUNTANT NO. 93

TOWNSHIP OF UNION SCHOOL DISTRICT
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
FOR THE FISCAL YEARS ENDED JUNE 30, 2013

FEDERAL CFDA NUMBER	FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	GRANT PERIOD	AWARD AMOUNT	BALANCE AT AT JUNE 30, 2012	CARRY-OVER	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS	REPAYMENT OF PRIOR YEAR'S BALANCE	(ACCOUNTS RECEIVABLE) AT JUNE 30, 2013	DEFERRED REVENUE AT JUNE 30, 2013	DUE TO GRANTOR AT AT JUNE 30, 2013
84.410	U.S. Department of Education General Fund ARPA - Education Jobs Fund	7/01/11-8/30/12	2,749.00	\$	\$	\$	(2,749.00)	\$	\$	(2,749.00)	\$	\$
93.778	Medicaid Administrative Claiming (MAC)	7/01/12-6/30/13	10,219.28			10,219.28	(10,219.28)					
93.778	Medical Assistance Program (SEMI)	7/01/11-6/30/12	134,869.15	(12,598.17)		12,598.17						
93.778	Medical Assistance Program (SEMI)	7/01/12-6/30/13	86,987.10			86,987.10	(86,987.10)					
	Total General Fund		\$	(12,598.17)	\$	109,504.55	(99,656.36)	\$	\$	(2,749.00)	\$	\$
	U.S. Department of Education Passed-through State Department of Education: Special Revenue Fund											
84.010	Title I - Part A	9/1/12-8/31/13	1,043,093.94	\$	\$	183,087.00	(408,886.10)	\$	\$	(216,749.10)	\$	\$
84.010	Title I - Part A	9/1/11-8/31/12	1,009,761.05	(339,168.28)		339,168.28						
84.010	Title I - Part A	9/1/11-8/31/12	1,009,761.05			227,641.72	(227,642.23)			(0.51)		
84.397	Title II - Part A	9/1/12-8/31/13	188,896.41			99,039.00	(185,604.44)			(86,565.44)		
84.397	Title II - Part A	9/1/11-8/31/12	210,788.09	(107,481.00)		107,481.00						
84.367	Title II - Part A	9/1/11-8/31/12	210,788.09			1,437.00	(1,437.00)					
84.385	Title III - English Language Title III - Immigrant	9/1/11-8/31/12	704.39	(601.00)		601.00						
84.365	Title III - Immigrant	9/1/12-8/31/13	52,150.62			19,139.00	(49,274.46)			(30,135.46)		
84.186	Title IV - Safe and Drug Free Schools Vocational Education	9/1/11-8/31/12	48,425.08	(30,161.00)		30,161.00						
84.048	Vocational Education	9/1/11-8/31/12	45,233.00			1,743.00	(29,922.24)			(28,179.24)		
84.048	Vocational Education	9/1/11-8/31/12	46,649.00	(43,611.00)		43,611.00						
84.027	I.D.E.A. Part B Basic	9/1/12-8/31/13	1,915,960.57			975,590.00	(1,863,721.27)			(868,131.27)		
84.027	I.D.E.A. Part B Basic	9/1/11-8/31/12	1,826,781.44	(640,379.65)		640,379.65						
84.027	I.D.E.A. Part B Basic	9/1/11-8/31/12	1,826,781.44			156,174.18	(156,174.18)					
84.173	I.D.E.A. Part B Preschool	9/1/12-8/31/13	56,135.00			37,903.00	(56,135.00)			(18,232.00)		
84.173	I.D.E.A. Part B Preschool	9/1/11-8/31/12	55,656.46	(22,907.00)		22,907.00						
84.173	I.D.E.A. Part B Preschool	9/1/11-8/31/12	55,656.46			562.00	(563.00)			(1.00)		
84.413 A	Race to the Top Total U.S. Department of Education	9/1/11-11/30/15	66,245.00	\$	\$	50,000.00	(65,000.00)	\$	\$	(15,000.00)	\$	\$
	Total Special Revenue Fund		\$	(1,184,298.93)	\$	2,946,614.83	(3,045,309.92)	\$	\$	(1,282,994.02)	\$	\$
	Enterprise Fund: U.S. Department of Agriculture Passed-through State Department of Education:											
10.550	Food Distribution Commodities Program	9/1/12-8/31/13	118,808.23	\$	\$	118,808.23	(118,808.23)	\$	\$	\$	\$	\$
10.553	School Breakfast Program	9/1/11-8/31/12	140,437.83	(25,917.09)		25,917.09						
10.553	School Breakfast Program	9/1/12-8/31/13	140,916.01			123,480.09	(140,916.01)			(17,435.92)		
10.555	National School Lunch Program	9/1/10-8/31/11	1,071,558.42	(65,616.89)		95,816.89						
10.555	National School Lunch Program	9/1/12-8/31/13	1,101,989.07	(91,733.96)		1,011,073.63	(1,101,989.07)			(90,915.44)		
	Total Enterprise Fund		\$	(1,288,631.05)	\$	1,345,095.93	(1,361,713.31)	\$	\$	(108,351.36)	\$	\$
	Total Federal Financial Assistance		\$	(1,184,298.93)	\$	4,401,215.31	(4,506,676.61)	\$	\$	(1,394,094.38)	\$	\$

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, 2013

STATE GRANT OR PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2012		CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS/ REPAYMENT OF PRIOR YEARS BALANCES	BALANCE AT JUNE 30, 2013		MEMO
				DEFERRED REVENUE (ACCTS RECEIVABLE)	DUE TO GRANTOR				(ACCTS RECEIVABLE)	DEFERRED REVENUE	
State Department of Education											
General Funds:											
Equalization Aid	13- 495-034-5120-078	\$ 25,491,399.00	7/1/12-6/30/13	\$	\$	\$ 22,969,110.00	\$ (25,491,399.00)	\$	\$	\$ 2,523,289.00	\$ 25,491,399.00
Equalization Aid	12- 495-034-5120-078	24,343,701.00	7/1/11-6/30/12	(2,427,384.00)		2,427,384.00					
Special Education Categorical Aid	13- 495-034-5120-089	4,520,284.00	7/1/12-6/30/13			4,089,282.00	(4,520,284.00)			(431,002.00)	4,520,284.00
Special Education Categorical Aid	12- 495-034-5120-089	4,279,517.00	7/1/11-6/30/12	(410,899.00)		410,899.00					
Nonpublic School Transportation Aid	Not Available	63,115.67	7/1/12-6/30/13			76,242.00	(63,115.67)			63,115.67	63,115.67
Nonpublic School Transportation Aid	Not Available	76,242.00	7/1/11-6/30/12	(76,242.00)							
Extraordinary Aid	13- 495-034-5120-044	1,107,515.00	7/1/12-6/30/13			1,136,948.00	(1,107,515.00)			1,107,515.00	1,107,515.00
Extraordinary Aid	12- 495-034-5120-044	1,136,948.00	7/1/11-6/30/12	(1,136,948.00)							
Categorical Transportation Aid	13- 495-034-5120-014	309,228.00	7/1/12-6/30/13			278,303.00	(309,228.00)			30,925.00	309,228.00
Categorical Security Aid	13- 495-034-5120-064	312,596.00	7/1/12-6/30/13			281,338.00	(312,596.00)			31,258.00	312,596.00
Reimbursed TPAF Social Security Contributions	12- 495-034-5095-022	3,690,730.96	7/1/11-6/30/12	(214,913.55)		214,913.55					
Reimbursed TPAF Social Security Contributions	13- 495-034-5095-022	3,795,563.83	7/1/12-6/30/13			3,608,942.75	(3,795,563.83)			(186,621.08)	3,795,563.83
Total General Funds				\$ (4,265,385.55)	\$	\$ 35,482,362.30	\$ (35,599,701.50)	\$	\$	\$ 4,373,725.75	\$ 35,599,701.50
Special Revenue Fund:											
N.J. Nonpublic Aid:											
Textbook Aid	13- 100-034-5120-064	29,537.00	7/1/12-6/30/13	\$	\$	29,537.00	(29,507.78)	\$	\$	29.22	\$ 29,507.78
Textbook Aid	12- 100-034-5120-064	28,008.00	7/1/11-6/30/12	46.80				(46.80)			
Nursing Services	13- 100-034-5120-070	40,997.00	7/1/12-6/30/13			40,997.00	(40,130.59)			866.41	40,130.59
Nursing Services	12- 100-034-5120-070	40,007.00	7/1/11-6/30/12	393.51				(393.51)			
Technology Initiative Program	13- 100-034-5120-373	10,901.00	7/1/12-6/30/13			10,901.00	(10,857.24)			43.76	10,857.24
Auxiliary Services:											
Compensatory Education	13- 100-034-5120-067	143,972.00	7/1/12-6/30/13			143,972.00	(143,972.00)				143,972.00
English as a Second Language	13- 100-034-5120-067	8,185.00	7/1/12-6/30/13			8,185.00	(8,185.00)				8,185.00
English as a Second Language	12- 100-034-5120-067	10,344.00	7/1/11-6/30/12	1,724.00				(1,724.00)			
Home Instruction	13- 100-034-5120-067	1,605.48	7/1/12-6/30/13			13,304.00	(1,605.48)			(1,605.48)	1,605.48
Transportation	13- 100-034-5120-067	13,304.00	7/1/12-6/30/13				(13,304.00)				13,304.00
Handicapped Services:											
Supplemental Instruction	13- 100-034-5120-066	29,280.00	7/1/12-6/30/13			29,280.00	(29,280.00)				29,280.00
Examination & Classification	13- 100-034-5120-066	35,674.00	7/1/12-6/30/13			35,674.00	(35,674.00)				35,674.00
Corrective Speech	13- 100-034-5120-066	21,092.00	7/1/12-6/30/13			21,092.00	(21,092.00)				21,092.00
Corrective Speech	12- 100-034-5120-066	18,167.00	7/1/11-6/30/12	790.00				(790.00)			
Total Special Revenue Fund				\$ 2,944.31	\$	\$ 332,942.00	\$ (333,608.08)	\$	\$	\$ 939.39	\$ 333,608.09

TOWNSHIP OF UNION SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

STATE GRANT OR PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2012		CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS/ REPAYMENT OF PRIOR YEARS BALANCES	BALANCE AT JUNE 30, 2013		MEMO CUMULATIVE TOTAL EXPENDITURES	
				DEFERRED REVENUE (ACCTS RECEIVABLE)	DUE TO GRANITOR				(ACCOUNTS RECEIVABLE)	DEFERRED REVENUE DUE TO GRANITOR		
Capital Projects Fund												
New Jersey Economic Development Authority												
Demolish and Replace:												
Central Five-Jefferson School	5290-085-09-1003	\$ 5,259,907.00			\$ (4,753,916.30)	\$ 1,577,972.10	(1,577,972.10)		\$ (3,156,944.20)	\$	(3,156,944.20)	
Total Capital Projects Fund					\$ (4,753,916.30)	\$ 1,577,972.10	(1,577,972.10)		\$ (3,156,944.20)	\$	(3,156,944.20)	
Debt Service Fund:												
Debt Service Aid Type II												
	13- 495-034-5120-075	126,523.00	7/1/12-6/30/13			126,523.00	(126,523.00)				126,523.00	
Total Debt Service Fund						126,523.00	(126,523.00)				126,523.00	
Enterprise Fund:												
State School Lunch Program												
	13- 100-010-3350-023	35,183.07	7/1/12-6/30/13			32,265.18	(35,183.07)		(2,917.89)		35,183.07	
State School Lunch Program	12- 100-010-3350-023	37,601.44	7/1/11-6/30/12		(2,144.64)	2,144.64						
Total Enterprise Fund					(2,144.64)	34,399.82	(35,183.07)		(2,917.89)		35,183.07	
Total State Financial Assistance subject to State OMB 04-04					(9,002,447.49)	2,944.31	(37,672,987.76)	(2,944.31)	(7,634,203.32)	939.39	1,217,781.55	

On-behalf TPAF Contributions Not Subject to OMB 04-04:
 On-behalf TPAF Non-contributory insurance \$ 3,444,456.00 (3,444,456.00)
 On-behalf TPAF Post retirement medical 3,884,809.00 (3,884,809.00)
 44,903,464.22 (45,012,252.76)

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, 2013

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 \$135,631.67.00 for the general fund and \$89,363.23 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, 2013

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 99,655.38	\$ 42,803,334.83	\$ 42,902,990.21
Special Revenue Fund	2,955,946.69	333,608.09	3,289,554.78
Capital Projects Fund		1,577,972.10	1,577,972.10
Debt Service Fund		126,523.00	126,523.00
Food Service Fund	<u>1,361,713.31</u>	<u>35,183.07</u>	<u>1,396,896.38</u>
	\$ 4,417,315.38	\$ 44,876,621.09	\$ 49,293,936.47
GAAP Adjustment	<u>89,363.23</u>	<u>135,631.67</u>	<u>224,994.90</u>
Total Awards & Financial Assistance	<u>\$ 4,506,678.61</u>	<u>\$ 45,012,252.76</u>	<u>\$ 49,518,931.37</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, 2013. 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, 2013.

NOTE 6. PRIOR PERIOD ADJUSTMENT

The Schedule of Expenditures of Federal Awards, for the year ended June 30, 2013, was adjusted to reflect the cancellation of \$39,336.67 of prior year encumbrances and payables. The Schedule of Expenditures of State Financial Assistance for the year ended June 30, 2013 was not adjusted.

Township of Union School District
Union County, New Jersey

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2013

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? | N/A |
| (3) | Noncompliance material to the basic financial statements noted? | No |

Federal Program(s)

- | (1) | Internal Control Over Major Federal Programs: | | | | | | | | | | | |
|--------------------------|---|-----------------------|-------------|----------------|--------|-------------|--------|--------------------------|--------|-----------------------|--------|--|
| | (a) Material weaknesses identified? | None Reported | | | | | | | | | | |
| | (b) Significant deficiencies identified that are not considered to be material weaknesses? | N/A | | | | | | | | | | |
| (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? | None Reported | | | | | | | | | | |
| (4) | Identification of Major Federal Programs: | | | | | | | | | | | |
| | <table border="0" style="width: 100%;"> <thead> <tr> <th style="text-align: left;"><u>Grant Programs</u></th> <th style="text-align: left;"><u>CFDA</u></th> </tr> </thead> <tbody> <tr> <td>Title I Part A</td> <td>84.010</td> </tr> <tr> <td>IDEA Part B</td> <td>84.027</td> </tr> <tr> <td>School Breakfast Program</td> <td>10.553</td> </tr> <tr> <td>National School Lunch</td> <td>10.555</td> </tr> </tbody> </table> | <u>Grant Programs</u> | <u>CFDA</u> | Title I Part A | 84.010 | IDEA Part B | 84.027 | School Breakfast Program | 10.553 | National School Lunch | 10.555 | |
| <u>Grant Programs</u> | <u>CFDA</u> | | | | | | | | | | | |
| Title I Part A | 84.010 | | | | | | | | | | | |
| IDEA Part B | 84.027 | | | | | | | | | | | |
| School Breakfast Program | 10.553 | | | | | | | | | | | |
| National School Lunch | 10.555 | | | | | | | | | | | |
| (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, 2013

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

State Program(s)

- (1) Internal Control Over Major State Programs:
- (a) Material weaknesses identified? None Reported
- (b) Significant deficiencies that are not considered to be material weaknesses? N/A
- (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? None Reported
- (4) Identification of Major State Programs:
- | <u>Grant Programs</u> | <u>Account Number</u> |
|--------------------------------|-----------------------|
| Equalization Aid | 13- 495-034-5120-078 |
| Categorical Transportation Aid | 13- 495-034-5120-014 |
| Categorical Security Aid | 13- 495-034-5120-084 |
| NJDEA | 13- 5290-085-09-1003 |
| Compensatory Aid | 13- 100-034-5120-067 |
- (5) Program Threshold Determination:
- Type A State Program Threshold > \$1,130,189.63
- Type B State Program Threshold <= \$1,130,189.63
- (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, 2013

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

All prior year audit recommendations have been implemented.

