

**Annual Comprehensive
Financial Report**

of the

**Township of Union, Board of Education
County of Union
Union, New Jersey**

For the Fiscal Year Ended June 30, 2025

Prepared by

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

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INTRODUCTORY SECTION



Township of Union Public Schools

December 22, 2025

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

Dear Board Members:

The Annual Comprehensive Financial Report (ACFR) of the Township of Union School District (the "District") for the fiscal year ended June 30, 2025 is hereby submitted. This ACFR includes the District's Basic Financial Statements prepared in accordance with U.S. generally accepted accounting principles for governmental entities as established by the Governmental Accounting Standards Board. 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 School District. 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 of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Annual Comprehensive Financial Report is presented in four sections as follows:

- The Introductory Section includes this transmittal letter, the District's organizational chart and a list of principal officials.
- The Financial Section begins with the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the School District's financial position and operating results, and other schedules providing detailed budgetary information.
- The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis.
- The Single Audit Section - The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996, P.L. 104 - 156 and the Uniform Guidance and the New Jersey OMB's Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES: The Township of Union School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14.. All funds 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-K through 12. These include regular as well as special education for handicapped youngsters.



Township of Union Public Schools

2. ECONOMIC CONDITION AND OUTLOOK: The Township of Union, in the County of Union, is experiencing a period of economic stability and modest but steady growth. This outlook mirrors that of the region (Northeastern United States) itself. The Township's proximity to transportation and employment centers in New York City and Northern NJ contributes towards maintaining this outlook. Within Union County, the unemployment rate of approximately 5% and the employment outlook is relatively stable for those entering the workforce.

Residential, commercial and industrial properties continue to see increases in values, with room for further growth with low vacancy rates, rising rents as property appreciates in strategic areas. Development within the Township is strong. There are two major multi-phased mixed-use developments in the Township which are in construction and will further improve the local economic conditions. Our records have shown that these types of transit oriented and downtown development have been attracting many school age children and the rentals to date have been consistent with our school records. The School District with the collaboration of the Township will need to explore options to house our enrollments. The major commercial tax appeals have leveled off. Union Train Station and the surrounding transit-oriented area will continue to demonstrate economic growth. The Township remains well positioned for continued economic stability and steady growth.

3. MAJOR INITIATIVES:

Initiative One - The Township of Union School District has implemented the strategic plan, which was created by 79 stakeholders, that focuses on the growth of leaders district staff and faculty, the enhancement of curriculum and programs to meet the ongoing needs and interests of all students, the development of highly effective intervention programs for students, and developing a more equitable and equity-conscious school environment for staff and students. The district engaged in research related to all of these areas in order to create a strategic plan and develop partnerships with various companies and consultants to support the strategic plan.

Initiative Two - The Township of Union School District is committed to providing equity and access to quality instruction as well as developing a more equitable and equity-conscious school environment for staff and students. Teachers are provided multiple professional development learning opportunities throughout the year in order to assist them with implementing curriculum programs effectively, utilizing effective and engaging teaching strategies, and providing meaningful assessments to students. Additionally, the district engaged in ongoing partnership with NJPSA/FEA via the "Strengthening Teaching, Leading, and Learning Grant" to further develop the Connected Action Roadmap process in elementary Mathematics. Lastly, the district implemented new technology, music, and economics courses at the high school to address the learning interest of students.



Township of Union Public Schools

3. MAJOR INITIATIVES (CONTINUED):

Initiative Three - The Township of Union School District will continue the implementation of SEL. NJ PBSIS will provide professional development for building leaders; these leaders will share PBSIS information with their staff and faculty to support the implementation of tiered interventions for a range of school intervention needs that include conduct, behavior and social and emotional wellness. The continued implementation of Response to Intervention (RTI) will help support every student academically and enhance the support of PBSIS. In addition, the incorporation of Connection Days throughout the district allows students and staff in each school to take time to develop SEL skills and form school-community relationships.

Initiative Four - The Township of Union School District will continue to build positive public relations with the community and invested stakeholders. Fostering two-way communication between the community and the school district is one strategy to help build a stronger trust and confidence in the district community. This is accomplished in part through enhanced dissemination of messages using our new communication systems called Parent Square, through email, and the various social media platforms used by the district. Creating partnerships with local government agencies is another way the district is improving its connection to the township community. One such partnership with the local recreation department led to the implementation of a weekend program for special needs students that provides engaging social activities while giving parents and guardians a respite from their childcare responsibilities.

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) there are limited resources and that 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.

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management. As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.



Township of Union Public Schools

legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund and the debt service fund. Amendments to the line items within these funds are approved by the Superintendent and subsequently ratified by the Board of Education, in accordance with state statute and Board Policy.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2025.

6. ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds which are explained in "Notes to the Financial Statements," Note 1.

7. 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's cash management plan allows it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 and updated in 2009 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.

8. RISK MANAGEMENT: The Board of Education carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property damage and contents and fidelity bonds.

9. 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 LLC 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 Amendments of 1996 and the related Uniform Guidance and state Treasury Circular 15-08 OMB. The auditor's report on the basic financial statements and combining individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

Respectfully submitted,

Dr. Gerry Benaquista
Superintendent of Schools

Mrs. Yolanda Koon
School Business Admin./Board Sec'y

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

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Englewood Cliffs, NJ 07632

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

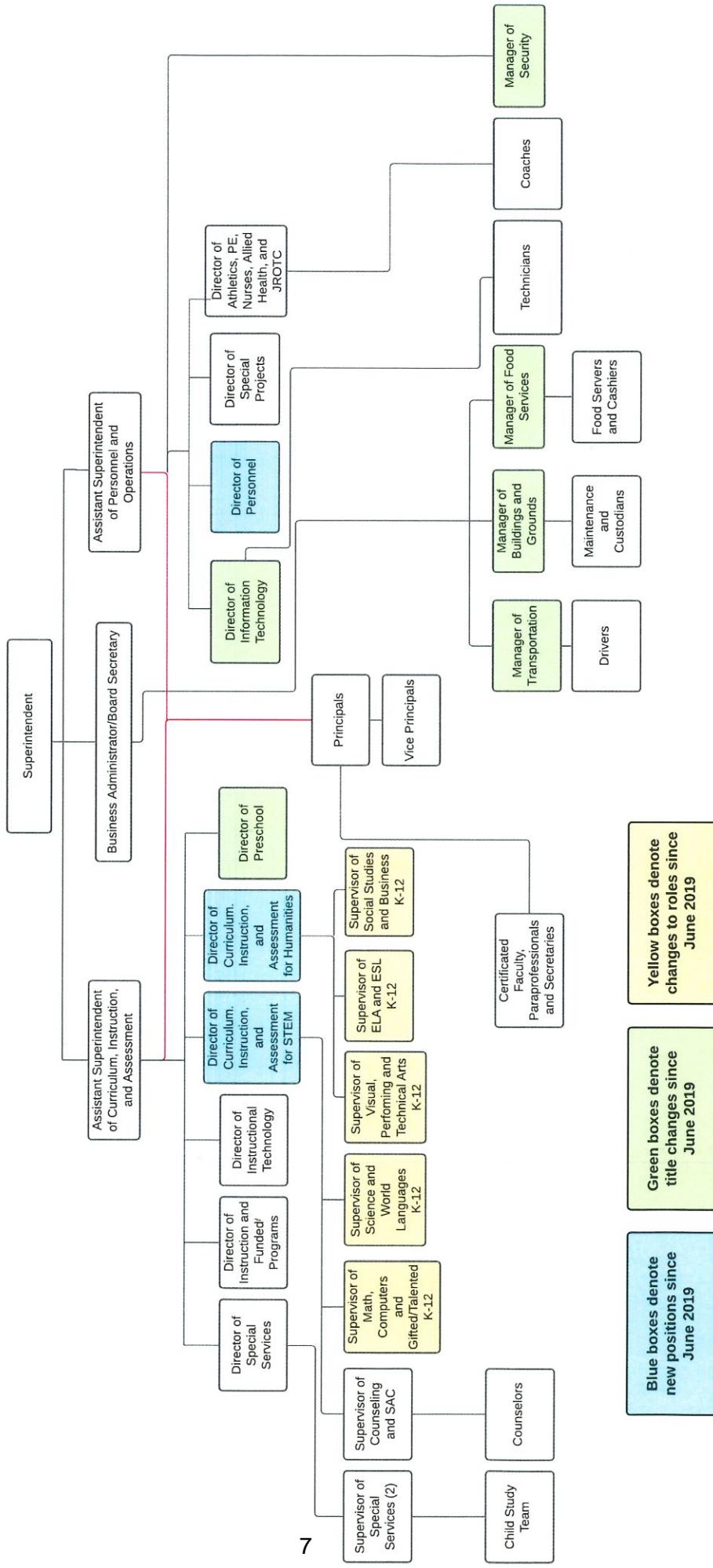
**ROSTER OF OFFICIALS
JUNE 30, 2025**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Dicxiana Carbonell, President	2025
Michael Cohan	2026
Elsie Conteh-Mackey	2026
Guida Faria	2025
Ronnie McDowell	2026
Nancy Minneci	2025
Gregory Nasta	2027
Chastity Santana	2027
Kimberly Scott-Hayden, Vice President	2027

Other Officials

Dr. Gerald Benaquista, Superintendent of Schools
Dr. Jose Rodriguez, Assistant Superintendent of Schools
Marissa McKenzie, Assistant Superintendent of Schools
Yolanda Koon, School Business Administrator/Board Secretary
Anthony Cirella, Manager of Buildings and Grounds
Theodore Georgiou, Treasurer of School Monies

**Township of Union School District
Leadership Team
Proposed Reorganization**



FINANCIAL SECTION



SUPLEE, CLOONEY & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Township of Union School District, in the County of Union, State of New Jersey (the "District") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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 and each major fund of the District as of June 30, 2025, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey, the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (the "Uniform Guidance") the audit requirements of State of New Jersey OMB Circular 15-08 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards and provisions are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

SUPLEE, CLOONEY & COMPANY LLC

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, the Uniform Guidance, the State of New Jersey OMB Circular 15-08 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards the Uniform Guidance, the State of New Jersey OMB Circular 15-08 and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

SUPLEE, CLOONEY & COMPANY LLC

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information in Exhibit C-1 through C-3, the schedules related to accounting and reporting for pensions in Exhibit L-1 through L-4 and the schedules related to accounting and reporting for postretirement benefits other than pensions (OPEB) in Exhibits M-1 and M-2 are presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information schedules and data such as the combining statements 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 the Uniform Guidance, New Jersey's OMB Circular 15-08, "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. Such information 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. The 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 and other 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 combining and individual fund financial statements and the schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

SUPLEE, CLOONEY & COMPANY LLC

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 22, 2025 on our consideration of the 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 effectiveness of the District's 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 District's internal control over financial reporting and compliance.



CERTIFIED PUBLIC ACCOUNTANTS



PUBLIC SCHOOL ACCOUNTANT NO. 962

December 22, 2025

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REQUIRED SUPPLEMENTARY INFORMATION – Part I

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

**TOWNSHIP OF UNION SCHOOL DISTRICT
UNION, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025
UNAUDITED**

The Management's Discussion and Analysis of the Township of Union School District (the "District") offers readers of the District's financial statements a narrative overview of the financial activities for the fiscal year ended June 30, 2025. The intent of this discussion is to look at the District's financial performance as a whole; therefore, readers should also review the transmittal letter at the front of this report, along with the District's financial statements and notes to the financial statements to enhance their understanding of the District's financial performance.

Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – Basic Financial Statements-Management's Discussion and Analysis-for the State and Local Governments issued in June 1999. Certain comparative information between the current fiscal year (2024-2025) and the prior fiscal year (2023-2024) is required to be presented in the MD&A.

In fiscal year 2025 the District implemented GASB Statement No. 101- Compensated Absences. Prior year balances on the district wide financial statements are restated.

Overview of the Financial Statements

This Annual Comprehensive Financial Report ("ACFR") consists of three parts: Management's Discussion and Analysis (this section), The Basic Financial Statements, and Required Supplementary Information. The Basic Financial Statements include two kinds of statements that present different views of the District, District-wide Financial Statements and Fund Financial Statements.

- District-Wide Financial Statements provide both short-term and long-term information about the District's overall financial status.
- Fund Financial Statements report the District's operations in more detail than the District-wide statements on individual parts of the District, the Governmental Funds, Proprietary Funds and Fiduciary Funds.
- Governmental Funds Statements tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- Proprietary Funds Statements offer short and long-term financial information about the activities the District operates like a business, which include food services, community education and summer enrichment programs.

The notes to financial statements are also included, which are an integral part of the financial statements. The information in the notes provides detailed data on the District's financial operations.

Required supplementary information further explains and supports the financial statements with a comparison of the District's budget for the year. Exhibit A-1 reflects how the various parts of this annual report are arranged and related to one another.

**TOWNSHIP OF UNION SCHOOL DISTRICT
UNION, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025
UNAUDITED**

District-Wide Financial Statements

The District-Wide Financial Statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the District's assets and liabilities. All current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or disbursed.

The District-Wide Financial Statements report the District's net position and how they have changed. Net position, the difference between the District's assets and liabilities, is one way to measure the District's financial health or position. Over time, increases or decreases in the District's net position are an indicator of whether its financial position has improved or diminished. The causes of this change may be a result of many factors, some financial and some not. Non-financial factors include the District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the District-Wide Financial Statements, the District's activities are divided into two categories, governmental and business-type activities.

- **Governmental activities** - All of the District's programs and services are reported here including, but not limited to regular and special education instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities. Property taxes and state formula aid finance most of these activities.
- **Business-Type activities** - These services are provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. District charges fees to help it cover the costs of certain services it provided. The food service activities are reported as business activities.

**TOWNSHIP OF UNION SCHOOL DISTRICT
UNION, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025
UNAUDITED**

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on major funds. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. Some funds are required by state law and by bond covenants. The District establishes other funds to control and manage money for particular purposes (i.e., long-term debt) or to show that it is properly using certain restricted revenues (i.e., entitlement grants).

The District maintains two financial funds:

- **Governmental Funds:** The District's activities reported in governmental funds 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 that 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 District's general government operations and the basic services it provides. Governmental fund information helps you 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 district-wide Statement of Net Position and Statement of Activities) and governmental funds statements is reconciled in the financial statements.
- **Proprietary Funds:** Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide financial statements. The District's enterprise funds (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flow.

**TOWNSHIP OF UNION SCHOOL DISTRICT
UNION, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025
UNAUDITED**

Financial Analysis of the District as a Whole

The District's combined net position has increased from the 2023-2024 fiscal year. The net position from governmental activities increased \$7,674,691. Net position from business-type activities decreased (\$187,296). Table 1 below reflects the District's net position as a whole.

Table 1
Condensed Statement of Net Position

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage
	FY 2025	FY 2024	FY 2025	FY 2024	FY 2025	FY 2024	
Current and Other Assets		(as restated)					
Other Assets	\$30,446,819	\$24,103,225	\$479,989	\$497,511	\$30,926,808	\$24,600,736	25.71%
Capital Assets	104,838,726	101,923,315	1,360,139	1,616,412	106,198,864	103,539,727	2.57%
Total Assets	135,285,544	126,026,540	1,840,128	2,113,924	137,125,672	128,140,463	7.01%
Deferred Outflows							
Related to Pensions	5,210,654	6,374,941			5,210,654	6,374,941	(18.26%)
Total Deferred Outflows	5,210,654	6,374,941			5,210,654	6,374,941	(18.26%)
Long-Term Liabilities	50,049,847	54,796,007			50,049,847	54,796,007	(8.66%)
Short-Term Liabilities	20,446,984	15,078,996	315,901	402,290	20,762,885	15,481,285	34.12%
Total Liabilities	70,496,830	69,875,003	315,901	402,290	70,812,731	70,277,292	0.76%
Deferred Inflows							
Related to Gain From Refunding Debt	772,101	936,836			772,101	936,836	(17.58%)
Related to Pensions	2,386,836	2,423,902			2,386,836	2,423,902	(1.53%)
Total Deferred Inflows	3,158,937	3,360,738			3,158,937	3,360,738	(6.00%)
Net Position:							
Net investment in Capital Assets	81,809,939	77,263,624	1,360,139	1,616,412	83,170,078	78,880,037	5.44%
Restricted	10,839,133	9,025,673			10,839,133	9,025,673	20.09%
Unrestricted (Deficit)	(25,808,641)	(27,123,557)	430,894	361,916	(25,377,747)	(26,761,640)	(5.17%)
Total Net Position	\$66,840,431	\$59,165,741	\$1,791,033	\$1,978,329	\$68,631,464	\$61,144,069	12.25%

**TOWNSHIP OF UNION SCHOOL DISTRICT
UNION, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025
UNAUDITED**

Table 2
Changes in Net Position from Operating Results

	Governmental Activities		Business-Type Activities		Total School District	
	<u>FY 2025</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2024</u>
Revenue:						
Program Revenue:						
Charges for Services	\$913,254	\$697,550	\$1,484,631	\$1,638,888	\$2,397,886	\$2,336,438
Operating Grants and Contributions	28,319,944	33,122,755	3,247,738	2,955,487	31,567,681	36,078,243
General Revenue:						
Property Taxes	107,859,735	103,477,143			107,859,735	103,477,143
Federal and State Aid not restricted	60,854,006	50,843,274			60,854,006	50,843,274
Other	<u>3,555,604</u>	<u>5,563,672</u>	<u>10,675</u>	<u>21,212</u>	<u>3,566,279</u>	<u>5,584,884</u>
Total Revenue	<u>201,502,543</u>	<u>193,704,395</u>	<u>4,743,044</u>	<u>4,615,587</u>	<u>206,245,587</u>	<u>198,319,982</u>
Expenses:						
Instruction	118,554,477	114,097,617			118,554,477	114,097,617
Student & Instructional Support Services	33,049,148	32,809,390			33,049,148	32,809,390
Administrative and Business	15,497,804	14,620,525			15,497,804	14,620,525
Maintenance & Operations	12,872,055	10,901,578			12,872,055	10,901,578
Transportation	13,559,980	13,345,785			13,559,980	13,345,785
Other	<u>(51,146)</u>	<u>1,306,139</u>	<u>4,794,001</u>	<u>4,763,510</u>	<u>4,742,855</u>	<u>6,069,649</u>
Total Expenses	<u>193,482,319</u>	<u>187,081,034</u>	<u>4,794,001</u>	<u>4,763,510</u>	<u>198,276,319</u>	<u>191,844,545</u>
Disposal of Capital Assets	<u>(345,533)</u>	<u>(44,352)</u>	<u>(136,340)</u>		<u>(481,873)</u>	<u>(44,352)</u>
Increase/(Decrease) in Net Position						
Net Position	<u>\$7,674,691</u>	<u>\$6,579,009</u>	<u>(\$187,296)</u>	<u>(\$147,923)</u>	<u>\$7,487,395</u>	<u>\$6,431,086</u>

Both revenues and expenses increased mainly as a result of the district recognizing a larger on-behalf TPAF contribution as a revenue and expense based upon the State's Actuarial report.

**TOWNSHIP OF UNION SCHOOL DISTRICT
UNION, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025
UNAUDITED**

District-Wide Activities

Table 3 presents the net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs) of six major District activities: instruction, student and instructional services, administration and business, maintenance and operations, transportation, and other. The net cost shows the financial burden placed on the District's taxpayers and the state by each of these functions.

**Table 3
Net Cost of District-Wide Activities**

<u>Expense Category</u>	FY 2025		FY 2024	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Instruction	\$102,615,334	62.45%	\$93,140,793	60.71%
Student & Instruction Services	23,083,464	14.05%	23,160,323	15.10%
Administrative and Business	14,560,310	8.86%	13,300,920	8.67%
Maintenance & Operations	12,872,055	7.83%	10,901,578	7.11%
Transportation	11,169,103	6.80%	11,450,976	7.46%
Other	10,486	0.01%	1,475,274	0.96%
	<u>\$164,310,752</u>	<u>100.00%</u>	<u>\$153,429,864</u>	<u>100.00%</u>

Governmental Activities

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

Students and instruction related 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 central services include expenses associated with administrative and financial management of the District.

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

“Other” includes unallocated depreciation.

**TOWNSHIP OF UNION SCHOOL DISTRICT
UNION, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025
UNAUDITED**

The School District's Funds

All governmental funds (i.e., general fund, special revenue fund, capital projects 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 \$220,823,937 and expenditures and financing uses were \$219,844,269.

As demonstrated by the various statements and schedules included in the financial section of this report, the School District continues to meet its responsibility for sound financial management. The following schedules present a summary of general fund, special revenue fund, capital projects and debt service fund revenues for the fiscal year ended June 30, 2025 and the amount and percentage of increase and decrease in relation to prior year revenues.

REVENUES (FUND-BASED FINANCIAL STATEMENTS):

	<u>Amount</u>	<u>Percentage</u>	<u>Increase/Decrease from FY 2024</u>	<u>Percentage Change</u>
Local Sources	\$111,623,185	50.55%	\$5,632,496	5.31%
State Sources	102,485,924	46.41%	10,707,925	11.67%
Federal Sources	6,714,828	3.04%	(2,431,033)	(26.58%)
	\$220,823,937	100.00%	\$13,909,388	6.72%

Local revenues increased mainly due to a property tax increase needed to fund the additional expenditures associated with the instructional program and increased operating costs.

The following schedule represents a summary of general fund, special revenue fund, capital projects fund and debt service fund expenditures for the fiscal year ended June 30, 2025, and the percentage of increases and decreases in relation to prior year amounts.

EXPENDITURES (FUND BASED FINANCIAL STATEMENTS)

	<u>Amount</u>	<u>Percentage</u>	<u>Increase/(Decrease) from FY 2024</u>	<u>Percentage Change</u>
Current Expense:				
Instruction	\$68,562,319	31.19%	\$1,792,104	2.68%
Undistributed	139,278,060	63.36%	8,114,109	6.19%
Capital Outlay	10,193,140	4.64%	3,000,431	41.71%
Debt Service:				
Principal	1,435,000	0.65%	5,000	0.35%
Interest	375,750	0.16%	(68,250)	(15.37%)
Total	\$219,844,269	100.00%	\$12,843,394	6.20%

**TOWNSHIP OF UNION SCHOOL DISTRICT
UNION, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025
UNAUDITED**

General Fund Budgeting Highlights

The District's budget is prepared according to New Jersey Statutes and is based on accounting for certain transactions on a basis of modified accrual and encumbrance accounting.

Over the course of the year, the Board of Education approved revisions to the general fund budget as needed. These budget amendments were necessary for the following reasons:

- Changes in administrative structure and needs required additional funds being transferred into those areas.
- Realigned appropriations in accordance with the prescribed chart of accounts as needed.

Capital Assets

During the fiscal year 2024-2025, the District's capital acquisitions exceeded depreciation expense and retired assets, therefore total capital assets net of depreciation increased. Table 6 reflects the comparative balances of capital assets net of depreciation. The detail of the changes in capital assets is reflected in Note 3 to the financial statements.

**Table 6
Capital Assets (Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	FY 2025	FY 2024	FY 2025	FY 2024	FY 2025	FY 2024	
Land Site	\$9,553,000	\$9,553,000			\$9,553,000	\$9,553,000	0.00%
Improvements	2,644,411	2,244,568			2,644,411	2,244,568	17.81%
Building and Building							
Improvements	87,299,465	84,742,825			87,299,465	84,742,825	3.02%
Machinery and Equipment	5,341,850	5,382,922	\$1,360,139	\$1,616,412	6,701,988	6,999,334	(4.25%)
Total Assets	<u>\$104,838,726</u>	<u>\$101,923,315</u>	<u>\$1,360,139</u>	<u>\$1,616,412</u>	<u>\$106,198,864</u>	<u>\$103,539,727</u>	<u>2.57%</u>

**TOWNSHIP OF UNION SCHOOL DISTRICT
UNION, NEW JERSEY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025
UNAUDITED**

Debt and Long-term Liabilities Administration

At June 30, 2025, the District had \$53,845,225 of outstanding long-term debt, consisting of bonds payable, compensated absences, installment purchases, unamortized premiums, subscription based information technology arrangements and net pension liability. The District will continue to pay down its debt, as the obligations are due. Table 7 reflects the comparison of outstanding debt for the past two fiscal years. More information of the District's long-term debt is presented in Note 4 to the financial statements.

**Table 7
Outstanding Long-term Debt**

	Total School Debt		Total Percentage Change
	FY 2025	FY 2024 (as restated)	
Installment Purchase Contracts Payable	\$2,020,520	\$1,246,984	62.03%
SBITAs Payable	1,116,175	1,801,728	(38.05%)
Compensated Absences Payable	4,010,131	3,473,850	15.44%
Bonds Payable	17,455,000	19,385,000	(9.96%)
Original Issue Premium	2,759,141	3,090,870	(10.73%)
Net Pension Liability Payable	26,484,258	29,081,321	(8.93%)
	\$53,845,225	\$58,079,754	(7.29%)

The District's Future

The Township of Union School District was fortunately able to contribute this school year to its fund balance due to continuous monitoring of expenditures during the 2024/2025 school year. Enrollment in the District continues to experience increases and projects this trend for its near future. The District is so proud of its community support and student involvement in the public schools. Major challenges continuing to be the increased reliance on local property taxes (2% levy cap), any state adjustments, and projecting revenues in State aid to be flat, while we continue to see the salary increases, rising of health care cost, reduced employee contributions under Chapter 44, transportation, increase out of district Special Education Student Tuitions, Special Education Related Services, etc. The District will continue to explore and implement best practices and probing our options concerning health care services and other opportunities.

Contacting the 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. Questions regarding this report can be directed to the Board of Education Office at the Union Township School District, 2369 Morris Avenue, NJ 07083.

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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, 2025.

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.

EXHIBIT "A-1"

TOWNSHIP OF UNION SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
ASSETS:			
Cash and cash equivalents	\$17,262,266	\$28,586	\$17,290,852
Receivables, net	5,715,296	416,709	6,132,005
Internal balances	(266,806)	266,806	
Inventory		34,695	34,695
Restricted assets:			
Restricted cash and cash equivalents	6,614,501		6,614,501
Intangible assets, net of amortization	1,121,561		1,121,561
Capital assets:			
Land and construction in progress	9,553,000		9,553,000
Other capital assets, net	95,285,726	1,360,139	96,645,864
Total assets	<u>135,285,544</u>	<u>2,106,934</u>	<u>137,392,478</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Related to pensions	5,210,654		5,210,654
Total Deferred Outflows of Resources	<u>5,210,654</u>		<u>5,210,654</u>
LIABILITIES:			
Accounts payable	5,601,276	266,426	5,867,702
Payroll deductions and withholdings payable	5,229,551		5,229,551
Unemployment compensation claims payable	175,258		175,258
Accrued liabilities	2,314,418		2,314,418
Payable to state government	126,553		126,553
Unearned revenue	2,862,089	49,475	2,911,564
Accrued interest payable	342,460		342,460
Noncurrent liabilities:			
Due within one year	3,795,378		3,795,378
Due beyond one year:			
Net Pension Liability	26,484,258		26,484,258
Compensated absences payable	3,368,687		3,368,687
Bonds, installment purchases and SBITAs payable	<u>20,196,902</u>		<u>20,196,902</u>
Total liabilities	<u>70,496,830</u>	<u>315,901</u>	<u>70,812,731</u>
DEFERRED INFLOWS OF RESOURCES:			
Related to gain from debt refunding	772,101		772,101
Related to pensions	<u>2,386,836</u>		<u>2,386,836</u>
Total Deferred Inflows of Resources	<u>3,158,937</u>		<u>3,158,937</u>
NET POSITION:			
Net investment in capital assets	81,809,939	1,360,139	83,170,078
Restricted for:			
Capital projects fund	2,245,369		2,245,369
Special revenue fund	904,198		904,198
Other purposes	7,689,565		7,689,565
Unrestricted (deficit)	<u>(25,808,641)</u>	<u>430,894</u>	<u>(25,377,747)</u>
Total net position	<u>\$66,840,431</u>	<u>\$1,791,033</u>	<u>\$68,631,464</u>

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

TOWNSHIP OF UNION SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
JUNE 30, 2025

FUNCTIONS/PROGRAMS	EXPENSES	INDIRECT EXPENSES ALLOCATION	CHARGES FOR SERVICES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION	
				OPERATING GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES
Governmental Activities:							
Instruction:				\$23,068,612		\$65,698,695	
Regular	\$53,952,759			5,920,997		(31,346,001)	
Special education	29,654,866			1,108,988		(5,570,639)	
Other	4,848,255						
Support services:							
Student and instruction related services	25,178,177			7,870,972		(23,083,464)	
General administrative services	3,545,271			792,062		(4,337,334)	
School administrative services	5,663,139			3,094,325		(7,819,970)	
Central services	1,133,820			222,652		(1,356,472)	
Administration information technology	832,202			214,333		(1,046,534)	
Plant operations and maintenance	10,937,698			1,934,357		(12,872,055)	
Student transportation services	11,414,012			2,145,968		(11,169,103)	
Unallocated benefits	39,665,484			(39,665,484)			
Unallocated Depreciation	6,830,736			(6,707,782)			
Interest on long term debt	(174,099)						
Total governmental activities	<u><u>193,462,319</u></u>			<u><u>913,254</u></u>		<u><u>(164,249,121)</u></u>	
Business-type activities:							
Food service	4,794,001			1,484,631		(\$61,632)	
Total business-type activities	<u><u>4,794,001</u></u>			<u><u>1,484,631</u></u>		<u><u>(61,632)</u></u>	
Total primary government	<u><u>\$198,276,319</u></u>			<u><u>\$2,397,886</u></u>		<u><u>\$164,249,121</u></u>	
General Revenues:							
Taxes:							
Property taxes - general				\$106,048,985		\$106,048,985	
Property taxes - debt service				1,810,750		1,810,750	
Federal and state aid not restricted				60,854,006		60,854,006	
Federal and state aid restricted				680,884		680,884	
Miscellaneous income				2,874,720		2,885,395	
Total general revenues				<u><u>172,269,945</u></u>		<u><u>10,675</u></u>	
Disposal of capital assets				<u><u>(345,533)</u></u>		<u><u>(136,340)</u></u>	
Change in net position				<u><u>7,674,691</u></u>		<u><u>(187,296)</u></u>	
Net Position - beginning (as restated)				<u><u>59,165,740</u></u>		<u><u>1,978,329</u></u>	
Net Position ending				<u><u>\$66,840,431</u></u>		<u><u>\$1,791,033</u></u>	
							<u><u>\$68,631,464</u></u>

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

MAJOR FUND FINANCIAL STATEMENTS

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

TOWNSHIP OF UNION SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
ASSETS AND OTHER DEBITS:					
Assets:					
Cash and cash equivalents	\$15,178,886	\$2,338,882	\$611,350	\$37,346	\$18,166,464
Capital reserve account	4,985,303				\$4,985,303
Emergency reserve account	725,000				\$725,000
Accounts receivable:					
Federal		423,012			\$423,012
State	4,771,856				\$4,771,856
Other	520,429				\$520,429
Interfund	23,609	440,942			\$464,551
Total assets	<u>26,205,082</u>	<u>3,202,836</u>	<u>611,350</u>	<u>37,346</u>	<u>30,056,614</u>
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts payable	3,432,206	86,707			\$3,518,913
Payroll deductions and withholdings payable	5,229,551				\$5,229,551
Unemployment compensation claims payable	175,258				\$175,258
Intergovernmental payable:					
State		126,553			\$126,553
Interfunds payable	707,747		23,609		\$731,357
Accrued liabilities for health benefits claims	2,314,418				\$2,314,418
Unearned revenue		2,862,089			\$2,862,089
Total liabilities	<u>11,859,181</u>	<u>3,075,349</u>	<u>23,609</u>		<u>14,958,139.12</u>
Fund balances:					
Restricted for:					
Capital reserve account	1,657,628				\$1,657,628
Emergency reserve account	725,000				\$725,000
Excess surplus designated for subsequent years expenditures	1,500,000				\$1,500,000
Capital projects fund		579,641			\$579,641
Debt service fund			37,346		\$37,346
Unemployment	1,410,625				\$1,410,625
Scholarships		361,272			\$361,272
Student Activities		542,927			\$542,927
Assigned for:					
Year-end encumbrances	3,062,252				\$3,062,252
Designated for subsequent years expenditures	991,688				\$991,688
Committed for:					
Year-end encumbrances		8,100			\$8,100
Unassigned:					
General fund	4,998,708				\$4,998,708
Special revenue fund (deficit)		(776,712)			(\$776,712)
Total fund balances	<u>14,345,902</u>	<u>127,486</u>	<u>587,741</u>	<u>37,346</u>	<u>15,098,475</u>
Total liabilities and fund balances	<u>\$26,205,082</u>	<u>\$3,202,836</u>	<u>\$611,351</u>	<u>\$37,346</u>	<u>\$30,056,615</u>

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

TOWNSHIP OF UNION SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

Total Fund Balances (Brought Forward)	\$15,098,475
Amounts Reported for Governmental Activities in the Statement of Net Position (A-1) are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Cost of Assets	\$164,242,012
Accumulated Depreciation	<u>(59,403,286)</u>
	104,838,726
Intangible assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
	1,121,561
Long term liabilities, including bonds payable, and other related amounts that are not due and payable in the current period and therefore are not reported as liabilities in the funds.	
Net pension liability	(26,484,258)
Compensated absences payable	(4,010,131)
Subscription based information technology arrangements	(1,116,175)
Installment purchase contracts payable	(2,020,520)
Serial bonds payable	(\$17,455,000)
Premium on refunding debt, net	(2,759,141)
Unamortized Deferred Amount on Refunding Bonds, net	<u>(772,101)</u>
	<u>(20,986,242)</u>
	(54,617,326)
Deferred Outflows and Inflows of resources are applicable to future periods and therefore are not reported in the funds.	
Pensions:	
Deferred Outflows	
Pension related	5,210,654
Deferred Inflows:	
Pension related	(2,386,836)
Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.	
Accounts payable - pension related	(2,082,363)
Accrued interest payable	<u>(342,460)</u>
	<u>(2,424,823)</u>
Net Position of Governmental Activities	<u><u>\$66,840,431</u></u>

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

EXHIBIT "B-2"

TOWNSHIP OF UNION SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Local sources:					
Local tax levy	\$106,048,985			\$1,810,750	\$107,859,735
Other restricted miscellaneous revenues	39,696				39,696
Miscellaneous	2,237,122	\$1,486,632			3,723,754
Total revenues-local sources	108,325,803	1,486,632		1,810,750	111,623,185
State sources	93,376,642	8,428,398	\$680,884		102,485,924
Federal sources	2,085,711	4,629,117			6,714,828
Total revenues	203,788,156	14,544,146	680,884	1,810,750	220,823,937
EXPENDITURES:					
Current expense:					
Instruction:					
Regular	47,967,540	4,454,311			52,421,850
Special education	11,059,661	2,250,272			13,309,933
Other instruction	2,830,536				2,830,536
Support services:					
Tuition	17,869,111				17,869,111
Student and instruction related services	17,237,880	7,241,662			24,479,542
General administrative services	3,545,271				3,545,271
School administrative services	5,457,617				5,457,617
Central services	1,133,820				1,133,820
Administration Information Technology	899,050				899,050
Plant operations and maintenance	11,434,436				11,434,436
Student transportation services	11,683,630				11,683,630
Employee benefits	62,775,583				62,775,583
Capital outlay	8,131,907	1,112,754	847,020		10,091,680
Capital outlay - debt assessment	101,460				101,460
Debt service:					
Principal				1,435,000	1,435,000
Interest				375,750	375,750
Total expenditures	202,127,501	15,058,999	847,020	1,810,750	219,844,269
Excess (deficiency) of revenues over (under) expenditures	1,660,656	(514,852)	(166,136)		979,667
Other financing sources (uses):					
Operating transfers in	165,921	476,340			642,261
Operating transfers out	(476,340)		(165,921)		(642,261)
Installment purchases (non-budgeted)	1,110,000				1,110,000
Total financing sources (uses):	799,581	476,340	(165,921)		1,110,000
Net change in fund balances	2,460,237	(38,512)	(332,057)		2,089,667
Fund balances, July 1, 2024	11,885,665	165,998	919,798	37,346	13,008,808
Fund balances, June 30, 2025	<u>\$14,345,902</u>	<u>\$127,486</u>	<u>\$587,741</u>	<u>\$37,346</u>	<u>\$15,098,475</u>

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

EXHIBIT "B-3"

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, 2025

Total net change in fund balances - governmental funds (from B-2) \$2,089,667

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 depreciation exceeded capital outlays in the period.

Depreciation expense	(\$6,830,736)
Capital outlays	10,193,140
Capital outlays not capitalized	<u>(101,460)</u>
	3,260,945

Capital outlays related to SBITAs 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 amortization expense. This is the amount by which capital outlays exceeded amortization in the period.

Amortization Expense:	
Subscription Based Information Technology Agreements	(683,815)

Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.

Proceeds from installment purchases	(1,110,000)
-------------------------------------	-------------

Repayment of long-term debt 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.

Payment of bond principal	1,930,000
Payment of subscription based information technology arrangements	685,553
Payment of installment purchases payable	336,464
Amortization of premium on refunding bonds	331,730
Amortization of deferred amounts on refunding bonds	<u>164,734</u>
	3,448,482

In the statement of activities, only the gain on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. thus, the change in net assets will differ from the change in fund balance by the cost of the asset removed.

(345,533)

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.

53,387

District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

District pension contributions	2,652,160
Less: Pension expense	<u>(1,154,321)</u>
	1,497,839

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 (+).

(536,281)

Change in net position of governmental activities	<u>\$7,674,691</u>
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The accompanying notes to the financial statements are an integral part of this statement

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OTHER FUNDS

EXHIBIT "B-4"

TOWNSHIP OF UNION SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS - ENTERPRISE FUNDS
JUNE 30, 2025

	BUSINESS TYPE	ACTIVITIES -	
	<u>ENTERPRISE FUNDS</u>		
	FOOD	SERVICE	
ASSETS			
Current assets:			
Cash & cash equivalents		\$	28,586
Accounts receivable:			
State			12,038
Federal			161,715
Other			242,956
Interfunds receivable			266,806
Inventories			34,695
			<hr/>
Total current assets		\$	746,795
			<hr/>
Noncurrent assets:			
Furniture, machinery & equipment		\$	2,433,221
Less accumulated depreciation			(1,073,082)
			<hr/>
Total noncurrent assets		\$	1,360,139
			<hr/>
Total assets		\$	2,106,934
			<hr/>
LIABILITIES			
Current liabilities:			
Accounts payable		\$	266,426
Unearned revenue			49,475
			<hr/>
Total current liabilities		\$	315,901
			<hr/>
Total liabilities		\$	315,901
			<hr/>
NET POSITION			
Net Investment in Capital Assets		\$	1,360,139
Unrestricted			430,894
			<hr/>
Total net position		\$	1,791,033
			<hr/>

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

EXHIBIT "B-5"

TOWNSHIP OF UNION SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	BUSINESS TYPE
	ACTIVITIES -
	<u>ENTERPRISE FUNDS</u>
	<u>FOOD SERVICE</u>
	<u>SCHOOL NUTRITION</u>
OPERATING REVENUES:	
Charges for services:	
Daily sales - reimbursable programs	\$ 901,496
Daily sales - non-reimbursable programs	<u>583,135</u>
Total operating revenues	<u>\$ 1,484,631</u>
OPERATING EXPENSES:	
Cost of sales - reimbursable programs	\$ 1,999,478
Cost of sales - non-reimbursable programs	<u>300,415</u>
Salaries	<u>1,339,322</u>
Employee benefits	<u>413,214</u>
Other purchased services	<u>224,202</u>
Supplies and materials	<u>205,517</u>
Cleaning, repair and maintenance services	<u>165,739</u>
Depreciation	<u>146,114</u>
Total operating expenses	<u>\$ 4,794,001</u>
Operating income (loss)	<u>\$ (3,309,369)</u>
NONOPERATING REVENUES (EXPENSES):	
State sources	
State school lunch program	\$ 84,476
State school lunch program- NJEIE	<u>93,702</u>
State school breakfast program	<u>4,918</u>
State school breakfast program- NJEIE	<u>11,856</u>
P-EBT administrative cost	<u>1,556</u>
Federal sources	
National school breakfast program	<u>308,103</u>
National school lunch program	<u>2,227,421</u>
National school lunch program - HHFKA	<u>71,813</u>
Local Food for Schools Cooperative Program	<u>36,562</u>
P-EBT administrative cost	<u>1,556</u>
National food distribution commodities	<u>405,776</u>
Interest	<u>10,675</u>
Total nonoperating revenues	<u>\$ 3,258,413</u>
Disposal of Capital Assets	<u>(136,340)</u>
Change in Net Position	<u>\$ (187,296)</u>
Total net position - beginning	<u>1,978,329</u>
Total net position - ending	<u>\$ 1,791,033</u>

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

EXHIBIT "B-6"

TOWNSHIP OF UNION SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	BUSINESS TYPE ACTIVITIES - <u>ENTERPRISE FUNDS</u>
	<u>FOOD</u> <u>SERVICE</u>
Cash flows from operating activities:	
Receipts from customers	\$ 1,490,742
Payments to employees	(1,339,322)
Payments to employee benefits	(413,214)
Payment to suppliers	<u>(2,955,366)</u>
Net cash provided (used for) by operating activities	<u>\$ (3,217,160)</u>
Cash flows from noncapital financing activities:	
State Sources	\$ 190,513
Federal Sources	<u>2,996,959</u>
Net cash provided by (used for) noncapital financing activities	<u>\$ 3,187,472</u>
Cash flows from capital and related financing activities	
Purchase of capital assets	<u>\$ (26,180)</u>
Net cash used for capital and related financing activities	<u>\$ (26,180)</u>
Cash flows from investing activities	
Interest and dividends	<u>\$ 10,675</u>
Net cash used for capital and related financing activities	<u>\$ 10,675</u>
Net increase (decrease) in cash and cash equivalents	<u>\$ (45,192)</u>
Cash and cash equivalents- July 1	<u>73,778</u>
Cash and cash equivalents- June 30	<u>\$ 28,586</u>
Operating income (loss)	<u>\$ (3,309,369)</u>
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:	
Depreciation	146,114
Change in assets and liabilities:	
(Increase) Decrease in inventory	21,876
(Increase) Decrease in other accounts receivable	10,609
Increase (Decrease) in accounts payable	(68,324)
Increase (Decrease) in unearned revenue	<u>(18,065)</u>
Net cash provided (used) by operating activities	<u>\$ (3,217,160)</u>

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

Township of Union School District
Notes to the Financial Statements
June 30, 2025

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 District is an instrumentality of the State of New Jersey, established to function as an educational institution. The District is governed by a nine member board elected to three-year terms and is 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 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 unit, 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 elementary schools through high school Grades K thru 12, located in the Township of Union. 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, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

The District's basic financial statements consist of District-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements which provide a more detailed level of financial information.

District-wide Statements: The Statement of Net Position and the Statement of Activities display information about the District as a whole. These statements include the financial activities of the overall District. 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 non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Net Position 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. Separate statements for each fund category – governmental and proprietary - 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, 2025

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 non-instructional equipment which are classified in the Capital Outlay sub-fund.

As required by the New Jersey State Department of Education, the District includes budgeted capital outlay in this fund. 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 - Debt service funds are 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, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Proprietary Fund Types

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.

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 and Proprietary 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, Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements.

Township of Union School District
Notes to the Financial Statements
June 30, 2025

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 for approval. In accordance with P.L. 2011, c. 202, the District elected to move the April school Board election to the date of the November general election thereby eliminating the vote on the annual base budget. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23. All budget amendments and transfers must be approved by School Board resolution. Budget amendments totaling \$2,584,030 were approved by resolution during the year ended June 30, 2025. The over-expenditures related to on-behalf payments in the general fund are due to the inclusion of the non-budgeted on-behalf payments made by the State of New Jersey as District expenditures. These amounts are offset by related revenues and as such do not represent budgetary over-expenditures.

All budget amounts presented in the accompanying supplementary information reflect the original budget and the final 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 one or more state aid payments 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, 2025

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 assignments 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 for which the District has received advances are reflected in the balance sheet as unearned 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 periods, 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, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

The District has an established formal system of accounting for its capital assets. Capital Assets used for governmental purposes, which include land, buildings and improvements and furniture and equipment, are only reported in the district-wide financial statements. The District generally defines capital assets as assets with an initial cost of \$2,000.00 or more and an estimated useful life in excess of one year. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their acquisition value on the date received. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

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

Compensated Absences

The District accounts for compensated absences (e.g., unused sick and vacation leave) in accordance with Governmental Accounting Standards Board (GASB) Statement No. 101, "Compensated Absences." This statement was implemented for the fiscal year ended June 30, 2025, replacing the guidance previously provided by GASB Statement No. 16.

GASB 101 requires that a liability be recognized for leave that has been earned in exchange for services rendered and that has not yet been used, if (1) the leave is usable for time off or other compensation, and (2) it is more likely than not that the leave will be used or paid. This standard expands the recognition criteria to include certain types of leave that may not have previously met the vesting or accumulation requirements under GASB 16.

Township of Union School District
Notes to the Financial Statements
June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences (Continued)

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy and/or collective bargaining unit contracts. Upon termination, employees are paid for accrued vacation. Sick leave benefits provide for ordinary sick pay and may be eligible for payment upon retirement, subject to negotiated agreements and years of service.

The compensated absences liability is calculated based on leave balances that are expected to be used or paid, consistent with the "more likely than not" threshold established under GASB 101. The District's calculation incorporates both the probability of leave usage and payout eligibility under existing employment agreements.

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

Fund Equity

Fund balance restrictions are used to indicate that portion of the fund balance that is not available for expenditures or is legally segregated for a specific future use. Designations 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 represent the remains of the District's equity in the cumulative earnings of the food service fund.

Unearned Revenue

Unearned revenue in the special revenue and proprietary 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 an allowable practice under generally accepted accounting principles.

Township of Union School District
Notes to the Financial Statements
June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. Long term debt is recognized as a liability on the fund financial statements when due.

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 – Governmental Funds

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, Student Activities, Scholarships, Unemployment 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 Capital Project Fund encumbrances as Committed Fund Balance.

Township of Union School District
Notes to the Financial Statements
June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance – Governmental Funds (Continued)

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 and amounts Designated for Subsequent Year's Expenditures as Assigned Fund Balance.

Unassigned – is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

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.

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.

Township of Union School District
Notes to the Financial Statements
June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues Exchange and Non-Exchange Transactions (Continued)

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from property taxes is recognized in the period in which the income is earned. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange 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 yearend: property taxes available as an advance, interest, and tuition.

Proprietary Fund Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the School District enterprise funds are charges to customers for sales of food service. Operating expenses for enterprise funds include the cost of sales and services, administrative expense and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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.

Township of Union School District
Notes to the Financial Statements
June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Extraordinary and Special Items

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

Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Accounting and Financial Reporting for Pensions

In the district-wide financial statements for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's proportionate share of the New Jersey Public Employees Retirement System ("PERS") and the Teachers' Pension and Annuity Fund ("TPAF") and the additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they were reported by PERS and TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

In the governmental fund financial statements, the year-end pension liability is not required to be reflected. Pension related revenues and expenditures are reflected based on amounts that are normally expected to be liquidated with available financial resources for required pension contributions. Expenditures for PERS are recognized based upon billings made by the State of New Jersey due April 1st of each fiscal year. TPAF contributions are paid on the District's behalf by the State of New Jersey. The governmental fund financial statements reflect both a revenue and expense for this pension contribution.

Deferred Outflows/Inflows of Resources

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

Township of Union School District
Notes to the Financial Statements
June 30, 2025

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources (Continued)

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

Subscription-Based Information Technology Arrangements (SBITAs)

GASB Statement No. 96 defines a SBITA; establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding liability; provides capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosure regarding SBITAs.

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

Deposits

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

Township of Union School District
Notes to the Financial Statements
June 30, 2025

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

Deposits (Continued)

The Township of Union School District had the following cash and cash equivalents at June 30, 2025:

Fund Type:	Bank	Reconciling Items:		Reconciled
	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>
Governmental	\$23,648,578	\$4,851,690	\$4,623,501	\$23,876,767
Proprietary	402,583	2,094	376,090	28,586
	<hr/> \$24,051,161	<hr/> \$4,853,783	<hr/> \$4,999,591	<hr/> \$23,905,353

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, 2025, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank, \$501,044 was covered by Federal Depository Insurance and \$23,550,117 was covered under the provisions of NJGUDPA.

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.

Township of Union School District
Notes to the Financial Statements
June 30, 2025

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

Investments (Continued)

3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
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);
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

At June 30, 2025, the District had no outstanding investments. Based upon the limitation set forth by New Jersey Statutes 18A:20-37 and its existing investment practices, the District is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risks for its investments, nor is it exposed to foreign currency risks for its deposits and investments.

Township of Union School District
Notes to the Financial Statements
June 30, 2025

NOTE 3: CHANGE IN CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Transfer/ Retirements</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 9,553,000	\$ _____	\$ _____	\$ 9,553,000
Total capital assets that are not depreciated	<u>\$ 9,553,000</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ 9,553,000</u>
Capital assets being depreciated:				
Site improvements	\$ 4,877,604	\$ 635,472	\$ _____	\$ 5,513,076
Building and building improvements	127,459,585	6,471,676	\$ _____	133,931,261
Machinery and equipment	<u>18,493,503</u>	<u>2,984,532</u>	<u>(6,233,360)</u>	<u>15,244,675</u>
Total capital assets being depreciated	<u>\$ 150,830,692</u>	<u>\$ 10,091,680</u>	<u>\$ (6,233,360)</u>	<u>\$ 154,689,012</u>
Total gross assets	<u>\$ 160,383,692</u>	<u>\$ 10,091,680</u>	<u>\$ (6,233,360)</u>	<u>\$ 164,242,012</u>
Less: accumulated depreciation for:				
Site improvements	\$ (2,633,036)	\$ (235,629)	\$ _____	\$ (2,868,665)
Building and building improvements	(42,716,760)	(3,915,036)	\$ _____	(46,631,796)
Machinery and equipment	<u>(13,110,581)</u>	<u>(2,680,070)</u>	<u>5,887,826</u>	<u>(9,902,825)</u>
	<u>\$ (58,460,377)</u>	<u>\$ (6,830,736)</u>	<u>\$ 5,887,826</u>	<u>\$ (59,403,286)</u>
Governmental activities capital assets, net	<u>\$ 101,923,315</u>	<u>\$ 3,260,944</u>	<u>\$ (345,533)</u>	<u>\$ 104,838,726</u>
Business type activities:				
Machinery and equipment	\$ 3,138,277	\$ 26,180	\$ (731,236)	\$ 2,433,220
Less: accumulated depreciation	<u>(1,521,864)</u>	<u>(146,114)</u>	<u>594,896</u>	<u>(1,073,082)</u>
Proprietary fund capital assets, net	<u>\$ 1,616,413</u>	<u>\$ (119,934)</u>	<u>\$ (136,340)</u>	<u>\$ 1,360,139</u>

Depreciation was charged to the following expense functions of the district:

Instruction:			
Regular		\$ 3,545,152	
Special		329,925	
Other		17,077	
Support Services:			
Student and Instruction related services		159,156	
General Administration		537,579	
School Administration		427,604	
Plant operations & maintenance		224,731	
Transportation		1,466,559	
Unallocated		<u>122,953</u>	
Total Depreciation Expenses, Governmental Activities		<u>\$ 6,830,736</u>	

**Township of Union School District
Notes to the Financial Statements
June 30, 2025**

NOTE 4: LONG-TERM LIABILITIES

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

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

The following is a summary of changes in liabilities that effect other long-term obligations for the year ended June 30, 2025:

	Balance, <u>June 30, 2024</u> <u>(as restated)</u>	<u>Additions</u>	<u>Reductions</u>	Balance, <u>June 30, 2025</u>	<u>Due Within One Year</u>
Bonds Payable	\$19,385,000		\$1,930,000	\$17,455,000	\$1,910,000
Premium	3,090,870		331,730	2,759,141	331,730
Net Pension Liability	29,081,321		2,597,063	26,484,258	
Compensated Absence	3,473,850	536,281	*	4,010,131	641,444
SBITAs Payable	1,801,728		685,553	1,116,175	410,020
Installment Purchases Payable	1,246,984	\$1,110,000	336,464	2,020,520	502,184
 Total	 \$58,079,754	 \$1,646,281	 \$5,880,810	 \$53,845,225	 \$3,795,378

* In accordance with GASB Statement No. 101, the change in compensated absences is presented on a net basis.

Township of Union School District
Notes to the Financial Statements
June 30, 2025

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

Installment Purchase Contracts Payable

The Board has entered into various installment purchase contracts for copier equipment, computer technology and school buses. The following is a schedule of the future minimum lease payments under installment purchase contracts, and the present value of the net minimum installment payments at June 30, 2025:

Fiscal Year Ended

<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$502,184	\$59,895	\$562,079
2027	511,304	50,775	562,079
2028	541,272	33,458	574,730
2029	228,607	17,410	246,017
2030	237,153	8,865	246,017
	<hr/>	<hr/>	<hr/>
	<u>\$2,020,520</u>	<u>\$170,402</u>	<u>\$2,190,922</u>

Subscription-Based Information Technology Agreements Payable (“SBITAs”)

For the year ended 6/30/2025, the financial statements include the following SBITAs:

<u>Date of Agreement</u>	<u>Subscription</u>	<u>Initial Subscription Liability</u>	<u>Annual Fixed Payments</u>	<u>Subscription Liability as of 06/30/2025</u>	<u>Interest Rate</u>
09/01/2022	Google Workspace License	\$92,575	\$19,200	\$37,359	1.850
07/01/2022	Imagine Language & Literacy Licenses	130,661	33,915	33,187	2.194
07/01/2022	LinkIt Software Products	719,648	157,150	303,540	2.354
08/04/2022	Sophos Cyber Security Software	206,841	44,267	126,785	2.354
07/01/2023	Genesis Student Information System	374,286	60,972	277,548	3.212
07/01/2022	TLC - Library Solutions Software	69,403	14,662	28,531	1.850
07/01/2022	Cisco System Software	606,557	107,630	309,224	2.194
				<hr/>	<hr/>
				<u>\$1,116,175</u>	<u></u>

**Township of Union School District
Notes to the Financial Statements
June 30, 2025**

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

**Subscription-Based Information Technology Agreements Payable
("SBITAs") (Continued)**

The future minimum subscription obligations and the net present value of these minimum payments as of June 30, 2025, were as follows:

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2026	\$410,018	\$27,776	\$437,794
2027	385,824	18,057	403,881
2028	204,023	8,846	212,869
2029	57,236	3,736	60,972
2030	59,074	1,897	60,971
	<hr/> <u>\$1,116,175</u>	<hr/> <u>\$60,312</u>	<hr/> <u>\$1,176,487</u>

The annual requirements to amortize all bonded debt outstanding as of June 30, 2025, including interest payments on issued debt, are as follows:

Fiscal Year	<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 1,910,000	\$ 733,750	\$ 2,643,750	
2027	1,885,000	648,100	2,533,100	
2028	1,920,000	561,850	2,481,850	
2029	1,940,000	474,300	2,414,300	
2030	980,000	386,100	1,366,100	
2031-2035	4,545,000	1,339,600	5,884,600	
2036-2040	3,625,000	469,800	4,094,800	
2041	650,000	13,000	663,000	
	<hr/> <u>\$ 17,455,000</u>	<hr/> <u>\$ 4,626,500</u>	<hr/> <u>\$ 22,081,500</u>	

**Township of Union School District
Notes to the Financial Statements
June 30, 2025**

NOTE 4: LONG-TERM LIABILITIES (CONTINUED)

<u>Issue</u>	<u>Amount</u>
	<u>Outstanding</u>
	<u>June 30, 2025</u>
\$3,795,000 of 2020 Refunding bonds due in remaining annual installments of \$335,000 to \$370,000 through January 2032 at an interest rates of 4%	\$2,515,000
\$7,555,000 of 2020 ESIP Refunding bonds due in remaining annual installments of \$230,000 to \$650,000 through August 2040 at an interest rates of 4%	6,575,000
\$5,035,000 of 2021 ESIP Refunding bonds due in remaining annual installments of \$240,000 to \$480,000 through April 2037 at an interest rates of 4%	4,230,000
\$7,450,000 of 2021 Refunding bonds due in remaining annual installments of \$1,010,000 to \$1,045,000 through January 2029 at an interest rates of 5%	<u>4,135,000</u>
	<u><u>\$ 17,455,000</u></u>

Under New Jersey Statutes the District may incur debt in an amount not to exceed 4% of the averaged equalized valuation basis of real property. For the fiscal year ended June 30, 2025, the District borrowing capacity under N.J.S. 18A:24-19 would be as follows:

<u>Year</u>	<u>Equalized Valuation of Real Property</u>
2024	\$10,589,606,339
2023	9,941,899,135
2022	9,714,217,757
	<u><u>\$30,245,723,231</u></u>
Average equalized valuation	<u><u>\$10,081,907,744</u></u>
School borrowing margin (4% of average equalized value)	\$403,276,310
Net school debt as of June 30, 2025	<u><u>17,455,000</u></u>
School borrowing power available	<u><u>\$385,821,310</u></u>

Township of Union School District
Notes to the Financial Statements
June 30, 2025

NOTE 5: INTANGIBLE ASSETS

The District has recorded the following intangible assets. The assets are for various subscription-based information technology arrangements ("SBITAs"). These agreements are discussed in the SBITAs subsection of the Long-term Debt note. The intangible assets are amortized on a straight-line basis over the terms of the related agreement. Intangible asset activity for the Governmental Funds for the year ended June 30, 2025 was as follows:

GOVERNMENTAL ACTIVITIES:

	<u>Balance as of July 1, 2024</u>	<u>Reductions</u>	<u>Balance as of June 30, 2025</u>
Subscription Assets			
Software			
BrainPOP School Subscription	\$80,005		\$80,005
Nearpod Licenses	150,046	\$150,046	
Emath Platform - Algebra Membership	36,528	36,528	
Google Workspace License	92,575		92,575
Imagine Language & Literacy Licenses	130,661		130,661
LinkIt Software Products	719,648		719,648
MyPerspectives English Language Arts	254,194		254,194
SiLAS Software - 10 Schools	92,146	92,146	
Sophos Cyber Security Software	209,091		209,091
Formative Licenses - Union HS	10,163	10,163	
Genesis Student Information System	374,286		374,286
Gizmos Science Department Licenses	21,362		21,362
IXL Site License - Math	27,102		27,102
Kami District Plan License	53,025		53,025
Zoom Education Meeting	15,024		15,024
Wixie Subscription	15,466		15,466
TLC - Library Solutions Software	69,403		69,403
Cisco Security Software	95,147		95,147
Cisco System Software	606,557		606,557
Intensified Algebra	33,426	33,426	
PLTW Participation	15,859	15,859	
Total Software Subscription Assets	<u>3,101,714</u>	<u>338,168</u>	<u>2,763,546</u>
Total Subscription Assets	<u>\$3,101,714</u>	<u>\$338,168</u>	<u>\$2,763,546</u>

Township of Union School District
Notes to the Financial Statements
June 30, 2025

NOTE 5: INTANGIBLE ASSETS (CONTINUED)

GOVERNMENTAL ACTIVITIES:

	<u>Balance as of July 1, 2024</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance as of June 30, 2025</u>
Subscription Accumulated Amortization				
Software				
BrainPOP School Subscription	\$42,418	\$21,209		\$63,627
Nearpod Licenses	100,030	50,016	\$150,046	
Emath Platform - Algebra Membership	24,352	12,176	36,528	
Google Workspace License	33,944	18,515		52,459
Imagine Language & Literacy Licenses	61,608	30,804		92,412
LinkIt Software Products	287,859	143,930		431,789
myPerspectives English Language Arts	142,872	71,436		214,308
SiLAS Software - 10 Schools	59,624	32,522	92,146	
Sophos Cyber Security Software	79,803	41,818		121,621
Formative Licenses - Union HS	6,775	3,388	10,163	
Genesis Student Information System	53,470	53,470		106,940
Gizmos Science Department Licenses	11,196	7,121		18,317
IXL Site License - Math	16,562	9,034		25,596
Kami District Plan License	33,877	17,675		51,552
Zoom Education Meeting	9,640	5,008		14,648
Wixie Subscription	9,980	5,155		15,135
TLC - Library Solutions Software	27,761	13,881		41,642
Cisco Security Software	59,107	29,554		88,661
Cisco System Software	202,186	101,093		303,278
Intensified Algebra	22,284	11,142	33,426	
PLTW Participation	10,990	4,869	15,859	
Total Software Subscription				
Accumulated Amortization	<u>1,296,340</u>	<u>683,814</u>	<u>338,168</u>	<u>1,641,985</u>
Total Subscription Accumulated Amortization	<u>1,296,340</u>	<u>683,814</u>	<u>338,168</u>	<u>1,641,985</u>
Total Governmental Subscription Assets, Net	<u>\$1,805,374</u>	<u>(\$683,814)</u>	<u></u>	<u>\$1,121,561</u>

Township of Union School District
Notes to the Financial Statements
June 30, 2025

NOTE 6: 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, PO Box 295, Trenton, New Jersey, 08625.

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

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

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.

Township of Union School District
Notes to the Financial Statements
June 30, 2025

NOTE 6: PENSION PLANS (CONTINUED)

Significant Legislation

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

Pension Plan Design Changes

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

Funding Changes

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

COLA Suspension

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

Vesting and Benefit Provisions The vesting and benefit provisions of PERS are set by N.J.S.A. 43:15A and 43:3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after ten years of service, except for post-retirement healthcare benefits that vest after 25 years of service.

Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Township of Union School District
Notes to the Financial Statements
June 30, 2025

NOTE 6: PENSION PLANS (CONTINUED)

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

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

Year Ended <u>June 30,</u>	<u>Three Year Trend Information for PERS</u>		
	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Pension Obligation</u>
2025	2,652,160	100.00%	\$2,652,160
2024	2,683,442	100.00%	2,683,442
2023	2,369,365	100.00%	2,369,365

During the fiscal years ended June 30, 2025, 2024 and 2023, the State of New Jersey contributed \$21,294,014, \$20,427,340 and \$20,623,678, respectively to the TPAF pension system on behalf of the District.

In accordance with N.J.S.9. 18A:66-66 during the years ended June 30, 2025, 2024 and 2023, the State of New Jersey reimbursed the District \$4,691,374, \$4,561,388 and \$4,393,822, respectively for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

Township of Union School District
Notes to the Financial Statements
June 30, 2025

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68

Public Employees Retirement System (PERS)

At June 30, 2025, the State reported a net pension liability of \$26,484,258.00 for the District's proportionate share of the total net pension liability. The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2024, the District's proportion was 0.1949085103 percent, which was a decrease of 0.0058686891 percent from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the District recognized a pension expense of \$1,154,320.00 in the government-wide financial statements. This pension expense was based on the pension plan's June 30, 2024 measurement date.

At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 530,528.00	\$ 70,508.00
Changes of assumptions	32,902.00	301,330.00
Net difference between projected and actual earnings on pension plan investments		1,228,003.00
Changes in proportion and differences between District contributions and proportionate share of contributions	2,564,861.00	786,995.00
District contributions subsequent to the measurement date	<u>2,082,363.00</u>	
	<u>\$ 5,210,654.00</u>	<u>\$ 2,386,836.00</u>

The \$2,082,363.00 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e., for the school year ending June 30, 2025, the plan measurement date is June 30, 2024) will be recognized as a reduction of the net pension liability in the year ended June 30, 2026.

Township of Union School District
Notes to the Financial Statements
June 30, 2025

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68 (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended <u>June 30,</u>	<u>Amount</u>
2025	(\$768,883.80)
2026	1,225,644.20
2027	(144,997.80)
2028	66,598.20
2029	<u>363,094.20</u>
	<u><u>\$741,455.00</u></u>

Actuarial Assumptions

The collective total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which rolled forward to June 30, 2024. These actuarial valuations used the following assumptions:

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases	2.75-6.55%
	Based on
	Years of Service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

Township of Union School District
Notes to the Financial Statements
June 30, 2025

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68 (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major assets class included in PERS's target assets allocation as of June 30, 2024 asset are summarized in the following table:

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	28.00%	8.63%
Non-U.S. Developed Market Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Market Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasury's	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%

Township of Union School District
Notes to the Financial Statements
June 30, 2025

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68 (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

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

The following presents the District's proportionate share of the net pension liability as of June 30, 2024, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2024		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
District's proportionate share of the pension liability	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
	\$35,191,067.00	\$26,484,258.00	\$19,074,811.00

Township of Union School District
Notes to the Financial Statements
June 30, 2025

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68 (CONTINUED)

Public Employees Retirement System (PERS) (Continued)

Special Funding Situation

In accordance with N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. For PERS, the legislation which legally obligates the State is found in Chapter 133, P.L. 2001. This special funding situation is due to the State paying the additional normal cost related to benefit improvements from Chapter 133. Previously, this additional normal cost was paid from the Benefit Enhancement Fund (BEF). As of June 30, 2025, there is no net pension liability associated with this special funding situation as there was no accumulated difference between the annual additional normal cost under the special funding situation and the actual State contribution through the valuation date.

The amounts contributed by the State on behalf of the District under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68, and the State is treated as a nonemployer contributing entity. Since the District does not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to disclose in the notes to the financial statements of the District related to this legislation.

The non-employer contributing entities' total proportionate share of the non-employer contribution that is associated with the District as of the measurement date June 30, 2024 was 0.1958090011% which was a decrease of 0.0057304896 percent from its proportion measured as of June 30, 2023. The non-employer contributing entities' contribution and employer pension expense and related revenue for the measurement dates June 30, 2024 and June 30, 2023 was \$85,385.00 and \$90,694.00, respectively.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 by visiting <http://www.state.nj.us/treasury/pensions>.

Township of Union School District
Notes to the Financial Statements
June 30, 2025

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68 (CONTINUED)

Teachers Pensions and Annuity Fund (TPAF)

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

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2025 was as follows:

Net Pension Liability:	
Districts proportionate share	\$-0-
State's proportionate share	
associated with the District	<u>234,255,093.00</u>
	<u><u>\$234,255,093.00</u></u>

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023 which was rolled forward to June 30, 2024. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2024, the proportion of the TPAF net pension liability associated with the District was .4739597114% which was a decrease of .0305259469 percent from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the District recognized on-behalf pension benefit and revenue of \$854,527 in the government-wide financial statements for contributions provided by the State. This pension benefit and revenue was based on the pension plans June 30, 2024 measurement date.

Township of Union School District
Notes to the Financial Statements
June 30, 2025

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68 (CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary Increases	2.75%-5.65%
	Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rate

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2024) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries.

Township of Union School District
Notes to the Financial Statements
June 30, 2025

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68 (CONTINUED)

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions (Continued)

Long-Term Expected Rate of Return (Continued)

The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2024 are summarized in the following table:

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.63%
Non-U.S. Developed Market Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Market Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Township of Union School District
Notes to the Financial Statements
June 30, 2025

**NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR PENSION - GASB 68
(CONTINUED)**

Teachers Pensions and Annuity Fund (TPAF) (Continued)

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

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

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Teachers Public and Annuity Fund (TPAF). The report may be obtained at State of New Jersey Division of Pensions and Benefits P.O. Box 295 Trenton, New Jersey 08625-0295 by visiting <http://www.state.nj.us/treasury/pensions>

Township of Union School District
Notes to the Financial Statements
June 30, 2025

NOTE 8: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS – GASB 75

Plan Description and Benefits Provided

The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan, with that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. According to N.J.S.A 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Employees Covered by Benefit Terms

The State Health Benefit Local Education Retired Employees Plan Membership covered by the benefit terms consisted of the following:

Active Plan Members	219,185
Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	153,556
Inactive Plan Members or Beneficiaries	
Not Yet Receiving Benefits	- 0 -
Total Plan Members	<u>372,741</u>

Township of Union School District
Notes to the Financial Statements
June 30, 2025

NOTE 8: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

Total Non-Employer OPEB Liability

The portion of the total Non-Employer OPEB Liability that was associated with the District at June 30, 2025 was as follows:

Total OPEB Liability:	
District's Proportionate Share	\$-0-
State's Proportionate Share associated with the District	<u>285,209,735</u>
	<u><u>\$285,209,735</u></u>

The total Non-Employer OPEB liability as of June 30, 2024 was determined by an actuarial valuation as of June 30, 2023, which was rolled forward to June 30, 2024.

The total Non-Employer OPEB liability was determined separately based on actual data of the District.

For the year ended June 30, 2025, the District recognized on-behalf post-employment expense and revenue of \$9,049,275.00 in the government-wide financial statements for contributions provided by the State. This expense and revenue was based on the plans June 30, 2024 measurement date.

At the June 30, 2024 measurement date, the District's proportion was .4781336466 percent, which was a decrease of .0021100267 from its proportion measured as of June 30, 2023.

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS, TPAF/ABP and PFRS participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Consequently, the District did not recognize any portion of the collective Non-Employer OPEB liability on the Statement of Net Position.

Township of Union School District
Notes to the Financial Statements
June 30, 2025

NOTE 8: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

Actuarial Assumptions and Other Inputs

The total Non-Employer OPEB liability that was associated with the District as of June 30, 2025 was determined by an actuarial valuation as of June 30, 2023, which was rolled forward to June 30, 2024. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Inflation – 2.5%			
Salary Increases	2.75-5.65%*	2.75-6.55%*	3.25-16.25%*

***- Based on Years of Service**

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disabled retirees. Future disabled retirees was based on the Pub-2010 "Safety" (PFRS), "General" (PERS), and "Teachers" (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

Actuarial assumptions used in the July 1, 2023 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 to June 30, 2021.

Township of Union School District
Notes to the Financial Statements
June 30, 2025

NOTE 8: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 7.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 19.36% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For HMO, the trend is increasing to 22.88% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.25% and decreases to a 4.50% long-term trend rate after nine years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.93%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the Total Non-Employer OPEB Liability

Shown below are details regarding the total OPEB non-employer Liability associated with the District for the measurement period from June 30, 2023 to June 30, 2024:

Balance at 6/30/23		\$251,463,599
Changes for the year:		
Service cost	\$9,792,876	
Interest	9,388,429	
Differences between expected and actual experience	151,934	
Changes in assumptions or other inputs	21,337,481	
Membership Contributions	245,511	
Benefit payments - Net	<u>(7,170,095)</u>	
Net changes		<u>33,746,136</u>
Balance at 6/30/24		<u><u>\$285,209,735</u></u>

Township of Union School District
Notes to the Financial Statements
June 30, 2025

NOTE 8: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

Sensitivity of the Total Non-Employer OPEB Liability to Changes in the Discount Rate

The following presents the total Non-Employer OPEB liability associated with the District as of June 30, 2025, calculated using the discount rate as disclosed above as well as what the total Non-Employer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1.00% <u>Decrease</u> (2.93%)	At Discount <u>Rate (3.93%)</u>	1.00% <u>Increase</u> (4.93%)
State of New Jersey's Proportionate Share of the total Non-Employer OPEB Liability associated with the District	\$334,041,682	\$285,209,735	\$245,938,714

Sensitivity of the Total Non-Employer OPEB Liability to Changes in Healthcare Trends

The following presents the total Non-Employer OPEB liability associated with the District as of June 30, 2025, calculated using the healthcare trend rate as disclosed above as well as what the total Non-Employer OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1.00% <u>Decrease</u>	Healthcare Cost <u>Trend Rate</u>	1.00% <u>Increase</u>
State of New Jersey's Proportionate Share of the total Non-Employer OPEB Liability associated with the District	\$237,581,786	\$285,209,735	\$347,248,282

Township of Union School District
Notes to the Financial Statements
June 30, 2025

NOTE 8: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Non-Employer OPEB Liability

At the June 30, 2024 measurement date, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's Non-Employer OPEB Liability associated with the District from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	\$ 30,499,822	\$ 53,262,687
Changes of assumptions	47,837,167	55,762,852
Changes in proportion	<u>2,515,066</u>	<u>5,676,567</u>
	<u>\$ 80,852,055</u>	<u>\$ 114,702,106</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the State's proportionate share of the total Non-Employer OPEB Liability associated with the District will be recognized in OPEB expense as follows:

Measurement Period Ended <u>June 30,</u>	<u>Amount</u>
2025	(\$10,749,022)
2026	(9,115,231)
2027	(4,661,422)
2028	426,623
2029	(7,984,684)
Total Thereafter	<u>(1,766,314)</u>
	<u>(\$33,850,051)</u>

Township of Union School District
Notes to the Financial Statements
June 30, 2025

NOTE 8: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Non-Employer OPEB Liability (Continued)

In accordance with GASBS No. 75, the District's proportionate share of school retirees OPEB is zero. There is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources in the financial statements.

State Health Benefit Local Education Retired Employee Plan Information

The New Jersey Division of Pension and Benefits issues publicly available reports on the OPEB plan. Those reports may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, NJ 08625-0295 or on their website at:

<http://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>

NOTE 9: 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 10: CONTINGENCIES

The District 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 2024-2025 fiscal year were subject to the Uniform Guidance and New Jersey OMB Circular 15-08 which mandates that grant revenues and expenditures be audited in conjunction with the District's annual audit if expenditures for federal or state programs exceed \$750,000. Findings and questioned costs, if any, relative to federal and state financial assistance programs are 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 District's management does not believe any such audit would result in material amounts of disallowed costs.

Township of Union School District
Notes to the Financial Statements
June 30, 2025

NOTE 11: 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. The District maintains commercial coverage covering each of those risks of loss. The administration believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

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. Charges are applied to the Unemployment Compensation Claims Payable first and any remaining charges are applied to the Unemployment Compensation budget appropriation. The following table is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's Unemployment Compensation Claims Payable and Unemployment Restricted Fund Balance for the current and previous two years:

Year Ended June 30,	Interest and				Analysis of Balance		
	Employer Contributions	Employee Contributions	Amount Reimbursed	Ending Balance	Unemployment Insurance Payable	Restricted Fund Balance	
2025	\$5,158	\$142,956	\$67,317	\$1,585,883	\$175,258	\$1,410,625	
2024	4,945	125,710	127,535	1,505,086	99,619	1,405,468	
2023	5,072	133,109	191,601	1,501,966	101,443	1,400,523	

Self-Insurance The District is self-insured for health benefits, and transactions related to the plan are accounted for in the General Fund. At June 30, 2025, total unpaid claims, including an estimate of claims that have been incurred but not yet reported (IBNR) to the administrative agent, totaled \$2,314,418.00 for health benefits.

Township of Union School District
Notes to the Financial Statements
June 30, 2025

NOTE 12: FUND BALANCE APPROPRIATED

General Fund The table below reflects the District's Fund Balance at June 30, 2025 on both a GAAP (Exhibit B-1) and Budgetary (Exhibit C-1) basis including the required adjustment related to the last state aid payment which under GAAP is not recognized:

	<u>Budgetary</u> <u>Basis</u>	<u>Adjustment</u>	<u>GAAP</u> <u>Basis</u>
Restricted:			
Excess Surplus:			
Designated for Subsequent			
Year's Expenditures	\$ 1,500,000	\$	\$ 1,500,000
Current Year	2,400,000	(2,400,000)	
Emergency Reserve	725,000		725,000
Capital Reserve	4,985,303	(3,327,675)	1,657,628
Unemployment Compensation	1,410,625		1,410,625
Assigned:			
Designated for Subsequent			
Year's Expenditures	991,688		991,688
Encumbrances	3,062,252		3,062,252
Unassigned	<u>4,998,708</u>		<u>4,998,708</u>
	<u>\$ 20,073,577</u>	<u>\$ (5,727,675)</u>	<u>\$ 14,345,902</u>

Township of Union School District
Notes to the Financial Statements
June 30, 2025

NOTE 13: CALCULATION OF EXCESS SURPLUS- BUDGETARY BASIS

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004,c.73 (S1701), the designation for restricted 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 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. Based on the calculation, the Union School District has \$2,400,000 excess fund balance resulting from the year ended June 30, 2025.

General Fund Expenditures	
Fiscal Year Ended June 30, 2025	\$202,127,501
 Add:	
Transfer from General Fund to SRF for PreK	476,340
 Less:	
On-behalf TPAF Pension and Social Security Reimbursement and assets acquired under installment purchases	<u>33,327,470</u>
Adjusted General Fund Expenditures	169,276,371
 Excess Surplus Percentage	
2% of Adjusted 2024-25 General Fund Expenditures	<u>3,385,527</u>
 Add: Allowable Adjustments	
Maximum Unreserved/Undesignated Fund Balance	4,998,708
Actual Unassigned/Undesignated Fund Balance	<u>7,398,708</u>
Excess Surplus	<u><u>\$2,400,000</u></u>

Township of Union School District
Notes to the Financial Statements
June 30, 2025

NOTE 14: CAPITAL RESERVE ACCOUNT

A capital reserve account was originally established by the Township of Union School District by inclusion of \$1,401,000 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. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP. The budgetary basis activity of the capital reserve for the year ending June 30, 2025 is as follows:

Balance, June 30, 2024		\$3,282,037
Deposits:		
Transfers In		\$165,921
Interest Earnings		34,538
Board Resolution dated 6/17/25		<u>3,136,836</u>
		<u>3,337,296</u>
		<u>6,619,333</u>
Withdrawals:		
Board Resolution dated 11/12/24		700,000
Board Resolution dated 12/10/24		<u>934,030</u>
		<u>1,634,030</u>
Balance, June 30, 2025		<u><u>\$4,985,303</u></u>

Township of Union School District
Notes to the Financial Statements
June 30, 2025

NOTE 15: MAINTENANCE RESERVE

In accordance with N.J.S.A. 18A:7G-13, a Maintenance reserve account was established by the District. The Maintenance reserve account is maintained in the general fund.

A district board of education or board of school estimate, as appropriate, may increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes.

A district board of education or board of school estimate, as appropriate, may by resolution withdraw such funds from the maintenance reserve account and appropriate into the required maintenance account lines at budget time or any time during the year for use on required maintenance activities for a school facility as reported in the comprehensive maintenance plan pursuant to N.J.A.C. 6A:26A-4.

The district board of education shall ensure that the maintenance reserve account balance does not, at any time, exceed four percent of the replacement cost of the school district's school facilities for the current year. If the account exceeds this maximum amount at June 30, the district board of education shall reserve and designate such excess in the subsequent year's budget.

The activity of the maintenance reserve for the year ending June 30, 2025 is as follows:

Balance, June 30, 2024		\$949,999
Deposits:		
Interest Earnings		<u>1</u>
		\$950,000
Withdrawals:		
Board Resolution dated 11/12/24		\$300,000
Board Resolution dated 12/10/24		<u>650,000</u>
		<u>950,000</u>
Balance, June 30, 2025		<u><u>\$ -0-</u></u>

**Township of Union School District
Notes to the Financial Statements
June 30, 2025**

NOTE 16: EMERGENCY RESERVE

An emergency reserve was established by the Township of Union School District 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 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.

The activity of the emergency reserve for the year ending June 30, 2025 is as follows:

Balance June 30, 2024 and 2025	<u><u>\$725,000</u></u>
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NOTE 17: DEFERRED COMPENSATION

The District offers its employees a choice of the deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. Since the District does not have any property or rights to the plan assets and no fiduciary relationship exists between the District and the deferred compensation plan, the plan assets are not included in the District's financial statements as of June 30, 2025.

NOTE 18: INVENTORY

Inventory in the Food Service Fund at June 30, 2025 consisted of the following:

Food and Supplies	<u><u>\$34,695</u></u>
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The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Act amendments of 1996) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

**Township of Union School District
Notes to the Financial Statements**

NOTE 19: DEFICIT FUND BALANCES

The District has a deficit fund balance of \$776,712 in the Special Revenue Fund as of June 30, 2025 as reported in the fund statements (modified accrual basis).

N.J.S.A 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, in the current budget year. The statute provides legal authority for school districts to recognize this revenue in the current budget year.

For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditures, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability.

Since the State is recording the last state aid payment in the subsequent fiscal year, the school district cannot recognize the last two state aid payments on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the last state aid payment, the fund balance deficits in the General and Special Revenue Funds do not alone indicate that the District is facing financial difficulties. Pursuant to P.L. 2003, c.97, any negative unreserved, undesignated general fund balance that is reported as a direct result from the delay in the payment of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action.

NOTE 20: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2025:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General Fund	\$23,609	\$707,747
Special Revenue Fund	440,942	
Capital Projects Fund		23,609
Enterprise Funds	266,806	
	\$731,357	\$731,357

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

Township of Union School District
Notes to the Financial Statements
June 30, 2025

NOTE 21: TAX ABATEMENT

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district. The District has identified tax abatement agreements that have been entered into that require disclosure under this statement. It is important to note that the District Tax Levy is guaranteed to be paid in full by the municipalities and that the District collected its full tax levy for Fiscal Year 2025.

NOTE 22: RESTATEMENT

The District made the following prior year adjustment in the District Wide Financial Statements in accordance with the implementation of GASB 101, *Compensated Absences* as of June 30, 2024:

	<u>Governmental Activities</u>
Beginning Net Position 06/30/24	\$59,701,091
Adjustments:	
Compensated Absences	<u>(535,350)</u>
Beginning Net Position 06/30/24 (As restated)	<u>\$59,165,740</u>

NOTE 23: SUBSEQUENT EVENTS

The District has evaluated subsequent events occurring after the financial statement date through December 22, 2025 which is the date the financial statements were available to be issued. Based upon this evaluation, the District has determined that no subsequent events needed to be disclosed.

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REQUIRED SUPPLEMENTARY INFORMATION - Part II

BUDGETARY COMPARISON SCHEDULES

TOWNSHIP OF UNION SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
REVENUES:					
Local Sources:					
Local Tax Levy	\$106,048,985		\$106,048,985	\$106,048,985	(\$50,000)
Tuition from Individuals	50,000		50,000		2,157,133
Unrestricted Miscellaneous Revenues	79,989		79,989		(1)
Interest Earned on Current Expense Emergency Reserve	1		1		(1)
Interest Earned on Maintenance Reserve	1		1		34,537
Interest Earned on Capital Reserve Funds	1		1		(4,842)
Other Restricted Miscellaneous Revenues	10,000		10,000		
Total Local Sources	106,188,977		106,188,977	108,325,803	2,136,826
State Sources:					
Categorical Transportation Aid	2,390,877		2,390,877		2,390,877
Extraordinary Aid	2,369,181		2,369,181		1,446,462
Categorical Special Education Aid	8,958,353		8,958,353		8,958,353
Equalization Aid	43,572,284		43,572,284		43,572,284
Categorical Security Aid	2,883,058		2,883,058		2,883,058
Other State Aids					723,548
State Reimbursement for Menstrual Products					295
On-behalf TPAF Contributions-not-budgeted					21,033,466
On-behalf TPAF N.C.G.I.-non-budgeted					260,548
Reimbursed TPAF Social Security Contribution-non-budgeted					4,691,374
Post Retirement Medical-non-budgeted					6,222,128
Long Term Disability Insurance					9,954
Total State Sources	60,173,753		60,173,753	94,561,528	34,387,775
Federal Sources:					
Medicaid Reimbursement	232,881		232,881		85,711
Other Federal Grant Revenue		\$2,000,000	2,000,000	2,000,000	(147,170)
Total Federal Sources	232,881		2,000,000	2,232,881	2,085,711
Total Revenues	\$166,595,611		\$2,000,000	\$168,595,611	\$204,973,042
EXPENDITURES:					
CURRENT EXPENSE:					
Instruction - Regular Programs:					
Kindergarten	\$2,063,523	(\$152,809)	\$1,910,714	\$1,899,433	\$11,281
Grades 1-5	14,496,595	(614,649)	13,881,946	13,856,069	25,877
Grades 6-8	9,626,664	(199,978)	9,426,686	9,409,296	17,390
Grades 9-12	12,457,284	(88,558)	12,368,726	12,343,515	25,211
Regular programs - home instruction:					
Salaries of teachers	520,000	(3,960)	516,040	482,988	33,052
Purchased professional educational services	63,000	(7,000)		50,525	10,475

TOWNSHIP OF UNION SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS AND AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE/ (UNFAVORABLE)</u>
Regular programs - undistributed instruction:					
Other salaries for instruction	\$50,192	\$300	\$50,492	\$50,492	
3,601,000	2,852,501	6,453,501	6,391,429	\$62,072	
949,358	97,750	1,047,108	1,022,160	24,948	
Purchased professional - educational services	604,237	(66,047)	538,190	518,360	19,830
Other purchased services (400 - 500 series)	1,409,041	508,967	1,917,708	1,482,521	435,187
General supplies	476,734	(3,751)	472,983	465,751	7,233
Textbooks		2,322,466	48,640,095	47,967,540	672,555
Total regular programs	<u>46,317,628</u>				
Instruction - Special Education:					
Learning and/or Language Disabilities:					
Salaries of Teachers	840,131	(93,760)	746,371	730,326	16,045
Other salaries for instruction	10,000	54,580	64,580	64,580	1
General Supplies	5,000	(3,700)	1,300	1,203	97
Total Learning and/or Language Disabilities	<u>855,131</u>		<u>812,251</u>	<u>796,109</u>	<u>16,142</u>
Behavioral Disabilities:					
Salaries of Teachers	481,270	(56,229)	425,041	423,227	1,814
Other Salaries for Instruction	58,992	58,992	58,845	58,845	147
General Supplies	2,500	4,500	7,000	5,583	1,417
Total Behavioral Disabilities	<u>542,762</u>		<u>(51,729)</u>	<u>491,033</u>	<u>3,378</u>
Multiple Disabilities:					
Salaries for Teachers	479,005	(108,974)	370,031	368,139	1,891
Other Salaries for Instruction	60,442	27,848	88,290	87,286	1,004
General Supplies	20,880	23,468	44,348	39,452	4,896
Total Multiple Disabilities	<u>560,327</u>		<u>(57,659)</u>	<u>502,688</u>	<u>494,877</u>
Resource Room / Resource Center:					
Salaries of Teachers	7,953,091	(776,525)	7,176,567	7,173,793	2,773
Other Salaries for Instruction	58,792	58,792	58,792	55,418	3,374
General Supplies	2,000		2,000	54	1,946
Total Resource Room / Resource Center	<u>8,013,883</u>		<u>(776,525)</u>	<u>7,237,359</u>	<u>7,229,265</u>
Autism:					
Salaries of Teachers	774,456	384,467	1,158,922	1,156,878	2,044
Other Salaries for Instruction	5,000	31,647	36,647	36,646	1
General Supplies	31,720	10,500	42,220	40,497	1,723
Total Autism	<u>\$811,176</u>		<u>\$426,613</u>	<u>\$1,237,789</u>	<u>\$3,769</u>

TOWNSHIP OF UNION SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Preschool Disabilities - Full - Time:					
Salaries of Teachers	\$690,703	\$33,575	\$724,278	\$722,835	\$1,443
Other Salaries for Instruction	34,121	52,251	86,372	86,372	1
Supplies and Materials	4,000	5,300	9,300	8,529	771
Total Preschool Disabilities - Full - Time	<u>728,824</u>	<u>91,126</u>	<u>819,950</u>	<u>817,736</u>	<u>2,215</u>
Total Special Education	<u>11,512,103</u>	<u>(411,053)</u>	<u>11,101,050</u>	<u>11,059,661</u>	<u>41,389</u>
Basic Skills / Remedial:					
Salaries of Teachers	924,521	(153,849)	770,672	722,098	48,574
Total Basic Skills / Remedial	<u>924,521</u>	<u>(153,849)</u>	<u>770,672</u>	<u>722,098</u>	<u>48,574</u>
Bilingual Education Instruction:					
Salaries of Teachers	417,198	73,672	490,871	483,277	7,594
Total Bilingual Education Instruction	<u>417,198</u>	<u>73,672</u>	<u>490,871</u>	<u>483,277</u>	<u>7,594</u>
Vocational Programs Local Instruction:					
Other Purchased Services (400-500 series)	3,000	(2,368)	3,000	2,700	300
General Supplies	11,238	(2,368)	8,870	8,649	221
Total Vocational Programs Local Instruction	<u>14,238</u>	<u>(2,368)</u>	<u>11,870</u>	<u>11,349</u>	<u>521</u>
School Sponsored Co-Curricular Activities:					
Salaries	245,998	6,740	252,738	190,232	62,506
Supplies and Materials	3,100	(2,000)	1,100	1,100	1,100
Other Objects	20,680	(4,030)	16,650	12,078	4,572
Total School Sponsored Co-Curricular Activities	<u>269,778</u>	<u>710</u>	<u>270,488</u>	<u>202,310</u>	<u>68,178</u>
School Sponsored Athletics:					
Salaries	721,039	23,894	744,933	744,783	150
Purchased Services (300-500 Series)	173,820	(4,100)	169,720	161,362	8,358
Supplies and Materials	111,720		111,720	111,051	669
Other Objects	24,650	432	25,082	22,571	2,511
Total School Sponsored Athletics	<u>\$1,031,229</u>	<u>20,226</u>	<u>1,051,455</u>	<u>1,039,767</u>	<u>11,688</u>
Before/After School Programs Instruction:					
Salaries of Teachers	1,300		1,300	897	403
Total Before/After School Programs Instruction	<u>1,300</u>	<u>1,300</u>	<u>1,300</u>	<u>897</u>	<u>403</u>
Total Before/After School Programs	<u>1,300</u>	<u>1,300</u>	<u>1,300</u>	<u>897</u>	<u>403</u>

TOWNSHIP OF UNION SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Other Supplemental/At-Risk Programs Instruction:					
Salaries of Teachers			\$370,956	\$370,837	\$119
Total Other Suppl/At-Risk Prog Instruction			370,956	370,837	119
Total Other Instructional Programs	\$2,656,965	310,647		2,967,612	
Total - Instruction	60,486,696	2,222,061		62,708,757	
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEA's within the State - Regular	50,000		50,000	25,188	24,812
Tuition to Other LEA's within the State - Special	6,896,519	(573,800)	6,322,719	6,313,173	9,546
Tuition to County Vocational School District - Regular	86,700	(18,000)	849,000	831,350	17,650
Tuition to County Vocational School District - Sp Ed	32,000	4,106	36,106	35,600	506
Tuition to CSSD & Regional Day Schools	170,000	(170,000)			
Tuition to Private Schools for the Handicapped w/in State	9,156,987	471,294	9,628,281	9,597,784	30,497
Tuition - State Facilities	108,341		108,341	108,341	
Tuition - Other	36,000	960,121	996,121	957,675	38,446
Total Undistributed Expenditures - Instruction	17,316,847	673,721		17,990,568	
Attendance and Social Work Services:					
Salaries	211,181	7,393	218,574	218,574	
Other Objects	500	(370)	130	130	
Total Attendance and Social Work Services	211,681	7,023	218,704	218,574	130
Health Services:					
Salaries	1,046,171	114,712	1,162,883	1,105,927	56,956
Salaries of Social Services Coordinators		234,778	234,778	234,777	1
Purchased Professional and Technical Services	81,824		81,824	65,287	16,537
Supplies and Materials	13,853	(221)	13,632	12,481	1,151
Total Health Services	1,143,848	349,269	1,493,117	1,418,472	74,645
Other Support Services - Speech, OT, PT & Related Services:					
Salaries	1,984,209	8,427	1,992,636	1,936,192	56,444
Purchased Professional - Educational Services	4,437,960	(2,921,642)	1,516,318	1,469,484	46,834
Supplies and Materials	58,050	25,000	83,050	58,213	24,837
Total Other Support Services - Speech, OT, PT & Related Services	6,480,219	(2,888,215)	3,592,004	3,463,889	128,114
Other Support Services - Students - Extra Services					
Salaries	2,652,646	486,605	3,139,251	3,084,629	54,622
Total Other Support Services - Students - Extra Services	\$2,652,646		\$486,605	\$3,139,251	\$3,084,629
					\$54,622

TOWNSHIP OF UNION SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS AND AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE/ (UNFAVORABLE)</u>
Guidance:					
Salaries of Other Professional Staff	\$2,385,263		\$2,427,985	\$2,418,544	\$9,441
Salaries of Secretarial and Clerical Assistants	310,063	209	310,272	310,270	2
Supplies and Materials	600		600	519	81
Other Objects	5,565	(1,110)	4,455	4,275	179
Total Guidance	2,701,491	41,821	2,743,312	2,733,608	9,704
Child Study Teams:					
Salaries of Other Professional Staff	3,188,192	(11,294)	3,176,898	3,079,719	97,179
Salaries of Secretarial and Clerical Assistants	260,255	(13,899)	246,356	246,356	
Salaries of ABA In Home Therapy	4,200	5,169	9,369	9,369	
Purchased Professional Educational Services	183,920	5,575	189,495	181,901	7,594
Other Purchased Services (400-500 series)	7,500	(7,000)	500	45	45
Supplies and Materials		10,000	10,000	7,545	2,455
Other Objects	1,500	15,000	16,500	15,574	926
Total Child Study Teams	3,645,567	3,552	3,649,119	3,540,509	108,610
Improvement of Instruction Services					
Other Support Services - Instructional Staff:					
Salaries of Supervisors of Instruction	1,627,769	39,812	1,667,581	1,667,581	
Salaries of Other Professional Staff	60,826	(20,000)	40,826	34,425	6,401
Salaries of Secretarial and Clerical Assts.	290,062	(19,694)	270,368	270,368	
Supplies and materials	66,850	(77)	66,773	66,267	506
Other Objects	3,393	(310)	3,083	2,939	144
Total Improvement of Instruction Services /	2,048,900	(269)	2,048,631	2,041,579	7,052
Educational Media Services / School Library:					
Salaries	711,145	5,522	716,667	704,459	12,208
Supplies and materials	28,670	1,055	29,725	23,950	5,775
Other Objects	13,500	(13,500)			
Total Educational Media Services / School Library	\$753,315	(\$6,924)	\$746,391	\$728,409	\$17,983

TOWNSHIP OF UNION SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS AND AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE/ (UNFAVORABLE)</u>
Instructional Staff Training Services:					
Other Salaries	\$31,147	(\$2,000)	\$29,147	\$1,120	\$28,027
Other Purchased Professional - Educational Services	90,114	(84,250)	5,864	614	5,250
Other Purchased Services (400- 500)	10,000		10,000	6,476	3,524
Total Instructional Staff Training Services	131,261	(86,250)	45,011	8,210	36,801
Support Services General Administration:					
Salaries	952,734	71,102	1,023,836	1,021,531	2,305
General Admin. Salaries-Governance Staff (AOE Direct Reports Only)	5,198		5,198	5,047	151
Unused Vacation Payment to Terminated/Retired Staff	150,000		150,000	150,000	
Legal Services	736,182	(11,175)	725,007	596,887	128,119
Expenditure and Internal Control Audit Fees	65,000	(20,000)	45,000	44,800	200
Architectural/Engineering Services	80,930	12,335	93,265	92,480	785
Other Purchased Professional Services	7,300	11,175	18,475	8,310	10,165
Other Purchased Technical Services	4,000		4,000	1,888	2,112
Communications / Telephone	366,169	(23,700)	342,469	277,326	65,143
Miscellaneous Expenditures	1,308,612	(229,575)	1,079,037	1,051,289	27,748
General Supplies	25,050	2,500	27,550	23,816	3,734
BOE In- House Training/ Meeting Supplies	8,000	(2,204)	5,796	5,796	5,021
Judgements against the District	616,250	(401,000)	215,250	191,044	24,206
Miscellaneous Expenditures	21,500	33,584	55,084	50,448	4,635
BOE Membership Dues and Fees	36,000	(5,473)	30,527	29,629	898
Total Support Services General Administration	4,382,925	(562,431)	3,820,493	3,545,271	275,222
Support Services School Administration:					
Salaries of Principals / Asst. Principals	3,132,923	(137,903)	2,995,020	2,973,546	21,475
Salaries of Other Professionals	758,526	(10,000)	748,526	748,313	214
Salaries of Secretarial and Clerical Assistants	1,425,436	56,458	1,481,894	1,469,438	12,456
Other Salaries	5,000	4,000	5,000	1,200	2,800
Purchased Professional and Technical Services	21,221		21,221	8,971	12,250
Other Purchased Services(400-500 series)	118,338	140,280	258,618	173,314	85,304
Supplies and Materials	85,873	17,351	103,224	82,836	20,389
Total Support Services School Administration	\$5,547,317	\$70,187	\$5,617,505	\$5,457,617	\$159,888

TOWNSHIP OF UNION SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Central Service:					
Salaries	\$931,583	(\$11,282)	\$920,301	\$918,749	\$1,552
Purchased Professional Services	131,982	22,425	154,406	130,652	23,755
Purchased Professional Services- Public Relation Costs		15,000	15,000	15,000	
Misc. Purch. Services (400-500)	19,500	(4,244)	15,256	9,537	5,719
Supplies and Materials	44,811	4,699	49,510	44,618	4,892
Miscellaneous Expenditures	12,000	3,263	15,263	15,263	
Total Central Service	1,139,876	29,861	1,169,737	1,133,820	35,917
 Administrative Information Technology:					
Salaries	870,196	15,071	885,267	884,421	846
Other Purchased Services	77,000	(75,507)	1,493	1,493	1,493
Supplies and Materials	21,500	(5,000)	16,500	14,629	1,871
Total Administrative Information Technology	968,696	(65,436)	903,260	899,050	4,210
 Required Maintenance for School Facilities:					
Salaries	1,212,900	(78,914)	1,133,986	1,109,874	24,112
Unused Vacation Payment to Terminated/Retired Staff		8,531	8,531	8,531	
Cleaning, Repair and Maintenance Services	535,465	184,697	720,162	678,662	41,500
General Supplies	361,163	(101,887)	259,276	249,373	9,903
Other Objects	72,500	86,179	158,679	80,385	78,295
Total Required Maintenance for School Facilities	\$2,182,028	\$98,606	\$2,280,634	\$2,126,824	\$153,810

TOWNSHIP OF UNION SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS AND AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE/ (UNFAVORABLE)</u>
Custodial Services:					
Salaries	\$3,798,838	(\$149,546)	\$3,649,292	\$3,363,033	\$286,259
Salaries of Non-Instructional Aides	337,090	46,762	383,852	345,325	38,527
Unused Vacation Payment to Terminated/Retired Staff		13,609	13,609	13,609	
Purchased Professional and Technical Services	35,800	70,000	105,800	101,750	4,040
Cleaning, Repair and Maintenance Services	175,770	42,700	218,470	215,770	2,700
Other Purchased Property Services	164,821	4	164,825	143,478	21,347
General Supplies	214,143	99,657	313,800	313,800	
Energy (Natural Gas)	677,350	51,300	728,650	703,098	25,552
Energy (Heat and Electricity)	963,250	(216,167)	747,083	687,089	59,984
Interest - Energy Savings Impr Prg Bonds	446,600		446,600	446,600	
Principal - Energy Savings Impr Prg Bonds	495,000		495,000	495,000	
Total Custodial Services	7,308,662	(41,681)	7,266,981	6,828,572	438,409
Care and Upkeep of Grounds:					
Salaries	325,762	(50,220)	275,542	258,399	17,143
Cleaning, Repair And Maintenance	40,000	(32,088)	7,912	7,912	
General Supplies	43,500	(29,733)	13,767	12,895	872
Total Care and Upkeep of Grounds	409,262	(112,041)	297,221	279,206	18,015
Security:					
Salaries	2,083,802	(51,946)	2,031,856	1,864,884	166,972
Purchased Professional and Technical Services	551,308	(417,530)	133,778	104,379	29,399
Cleaning, Repair, and Maintenance Services	5,000	5,000	5,000	5,000	
General Supplies	25,585	(5,235)	20,350	8,984	11,366
Other Objects	205,697	16,985	222,682	221,587	1,095
Total Security	\$2,871,392	(\$3457,726)	\$2,413,666	\$2,199,833	\$213,832

TOWNSHIP OF UNION SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Student Transportation Services:					
Salaries of Non-Instructional Aides					
Salaries for Pupil Transportation (Between Home and School) - Regular	\$706,486	\$43,805	\$750,291	\$744,533	\$5,758
Salaries (Other than H & S)	1,493,434	514,591	2,008,025	2,007,310	715
Unused Vacation Payment to Terminated/Retired Staff	30,000	9,732	39,732	39,732	
Management Fee- ESC & CTSAs Trans. Program	422,000	11,935	396,000	292,825	103,175
Transportation- Other Purchased Prod & Tech	15,000	5,850	20,850	19,831	1,019
Cleaning, Repair and Maintenance Services	168,100	(53,233)	114,867	31,639	83,228
Lease Payments	361,996	(31,133)	330,863	304,819	26,045
Contracted Services - Aid in Lieu Payments-NonPub Sch	488,601	(16,838)	471,763	412,274	59,490
Contracted Services - Aid in Lieu Payments-Charter Sch	51,000	(40,452)	10,548	7,856	2,691
Contract. Serv. - Aid in Lieu Pymts-Choice Sch	73,165	(19,000)	54,165	51,317	2,847
Contracted Services (Other than Between Home and School) - Vendors	169,244	(81,953)	87,291	4,067	83,224
Contract. Serv.(Reg. Students)-ESCs & CTSAs	50,000	(21,000)	29,000	14,822	14,178
Contracted Services -(Spec.Ed Students) -ESCs & CTSAs	9,830,000	(1,580,000)	8,250,000	7,440,820	809,180
General Supplies	69,193	(32,000)	69,193	54,470	14,723
Transportation Supplies	294,062		262,062	237,003	24,903
Other Objects	38,300		38,300	8,221	30,079
Total Student Transportation Services	<u>14,260,580</u>	<u>(1,315,695)</u>	<u>12,944,885</u>	<u>11,683,630</u>	<u>1,261,255</u>
Allocated Benefits - Employee Benefits:					
Unused vacation pay to Terminated/Retired Staff	124,725	124,725	124,725	124,725	
Unused vacation Pay to Terminated/Retired Staff	1,575	1,575	1,575	1,575	
Unused vacation Pay to Terminated/Retired Staff	16,622	16,622	16,622	16,622	
Unused vacation Pay to Terminated/Retired Staff	5,700	5,700	5,700	5,700	
Unused vacation Pay to Terminated/Retired Staff	18,900	18,900	18,900	18,900	
Unused vacation Pay to Terminated/Retired Staff	27,403	27,403	27,403	27,403	
Total Allocated Benefits - Employee Benefits	<u>194,924</u>	<u>194,924</u>	<u>194,924</u>	<u>194,924</u>	<u>194,924</u>
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	1,900,000	(64,000)	1,836,000	1,728,998	107,002
Other Retirement Contributions - PERS	2,250,000	(139,445)	2,110,555	1,813,076	297,479
Other Retirement Contributions - Regular	86,000	86,000	86,000	63,034	22,966
Workmen's Compensation	1,222,317	0	1,222,317	1,098,334	123,983
Health Benefits	24,763,359	873,364	25,636,723	25,567,632	69,091
Tuition Reimbursements	115,000	(323,548)	115,000	92,115	22,885
Unused sick payment	400,000	76,452	400,000	331,083,047	76,452
Total Unallocated Benefits - Employee Benefits	<u>\$30,736,676</u>	<u>\$346,371</u>	<u>\$31,083,047</u>	<u>\$30,363,189</u>	<u>\$719,858</u>

TOWNSHIP OF UNION SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
				(\$21,033,466) (260,548) (6,222,128) (4,691,374) (9,954)
On-Behalf TPAF Contributions (Non-Budgeted)				
On-behalf TPAF Contributions-non-budgeted				
On-behalf TPAF N.C.G.I.-non-budgeted				
Post Retirement Medical-non budgeted				
Reimbursed TPAF Social Security Contribution-non-budgeted				
Long Term Disability Insurance				
Total TPAF Pension/Social Security				
Total Undistributed Expenditures				
Interest Earned on Maintenance Reserve	1		1	
Interest Earned on Current Expense	1		1	
Emergency Res	2		2	
Total General Current Expense				
TOTAL EXPENDITURES - CURRENT EXPENSE	167,379,886	(1,012,668)	166,367,218	193,894,134
CAPITAL OUTLAY:				
Equipment:				
Grades 1-5	29,475	(3,905)	25,570	19,555
Grades 6-8	6,000	14,222	20,222	18,193
Grades 9-12 - Equipment	28,800	(506)	28,294	26,433
School Sponsored and Other Instructional Program	28,700	(6,500)	22,200	17,100
Undistributed Expenditures - Instruction	3,325		3,325	
Undist.Expend.-Support Serv.-Students - Reg.	180,949	180,949	180,901	180,901
Undist.Expend.-Support Serv. - Child Study Teams	17,000		21,000	9,317
Undistributed Expenditures - General Admin.	4,000	4,500	4,500	4,419
Undistributed Admin. Info Technology	80,000	5,000	85,000	84,628
Undistributed-Req. Maint. For Schools	45,805	93,101	980,906	972,441
Undistributed-Custodial Services	63,000	(57,456)	5,544	5,544
Undist. Expend. - Care and Upkeep of Grounds	67,000	(67,000)		
Undistributed-Security	15,818	(1,000)	14,818	7,169
Total Equipment	371,923	1,020,405	1,392,328	1,345,700
Facilities Acquisition and Construction Services:				
Architectural/Engineering services	87,909	709,328	797,237	159,414
Construction services	1,198,417	4,808,650	6,007,068	5,516,793
Assessment for Debt Service on SDA Funding	101,460		101,460	101,460
Total Facilities Acquisition and Construction Services	1,387,786		6,905,755	\$5,777,667
Interest Deposit to Capital Reserve				\$1

TOWNSHIP OF UNION SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Assets acquired under installment purchases (non-budgeted)					
Undistributed expenditures:					
Equipment					
Total assets acquired under capital leases (non-budgeted)					
	\$1,759,710	\$6,538,383	\$8,298,093		
TOTAL CAPITAL OUTLAY					
Transfer of funds to charter schools	941,684	(941,684)			
TOTAL EXPENDITURES	\$170,081,281	\$4,584,031	\$174,665,311	\$202,127,501	(\$27,462,188)
Excess (deficiency) of revenues over (under) expenditures	(3,485,670)	(2,584,031)	(6,069,700)	2,845,542	8,915,244
Other financing sources (uses)					
Transfers to grants and entitlements - Local Contribution	(476,340)		(476,340)		
Transfers from Other Funds					
Proceeds from Installment Purchases (non-budgeted)					
Total other financing sources	(476,340)		(476,340)	799,581	1,275,921
Excess of revenues and other financing sources over expenditures and other expenditures and other financing sources	(3,962,010)	(2,584,031)	(6,546,040)	3,645,123	10,191,165
Fund balances, July 1	16,428,454		16,428,454		16,428,454
Fund balances, June 30	\$12,486,445	(\$32,584,031)	\$9,882,414	\$20,073,577	\$10,191,165
Recapitulation:					
Assigned - year-end encumbrances					\$3,062,252
Assigned - excess surplus - current year					2,400,000
Restricted - excess surplus - designated for subsequent year's expenditures					1,500,000
Restricted - capital reserve					4,985,303
Restricted - emergency reserve					725,000
Restricted - unemployment					1,410,625
Unassigned fund balance					4,998,708
Assigned - designated for subsequent years expenditures					991,688
Reconciliation to governmental funds statements (GAAP):					\$20,073,577
Prior Year aid payment not recognized on GAAP basis					(5,727,675)
Fund balance per governmental funds (GAAP)					\$14,345,902

EXHIBIT "C-2"

TOWNSHIP OF UNION SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR FISCAL YEARS ENDED JUNE 30, 2025

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
REVENUES:					
State sources	\$8,791,217	\$113,522	\$8,904,739	\$7,537,192	\$1,367,547
Federal sources	3,601,468	853,349	4,454,817	4,420,142	34,675
Other sources		2,955,521	2,955,521	1,581,541	1,373,980
Total revenues	\$12,392,685	\$3,922,391	\$16,315,077	\$13,538,874	\$2,776,202
EXPENDITURES:					
Instruction:					
Salaries of teachers	\$2,146,788	\$318,730	\$2,465,518	\$2,461,744	\$3,774
Other salaries for instruction	588,394	13,544	601,938	574,364	27,574
Purchased professional & technical services	194,906	243,903	438,809	352,017	86,793
Other purchased services	15,000	102,449	117,449	104,123	13,326
Tuition	1,808,672	441,600	2,250,272	2,250,272	
General supplies	1,352,376	(735,716)	616,660	508,714	107,946
Textbooks	26,878	3,755	30,633	26,895	3,738
Other objects	22,783	647,013	669,796	151,271	518,524
Total instruction	6,155,797	1,035,278	7,191,075	6,429,400	761,675
Support services:					
Other Salaries	179,895	231,462	411,357	410,557	800
Salaries of Supervisors of Instruction	123,990		123,990	123,990	
Salaries of Principals/Program Directors	197,469	324	197,793	197,707	86
Salaries of Other Professional Staff	143,656	143,902	287,558	286,558	1,000
Salaries of Secretarial and Clerical Assistants	133,766	530	134,296	79,892	54,404
Other Salaries	81,244	(9,414)	71,830	30,264	41,566
Salaries of Family/Parent Liaison & Parent Specialist:	89,082		89,082	89,082	
Salaries of Master Teachers	359,705	(122,957)	236,748	214,928	21,820
Purchased professional & technical services	252,124	(91,021)	161,103	104,239	56,864
Purchased professional & educational services	3,416,970	(17,628)	3,399,342	2,669,295	730,047
Personal services - employee benefits	1,297,725	312,067	1,609,792	1,540,280	69,512
Other purchased services	101,000	74,856	175,856	81,475	94,381
Supplies and materials	106,602	237,240	343,842	324,665	19,177
Scholarships		423,072	423,072	61,800	361,272
Student Activities		1,393,421	1,393,421	850,494	542,927
Total support services	6,483,228	2,575,853	9,059,081	7,065,225	1,993,856
Facilities acquisition & construction services:					
Instructional Equipment	130,000	(45,423)	84,577	73,577	11,000
Non-Instructional Equipment	100,000	356,685	456,685	366,965	89,719
	230,000	311,261	541,261	440,542	100,719
Total expenditures	12,869,025	3,922,391	16,791,417	13,935,167	2,856,250
Other Financing Sources (Uses):					
Transfer from General Fund	476,340		476,340	476,340	
Total Other Financing Sources (Uses)	476,340		476,340	476,340	
Total expenditures and other financing sources (uses)	12,392,685	3,922,391	16,315,077	13,458,827	2,856,250
Excess (deficiency) of revenues over (under) expenditures	\$-0-	\$-0-	\$-0-	80,048	\$80,048
Fund Balance, July 1				824,150	
Fund Balance, June 30				\$904,198	
Recapitulation of Balance:					
Restricted:					
Scholarships				\$361,272	
Student Activities				542,927	
Total Fund Balance				\$904,198	

TOWNSHIP OF UNION SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
BUDGET TO GAAP RECONCILIATION
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUND</u>
Sources/inflows of resources		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$204,973,042	\$13,538,874
Difference - budget to GAAP Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and related revenue is recognized.	1,123,832	
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	4,542,789	658,152
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	<u>(5,727,675)</u>	<u>(776,712)</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$203,788,156</u>	<u>\$14,544,146</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedules	<u>\$202,127,501</u>	<u>\$13,458,827</u>
Difference - budget to GAAP Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial purposes	1,123,832	
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>476,340.00</u>	
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>\$202,127,501</u>	<u>\$15,058,999</u>

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

TOWNSHIP OF UNION SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN YEARS

Measurement Date Ending June 30.	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Covered-Employee Payroll	District's Proportion of the Net Pension Liability (Asset)	District's Proportion of the Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
					Payroll	
2015	0.1861144362%	\$ 41,778,961	\$ 11,766,218	355.08%	47.92%	
2016	0.2047483398%	60,640,585	12,413,608	488.50%	40.14%	
2017	0.2011942685%	46,834,809	13,144,042	356.32%	44.10%	
2018	0.1986593800%	39,115,042	13,558,570	288.49%	53.60%	
2019	0.2050093406%	36,939,573	14,313,544	258.07%	56.27%	
2020	0.1961688246%	31,990,005	12,400,104	257.98%	58.32%	
2021	0.17117762898%	20,349,477	11,853,742	171.67%	70.33%	
2022	0.1878885624%	28,354,971	11,761,056	241.09%	62.91%	
2023	0.2007771994%	29,081,321	11,788,683	246.69%	65.23%	
2024	0.1949085103%	26,484,258	12,631,059	209.68%	68.22%	

TOWNSHIP OF UNION SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TEN YEARS

Fiscal Year Ending June 30.	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Contributions as a Percentage of Covered- Employee Payroll	
				District's Covered- Employee Payroll	12.90%
2016	\$ 1,600,845	\$ 1,600,845	\$ -0-	\$ 12,413,608	\$ 12.90%
2017	1,865,776	1,865,776	-0-	13,144,042	14.19%
2018	1,966,877	1,966,877	-0-	13,558,570	14.51%
2019	1,976,019	1,976,019	-0-	14,313,544	13.81%
2020	1,994,147	1,994,147	-0-	12,400,104	16.08%
2021	2,145,990	2,145,990	-0-	11,853,742	18.10%
2022	2,011,700	2,011,700	-0-	11,761,056	17.10%
2023	2,369,365	2,369,365	-0-	11,788,683	20.10%
2024	2,683,442	2,683,442	-0-	12,631,059	21.24%
2025	2,652,160	2,652,160	-0-	13,658,977	19.42%

TOWNSHIP OF UNION SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS PENSION AND ANNUITY FUND
LAST TEN YEARS

Measurement Date Ending June 30.	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	State's Proportionate Share of the Net Pension Liability (Asset) associated with the District	District's Covered-Employee Payroll	District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered- Employee Payroll	State's Proportionate Share of the Total Net Pension Liability associated with the District as a percentage of the District's Covered- Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.5121144212%	\$ -0-	\$ 323,678,183	\$ 50,438,662	-0-	641.73%	28.71%
2016	0.5273323977%	-0-	414,833,252	52,609,495	-0-	788.51%	22.33%
2017	0.518415520%	-0-	349,534,277	55,743,331	-0-	627.04%	25.41%
2018	0.5310886758%	-0-	337,867,200	56,538,225	-0-	597.59%	26.49%
2019	0.5383778865%	-0-	330,407,591	56,723,859	-0-	582.48%	26.95%
2020	0.5432052525%	-0-	357,694,123	58,118,053	-0-	615.46%	24.60%
2021	0.5177049886%	-0-	248,887,602	57,542,387	-0-	432.53%	35.52%
2022	0.5231598578%	-0-	269,921,272	55,961,876	-0-	482.33%	32.29%
2023	0.504485583%	-0-	257,452,499	59,024,819	-0-	436.18%	34.68%
2024	0.473959714%	-0-	234,255,093	63,519,811	-0-	368.79%	37.99%

EXHIBIT "L-4"

TOWNSHIP OF UNION SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION PART III
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms:

None

Change in assumptions:

The following assumptions were used in calculating the net pension liability in their respective accounting periods:

Measurement Date Ending	Discount	Long-Term Expected Rate of Return	Actuarial Experience Study Period
<u>June 30,</u>	<u>Rate</u>	<u>Rate</u>	<u>Study Period</u>
2024	7.00%	7.00%	07/01/18-06/30/21
2023	7.00%	7.00%	07/01/18-06/30/21
2022	7.00%	7.00%	07/01/18-06/30/21
2021	7.00%	7.00%	07/01/14-06/30/18
2020	7.00%	7.00%	07/01/14-06/30/18
2019	6.28%	7.00%	07/01/14-06/30/18
2018	5.66%	7.00%	07/01/11-06/30/14
2017	5.00%	7.00%	07/01/11-06/30/14
2016	3.98%	7.65%	07/01/11-06/30/14
2015	4.90%	7.90%	07/01/08-06/30/11

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms:

None

Change in assumptions:

The following assumptions were used in calculating the net pension liability in their respective accounting periods:

Measurement Date Ending	Discount	Long-Term Expected Rate of Return	Actuarial Experience Study Period
<u>June 30,</u>	<u>Rate</u>	<u>Rate</u>	<u>Study Period</u>
2024	7.00%	7.00%	07/01/18-06/30/21
2023	7.00%	7.00%	07/01/18-06/30/21
2022	7.00%	7.00%	07/01/18-06/30/21
2021	7.00%	7.00%	07/01/15-06/30/18
2020	5.40%	7.00%	07/01/15-06/30/18
2019	5.60%	7.00%	07/01/15-06/30/18
2018	4.86%	7.00%	07/01/12-06/30/15
2017	4.25%	7.00%	07/01/12-06/30/15
2016	3.22%	7.65%	07/01/12-06/30/15
2015	4.13%	7.90%	07/01/09-06/30/12

REQUIRED SUPPLEMENTARY INFORMATION - PART IV

**SCHEDULE RELATED TO ACCOUNTING AND REPORTING FOR POSTEMPLOYMENT BENEFITS OTHER THAN
PENSIONS (GASB 75)**

**TOWNSHIP OF UNION SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE DISTRICT'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST EIGHT YEARS**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>Measurement Date Ended June 30, 2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total Non-Employer OPEB Liability - State's Proportionate Share of Total OPEB Liability Associated with the School District								
Balance at 6/30	\$251,463,599	\$247,127,951	\$293,187,300	\$331,689,754	\$203,622,646	\$220,598,168	\$256,298,313	\$276,132,530
Changes for the year:								
Service cost	9,792,876	10,003,041	13,400,776	16,148,768	9,506,841	8,923,406	10,142,025	12,246,214
Interest	9,388,429	8,856,241	6,549,163	7,605,587	7,362,385	8,786,235	9,437,523	8,137,988
Changes of benefit terms								
Differences between expected and actual experience	151,934	(8,353,851)	6,564,031	(56,437,364)	56,208,985	(31,635,870)	(24,270,102)	
Changes in assumptions or other inputs	21,337,481	506,847	(66,294,290)	289,252	60,588,320	3,036,030	(25,314,744)	
Membership Contributions	245,511	226,954	(208,111)	194,438	175,023	185,285	(34,500,500)	
Benefit payments - Net	(7,170,096)	(6,903,584)	(6,487,140)	(5,991,073)	(5,774,446)	(6,250,608)	(5,398,716)	(5,936,413)
Net changes	33,746,136	4,355,648	(46,059,349)	(38,502,454)	(128,067,108)	(16,975,522)	(35,700,145)	(19,834,222)
Balance at 6/30	<u><u>\$285,209,735</u></u>	<u><u>\$261,463,599</u></u>	<u><u>\$247,127,951</u></u>	<u><u>\$293,187,300</u></u>	<u><u>\$331,689,754</u></u>	<u><u>\$203,622,646</u></u>	<u><u>\$220,598,168</u></u>	<u><u>\$256,298,313</u></u>
Covered Employee Payroll	76,150,870	75,308,494	70,785,875	67,815,618	69,942,491	72,431,597	70,282,429	69,682,267
District's Proportionate Share of the Total Non-Employer OPEB Liability as a percentage of the District's Covered Employee Payroll	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
State's Proportionate Share of the Total Non-Employer OPEB Liability associated with the District as a percentage of the District's Covered Employee Payroll	374.53%	333.91%	349.12%	432.33%	474.23%	281.12%	313.87%	367.81%

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

TOWNSHIP OF UNION SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION PART IV
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Change in benefit terms: None

Change in assumptions:

The following assumptions were used in calculating the net OPEB liability in their respective accounting periods:

Measurement Date Ending <u>June 30,</u>	Discount <u>Rate</u>
2024	3.93%
2023	3.65%
2022	3.54%
2021	2.16%
2020	2.21%
2019	3.50%
2018	3.87%

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specific purposes other than debt service or capital projects.

TOWNSHIP OF UNION SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2026

	IDEA Basic	IDEA Preschool	High Impact Tutoring	Title I	Title II Part A	Title III	Title IV	School- Based Mental Health
REVENUES:								
State sources	\$ 2,196,114	\$ 65,158	\$ 150,331	\$ 1,261,329	\$ 178,590	\$ 113,958	\$ 76,077	\$ 378,191
Federal sources								
Other sources								
Total revenues	\$ 2,196,114	\$ 65,158	\$ 150,331	\$ 1,261,329	\$ 178,590	\$ 113,958	\$ 76,077	\$ 378,191
EXPENDITURES:								
Instruction:								
Salaries of teachers								
Other Salaries for Instruction								
Purchased professional and technical services								
Other purchased services								
Tuition	2,185,114	65,158						
General supplies								
Textbooks								
Other objects								
Total instruction	\$ 2,185,114	\$ 65,158	\$ 141,366	\$ 653,952	\$ 62,073	\$ 78,561	\$ 25,928	\$ 147,448
Support services:								
Salaries								
Salaries of Supervisors of Instruction								
Salaries of Principals/Program Directors								
Salaries of Other Professional Staff								
Salaries of Secretarial and Clerical Assistants								
Other salaries								
Salaries of Family/Parent Liaison and Parent Specialists								
Salaries of Master Teachers								
Purchased professional and technical services								
Purchased professional educational services								
Personal services - employee benefits								
Other purchased services								
Supplies and materials								
Scholarships								
Student Activities								
Total support services	\$ 11,000	\$ 8,965	\$ 593,801	\$ 178,590	\$ 35,397	\$ 50,150	\$ 230,743	
Facilities acquisition and construction services:								
Instructional Equipment								
Non-Instructional Equipment								
Total facilities acquisition and construction services:								
Total expenditures	\$ 2,196,114	\$ 65,158	\$ 150,331	\$ 1,261,329	\$ 178,590	\$ 113,958	\$ 76,077	\$ 378,191
Other financing sources (uses):								
Transfer from general fund								
Total other financing sources (uses)								
Excess (deficiency) of revenues Over (under) expenditures								
Fund Balance, July 1								
Fund Balance, June 30								

TOWNSHIP OF UNION SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	ARP- ESSER	Nonpublic Textbooks	Nonpublic Technology	Nonpublic Security	Nonpublic Nursing	Ch. 192 Compensatory Education	Ch. 192 Transportation	Ch. 192 Instruction
REVENUES:								
State sources								
Federal sources	\$ 394	\$ 26,895	\$ 25,720	\$ 109,462	\$ 26,862	\$ 150,581	\$ 6,771	\$ 7,351
Other sources								
Total revenues	\$ 394	\$ 26,895	\$ 25,720	\$ 109,462	\$ 26,862	\$ 150,581	\$ 6,771	\$ 7,351
EXPENDITURES:								
Instruction:								
Salaries of teachers								
Other Salaries for Instruction								
Purchased professional and technical services								
Other purchased services								
Tuition								
General supplies								
Textbooks								
Other objects								
Total instruction		\$ 26,895	\$ 25,720	\$ 25,720	\$ 25,720	\$ 150,581	\$ 6,771	\$ 7,351
Support services:								
Salaries								
Salaries of Supervisors of Instruction								
Salaries of Principals/Program Directors								
Salaries of Other Professional Staff								
Salaries of Secretarial and Clerical Assistants								
Other salaries								
Salaries of Family/Parent Liaison and Parent Specialists								
Salaries of Master Teachers								
Purchased professional and technical services								
Personal services - employee benefits								
Other purchased services								
Supplies and materials								
Scholarships								
Student Activities								
Total support services	\$ 394	\$ 394	\$ 394	\$ 109,462	\$ 26,862	\$ 150,581	\$ 6,771	\$ 7,351
Facilities acquisition and construction services:								
Instructional Equipment								
Non-instructional Equipment								
Total facilities acquisition and construction services:								
Total expenditures	\$ 394	\$ 26,895	\$ 25,720	\$ 109,462	\$ 26,862	\$ 150,581	\$ 6,771	\$ 7,351
Other financing sources (uses):								
Transfer from general fund								
Total other financing sources (uses)								
Excess (deficiency) of revenues Over (under) expenditures								
Fund Balance, July 1								
Fund Balance, June 30								

TOWNSHIP OF UNION SCHOOL DISTRICT I
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Ch. 193 Examination & Classification	Ch. 193 Corrective Speech	Student Activity Funds	Scholarship Funds	Preschool Education Aid	Other Local Programs	TOTAL 2025
REVENUES:							
State sources	\$ 15,348	\$ 9,765	\$ 9,765	\$ 9,765	\$ 7,156,436	\$ 589,199	\$ 7,537,192
Federal sources							4,420,142
Other sources							1,581,541
Total revenues	\$ 15,348	\$ 9,765	\$ 9,765	\$ 9,765	\$ 7,156,436	\$ 589,199	\$ 13,538,874
EXPENDITURES:							
Instruction:							
Salaries of teachers							2,461,744
Other Salaries for Instruction							574,364
Purchased professional & technical services							352,017
Other purchased services							104,123
Tuition							2,250,272
General supplies							508,714
Textbooks							26,895
Other objects							151,271
Total instruction	\$ 15,348	\$ 9,765	\$ 9,765	\$ 9,765	\$ 2,757,892	\$ 131,551	\$ 6,429,400
Support services:							
Salaries							2,000
Salaries of Supervisors of Instruction							410,557
Salaries of Principals/Program Directors							123,990
Salaries of Other Professional Staff							137,681
Salaries of Secretarial and Clerical Assistants							197,707
Other salaries							286,558
Salaries of Family/Parent Liaison and Parent Specialists							79,892
Salaries of Master Teachers							30,264
Purchased professional and technical services							89,082
Purchased professional educational services							214,928
Personal services - employee benefits							104,239
Other purchased services							2,658,295
Supplies and materials							1,228,213
Scholarships							81,475
Student Activities							324,665
Total support services	\$ 850,494	\$ 850,494	\$ 850,494	\$ 850,494	\$ 61,800	\$ 4,869,603	\$ 35,964
Facilities acquisition & construction services:							7,065,225
Instructional Equipment							73,577
Non-Instructional Equipment							366,965
Total facilities acquisition & construction services							
Total expenditures	\$ 15,348	\$ 9,765	\$ 9,765	\$ 9,765	\$ 61,800	\$ 7,632,776	\$ 421,685
Other financing sources (uses):							440,542
Transfer from general fund							
Total other financing sources (uses)							
Excess (deficiency) of revenues Over (under) expenditures							476,340
Fund Balance, July 1							
Fund Balance, June 30							

TOWNSHIP OF UNION SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>BALANCE</u> <u>JULY 1, 2024</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2025</u>
ASSETS:				
Cash and cash equivalents	\$ 480,166	\$ 913,254	\$ 850,494	\$ 542,927
Total assets	\$ 480,166	\$ 913,254	\$ 850,494	\$ 542,927
LIABILITIES:				
Due student groups:				
Senior High School:				
Union Township High school activities	\$ 205,072	\$ 484,303	\$ 468,521	\$ 220,854
Athletic Account	157,025	270,881	223,213	204,693
Junior High School:				
Burnett	29,114	43,351	39,424	33,040
Kawameeh	49,371	67,532	68,213	48,690
Elementary Schools:				
Battle Hill	5,536	12,870	15,457	2,949
Central Five - Jefferson	669	448	618	500
Connecticut Farms	4,635	8,610	10,698	2,547
Franklin	2,894	2,182	1,508	3,568
Hannah Caldwell	8,266	3,713	4,144	7,835
Livingston	8,151	6,412	6,913	7,650
Washington	9,434	12,951	11,784	10,600
Total liabilities	\$ 480,166	\$ 913,254	\$ 850,494	\$ 542,927

TOWNSHIP OF UNION SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Budgeted	Actual	Variance
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$1,895,970	\$1,892,196	\$3,774
Other Salaries for Instruction	595,138	568,364	26,774
Other Purchased Services (400-500 Series)	15,000	1,674	13,326
General supplies	392,474	295,658	96,816
Total instruction	<u>2,898,582</u>	<u>2,757,892</u>	<u>140,689</u>
Support services:			
Salaries of Supervisors of Instruction	123,990	123,990	0
Salaries of Principals	137,681	137,681	0
Salaries of Other Professional Staff	287,558	286,558	1,000
Salaries of Secretarial and Clerical Assistants	119,296	64,958	54,338
Other Salaries	71,830	30,264	41,566
Salaries of Community Parent Involvement Specialists	89,082	89,082	0
Salaries of Master Teachers	236,748	214,928	21,820
Personal Services - Employee Benefits	1,297,725	1,228,213	69,512
Purchased Educational Services - Contracted Pre-K	3,334,970	2,626,900	708,070
Purchased Professional - Educational Services	32,000	31,395	605
Other Purchased Professional Services	3,500	3,427	73
Cleaning, Repair and Maintenance Services	72,000	1,399	70,602
Contract Services- Transportation (Field Trips)	20,000	5,660	14,340
Travel	9,000		9,000
Supplies and Materials	37,500	25,148	12,352
Total support services	<u>5,872,880</u>	<u>4,869,603</u>	<u>1,003,277</u>
Facilities acquisition and const. serv.:			
Instructional Equipment	11,000		11,000
Noninstructional Equipment	<u>85,000</u>	<u>5,281</u>	<u>79,719</u>
Total facilities acquisition and const. serv.	<u>96,000</u>	<u>5,281</u>	<u>90,719</u>
Total expenditures	<u><u>\$8,867,462</u></u>	<u><u>\$7,632,776</u></u>	<u><u>\$1,234,686</u></u>

CALCULATION OF BUDGET AND CARRYOVER

Total 2024-25 Preschool Education Aid Allocation	\$7,767,030
Add: Actual PreK Carryover (June 30, 2024)	1,351,401
Add: Budgeted Transfer From General Fund	476,340
Canceled Encumbrances	274
Total Preschool Education Funds Available for 2024-25 Budget	\$9,595,045
Less: 2024-25 Budgeted Prek (Including prior year budgeted carryover)	<u>8,867,462</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2025	<u>\$727,583</u>
Add: June 30, 2025 Unexpended Preschool Education Aid	<u>1,234,686</u>
2024-25 actual Carryover-Preschool Education Aid	<u><u>\$1,962,269</u></u>
2024-25 Preschool Education Aid Carryover	
Budgeted for Preschool Programs 2025-26	<u><u>\$1,351,401</u></u>

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CAPITAL PROJECTS FUND DETAIL STATEMENTS

TOWNSHIP OF UNION SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

<u>ISSUE/PROJECT TITLE</u>	<u>REVISED AUTHORIZED COST</u>	<u>EXPENDITURES TO DATE PRIOR YEAR(S)</u>	<u>EXPENDITURES TO DATE CURRENT YEAR</u>	<u>UNEXPENDED BALANCE JUNE 30, 2025</u>
District-Wide Door Replacement	\$ 434,263	\$ 392,566	\$ 41,697	\$
District-Wide Upgrades - FY 2020	231,000	197,251		33,749
District-Wide Upgrades - FY 2021	330,000	218,295	90,475	21,230
Energy Savings Improvement Program	14,950,667	14,463,675		486,992
NJ Clean Energy Program- HVAC	<u>1,096,900</u>	<u>114,280</u>	<u>847,020</u>	<u>135,600</u>
	<u>\$ 17,042,830</u>	<u>\$ 15,386,067</u>	<u>\$ 1,012,941</u>	<u>\$ 643,822</u>

TOWNSHIP OF UNION SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Expenditures and financing uses:

Purchased professional and technical services	\$ 24,420
Construction services	822,600
Operating Transfers Out-General Fund	<u>165,921</u>
 Total expenditures and Transfers	 <u>\$ 1,012,941</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (1,012,941)</u>
Net change in fund balances	<u>\$ (1,012,941)</u>
Fund balance - beginning	<u>1,656,763</u>
Fund balance - ending	<u>\$ 643,822</u>

Recapitulation of Fund Balance

Committed:	
Year-end encumbrances	\$ 8,100
Restricted:	
Capital projects	<u>635,722</u>
Fund balance - ending	<u>\$ 643,822</u>

Reconciliation to GAAP Basis

Fund balance - budgetary basis	\$ 643,822
Less: State Grant Unearned Revenue	<u>(56,081)</u>
Fund balance - GAAP basis (exhibit B-1)	<u>\$ 587,741</u>

TOWNSHIP OF UNION SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS - BUDGETARY BASIS
DISTRICT-WIDE DOOR REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	Revised Authorized	<u>Cost</u>
Revenues and Other Financing Sources					
Capital Outlay Transfer	\$ 434,263	\$ _____	\$ 434,263	\$ 434,263	\$ 434,263
Total revenues	<u>\$ 434,263</u>	<u>\$ _____</u>	<u>\$ 434,263</u>	<u>\$ 434,263</u>	<u>\$ 434,263</u>
Expenditures and Other Financing Uses					
Purchased professional & technical services	\$ 24,950	\$ _____	\$ 24,950	\$ 24,950	\$ 24,950
Construction services	367,616	\$ _____	367,616	\$ 367,616	409,313
Transfer to general fund		41,697	41,697	41,697	
Total expenditures	<u>\$ 392,566</u>	<u>\$ 41,697</u>	<u>\$ 434,263</u>	<u>\$ 434,263</u>	<u>\$ 434,263</u>
Excess (deficiency) or revenues over (under) expenditures	\$ 41,697	\$ (41,697)	\$ _____		
Additional project information:					
Grant Date		N/A			
Bond Authorization Date		N/A			
Bonds Authorized		N/A			
Original Authorized Cost		303,000			
Additional Authorized Cost		131,263			
Revised Authorized Cost		434,263			
Percentage Increase over Original Authorized Cost		43%			
Percentage completion		100%			
Original target completion date		12/1/2019			
Revised target completion date		6/30/2022			

TOWNSHIP OF UNION SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS - BUDGETARY BASIS
DISTRICT-WIDE UPGRADES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	Revised Authorized <u>Cost</u>
Revenues and Other Financing Sources				
Capital Outlay Transfer	\$ 231,000	\$ _____	\$ 231,000	\$ 231,000
Total revenues	<u>\$ 231,000</u>	<u>\$ _____</u>	<u>\$ 231,000</u>	<u>\$ 231,000</u>
Expenditures and Other Financing Uses				
Purchased professional & technical services	\$ _____	\$ _____	\$ _____	\$ 21,000
Construction services	163,251	\$ _____	163,251	176,000
Transfer to general fund	34,000	33,749	67,749	34,000
Total expenditures	<u>\$ 197,251</u>	<u>\$ 33,749</u>	<u>\$ 231,000</u>	<u>\$ 231,000</u>
Excess (deficiency) or revenues over (under) expenditures	\$ 33,749	\$ (33,749)	\$ _____	\$ _____
Additional project information:				
Grant Date		N/A		
Bond Authorization Date		N/A		
Bonds Authorized		N/A		
Original Authorized Cost	231,000			
Additional Authorized Cost				
Revised Authorized Cost	231,000			
Percentage Increase over Original Authorized Cost				
Percentage completion		100%		
Original target completion date		6/30/2022		
Revised target completion date				

TOWNSHIP OF UNION SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS - BUDGETARY BASIS
DISTRICT-WIDE UPGRADES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	Revised Authorized	<u>Cost</u>
Revenues and Other Financing Sources					
Capital Outlay Transfer	\$ 330,000	\$ _____	\$ 330,000	\$ 330,000	
Total revenues	\$ 330,000	\$ _____	\$ 330,000	\$ 330,000	
Expenditures and Other Financing Uses					
Construction services	\$ 218,295	\$ _____	\$ 218,295	\$ 330,000	
Transfer to general fund		90,475	90,475		
Total expenditures	\$ 218,295	\$ 90,475	\$ 308,770	\$ 330,000	
Excess (deficiency) or revenues over (under) expenditures	\$ 111,705	\$ (90,475)	\$ 21,230		

Additional project information:

Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Original Authorized Cost	330,000
Additional Authorized Cost	
Revised Authorized Cost	330,000
Percentage completion	94%
Original target completion date	6/30/2022
Revised target completion date	

TOWNSHIP OF UNION SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS - BUDGETARY BASIS
ENERGY SAVINGS IMPROVEMENT PROGRAM - PHASE I
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	Revised Authorized <u>Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds	\$ 14,950,667	\$ _____	\$ 14,950,667	\$ 14,950,667
Total revenues	\$ 14,950,667	\$ _____	\$ 14,950,667	\$ 14,950,667
Expenditures and Other Financing Uses				
Purchased professional & technical services	\$ 294,335	\$ _____	\$ 294,335	\$ 300,000
Construction services	\$ 14,169,340	\$ _____	\$ 14,169,340	\$ 14,650,667
Total expenditures	\$ 14,463,675	\$ _____	\$ 14,463,675	\$ 14,950,667
Excess (deficiency) or revenues over (under) expenditures	\$ 486,992	\$ _____	\$ 486,992	
Additional project information:				
Grant Date		N/A		
Bond Authorization Date		Various		
Bonds Authorized		12,590,000		
Bonds Issued		12,590,000		
SCC Amount				
Local Share				
Original Authorized Cost		14,950,667		
Additional Authorized Cost				
Revised Authorized Cost		14,950,667		
Percentage Increase over Original Authorized Cost				
Percentage completion		97%		
Original target completion date		6/30/2022		
Revised target completion date		6/30/2023		

TOWNSHIP OF UNION SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS - BUDGETARY BASIS
NJ CLEAN ENERGY PROGRAM - HVAC
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	Revised Authorized	<u>Cost</u>
Revenues and Other Financing Sources					
NJ Clean Energy Grant	\$ 822,675.00	\$	\$ 822,675.00	\$ 822,675.00	
Capital Outlay Transfer	274,225.00		274,225.00	274,225.00	
Total revenues	<u>\$ 1,096,900.00</u>		<u>\$ 1,096,900.00</u>		<u>\$ 1,096,900.00</u>
Expenditures and Other Financing Uses					
Purchased professional & technical services	\$ 114,280.00	\$ 24,420.00	\$ 138,700.00	\$ 146,800.00	
Construction services		822,600.00	822,600.00	950,100.00	
Total expenditures	<u>\$ 114,280.00</u>	<u>\$ 847,020.00</u>	<u>\$ 961,300.00</u>		<u>\$ 1,096,900.00</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 982,620.00</u>	<u>\$ (847,020.00)</u>	<u>\$ 135,600.00</u>		
Additional project information:					
Grant Amount	822,675.00				
Local Share	274,225.00				
Original Authorized Cost					
Additional Authorized Cost	1,096,900.00				
Revised Authorized Cost	1,096,900.00				
Percentage Increase over Original Authorized Cost					
Percentage completion	88%				
Original target completion date	12/31/2024				
Revised target completion date					

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, Installment Purchase Contracts and Subscription Based Information Technology Arrangements.

TOWNSHIP OF UNION SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2025

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JUNE 30, 2024	BALANCE JUNE 30, 2025
			DATE	AMOUNT			
Refunding School Bonds - Series 2020	10/13/2020	\$ 3,795,000	1/1/2026	335,000	4.000%		
			1/1/2027	350,000	4.000%		
			1/1/2028	360,000	4.000%		
			1/1/2029	365,000	4.000%		
			1/1/2030	370,000	4.000%		
			1/1/2031	370,000	4.000%		
			1/1/2032	365,000	4.000%		
School Energy Savings Obligation Refunding Bonds - Series 2020	12/17/2020	7,555,000	8/15/2025	290,000	4.000%		
			8/15/2026	230,000	4.000%		
			8/15/2027	250,000	4.000%		
			8/15/2028	270,000	4.000%		
			8/15/2029	295,000	4.000%		
			8/15/2030	320,000	4.000%		
			8/15/2031	350,000	4.000%		
			8/15/2032	380,000	4.000%		
			8/15/2033	410,000	4.000%		
			8/15/2034	440,000	4.000%		
			8/15/2035	470,000	4.000%		
			8/15/2036	500,000	4.000%		
			8/15/2037	535,000	4.000%		
			8/15/2038	575,000	4.000%		
			8/15/2039	610,000	4.000%		
			8/15/2040	650,000	4.000%		
						6,845,000	270,000
							6,575,000

TOWNSHIP OF UNION SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2025

TOWNSHIP OF UNION SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER INSTALLMENT PURCHASE CONTRACTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

<u>PURPOSE</u>	<u>DATE OF LEASE</u>	<u>TERM OF CONTRACT</u>	<u>AMOUNT OF ORIGINAL CONTRACT PRINCIPAL</u>	<u>INTEREST RATE PAYABLE</u>	<u>BALANCE JULY 1, 2024</u>	<u>ISSUED</u>	<u>RETIREDE</u>	<u>BALANCE JUNE 30, 2025</u>
Buses	10/15/2020	5	268,750	1.56%	\$ 53,594	\$	\$ 53,594	\$
Telecommunications	5/15/2020	3	750,000	1.41%	202,771		66,848	135,923
Buses	7/14/2022	5	1,095,708	2.74%	781,840		149,515	632,325
Buses	10/25/2023	4	277,913	4.57%	208,779		66,507	142,272
Buses	10/25/2023	4	277,913	4.57%		<u>1,110,000</u>		<u>1,110,000</u>
					\$ 1,246,984	\$ 1,110,000	\$ 336,464	\$ 2,020,520

TOWNSHIP OF UNION SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES:				
Local sources:				
Local tax levy	\$ 1,810,750	\$ 1,810,750	\$ 1,810,750	\$ _____
Total revenues	<u>\$ 1,810,750</u>	<u>\$ 1,810,750</u>	<u>\$ 1,810,750</u>	<u>\$ _____</u>
EXPENDITURES:				
Regular debt service:				
Interest on bonds	\$ 375,750	\$ 375,750	\$ 375,750	\$ _____
Redemption of bond principal	<u>1,435,000</u>	<u>1,435,000</u>	<u>1,435,000</u>	<u>1,435,000</u>
Total regular debt service-expenditures	<u>\$ 1,810,750</u>	<u>\$ 1,810,750</u>	<u>\$ 1,810,750</u>	<u>\$ _____</u>
Excess (deficiency) of revenues over (under) expenditures	\$ _____	\$ _____	\$ _____	\$ _____
Fund balance, July 1	<u>37,346</u>	<u>37,346</u>	<u>37,346</u>	<u>37,346</u>
Fund balance, June 30	<u><u>\$ 37,346</u></u>	<u><u>\$ 37,346</u></u>	<u><u>\$ 37,346</u></u>	<u><u>\$ 37,346</u></u>

TOWNSHIP OF UNION SCHOOL DISTRICT
SCHEDULE OF OBLIGATIONS UNDER SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

<u>SERIES</u>	<u>DATE OF ISSUE</u>	<u>AMOUNT OF ISSUE</u>	<u>INTEREST RATE</u>	<u>AMOUNT OUTSTANDING JUNE 30, 2024</u>	<u>RETIRED</u>	<u>AMOUNT OUTSTANDING JUNE 30, 2025</u>
BrainPOP School Subscription	07/01/2022	\$ 80,005	2.194%	\$ 27,116	\$ 27,116	\$
Nearpod Licenses	07/01/2022	150,046	1.850%	50,010	50,010	
Emath Platform - Algebra Membership	07/01/2022	36,528	1.850%	12,175	12,175	
Google Workspace License	09/01/2022	92,575	1.850%	55,532	18,173	37,359
Imagine Language & Literacy Licenses	07/01/2022	130,661	2.194%	65,661	32,474	33,187
LinkIt Software Products	07/01/2022	719,648	2.354%	439,836	136,296	303,540
myPerspectives English Language Arts	07/01/2022	254,194	2.194%	85,755	85,755	
SilAS Software - 10 Schools	09/01/2022	73,646	1.850%	24,546	24,546	
Sophos Cyber Security Software	08/04/2022	206,841	2.354%	167,118	40,333	126,785
Formative Licenses - Union HS	07/01/2022	10,163	1.850%	3,387	3,387	
Genesis Student Information System	07/01/2023	374,286	3.212%	327,985	50,437	277,548
Gizmos Science Department Licenses	12/05/2022	21,362	3.254%	7,118	7,118	
IXL Site License - Math	09/01/2022	27,102	1.850%	9,033	9,033	
Kami District Plan License	08/01/2022	53,025	1.850%	17,673	17,673	
Zoom Education Meeting	07/28/2022	15,024	1.850%	5,008	5,008	
Wixie Subscription	07/24/2022	15,466	1.850%	5,155	5,155	
TLC - Library Solutions Software	07/01/2022	69,403	1.850%	42,408	13,877	28,531
Cisco Security Software	07/01/2022	95,147	2.194%	31,863	31,863	
Cisco System Software	07/01/2022	606,557	2.194%	407,905	98,681	309,224
Intensified Algebra	07/01/2022	33,426	1.850%	11,141	11,141	
PLTW Participation	07/01/2022	15,859	1.850%	5,301	5,301	
Total		\$ 1,801,728		\$ 685,553	\$ 685,553	\$ 1,116,175

**STATISTICAL SECTION
(UNAUDITED)**

**TOWNSHIP OF UNION SCHOOL DISTRICT
STATISTICAL SECTION**

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

Sources

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

TOWNSHIP OF UNION SCHOOL DISTRICT
NET POSITION BY COMPONENT
UNAUDITED

	Fiscal Year Ending June 30,					
	2025	2024	2023	2022	2021	2020
Governmental activities						
Net investment in capital assets	\$ 81,805,939	\$ 77,263,624	\$ 73,072,017	\$ 68,904,271	\$ 57,671,651	\$ 73,459,183
Restricted	10,835,133	9,025,673	10,917,012	16,355,044	21,913,373	10,289,802
Unrestricted (deficit)	(25,805,641)	(26,588,207)	(30,666,946)	(38,015,298)	(43,806,416)	(48,159,338)
Total governmental activities net position	\$ 66,840,431	\$ 59,701,091	\$ 53,122,083	\$ 47,244,017	\$ 35,778,608	\$ 35,589,647
Business-type activities						
Net investment in capital assets	\$ 1,360,139	\$ 1,616,412	\$ 985,862	\$ 1,014,924	\$ 776,039	\$ 818,105
Unrestricted	430,894	361,916	1,140,380	1,316,124	803,842	153,158
Total business-type activities net position	\$ 1,791,033	\$ 1,978,329	\$ 2,126,252	\$ 2,331,048	\$ 1,579,881	\$ 971,263
District-wide						
Net investment in capital assets	\$ 83,170,078	\$ 78,880,037	\$ 74,057,879	\$ 69,919,195	\$ 58,447,690	\$ 74,277,288
Restricted	10,835,133	9,025,673	10,917,012	16,355,044	21,913,373	10,289,802
Unrestricted (deficit)	(25,377,747)	(26,226,290)	(29,726,556)	(36,689,174)	(43,002,574)	(48,006,180)
Total district net position	\$ 68,631,464	\$ 61,679,420	\$ 55,248,334	\$ 49,575,055	\$ 37,358,489	\$ 36,560,910

Source: ACFFR Schedule A-1

TOWNSHIP OF UNION SCHOOL DISTRICT
CHANGES IN NET POSITION
(UNAUDITED)

	2025	2024	2023	2022	2021	Fiscal Year Ending June 30,	2020	2019	2018	2017	2016
EXPENSES											
Governmental activities											
Instruction											
Regular	\$ 77,021,371	\$ 74,913,309	\$ 72,415,591	\$ 70,398,168	\$ 80,258,951	\$ 68,991,187	\$ 71,649,152	\$ 77,805,228	\$ 79,393,892	\$ 70,648,204	
Special education	35,575,863	34,097,421	31,738,035	29,908,050	33,583,913	30,123,608	19,878,494	21,311,083	21,277,414	18,918,112	
Other instruction	5,957,243	5,086,887	5,223,629	5,556,311	7,124,470	6,672,430	5,988,480	8,380,690	8,016,714	7,428,413	
Support Services:											
Tuition	33,049,148	32,809,390	31,179,797	28,207,089	29,360,033	26,188,636	22,601,372	24,400,356	19,753,092	17,763,555	
Student & instruction related services	3,959,835	3,294,326	2,923,307	2,950,266	3,286,800	3,022,813	3,115,368	4,394,509	2,777,974		
General administrative services	8,757,465	8,584,157	8,388,290	8,484,509	9,770,728	8,700,031	7,561,387	7,412,288	6,602,185	6,919,671	
School administrative services	2,403,006	2,076,533	1,178,151	1,120,822	1,883,434	2,223,623	3,386,269	3,330,408	2,715,148	2,044,175	
Central services and information technology	10,901,578	12,872,055	6,858,012	7,831,827	11,390,275	11,313,235	12,359,449	13,764,466	13,091,671	11,532,667	
Plant operations and maintenance	13,559,980	13,345,785	12,588,149	10,346,252	7,697,296	8,059,568	7,956,901	7,555,417	5,943,785		
Student transportation services	(92,048)	(174,099)	686,288	473,192	605,758	635,170	719,095	798,995	1,037,076	814,673	
Interest on long-term debt								928,733	712,743	481,027	
Capital Outlay								1,603,755	101,460	74,805	
Unallocated amortization										951,182	
Total governmental activities expenses	\$ 192,963	\$ 193,482,319	\$ 1,398,187	\$ 794,641	\$ 325,756	\$ 154,045	\$ 187,428,124	\$ 165,912,803	\$ 170,976,724	\$ 181,760,269	
Business-type activities:											
Food Service	\$ 4,794,001	\$ 4,763,510	\$ 4,909,414	\$ 4,417,006	\$ 2,089,975	\$ 2,752,023	\$ 3,309,698	\$ 3,303,360	\$ 3,342,381	\$ 3,256,197	
Total business-type activities expense	\$ 4,794,001	\$ 4,763,510	\$ 4,909,414	\$ 4,417,006	\$ 2,089,975	\$ 2,752,023	\$ 3,309,698	\$ 3,303,360	\$ 3,342,381	\$ 3,256,197	
Total district expenses	\$ 198,276,319	\$ 191,844,545	\$ 179,254,322	\$ 170,005,572	\$ 185,151,399	\$ 168,684,826	\$ 174,286,422	\$ 185,063,629	\$ 177,933,672	\$ 158,323,615	
PROGRAM REVENUES											
Governmental activities:											
Charges for services	\$ 913,254	\$ 697,550	\$ 616,593	\$ 343,648	\$ 343,648	\$ 343,648	\$ 221,780	\$ 191,385	\$ 113,032	\$ 150,214	
Operating grants and contributions	\$ 28,319,944	\$ 33,122,755	\$ 34,982,280	\$ 40,201,785	\$ 55,798,281	\$ 37,827,972	\$ 48,689,313	\$ 53,491,509	\$ 48,459,115	\$ 36,896,315	
Total governmental activities program revenues	\$ 29,233,198	\$ 33,820,305	\$ 35,598,873	\$ 40,545,433	\$ 56,142,929	\$ 37,827,972	\$ 48,689,313	\$ 53,582,394	\$ 48,572,147	\$ 37,046,529	
Business-type activities:											
Charges for services	\$ 1,484,631	\$ 1,638,888	\$ 1,651,909	\$ 266,997	\$ 9,877	\$ 1,173,002	\$ 1,429,670	\$ 1,521,825	\$ 1,630,647	\$ 1,617,053	
Food Service	3,247,738	2,955,487	3,045,758	4,859,716	2,066,990	1,428,421	1,712,479	1,727,977	1,679,296	1,597,231	
Operating grants and contributions	\$ 4,732,369	\$ 4,594,376	\$ 4,697,567	\$ 5,126,713	\$ 2,616,567	\$ 3,142,149	\$ 2,601,423	\$ 3,249,802	\$ 3,309,943	\$ 3,214,284	
Total business-type activities program revenues	\$ 33,955,567	\$ 38,414,681	\$ 40,296,540	\$ 45,672,146	\$ 56,755,495	\$ 40,429,395	\$ 52,053,242	\$ 56,332,696	\$ 51,862,090	\$ 40,260,813	
Total district program revenues											

TOWNSHIP OF UNION SCHOOL DISTRICT
CHANGES IN NET POSITION
UNAUDITED

	2025	2024	2023	2022	Fiscal Year Ending June 30	2020	2019	2018	2017	2016
					2021					
<u>NET EXPENSE/REVENUE</u>										
Governmental activities	\$ (164,249,121)	\$ (163,260,729)	\$ (138,746,035)	\$ (125,043,133)	\$ (131,285,496)	\$ (128,084,831)	\$ (122,065,631)	\$ (128,077,375)	\$ (126,019,144)	\$ (118,020,889)
Business-type activities										
Total district-wide net expense	\$ (164,310,752)	\$ (163,429,864)	\$ (138,957,782)	\$ (124,333,426)	\$ (130,758,904)	\$ (128,235,430)	\$ (122,233,180)	\$ (128,130,933)	\$ (128,051,582)	\$ (118,062,802)
<u>GENERAL REVENUES AND OTHER CHANGES</u>										
<u>IN NET POSITION</u>										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 106,048,985	\$ 101,603,143	\$ 97,142,109	\$ 95,524,677	\$ 93,403,084	\$ 91,571,651	\$ 89,776,128	\$ 87,709,754	\$ 85,981,132	\$ 84,295,227
Taxes levied for debt service	1,810,750	1,874,000	3,562,477	3,165,876	2,889,483	2,749,240	2,767,366	2,808,184	2,814,225	2,790,533
Grants and contributions	61,534,890	52,148,878	41,544,891	37,128,455	35,253,115	33,682,659	26,513,394	28,340,927	27,779,891	28,081,549
Miscellaneous income	2,814,720	4,258,068	2,301,738	688,534	41,977	546,648	859,027	565,687	456,834	630,748
Transfers										
Total governmental activities	\$ 171,923,811	\$ 159,639,738	\$ (44,452)	\$ 144,489,376	\$ 136,505,542	\$ 131,258,494	\$ 128,550,198	\$ 119,916,515	\$ 119,415,552	\$ 117,927,022
Business-type activities:										
Miscellaneous income	\$ 10,675	\$ 21,212	\$ 6,950	\$ 2,865	\$ 961	\$ 5,490	\$ 8,214	\$ 4,911	\$ 7,757	\$ 3,864
Transfers										
Total business-type activities	\$ (156,340)	\$ 21,212	\$ 6,950	\$ 38,595	\$ 81,065	\$ 82,026	\$ 5,490	\$ 4,911	\$ (866,630)	\$ (858,873)
Total district-wide	\$ (171,758,147)	\$ 156,860,950	\$ 144,496,396	\$ 144,496,396	\$ 136,556,003	\$ 131,340,521	\$ 128,555,639	\$ 119,924,729	\$ 119,420,463	\$ 117,068,149
<u>CHANGE IN NET POSITION</u>										
Governmental activities	\$ 7,674,691	\$ 6,579,009	\$ 5,743,341	\$ 11,465,409	\$ (27,001)	\$ 485,367	\$ (2,149,116)	\$ (8,661,823)	\$ (8,092,122)	\$ (2,222,832)
Business-type activities										
Total district	\$ 7,437,395	\$ 6,431,086	\$ (147,923)	\$ (204,796)	\$ 5,538,544	\$ 12,261,577	\$ 581,617	\$ 320,258	\$ (8,710,470)	\$ (8,983,439)

Source: ACFR Schedule A-2

TOWNSHIP OF UNION SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
(UNAUDITED)

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	Fiscal Year Ending June 30,		<u>2018</u>	<u>2017</u>	<u>2016</u>
						<u>2020</u>	<u>2019</u>			
General Fund										
Restricted	\$ 6,284,941	\$ 5,817,013	\$ 8,405,837	\$ 9,013,382	\$ 7,403,532	\$ 5,776,248	\$ 4,775,182	\$ 5,106,228	\$ 16,618,331	\$ 16,283,943
Assigned	3,062,252	1,464,712	817,520	3,745,320	595,739	2,517,568	1,174,609	865,930	1,094,429	2,563,838
Unassigned	4,998,708	4,603,941	2,449,984	3,932,941	3,981,507	202,065	189,457	525,976	353,566	
Total general fund	<u>\$ 14,345,902</u>	<u>\$ 11,885,665</u>	<u>\$ 11,673,341</u>	<u>\$ 16,691,643</u>	<u>\$ 11,960,778</u>	<u>\$ 8,495,911</u>	<u>\$ 6,139,248</u>	<u>\$ 6,498,134</u>	<u>\$ 18,066,326</u>	<u>\$ 18,847,781</u>
All Other Governmental Funds										
Restricted	\$ 1,521,186	\$ 926,175	\$ 1,599,657	\$ 1,365,789	\$ 1,532,705	\$ 57,988	\$ 630,004	\$ 50,365	\$ 66,752	\$ 5,240,027
Committed	8,100	855,120	131,344	2,267,900	12,398,743			428,768	557,404	326,388
Assigned										
Unassigned/(Deficit)										
Total all other governmental funds	<u>\$ (776,712)</u>	<u>\$ (658,152)</u>	<u>\$ (587,121)</u>	<u>\$ (439,164)</u>	<u>\$ (373,386)</u>	<u>\$ (316,047)</u>	<u>\$ (229,318)</u>	<u>\$ (163,445)</u>	<u>\$ (400,686)</u>	<u>\$ 624,156</u>

Source: ACFR Schedule B-1

**TOWNSHIP OF UNION SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
UNAUDITED**

					Fiscal Year Ending June 30,					
					2021	2020	2019	2018	2017	2016
Revenues										
Tax levy	\$ 107,859,735	\$ 103,477,143	\$ 100,684,586	\$ 98,690,553	\$ 96,092,567	\$ 94,320,891	\$ 92,543,494	\$ 90,508,938	\$ 88,795,357	\$ 87,085,760
Tuition charges	34,538	66,775	8,139	4,199	28,777	52,264				
Interest on capital reserve	1,086,669	969,078	133,400	132,049	10,318	26,011				
Interest on investments	2,842,253	1,477,693	1,126,797	820,253	112,895	300,471				
Miscellaneous	102,485,924	91,777,999	80,188,133	73,190,454	167,902	1,131,157	799,501	631,348	47,736,891	806,283
State sources	6,714,828	9,145,861	8,784,152	7,471,057	6,257,187	56,824,848	50,901,333	47,900,950	2,915,231	46,495,876
Federal sources						59,276,986	3,468,106	3,039,377	2,900,950	2,915,231
Total revenue	\$ 220,923,937	\$ 206,914,549	\$ 190,925,207	\$ 180,308,565	\$ 167,596,541	\$ 157,418,844	\$ 153,967,605	\$ 145,249,149	\$ 140,064,546	\$ 137,303,150
Expenditures										
Instruction	\$ 52,421,850	\$ 51,755,324	\$ 48,580,781	\$ 43,224,362	\$ 43,753,120	\$ 41,085,048	\$ 40,808,573	\$ 40,272,135	\$ 39,525,679	\$ 38,567,742
Regular Instruction	13,309,933	12,853,405	12,362,706	11,579,138	12,152,882	11,962,722	9,889,763	10,083,236	9,589,681	9,454,286
Special education instruction	2,830,536	2,161,486	2,285,962	2,314,240	3,691,841	3,182,271	3,395,827	4,446,171	4,115,339	4,199,877
Other instruction										
Support Services:										
Tuition	17,869,111	17,022,863	15,140,404	12,432,816	11,787,010	12,057,596	13,095,665	12,577,721	11,977,151	10,875,321
Student & instructional services	24,479,542	24,690,400	23,393,442	18,312,269	16,754,506	16,610,395	15,057,665	14,961,615	13,591,265	13,162,243
General administrative services	3,545,271	3,562,584	3,431,472	2,818,926	2,502,346	2,662,201	2,475,400	2,260,776	2,234,559	2,431,836
School administrative services	5,457,617	5,406,649	5,179,394	4,714,573	4,795,639	4,867,258	5,226,792	5,440,401	5,284,613	4,891,270
Central services & administrative tech.	2,032,870	1,912,236	2,069,904	9,186,148	1,799,934	1,264,877	1,192,343	9,069,061	9,331,813	9,763,807
Plant operations and maintenance	11,434,496	10,254,303	9,614,107	9,195,558	8,309,086	9,046,000	9,325,469	9,514,488	9,184,486	9,407,232
Student transportation services	11,583,630	12,538,993	13,127,298	10,156,577	9,349,577	6,318,880	6,931,928	6,535,648	6,394,379	6,394,379
Unallocated employee benefits	62,775,583	55,040,777	54,006,035	46,301,437	42,500,948	42,004,997	39,715,639	35,371,544	34,277,386	
Capital outlay	10,193,140	7,192,709	6,338,141	12,638,84	3,623,292	1,205,476	2,566,493	7,471,941	4,731,691	2,157,793
Debt service:										
Principal	1,435,000	2,635,000	2,480,000	2,215,000	2,190,000	2,175,000	2,105,000	2,045,000	1,980,000	
Interest and other charges	375,750	444,000	1,025,200	802,331	552,305	673,750	757,350	833,250	905,900	949,943
Cost of Issue of Refunding Bonds										
Total expenditures	\$ 219,944,269	\$ 207,000,874	\$ 199,224,586	\$ 186,511,238	\$ 167,732,304	\$ 154,062,543	\$ 154,982,493	\$ 157,410,364	\$ 147,399,669	\$ 138,553,228
Excess (Deficiency) of revenues over (under) expenditures	979,667	(86,326)	(8,299,379)	(6,202,673)	(135,763)	3,356,301	(1,014,888)	(12,161,215)	(7,335,123)	(1,250,078)
Other Financing sources (uses)										
Capital leases (non-budgeted)	1,110,000	277,913	1,095,708	550,000	268,750	297,324	577,555	448,000	735,144	
Refunding Bond Proceeds										
Original Issue Premium, net										
Transfers to Refunding Escrow Agent	642,261	1,131,036	425,251	937,290	600,582	553,309	1,140,000	531,834	8,023,766	464,804
Transfers in										
Transfers out										
Total other financing sources (uses)	\$ 1,110,000	\$ 277,913	\$ 1,095,708	\$ 550,000	\$ 15,282,822	\$ 297,324	\$ 57,555	\$ 448,000	\$ (7,147,501)	\$ (464,804)
Net change in fund balances	\$ 2,089,667	\$ 191,587	\$ (7,203,671)	\$ (5,652,673)	\$ 15,147,059	\$ 3,653,626	\$ (437,333)	\$ (11,713,215)	\$ (5,723,714)	\$ (1,250,078)
Debt service as a percentage of noncapital expenditures	0.86%	0.94%	1.90%	1.89%	1.69%	1.87%	1.92%	1.96%	8.33%	2.13%

Source: ACFR Schedule B-2

TOWNSHIP OF UNION SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
(UNAUDITED)

<u>Fiscal Year Ended June 30</u>	<u>Tuition</u>	<u>Interest On Investments</u>	<u>Prior Year Refunds</u>	<u>Rentals</u>	<u>Misc.</u>	<u>Total</u>
2025	\$ 43,433	\$ 1,105,870	\$ 263,990	\$ 629,124	\$ 194,706	\$ 2,237,122
2024	146,984	989,878	55,691	22,550	269,770	1,484,873
2023	42,160	144,027	98,148	37,915	154,797	477,046
2022	16,194	169,748	45,890	42,028	255,873	529,733
2021	28,777	138,003	7,762	659	209,313	384,515
2020	52,264	326,482	44,840	22,137	62,987	508,710
2019	171,267	375,004	203,581	37,119	72,875	859,846
2018	191,385	233,431	219,384	39,997	94,836	779,033
2017	113,032	194,943	112,700	32,300	339,718	792,693
2016	150,214	18,592	222,237	33,814	128,689	553,546

Source: District Records

TOWNSHIP OF UNION SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY - UNION
UNAUDITED

Fiscal Year Ended December 31.	Vacant Land	Residential	Commercial	Industrial	Apartment	Assessed Value	Total Assessed Value	Tax Exempt Property	Public Utilities (a)	Net Valuation Taxable	Total Direct School Tax Rate (b)	
											Net Valuation Taxable	Est. Actual (County Equalized Value)
2024	\$ 9,318,000	\$ 759,600,500	\$ 177,308,200	\$ 64,634,900	\$ 24,801,900	\$ 1,035,663,500	\$ 243,965,200	\$ 1,062,962	\$ 1,036,726,462	\$ 10,011,025,165	\$ 10,404	\$ 9,986
2023	9,022,300	749,983,100	186,451,200	64,693,200	24,801,900	1,034,951,700	241,730,300	1,039,495	1,036,041,195	9,634,482,196	9,675	9,675
2022	10,557,500	749,319,200	189,643,200	64,960,800	24,940,800	1,039,421,300	213,886,000	1,223,658	1,040,644,958	7,239,273,358	9,472	9,472
2021	10,510,500	748,342,000	190,994,900	65,753,700	24,940,800	1,040,541,900	210,606,400	1,378,310	1,041,920,210	7,366,082,895	9,214	9,214
2020	10,273,400	747,994,200	192,700,100	65,813,700	24,802,300	1,041,583,700	208,612,100	1,380,240	1,042,963,940	6,982,288,068	8,420	8,420
2019	7,836,600	745,957,200	190,645,900	66,716,100	23,656,000	1,034,811,800	195,912,900	1,414,534	1,036,226,334	6,701,384,331	8,950	8,950
2018	6,086,400	744,964,800	189,266,800	69,478,800	22,773,600	1,032,570,400	196,215,800	1,452,617	1,034,023,017	6,428,188,642	8,787	8,787
2017	7,914,100	743,548,000	186,518,100	68,853,900	21,752,900	1,028,587,000	187,830,100	1,482,416	1,030,069,416	6,272,037,939	8,607	8,607
2016	8,171,500	741,892,000	188,646,000	70,590,000	20,807,900	1,030,107,400	188,170,200	1,553,331	1,031,640,731	6,032,620,003	8,420	8,420
2015	8,549,400	742,161,900	190,863,500	70,630,300	20,603,500	1,032,808,600	187,627,400	1,454,499	1,034,263,099	6,127,489,228		

Source: District records Tax list summary & Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs 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

TOWNSHIP OF UNION SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES - UNION
UNAUDITED

Calendar Year Ended <u>December 31,</u>	Township of Union			Overlapping Rates			Total Direct and Overlapping <u>Tax Rate</u>
	<u>Basic Rate (a)</u>	<u>General Obligation Debt Service (b)</u>	<u>Total Direct School Tax Rate</u>	<u>Township of Union</u>	<u>Union County</u>		
2024	\$ 10.229	\$ 0.175	\$ 10.404	\$ 8.255	\$ 3.692	\$ 22.351	
2023	9.635	0.351	9.986	7.842	3.841		21.669
2022	9.335	0.340	9.675	7.631	3.610		20.916
2021	9.204	0.268	9.472	7.486	3.451		20.409
2020	8.956	0.258	9.214	7.416	3.372		20.002
2019	8.838	0.265	9.103	7.267	3.363		19.733
2018	8.682	0.268	8.950	7.150	3.298		19.398
2017	8.514	0.273	8.787	7.037	3.287		19.111
2016	8.330	0.275	8.605	6.698	3.144		18.447
2015	8.150	0.270	8.420	6.739	3.175		18.334

Source: District Records and Municipal Tax Collector
 (Rates are per \$100 of assessed value)

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
PRINCIPAL PROPERTY TAX PAYERS - UNION
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

Taxpayer	2025		2016		% of Total District Net Assessed Value	% of Total District Net Assessed Value
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value		
Union Mill Run, LLC	\$ 10,930,700	1	1.05%	\$ 10,450,000	1	1.02%
McMinn-L Robbins, Trustee	8,880,800	2	0.86%	8,966,000	2	0.87%
Union 22 Plaza	8,601,400	3	0.83%	8,902,400	3	0.86%
Edison UNION001, LLC	5,332,300	4	0.51%			
Union UE, LLC	5,126,000	5	0.49%	8,500,000	4	0.82%
I&G Direct Real Estate 45	4,977,400	6	0.48%			
Liberty Hall Joint Venture	3,855,600	7	0.37%	3,855,600	8	0.37%
VNO 2445 Springfield Ave.	3,841,300	8	0.37%	6,300,000	6	0.61%
Union Medical Plaza, LLC	3,682,900	9	0.36%			
Greenleaf at Union, LLC	3,493,600	10	0.34%			
MERCK Corporation				6,708,100	5	0.65%
Bed, Bath & Beyond				5,127,700	7	0.50%
Island Southeast Union				3,538,900	9	0.34%
Target Corporation				3,372,700	10	0.33%
Total	\$ 58,722,000		5.66%	\$ 65,721,400		6.37%

EXHIBIT "J-9"

TOWNSHIP OF UNION SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
UNAUDITED

Fiscal Year Ended <u>June 30,</u>	Taxes Levied for the <u>Fiscal Year</u>	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		<u>Amount</u>	<u>Percentage of Levy</u>	
2025	\$ 107,859,735	\$ 107,859,735	100.00%	-
2024	103,477,143	103,477,143	100.00%	-
2023	100,684,586	100,684,586	100.00%	-
2022	98,690,553	98,690,553	100.00%	-
2021	96,092,567	96,092,567	100.00%	-
2020	94,320,891	94,320,891	100.00%	-
2019	92,543,494	92,543,494	100.00%	-
2018	90,508,938	90,508,938	100.00%	-
2017	88,795,357	88,795,357	100.00%	-
2016	87,085,760	87,085,760	100.00%	-

Source: District records including the Certificate and Report of School Taxes (A4F form)

Note: 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 is the amount voted upon or certified prior to the end of the school year.

TOWNSHIP OF UNION SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
UNAUDITED

Fiscal Year Ended <u>June 30,</u>	Governmental Activities				Subscription Based <u>Information Technology Arrangements</u>	Total <u>District</u>	Percentage of Personal Income (a)	Per Capita (a)
	General Obligation <u>Bonds (b)</u>	Installment Purchase <u>Contracts</u>						
2025	\$ 17,455,000	\$ 2,020,520	\$ 1,116,175	\$ 20,591,695	0.40%	\$ 326		
2024	19,385,000	1,246,984	1,801,728	22,433,712	0.47%	370		
2023	21,240,000	1,363,672	2,093,040	24,696,712	0.54%	407		
2022	23,875,000	718,270	2,201,637	26,794,907	0.64%	448		
2021	26,355,000	786,992		27,141,992	0.67%	454		
2020	17,367,000	1,025,026		18,392,026	0.49%	314		
2019	19,557,000	703,387		20,260,387	0.56%	346		
2018	21,732,000	599,663		22,331,663	0.64%	382		
2017	23,837,000	485,967		24,322,967	0.71%	417		
2016	25,882,000			25,882,000	0.79%	449		

Source: District ACFR Schedules I-1, I-2

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 if applicable.

EXHIBIT "J-11"

TOWNSHIP OF UNION SCHOOL DISTRICT
RATIOS OF NET BONDED DEBT OUTSTANDING
(UNAUDITED)

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Percentage of Actual Taxable Value (a) of Property	Per Capita (b)
	General Obligation Bonds	Net General Bonded Debt Outstanding		
2025	\$ 17,455,000	\$ 17,455,000	0.17%	\$ 276
2024	19,385,000	19,385,000	0.25%	350
2023	21,240,000	21,240,000	0.38%	441
2022	23,875,000	23,875,000	1.89%	333
2021	26,355,000	26,355,000	2.11%	370
2020	17,367,000	17,367,000	2.31%	402
2019	19,557,000	19,557,000	2.50%	442
2018	21,732,000	21,732,000	2.69%	481
2017	23,837,000	23,837,000	2.93%	520
2016	25,882,000	25,882,000	3.11%	554

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
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2024
(UNAUDITED)

<u>Governmental Unit</u>		<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes				
Township of Union	\$	166,593,903	100%	\$ 166,593,903
Other debt				
Union County		482,595,186	1.88%	<u>9,091,791</u>
Township of Union School District Direct Debt		19,115,000	100%	<u>19,115,000</u>
Total direct and overlapping debt				\$ <u>194,800,694</u>

Source: Municipal Chief Financial Officer, County Treasurer's Office

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 those overlapping governments that is borne by the residents and businesses of the district. 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

TOWNSHIP OF UNION SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
(UNAUDITED)

Legal Debt Margin Calculation for Year 2025:

Equalized Valuation Basis

Calendar Year

		<u>UNION</u>			
		<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
	2024	\$10,589,606,339			
	2023	9,941,899,135			
	2022	9,714,217,757			
		<u>\$30,245,723,231</u>			
	Average Equalized Valuation of Taxable Property	<u>\$10,081,907,744</u>			
	Debt Limit (4% (a) of average equalization value)	\$403,276,310			
	Total Net Debt Applicable to Limit	<u>17,455,000</u>			
	Legal Debt Margin	<u>\$385,821,310</u>			

Fiscal Year Ending June 30,					
		<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2020</u>
Debt Limit	\$403,276,310	\$371,930,268	\$369,866,546	\$299,373,231	\$278,062,177
Total Net Debt Applicable To Limit	<u>17,455,000</u>	<u>19,385,000</u>	<u>21,240,000</u>	<u>23,875,000</u>	<u>26,355,000</u>
Legal Debt Margin	<u>\$385,821,310</u>	<u>\$352,545,268</u>	<u>\$348,626,546</u>	<u>\$275,498,231</u>	<u>\$251,707,177</u>
Total Net Debt Applicable to the Limit as a % of Debt Limit	4.33%	5.21%	5.74%	7.97%	9.48%
					6.55%
					7.75%
					8.81%
					10.61%
					9.79%

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

EXHIBIT "J-14"

TOWNSHIP OF UNION SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
(UNAUDITED)

<u>Year</u>	<u>Population (a)</u>	<u>Personal Income (b)</u>	<u>Per Capita Personal Income (c)</u>	<u>Unemployment Rate (d)</u>
2024	63,171	\$5,211,733,842	\$82,502	4.40%
2023	60,676	4,759,425,440	78,440	4.00%
2022	60,620	4,572,687,840	75,432	3.70%
2021	59,800	4,187,076,400	70,018	6.30%
2020	59,745	4,065,169,290	68,042	8.90%
2019	58,541	3,777,650,730	64,530	3.20%
2018	58,631	3,632,542,236	61,956	3.70%
2017	58,476	3,507,332,004	59,979	4.00%
2016	58,326	3,418,603,512	58,612	4.50%
2015	57,624	3,281,629,176	56,949	5.60%

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 US Department of Commerce, Bureau of Economic Analysis.
- (d) Unemployment data provided by the NJ Dept. of Labor and Workforce Development.

PRINCIPAL EMPLOYERS - CURRENT YEAR AND NINE YEARS AGO - UNION
TOWNSHIP OF UNION SCHOOL DISTRICT
UNAUDITED

Employer	2025			2016		
	# of Employees	Rank (Optional)	Percentage of Total Employment	# of Employees	Rank (Optional)	Percentage of Total Employment

NOT AVAILABLE

Source: Municipal Records

**TOWNSHIP OF UNION SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
(UNAUDITED)**

Source: District Personnel Records

TOWNSHIP OF UNION SCHOOL DISTRICT
OPERATING STATISTICS
(UNAUDITED)

Fiscal Year	Enrollment	Operating Expenditures (a)	Cost Per Pupil	% Change	Teaching Staff (b)	Teacher/Pupil Ratio			Average Daily Enrollment (c)	Average Daily Attendance (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary School	Middle School	High School				
2025	7,717	\$202,127,501	26,192	9.79%	582	1:10	1:10	7,721	7,191	(0.13%)	93.14%	
2024	7,771	185,388,843	23,856	3.98%	587	1:10	1:10	7,731	7,216	2.59%	93.34%	
2023	7,739	177,565,585	22,944	7.37%	597	1:10	1:10	7,536	7,015	2.77%	93.09%	
2022	7,532	160,951,475	21,369	2.32%	575	1:10	1:10	7,333	6,809	3.11%	92.85%	
2021	7,311	152,689,516	20,885	1.47%	609	1:10	1:10	7,112	6,880	(1.18%)	96.74%	
2020	7,113	146,409,055	20,583	(2.11%)	697	1:10	1:10	7,197	6,868	1.24%	95.43%	
2019	7,109	149,483,650	21,027	3.09%	697	1:10	1:10	7,109	6,752	(1.36%)	94.98%	
2018	7,207	147,000,173	20,397	7.66%	733	1:11	1:11	7,207	6,859	(0.33%)	95.17%	
2017	7,231	136,989,478	18,945	3.11%	732	1:11	1:11	7,231	6,857	(0.47%)	94.83%	
2016	7,265	133,485,492	18,374	9.75%	735	1:11	1:11	7,265	6,911	(3.21%)	95.13%	

Sources: District records, ASSA

Note: Enrollment based on annual October district count.

a Operating expenditures equal total expenditures less debt service and capital outlay. Schedule J-4

b Teaching staff includes only full-time equivalents of certificated staff.

c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

TOWNSHIP OF UNION SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

UNAUDITED

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<u>District Building</u>										
<u>Elementary</u>										
Battle Hill										
Square Feet	57,375	57,375	57,375	57,375	57,375	57,375	57,375	57,375	57,375	57,375
Capacity (students)	387	387	387	387	387	387	387	387	387	387
Enrollment	448	417	417	382	398	398	398	409	414	398
Connecticut Farms										
Square Feet	57,740	57,740	57,740	57,740	57,740	57,740	57,740	57,740	57,740	57,740
Capacity (students)	513	513	513	513	513	513	513	513	513	513
Enrollment	402	411	423	421	358	358	358	397	407	417
Franklin										
Square Feet	58,635	58,635	58,635	58,635	58,635	58,635	58,635	58,635	58,635	58,635
Capacity (students)	581	581	581	581	581	581	581	581	581	581
Enrollment	421	445	448	447	450	450	450	421	451	431
Hamilton										
Square Feet	35,328	35,328	35,328	35,328	35,328	35,328	35,328	35,328	35,328	35,328
Capacity (students)	312	312	312	312	312	312	312	312	312	312
Enrollment										
Hannah Caldwell										
Square Feet	87,000	87,000	87,000	87,000	87,000	87,000	87,000	87,000	87,000	87,000
Capacity (students)	550	550	550	550	550	550	550	550	550	550
Enrollment	717	802	815	771	574	574	574	494	529	582
Livingston										
Square Feet	48,600	48,600	48,600	48,600	48,600	48,600	48,600	48,600	48,600	48,600
Capacity (students)	525	525	525	525	525	525	525	525	525	525
Enrollment	448	487	475	463	400	400	400	433	424	440
Washington										
Square Feet	64,615	64,615	64,615	64,615	64,615	64,615	64,615	64,615	64,615	64,615
Capacity (students)	656	656	656	656	656	656	656	656	656	656
Enrollment	547	577	574	570	559	559	559	598	613	608
Jefferson / Central Five										
Square Feet	68,940	68,940	68,940	68,940	68,940	68,940	68,940	68,940	68,940	68,940
Capacity (students)	660	660	660	660	660	660	660	660	660	660
Enrollment	521	560	564	524	526	526	526	562	533	535
Middle School										
Burnet										
Square Feet	167,163	167,163	167,163	167,163	167,163	167,163	167,163	167,163	167,163	167,163
Capacity (students)	1,036	1,036	1,036	1,036	1,036	1,036	1,036	1,036	1,036	1,036
Enrollment	917	978	957	979	1,028	1,028	1,028	977	983	978
Kawameeh										
Square Feet	105,202	105,202	105,202	105,202	105,202	105,202	105,202	105,202	105,202	105,202
Capacity (students)	822	822	822	822	822	822	822	822	822	822
Enrollment	775	726	729	712	701	701	701	665	681	675
High School										
Union High School										
Square Feet	358,161	358,161	358,161	358,161	358,161	358,161	358,161	358,161	358,161	358,161
Capacity (students)	2,228	2,228	2,228	2,228	2,228	2,228	2,228	2,228	2,228	2,228
Enrollment	2,293	2,368	2,337	2,263	2,207	2,207	2,207	2,151	2,195	2,200
Other										
Field House										
Square Feet	11,316	11,316	11,316	11,316	11,316	11,316	11,316	11,316	11,316	11,316
Capacity (students)										
Enrollment										
Administration Building										
Square Feet	25,200	25,200	25,200	25,200	25,200	25,200	25,200	25,200	25,200	25,200
Number of Schools at June 30, 2025										
Elementary - 8										
Middle School - 2										
Senior High School - 1										
Other - 2										

Source: District records

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

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

School Facilities	Project # (s)	Fiscal Year Ending June 30,									
		2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Battle Hill	N/A	\$ 49,998	\$ 14,418	\$ 20,615	\$ 34,438	\$ 33,782	\$ 24,391	\$ 24,162	\$ 22,808	\$ 30,734	\$ 40,104
Connecticut Farms	N/A	\$ 59,749	\$ 20,931	\$ 61,844	\$ 40,957	\$ 39,116	\$ 52,759	\$ 52,263	\$ 27,543	\$ 43,952	\$ 39,367
Franklin	N/A	\$ 73,761	\$ 16,319	\$ 41,230	\$ 48,645	\$ 45,500	\$ 36,469	\$ 36,126	\$ 49,654	\$ 52,318	\$ 39,385
Hamilton	N/A	\$ 34,142	\$ 28,430	\$ 82,459	\$ 29,055	\$ 30,604	\$ 69,529	\$ 68,876	\$ 31,713	\$ 35,103	\$ 24,200
Central Five	N/A	\$ 80,017	\$ 84,288	\$ 41,230	\$ 62,472	\$ 61,155	\$ 34,971	\$ 34,643	\$ 28,400	\$ 30,623	\$ 29,675
Livingston	N/A	\$ 100,171	\$ 40,453	\$ 41,230	\$ 62,944	\$ 54,260	\$ 39,759	\$ 39,386	\$ 30,708	\$ 58,510	\$ 18,623
Washington	N/A	\$ 95,749	\$ 24,060	\$ 41,230	\$ 58,846	\$ 52,310	\$ 36,459	\$ 36,116	\$ 32,987	\$ 66,072	\$ 47,952
Kawameeh	N/A	\$ 101,330	\$ 44,916	\$ 61,844	\$ 62,677	\$ 59,685	\$ 58,283	\$ 57,735	\$ 43,176	\$ 48,634	\$ 95,588
Union High School	N/A	\$ 190,986	\$ 123,604	\$ 206,148	\$ 214,593	\$ 183,431	\$ 180,998	\$ 179,297	\$ 162,364	\$ 172,422	\$ 165,450
Burnet	N/A	\$ 154,236	\$ 45,592	\$ 82,459	\$ 159,276	\$ 84,063	\$ 70,034	\$ 69,376	\$ 72,094	\$ 78,879	\$ 105,698
Hannah Caldwell	N/A	\$ 1,131,623	\$ 78,651	\$ 61,844	\$ 93,637	\$ 88,285	\$ 58,784	\$ 58,234	\$ 74,896	\$ 71,422	\$ 76,162
Total School Facilities		\$ 2,071,762	\$ 521,662	\$ 742,133	\$ 867,540	\$ 732,191	\$ 662,436	\$ 656,211	\$ 576,343	\$ 688,669	\$ 682,184
District-Wide Facilities *		\$ 55,062	\$ 1,322,841	\$ 1,319,348	\$ 1,181,249	\$ 1,134,727	\$ 1,224,786	\$ 1,213,271	\$ 1,232,342	\$ 1,276,906	\$ 1,308,333
Grand Total		\$ 2,126,824	\$ 1,844,503	\$ 2,061,481	\$ 2,048,789	\$ 1,886,918	\$ 1,887,222	\$ 1,869,482	\$ 1,808,685	\$ 1,985,575	\$ 1,990,517

TOWNSHIP OF UNION SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2025
(UNAUDITED)

Company	Type of Coverage	Coverage	Deductible
NJSIG	Property Blanket Building & Contents- Replacement Cost Values	\$ 274,433,883	\$ 5,000
NJSIG	Excess Liability -General Aggregate -Automobile Liability -Including Auto Physical Damage -Employee Benefits Liability	11,000,000 11,000,000 ACV based on Schedule 11,000,000	1,000
NJSIG	Worker's Compensation & Employer's Liability Excess Worker's Compensation Excess Employer's Liability	Statutory 3,000,000 per acc.	
NJSIG	Commercial Crime Coverage -Faithful Performance -Forgery & Alteration, Employee Theft -Money & Securities (inside/outside) -Money orders/Counterfeit -Computer Fraud	1,000,000 1,000,000 100,000 100,000 1,000,000	1,000 1,000 1,000 1,000 1,000
RSUI	School Board Legal Liability and Employer Practices Liability	5,000,000 EPLI	350,000 75,000
Mt. Hawley	Underground Storage Tank	1,000,000 / 2,000,000	5,000
QBE/US Fire	Student Accident Insurance	1,000,000	1,000
	Surety Bonds - Business Administrator/Board Secretary - Treasurer of School Monies - Assistant Board Secretary	470,000 530,000 50,000	

Source: District Records \ (Insurance Broker)

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SINGLE AUDIT SECTION



SUPLEE, CLOONEY & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS

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**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

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 the governmental activities, the business-type activities and each major fund of the Township of Union School District (the "District") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated December 22, 2025.

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) as a basis for designing 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 LLC

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

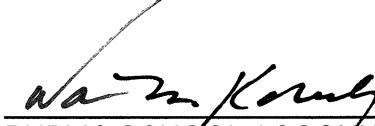
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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*. We noted other matters that have been reported to the Union Board of Education of the Union School District in a separate Auditor's Management Report on Administrative Findings – Financial and Compliance dated December 22, 2025.

Purpose of This Report

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



CERTIFIED PUBLIC ACCOUNTANTS



PUBLIC SCHOOL ACCOUNTANT NO. 962

December 22, 2025



SUPLEE, CLOONEY & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL AND STATE FINANCIAL ASSISTANCE PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY THE UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08**

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Township of Union School District, County of Union, State of New Jersey (the "District") compliance with the types of compliance requirements identified as subject to audit in the Federal *OMB Compliance Supplement* and the *New Jersey OMB State Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2025. 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.

In our opinion, the 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, 2025.

Basis for Opinion on Each Major Federal and State Program

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; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and the *New Jersey OMB State Grant Compliance Supplement*. Our responsibilities under those standards, the Uniform Guidance and the New Jersey OMB State Grant Compliance Supplement are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

SUPLEE, CLOONEY & COMPANY LLC

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance and the New Jersey OMB State Grant Compliance Supplement will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal or state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance and New Jersey OMB State Grant Compliance Supplement, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the New Jersey OMB State Grant Compliance Supplement, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

SUPLEE, CLOONEY & COMPANY LLC

Report on 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 a 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 or state 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 the Uniform Guidance and the New Jersey OMB State Grant Compliance Supplement. Accordingly, this report is not suitable for any other purpose.


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 962

December 22, 2025

TOWNSHIP OF UNION SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL FAN ALN	FEDERAL STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE AT JUNE 30, 2024	CARRY OVER AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	SUBRECIPIENT BUDGETARY EXPENDITURES	ADJUSTMENT	ACCOUNTS RECEIVABLE	UNEARNED REVENUE	BALANCE AT JUNE 30, 2025 DUE TO REVENUE	GRANTOR	
Enterprise Funds															
U.S. Department of Agriculture															
Passed-through State Department of Education:															
Child Nutrition Cluster:															
National School Lunch Program - Commodities															
National School Lunch Program - Commodities	10,555	241N304N1099	N/A	07/01/2023	06/30/2024	\$ 382,891	\$ 15,602	\$ 304,302	\$ 304,302	\$ (15,602)	\$ (390,173)	\$ 4,129	\$ 4,129		
National School Lunch Program - Commodities	10,555	251N304N1099	N/A	07/01/2023	06/30/2024	\$ 394,302	\$ 6,187,987	\$ 63,778	\$ 83,778	\$ 2,227,421	\$ 2,227,421				
National School Lunch Program	10,555	251N304N1099	N/A	07/01/2023	06/30/2025	\$ 2,227,421									
National School Lunch Program - HHFKA	10,555	241N304N1099	N/A	07/01/2023	06/30/2024	\$ 61,882	\$ (2,743)	\$ 71,813	\$ 67,676	\$ (7,183)	\$ (4,127)				
National School Breakfast Program - HHFKA	10,555	241N304N1099	N/A	07/01/2023	06/30/2024	\$ 246,695	\$ (20,590)	\$ 20,590	\$ 21,349	\$ (308,103)	\$ (308,103)				
National School Breakfast Program	10,553	251N304N1099	N/A	07/01/2024	06/30/2025	\$ 308,103	\$ (91,509)	\$ 91,509	\$ 2,947,475	\$ (3,013,13)	\$ (3,013,13)				
Total Child Nutrition Cluster															
P-EBT Administrative Cost	10,649	2023121S900941	N/A	07/01/2024	06/30/2025	\$ 1,556			\$ 1,556						
Local Food For Schools Cooperative Program	10,185	N/A	N/A	07/01/2023	06/30/2024	\$ 19,420	\$ (332)	\$ 332	\$ 36,122	\$ (35,562)	\$ (440)	\$ (440)	\$ (440)		
Local Food For Schools Cooperative Program	10,185	N/A	N/A	07/01/2024	06/30/2025	\$ 19,420	\$ (332)	\$ 332	\$ 38,010	\$ (38,18)	\$ (440)	\$ (440)	\$ (440)		
Total Enterprise Fund															
General Fund															
U.S. Department of Human Services:															
Passed-through State Department of Human Services:															
Medical Assistance Program (SEM)	93,778	2005N5MAP	N/A	07/01/2024	06/30/2025	\$ 85,711			\$ 85,711	\$ (85,711)	\$ (85,711)	\$ (85,711)	\$ (85,711)		
U.S. Department of Treasury															
Passed-through State Department of Education:															
Coronavirus Relief Fund:															
ARP - SLFRF NJ for Union Public Schools Program	21,027	SLFRDOHES	N/A	07/01/2024	06/30/2025	\$ 2,000,000			\$ 2,000,000	\$ (2,000,000)	\$ (2,000,000)	\$ (2,000,000)	\$ (2,000,000)		
Total General Fund															
Special Revenue Fund															
U.S. Department of Education															
ID/E.A. Part B Special Education Cluster:															
ID/E.A. Part B, Basic	84,027	H027A240100	IDEA529024	07/01/2023	09/30/2024	\$ 2,127,849	\$ (24,315)	\$ 2,117,496	\$ 2,133,489	\$ (2,198,114)	\$ (65,558)	\$ (2,261,272)	\$ (2,261,272)	\$ (2,261,272)	
ID/E.A. Part B, Basic	84,027	H027A250100	IDEA529025	07/01/2024	09/30/2025	\$ 65,158	\$ (24,315)	\$ 65,158	\$ 2,293,173	\$ (2,261,272)	\$ (2,261,272)	\$ (2,261,272)	\$ (2,261,272)	\$ (2,261,272)	
ID/E.A. Part B-Preschool	84,173	H173A250114	IDEA529025	07/01/2024	09/30/2025	\$ 65,158									
Total Special Education Cluster															
E.S.E.A.:															
Title I	84,010	S010A240030	ESEA529024	07/01/2023	09/30/2024	\$ 1,077,098	\$ (322,327)	\$ 1,077,098	\$ (322,327)	\$ 485,784	\$ (143,457)	\$ (286,491)	\$ (286,491)	\$ (286,491)	
Title I-SIA	84,010	S010A250030	ESEA529025	07/01/2024	09/30/2025	\$ 1,098,267	\$ (48,730)	\$ 1,098,267	\$ (48,730)	\$ 687,880	\$ (33,381)	\$ 546	\$ 546	\$ 546	
Title I-SIA	84,010	S010A240030	ESEA529024	07/01/2023	09/30/2024	\$ 268,632									
Title I Part A	84,010	S010A250030	ESEA529025	07/01/2024	09/30/2025	\$ 158,439									
Title I Part A	84,357A	S367A240029	ESEA529024	07/01/2023	09/30/2024	\$ 224,939	\$ (112,767)	\$ 133,816	\$ (112,767)	\$ 133,816	\$ (112,767)	\$ (67,934)	\$ (67,934)	\$ (67,934)	
Title II, Part A	84,367A	S367A240029	ESEA529025	07/01/2023	09/30/2024	\$ 190,731									
Title III	84,365	S365A240030	ESEA529024	07/01/2024	09/30/2025	\$ 116,451	\$ (20,120)	\$ 116,451	\$ (20,120)	\$ 20,120	\$ (20,120)				
Title III, Immigrant	84,365	S365A240030	ESEA529024	07/01/2023	09/30/2024	\$ 91,242									
Title III, Immigrant	84,365	S365A250100	ESEA529025	07/01/2024	09/30/2025	\$ 23,293	\$ (1,560)	\$ 23,293	\$ (1,560)	\$ 1,560	\$ (1,560)				
Title IV	84,424	S425A240031	ESEA529024	07/01/2023	09/30/2024	\$ 90,100	\$ (10,486)	\$ 90,100	\$ (10,486)	\$ 10,486	\$ (10,486)				
Title IV	84,424	S425A250103	ESEA529025	07/01/2024	09/30/2025	\$ 84,931									
Total E.S.E.A.															
School Based Mental Health	84,184	BC45 #23E00460	N/A	12/01/2023	12/31/2024	\$ 435,000	\$ (83,064)	\$ 375,000	\$ 1,743,896	\$ (1,743,896)	\$ 547	\$ (401,502)	\$ (401,502)	\$ (401,502)	
School Based Mental Health	84,184	BC48 #23E00618	N/A	12/01/2024	12/31/2025	\$ 435,000	\$ (63,064)	\$ 375,000	\$ 44,902	\$ 44,902	\$ (378,191)	\$ (16,353)	\$ (16,353)	\$ (16,353)	
Total School Based Mental Health															

See accompanying notes to schedules of expenditures of federal awards and state financial assistance.

TOWNSHIP OF UNION SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL ALN	FEDERAL FAIN NUMBER	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE AT JUNE 30, 2024	CARRYOVER AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	SUBRECIPIENT BUDGETARY EXPENDITURES	ADJUSTMENT	(ACCOUNTS RECEIVABLE)	BALANCE AT JUNE 30, 2025	UNEARNED REVENUE	DUE TO GRANTOR			
Education Stabilization Fund																		
ARP - ESSER	84-425U	S425U210027	N/A	03/13/2020	09/30/2024	6,683,092	\$ (1,066,143)	\$ 1,067,219	\$ (394)	\$ (682)	\$ (682)	\$ (682)	\$ (682)	\$ (682)	\$ (682)	\$ (682)		
ARP - ESSER- Learning Acceleration	84-425U	S425U210027	N/A	03/13/2020	09/30/2024	685,727	(68,058)	68,058	(742)	742								
ARP - ESSER- Mental Health	84-425U	S425U210027	N/A	03/13/2020	09/30/2024	88,501	\$ (1,134,943)	\$ (1,134,943)	\$ 1,136,019	\$ (394)	\$ (394)	\$ (394)	\$ (394)	\$ (394)	\$ (394)	\$ (394)		
Total Education Stabilization Fund																		
U.S. Department of Treasury																		
Passed-Through State Department of Education:																		
Coronavirus Relief Fund:																		
ACERS - Add'l or Compensation Special Ed & Rel. Sv.	21 027	SLFREDOE1SES	N/A	07/01/2023	06/30/2024	1,150,296	\$ (575,147)	\$ 575,147	\$ 35,967	\$ 57,272	\$ 197,272	\$ 197,272	\$ 100,761	\$ 100,761	\$ 100,761	\$ 100,761	\$ 100,761	
High Impact Tutoring	21 027	24-AB01-H02	N/A	10/11/2023	08/31/2024	344,468	(614,000)											
High Impact Tutoring	21 027	25-AB01-H02	N/A	07/01/2024	06/30/2025	315,967	\$ (1,139,147)	\$ (1,139,147)	\$ 344,468	\$ 1,235,562	\$ (150,331)	\$ (150,331)	\$ (3,135)	\$ (3,135)	\$ (3,135)	\$ (3,135)	\$ (3,135)	
Total Special Revenue Fund																		
Total Expenditures of Federal Awards																		

See accompanying notes to schedules of expenditures of federal awards and state financial assistance.

TOWNSHIP OF UNION SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

STATE GRANT OR PROGRAM TITLE	PROJECT NUMBER	GRANT AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2024		CARRYOVER / (WALKOVER)	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS/ REPAYMENT OF PRIOR YEAR BALANCES		BALANCE AT JUNE 30, 2025 UNEARNED REVENUE (ACCTS.REC.)	DUE TO GRANTOR	BUDGETARY RECEIVABLE	MEMO CUMULATIVE TOTAL EXPENDITURES
				UNEARNED REVENUE (ACCTS.REC.)	DOU TO GRANTOR				BALANCES	ACCTS.REC.)				
General Fund:														
State Aid Cluster:														
Equalization Aid	25-495-034-5120-078	43,572,284	07/01/2024	06/30/2025	\$	\$	\$	\$	39,231,376	\$ (43,572,284)	\$ 4,340,908	\$	\$ (340,908)	\$ 43,572,284
Special Education Aid	25-495-034-5120-089	8,958,353	07/01/2024	06/30/2025	\$	\$	\$	\$	8,098,975	\$ (8,958,353)	\$ 859,378	\$	\$ (859,378)	\$ 8,958,353
Security Aid	25-495-034-5120-084	2,883,058	07/01/2024	06/30/2025	\$	\$	\$	\$	2,594,754	\$ (2,883,058)	\$ 288,304	\$	\$ (288,304)	\$ 2,883,058
Total State Aid Cluster:									49,925,105	\$ (55,413,895)	\$ 5,488,590	\$	\$ (5,488,590)	\$ 55,113,695
Extraordinary Special Education Costs Aid	24-495-034-5120-044	4,841,446	07/01/2023	06/30/2024	\$	\$	\$	\$	4,841,446	\$	\$	\$	\$	\$ 4,841,446
Extraordinary Special Education Costs Aid	25-495-034-5120-044	3,815,643	07/01/2024	06/30/2025	\$	\$	\$	\$	3,815,643	\$	\$	\$	\$	\$ 3,815,643
Nonpublic School Transportation Costs Aid	24-495-034-5120-014	148,785	07/01/2024	06/30/2024	\$	\$	\$	\$	148,785	\$	\$	\$	\$	\$ 148,785
Nonpublic School Transportation Costs Aid	25-495-034-5120-014	166,719	07/01/2024	06/30/2025	\$	\$	\$	\$	166,719	\$	\$	\$	\$	\$ 166,719
Other State Aid- Homestead Reimbursement	24-495-034-5120-005	332,948	07/01/2023	06/30/2024	\$	\$	\$	\$	332,948	\$	\$	\$	\$	\$ 332,948
Other State Aid- Homestead Reimbursement	25-495-034-5120-005	556,829	07/01/2024	06/30/2025	\$	\$	\$	\$	556,829	\$	\$	\$	\$	\$ 556,829
Categorical Transportation Aid	25-495-034-5120-014	2,390,877	07/01/2024	06/30/2025	\$	\$	\$	\$	2,151,792	\$ (2,390,877)	\$ 239,085	\$	\$ (239,085)	\$ 2,390,877
State Reimbursement for Menstrual Product	N/A	295	07/01/2024	06/30/2025	\$	\$	\$	\$	295	\$	\$	\$	\$	\$ 295
On-behalf TPAF Pension Contribution	25-495-034-5094-002	21,033,466	07/01/2024	06/30/2025	\$	\$	\$	\$	21,033,466	\$	\$	\$	\$	\$ 21,033,466
On-behalf TPAF Non-Contributory Insurance	25-495-034-5094-004	260,548	07/01/2024	06/30/2025	\$	\$	\$	\$	260,548	\$	\$	\$	\$	\$ 260,548
On-behalf TPAF post retirement medical	25-495-034-5094-001	6,222,128	07/01/2024	06/30/2025	\$	\$	\$	\$	6,222,128	\$	\$	\$	\$	\$ 6,222,128
On-behalf TPAF long term disability insurance	25-495-034-5094-004	9,954	07/01/2024	06/30/2025	\$	\$	\$	\$	9,954	\$	\$	\$	\$	\$ 9,954
Reimbursed TPAF Social Security Contributions	24-495-034-5094-003	4,561,388	07/01/2023	06/30/2024	\$	\$	\$	\$	226,080	\$	\$	\$	\$	\$ 4,561,388
Reimbursed TPAF Social Security Contributions	25-495-034-5094-003	4,691,174	07/01/2024	06/30/2025	\$	\$	\$	\$	4,459,004	\$ (4,691,174)	\$	\$	\$	\$ 4,459,004
Special Revenue Fund:					\$	\$	\$	\$	89,611,256	\$ (84,561,528)	\$	\$	\$	\$ (84,561,528)
Preschool Education Aid	25-495-034-5120-086	7,767,030	07/01/2024	06/30/2025	\$	\$	\$	\$	1,351,401	\$ (1,351,401)	\$ 6,990,318	\$	\$ (776,712)	\$ 7,156,436
Preschool Education Aid	24-495-034-5120-086	5,871,255	07/01/2023	06/30/2024	\$	\$	\$	\$	658,152	\$ (658,152)	\$	\$	\$	\$ 4,519,854
Textbook Aid	24-495-034-5120-064	31,622	07/01/2023	06/30/2024	\$	\$	\$	\$	614	\$	\$	\$	\$	\$ 31,008
Textbook Aid	25-100-034-5120-084	27,411	07/01/2024	06/30/2025	\$	\$	\$	\$	30,333	\$ (26,985)	\$	\$	\$	\$ 516
Nursing Aid	24-100-034-5120-070	67,560	07/01/2023	06/30/2024	\$	\$	\$	\$	41,037	\$ (41,037)	\$	\$	\$	\$ 26,895
Technology Aid	24-100-034-5120-070	69,880	07/01/2024	06/30/2025	\$	\$	\$	\$	69,880	\$ (28,962)	\$	\$	\$	\$ 26,862
Technology Aid	25-100-034-5120-373	26,803	07/01/2023	06/30/2024	\$	\$	\$	\$	1,732	\$ (1,732)	\$	\$	\$	\$ 25,071
Security Aid	24-100-034-5120-373	26,264	07/01/2024	06/30/2025	\$	\$	\$	\$	29,351	\$ (25,720)	\$	\$	\$	\$ 25,720
Security Aid	25-100-034-5120-509	11,541	07/01/2023	06/30/2024	\$	\$	\$	\$	27,929	\$ (27,929)	\$	\$	\$	\$ 8,496
Handicapped Services:					\$	\$	\$	\$	109,880	\$ (109,462)	\$	\$	\$	\$ 109,462
Supplementary Institution	24-100-034-5120-066	16,520	07/01/2023	06/30/2024	\$	\$	\$	\$	6,030	\$	\$	\$	\$	\$ 10,490
Supplementary Institution	25-100-034-5120-066	21,040	07/01/2024	06/30/2025	\$	\$	\$	\$	10,423	\$ (10,423)	\$	\$	\$	\$ 7,351
Examination and Classification	24-100-034-5120-066	24,266	07/01/2024	06/30/2025	\$	\$	\$	\$	24,266	\$ (15,348)	\$	\$	\$	\$ 16,018
Examination and Classification	24-100-034-5120-066	14,880	07/01/2023	06/30/2024	\$	\$	\$	\$	1,023	\$ (1,023)	\$	\$	\$	\$ 15,348
Corrective Speech	25-100-034-5120-066	20,888	07/01/2023	06/30/2024	\$	\$	\$	\$	15,610	\$ (9,765)	\$	\$	\$	\$ 13,857
Corrective Speech	24-100-034-5120-067	15,810	07/01/2024	06/30/2025	\$	\$	\$	\$	151	\$ (151)	\$	\$	\$	\$ 9,765
Auxiliary Services:					\$	\$	\$	\$	208,940	\$ (150,581)	\$	\$	\$	\$ 209,737
Compensatory Education	25-100-034-5120-067	208,940	07/01/2024	06/30/2025	\$	\$	\$	\$	916	\$ (916)	\$	\$	\$	\$ 150,581
Compensatory Education	24-100-034-5120-067	1,766	07/01/2024	06/30/2025	\$	\$	\$	\$	1,766	\$	\$	\$	\$	\$ 1,766
E.S.L.	25-100-034-5120-067	6,771	07/01/2024	06/30/2025	\$	\$	\$	\$	6,771	\$ (6,771)	\$	\$	\$	\$ 6,771
Transportation					\$	\$	\$	\$	8,162,087	\$ (7,557,192)	\$	\$	\$	\$ 12,473,600
Capital Projects Fund:					\$	\$	\$	\$	89,855	\$	\$	\$	\$	\$ 738,094
NJ Clean Energy Grant	332-020-00-08-1002	822,675	07/01/2024	12/31/2024	\$	\$	\$	\$	(57,210)	\$ (57,210)	\$	\$	\$	\$ 738,094

See accompanying notes to schedules of expenditures of federal awards and state financial assistance.

TOWNSHIP OF UNION SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

STATE GRANTOR/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE AT JUNE 30, 2024		CARRYOVER / (WALKOVER) AMOUNT	BUDGETARY EXPENDITURES	ADJUSTMENTS/ REPAYMENT OF PRIOR YEAR BALANCES		BALANCE AT JUNE 30, 2025 UNEARNED REVENUE (ACCTS REC.)	BUDGETARY RECEIVABLE	MEMO CUMULATIVE TOTAL EXPENDITURES
				UNEARNED REVENUE (ACCTS REC.)	DU TO GRANTOR			RECEIVED	UNEARNED REVENUE (ACCTS REC.)	DU TO GRANTOR		
Enterprise Fund:												
National School Lunch Program (State Share)	24-100-010-3360-067	81,397	07/01/2023 - 06/30/2024	\$ (3,678)	\$	\$ 3,678	\$	\$	\$ (4,838)	\$	\$ (4,838)	\$ 81,397
National School Lunch Program (State Share)	25-100-010-3360-067	84,476	07/01/2024 - 06/30/2024	(1,625)	\$	79,638	(84,476)	1,625	\$	(5,722)	\$	\$ 84,476
National School Lunch Program- NJEIE (State Share)	24-100-010-3360-067	33,449	07/01/2023 - 06/30/2024	\$	\$	87,979	(93,702)	\$	\$	\$	\$	\$ 33,449
National School Lunch Program- NJEIE (State Share)	25-100-010-3360-067	93,702	07/01/2024 - 06/30/2025	(398)	\$	398	\$	\$	\$	\$	\$	\$ 93,702
National School Breakfast Program (State Share)	24-100-010-3360-067	5,546	07/01/2023 - 06/30/2024	\$	\$	4,508	(4,918)	4,508	\$	(410)	\$	\$ 5,546
National School Breakfast Program (State Share)	25-100-010-3360-067	4,918	07/01/2024 - 06/30/2025	(343)	\$	343	\$	10,787	(11,886)	\$	\$	\$ 4,918
National School Breakfast Program NJEIE (State Share)	24-100-010-3360-067	3,788	07/01/2023 - 06/30/2024	\$	\$	1,556	(1,556)	1,556	\$	(1,068)	\$	\$ 3,788
National School Breakfast Program NJEIE (State Share)	25-100-010-3360-067	11,856	07/01/2024 - 06/30/2025	\$	\$	190,513	\$ (196,507)	190,513	\$	\$ (12,038)	\$	\$ 11,856
P-EBT Administrative Cost	25-100-010-3360-067	1,556	07/01/2024 - 06/30/2025	\$	\$	\$	\$	\$	\$	\$	\$	\$ 1,556
Total State Department of Agriculture- Enterprise Fund				\$ (4,261,111)	\$ 89,455	\$	\$	\$ 98,701,950	\$ (102,976,111)	\$ 5,750,345	\$ (2,821,625)	\$ 320,587
Total State Financial Assistance				\$	\$	\$	\$	\$	\$	\$	\$	\$ 117,978,477
Less: On-Behalf amounts not utilized for determination of Major Programs:												
On-behalf TPAF pension contribution	25-495-034-5094-002	21,033,466	07/01/2024 - 06/30/2025	\$	\$	21,033,466	\$	\$	\$	\$	\$	\$ (21,033,466)
On-behalf TPAF non-contributory insurance	25-495-034-5094-004	280,548	07/01/2024 - 06/30/2025	\$	\$	280,548	\$	6,222,128	\$	\$	\$	\$ (280,548)
On-behalf TPAF post retirement medical	25-495-034-5094-001	6,222,128	07/01/2024 - 06/30/2025	\$	\$	9,854	\$	\$	\$	\$	\$	\$ (6,222,128)
On-behalf TPAF long term disability insurance	25-495-034-5094-004	9,854	07/01/2024 - 06/30/2025	\$	\$	\$	\$	\$	\$	\$	\$	\$ (9,854)
Total State Financial Assistance Subject to Single Audit				\$	\$	\$	\$	\$	\$	\$	\$	\$ 71,175,654
				\$	\$	\$	\$	\$	\$	\$	\$	\$ (75,450,015)

See accompanying notes to schedules of expenditures of federal awards and state financial assistance.

Township of Union School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2025

NOTE 1: GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state activity of the Board of Education, Township of Union School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from the 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 financials assistance.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and federal awards and state financial assistance are presented on the budgetary basis of accounting with the exceptions of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 of the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance, 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. The District has elected not to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

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 last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last 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 last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

Township of Union School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2025

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$1,184,886) for the general fund and \$1,100,181 for the special revenue fund. See the notes to the required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Federal awards and state financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$2,085,711	\$94,561,528	\$96,647,239
Special Revenue Fund	4,420,142	7,537,192	11,957,334
Capital Projects Fund		680,884	680,884
Food Service Fund	<u>3,051,230</u>	<u>196,507</u>	<u>3,247,738</u>
 Total Awards & Financial Assistance	 \$9,557,083	 \$102,976,111	 \$112,533,194
GAAP Adjustment	<u>208,975</u>	<u>(293,680)</u>	<u>(84,705)</u>
 Total: GAAP Basis	 <u>\$9,766,058</u>	 <u>\$102,682,432</u>	 <u>\$112,448,489</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 in the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF pension contributions, post-retirement medical benefits and long-term disability insurance represents the amount paid by the state on behalf of the district for the year ended June 30, 2025. TPAF Social Security contributions represent the amount reimbursed by the state for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2025.

Township of Union School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2025

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 weakness identified?	No
(b) Significant deficiencies identified that are not considered to be material weaknesses?	No
(3) Noncompliance material to basic financial statements noted?	No

Federal Program(s)

(1) Internal Control Over Major Federal Programs:	
(a) Material weakness identified?	No
(b) Significant deficiencies identified that are not considered to be material weaknesses?	No
(2) Type of Auditor’s Report issued on compliance for major federal program(s)?	Unmodified
(3) Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	No
(4) Identification of Major Federal Program(s):	

<u>Program</u>	<u>ALN</u>	<u>FAIN</u>
Special Education Cluster:		
I.D.E.A. Part B	84.027	H027A250100
I.D.E.A. Part B, Preschool	84.173	H173A250114
ARP- SLFRF NJ for Union Public Schools Program	21.027	SLFRFDOE1SES
School-Based Mental Health	84.184	BC48 #24E00618

(5) Program Threshold Determination:	
Type A Federal Program Threshold > \$750,000.00	
Type B Federal Program Threshold <= \$750,000.00	
(6) Auditee qualified as a low-risk auditee under the Uniform Guidance?	Yes

Township of Union School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2025

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

State Program(s)

(1) Internal Control Over Major State Programs:

(a)	Material weakness identified?	No
(b)	Significant deficiencies identified that are not considered to be material weaknesses?	No
(2)	Type of Auditor’s Report issued on compliance for major state program(s)?	Unmodified
(3)	Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08?	No
(4)	Identification of Major State Program(s):	

	<u>Program</u>	<u>Grant Number</u>
State Aid Cluster:		
Equalization Aid		25-495-034-5120-078
Categorical Special Education Aid		25-495-034-5120-089
Categorical Security Aid		25-495-034-5120-084
Preschool Education Aid		25-495-034-5120-086
Categorical Transportation Aid		25-495-034-5120-014
(5) Program Threshold Determination:		
Type A State Program Threshold > \$2,263,500		
Type B State Program Threshold <= \$2,263,500		
(6) Auditee qualified as a low-risk auditee under NJ OMB Circular 15-08?		Yes

Township of Union School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2025

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

Schedule of Prior Year Audit Findings

There were no prior year findings.

