

UNION TOWNSHIP
BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

OF THE

**UNION TOWNSHIP BOARD OF EDUCATION
UNION TOWNSHIP, NEW JERSEY
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Prepared by

**UNION TOWNSHIP BOARD OF EDUCATION
DEPARTMENT OF ADMINISTRATION**

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INTRODUCTORY SECTION

UNION TOWNSHIP SCHOOL DISTRICT

2.0

Mr. Jeffrey Bender
Superintendent

"An Equal Opportunity Employer"
165 Perryville Road
Hampton, New Jersey 08827
Phone (908) 735-5511
Fax (908) 735-6657

Mr. Tom Venanzi
Business Administrator

Mrs. Fran Suchovic
Middle School Principal

November 5, 2015

Honorable President and
Members of the Board of Education
Union Township School District, Hunterdon County
165 Perryville Road
Hampton, NJ 08827

Dear Board Members and Constituents of Union Township:

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

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes the transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit of 1996 and the U.S. Office of Management and Budget A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to the single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations, findings and recommendations, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES

Union Township District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) as established by Statement No. 14. All funds and account groups of the District are included in this report.

The district provides a full range of educational services appropriate to the regular education grade levels of K-8 and additional services for Pre-School Special Needs children aged 3-5. The student population at the end the fiscal year was approximately 493 students, a number that demonstrates a reduction in enrollment in the school.

During the last five years, enrollment numbers have dropped.

School Year	Student Enrollment	Percent Change
2013-14	493	+3.7
2012-13	475	-3.7
2011-12	493	-4.6
2010-11	517	-2.3
2009-10	529	-8.5
2008-09	574	-5.7
2007-08	607	-.16
2006-07	608	0

2) ECONOMIC CONDITION AND OUTLOOK

Twenty five percent of the land in Union Township is state owned. The state owned land included Spruce Run Recreation Area and the Clinton Hunting and Fishing Grounds. It also includes the Edna Mahan Correctional Facility and part of the Hunterdon Developmental Center. The correctional facility produces no strain on the school budget.

Single family residential housing remains the most common type of new development, there are few new homes being constructed in the district. A large international corporation, the township's largest taxpayer has corporate offices within the township. A private recycling operation also operates a facility within the township. Tax ratable increase is mainly dependent upon homes. The increase in business within the township is minimal.

3) MAJOR INITIATIVES

The district continues to work hard to expand its continuum of services despite the budgeting limitations imposed by legislation. The major facility issue facing the district is the maintenance and necessary upgrades to the waste water treatment plant; the district is also dealing with the increasing cost of utilities and the maintenance and needed renovations of a 50 year old facility. The district has committed to completing a Boiler and UV Replacement at the Middle School. This is a capital improvement project identified on their Long Range Facility Plan. The major educational initiative continues on the previous goals relating to technology, the district also emphasizes math, language arts, and science achievement. The district has made incredible progress in the replacement of obsolete hardware and has expanded hardware inventory to include interactive presentation boards.

The Board continues to be part of the transportation jointure with North Hunterdon Voorhees Regional High School District to maximize savings.

4) INTERNAL ACCOUNTING CONTROLS

Management of the district is responsible for establishing and maintaining the 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 statement in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but

not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that:

1. The cost of a control should not exceed the benefits likely to be derived;
2. The valuation of costs and benefits requires estimates and judgments by management.

Whereas the district receives limited but important federal and state financial assistance, it is responsible for ensuring that the internal control structure is subject to periodic evaluation by the district's management.

As part of the district's single audit described earlier, tests are made to determine the adequacy of the internal control 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.

5) BUDGETARY CONTROLS

In addition to internal accounting controls, the district maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Education. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project length budgets are approved for the capital improvements accounted for the capital projects fund. The final budget amount, as amended for the fiscal year, is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at the end of the year are included as re-appropriations of fund balance in the subsequent year or are cancelled. The re-appointment amounts are reported as reservations of fund balance at June 30, 2014.

6) ACCOUNTING SYSTEM AND REPORTS

The district's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board. The accounting system of the district is organized on the basis of funds and account groups. These funds and the account groups are explained in "Notes to the Financial Statements," Note 1.

7) CASH MANAGEMENT

The investment policy of the district is guided by statute as detailed in "Notes to the Financial Statements," Note 1. The district has adopted a cash management plan, which requires it to deposit public funds in public depositories, protected from loss under the provision of the Governmental Unit Deposit Protection Act (GUDPA). This was enacted in 1970 to protect governmental units from 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 carries various forms of insurance including, but not limited to general liability, excess liability, automobile liability and comprehensive/collision, hazard, and theft insurance on property 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 William Colantano Jr., CPA was selected by the Board of Education. The audit meets the requirements set forth in state statutes the 1996 Single Audit Act and the related U.S. OMB's Circular A-133 and NJ OMB's Circular 15-08. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

10) ACKNOWLEDGMENTS

I would like to express appreciation to the members of the Union Township Board of Education for their concern and work in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of the financial operation. I would also like to commend and thank the accounting staff, their hard work and dedication has greatly contributed to the financial state of the district.

Respectfully,

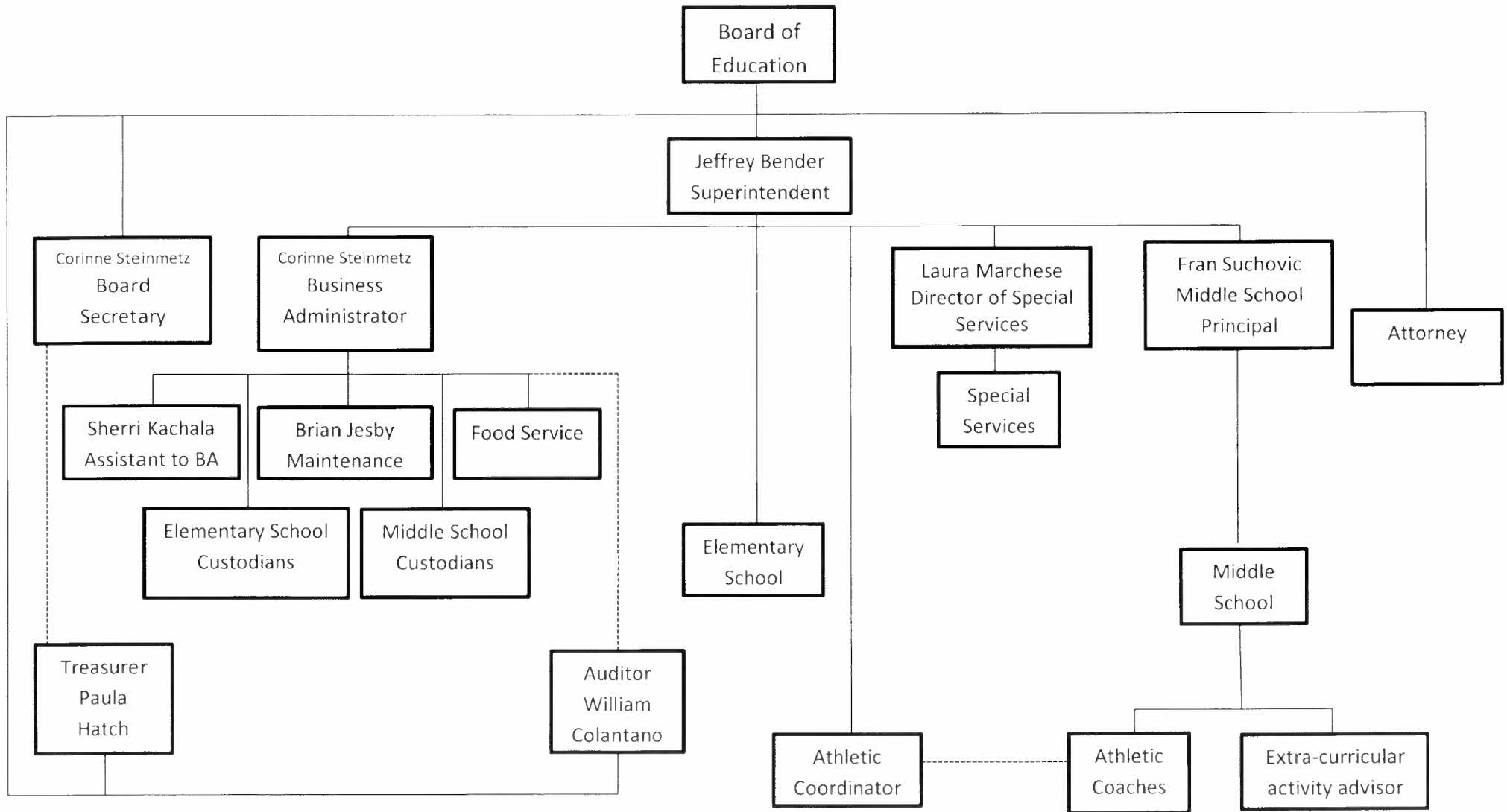


Jeffrey Bender
Superintendent
Union Township School

Union Township School District

2014-2015 School Year

Organization Chart



**Roster of Board of Education
Year Ending June 30, 2015**

NAME	TERM
Gary Minsavage (President)	2017
Kevin Kuo (Vice President)	2016
Lisa Coster	2016
Vincent DiRoberto	2016
Michael Fariello	2017
Magnus Gustafsson	2018
Lou Palma	2018
Tristan Peer	2017
James Teipel	2018

OTHER OFFICIALS

Jeffrey Bender	Superintendent
Corinne Steinmetz	School Business Administrator/ Board Secretary
Frances Suchovic	Principal
Paula Hatch	Treasurer

**UNION TOWNSHIP BOARD OF EDUCATION
CONSULTANTS AND ADVISORS**

AUDIT FIRM

**William M. Colantano, Jr., CPA
100 Route 31 North
Washington, NJ 07882-1530**

ARCHITECT

**Settembrino Architects
25 Bridge Ave.
Suite 201
Red Bank, NJ 07701**

ATTORNEY

**Marc Zitomer
Schenk, Price, Smith & King
225 Park Ave
PO Box 991
Florham Park, NJ 07932**

OFFICIAL DEPOSITORY

**Investors Savings Bank
3563 Route 22 East
PO Box 499.
Whitehouse NJ 08888**

FINANCIAL SECTION

Certified Public Accountant
Public School Accountant
Registered Municipal Accountant

100 Route 31 North
Washington, NJ 07882 - 1530
Fax # (908) 689-8388
(908) 689-5002

INDEPENDENT AUDITOR'S REPORT

November 5, 2015

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

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

Other Matters

Required Supplementary Information

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

Other 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 combining and individual non-major fund financial statements and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the schedule of state financial assistance as required by NJ OMB 15-08 and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, the schedule of and the schedule of state financial assistance as required by NJ OMB 15-08 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting 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 non-major fund financial statements, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the schedule of state financial assistance as required by NJ OMB 15-08 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 5, 2015 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 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.



William M. Colantano, Jr.
Public School Accountant
No. CS 0128

REQUIRED SUPPLEMENTARY INFORMATION-PART I

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED**

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

Financial Highlights

Key financial highlights for 2015 are as follows:

- In total, net position increased \$222,791 which represents a 2.82 percent increase from 2014.
- General revenues accounted for \$11,269,223 in revenue or 94.2 percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$697,394 or 5.8 percent to total revenues of \$11,926,923.

Total assets of governmental activities decreased by \$105,430 as cash and cash equivalents decreased by \$684,136, receivables and other assets increased by \$364,602 and capital assets increased by \$214,104.

- The School District had \$11,743,826 in expenses; only \$697,394 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$11,269,223 were adequate to provide for these programs.
- Among major funds, the General Fund had \$9,346,149 in revenues, \$9,472,987 in expenditures, and \$0 in other financing uses. The General Fund's balance decreased \$126,838 over fiscal year 2014. This increase was the result of effective cost cutting measures implemented by the District.

Using this Generally Accepted Accounting Principles Report (GAAP)

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

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending.

The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of Union Township Public School District, the General Fund is by far the most significant fund.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED**

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question. "How did we do financially during fiscal year 2015?"

The Statement of Net position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

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

In the Statement of Net Position and the Statement of Activities, the School District reports governmental activities. Governmental activities are the activities where most of the School District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

Reporting the School District's Most Significant Funds

Fund Financial Statements

The analysis of the School Districts major funds begins on page 17. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

Governmental Funds

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED**

The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

The School District as a Whole

Recall that the statement of net position provides the perspective of the School District as a whole. Table 1 provides a summary of the District's net position at 6/30/15 with comparisons to 6/30/14.

	Table 1 Net Position		Variance	
	6/30/15	6/30/14	Dollars	%
ASSETS				
Current & Other Assets	\$ 4,512,003	\$ 4,798,272	\$(286,269)	(5.97)
Capital Assets	17,618,471	17,405,497	212,974	1.22
Total Assets	<u>22,130,474</u>	<u>22,203,769</u>	<u>(73,295)</u>	<u>(0.33)</u>
Deferred Pension Activity	135,573	79,420	56,153	70.70
Total Deferred Outflow of Resources	<u>135,573</u>	<u>79,420</u>	<u>56,153</u>	<u>70.70</u>
LIABILITIES				
Long-Term Liabilities	14,961,778	15,659,398	(697,620)	(4.45)
Other Liabilities	866,801	668,984	197,817	29.57
Total Liabilities	<u>15,828,579</u>	<u>16,328,382</u>	<u>(499,803)</u>	<u>(3.06)</u>
Deferred Pension Activity	259,870		259,870	*
Total Deferred Inflow of Resources	<u>259,870</u>	<u>-</u>	<u>259,870</u>	<u>*</u>
NET POSITION				
Net Investment in Capital Assets	4,678,471	3,980,497	697,974	17.53
Restricted	3,514,670	3,889,746	(375,076)	(9.64)
Unrestricted	(2,015,543)	(1,915,436)	(100,107)	(5.23)
Total Net Position	<u>\$ 6,177,598</u>	<u>\$ 5,954,807</u>	<u>\$ 222,791</u>	<u>3.74</u>

Total assets decreased \$73,295. Cash and cash equivalents decreased by \$649,716, receivables increased by \$351,586, capital assets increased by \$212,974 and other assets increased by \$11,861. Unrestricted net position decreased by \$100,107 and represents the part of net position that can be used to finance day to day activities without constraints, established by grants or legal requirements of the School District,. This was the result of anticipated expenditures necessary to ensure a thorough and efficient education.

The negative balance in unrestricted net position is not a negative reflection on the District's financial condition, but is the result of reporting required by GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED**

Table 2 provides a summary of the School District's changes in net position in fiscal year ending 6/30/15 with comparisons to 6/30/14.

**Table 2
Changes in Net Position**

	Fiscal Year Ending		Variance	
	6/30/15	6/30/14	Dollars	%
Revenues				
Program Revenues:				
Charges for Services	\$ 313,535	\$ 307,309	\$ 6,226	2.03
Operating Grants	128,131	173,279	(45,148)	(26.06)
Capital Grants	255,728		255,728	*
General Revenues:				
Property Taxes	8,707,999	8,704,531	3,468	0.04
Unrestricted Grants	2,506,015	1,311,013	1,195,002	91.15
Other	55,209	32,460	22,749	70.08
Total Revenues	<u>11,966,617</u>	<u>10,528,592</u>	<u>1,438,025</u>	13.66
Expenses				
Instruction:				
Regular	4,511,551	3,681,727	829,824	22.54
Special	1,704,837	1,469,613	235,224	16.01
Other	357,629	288,299	69,330	24.05
Support Services:				
Tuition	369,987	234,322	135,665	57.90
Student & Instructional Staff	1,480,058	1,341,813	138,245	10.30
General & Business Administration	814,440	679,859	134,581	19.80
School Administration	276,016	244,152	31,864	13.05
Maintenance	1,031,921	1,109,528	(77,607)	(6.99)
Transportation	494,475	481,271	13,204	2.74
Food Service	132,079	132,256	(177)	(0.13)
Interest on Long-Term Debt	570,833	592,783	(21,950)	(3.70)
Total Expenses	<u>11,743,826</u>	<u>10,255,623</u>	<u>1,488,203</u>	14.51
Increases (Decreases) Before Transfers & Special Items	<u>222,791</u>	<u>272,969</u>	<u>(50,178)</u>	(18.38)
Transfers & Special Items:				
Insurance Claim Proceeds	-	145,500	-	0.00
Total Transfers & Special Items	<u>-</u>	<u>145,500</u>	<u>-</u>	
Increase (Decrease) in Net Position	<u>\$ 222,791</u>	<u>\$ 418,469</u>	<u>\$(50,178)</u>	(11.99)

* = Undefined

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 73.6 percent of revenues for governmental activities for the Union Township Public School district for fiscal year 2015.

Instruction comprises 56.5 percent of district expenses. Support services expenses make up 38.5 percent of the expenses. Interest on long-term debt makes up 4.9 percent of the expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services.

Table 3 provides a summary of the School District's cost of governmental services in fiscal year ending 6/30/15 with comparisons to 6/30/14.

Table 3
Cost of Governmental Services

	Total Cost of Services		Net Cost of Services	
	6/30/15	6/30/14	6/30/15	6/30/14
Instruction	\$ 6,574,017	\$ 5,439,639	\$ 6,172,154	\$ 5,202,567
Support Services:				
Tuition	369,987	234,322	305,265	137,768
Student & Instructional Staff	1,480,058	1,341,813	1,429,902	1,335,501
General & Business Administration	814,440	679,859	789,872	679,859
School Administration	276,016	244,152	268,444	244,152
Plant Operations & Maintenance	1,031,921	1,109,528	1,025,458	1,102,273
Pupil Transportation	494,475	481,271	494,475	481,271
Interest on Long-Term Debt	570,833	592,783	570,833	592,783
Total Expenses	\$11,611,747	\$10,123,367	\$11,056,403	\$9,776,174

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

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

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED**

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

Extracurricular activities include expenses related to student activities provided by the School District which are designed to provide opportunities for students to participate in school events, public events, or a combination of these for the purposes of motivation, enjoyment and skill improvement.

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

The dependence upon tax revenues is apparent. For all activities tax revenue support is 72.3 percent. The community, as a whole, is the primary support for the Union Township School District.

The School District's Funds

Information about the School District's major funds starts on page 17. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$11,966,617 and expenditures of \$11,743,826 and other financing uses of \$0. The net negative change in fund balance for the year of \$505,428 was most significant in the Capital Projects Fund, a decrease of \$383,590. The decrease was due to the District effectively utilizing available resources to provide the best possible education service to the community.

General Fund Budgeting Highlights

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

During the course of the fiscal 2015 the School District amended its General Fund budget as needed. The School District uses program based budgeting and the budgeting systems are designed to lightly control total program budgets but provide flexibility for program management.

For the General Fund, budget basis revenue was \$8,550,559 which was \$95,600 above original budgeted estimates of \$8,454,595. This difference was due primarily to state aid realized above original estimate of \$64,775.

The General Fund revenues and other financing sources of the School District were less than expenditures and other financing usages by \$129,160.

Capital Assets

At the end of the fiscal year 2015 the School District had \$17,618,471 invested in land, buildings, furniture and equipment, and construction in progress.

Table 4 provides a summary of the School District's capital assets net of depreciation at 6/30/15 with comparisons to 6/30/14.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED**

**Table 4
Capital Assets at Year-end
(Net of Depreciation)**

	6/30/15	6/30/14	Variance	
			Dollars	%
Land	\$ 189,696	\$ 189,696	\$ -	0.00
Construction in Progress	78,400	27,200	51,200	188.24
Land Improvements	165,667	175,740	(10,073)	(5.73)
Buildings & Improvements	16,736,466	16,617,849	118,617	0.71
Vehicles	24,671	31,720	(7,049)	(22.22)
Equipment	423,571	363,292	60,279	16.59
Total	<u>\$ 17,618,471</u>	<u>\$ 17,405,497</u>	<u>\$ 212,974</u>	1.22

* = Undefined

Overall capital assets increased \$212,974 from fiscal year 2014 to fiscal year 2015. Increases in capital assets (primarily buildings and improvements, machinery and equipment) were offset by depreciation expenses for the year. Major capital asset additions in fiscal year 2015 included the completion of HVAC and security upgrades at the middle school, security upgrades at the elementary school, and the installation of artificial playground turf for the elementary school.

Debt Administration

At June 30, 2015, the School district had \$14,961,778 in long-term liabilities. This amount is detailed in Table 5.

At June 30, 2015, the School District's overall legal debt limit was \$23,748,693 and the legal debt margin was \$10,808,693.

Table 5 provides a summary of the School District's outstanding long-term liabilities at 6/30/15 with comparisons to 6/30/14.

**Table 5
Long-Term Liabilities at Year-end**

	6/30/15	6/30/14	Variance	
			Dollars	%
2002 General Obligation Bonds	\$ 1,980,000	\$ 2,325,000	\$ (345,000)	(14.84)
2005 General Obligation Bonds	2,345,000	2,450,000	(105,000)	(4.29)
2007 Refunding Bonds	8,615,000	8,650,000	(35,000)	(0.40)
Net Pension Liability	1,796,224	2,014,486	(218,262)	(10.83)
Unamortized Bond Premium	61,112	65,192	(4,080)	(6.26)
Compensated Absences	164,442	154,720	9,722	6.28
	<u>\$ 14,961,778</u>	<u>\$ 15,659,398</u>	<u>\$ (697,620)</u>	(4.45)

* = Undefined

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED**

For the Future

Our available free balance surplus on a budgetary basis is currently **\$313,131**. The Union Township Public School District is at an **excellent** financial condition presently. A major concern is future finances with the 2% budget cap and flat state aid.

Union Township is primarily a residential community with very few ratables which places the tax burden on residential homeowners.

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

Contacting the School District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional information, contact Thomas Venanzi, Union Township Board of Education, 165 Perryville Rd., Hampton, NJ 08827.

BASIC FINANCIAL STATEMENTS

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.

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

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash & Cash Equivalents	\$ 464,074	\$ 68,178	\$ 532,252
Receivables, Net	459,898	1,657	461,555
Prepaid Expenses	10,872		10,872
Inventory		1,938	1,938
Restricted Assets:			
Legal Reserve Accounts-Cash	3,505,386		3,505,386
Capital Assets (Note 4):			
Land and Construction in Progress	268,096		268,096
Other Capital Assets, Net of Depreciation	17,347,665	2,710	17,350,375
Total Assets	<u>22,055,991</u>	<u>74,483</u>	<u>22,130,474</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amount on Pension Activity	<u>135,573</u>	<u>-</u>	<u>135,573</u>
LIABILITIES			
Due to Other Governments	14,167		14,167
Accounts Payable	506,746	20,377	527,123
Accrued Interest	248,325		248,325
Unearned Revenue	73,462	3,504	76,966
Other Current Liabilities	220		220
Long-Term Liabilities (Note 5):			
Due Within One Year	517,692		517,692
Due Beyond One Year	14,444,086		14,444,086
Total Liabilities	<u>15,804,698</u>	<u>23,881</u>	<u>15,828,579</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amount on Pension Activity	<u>259,870</u>	<u>-</u>	<u>259,870</u>
NET POSITION			
Net Investment in Capital Assets	4,675,761	2,710	4,678,471
Restricted For:			
Legal Reserves	3,500,385		3,500,385
Capital Projects	9,284		9,284
Debt Service	5,001		5,001
Unrestricted	<u>(2,063,435)</u>	<u>47,892</u>	<u>(2,015,543)</u>
TOTAL NET POSITION	<u>\$ 6,126,996</u>	<u>\$ 50,602</u>	<u>\$ 6,177,598</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

UNION TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Functions/Programs	Direct Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue & Changes in Net Position		
			Charges for Services	Operating Grants & Contribution	Capital Grants & Contribution	Governmental Activities	Business-Type Activities	Total
Governmental Activities:								
Instruction:								
Regular	\$ 3,067,001	\$ 1,444,550	\$ 34,500	\$ 27,715	\$ 121,368	\$ (4,327,968)		\$ (4,327,968)
Special Education	1,190,768	514,069			47,589	(1,657,248)		(1,657,248)
Other Special Instruction	53,694	25,465			2,146	(77,013)		(77,013)
Other Instruction	212,912	65,558	160,096		8,449	(109,925)		(109,925)
Support Services:								
Tuition	369,987			64,722		(305,265)		(305,265)
Students & Instruction Related Services	1,101,863	378,195		6,120	44,036	(1,429,902)		(1,429,902)
General & Business Administration Services	614,738	199,702			24,568	(789,872)		(789,872)
School Administration Services	189,459	86,557			7,572	(268,444)		(268,444)
Plant Operations & Maintenance	980,288	51,633	6,463			(1,025,458)		(1,025,458)
Pupil Transportation	494,475					(494,475)		(494,475)
Interest on Long-Term Debt	570,833					(570,833)		(570,833)
Total Governmental Activities	8,846,018	2,765,729	201,059	98,557	255,728	(11,056,403)	\$ -	(11,056,403)
Business-Type Activities:								
Food Service	132,079		112,476	29,574			9,971	9,971
Total Business-Type Activities	132,079	-	112,476	29,574	-	-	9,971	9,971
Total Primary Government	\$ 8,978,097	\$ 2,765,729	\$ 313,535	\$ 128,131	\$ 255,728	(11,056,403)	9,971	(11,046,432)
General Revenues, Transfers & Special Items								
						7,665,205		7,665,205
						1,042,794		1,042,794
						2,506,015		2,506,015
						16,754	163	16,917
						38,292		38,292
						11,269,060	163	11,269,223
						212,657	10,134	222,791
						5,914,339	40,468	5,954,807
						\$ 6,126,996	\$ 50,602	\$ 6,177,598

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

FUND FINANCIAL STATEMENTS

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

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

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash & Cash Equivalents	\$ 464,074				\$ 464,074
Due from Other Funds	302,773				302,773
Receivables from Other Governments:					
State	76,364		\$ 255,727		332,091
Federal		\$ 122,775			122,775
Other Receivables	2,540				2,540
Prepaid Expenses	10,872				10,872
Restricted Cash & Equivalents	3,500,385			\$ 5,001	3,505,386
TOTAL ASSETS	\$ 4,357,008	\$ 122,775	\$ 255,727	\$ 5,001	\$ 4,740,511
LIABILITIES AND FUND BALANCES					
Liabilities:					
Due to Other Funds	\$ 5,159	\$ 48,679	\$ 246,443		\$ 300,281
Due to Other Governments-Local	14,167				14,167
Accounts Payable	506,112	634			506,746
Unearned Revenue		73,462			73,462
Other Current Liabilities	220				220
Total Liabilities	525,658	122,775	\$ 246,443	\$ -	894,876
Fund Balances:					
Restricted For:					
Capital Projects			9,284		9,284
Committed For:					
Capital Reserve Account	2,566,622				2,566,622
Maintenance Reserve Account	715,000				715,000
Emergency Reserve Account	218,763				218,763

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

UNION TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015
(Continued)

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
LIABILITIES AND FUND BALANCES (Cont'd)					
Fund Balances: (Cont'd)					
Assigned For:					
Year-End Encumbrances	\$ 3,094				\$ 3,094
Designated for Subsequent Year's Expenditures	65,545			\$ 1	65,546
Debt Service Fund Balance				5,000	5,000
Unassigned Fund Balance	262,326				262,326
Total Fund Balances	<u>3,831,350</u>	<u>\$ -</u>	<u>\$ 9,284</u>	<u>5,001</u>	<u>3,845,635</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 4,357,008</u>	<u>\$ 122,775</u>	<u>\$ 255,727</u>	<u>\$ 5,001</u>	

Amounts reported for governmental activities in the Statement of Net Position (A-1) are different because:

Capital assets used in government activities are not financial resources & therefore are not reported in the funds. The cost of the assets is and the accumulated depreciation is	\$ 24,173,861 <u>6,558,100</u>	17,615,761
Long-term liabilities, including bonds payable, are not due & payable in the current period & therefore are not reported as liabilities in the funds		(14,961,778)
Deferred outflows and inflows or resources related to pensions are applicable to future periods and, therefore, are not reported in the governmental funds		(124,297)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due		<u>(248,325)</u>
Total Net Position of Governmental Activities		<u>\$ 6,126,996</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Sources:					
Local Tax Levy	\$ 7,665,205			\$ 1,042,794	\$ 8,707,999
Tuition Charges	34,500				34,500
Interest on Investments	16,754				16,754
Before/After School Child Care Service Fees	160,096				160,096
Rentals	6,463				6,463
Contributions and Donations from Private Sources	88				88
Miscellaneous	34,124				34,124
Total	7,917,230	\$ -	\$ -	1,042,794	8,960,024
State Sources	1,428,919		255,727		1,684,646
Federal Sources		98,557			98,557
Total Revenues	9,346,149	98,557	255,727	1,042,794	10,743,227
EXPENDITURES					
Current:					
Instructional:					
Regular Instruction	3,015,866	20,981			3,036,847
Special Education Instruction	1,190,768				1,190,768
Other Special Instruction	53,694				53,694
Other Instruction	211,401				211,401
Support Service & Undistributed Costs:					
Tuition	305,265	64,722			369,987
Student & Instruction Related Services	1,095,743	6,120			1,101,863
General & Business Administrative Services	614,738				614,738
School Administrative Services	189,459				189,459

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
EXPENDITURES (Cont'd)					
Current: (Cont'd)					
Plant Operations & Maintenance	\$ 968,907				\$ 968,907
Pupil Transportation	494,475				494,475
Unallocated Benefits	1,098,851				1,098,851
Capital Outlay	205,703	\$ 6,734	\$ 639,317		851,754
Debt Service:					
Principal				\$ 485,000	485,000
Interest & Other Charges				552,794	552,794
NJ SDA Debt Service Assessment	28,117				28,117
Total Expenditures	<u>9,472,987</u>	<u>98,557</u>	<u>639,317</u>	<u>1,037,794</u>	<u>11,248,655</u>
Net Changes in Fund Balances	(126,838)	-	(383,590)	5,000	(505,428)
Fund Balances, July 1	<u>3,958,188</u>	<u>-</u>	<u>392,874</u>	<u>1</u>	<u>4,351,063</u>
Fund Balances, June 30	<u>\$ 3,831,350</u>	<u>\$ -</u>	<u>\$ 9,284</u>	<u>\$ 5,001</u>	<u>\$ 3,845,635</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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

Total Net Changes in Fund Balances-Governmental Fund (from B-2)		\$ (505,428)
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 expenses. This is the amount by which capital outlays exceeds depreciation in the period:		
Capital Outlays	\$ 851,754	
Depreciation Expense	<u>(637,650)</u>	214,104
Repayment of bond principal and capital leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of Net Position and are not reported in the statement of activities:		
Bond Principal Payments		485,000
Governmental funds report district pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.		
		14,545
Governmental funds report the effect of issuance costs and premiums when debt is first issued, whereas these amounts are deferred & amortized in the statement of activities:		
Amortization of Bond Premium & Discounts		4,080
In the statement of activities, interest on long-term debt is accrued regardless of when due. In the governmental funds interest is reported when due. The accrued interest is a reconciling item.		
		10,078
In the statement of activities, compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.		
		<u>(9,722)</u>
Change in Net Position of Governmental Activities		<u>\$ 212,657</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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

	<u>Food Service Fund</u>
ASSETS	
Current Assets:	
Cash & Cash Equivalents	\$ 68,178
Receivables from Other Governments:	
State	177
Federal	1,480
Inventory	1,938
Total Current Assets	<u>71,773</u>
Noncurrent Assets:	
Capital Assets	42,749
Less: Accumulated Depreciation	<u>40,039</u>
Total Noncurrent Assets	<u>2,710</u>
Total Assets	<u>74,483</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	20,377
Unearned Revenues	<u>3,504</u>
Total Current Liabilities	<u>23,881</u>
NET POSITION	
Net Investment in Capital Assets	2,710
Unrestricted	<u>47,892</u>
TOTAL NET POSITION	<u><u>\$ 50,602</u></u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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

	Food Service Fund
Operating Revenues:	
Charges for Services:	
Daily Sales-Reimbursable Programs	\$ 93,880
Daily Sales-Unreimbursable Programs	18,596
Total Operating Revenues	112,476
Operating Expenses:	
Costs of Sales-Reimbursable Programs	66,998
Costs of Sales-Nonreimbursable Programs	11,217
Salaries	33,090
Employee Benefits	7,579
Repairs	1,817
Insurance	1,015
Management Fee	6,900
Other Purchased Services	2,333
Depreciation	1,130
Total Operating Expenses	132,079
Operating Income (Loss)	(19,603)
Unearned Revenues	
Nonoperating Revenues (Expenses):	
State Sources:	
State School Lunch Program	1,569
Federal Sources:	
National School Lunch Program:	
Cash Assistance	17,596
Non-cash Assistance (Commodities)	10,368
Special Milk Program	41
Interest Revenue	163
Total Nonoperating Revenues (Expenses)	29,737
Change in Net Position	10,134
Net Position, Beginning	40,468
Net Position, Ending	\$ 50,602

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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

	Food Service Fund
Cash Flows from Operating Activities:	
Receipts from Customers (Net)	\$ 113,724
Payments to Food Service Management Company	(99,098)
Payments to Vendors (Net)	(1,719)
Net Cash Provided by (Used For) Operating Activities	12,907
Cash Flows from Noncapital Financing Activities:	
State Sources	1,763
Federal Sources	19,496
General Fund Interfund Activity	91
Net Cash Provided by (Used For) Noncapital Financing Activities	21,350
Cash Flows from Investing Activities:	
Interest Earned on Investments	163
Net Increase (Decrease) in Cash and Cash Equivalents	34,420
Cash and Cash Equivalents, July 1	33,758
Cash and Cash Equivalents, June 30	\$ 68,178
Unearned Revenues	
(Used For) Operating Activities:	
Operating Income (Loss)	\$ (19,603)
Adjustments to Reconcile Operating Income (Loss) to Net Cash	
Provided by (Used For) Operating Activities:	
Depreciation	1,130
Food Donation Program	10,368
(Increase) Decrease in Inventory	(989)
Increase (Decrease) in Unearned Revenue	1,624
Net Cash Provided by (Used For) Operating Activities	\$ 12,907

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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

	Unemployment Compensation Fund	Student Activity Agency Fund	Payroll Agency Fund
ASSETS			
Cash & Cash Equivalents	\$ 47,862	\$ 14,884	\$ 19,945
Due from Other Funds		5,159	
TOTAL ASSETS	<u>47,862</u>	<u>\$ 20,043</u>	<u>\$ 19,945</u>
LIABILITIES			
Due to Other Funds			\$ 7,651
Accounts Payable	19		
Due to Student Groups		\$ 20,043	
Payroll Deductions & Withholdings			12,294
TOTAL LIABILITIES	<u>19</u>	<u>\$ 20,043</u>	<u>\$ 19,945</u>
NET POSITION			
Held in Trust for Unemployment Claims & Other Purposes	<u>\$ 47,843</u>		

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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

	<u>Unemployment Compensation Fund</u>
ADDITIONS	
Contributions:	
Plan Members	\$ 7,870
Interest Earnings	154
	<u>8,024</u>
DEDUCTIONS	
Unemployment Claims	<u>2,087</u>
Change in Net Position	5,937
Net Position, Beginning of the Year	<u>41,906</u>
Net Position, End of the Year	<u>\$ 47,843</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

UNION TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (Board) of the Union Township School District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local 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 accounting policies of the District are described below.

The basic financial statements include:

A Management's Discussion and Analysis (MD&A) providing an analysis of the Districts over-all financial position and results of operations.

Basic financial statements prepared using full-accrual accounting for all of the District's activities.

A. Reporting Entity

The District is a Type II district located in the County of Hunterdon, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year-terms. The purpose of the district is to educate students in Grades K-8. The District had an approximate enrollment at June 30, 2015 of 495 students.

The primary criterion for including activities within the District's reporting entity as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

1. The organization is legally separate (can sue or be sued in their own name.)
2. The District holds the corporate powers of the organization.
3. The District appoints a voting majority of the organization's board.
4. The District is able to impose its will on the organization.
5. The organization has the potential to impose a financial benefit/ burden on the District.
6. There is a fiscal dependency by the organization on the District.

Based on the aforementioned criteria, the District has no component units.

UNION TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The District has elected to treat all of its governmental funds as major funds and they are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, early retirement, arbitrage rebates, and post employment healthcare benefits, are recorded only when payment is due.

Property taxes, tuition and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. As under New Jersey State Statute, a municipality is required to remit to its school district the entire property tax balance, 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 moneys under the established payment schedule and the unpaid amount is considered to be an accounts receivable. All other revenue items are considered to be measurable and available only when the District receives cash.

UNION TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2015
 (Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont'd)

Amounts reported as program revenues include 1) charges to students for tuition, fees, rental, material, supplies, or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, and unrestricted state aids.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted, as they are needed.

The District reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment, which are classified in the Capital Outlay 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 District accounts for the proceeds of specific revenue sources from State and Federal Government (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes in the Special Revenue Fund.

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (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.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

UNION TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2015
 (Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont'd)

Additionally, the District reports the following fund types:

Proprietary Fund Types

Proprietary Fund - The focus of Proprietary Fund measurement is upon determination of net income, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the Proprietary Funds of the District:

Enterprise Fund - The Enterprise 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; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's Enterprise Fund is comprised of the Food Service Fund.

All proprietary funds are accounted for on a current financial resources measurement focus. This means that all assets and liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (total net assets) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net assets.

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

Equipment	12 Years
Light Trucks & Vehicles	4 Years
Heavy Trucks & Vehicles	6 Years

UNION TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont'd)

Fiduciary Fund Types

Trust and Agency Funds - The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/ or other funds. Agency funds are custodial in nature and do not involve measurement of results of operations. The following is a description of the Trust and Agency Funds of the District.

Unemployment Compensation Trust Fund – This fund is used to account for the portion of employee deductions for unemployment compensation required to be deposited and accumulated for future unemployment claims under the “Benefit Reimbursement Method.”

Student Activities Agency Fund – This fund is used to account for funds derived from athletic events or other activities of pupil organizations and accumulated for payment of student group activities.

Payroll Agency Fund – This fund accounts for the withholding and remittance of employee salary deductions.

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budgets are submitted to the county office and, if required, are voted upon at the annual school election in November. 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 NJAC 6:20-2A.2(m)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2015 were insignificant.

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 revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the Governmental Fund Types. Unencumbered appropriations lapse at fiscal year end.

UNION TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control (Cont'd)

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 reports.

E. Encumbrances

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in Governmental Funds other than the Special Revenue Fund are reported as reservations of fund balances at fiscal yearend 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.

F. Tuition Receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

G. Tuition Payable

Tuition charges for the fiscal years 2014-2015 and 2013-2014 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Short-Term Interfund Receivables/Payables

Short-Term Interfund receivables/payables, represents amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

I. Inventories and Prepaid Items

Inventories and prepaid items, which benefit future periods, other than those recorded in the Enterprise Fund are recorded as an expenditure during the year of purchase.

Enterprise Fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. The commodities inventory value at balance sheet date is reported as a unearned revenue as title does not pass to the school district until the commodities are used. Prepaid items in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2015.

UNION TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2015
 (Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

J. Capital Assets

Capital assets, which include land, land improvements, buildings and improvements, vehicles and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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.

All reported capital assets, except for land and construction in progress, of the District are depreciated using the straight-line method over the following estimated lives:

Assets	Years
Buildings	40
Building Improvements & Portable Classroom	40
Land Improvements	20
Furniture	20
Maintenance Equipment	15
Musical Instruments	10
Athletic Equipment	10
Audio Visual Equipment	10
Office Equipment	5 to 10
Computer Equipment	5 to 10
Software	5

K. Compensated Absences

The District accounts for compensated absences (e.g., unused vacation and sick leave) as directed by Governmental Accounting Standards Board statement number 16 (GASB 16), "Accounting for Compensated Absences." A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement employees shall be paid by the District for the unused sick leave in accordance with the Districts' agreements with the various employee unions.

The liability for compensated absences was accrued using the vesting method, whereby the liability is calculated by vesting balances as of the balance sheet date for which a payment is probable. Salary related payments for the employer's share of social security and medicare taxes are included.

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

UNION TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

L. Unearned Revenue

Unearned revenue in the General Fund and Special Revenue Fund represents cash, which has been received but not yet earned. See Note 1 (E) regarding the Special Revenue Fund.

Unearned revenue in the Enterprise Fund includes United States government commodity inventories at year-end. The aid revenue associated with this commodity inventory is deferred until it is used in the operations of the Food Service Fund. Prepaid lunch debit card revenue balances at year-end are also included in unearned revenue.

M. Long-Term Obligations

In the government-wide financial statements and in internal service fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses.

N. Fund Balances-Governmental Funds

In the fund financial statements, governmental funds report the following classifications of fund balance:

- Non-spendable—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.
- 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.
- 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.

UNION TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2015
 (Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

N. Fund Balances-Governmental Funds (cont'd)

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

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

O. Comparative Data/Reclassifications

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations. Also, certain immaterial amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

P. Allocation of Indirect Expenses

Certain expenses, which have not been charged to a specific function in the District's fund financial statements, have been allocated to the functions for the government-wide statements. Employee benefits, on-behalf TPAF pension contributions, reimbursed TPAF social security contributions and compensated absences accruals have been allocated based on salaries by function. Depreciation expense which was not specifically identified by function has been allocated based on the current year expenses by function.

NOTE 2. TAX ASSESSMENTS AND PROPERTY TAXES

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners.

Upon the filing of certified adopted budgets by the municipality, the municipality's local school districts, and the county, the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provision for the assessment of property, levying of taxes and the collection thereof are set forth in NJSA 54:4 et seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special districts.

Tax bills are mailed annually in June. The taxes are due August 1 and November 1 respectively, and are adjusted to reflect the current fiscal year's total tax liability. The preliminary taxes due February 1 and May 1 of the succeeding fiscal year are based upon one-half of the current year's total tax.

UNION TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2015
 (Continued)

NOTE 2. TAX ASSESSMENTS AND PROPERTY TAXES (Cont'd)

Tax installments not paid on or before the due date are subject to interest penalties of eight per cent per annum on the first \$1,500 of the delinquency and eighteen percent per annum on any amount in excess of \$1,500. Pursuant to Chapter 75, PL 1991, the governing body may also fix a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the calendar year. The penalty so fixed shall not exceed six percent of the amount of the delinquency. These interest and penalties are the highest permitted under the New Jersey statutes. Delinquent taxes are annually included in a tax sale in accordance with New Jersey statutes.

School taxes are guaranteed as to amount of collection by the municipality, the collection agency, and are transmitted to the school district in accordance with the schedule of tax installments as certified by the school district's Board of Education on an annual basis.

NOTE 3. DEPOSITS AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. US Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at amortized cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

Additionally, the District has adopted a cash management plan that requires 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 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

NJSA 17:9-41 e.t. seq establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and saving banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. 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 their deposits to the Governmental Units.

Deposits at June 30, 2015 appear in the financial statements as summarized below:

Cash		<u>\$ 4,120,329</u>
	<u>Ref.</u>	
Cash:		
Governmental Funds, Balance Sheet	B-1	\$ 3,969,460
Enterprise Fund, Statement of Net Position	B-4	68,178
Fiduciary Funds, Statement of Net Position	B-7	<u>82,691</u>
Total Cash		<u>\$ 4,120,329</u>

UNION TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE 3. DEPOSITS AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Deposits – The District's carrying amount of bank deposits at June 30, 2015 is \$4,120,329 and the bank balance is \$4,499,304. Of the bank balance, \$250,000 is covered by federal depository insurance and \$4,249,304 is insured by GUDPA.

Deposit and Investment Risk

GASB Statement No. 40 "Deposit and Investment Risk Disclosures" requires state and local governments to communicate key information about deposit and investment risks. Required disclosures are as follows:

1. Custodial credit risk disclosures are required for:
 - deposits that are uninsured and either (a) uncollateralized or (b) collateralized with securities held by the pledging financial institution, or its trust department or agent but not in the government's name
 - Investment securities that are uninsured, are not registered in the name of the government, and are held by either (a) the counterparty or (b) the counterparty's trust department or agent but not in the government's name

As the district has no such investments, this disclosure is not applicable.

2. Credit quality ratings for investments in debt securities, external investment pools, money market funds, bond mutual funds, and other pooled investments of fixed-income securities. As the district has no such investments, this disclosure is not applicable.
3. Disclosure of investments by amount and issuer for any issuer that represents five percent of more of total investments. This requirement does not apply to investments issued or explicitly guaranteed by the US government and investments in mutual funds or pools. This disclosure is reported below under Concentration of Credit Risk.
4. Interest rate risk disclosures are required for all debt investments and non-money market like pools. As the district has no such investments, this disclosure is not applicable.
5. Investments that are exposed to foreign currency risk should be disclosed. As the district has no such investments, this disclosure is not applicable.

Concentration of Credit Risk

The State of New Jersey does not place any limit on the amount that the district may invest with any one issuer. As of June 30, 2015, the district had no investments.

NOTE 4. CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital Assets, Not Being Depreciated:				
Land	\$ 189,696			\$ 189,696
Construction in Progress	27,200	\$ 717,717	\$ 666,517	78,400
Total	<u>216,896</u>	<u>717,717</u>	<u>666,517</u>	<u>268,096</u>

UNION TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE 4. CAPITAL ASSETS (Cont'd)

	Beginning Balance	Increases	Decreases	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital Assets, Being Depreciated:				
Land Improvements	\$ 201,456			\$ 201,456
Building & Improvements	21,984,150	\$ 666,517		22,650,667
Vehicles	58,717			58,717
Equipment	875,078	134,037	\$ 14,190	994,925
Total	<u>23,119,401</u>	<u>800,554</u>	<u>14,190</u>	<u>23,905,765</u>
Accumulated Depreciation:				
Land Improvements	25,716	10,073		35,789
Building & Improvements	5,366,301	547,900		5,914,201
Vehicles	26,997	7,049		34,046
Equipment	515,626	72,628	14,190	574,064
Total	<u>5,934,640</u>	<u>637,650</u>	<u>14,190</u>	<u>6,558,100</u>
Total Capital Assets, Being Depreciated, Net	<u>17,184,761</u>	<u>162,904</u>	<u>-0-</u>	<u>17,347,665</u>
Transfers	<u>-0-</u>	<u>(666,517)</u>	<u>(666,517)</u>	<u>-0-</u>
Governmental Activities Capital Assets, Net	<u>\$ 17,401,657</u>	<u>\$ 214,104</u>	<u>\$ -0-</u>	<u>\$ 17,615,761</u>
Business-Type Activities:				
Furniture & Equipment	\$ 42,749			\$ 42,749
Less: Accum Depreciation	<u>38,909</u>	<u>\$ 1,130</u>		<u>40,039</u>
Business-Type Activities Capital Assets, Net	<u>\$ 3,840</u>	<u>\$ (1,130)</u>	<u>\$ -0-</u>	<u>\$ 2,710</u>
Depreciation expense was charged to governmental functions in the current year as follows:				
Instruction:				
Regular	\$ 312,352			
Special Education	110,652			
Other Special Instruction	4,990			
Co-Curricular Activities	21,155			
Support Services:				
Student & Instruction	102,390			
General & Business Admin	57,125			
School Administration	17,605			
Maintenance of Plant	<u>11,381</u>			
Total Depreciation Expense, Governmental Activities	<u>\$ 637,650</u>			

UNION TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE 5. LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2015 is as follows:

	<u>Beginning Balance</u>	<u>Accruals</u>	<u>Payments</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
General Obligation Bonds Payable	\$ 13,425,000		\$ 485,000	\$ 12,940,000	\$ 505,000
Unamortized Premium	65,192		4,080	61,112	4,080
PERS Net pension Liability	2,014,486	\$ (218,262)		1,796,224	
Compensated Absences Payable	<u>154,720</u>	<u>18,334</u>	<u>8,612</u>	<u>164,442</u>	<u>8,612</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 15,659,398</u>	<u>\$ (199,928)</u>	<u>\$ 497,692</u>	<u>\$ 14,961,778</u>	<u>\$ 517,692</u>

Payments on the general obligation bonds are made in the debt service fund from property taxes and state aid. The other long-term debts are paid in the current expenditures budget of the District's general fund.

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2015 including interest payments are listed as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 505,000	\$ 530,350	\$ 1,035,350
2017	530,000	506,894	1,036,894
2018	555,000	482,306	1,037,306
2019	580,000	456,569	1,036,569
2020	610,000	429,581	1,039,581
2021-2025	3,435,000	1,605,581	5,040,581
2026-2030	4,180,000	973,435	5,153,435
2031-2033	<u>2,545,000</u>	<u>153,834</u>	<u>2,698,834</u>
Total	<u>\$ 12,940,000</u>	<u>\$ 5,138,550</u>	<u>\$ 18,078,550</u>

UNION TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2015
 (Continued)

NOTE 5. GENERAL LONG-TERM DEBT (Cont'd)

General Obligation Bonds – General obligation school building bonds at June 30, 2015, with their outstanding balances are comprised of the following individual issues:

\$11,962,000-2002 general obligation school building bonds, \$8,142,000 defeased on March 22, 2007, remainder due in annual installments of \$50,000 to \$435,000, beginning July 15, 2004, through July 15, 2019, interest from 4.75%	\$ 1,980,000
\$2,900,000-2005 general obligation school building bonds, due in annual installments from \$50,000 to \$180,000, beginning July 15, 2008, through July 15, 2030, interest from 4.00% to 4.35%	2,345,000
\$8,920,000-2007 general obligation refunding bonds, due in Annual installment of \$25,000 to \$820,000 beginning July 15, 2007 through July 15, 2032 interest from 4.00% to 4.15%	<u>8,615,000</u>
	<u>\$ 12,940,000</u>

The general obligation bonded debt of the District is limited by state law to 3.00% of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2015 is \$23,748,693. General obligation debt at June 30, 2015 is \$12,940,000, resulting in a legal debt margin of \$10,808,693.

NOTE 6. PENSION PLANS

Description of Systems

Substantially all of the Board's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Teachers' Pension and Annuity Fund (TPAF), Public Employees' Retirement System (PERS) and the Defined Contribution Retirement Program (DCRP). The PERS and TPAF systems are sponsored and administered by the State of New Jersey. The DCRP system is administered by Prudential Financial for the Division of Pensions and Benefits. The Teachers' Pension and Annuity Fund retirement system 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 Board and the system's other related non-contributing employers. The Public Employees Retirement System and Defined Contribution Retirement Program are considered cost sharing multiple-employer plans.

A. Public Employees' Retirement System (PERS)

Plan Description

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

UNION TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE 6. PENSION PLANS

A. Public Employees' Retirement System (PERS) (Cont'd)

The vesting and benefit provisions are set by NJSA 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

Tier	Definition
1.	Members enrolled prior to July 1, 2007
2.	Members eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3.	Members eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4.	Members eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5.	Members eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Allocation Methodology and Reconciliation to Financial Statements

Although the Division administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense excluding that attributable to employer-paid member contributions are determined separately for each individual employer of the State and local groups of the plan.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer allocations are applied to amounts presented in the schedules of pension amounts by employer. The allocation percentages for each group as of June 30, 2014 and 2013 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal years ended June 30, 2014 and 2013, respectively.

UNION TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE 6. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer allocation percentages presented in the Division's schedule of employer allocations and applied to amounts presented in the schedule of pension amounts by employer are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2014 and 2013. Employer allocation percentages have been rounded for presentation purposes, therefore amounts presented in the schedule of pension amounts by employer may result in immaterial differences.

Contributions

The contribution policy for PERS is set by NJSA 15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For Fiscal years 2014 and 2013, the State's pension contribution was less than the actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, PL 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

UNION TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE 6. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Collective Net Pension Liability and Actuarial Information

Components of Net Pension Liability

The components of the District's allocable share of the net pension liability for PERS as of June 30, 2014 and 2013 are as follows:

	<u>2014</u>	<u>2013</u>
Total Pension Liability	\$ 3,748,443	\$ 3,928,661
Plan Fiduciary Net Position	<u>1,952,219</u>	<u>1,914,175</u>
Net Pension Liability	<u>\$ 1,796,224</u>	<u>\$ 2,014,486</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08%	48.72%

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

Inflation Rate	3.01%
Salary Increases (Based on Age):	
2012-2021	2.15%-4.40%
Thereafter	3.15%-5.40%
Investment Rate of Return	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA.

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

UNION TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE 6. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Discount Rate

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

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

The following presents the collective net pension liability of the District as of June 30, 2014 and 2013, respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

	<u>2014</u>
At Current Discount Rate (5.39%)	\$ 1,796,224
At a 1% Lower Rate (4.39%)	2,259,711
At a 1% Higher Rate (6.39%)	1,407,013
	<u>2013</u>
At Current Discount Rate (5.55%)	\$ 2,014,486
At a 1% Lower Rate (4.55%)	2,507,770
At a 1% Higher Rate (6.55%)	1,601,180

Collective Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -0-	\$ -0-
Changes of assumptions	56,483	
Net difference between projected and actual earnings on pension plan investments		107,045

UNION TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE 6. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Collective Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in proportion and differences between District contributions and proportionate share of contributions		\$ 152,825
District contributions subsequent to the measurement date	\$ 79,090	
Total	<u>\$ 135,573</u>	<u>\$ 259,870</u>

The amount reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (ie for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) of \$79,090 will be recognized as a reduction of the net pension liability in the year ended June 30, 2015.

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the year ended June 30, 2014:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Deferred Outflows of Resources:				
Changes of Assumptions	\$ -0-	\$ 66,866	\$ 10,383	\$ 56,483
Deferred Inflows of Resources:				
Difference Between Projected and Actual Earnings on Pension Plan Investments	-0-	133,806	26,761	<u>107,045</u>
Net of Deferred Outflows/(Inflows)				<u>\$ (50,562)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding employer specific amounts, deferrals from District contributions subsequent to the measurement date, and deferrals from change on proportion) will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	
2015	\$ (16,378)
2016	(16,378)
2017	(16,378)
2018	(16,378)
2019	10,382
Thereafter	<u>4,568</u>
Total	<u>\$ (50,562)</u>

UNION TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE 6. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Expense

For the year ended June 30, 2015, the District recognized net pension expense of \$64,545 which represents the District's proportionate share of allocable plan pension expense of \$92,348 less the net amortization of deferred amounts from changes in proportion of \$28,093 and plus other adjustments to the net pension liability of \$290. The components of allocable pension expense, which exclude amounts attributable to employer paid member contributions and pension expense related to specific liabilities of individual employers, for the District for the year ending June 30, 2014 are as follows:

Service Cost	\$ 84,041
Interest on Total Pension Liability	198,288
Member Contributions	(46,025)
Administrative Expense	1,402
Expected Investment Return Net of Investment Expense	(128,409)
Pension Expense Related to Specific Liabilities of Individual Employers	(571)
Recognition of Deferred Inflows/Outflows of Resources:	
Amortization of Assumption Changes or Inputs	10,383
Amortization of Projected Versus Actual Investment Earnings on Pension Plan Investments	<u>(26,761)</u>
Pension Expense	<u>\$ 92,348</u>

B. Teacher's Pension and Annuity Fund (TPAF)

Plan Description

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrprts.shtml.

The vesting and benefit provisions are set by NJSA 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. 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.

UNION TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2015
 (Continued)

NOTE 6. PENSION PLANS (Cont'd)

B. Teacher's Pension and Annuity Fund (TPAF) (Cont'd)

The following represents the membership tiers for TPAF:

Tier	Definition
1.	Members enrolled prior to July 1, 2007
2.	Members eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3.	Members eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4.	Members eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5.	Members eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with NJSA 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.

UNION TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE 6. PENSION PLANS (Cont'd)

B. Teacher's Pension and Annuity Fund (TPAF) (Cont'd)

For purposes of reporting required by GASB Statement No. 68, Accounting and Financial Reporting for Pensions, the District's proportionate share of allocable net pension liability, employer pension expense and related revenue, non-employer contributions and their allocable proportionate percentage for fiscal years ending June 30, 2014 and 2013 is as follows:

	2014	2013
Net Pension Liability	\$ 20,016,894	\$18,139,162
Employer Pension Expense & Related Revenue	1,077,097	N/A
Non-Employer Contribution	159,092	232,455
Allocable Proportionate Percentage	.0374520356%	.0358912638%

C. Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) was established under the provisions Ch 92, PL 2007 and expanded under the provisions of Ch 89, PL 2008 and Ch 1, PL 2010 to provide eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Employees eligible to enroll in the program include the following: First, employees enrolled in the Public Employees Retirement System (PERS) or Teachers Pension and Annuity Fund (TPAF) on or after July 1, 2007 who earn salary in excess of maximum compensation limits. Also, employees otherwise eligible to enroll in the TPAF and PERS who do not earn the minimum salary (\$8,200 for 2015) but who earn salary of at least \$5,000 annually are eligible to participate. The program administrator, Prudential Financial, makes information regarding the program available on its New Jersey Defined Contribution Program Web Site: www.prudential.com/njdcprp.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statement and required supplementary information for TPAF and PERS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625-0295.

UNION TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE 6. PENSION PLANS (Cont'd)

Contribution Requirements

The contribution policy is set by state statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Significant legislation which became effective October 1, 2011 will gradually increase the employee contribution rate for PERS and TPAF members. Effective October 1, 2011 the rate increased from 5.50% to 6.50% of annual contractual compensation for employees enrolled in the TPAF and PERS pension plans. The rate will increase each year on the first of July over a seven year phase-in period until the withholding rate reaches 7.50% effective July 1, 2018. Contribution rates for DCRP provide for employee contributions of 5.50% of annual contractual compensation as defined. Employers are required to contribute at an actuarially determined rate in TPAF, PERS and DCRP. The actuarially determined contribution includes funding for cost-of-living adjustments, non-contributory death benefits and post-retirement medical premiums. Under current statute, the Board is a noncontributing employer of the TPAF.

Three-Year Trend Information for TPAF (Paid On-Behalf of the District)

Year	TPAF	Percentage
<u>Funding</u>	<u>Benefit Costs</u>	<u>of APC</u>
		<u>Contributed</u>
06/30/15	\$ 514,358	100%
06/30/14	418,217	100%
06/30/13	494,149	100%

Three-Year Trend Information for PERS

Year	Annual	Percentage
<u>Funding</u>	<u>Pension</u>	<u>of APC</u>
	<u>Cost (APC)</u>	<u>Contributed</u>
06/30/15	\$ 79,090	100%
06/30/14	79,420	100%
06/30/13	77,802	100%

During the year ended June 30, 2015, the State of New Jersey contributed \$315,572 to the TPAF for post-retirement medical benefits and \$13,342 for the non-contributory insurance premiums, and \$185,444 for TPAF normal costs and accrued liability costs on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$278,910 during the year ended June 30, 2015 for the employer's share of social security contributions for TPAF members calculated on their base salaries. These amounts have been included in the financial statements and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB 68.

UNION TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE 7. POST-RETIREMENT BENEFITS

Chapter 384 of PL 1987 and Ch 6 of PL 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. PL 2007, Ch 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees and the State contributed 1.04 billion on their behalf. As of June 30, 2014, there were 103,432 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with Ch 62, PL 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning the fiscal year 1994.

The State is also responsible for the cost attributable to Ch 126, PL 1992, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. In fiscal year 2014, the State paid \$165.8 million toward Ch 126 benefits for 18,122 eligible retired members.

GASB Statement 45 requires certain disclosures relating to governmental entities obligations for other post-employment benefits (OPEB), which are post-employment benefits other than pensions. The District's only material OPEB obligation is for healthcare provided to eligible retirees through the NJ State Health Benefits Program.

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

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. The school district adopted a resolution to participate in the SHBP. The State Health Benefits Commission is the executive body established by the statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, PO Box 295, Trenton, NJ 08625-0295 or by visiting their website at (www.nj.gov/treasury/pensions).

Funding Policy-Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis. Information regarding the State's annual contributions, annual OPEB cost and net OPEB obligations is available through the State as noted in the previous paragraph.

UNION TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE 8. DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403 (b). The plans, which are administered by the entities listed below, 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. The plan administrators are as follows:

AXA Equitable
Lincoln Financial Group
Lincoln Investment Planning Inc.

NOTE 9. INTERFUND RECEIVABLE AND PAYABLES

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

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 302,773	\$ 5,159
Payroll Agency Fund		7,651
Capital Projects Fund		246,443
Student Activity Fund	5,159	
Special Revenue Fund		48,679
	<u>\$ 307,932</u>	<u>\$ 307,932</u>

The balance due from the Payroll Agency Fund to the General Fund represents an imprest balance of \$2,000, a \$4,500 loan and various other activities that have not been transferred to the General Fund of \$1,151. The balance due from the Special Revenue Fund to the General Fund represents a loan from the General fund of \$48,679 due to cash flow issues related to the delayed receipt of grant revenues. The balance due from the Capital Projects Fund to the General Fund represents a loan from the General Fund of \$246,443 due to cash flow issues to the delayed receipt of NJ SDA aid.

The balance due from the General Fund to the Student Activity Agency Fund of \$5,159 represents a board contribution for the cost of sports officials and field trip transportation disbursed in the Activity Fund.

UNION TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE 10. INVENTORY

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

Food	\$	1,012
Supplies		926
	\$	1,938

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law 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 nonoperating revenue in the financial statements.

NOTE 11. CONTINGENT LIABILITIES

In the opinion of management there are no matters pending that will have a material adverse effect on the financial position of the District.

NOTE 12. RISK MANAGEMENT

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

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, and student accident and surety bonds. There was no significant reduction in insurance coverage from coverage of the prior year. The District did not have any insurance settlements which exceeded insurance coverage for the past three years. A complete schedule of insurance coverage can be found in the Statistical Section of the Comprehensive Annual Financial Report.

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

Fiscal Year	District Contrib	Interest Earnings	Employee Contrib	Amount Reimbursed	Ending Balance
2014-2015	\$ -0-	\$ 154	\$ 7,870	\$ 2,087	\$ 47,843
2013-2014	-0-	165	7,536	17,912	41,906
2012-2013	-0-	169	7,326	394	52,117

UNION TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE 13. LEGAL RESERVE ACCOUNTS

A capital reserve account was established by the District by inclusion of \$1 on September 25, 2000 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 districts approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the Department of Education, a district may deposit funds into the capital reserve at any time upon board resolution through the transfer of undesignated, unreserved general fund balance or of excess undesignated, unreserved general fund balance that is anticipated in the budget certified for taxes. Pursuant to NJAC 6:23A-5.1 (d) 7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Districts are allowed as per NJSA 18A:7F-41(a) & 41(b) to deposit to the legal reserves by board resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. Pursuant to this state statute, the District deposited \$68,000 to their Capital Reserve account, by board resolution in June 2015.

The following schedule is a summarization of the District's Legal Reserve Accounts:

<u>Reserve Type</u>	<u>Beginning Balance</u>	<u>District Contribution</u>	<u>Interest Earnings</u>	<u>Withdrawals</u>	<u>Ending Balance</u>
Capital Reserve	\$ 2,563,648	\$ 68,000	\$ 8,534	\$ 73,560	\$ 2,566,622
Maintenance Reserve	715,000				715,000
Emergency Reserve	218,223		540		218,763
Totals	<u>\$ 3,496,871</u>	<u>\$ 68,000</u>	<u>\$ 9,074</u>	<u>\$ 73,560</u>	<u>\$ 3,500,385</u>

NOTE 14. FUND BALANCES-BUDGETARY BASIS

As described in Note 1 N-Fund Equity (Fund Balance) may be restricted, committed or assigned. An analysis of the General Fund Balance on June 30, 2015 and 2014 is as follows:

	<u>2015</u>	<u>2014</u>
Committed:		
Capital Reserve Account-represents funds restricted to capital projects in the Districts Long Range Facilities Plan	\$ 2,566,622	\$ 2,563,648
Maintenance Reserve-Represents funds accumulated for the required maintenance of a facility in accordance with the EFCFA (NJSA18A:76-9)	715,000	715,000

UNION TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(Continued)

NOTE 14. FUND BALANCES-BUDGETARY BASIS (Cont'd)

	<u>2015</u>	<u>2014</u>
Committed:		
Emergency Reserve-Represents funds accumulated to finance unanticipated general fund expenditures required for a thorough and efficient education	\$ 218,763	\$ 218,223
Assigned:		
Year End Encumbrance-Represents fund balance committed for purchase orders that have been issued but goods or services were not received as of June 30,	3,094	123,043
Designated for Subsequent Year's Expenditures-Represents amount appropriated in the succeeding year's budget to reduce tax requirements	65,545	75,856
Unassigned:		
Undesignated-Represents fund balance which has not been restricted or designated	<u>313,131</u>	<u>315,545</u>
Total Fund Balance	<u>\$ 3,882,155</u>	<u>\$ 4,011,315</u>

NOTE 15. CALCULATION OF EXCESS SURPLUS

In accordance with NJSA 18A:7F-7, as amended by PL 2004, Ch 73 (S1701), the designation for Reserved Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2015 is \$-0-.

NOTE 16: SUBSEQUENT EVENTS

The District has evaluated subsequent events through November 5, 2015, which is the date the financial statements were available to be issued and no additional items were noted for disclosure.

NOTE 17. RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE

The following is a list of recent accounting pronouncements which are not yet effective as of the year end date of this report:

In February 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 72 "Fair Value Measurement and Application". This statement, which is effective for fiscal periods beginning after June 15, 2015, is not expected to have an effect on the District's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 73 "Accounting and Financial Reporting for Pensions and Related Assets that are not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. This statement, which is effective for fiscal periods beginning June 15, 2015 and June 15, 2016 for pension systems not within the scope of GASB 68, is not expected to have an effect on the District's financial reporting.

UNION TOWNSHIP SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2015
 (Continued)

NOTE 17: RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE (Cont'd)

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 74 "Financial Reporting for Postemployment Benefits Other than Pension Plans". This statement, which is effective for fiscal periods beginning June 15, 2016, is expected to have a nominal effect on the District's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions". This statement, which is effective for fiscal periods beginning June 15, 2017, is expected to have a nominal effect on the District's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 76 "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments". This statement, which is effective for fiscal periods beginning June 15, 2015, is not expected to have an effect on the District's financial reporting.

In August 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 77 "Tax Abatement Disclosures". This statement, which is effective for fiscal periods beginning December 15, 2015, is not expected to have an effect on the District's financial reporting.

NOTE 18. RESTATEMENT OF PRIOR YEAR NET POSITION

During the fiscal year ending June 30, 2015, the District has determined that a restatement of its prior year net position is necessary. Due to changes in accounting principles resulting from the issuance of Government Accounting Standards Board's (GASB) Statement No. 68, for pension liabilities, adjustments to the net position for the net pension liability and deferred outflows of resources as of the measurement date of June 30, 2014 are necessary. The following is a summary of the District's restatement of net position as of June 30, 2014:

	Governmental Activities
Net Position, June 30, 2014 as Originally Stated	\$ 7,849,405
Add: Deferred Outflow of Resources for Pension Activity	79,420
Less: Net Pension Liability as of June 30, 2014	<u>(2,014,486)</u>
Net Position, June 30, 2014 as Restated	<u>\$ (5,914,339)</u>

NOTE 19. DEFICIT BALANCE IN UNRESTRICTED NET POSITION

The District is reporting a deficit balance in unrestricted net position for governmental activities as of June 30, 2015 of \$2,063,435 on schedule A-1 "Statement of Net Position". The deficit balance is not a negative reflection on the District's financial condition, but is the result of reporting required by GASB Statement No. 68 Accounting and Financial Reporting for Pensions which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

REQUIRED SUPPLEMENTARY INFORMATION-PART II

UNION TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY-TEACHER'S PENSION AND ANNUITY FUND
LAST 10 FISCAL YEARS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
District's Proportion of the Net Pension Liability (Asset)- Percentage		0.00%	0.00%							
District's Proportion of the Net Pension Liability (Asset)- Value	N/A	\$ -	\$ -	N/A	N/A	N/A	N/A	N/A	N/A	N/A
State's Proportionate Share of the Net Pension Liability (Asset) Associated With The District		20,016,894	18,139,162							
Total	\$ -	\$ 20,016,894	\$ 18,139,162	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Employee Payroll		\$ 3,705,859	\$ 3,670,869							
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	N/A	0.00%	0.00%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		33.64%	33.76%							

N/A- Information not available

UNION TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS-TEACHER'S PENSION AND ANNUITY FUND
LAST 10 FISCAL YEARS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Contractually Required Contribution	\$ 198,786	\$ 158,438	\$ 231,914	\$ 120,177	\$ 11,927	\$ 12,421	\$ 12,811	\$ 286,505	\$ 283,807	\$ 39,491
Contributions in Relation to the Contractually Required Contribution	(198,786)	(158,438)	(231,914)	(120,177)	(11,927)	(12,421)	(12,811)	(286,505)	(283,807)	(39,491)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Employee Payroll	\$ 3,870,801	\$ 3,705,859	\$ 3,670,869	\$ 3,638,228	\$ 3,464,639	\$ 3,908,966	\$ 3,702,381	\$ 3,510,258	\$ 3,482,480	\$ 3,390,650
Contributions as a Percentage of Covered Employee Payroll	5.14%	4.28%	6.32%	3.30%	0.34%	0.32%	0.35%	8.16%	8.15%	1.16%

UNION TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY-PUBLIC EMPLOYEES RETIREMENT SYSTEM
 LAST 10 FISCAL YEARS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
District's Proportion of the Net Pension Liability (Asset)- Percentage		0.00959381%	0.01054043%							
District's Proportion of the Net Pension Liability (Asset)- Value		\$ 1,796,224	\$ 2,014,486							
District's Covered Employee Payroll	N/A	702,442	652,482	N/A	N/A	N/A	N/A	N/A	N/A	N/A
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll		255.71%	308.74%							
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		52.08%	48.72%							

N/A- Information not available

UNION TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF DISTRICT CONTRIBUTIONS-PUBLIC EMPLOYEES RETIREMENT SYSTEM
 LAST 10 FISCAL YEARS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Contractually Required Contribution	\$ 79,090	\$ 79,420	\$ 77,802	\$ 108,036	\$ 102,924	\$ 64,646	\$ 51,459	\$ 40,230	\$ 26,402	\$ 17,183
Contributions in Relation to the Contractually Required Contribution	(79,090)	(79,420)	(77,802)	(108,036)	(102,924)	(64,646)	(51,459)	(40,230)	(26,402)	(17,183)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Employee Payroll	\$ 734,312	\$ 702,442	\$ 652,482	\$ 717,286	\$ 646,817	\$ 812,383	\$ 869,595	\$ 658,951	\$ 591,162	\$ 656,633
Contributions as a Percentage of Covered Employee Payroll	10.77%	11.31%	11.92%	15.06%	15.91%	7.96%	5.92%	6.11%	4.47%	2.62%

BUDGETARY COMPARISON SCHEDULES

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources:					
Local Tax Levy	\$ 7,665,205		\$ 7,665,205	\$ 7,665,205	
Tuition-Individuals	30,800		30,800	34,500	\$ 3,700
Interest on Investments				7,680	7,680
Interest Earned on Capital Reserve Funds	12,400		12,400	8,534	(3,866)
Interest Earned on Emergency Expense Reserve				540	540
Before/After School Child Care Service Fees	145,000		145,000	160,096	15,096
Rentals	8,000		8,000	6,463	(1,537)
Private Contributions	5,000		5,000	88	(4,912)
Other Unrestricted Miscellaneous Revenues	20,000		20,000	34,124	14,124
Total	7,886,405	\$ -	7,886,405	7,917,230	30,825
State Sources:					
Categorical Transportation Aid	210,782		210,782	210,782	
Categorical Special Educational Aid	294,741		294,741	294,741	
Categorical Security Aid	36,626		36,626	36,626	
Adjustment Aid	14,726		14,726	14,726	
Additional Adjustment Aid	2,449		2,449	2,449	
PARCC Readiness Aid	4,615		4,615	4,615	
Per Pupil Growth Aid	4,615		4,615	4,615	
Extraordinary Special Education Costs Aid				64,114	64,114
Extraordinary Special Education Costs Aid-Prior Year Add'l				661	661
On-Behalf TPAF Pension Contribution				198,786	198,786
On-Behalf TPAF Post Retirement Medical Benefits				315,572	315,572
Reimbursed TPAF Social Security Contribution				278,910	278,910
Total	568,554	-	568,554	1,426,597	858,043
TOTAL REVENUES	\$ 8,454,959	\$ -	\$ 8,454,959	\$ 9,343,827	\$ 888,868
EXPENDITURES					
Current:					
Instruction-Regular Program:					
Salaries of Teachers:					
Kindergarten	\$ 97,964	\$ (49,274)	\$ 48,690	\$ 48,690	
Grades 1-5	1,112,140	227,123	1,339,263	1,339,263	
Grades 6-8	1,083,238	(201,539)	881,699	881,699	
Home Instruction:					
Salaries of Teachers		10,783	10,783	10,783	
Other Salaries for Instruction	3,000	(3,000)			
Regular Programs-Undistributed Instruction:					
Other Salaries for Instruction		1,115	1,115	1,115	
Purchased Technical Services	30,000	(29,235)	765	765	
Other Purchased Services	43,494	(9,505)	33,989	33,989	
General Supplies	207,811	22,754	230,565	230,565	
Textbooks	14,000	(10,741)	3,259	3,259	
Total	2,591,647	(41,519)	2,550,128	2,550,128	\$ -
Special Education:					
Cognitive-Mild:					
Salaries of Teachers	58,306	47,732	106,038	105,851	187
Total	58,306	47,732	106,038	105,851	187
Learning and/or Language Disabilities:					
Other Salaries for Instruction		95	95	95	
Total	-	95	95	95	-
Resource Room/Resource Center:					
Salaries of Teachers	479,065	76,677	555,742	554,999	743
Other Salaries for Instruction	209,696	(76,901)	132,795	132,795	
General Supplies	2,542	1,697	4,239	4,231	8
Total	691,303	1,473	692,776	692,025	751

UNION TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Preschool Disabilities-Part Time:					
Salaries of Teachers	\$ 83,895	\$ 417	\$ 84,312	\$ 84,312	
Other Salaries for Instruction	38,919	3,826	42,745	42,745	
General Supplies	750	(115)	635	635	
Total	<u>123,564</u>	<u>4,128</u>	<u>127,692</u>	<u>127,692</u>	<u>\$ -</u>
Total Special Education	<u>873,173</u>	<u>53,428</u>	<u>926,601</u>	<u>925,663</u>	<u>938</u>
Basic Skills/Remedial:					
Salaries of Teachers	24,989	14,159	39,148	39,148	
General Supplies	800	(800)			
Total	<u>25,789</u>	<u>13,359</u>	<u>39,148</u>	<u>39,148</u>	<u>-</u>
Bilingual Education:					
General Supplies	250	(250)			
Total	<u>250</u>	<u>(250)</u>	<u>-</u>	<u>-</u>	<u>-</u>
School Sponsored Co/Extra Curricular Activities:					
Salaries	28,269	8,282	36,551	36,551	
Supplies & Materials	500	401	901	99	802
Total	<u>28,769</u>	<u>8,683</u>	<u>37,452</u>	<u>36,650</u>	<u>802</u>
School Sponsored Athletic Activities:					
Salaries	34,671	(2,461)	32,210	32,210	
Purchased Services	6,000	(841)	5,159	5,159	
Supplies & Materials	4,000	(11)	3,989	3,989	
Total	<u>44,671</u>	<u>(3,313)</u>	<u>41,358</u>	<u>41,358</u>	<u>-</u>
Before/After School Programs-Instructional:					
Salaries of Teachers	49,179	63	49,242	49,242	
Other Salaries for Instruction	62,965	(13,190)	49,775	49,775	
Supplies & Materials	5,000	(750)	4,250	4,249	1
Total	<u>117,144</u>	<u>(13,877)</u>	<u>103,267</u>	<u>103,266</u>	<u>1</u>
Summer School-Instruction:					
Salaries of Teachers		8,471	8,471	8,471	
Other Salaries for Instruction		4,849	4,849	4,849	
General Supplies		296	296	296	
Total	<u>-</u>	<u>13,616</u>	<u>13,616</u>	<u>13,616</u>	<u>-</u>
Total Instruction Regular	<u>\$ 3,681,443</u>	<u>\$ 30,127</u>	<u>\$ 3,711,570</u>	<u>\$ 3,709,829</u>	<u>\$ 1,741</u>
Undistributed Expenditures:					
Instruction Tuition:					
Other LEA's Within the State-Special	\$ 21,000	\$ 6,687	\$ 27,687	\$ 27,687	
CSSD & Regional Day Schools	126,287	(29,245)	97,042	97,042	
Private Schools for Disabled Within the State	165,000	(16,770)	148,230	148,230	
Tuition-State Facilities		32,306	32,306	32,306	
Total	<u>312,287</u>	<u>(7,022)</u>	<u>305,265</u>	<u>305,265</u>	<u>\$ -</u>
Health Services:					
Salaries	136,815	(1,000)	135,815	135,815	
Purchased Professional & Technical Services	3,000	(750)	2,250	2,250	
Other Purchased Services	550	(407)	143	143	
Supplies & Materials	4,000	(85)	3,915	3,915	
Other Objects	400	(257)	143	143	
Total	<u>144,765</u>	<u>(2,499)</u>	<u>142,266</u>	<u>142,266</u>	<u>-</u>
Speech, OT, PT, & Related Services:					
Salaries	111,863	(2,340)	109,523	109,523	
Purchased Professional Educational Services	175,000	30,830	205,830	205,830	
Supplies & Materials	1,500	(304)	1,196	1,196	
Total	<u>288,363</u>	<u>28,186</u>	<u>316,549</u>	<u>316,549</u>	<u>-</u>

UNION TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Guidance:					
Salaries of Other Professional Staff	\$ 159,090	\$ (39,000)	\$ 120,090	\$ 119,941	\$ 149
Other Purchased Professional & Technical Services	5,000	(2,092)	2,908		2,908
Other Purchased Services	250		250		250
Supplies & Materials	1,500	897	2,397	2,397	
Total	165,840	(40,195)	125,645	122,338	3,307
Child Study Team:					
Salaries of Other Professional Staff	262,195	(93,351)	168,844	168,823	21
Salaries of Secretarial & Clerical Assistants	10,080	7,420	17,500	17,500	
Other Purchased Professional & Technical Services	10,000	56,347	66,347	66,347	
Other Purchased Services		475	475	475	
Miscellaneous Purchased Services	10,600	(3,116)	7,484	7,484	
Supplies & Materials	6,350	1,812	8,162	8,162	
Other Objects	1,000	770	1,770	1,770	
Total	300,225	(29,643)	270,582	270,561	21
Improvement of Instruction Services:					
Other Purchased Services		7,798	7,798	7,798	
Total	-	7,798	7,798	7,798	-
Educational Media Services/School Library:					
Salaries	12,320	(5,180)	7,140	7,140	
Salaries of Technology Coordinators		46,100	46,100	46,100	
Purchased Professional & Technical Services	70,000	(39,542)	30,458	30,458	
Other Purchased Services	10,000	(10,000)			
Supplies & Materials	5,800	16,745	22,545	22,545	
Total	98,120	8,123	106,243	106,243	-
Instructional Staff Training Services:					
Purchased Professional Education Services	3,000	1,648	4,648	1,474	3,174
Other Purchased Services	750	(750)			
Total	3,750	898	4,648	1,474	3,174
Support Services General Administration:					
Salaries	191,378	(2,383)	188,995	188,995	
Legal Services	30,000	(236)	29,764	29,764	
Audit Fees	19,500	(2,400)	17,100	17,100	
Architectural/Engineering Services	37,000	(28,080)	8,920	8,920	
Other Purchased Professional Services	6,000	(1,238)	4,762	4,762	
Purchased Technical Services	9,060	(4,702)	4,358	2,469	1,889
Communications & Telephone	75,000	(14,252)	60,748	60,484	264
Board of Education Other Purchased Services	1,600	(1,450)	150	150	
Other Purchased Services	30,084	462	30,546	30,546	
General Supplies	19,000	(9,820)	9,180	8,627	553
Board of Education In-House Training/Meeting Supplies	500	357	857	857	
Miscellaneous Expenditures	7,800		7,800	5,219	2,581
Board of Education Membership Dues & Fees	3,500		3,500	800	2,700
Total	430,422	(63,742)	366,680	358,693	7,987
Support Services School Administration:					
Salaries of Principals/Asst Principals/Program Directors	121,044	1,346	122,390	122,390	
Salaries of Secretarial & Clerical Assistants	34,283	(5,243)	29,040	29,040	
Purchased Professional & Technical Services	6,000	3,352	9,352	9,352	
Other Purchased Services	1,000	190	1,190	1,190	
Supplies & Materials	6,000	(3,158)	2,842	2,842	
Other Objects	1,500	(1,450)	50	50	
Total	169,827	(4,963)	164,864	164,864	-

UNION TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Central Services:					
Salaries	\$ 179,406	\$ (22,730)	\$ 156,676	\$ 156,676	
Purchased Professional Services	9,000	22,235	31,235	31,235	
Purchased Technical Services	11,500	(2,495)	9,005	9,005	
Miscellaneous Purchased Services	12,750	(10,223)	2,527	2,527	
General Supplies	2,500	945	3,445	3,445	
Total	215,156	(12,268)	202,888	202,888	\$ -
Required Maintenance for School Facilities:					
Salaries	88,636		88,636	88,339	297
Cleaning, Repair & Maintenance Services	151,209	(60,679)	90,530	90,174	356
General Supplies	5,000	(553)	4,447	4,447	
Total	244,845	(61,232)	183,613	182,960	653
Custodial Services:					
Salaries	212,246	3,010	215,256	215,255	1
Purchased Professional & Technical Services	41,000	5,397	46,397	46,397	
Cleaning, Repair & Maintenance Services	16,000	6,926	22,926	22,926	
Rental of L& & Building Other Than Lease Purchase		84	84	84	
Other Purchased Property Services	500		500	348	152
Insurance	46,000	2,427	48,427	48,427	
Miscellaneous Purchased Services		199	199	199	
General Supplies	47,060	16,272	63,332	63,332	
Energy (Natural Gas)	35,000	55,826	90,826	90,826	
Energy (Electricity)	120,000	5,122	125,122	125,122	
Energy (Gasoline)	3,000	(362)	2,638	2,638	
Other Objects	700	(345)	355	355	
Total	521,506	94,556	616,062	615,909	153
Care & Upkeep of Grounds:					
Purchased Professional & Technical Services		2,070	2,070	2,070	
General Supplies	5,500	(1,180)	4,320	4,320	
Total	5,500	890	6,390	6,390	-
Security:					
Purchased Professional & Technical Services		8,035	8,035	8,035	
Cleaning, Repair, & Maintenance Services		165	165	165	
Total	-	8,200	8,200	8,200	-
Student Transportation Services:					
Management Fees-ESC Transportation Programs	17,000	(5,030)	11,970	8,797	3,173
Contracted Services (Other Than Between Home & School)-Vendors	7,072	1,610	8,682	8,682	
Contracted Services (Between Home & School)-Joint Agreement	315,000	2,615	317,615	298,033	19,582
Contracted Services (Regular Students)-ESCs	33,000	(7,656)	25,344	25,344	
Contracted Services (Special Education Students)-ESCs	215,000	(64,450)	150,550	148,315	2,235
Contracted Services Aid in Lieu of Payments-Nonpublic Schools	7,000		7,000	2,210	4,790
Contracted Services Aid in Lieu of Payments-Choice School Students	4,500	(522)	3,978	3,094	884
Total	598,572	(73,433)	525,139	494,475	30,664

UNION TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Allocated Benefits:					
Regular Programs-Instruction:					
Health Benefits	\$ 504,870	\$ (41,893)	\$ 462,977	\$ 462,977	
Other Employee Benefits		2,761	2,761	2,761	
Total	504,870	(39,132)	465,738	465,738	\$ -
Special Programs-Instruction:					
Unemployment Compensation	5,000	(5,000)			
Health Benefits	274,492	5,159	279,651	279,651	
Total	279,492	159	279,651	279,651	-
Other Instructional Programs-Instruction:					
Health Benefits	13,430	3,081	16,511	16,511	
Total	13,430	3,081	16,511	16,511	-
Health Services:					
Health Benefits	20,011	3,454	23,465	23,465	
Speech, OT, PT, & Related Services:					
Health Benefits	43,258	3,685	46,943	46,943	
Guidance:					
Health Benefits	34,120	(1,662)	32,458	32,458	
Child Study Team:					
Health Benefits	19,652	5,996	25,648	25,648	
Support Services-General Administration:					
Health Benefits	32,580	13,460	46,040	46,040	
Support Services-School Administration:					
Health Benefits		24,595	24,595	24,595	
Support Services-Central Services:					
Health Benefits	5,878	1,239	7,117	7,117	
Operation and Maintenance of Plant Services:					
Health Benefits	134,430	21,018	155,448	155,448	
Other Employee Benefits					
Total	134,430	21,018	155,448	155,448	-
Total Allocated Benefits	1,087,721	35,893	1,123,614	1,123,614	-
Unallocated Benefits-Employee Benefits:					
Social Security Contributions	82,000	(4,863)	77,137	77,137	
Other Retirement Contributions-PERS	85,000	(5,910)	79,090	79,090	
Other Retirement Contributions-Regular	6,000	(96)	5,904	5,904	
Workmen's Compensation	45,000	(5,957)	39,043	39,043	
Health Benefits	25,000	(3,663)	21,337	21,337	
Tuition Reimbursement	25,000	(15,236)	9,764	9,764	
Other Employee Benefits	77,000	(3,692)	73,308	73,308	
Total	345,000	(39,417)	305,583	305,583	-
Total Personal Services-Employee Benefits	1,432,721	(3,524)	1,429,197	1,429,197	-
On-Behalf TPAF Pensions Contribution				198,786	(198,786)
On-Behalf TPAF Post Retirement Medical Benefits				315,572	(315,572)
Reimbursed TPAF Social Security Contribution				278,910	(278,910)
Total	-	-	-	793,268	(793,268)
Total Undistributed Expenditures	\$ 4,931,899	\$ (149,870)	\$ 4,782,029	\$ 5,529,338	\$ (747,309)

UNION TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
TOTAL CURRENT	\$ 8,613,342	\$ (119,743)	\$ 8,493,599	\$ 9,239,167	\$ (745,568)
CAPITAL OUTLAY					
Equipment:					
Undistributed:					
Instruction		\$ 15,092	\$ 15,092	\$ 15,092	
General Administration		38,651	38,651	38,651	
Total	\$ -	53,743	53,743	53,743	\$ -
Facilities Acquisition & Construction Services:					
Architectural/Engineering Services		78,400	78,400	78,400	
Land & Improvements		73,560	73,560	73,560	
NJ SDA Debt Service Assessment	28,117		28,117	28,117	
Total	28,117	151,960	180,077	180,077	-
TOTAL CAPITAL OUTLAY	\$ 28,117	\$ 205,703	\$ 233,820	\$ 233,820	\$ -
TOTAL EXPENDITURES	\$ 8,641,459	\$ 85,960	\$ 8,727,419	\$ 9,472,987	\$ (745,568)
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (186,500)	\$ (85,960)	\$ (272,460)	\$ (129,160)	\$ 143,300
Fund Balances, July 1	4,011,315	-	4,011,315	4,011,315	
Fund Balances, June 30	\$ 3,824,815	\$ (85,960)	\$ 3,738,855	\$ 3,882,155	\$ 143,300
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Adjustment for Prior Year Encumbrances	\$ (123,044)		\$ (123,044)	\$ (123,044)	
Increase in Capital Reserve	12,400	\$ 68,000	80,400	76,534	\$ (3,866)
Withdrawal from Capital Reserve		(73,560)	(73,560)	(73,560)	
Increase in Emergency Reserve				540	540
Budgeted Fund Balance	(75,856)	(80,400)	(156,256)	(9,630)	146,626
TOTAL	\$ (186,500)	\$ (85,960)	\$ (272,460)	\$ (129,160)	\$ 143,300
RECAPITULATION OF FUND BALANCE					
Committed:					
Capital Reserve				\$ 2,566,622	
Maintenance Reserve				715,000	
Emergency Reserve				218,763	
Assigned:					
Year-End Encumbrances				3,094	
Designated for Subsequent Year's Budget				65,545	
Unassigned Fund Balance				313,131	
				3,882,155	
Reconciliation to Governmental Statements (GAAP):					
Last State Aid Payment not Recognized on GAAP Basis				(50,805)	
Fund Balance Per Governmental Funds (GAAP)				\$ 3,831,350	

UNION TOWNSHIP SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES &
CHANGES IN FUND BALANCE-BUDGET & ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(NOT APPLICABLE TO THIS REPORT)

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources	\$ 500		\$ 500		\$ (500)
Federal Sources	170,836		170,836	\$ 97,874	(72,962)
TOTAL REVENUES	<u>\$ 171,336</u>	<u>\$ -</u>	<u>\$ 171,336</u>	<u>\$ 97,874</u>	<u>\$ (73,462)</u>
EXPENDITURES					
Instruction:					
Salaries	\$ 5,453		\$ 5,453	\$ 3,966	\$ 1,487
Other Purchased Services	106,427		106,427	64,722	41,705
General Supplies	45,806	\$ (6,734)	39,072	16,857	22,215
Totals	<u>157,686</u>	<u>(6,734)</u>	<u>150,952</u>	<u>85,545</u>	<u>65,407</u>
Support Services:					
Salaries	3,242		3,242	3,242	
Other Purchased Services	10,408		10,408	2,353	8,055
Total	<u>13,650</u>	<u>-</u>	<u>13,650</u>	<u>5,595</u>	<u>8,055</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment	-	6,734	6,734	6,734	-
TOTAL EXPENDITURES	<u>\$ 171,336</u>	<u>\$ -</u>	<u>\$ 171,336</u>	<u>\$ 97,874</u>	<u>\$ 73,462</u>

NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION

UNION TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION
BUDGETARY COMPARISON SCHEDULE

Explanation of Differences Between Budgetary Inflows & Outflows & GAAP Revenues & Expenditures:

	General Fund	Special Revenue Fund
<u>Sources/Inflows of Resources</u>		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules.	\$ 9,343,827	\$ 97,874
Difference-Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures & the related revenue is recognized:		
Outstanding Encumbrances-Prior Year		683
The last State aid payment is recognized as revenue for budgetary purposes, & differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expenses (GASB 33):		
State Aid Receivable-Prior Year	53,127	
State Aid Receivable-Current Year	(50,805)	
Total Revenues (GAAP Basis)	\$ 9,346,149	\$ 98,557
<u>Uses/Outflows of Resources</u>		
Actual Amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	\$ 9,472,987	\$ 97,874
Differences-Budget to GAAP:		
Encumbrances for supplies & 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 reporting purposes:		
Outstanding Encumbrances-Prior Year		683
Total Expenditures (GAAP Basis)	\$ 9,472,987	\$ 98,557

OTHER SUPPLEMENTAL INFORMATION

SCHOOL LEVEL SCHEDULES

(NOT APPLICABLE TO THIS REPORT)

SPECIAL REVENUE FUND

DETAIL STATEMENTS

The special revenue fund is used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted expenditures for specific purposes.

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

	NCLB Title IIA	IDEA Basic	IDEA Preschool	Small Rural School Achievement	Total
REVENUES					
Federal Sources	\$ 2,353	\$ 64,722	\$ 3,242	\$ 27,557	\$ 97,874
TOTAL REVENUES	<u>\$ 2,353</u>	<u>\$ 64,722</u>	<u>\$ 3,242</u>	<u>\$ 27,557</u>	<u>\$ 97,874</u>
EXPENDITURES					
Instruction:					
Salaries				\$ 3,966	\$ 3,966
Other Purchased Services		\$ 64,722			64,722
General Supplies				16,857	16,857
Totals	<u>\$ -</u>	<u>64,722</u>	<u>\$ -</u>	<u>20,823</u>	<u>85,545</u>
Support Services:					
Salaries			3,242		3,242
Other Purchased Services	2,353				2,353
Totals	<u>2,353</u>	<u>-</u>	<u>3,242</u>	<u>-</u>	<u>5,595</u>
Facility Acquisition & Construction Services:					
Instructional Equipment	-	-	-	6,734	6,734
TOTAL EXPENDITURES	<u>\$ 2,353</u>	<u>\$ 64,722</u>	<u>\$ 3,242</u>	<u>\$ 27,557</u>	<u>\$ 97,874</u>

CAPITAL PROJECTS FUND

DETAIL STATEMENTS

The capital projects fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

UNION TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Description	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations 6/30/2015
			Prior Years	Current Year	
Replacement of Existing Windows at Union Township Elementary School	11/30/10	\$ 234,134	\$ 230,752		\$ 3,382
HVAC and Security Upgrades at Union Township Middle School	01/06/14	530,122		\$ 522,934	7,188
HVAC and Security Upgrades at Union Township Elementary School	01/06/14	119,032		116,383	2,649
		<u>\$ 883,288</u>	<u>\$ 230,752</u>	<u>\$ 639,317</u>	<u>\$ 13,219</u>

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

Total Revenues	\$ -
Expenditures and Other Financing Uses:	
Purchased Professional & Technical Services	6,943
Construction Services	632,374
Total Expenditures	639,317
Excess (Deficiency) of Revenues Over (Under) Expenditures	(639,317)
Fund Balance-Beginning	652,536
Fund Balance-Ending	\$ 13,219
<u>Reconciliation of Financial Assistance Difference for GAAP Purposes</u>	
State Financial Assistance-Budgetary Basis (Schedule F-2)	\$ -
Adjustment to GAAP Basis	255,727
State Financial Assistance-GAAP Basis (Schedule B-2)	\$ 255,727
<u>Reconciliation of Fund Balance Difference for GAAP Purposes</u>	
Fund Balance-Budgetary Basis (Schedule F-2)	\$ 13,219
Receivables from Other Governments-State:	
GAAP Basis (Schedule B-1)	255,727
Budgetary Basis (Schedule K-4)	(259,662)
Fund Balance-GAAP Basis (Schedule B-1)	\$ 9,284

UNION TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES,
PROJECT BALANCE AND PROJECT STATUS-BUDGETARY BASIS
REPLACEMENT OF EXISTING WINDOWS AT
UNION TOWNSHIP ELEMENTARY SCHOOL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources-SDA Grant	\$ 79,534		\$ 79,534	\$ 79,534
Local Sources-Transfer In from Capital Reserve Account	154,600		154,600	154,600
Total Revenues	234,134	\$ -	234,134	234,134
Expenditures and Other Financing Uses:				
Purchased Professional & Technical Services	1,610		1,610	1,610
Construction Services	214,360		214,360	217,742
Supplies & Materials	14,782		14,782	14,782
Total Expenditures	230,752	-	230,752	234,134
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 3,382	\$ -	\$ 3,382	\$ -
<u>Additional Project Information</u>				
Project Number	5270-60-10-1001			
Unearned Revenues	11/30/10			
Original Bonds Authorized Date	N/A			
Original Bonds Authorized	N/A			
Original Bonds Issued	N/A			
Original Authorized Cost	\$ 257,666			
Reduction in Authorized Cost	\$ (23,532)			
Revised Authorized Cost	\$ 234,134			
Percentage Complete	99%			

UNION TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES,
PROJECT BALANCE AND PROJECT STATUS-BUDGETARY BASIS
HVAC AND SECURITY UPGRADES AT
UNION TOWNSHIP MIDDLE SCHOOL
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources-SDA Grant	\$ 212,049		\$ 212,049	\$ 212,049
Local Sources-Transfer In from Capital Reserve Account	318,073		318,073	318,073
Total Revenues	\$ 530,122	\$ -	530,122	530,122
Expenditures and Other Financing Uses:				
Purchased Professional & Technical Services		3,943	3,943	42,752
Construction Services		518,991	518,991	470,270
Other Expenses			-	17,100
Total Expenditures	-	522,934	522,934	530,122
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 530,122	\$ (522,934)	\$ 7,188	\$ -
Additional Project Information				
Project Number	5270-050-14-1001			
Unearned Revenues	01/06/14			
Original Bonds Authorized Date	N/A			
Original Bonds Authorized	N/A			
Original Bonds Issued	N/A			
Original Authorized Cost	\$ 530,122			
Reduction in Authorized Cost	\$ -			
Revised Authorized Cost	\$ 530,122			
Percentage Complete	99%			

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

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources-SDA Grant	\$ 47,613		\$ 47,613	\$ 47,613
Local Sources-Transfer In from Capital Reserve Account	71,419		71,419	71,419
Total Revenues	<u>119,032</u>	<u>\$ -</u>	<u>119,032</u>	<u>119,032</u>
Expenditures and Other Financing Uses:				
Purchased Professional & Technical Services		3,000	3,000	9,596
Construction Services		113,383	113,383	105,596
Other Expenses				3,840
Total Expenditures	<u>-</u>	<u>116,383</u>	<u>116,383</u>	<u>119,032</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 119,032</u>	<u>\$ (116,383)</u>	<u>\$ 2,649</u>	<u>\$ -</u>
<u>Additional Project Information</u>				
Project Number	5270-060-14-2002			
Unearned Revenues	01/06/14			
Original Bonds Authorized Date	N/A			
Original Bonds Authorized	N/A			
Original Bonds Issued	N/A			
Original Authorized Cost	\$ 119,032			
Reduction in Authorized Cost	\$ -			
Revised Authorized Cost	\$ 119,032			
Percentage Complete	98%			

PROPRIETARY FUND

DETAIL STATEMENTS

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

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

	<u>Food Service Fund</u>
ASSETS	
Current Assets:	
Cash & Cash Equivalents	\$ 68,178
Due from Other Funds	
Receivables from Other Governments:	
State	177
Federal	1,480
Inventory	1,938
Total Current Assets	<u>71,773</u>
Noncurrent Assets:	
Capital Assets	42,749
Less: Accumulated Depreciation	40,039
Total Noncurrent Assets	<u>2,710</u>
Total Assets	<u>74,483</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	20,377
Unearned Revenues	3,504
Total Current Liabilities	<u>23,881</u>
NET POSITION	
Net Investment in Capital Assets	2,710
Unrestricted	<u>47,892</u>
TOTAL NET POSITION	<u>\$ 50,602</u>

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

	Food Service Fund
Operating Revenues:	
Charges for Services:	
Daily Sales-Reimbursable Programs	\$ 93,880
Daily Sales-Unreimbursable Programs	18,596
Total Operating Revenues	112,476
Operating Expenses:	
Costs of Sales-Reimbursable Programs	66,998
Costs of Sales-Nonreimbursable Programs	11,217
Salaries	33,090
Employee Benefits	7,579
Repairs	1,817
Insurance	1,015
Management Fee	6,900
Other Purchased Services	2,333
Depreciation	1,130
Total Operating Expenses	132,079
Operating Income (Loss)	(19,603)
Unearned Revenues	
Nonoperating Revenues (Expenses):	
State Sources:	
State School Lunch Program	1,569
Federal Sources:	
National School Lunch Program:	
Cash Assistance	17,596
Noncash Assistance (Commodities)	10,368
Special Milk Program	41
Interest Revenue	163
Total Nonoperating Revenues (Expenses)	29,737
Change in Net Position	10,134
Net Position, Beginning	40,468
Net Position, Ending	\$ 50,602

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

	Food Service Fund
Cash Flows from Operating Activities:	
Receipts from Customers (Net)	\$ 113,724
Payments to Food Service Management Company	(99,098)
Payments to Vendors (Net)	(1,719)
Net Cash Provided by (Used For) Operating Activities	12,907
Cash Flows from Noncapital Financing Activities:	
State Sources	1,763
Federal Sources	19,496
General Fund Interfund Activity	91
Net Cash Provided by (Used For) Noncapital Financing Activities	21,350
Cash Flows from Investing Activities:	
Interest Earned on Investments	163
Net Increase (Decrease) in Cash and Cash Equivalents	34,420
Cash and Cash Equivalents, July 1	33,758
Cash and Cash Equivalents, June 30	\$ 68,178
Unearned Revenues	
(Used For) Operating Activities:	
Operating Income (Loss)	\$ (19,603)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:	
Depreciation	1,130
Food Donation Program	10,368
(Increase) Decrease in Inventory	(989)
Increase (Decrease) in Unearned Revenue	1,624
Net Cash Provided by (Used For) Operating Activities	\$ 12,907

FIDUCIARY FUND

DETAIL STATEMENTS

Fiduciary Funds are used to account for funds received by the school district as an agent for individuals, private organizations, other governments and/or other funds.

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

	Unemployment Compensation Fund	Student Activity Agency Fund	Payroll Agency Fund	Totals
ASSETS				
Cash & Cash Equivalents	\$ 47,862	\$ 14,884	\$ 19,945	\$ 82,691
Due from Other Funds		5,159		5,159
Total Assets	<u>47,862</u>	<u>20,043</u>	<u>19,945</u>	<u>87,850</u>
LIABILITIES				
Due to Other Funds			7,651	7,651
Accounts Payable	19			19
Due to Student Groups		20,043		20,043
Payroll Deductions & Withholdings			12,294	12,294
Total Liabilities	<u>19</u>	<u>20,043</u>	<u>19,945</u>	<u>40,007</u>
NET POSITION				
Held in Trust for Unemployment Claims & Other Purposes	<u>\$ 47,843</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,843</u>

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

	Unemployment Compensation Fund
ADDITIONS	
Contributions:	
Plan Members	\$ 7,870
Interest Earnings	154
	8,024
DEDUCTIONS	
Unemployment Claims	2,087
Change in Net Position	5,937
Net Position, Beginning	41,906
Net Position, Ending	\$ 47,843

UNION TOWNSHIP SCHOOL DISTRICT
 STUDENT ACTIVITY AGENCY FUND
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Balance 07/01/14</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06/30/15</u>
ASSETS				
Cash & Cash Equivalents	\$ 14,382	\$ 32,309	\$ 31,807	\$ 14,884
Due from Other Funds	<u>8,464</u>	<u>5,159</u>	<u>8,464</u>	<u>5,159</u>
TOTAL ASSETS	<u><u>\$ 22,846</u></u>	<u><u>\$ 37,468</u></u>	<u><u>\$ 40,271</u></u>	<u><u>\$ 20,043</u></u>
LIABILITIES				
Due to Student Groups	<u>\$ 22,846</u>	<u>\$ 37,468</u>	<u>\$ 40,271</u>	<u>\$ 20,043</u>
TOTAL LIABILITIES	<u><u>\$ 22,846</u></u>	<u><u>\$ 37,468</u></u>	<u><u>\$ 40,271</u></u>	<u><u>\$ 20,043</u></u>

UNION TOWNSHIP SCHOOL DISTRICT
PAYROLL AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Balance 07/01/14</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 06/30/15</u>
ASSETS				
Cash & Cash Equivalents	\$ 9,152	\$ 5,328,068	\$ 5,317,275	\$ 19,945
TOTAL ASSETS	<u>\$ 9,152</u>	<u>\$ 5,328,068</u>	<u>\$ 5,317,275</u>	<u>\$ 19,945</u>
LIABILITIES				
Payroll Deductions & Withholdings	\$ 6,001	\$ 2,228,432	\$ 2,222,139	\$ 12,294
Net Payroll		3,095,136	3,095,136	
Due to Other Funds	<u>3,151</u>	<u>4,500</u>		<u>7,651</u>
TOTAL LIABILITIES	<u>\$ 9,152</u>	<u>\$ 5,328,068</u>	<u>\$ 5,317,275</u>	<u>\$ 19,945</u>

LONG-TERM DEBT SCHEDULES

The long-term debt schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding, obligations under capital leases, and early retirement programs.

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

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance 07/01/14	Issued	Retired	Balance 06/30/15
			Date	Amount					
New Elementary School	07/01/02	\$ 11,962,000	07/15/15	\$ 360,000	4.75%				
			07/15/16	375,000					
			07/15/17	395,000					
			07/15/18	415,000					
			07/15/19	435,000					
					\$ 2,325,000		\$ 345,000	\$ 1,980,000	
New Elementary School	09/29/05	2,900,000	07/15/15	110,000	4.00%				
			07/15/16	115,000					
			07/15/17	120,000					
			07/15/18	125,000					
			07/15/19	130,000					
			07/15/20	135,000					
			07/15/21	140,000					
			07/15/22	145,000	4.25%				
			07/15/23	150,000					
			07/15/24	155,000					
			07/15/25	160,000					
			07/15/26	165,000					
			07/15/27	170,000					
			07/15/28	170,000	4.30%				
			07/15/29	175,000					
07/15/30	180,000	4.35%	2,450,000		105,000	2,345,000			

UNION TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
STATEMENT OF SERIAL BONDS
JUNE 30, 2015
(Continued)

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance 07/01/14	Issued	Retired	Balance 06/30/15	
			Date	Amount						
Refunding Issue of 2002 Issue for New Elementary School	03/22/07	\$ 8,920,000	07/15/15	\$ 35,000	4.00%					
			07/15/16-							
			07/15/18	40,000						
			07/15/19	45,000						
			07/15/20	500,000						
			07/15/21	520,000						
			07/15/22	540,000						
			07/15/23	565,000						
			07/15/24	585,000						
			07/15/25	615,000						
			07/15/26	640,000						
			07/15/27	665,000						
			07/15/28	695,000						4.125%
			07/15/29	725,000						
			07/15/30	755,000						4.15%
			07/15/31	790,000						
			07/15/32	820,000						
					\$ 8,650,000		\$ 35,000	\$ 8,615,000		
					\$ 13,425,000	\$ -	\$ 485,000	\$ 12,940,000		

UNION TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(NOT APPLICABLE TO THIS REPORT)

UNION TOWNSHIP SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 DEBT SERVICE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources:					
Local Tax Levy	\$ 1,042,794		\$ 1,042,794	\$ 1,042,794	
Total Revenues	1,042,794	\$ -	1,042,794	1,042,794	\$ -
EXPENDITURES					
Regular Debt Service:					
Interest on Bonds	552,794		552,794	552,794	
Redemption of Principal	490,000		490,000	485,000	5,000
Total Expenditures	1,042,794	-	1,042,794	1,037,794	5,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	5,000	5,000
Fund Balance, July 1	1	-	1	1	-
Fund Balance, June 30	\$ 1	\$ -	\$ 1	\$ 5,001	\$ 5,000
Recapitulation of Excess (Deficiency) of Revenues Over (Under)					
Expenditures:					
Budgeted Fund Balance	\$ -	\$ -	\$ -	\$ 5,000	\$ 5,000
Total	\$ -	\$ -	\$ -	\$ 5,000	\$ 5,000

STATISTICAL SECTION

UNION TOWNSHIP SCHOOL DISTRICT
STATISTICAL SECTION J SERIES

CONTENTS	PAGE
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-5
REVENUE CAPACITY	
These schedules contain trend information to help the reader assess the District's most significant local revenue sources, the property tax.	J-6 to J-9
DEBT CAPACITY	
These schedules contain trend information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	J-10 to J-13
DEMOGRAPHIC AND ECONOMIC INFORMATION	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	J-14 to J-15
OPERATING INFORMATION	
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	J-16 to J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports (CAFR) for the relevant year.

UNION TOWNSHIP SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
GOVERNMENT ACTIVITIES										
Net Investment in Capital Assets	\$ 1,400,618	\$ 3,988,567	\$ 4,259,517	\$ 4,147,013	\$ 4,090,453	\$ 4,172,228	\$ 4,018,600	\$ 4,017,778	\$ 3,976,657	\$ 4,675,761
Restricted	376,360	85,152	247,773	441,050	841,123	1,958,627	2,992,139	3,431,663	3,889,746	3,514,670
Unrestricted	87,475	277,364	25,191	(26,937)	278,896	83,405	(39,529)	(17,216)	(1,952,064)	(2,063,435)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 1,864,453	\$ 4,351,083	\$ 4,532,481	\$ 4,561,126	\$ 5,210,472	\$ 6,214,260	\$ 6,971,210	\$ 7,432,225	\$ 5,914,339	\$ 6,126,996
BUSINESS-TYPE ACTIVITIES										
Net Investment in Capital Assets	\$ 21,702	\$ 18,605	\$ 15,507	\$ 12,410	\$ 9,312	\$ 8,387	\$ 6,661	\$ 5,180	\$ 3,840	\$ 2,710
Unrestricted	4,602	3,298	10,490	19,330	22,073	25,268	31,257	33,999	36,628	47,892
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 26,304	\$ 21,903	\$ 25,997	\$ 31,740	\$ 31,385	\$ 33,655	\$ 37,918	\$ 39,179	\$ 40,468	\$ 50,602
DISTRICT-WIDE										
Net Investment in Capital Assets	\$ 1,422,320	\$ 4,007,172	\$ 4,275,024	\$ 4,159,423	\$ 4,099,765	\$ 4,180,615	\$ 4,025,261	\$ 4,022,958	\$ 3,980,497	\$ 4,678,471
Restricted	376,360	85,152	247,773	441,050	841,123	1,958,627	2,992,139	3,431,663	3,889,746	3,514,670
Unrestricted	92,077	280,662	35,681	(7,607)	300,969	108,673	(8,272)	16,783	(1,915,436)	(2,015,543)
TOTAL DISTRICT-WIDE	\$ 1,890,757	\$ 4,372,986	\$ 4,558,478	\$ 4,592,866	\$ 5,241,857	\$ 6,247,915	\$ 7,009,128	\$ 7,471,404	\$ 5,954,807	\$ 6,177,598

UNION TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
EXPENSES										
Governmental Activities:										
Instruction:										
Regular	\$ 3,173,181	\$ 3,611,663	\$ 3,783,314	\$ 3,951,779	\$ 3,706,061	\$ 3,627,140	\$ 3,576,815	\$ 3,537,318	\$ 3,681,727	\$ 4,511,551
Special Education	1,148,769	1,226,602	1,270,636	1,229,817	1,339,516	1,245,094	1,228,166	1,314,341	1,469,613	1,704,837
Other Special Education	104,922	75,141	88,507	65,758	58,685	81,132	105,320	53,194	51,227	79,159
Other Instruction	76,964	74,186	82,490	94,194	232,929	235,532	233,877	239,822	237,072	278,470
Support Services:										
Tuition	192,895	282,592	441,033	499,416	448,670	449,813	438,775	330,590	234,322	369,987
Student & Instruction Related Services	1,147,165	1,202,482	1,073,163	1,205,147	1,203,134	1,078,483	1,350,952	1,438,279	1,341,813	1,480,058
General & Business Administrative Services	742,702	951,606	898,864	776,494	771,964	746,647	988,032	694,273	679,859	814,440
School Administration	208,005	257,793	212,449	221,538	309,074	281,698	261,970	260,203	244,152	276,016
Plant Operations & Maintenance	665,073	1,067,087	1,189,226	1,207,912	946,477	963,026	1,000,227	981,392	1,109,528	1,031,921
Pupil Transportation	522,095	613,952	640,986	667,414	653,496	531,342	544,943	584,371	481,271	494,475
Interest on Long-Term Debt	732,911	667,764	683,149	668,490	647,346	658,800	625,779	613,821	592,783	570,833
Total Governmental Activities Expenses	<u>8,714,682</u>	<u>10,030,868</u>	<u>10,363,817</u>	<u>10,587,959</u>	<u>10,317,352</u>	<u>9,898,707</u>	<u>10,354,856</u>	<u>10,047,604</u>	<u>10,123,367</u>	<u>11,611,747</u>
Business-Type Activities:										
Child Care				120,038						
Food Services	143,958	145,378	159,073	158,841	148,157	138,119	143,232	125,898	132,256	132,079
Total Business-Type Activities	<u>143,958</u>	<u>145,378</u>	<u>159,073</u>	<u>278,879</u>	<u>148,157</u>	<u>138,119</u>	<u>143,232</u>	<u>125,898</u>	<u>132,256</u>	<u>132,079</u>
TOTAL DISTRICT EXPENSES	<u>\$ 8,858,640</u>	<u>\$ 10,176,246</u>	<u>\$ 10,522,890</u>	<u>\$ 10,866,838</u>	<u>\$ 10,465,509</u>	<u>\$ 10,036,826</u>	<u>\$ 10,498,088</u>	<u>\$ 10,173,502</u>	<u>\$ 10,255,623</u>	<u>\$ 11,743,826</u>

UNION TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(Continued)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services:										
Regular Instruction				\$ 165		\$ 14,000	\$ 25,200	\$ 36,191	\$ 34,320	\$ 34,500
Other Instruction					\$ 146,267	164,609	169,985	155,587	159,557	160,096
Student & Instruction Related Services	\$ 3,150			85		350	400			
General & Business Administrative Services	880		\$ 41							
Plant Operations & Maintenance	5,233	\$ 14,611	10,675	5,822	2,303	3,597			7,255	6,463
Pupil Transportation							4,805	11,042		
Operating Grants & Contributions	119,993	127,122	169,258	185,569	262,508	182,601	207,347	170,829	146,061	98,557
Capital Grants & Contributions	15,766	3,060,136	77,248			79,534				255,728
Total Governmental Activities Program Revenues	<u>145,022</u>	<u>3,201,869</u>	<u>257,222</u>	<u>191,641</u>	<u>411,078</u>	<u>444,691</u>	<u>407,737</u>	<u>373,649</u>	<u>347,193</u>	<u>555,344</u>
Business-Type Activities:										
Charges for Services:										
Child Care				205,120						
Food Service	119,030	112,954	129,933	132,466	120,979	110,423	110,199	102,822	106,177	112,476
Operating Grants & Contributions	20,474	20,998	24,147	25,316	26,758	29,932	37,296	24,208	27,218	29,574
Total Business-Type Activities Program Revenues	<u>139,504</u>	<u>133,952</u>	<u>154,080</u>	<u>362,902</u>	<u>147,737</u>	<u>140,355</u>	<u>147,495</u>	<u>127,030</u>	<u>133,395</u>	<u>142,050</u>
TOTAL DISTRICT-PROGRAM REVENUES	<u>\$ 284,526</u>	<u>\$ 3,335,821</u>	<u>\$ 411,302</u>	<u>\$ 554,543</u>	<u>\$ 558,815</u>	<u>\$ 585,046</u>	<u>\$ 555,232</u>	<u>\$ 500,679</u>	<u>\$ 480,588</u>	<u>\$ 697,394</u>
NET (EXPENSE) REVENUES										
Governmental Activities	\$ (8,569,660)	\$ (6,828,999)	\$ (10,106,595)	\$ (10,396,318)	\$ (9,906,274)	\$ (9,454,016)	\$ (9,947,119)	\$ (9,673,955)	\$ (9,776,174)	\$ (11,058,403)
Business-Type Activities	(4,454)	(11,426)	(4,993)	84,023	(420)	2,236	4,263	1,132	1,139	9,971
TOTAL DISTRICT-WIDE NET EXPENSES	<u>\$ (8,574,114)</u>	<u>\$ (6,840,425)</u>	<u>\$ (10,111,588)</u>	<u>\$ (10,312,295)</u>	<u>\$ (9,906,694)</u>	<u>\$ (9,451,780)</u>	<u>\$ (9,942,856)</u>	<u>\$ (9,672,823)</u>	<u>\$ (9,775,035)</u>	<u>\$ (11,046,432)</u>

UNION TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(Continued)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
GENERAL REVENUES & OTHER CHANGES IN NET POSITION										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 6,439,151	\$ 7,323,876	\$ 7,543,485	\$ 7,814,862	\$ 8,187,711	\$ 8,335,214	\$ 8,335,219	\$ 7,765,843	\$ 7,665,205	\$ 7,665,205
Taxes Levied for Debt Service	1,021,165	911,105	1,032,132	1,075,746	1,078,863	1,099,829	1,019,250	909,944	1,039,326	1,042,794
Unrestricted Grants & Contributions	1,314,489	1,583,060	1,633,909	1,428,547	1,348,153	1,010,625	1,287,322	1,402,489	1,311,013	2,506,015
Tuition Received	25,617	10,300	19,009							
Investment Earnings	256,500	92,020	37,962	5,791	5,284	4,138	26,847	17,073	17,327	16,754
Miscellaneous Income	14,108	38,019	30,035	21,723	39,066	33,067	35,431	41,985	14,983	38,292
Transfers In (Out)	(8,320)	(6,310)	(8,539)	78,294	(103,457)	(2,000)				
Special Item-Insurance Claim Proceeds										
Special Item-Payment to Refunding Bond Agent		(636,441)							145,500	
Special Item-Loss on Sale of Capital Assets						(23,069)		(2,364)		
Total Governmental Activities	9,062,710	9,315,629	10,287,993	10,424,963	10,555,620	10,457,804	10,704,069	10,134,970	10,193,354	11,269,060
Business-Type Activities:										
Investment Earnings	457	715	356	14	65	34		129	150	163
Miscellaneous Income			192							
Transfers In (Out)	8,320	6,310	8,539	(78,294)						
Total Business-Type Activities	8,777	7,025	9,087	(78,280)	65	34	-	129	150	163
TOTAL DISTRICT-WIDE	\$ 9,071,487	\$ 9,322,654	\$ 10,297,080	\$ 10,346,683	\$ 10,555,685	\$ 10,457,838	\$ 10,704,069	\$ 10,135,099	\$ 10,193,504	\$ 11,269,223
CHANGE IN NET POSITION										
Governmental Activities	\$ 493,050	\$ 2,486,630	\$ 181,398	\$ 28,645	\$ 649,346	\$ 1,003,788	\$ 756,950	\$ 461,015	\$ 417,180	\$ 212,657
Business-Type Activities	4,323	(4,401)	4,094	5,743	(355)	2,270	4,263	1,261	1,289	10,134
TOTAL DISTRICT	\$ 497,373	\$ 2,482,229	\$ 185,492	\$ 34,388	\$ 648,991	\$ 1,006,058	\$ 761,213	\$ 462,276	\$ 418,469	\$ 222,791

UNION TOWNSHIP SCHOOL DISTRICT
 FUND BALANCES, GOVERNMENTAL FUNDS,
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund:										
Restricted	\$ 55,437									
Committed	1	\$ 1	\$ 237,125	\$ 437,656	\$ 838,661	\$ 1,788,258	\$ 2,821,770	\$ 3,396,996	\$ 3,496,871	\$ 3,500,385
Assigned	238,978	262,025	117,958	6,272	244,432	78,528	180,194	192,419	198,899	68,639
Unassigned	129,367	219,328	161,373	218,564	271,721	270,318	292,830	277,265	262,418	262,326
Total General Fund	\$ 423,783	\$ 481,354	\$ 516,456	\$ 662,492	\$ 1,354,814	\$ 2,137,104	\$ 3,294,794	\$ 3,866,680	\$ 3,958,188	\$ 3,831,350
All Other Governmental Funds:										
Restricted, Reported In:										
Capital Projects Fund	\$ 1,846,847	\$ 434,889	\$ 28,831	\$ 14,612	\$ 9,312	\$ 40,369	\$ 40,369	\$ 34,667	\$ 392,874	\$ 9,284
Assigned, Reported In:										
Debt Service Fund	97,114	8,693	5,579	825	825	130,000	130,000	-	1	5,001
Total All Other Governmental Funds	\$ 1,943,961	\$ 443,582	\$ 34,410	\$ 15,437	\$ 10,137	\$ 170,369	\$ 170,369	\$ 34,667	\$ 392,875	\$ 14,285

UNION TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues:										
Tax Levy	\$ 7,460,316	\$ 8,234,981	\$ 8,575,617	\$ 8,890,608	\$ 9,266,574	\$ 9,435,043	\$ 9,354,469	\$ 8,675,787	\$ 8,704,531	\$ 8,707,999
Tuition Charges	25,617	10,300	19,009			14,000	25,200	33,600	34,320	34,500
Interest Earnings	256,500	92,020	37,962	5,791	5,284	4,138	26,847	17,073	17,327	16,754
Before/After School Child Care Service Fees					146,267	164,609	169,985	155,587	159,557	160,096
Miscellaneous	12,310	43,775	35,996	29,707	38,184	162,949	36,770	50,282	20,658	40,675
State Sources	1,318,617	1,584,096	1,634,619	1,428,547	1,307,979	1,010,625	1,259,057	1,402,489	1,311,013	1,428,919
State Sources-Capital Projects	15,766	3,060,136	77,248			79,534				255,727
Federal Sources	114,865	126,086	168,548	176,070	300,887	182,118	235,398	170,735	143,561	98,557
Total Revenues	9,203,991	13,151,394	10,548,999	10,530,723	11,065,175	11,053,016	11,107,726	10,505,553	10,390,967	10,743,227
Expenditures:										
Instruction:										
Regular Instruction	2,273,556	2,324,944	2,568,771	2,700,717	2,559,376	2,422,697	2,278,533	2,231,357	2,404,009	2,550,128
Special Education Instruction	754,072	812,298	807,912	790,261	843,614	769,073	752,085	801,133	895,219	925,663
Other Special Instruction	74,143	59,654	58,437	51,519	46,388	62,946	80,395	39,903	39,148	39,148
School Sponsored/Other Instructional	55,583	62,157	67,634	73,214	173,140	168,660	167,730	177,829	172,918	194,890
Support Services:										
Tuition	192,895	176,906	331,396	386,067	338,319	343,428	332,493	223,510	137,768	305,265
Student & Inst Related Services	820,728	891,936	776,725	887,311	862,244	761,639	952,686	997,920	952,260	967,229
General Administration	480,206	622,138	588,785	433,631	423,783	386,198	360,650	344,975	327,719	358,693
School Administration Services	152,877	194,258	147,343	158,758	221,011	182,384	174,374	171,269	167,694	164,864
Central Services	124,590	141,174	153,297	169,788	179,628	176,745	174,870	187,411	199,762	202,888
Administrative Information Technology	10,000	16,083					207		3,451	
Plant Operations & Maintenance	590,086	962,169	1,069,212	1,071,189	838,824	827,624	835,840	816,587	912,328	813,459
Pupil Transportation	516,749	608,203	639,387	665,815	651,897	530,243	544,643	584,371	481,271	494,475
Employee Benefits	1,175,226	1,257,752	1,164,314	1,241,146	1,226,506	1,280,758	1,381,396	1,346,120	1,386,279	1,429,197
On-Behalf TPAF Pension & Social Security Contribution	497,247	758,497	782,934	527,825	535,034	518,948	632,365	762,874	687,615	793,268
Capital Outlay	51,658	141,171	51,814	25,600	9,349	140,231	35,186	139,518	74,522	205,703
Special Revenue Funds	119,993	127,122	169,258	185,569	262,508	182,601	207,347	170,829	146,061	98,557
Capital Projects Fund	9,458,325	4,540,755	483,306	14,219	5,300	203,077		5,702	31,285	639,317
Debt Service:										
Principal	259,000	271,000	424,000	422,000	441,000	482,000	405,000	445,000	465,000	485,000
Interest & Other Charges	683,777	752,671	630,005	677,325	656,775	669,242	634,236	623,061	602,442	580,911
Total Expenditures	18,290,711	14,720,888	10,914,530	10,481,954	10,274,696	10,108,494	9,950,036	10,069,369	10,086,751	11,248,655
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,086,720)	(1,569,494)	(365,531)	48,769	790,479	944,522	1,157,690	436,184	304,216	(505,428)
Other Financing Sources (Uses):										
Bond Issue Proceeds	2,900,000									
Proceeds from Refunding Bond Issue		8,920,000								
Payment to Refunding Bond Escrow Agent		(8,778,441)								
Premium (Discount) on Bond Issue	33,597	(8,563)								
Capital Leases	23,473									
Insurance Claim Proceeds for Chiller Damage									145,500	
Transfers In (Out)	(8,320)	(6,310)	(8,539)	78,294	(103,457)	(2,000)				
Total Other Financing Sources (Uses)	2,948,750	126,686	(8,539)	78,294	(103,457)	(2,000)	-	-	145,500	-
Net Change in Fund Balances	\$ (6,137,970)	\$ (1,442,808)	\$ (374,070)	\$ 127,063	\$ 687,022	\$ 942,522	\$ 1,157,690	\$ 436,184	\$ 449,716	\$ (505,428)
Debt Service as a Percentage of Noncapital Expenditures	12.03%	11.35%	11.30%	11.77%	11.98%	13.36%	11.71%	12.06%	11.98%	11.42%

Source: District Records

NOTE: Noncapital expenditures are total expenditures less capital outlay, capital projects fund and debt service.

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

Description	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Interest Income	\$ 31,936	\$ 57,391	\$ 35,920	\$ 5,466	\$ 5,014	\$ 4,126	\$ 26,847	\$ 26,847	\$ 17,327	\$ 16,754
Tuition	25,617	10,300	19,009			14,000	25,200	25,200	34,320	34,500
Prior Year Accounts Payable Canceled				2,225	1,356	302	522	2,420		14
Insurance Rebates				5,981		7,938				
In Lieu of Taxes	2,261									
Bid Spec Fees						350	400			
Prior Year Refunds	3,610	790	20,751		8,668					1,360
Rentals		10,000	10,000	2,480	1,403	3,129	4,805	11,042	7,255	6,463
Miscellaneous Other	1,194		41	161	349	342	3,561	1,988	860	1,462
Sale of Surplus Assets										2,400
Sale of Property						130,000				
Donations		32,900	5,074		2,500	3,000	6,453	7,100	3,600	88
Textbook Sales					495	271	245	42	132	
Miscellaneous Account Balances Canceled					193		49	2,155		
E-Rate Telephone Reimbursements				9,343	8,854	15,284	20,452	24,941	5,311	15,817
Before/After School Child Care Service Fees					146,267	164,609	169,985	169,985	159,557	160,096
Copier Lease Buy Out					9,321					
Miscellaneous Grants					2,503			500	1,000	12,300
Outstanding Checks Voided	4,245	85	130	18	747	1,850	69			771
Annual Totals	\$ 68,863	\$ 111,466	\$ 90,925	\$ 25,674	\$ 187,670	\$ 345,201	\$ 258,588	\$ 272,220	\$ 229,362	\$ 252,025

Source: District Records

UNION TOWNSHIP SCHOOL DISTRICT
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
 LAST TEN FISCAL YEARS

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Vacant Land	\$ 17,106,353	\$ 21,461,753	\$ 17,071,053	\$ 17,789,004	\$ 14,951,504	\$ 14,685,104	\$ 14,061,208	\$ 13,500,308	\$ 15,073,108	\$ 16,553,308
Residential	495,155,800	501,947,100	519,230,400	531,265,200	534,714,400	529,159,100	528,658,100	526,448,800	522,049,700	524,247,100
Farm Regular	31,722,700	31,951,200	32,247,700	32,804,500	32,635,000	34,593,000	35,197,800	35,317,200	37,591,100	36,133,300
Q Farm	1,120,815	1,072,715	1,073,165	1,074,115	1,077,841	1,114,981	1,116,136	1,119,036	1,082,411	1,072,111
Commercial	102,662,000	102,662,000	93,292,800	93,143,200	92,890,900	88,414,100	89,743,200	89,705,600	88,792,500	104,475,132
Industrial	14,192,100	14,192,100	14,192,100	14,192,100	14,192,100	10,386,700	10,386,700	10,386,700	10,386,700	10,386,700
Apartment	230,900	230,900	230,900	230,900	230,900	230,900	230,900	230,900	230,900	230,900
Total Assessed Value	662,190,668	673,517,768	677,338,118	690,499,019	690,692,645	678,583,885	679,394,044	676,708,544	675,206,419	693,098,551
Public Utilities (a)	1,675,340	1,395,073	6,213,305	6,213,177	6,213,177	6,624,752	6,624,752	6,744,963	4,909,700	97
Net Valuation Taxable	\$ 663,866,008	\$ 674,912,841	\$ 683,551,423	\$ 696,712,196	\$ 696,905,822	\$ 685,208,637	\$ 686,018,796	\$ 683,453,507	\$ 680,116,119	\$ 693,098,648
Estimated Actual County Equalized Value	\$ 949,881,505	\$ 1,045,339,935	\$ 1,039,966,366	\$ 1,018,649,790	\$ 930,199,976	\$ 879,826,191	\$ 851,139,945	\$ 819,980,212	\$ 782,462,171	\$ 801,919,065
Percentage of Net Valuation to Estimated Actual County Equalized Value	69.89%	64.56%	65.73%	68.40%	74.92%	77.88%	80.60%	83.35%	86.92%	86.43%
Total Direct School Tax Rate (b)	\$ 1.24	\$ 1.27	\$ 1.30	\$ 1.33	\$ 1.35	\$ 1.37	\$ 1.26	\$ 1.27	\$ 1.28	\$ 1.27

Source: 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 the County Board of Taxation requests Treasury to order a reassessment

- (a) Taxable value of machinery, implements and equipments of telephone and messenger system companies
- (b) Tax rates are per \$100

* Revalued/Reassessed

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

Assessment Year	School District Direct Rate						Overlapping Rates		Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-6)		Regional School Rate	Municipality	County		
			Total Direct School Tax Rate	Total					
2006	\$ 1.10	\$ 0.14	\$ 1.24		\$ 0.66	\$ 0.08	\$ 0.51	\$ 2.49	
2007	1.12	0.15	1.27		0.67	0.16	0.51	2.61	
2008	1.14	0.16	1.30		0.69	0.18	0.51	2.68	
2009	1.18	0.15	1.33		0.74	0.20	0.50	2.77	
2010	1.19	0.16	1.35		0.75	0.21	0.46	2.77	
2011	1.22	0.15	1.37		0.74	0.22	0.44	2.77	
2012	1.13	0.13	1.26		0.74	0.23	0.44	2.67	
2013	1.12	0.15	1.27		0.75	0.22	0.44	2.68	
2014	1.13	0.15	1.28		0.70	0.25	0.42	2.65	
2015	1.12	0.15	1.27		0.67	0.26	0.44	2.64	

Sources: Municipal Tax Collector

NOTE: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the prebudget 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.

★ Revalued/Reassessed

UNION TOWNSHIP SCHOOL DISTRICT
 PRINCIPAL PROPERTY TAXPAYERS,
 CURRENT YEAR AND NINE YEARS AGO

	2015			2006		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Energy (NJ)	\$ 31,240,250	1	4.51%	\$ 31,240,251	1	4.71%
Transcontinental Gas Pipeline Company	15,682,632	2	2.26%	4,909,700	4	0.74%
Crown Perryville LLC	15,000,000	3	2.16%			
Kramer Electronic Holdings LLC	6,250,000	4	0.90%			
FW LLC/FW Realty	5,341,951	5	0.77%	3,484,756	7	0.52%
County Arch Care Center	4,690,800	6	0.68%	4,618,500	5	0.70%
Evergreen Associates	3,464,965	7	0.50%	4,099,100	6	0.62%
Fallone at Union LLC	2,730,000	8	0.39%			
Pilot Travel Centers	2,502,200	9	0.36%			
FDRA LLC	2,475,400	10	0.36%	2,349,500	9	0.35%
Perryville III Associates LP				25,629,198	2	3.86%
INO Therapeutics Inc				8,610,000	3	1.30%
Clinton Block LLC				3,445,400	8	0.52%
Red Hills Industrial Park				2,033,400	10	0.31%
	<u>\$ 89,378,198</u>		<u>12.89%</u>	<u>\$ 90,419,805</u>		<u>13.62%</u>

Source: Municipal Tax Assessor

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

Year Ending December 31,	Taxes Levied for the Year	Collected Within the Fiscal Year of the Levy (a)	
		Amount	Percentage of Levy
2005	\$ 15,484,594	\$ 15,232,476	98.37%
2006	16,768,356	16,441,468	98.05%
2007	17,944,383	17,539,149	97.74%
2008	18,587,529	18,257,565	98.22%
2009	19,364,904	19,012,814	98.18%
2010	19,413,460	18,855,017	97.12%
2011	19,059,250	18,642,164	97.81%
2012	18,298,891	17,966,651	98.18%
2013	18,368,253	18,150,939	98.81%
2014	18,100,940	17,904,428	98.91%

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

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

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

Fiscal Year Ending June 30,	Governmental Activities			Business-Type Activities		Total District	% of Personal Income (a)	Per Capita (a)
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2006	\$ 16,002,000		\$ 18,682			\$ 16,020,682	4.22%	\$ 2,551
2007	16,509,000		18,682			16,527,682	4.07%	2,641
2008	16,085,000		14,271			16,099,271	3.77%	2,578
2009	15,663,000		9,692			15,672,692	3.67%	2,526
2010	15,222,000		4,937			15,226,937	3.92%	2,576
2011	14,740,000					14,740,000	3.81%	2,505
2012	14,335,000					14,335,000	3.53%	2,461
2013	13,890,000					13,890,000	3.20%	2,385
2014	13,425,000					13,425,000	3.08%	2,329
2015	12,940,000					12,940,000	N/A	2,245

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.

UNION TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year Ending June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	% of Actual Taxable Value of Property (a)	Per Capita (b)
	General Obligation Bonds	Deductions			
2006	\$ 16,002,000		\$ 16,002,000	2.41%	\$ 2,548
2007	16,509,000		16,509,000	2.45%	2,638
2008	16,085,000		16,085,000	2.35%	2,576
2009	15,663,000		15,663,000	2.25%	2,525
2010	15,222,000		15,222,000	2.18%	2,575
2011	14,740,000		14,740,000	2.15%	2,505
2012	14,335,000		14,335,000	2.09%	2,461
2013	13,890,000		13,890,000	2.03%	2,385
2014	13,425,000		13,425,000	1.97%	2,329
2015	12,940,000		12,940,000	1.87%	2,245

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.

UNION TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2014

	<u>Debt Outstanding</u>	<u>Estimated % Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
GOVERNMENTAL UNIT			
Debt Repaid with Property Taxes:			
Municipality	\$ 5,106,194	100.00	\$ 5,106,194
Regional High School	2,160,000	9.81	211,973
County General Obligation Debt	70,347,424	3.78	<u>2,660,690</u>
Subtotal, Overlapping Debt			7,978,857
School District Direct Debt			<u>12,940,000</u>
Total Direct and Overlapping Debt			<u>\$ 20,918,857</u>

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

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

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

UNION TOWNSHIP SCHOOL DISTRICT
 LEGAL DEBT MARGIN INFORMATION,
 LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2015

Equalized Valuation Basis

2014	\$ 781,217,655
2013	778,541,813
2012	<u>815,109,831</u>
	<u>\$ 2,374,869,299</u>

Average Equalized Valuation of Taxable Property \$ 791,623,100

Debt Limit (3.0% of Average Equalization Value) \$ 23,748,693 (a)

Total Net Debt Applicable to Limit 12,940,000

Legal Debt Margin \$ 10,808,693

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt Limit	\$ 22,736,522	\$ 25,022,454	\$ 27,127,201	\$ 28,594,843	\$ 28,625,717	\$ 27,897,391	\$ 26,504,317	\$ 25,438,931	\$ 24,355,671	\$ 23,748,693
Total Net Debt Applicable	<u>18,719,834</u>	<u>16,509,000</u>	<u>16,085,000</u>	<u>15,663,000</u>	<u>15,222,000</u>	<u>14,740,000</u>	<u>14,335,000</u>	<u>13,890,000</u>	<u>13,425,000</u>	<u>12,940,000</u>
Legal Debt Margin	<u>\$ 4,016,688</u>	<u>\$ 8,513,454</u>	<u>\$ 11,042,201</u>	<u>\$ 12,931,843</u>	<u>\$ 13,403,717</u>	<u>\$ 13,157,391</u>	<u>\$ 12,169,317</u>	<u>\$ 11,548,931</u>	<u>\$ 10,930,671</u>	<u>\$ 10,808,693</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	82.33%	65.98%	59.29%	54.78%	53.18%	52.84%	54.09%	54.60%	55.12%	54.49%

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

(a) Limit Set by NJSA 18A:24-19

UNION TOWNSHIP SCHOOL DISTRICT
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS

Year	Population (a)	Personal Income (b)	Per Capita Personal Income (c)	Unemployment Rate (d)
2006	6,281	\$ 407,781,363	\$ 64,923	3.4%
2007	6,259	427,433,369	68,291	2.9%
2008	6,245	429,325,015	68,747	3.8%
2009	6,204	407,596,596	65,699	7.0%
2010	5,912	388,365,192	65,691	7.2%
2011	5,884	410,214,828	69,717	7.0%
2012	5,826	434,235,084	74,534	7.2%
2013	5,823	439,770,429	75,523	6.0%
2014	5,765	N/A	N/A	4.5%
2015	5,765	N/A	N/A	N/A

Sources:

- (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 county estimated based upon the 2000 census published by the US Bureau of Economic Analysis.
- (d) Unemployment data provided by the NJ Dept of Labor and Workforce Development

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

Employer	2015			2006		
	Employees	Rank	Percentage of Total Municipal Employment	Employees	Rank	Percentage of Total Municipal Employment

INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

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

FUNCTION/PROGRAM	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Instruction:										
Regular	50.0	49.3	46.0	39.0	39.0	38.5	34.5	35.3	37.0	35.0
Special Education	13.0	10.0	10.0	9.0	7.0	16.5	16.0	15.5	16.5	19.2
Other Instruction					2.0	1.0	1.5	1.0	1.0	0.3
Support Services:										
Student and Instruction Related Services	5.0	4.0	4.0	6.0	12.5	8.5	8.4	10.4	8.6	8.4
General Administration	2.0	3.0	2.0	2.0	2.0	2.0	2.0	2.1	2.0	2.0
School Administration Services	2.0	3.6	4.0	2.0	2.0	2.0	2.0	1.0	2.0	2.0
Other Administrative Services	5.0	4.4	4.0	4.0	2.0	2.0	3.0	1.5		
Central Services	3.0	1.8	1.8	2.0	2.5	2.5	2.5	2.0	2.5	2.5
Plant Operations and Maintenance	5.0	7.8	8.0	7.0	6.5	7.5	7.0	7.0	8.0	8.0
Pupil Transportation		0.2								
Before & After Care					7.0	4.0	3.0	2.1	2.8	2.8
Total	<u>85.0</u>	<u>84.1</u>	<u>79.8</u>	<u>71.0</u>	<u>82.5</u>	<u>84.5</u>	<u>79.9</u>	<u>77.9</u>	<u>80.4</u>	<u>80.2</u>

Sources: District Personnel Records

UNION TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year	Enrollment	Operating Expenditures (a)	Cost Per Pupil	Percentage Change	Teaching Staff (b)	Teacher Ratio	Average Daily Enrollment (ADE) (c)	Average Daily Attendance (ADA) (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
2006	607	\$ 7,837,951	\$ 12,913	9.00%	63	1 to 9.63	594.0	570.3	-3.10%	96.01%
2007	608	9,015,291	14,828	14.83%	59	1 to 10.25	603.3	578.0	1.57%	95.81%
2008	607	9,325,405	15,363	3.61%	54	1 to 11.22	606.7	581.7	0.56%	95.88%
2009	574	9,342,810	16,277	5.95%	48	1 to 11.95	554.4	531.0	-8.62%	95.78%
2010	535	9,162,272	17,126	5.22%	46	1 to 11.63	533.3	511.4	-3.81%	95.89%
2011	516	8,613,944	16,694	-2.52%	45.5	1 to 11.34	514.4	493.5	-3.54%	95.94%
2012	493	8,875,614	18,003	7.84%	43.2	1 to 11.41	526.5	506.7	2.35%	96.24%
2013	495	8,856,088	17,891	-0.62%	41	1 to 12.07	447.5	427.9	-15.00%	95.62%
2014	493	8,913,502	18,080	1.06%	43	1 to 11.46	495.3	478.7	10.69%	96.64%
2015	495	9,337,724	18,864	4.34%	44	1 to 11.25	471.0	452.9	-4.91%	96.16%

Source: District Records

(a) Operating expenditures equal total expenditures less debt service and capital outlay.

(b) Teaching staff includes only full-time equivalents or certificated staff.

(c) Average Daily Enrollment and Average Daily Attendance are obtained from the School Register Summary (SRS).

UNION TOWNSHIP SCHOOL DISTRICT
 SCHOOL BUILDING INFORMATION
 LAST TEN FISCAL YEARS

DISTRICT BUILDING	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<u>Middle School (1954)</u>										
Square Feet	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000
Capacity (Students)	550	550	550	550	550	550	550	550	550	550
Enrollment	608	302	300	277	242	333	243	251	249	240
<u>Elementary School (2007)</u>										
Square Feet		60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Capacity (Students)		500	500	500	500	500	500	500	500	500
Enrollment		299	306	303	282	187	250	244	249	255
Number of Schools at June 30, 2015:										
Elementary		1								
Middle		1								

Source: District Facilities Office
 N/A=Not Available

Year of original construction is shown in parentheses. Increase in square footage and capacity are the result of renovations and additions. Enrollment is based on the annual October district count.

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

UNDISTRIBUTED EXPENDITURES - REQUIRED
MAINTENANCE FOR SCHOOL FACILITIES

*School Facilities	Union Township Elementary School	Union Township Middle School	Total
2006		\$ 51,055	\$ 51,055
2007	\$ 14,388	44,105	58,493
2008	60,587	61,884	122,471
2009	50,413	149,760	200,173
2010	39,175	58,709	97,884
2011	19,390	70,875	90,265
2012	92,881	159,680	252,561
2013	59,456	137,332	196,788
2014	30,944	110,352	141,296
2015	113,054	69,906	182,960
Total School Facilities	<u>\$ 480,288</u>	<u>\$ 913,658</u>	<u>\$ 1,393,946</u>

* School Facilities as Defined Under EFCFA.
(NJAC 6A:26-1.2 and NJAC 6A:26A-1.3)

Source: District Records

UNION TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2015
(UNAUDITED)

	Coverage	Deductible
School Package Policy-NJ School Boards Association:		
Property-Blanket Building & Contents (Fund Limit)	\$ 350,000,000	\$ 2,500
General Liability	6,000,000	
Boiler and Machinery	100,000,000	2,500
Crime Public Employee Dishonesty	250,000	1,000
Auto	6,000,000	
Auto Physical Damage	Actual Cash Value	1,000
School Board Legal Liability-NJ School Boards Association:		
Directors and Officials Policy	6,000,000	5,000
Worker's Compensation-NJ School Boards Association:		
Per Accident Per Employee	2,000,000	
Per Disease Per Employee	2,000,000	
Disease Policy Limit	2,000,000	
Public Employees' Faithful Performance-NJ School Boards Association:		
Treasurer of School Monies	180,000	1,000
School Board Secretary	180,000	1,000
Student Accident Insurance-BMI Benefits Through Berkeley:		
Policy Limit	1,000,000	Full Excess
Pollution Liability-NJ School Board Association Through Zurich American Insurance Company:		
Claim Limit	1,000,000	25,000

Source: District Records

SINGLE AUDIT SECTION

Certified Public Accountant
Public School Accountant
Registered Municipal Accountant

100 Route 31 North
Washington, NJ 07882 - 1530
Fax # (908) 689-8388
(908) 689-5002

INDEPENDENT AUDITOR'S REPORT

November 5, 2015

Honorable President and
Members of the Board of Education
Union Township School District
County of Hunterdon, 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, each major fund, and the aggregate remaining fund information of the Board of Education of the Union Township School District, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements, and have issued our report thereon dated November 5, 2015.

Internal Control over Financial Reporting

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

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 Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



William M. Colantano, Jr.
Public School Accountant
No. CS 0128

Certified Public Accountant
Public School Accountant
Registered Municipal Accountant

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INDEPENDENT AUDITOR'S REPORT

November 5, 2015

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

Report on Compliance for Each Major Federal and State Program

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

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB 15-08. Those standards, OMB Circular A-133 and NJ OMB 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

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

Report on Internal Control Over Compliance

Management of The Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and NJ OMB 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board of Education's internal control over compliance.


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

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

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

**Report on Schedules of Expenditures of Federal Awards Required by OMB Circular A-133
and Expenditures of State Financial Assistance Required by NJ OMB 15-08**

We have audited the financial statements of the District as of and for the year ended June 30, 2015, and have issued our report thereon dated November 5, 2015, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by OMB Circular A-133 and NJ Circular 15-08 and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



William M. Colantano, Jr.
Public School Accountant
No. CS 0128

UNION TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS SCHEDULE A
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Grantor/Program Title	Federal CFDA Number	Grant or Project Number	Program or Award Amount	Grant Period From-To	Balance June 30, 2014	Carryover Amount	Cash Received	Budgetary Expenditure	Adjustment	Repayment of Prior Year Balance	Balance June 30, 2015			
											Accounts Receivable	Deferred Revenue	Due to Grantor	
U.S. Department of Education Passed Through State Department of Education: Special Revenue Fund:														
NCLB Title IIA	84.367A	NCLB-527014	\$ 8,433	07/01/2013-06/30/2014	\$ 558	\$ (1,834)						\$ (1,276)		
NCLB Title IIA	84.367A	NCLB-527013	8,517	09/01/2012-08/31/2013	(1,084)							(1,084)		
NCLB Title IIA Carry-over	84.367A	NCLB-527015	8,517	07/01/2014-06/30/2015		1,834		\$ 1,834						
NCLB Title IIA	84.367A	NCLB-527015	8,574	07/01/2014-06/30/2015				519				(8,574)	\$ 8,055	
Small, Rural School Achievement Program	84.358A	S358A-134731	51,483	07/01/2013-09/30/2014	(7,982)		\$ 22,639	14,657						
Small, Rural School Achievement Program	84.358A	S358A-144731	36,102	07/01/2014-09/30/2015			4,575	12,900				(31,527)	23,202	
IDEA Basic	84.027	IDEA-527015	106,427	07/01/2014-06/30/2015			28,161	64,722				(78,266)	41,705	
IDEA Preschool	84.173	IDEA-527015	3,242	07/01/2014-06/30/2015			1,194	3,242				(2,048)		
Total Special Revenue Fund					(8,508)	-	56,569	97,874	\$ -	\$ -		(122,775)	72,962	\$ -
U.S. Department of Agriculture Passed Through State Department of Agriculture: Enterprise Fund:														
Child Nutrition Cluster:														
National School Lunch Program-Cash Assistance	10.555	N/A	15,504	07/01/2013-06/30/2014	(3,330)		3,330							
National School Lunch Program-Noncash Assistance (Commodities)	10.555	N/A	10,292	07/01/2013-06/30/2014	116			116						
National School Lunch Program-Cash Assistance	10.555	N/A	17,596	07/01/2014-06/30/2015			16,119	17,596				(1,477)		
National School Lunch Program-Noncash Assistance (Commodities)	10.555	N/A	10,745	07/01/2014-06/30/2015			10,745	10,252					493	
Special Milk Program	10.556	N/A	41	07/01/2014-06/30/2015			38	41				(3)		
Special Milk Program	10.556	N/A	21	07/01/2013-06/30/2014	(9)		9							
Total Enterprise Fund					(3,223)	-	30,241	28,005	-	-		(1,480)	493	-
TOTAL FEDERAL FINANCIAL ASSISTANCE					\$ (11,731)	\$ -	\$ 86,810	\$ 125,879	\$ -	\$ -		\$ (124,255)	\$ 73,455	\$ -

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

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

Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From-To	Balance June 30, 2014	Cash Received	Budgetary Expenditure	Adjustment/Repayment of Prior Year Balance	Balance June 30, 2015			MEMO	
								Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure
State Department of Education												
General Fund:												
Categorical Transportation Aid	15-495-034	\$ 210,782	07/01/2014-									
	-5120-014		06/30/2015		\$ 210,782	\$ 210,782					\$ 18,835	\$ 210,782
Categorical Special Educational Aid	15-495-034	294,741	07/01/2014-									
	-5120-089		06/30/2015		294,741	294,741					26,338	294,741
Categorical Security Aid	15-495-034	36,626	07/01/2014-									
	-5120-084		06/30/2015		36,626	36,626					3,273	36,626
Adjustment Aid (Includes Additional Aid)	15-495-034	17,175	07/01/2014-									
	-5120-085		06/30/2015		17,175	17,175					1,535	17,175
PARCC Readiness Aid	15-495-034	4,615	07/01/2014-									
	-5120-098		06/30/2015		4,615	4,615					412	4,615
Per Pupil Growth Aid	15-495-034	4,615	07/01/2014-									
	-5120-097		06/30/2015		4,615	4,615					412	4,615
Non-Public Remote Transportation Aid	14-100-034	5,227	07/01/2013-									
	-5120-014		06/30/2014	\$ (5,227)	5,227							5,227
Extraordinary Special Education Costs Aid	15-100-034	64,114	07/01/2014-									
	-5120-473		06/30/2015			64,114		\$ (64,114)				64,114
Extraordinary Special Education Costs Aid	14-100-034	64,044	07/01/2013-									
	-5120-473		06/30/2014	(63,383)	64,044	661						64,044
On-Behalf TPAF Pension Contribution- Post-Retirement Medical	15-495-034	315,572	07/01/2014-									
	-5094-001		06/30/2015		315,572	315,572						315,572
On-Behalf TPAF Pension Contribution- Non-Contributory Insurance	15-495-034	13,342	07/01/2014-									
	-5094-007		06/30/2015		13,342	13,342						13,342
On-Behalf TPAF Pension Contribution- Normal Costs and Accrued Liability	15-495-034	185,444	07/01/2014-									
	-5094-006		06/30/2015		185,444	185,444						185,444
Reimbursed TPAF Social Security Contribution	15-495-034	278,910	07/01/2014-									
	-5094-003		06/30/2015		266,660	278,910		(12,250)				278,910
Reimbursed TPAF Social Security Contribution	14-495-034	269,398	07/01/2013-									
	-5095-002		06/30/2014	(11,965)	11,965							269,398
Total General Fund				<u>(80,575)</u>	<u>1,430,808</u>	<u>1,426,597</u>	<u>\$ -</u>	<u>(76,364)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>50,805</u>	<u>1,764,605</u>
Capital Projects Fund:												
New Jersey Schools Development Authority Middle School HVAC & Security Upgrades	5270-050-15-1001	212,049	1/06/2014-									
			06/30/2016	(212,049)				(212,049)				212,049
Elementary School Security Upgrades	5270-060-15-2002	47,613	1/06/2014-									
			06/30/2016	(47,613)				(47,613)				47,613
				<u>(259,662)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(259,662)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>259,662</u>
State Department of Agriculture												
Enterprise Fund:												
State School Lunch Program	15-100-010	1,569	07/01/2014-									
	-3350-023		06/30/2015		1,392	1,569		(177)				1,569
State School Lunch Program	14-100-010	1,456	07/01/2014-									
	-3350-023		06/30/2015	(371)	371							1,456
Total Enterprise Fund				<u>(371)</u>	<u>1,763</u>	<u>1,569</u>	<u>-</u>	<u>(177)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,025</u>
TOTAL STATE FINANCIAL ASSISTANCE				<u>\$ (340,608)</u>	<u>\$ 1,432,571</u>	<u>\$ 1,428,166</u>	<u>\$ -</u>	<u>\$ (336,203)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,805</u>	<u>\$ 2,027,292</u>

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

UNION TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2015

NOTE 1. GENERAL

The accompanying schedules of financial assistance present the activity of all federal and state financial assistance programs of the Board of Education, Union Township School District. The Board of Education is defined in Note 1 (A) to the Board's financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies, is included on the schedule of federal financial assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of financial assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1 (C) and 1 (D) to the Board's financial statements.

NOTE 3. RELATIONSHIP OF FINANCIAL STATEMENTS

The financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules are presented for the general fund and special revenue fund to demonstrate finance-related 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 PL 2004, Ch 97 (A3521). For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferred 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 revenues, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$2,322 for the general fund, \$683 for the special revenue fund and \$255,727 for the Capital Projects Fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

Financial assistance revenues are reported in the Board's financial statements on a GAAP basis as follows:

	<u>Local</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund			\$ 1,428,919	\$ 1,428,919
Special Revenue Fund		\$ 98,557		98,557
Capital Projects Fund			255,727	255,727
Food Service Fund		<u>28,005</u>	<u>1,569</u>	<u>29,574</u>
	<u>\$ -0-</u>	<u>\$ 126,562</u>	<u>\$ 1,686,215</u>	<u>\$ 1,812,777</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.

UNION TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2015
(Continued)

NOTE 5. OTHER

Revenues and expenditures reported under the USDA Commodities Program represent current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2015. TPAF Social Security Contribution represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2015.

UNION TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

SECTION I-SUMMARY OF AUDITOR'S RESULTS

Federal Awards (Cont'd) NOT APPLICABLE

Dollar Threshold used to Distinguish Between
Type A and Type B Programs: _____

Auditee qualified as a low-risk auditee Yes No

State Awards

Dollar Threshold used to Distinguish Between
Type A and Type B Programs: \$300,000

Auditee Qualified as low-risk auditee X Yes No

Type of Auditor's Report Issued on Compliance
for Major Programs: Unmodified

Internal Control Over Major Programs:
1. Material weakness(es) identified? Yes X No

2. Reportable conditions identified
that are not considered to be material
weaknesses? Yes X No

Any Audit Findings Disclosed That are Required
to be Reported in Accordance with NJ OMB
Circular Letter 15-08? Yes X No

Identification of Major Programs:

<u>GMIS Numbers</u>	<u>Amount</u>	<u>Name of State Program</u>
15-495-034-5120-089	\$ 294,741	Categorical Special Education Aid
15-495-034-5120-014	210,782	Categorical Transportation Aid

UNION TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

SECTION II-FINANCIAL STATEMENT FINDINGS

There were no findings or questioned costs for the year ended June 30, 2015.

SECTION III-FEDERAL AWARDS AND STATE FINANCIAL
ASSISTANCE FINDINGS AND QUESTIONED COSTS

There were no findings or questioned costs for the year ended June 30, 2015.

UNION TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

K-7

There were no prior year findings or questioned costs.