

**Annual Comprehensive
Financial Report**

of the

Township of Union, Board of Education

County of Union

Union, New Jersey

For the Fiscal Year Ended June 30, 2021

Prepared by

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

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INTRODUCTORY SECTION

Township of Union Public Schools

Yolanda Koon
School Business Administrator/Board Secretary

February 4, 2022

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

Dear Board Members:

The Annual Comprehensive Financial Report (ACFR) of the Township of Union School District (the "District") for the fiscal year ended June 30, 2021 is hereby submitted. This ACFR includes the District's Basic Financial Statements prepared in accordance with U.S. generally accepted accounting principles for governmental entities as established by the Governmental Accounting Standards Board. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Township of Union School District. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

1. REPORTING ENTITY AND ITS SERVICES: The Township of Union School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14.. All funds of the District are included in this report. The Township of Union School District and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels PRE-K through 12. These include regular as well as special education for handicapped youngsters.

Yolanda Koon
School Business Administrator/Board Secretary

2. ECONOMIC CONDITION AND OUTLOOK: The Township of Union, in the County of Union, is experiencing a period of economic stability and modest but steady growth. This outlook mirrors that of the region (Northeastern United States) itself. The Township's proximity to transportation and employment centers in New York City and Northern NJ contributes towards maintaining this outlook. Within Union County, the unemployment rate of below 4 & is lower than the national average and the employment outlook is strong for those entering the workforce. Residential, commercial and industrial properties continue to see increases in values, with room for further growth. Foreclosures have leveled off. Development within the Township is strong. There are two major multi-phased mixed use developments in the Township which are in construction and will further improve the local economic conditions. Studies have shown that these types of transit oriented and downtown development do not attract many school age children and the rentals to date have been consistent with those studies. The major commercial tax appeals have leveled off. Union Train Station and the surrounding transit-oriented area will continue to demonstrate great economic growth. The Township remains well positioned for continued economic stability and steady growth.

3. MAJOR INITIATIVES:

Initiative One - The Township of Union School District Leadership Professional Development: The District is committed to ensure all district leaders are provided professional development and executive level training for continuous improvement in achievement of all students. District Principals will attend five professional development series at Rutgers Institute for Improving Student Achievement. The objective is to renew the focus of helping teachers to teach at their best, support students to learn to their utmost, and provide administrators the opportunities to become better leaders.

Initiative Two - The Township of Union School District will ensure equity and access to quality instruction:

Curriculum and Instruction: We are prepared to teach all students. Provide pathways for student achievement, and embedding equity in the curriculum to support social and emotional learning, cultural competence, and socio-political consciousness. The district implemented new courses at the middle and high school to address the learning interest of students and to ensure all students achieve positive learning experiences.

Initiative Three - The Township of Union School District will continue the implementation of Social Emotional Learning (SEL). NJ PBSIS will provide professional development for building administrators. Building administrators will share PB SIS information with their staff to support the implementation of tired interventions for a range of school intervention needs that includes conduct, behavior and social and emotional wellness. The continued implementation of Response to Intervention (RTI) will help support every student academically and enhance the support of PB SIS.

Yolanda Koon
School Business Administrator/Board Secretary

Initiative Four - The Township of Union School District will continue to build positive public relations with the community and invested stakeholders. Involve two way communications between the community and the school district will continue to build a stronger feel of trust and confidence in the school communities. The objective remains to always foster a positive outlook of our schools throughout the community.

4. INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) there are limited resources and that the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

5. BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund and the debt service fund. Amendments to the line items within these funds are approved by the Superintendent and subsequently ratified by the Board of Education, in accordance with state statute and Board Policy.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2021.

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

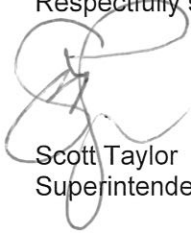
7. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 2. The District's cash management plan allows it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 and updated in 2009 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey where the funds are secured in accordance with the Act.

Yolanda Koon
School Business Administrator/Board Secretary

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

9. OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Suplee Clooney & Company was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 and the related Uniform Guidance and state Treasury Circular 15-08 OMB. The auditor's report on the basic financial statements and combining individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

Respectfully submitted,



Scott Taylor
Superintendent of Schools



Yolanda Koon
School Business Admin./Board Sec.

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

**ROSTER OF OFFICIALS
JUNE 30, 2021**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Yocasta Brens-Watson	2023
Guy Francis	2022
Ronnie McDowell	2021
Nancy Minneci, President	2022
Kalisha Morgan	2021
John A. O’Shea	2023
Nellis Regis-Darby	2023
Kim Ruiz	2021
Mary Lynn Williams	2022

Other Officials

Gerry Benaquista, Acting Superintendent of Schools

Yolanda Koon, School Business Administrator/Board Secretary

Mr. Barry Loessel, Supervisor of Buildings and Grounds

Jennifer Semler, Treasurer of School Monies

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

CONSULTANTS AND ADVISORS

Architect

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Cedar Knolls, New Jersey 07866

Audit Firm

Suplee, Clooney & Company
308 East Broad Street
Westfield, NJ 07090-2122

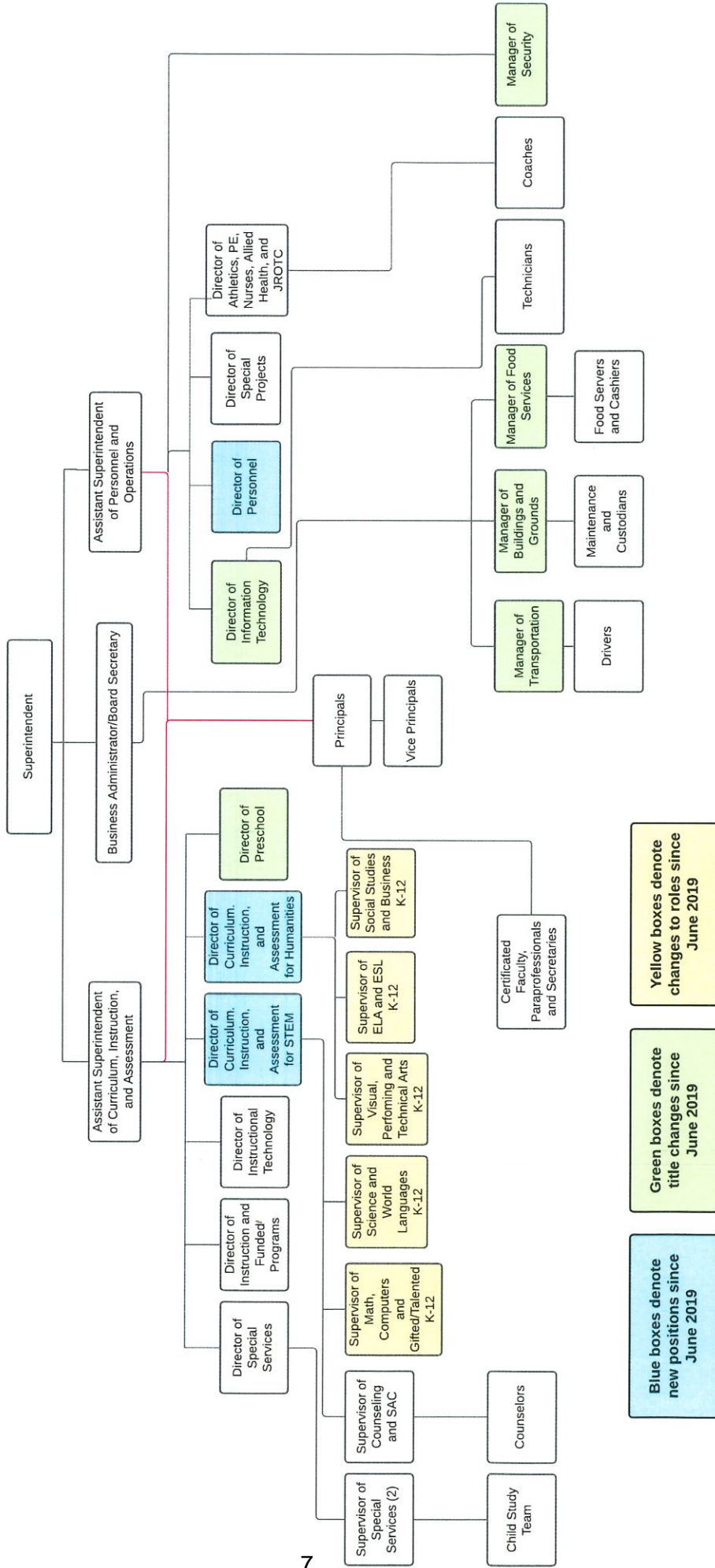
Attorney

Lester Taylor III, Esq
Florio Perrucci Steinhardt, Cappelli, Tipton & Taylor, LLC
430 Mountain Avenue, Suite 103
New Providence, NJ 07974

Official Depositories

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Englewood Cliffs, NJ 07632

Township of Union School District Leadership Team Proposed Reorganization



FINANCIAL SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Township of Union School District, County of Union, New Jersey as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these regulatory financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and State of New Jersey OMB Circular 15-08 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid." Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

SUPLEE, CLOONEY & COMPANY

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the Township of Union School District, County of Union, New Jersey as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 to the basic financial statements, in 2021, the District adopted Governmental Accounting Standards Board Statement No. 84, Fiduciary Activities (an Amendment of GASB Statement No. 34). Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information in Exhibit C-1 through C-3, the schedules related to accounting and reporting for pensions in Exhibit L-1 through L-4 and the schedules related to the accounting and reporting for postretirement benefits other than pensions (OPEB) in Exhibit M-1 and M-2 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

SUPLEE, CLOONEY & COMPANY

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Union School District's basic financial statements. The accompanying supplementary information, data and schedules such as the combining and individual fund financial statements and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by the Uniform Guidance, "Audits of States, Local Governments and Nonprofit Organization," New Jersey's OMB Circular NJOMB 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and the State of New Jersey, Department of Education, Division of Finance, are presented for purposes of additional analysis and are not a required part of the basic financial statements.



The accompanying supplementary information, data and schedules such as the combining and individual fund financial statements and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by the Uniform Guidance, "Audits of States, Local Governments and Nonprofit Organization," New Jersey's OMB Circular NJOMB 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and the State of New Jersey, Department of Education, Division of Finance is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information, data and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 4, 2022 on our consideration of the Township of Union School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Township of Union School District's internal control over financial reporting and compliance.

February 4, 2022


CERTIFIED PUBLIC ACCOUNTANTS

PUBLIC SCHOOL ACCOUNTANT NO. 962

REQUIRED SUPPLEMENTARY INFORMATION – Part I

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021
UNAUDITED**

The Management's Discussion and Analysis of the Township of Union School District (the "District") offers readers of the District's financial statements a narrative overview of the financial activities for the fiscal year ended June 30, 2021. The intent of this discussion is to look at the District's financial performance as a whole; therefore, readers should also review the transmittal letter at the front of this report, along with the District's financial statements and notes to the financial statements to enhance their understanding of the District's financial performance.

Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – Basic Financial Statements-Management's Discussion and Analysis-for the State and Local Governments issued in June 1999. Certain comparative information between the current fiscal year (2020-2021) and the prior fiscal year (2019-2020) is required to be presented in the MD&A. In fiscal year 2021 the District implemented GASB Statement No. 84- Fiduciary Activities. Prior fiscal year 2020 information was restated where information was available.

Overview of the Financial Statements

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

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

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

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021
UNAUDITED**

District-Wide Financial Statements

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

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

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

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021
UNAUDITED**

Fund Financial Statements

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

The District maintains three financial funds:

- **Governmental Funds:** The District's activities reported in governmental funds focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting that measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the district-wide Statement of Net Position and Statement of Activities) and governmental funds statements is reconciled in the financial statements.
- **Proprietary Funds:** Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide financial statements. The District's enterprise funds (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flow.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021
UNAUDITED**

Financial Analysis of the District as a Whole

The District's combined net position has increased from the 2019-2020 fiscal year. The net position from governmental activities decreased (\$27,001). Net position from business-type activities increased \$608,618. Table 1 below reflects the District's net position as a whole.

**Table 1
Condensed Statement of Net Position**

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage
	FY 2021	FY 2020 (as restated)	FY 2021	FY 2020	FY 2021	FY 2020 (as restated)	Change
Current and Other Assets	\$32,632,419	\$12,785,715	\$1,035,123	\$585,399	\$33,667,542	\$13,371,114	151.79%
Capital Assets	90,330,742	90,839,707	776,039	818,105	91,106,781	91,657,812	(0.60%)
Total Assets	<u>122,963,161</u>	<u>103,625,421</u>	<u>1,811,162</u>	<u>1,403,504</u>	<u>124,774,323</u>	<u>105,028,926</u>	<u>18.80%</u>
Deferred Outflows							
Related to Loss From Refunding Debt		878,810				878,810	(100.00%)
Related to Pensions	5,990,380	8,891,214			5,990,380	8,891,214	(32.63%)
Total Deferred Outflows	<u>5,990,380</u>	<u>9,770,024</u>			<u>5,990,380</u>	<u>9,770,024</u>	<u>(38.69%)</u>
Long-Term Liabilities	63,619,393	56,591,528			63,619,393	56,591,528	12.42%
Short-Term Liabilities	7,986,654	6,711,114	200,685	143,377	8,187,339	6,854,491	19.44%
Total Liabilities	<u>71,606,047</u>	<u>63,302,642</u>	<u>200,685</u>	<u>143,377</u>	<u>71,806,732</u>	<u>63,446,019</u>	<u>13.18%</u>
Deferred Inflows							
Related to Gain From Refunding Debt	1,431,039				1,431,039		100.00%
Related to Pensions	15,588,626	14,287,194			15,588,626	14,287,194	9.11%
Total Deferred Inflows	<u>17,019,665</u>	<u>14,287,194</u>			<u>17,019,665</u>	<u>14,287,194</u>	<u>19.13%</u>
Net Position:							
Net investment in Capital Assets	57,671,651	73,459,183	776,039	818,105	58,447,690	74,277,289	(21.31%)
Restricted	21,913,373	10,505,764			21,913,373	10,505,764	108.58%
Unrestricted (Deficit)	(43,806,416)	(48,159,338)	803,842	153,158	(43,002,574)	(48,006,180)	(10.42%)
Total Net Position	<u>\$35,778,608</u>	<u>\$35,805,609</u>	<u>\$1,579,881</u>	<u>\$971,263</u>	<u>\$37,358,489</u>	<u>\$36,776,872</u>	<u>1.58%</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021
UNAUDITED**

**Table 2
Changes in Net Position from Operating Results**

	Governmental Activities		Business-Type Activities		Total School District	
	FY 2021	FY 2020 (as restated)	FY 2021	FY 2020	FY 2021	FY 2020 (as restated)
Revenue:						
Program Revenue:						
Charges for Services	\$343,648		\$9,877	\$1,173,002	\$353,525	\$1,173,002
Operating Grants and Contributions	55,799,281	\$37,827,972	2,606,690	1,428,421	58,405,971	39,256,393
General Revenue:						
Property Taxes	96,092,567	94,320,891			96,092,567	94,320,891
Federal and State Aid not restricted	35,253,115	33,682,659			35,253,115	33,682,659
Other	41,977	546,648	961	5,490	42,938	552,139
Total Revenue	187,530,588	166,378,170	2,617,528	2,606,914	190,148,116	168,985,084
Expenses:						
Instruction	120,967,334	105,787,225			120,967,334	105,787,225
Student & Instructional Support Services	29,360,033	26,188,636			29,360,033	26,188,636
Administrative and Business	14,604,428	14,210,454			14,604,428	14,210,454
Maintenance & Operations	11,390,575	11,313,235			11,390,575	11,313,235
Transportation	10,346,252	7,697,206			10,346,252	7,697,206
Other	759,803	716,046	2,089,975	2,752,023	2,849,778	3,468,069
Total Expenses	187,428,424	165,912,803	2,089,975	2,752,023	189,518,399	168,664,826
Increase/(Decrease) in Net Position	(\$27,001)	\$465,367	\$608,618	(\$145,109)	\$581,617	\$320,258

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021
UNAUDITED**

Sources of Revenue for the Fiscal Year 2021

The District's total revenue for the 2020-2021 school year was \$190,148,116 as reflected in Table 3 below. Property taxes accounted for 50.54 percent of the total revenue with the other 49.46 percent consisting of state and federal aid, charges for services, and miscellaneous sources.

**Table 3
Sources of Revenue**

<u>Sources of Revenue</u>	<u>FY 2021</u>		<u>FY 2020</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Property Taxes	\$96,092,567	50.54%	\$94,320,891	55.82%
Operating State and Federal Aid	84,045,504	44.20%	66,798,981	39.53%
Federal and State Grants	9,613,582	5.06%	6,140,072	3.63%
Charges for Services	353,525	0.19%	1,173,002	0.69%
Other	42,938	0.01%	552,139	0.32%
	<u>\$190,148,116</u>	<u>100.00%</u>	<u>\$168,985,084</u>	<u>100.00%</u>

Expenses for the Fiscal Year 2021

The total expenses for the 2020-2021 fiscal year for all programs and services were \$189,518,399. Table 4 below summarizes these program costs. The District's expenses are predominantly related to instructing, providing services and transporting students, grades kindergarten through twelve, which accounts for 84.78 percent of the total District costs. Administrative and business expenses account for the costs of the Office of the Superintendent of Schools, the Business Office, and the Principal's Offices in all five school buildings. Maintenance and operations account for the costs of keeping the school buildings and grounds safe, clean and in good operating condition, and includes all the utility costs related to the school facilities. Other costs include interest on long-term debt, unallocated depreciation expense and the costs of the business-type activities of the proprietary funds. It is important to note that depreciation expense on capital assets is included in expenses for the year under the GASB entity-wide reporting model; expenses therefore include \$3,865,226 for depreciation. The decrease in total expenses can be explained by the change in the pension expense based on the State's Actuarial report.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021
UNAUDITED**

**Table 4
Expenses for Fiscal Year 2021**

<u>Expense Category</u>	<u>FY 2021</u>		<u>FY 2020</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Instruction	\$120,967,334	63.83%	\$105,787,225	62.72%
Student & Instruction Services	29,360,033	15.49%	26,188,636	15.53%
Administrative and Business	14,604,428	7.71%	14,210,454	8.43%
Maintenance & Operations	11,390,575	6.01%	11,313,235	6.71%
Transportation	10,346,252	5.46%	7,697,206	4.56%
Other	2,849,778	1.49%	3,468,069	2.05%
	<u>\$189,518,399</u>	<u>100.00%</u>	<u>\$168,664,826</u>	<u>100.00%</u>

Governmental Activities

Table 5 presents the net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs) of six major District activities: instruction, student and instructional services, administration and business, maintenance and operations, transportation, and other. The net cost shows the financial burden placed on the District's taxpayers and the state by each of these functions.

**Table 5
Net Cost of Governmental Activities**

<u>Expense Category</u>	<u>FY 2021</u>		<u>FY 2020</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Instruction	\$81,465,309	62.05%	\$79,805,581	62.31%
Student & Instruction Services	18,019,005	13.73%	18,549,748	14.48%
Administrative and Business	11,314,528	8.62%	12,012,333	9.38%
Maintenance & Operations	11,390,575	8.68%	11,313,235	8.83%
Transportation	8,451,443	6.44%	5,802,397	4.53%
Other	644,636	0.49%	601,536	0.47%
	<u>\$131,285,496</u>	<u>100.00%</u>	<u>\$128,084,831</u>	<u>100.00%</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021
UNAUDITED**

Governmental Activities

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

Students and instruction related include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration, school administration, and central services include expenses associated with administrative and financial management of the District.

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

“Other” includes unallocated depreciation.

General Fund Budgeting Highlights

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

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

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

Capital Assets

During the fiscal year 2020-2021, the District's depreciation expense and retired assets exceeded capital acquisitions, therefore total capital assets net of depreciation decreased. Table 6 reflects the comparative balances of capital assets net of depreciation. The detail of the changes in capital assets is reflected in Note 3 to the financial statements.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021
UNAUDITED**

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

	Governmental Activities		Business-Type Activities		Total School District		Total Percentage Change
	FY 2021	FY 2020	FY 2021	FY 2020	FY 2021	FY 2020	
Land	\$9,553,000	\$9,553,000			\$9,553,000	\$9,553,000	0.00%
Site							
Improvements	2,118,683	2,276,877			2,118,683	2,276,877	(6.95%)
Building and							
Building							
Improvements	74,051,769	74,724,018			74,051,769	74,724,018	(0.90%)
Machinery and							
Equipment	4,607,290	4,285,812	\$776,039	\$818,105	5,383,329	5,103,917	5.47%
Total Assets	\$90,330,742	\$90,839,707	\$776,039	\$818,105	\$91,106,781	\$91,657,812	(0.60%)

Debt and Long-term Liabilities Administration

At June 30, 2021, the District had \$66,989,350 of outstanding long-term debt, consisting of bonds payable, compensated absences, capital leases, unamortized premiums and net pension liability. The District will continue to pay down its debt, as the obligations are due. Table 7 reflects the comparison of outstanding debt for the past two fiscal years. More information of the District's long-term debt is presented in Note 4 to the financial statements.

**Table 7
Outstanding Long-term Debt**

	Total School Debt		Total Percentage Change
	FY 2021	FY 2020	
Capital Leases Payable	\$837,004	\$1,025,025	(18.34%)
Compensated Absences Payable	3,721,280	3,305,142	12.59%
Bonds Payable	26,355,000	17,367,000	51.75%
Original Issue Premium	4,086,060	617,308	561.92%
Net Pension Liability Payable	31,990,005	36,939,573	(13.40%)
	\$66,989,350	\$59,254,048	13.05%

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2021
UNAUDITED**

The District's Future

The Township of Union School District saw an increase in its fund balance during the 2020/2021 school year. The enrollment in the District experienced an increase over the previous year. The District is proud of its community support and student involvement in the public schools. Major concerns continue to be the increased reliance on local property taxes, levels of State aid, a rising health care cost and out of district special education students and special education related services and the continued 2% levy cap. The District's will continue to implement sound fiscal management.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. Questions regarding this report can be directed to the Board of Education Office at the Union Township School District, 2369 Morris Avenue, NJ 07083.

BASIC FINANCIAL STATEMENTS

The basic financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all funds as of June 30, 2021.

DISTRICT-WIDE FINANCIAL STATEMENTS

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

TOWNSHIP OF UNION SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u>
ASSETS:			
Cash and cash equivalents	\$24,403,353	\$442,768	\$24,846,122
Receivables, net	4,595,992	548,916	5,144,908
Inventory		43,438	43,438
Restricted assets:			
Restricted cash and cash equivalents	3,633,074		3,633,074
Capital assets:			
Land and construction in progress	9,553,000		9,553,000
Other capital assets, net	80,777,742	776,039	81,553,781
Total assets	<u>122,963,161</u>	<u>1,811,162</u>	<u>124,774,323</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Related to pensions	5,990,380		5,990,380
Total Deferred Outflows of Resources	<u>5,990,380</u>		<u>5,990,380</u>
LIABILITIES:			
Accounts payable	2,764,116	52,538	2,816,654
Payroll deductions and withholdings payable	4,539,621		4,539,621
Unemployment compensation claims payable	40,197		40,197
Payable to state government	117,015		117,015
Interfunds payable		30,596	30,596
Unearned revenue	1,644,330	148,147	1,792,477
Accrued interest payable	110,651		110,651
Noncurrent liabilities:			
Due within one year	3,319,945		3,319,945
Due beyond one year:			
Net Pension Liability	31,990,005		31,990,005
Compensated absences payable	3,721,280		3,721,280
Bonds and capital leases payable	27,908,108		27,908,108
Total liabilities	<u>76,155,268</u>	<u>231,281</u>	<u>76,386,549</u>
DEFERRED INFLOWS OF RESOURCES:			
Related to gain from debt refunding	1,431,039		1,431,039
Related to pensions	15,588,626		15,588,626
Total Deferred Inflows of Resources	<u>17,019,665</u>		<u>17,019,665</u>
NET POSITION:			
Net investment in capital assets	57,671,651	776,039	58,447,690
Restricted for:			
Capital projects fund	14,680,033		14,680,033
Special revenue fund	596,072		596,072
Other purposes	6,637,269		6,637,269
Unrestricted (deficit)	<u>(43,806,416)</u>	<u>803,842</u>	<u>(43,002,574)</u>
Total net position	<u>\$35,778,608</u>	<u>\$1,579,881</u>	<u>\$37,358,489</u>

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

MAJOR FUND FINANCIAL STATEMENTS

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

TOWNSHIP OF UNION SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

ASSETS AND OTHER DEBITS:	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
Assets:					
Cash and cash equivalents	\$10,508,923	\$1,120,336	\$13,332,820	\$37,346	\$24,999,425
Capital reserve account	1,362,002				1,362,002
Maintenance reserve account	950,000				950,000
Emergency reserve account	725,000				725,000
Accounts receivable:					
Federal		540,452			540,452
State	4,024,943				4,024,943
Interfund	45,386	499,897			545,283
Total assets	17,616,254	2,160,686	13,332,820	37,346	33,147,106
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts payable	575,762	176,655			752,416
Payroll deductions and withholdings payable	4,539,621				4,539,621
Unemployment compensation claims payable	40,197				40,197
Intergovernmental payable:					
State		117,015			117,015
Interfunds payable	499,897		14,790		514,687
Unearned revenue		1,644,330			1,644,330
Total liabilities	5,655,476	1,938,000	14,790		7,608,266
Fund balances:					
Restricted for:					
Capital reserve account	1,362,002				1,362,002
Maintenance reserve account	950,000				950,000
Emergency reserve account	725,000				725,000
Excess surplus designated for subsequent years expenditures	1,692,313				1,692,313
Excess surplus - current year	1,284,134				1,284,134
Capital projects fund			919,287		919,287
Debt service fund				37,346	37,346
Unemployment	1,390,082				1,390,082
Scholarships		286,704			286,704
Student Activities		309,367			309,367
Assigned for:					
Year-end encumbrances	578,079				578,079
FFCRA/SEMI Designated for subsequent years expenditures	17,660				17,660
Committed for:					
Year-end encumbrances			12,398,743		12,398,743
Unassigned:					
General fund	3,961,507				3,961,507
Special revenue fund (deficit)		(373,386)			(373,386)
Total fund balances	11,960,778	222,686	13,318,030	37,346	25,538,840
Total liabilities and fund balances	\$17,616,254	\$2,160,686	\$13,332,820	\$37,346	\$33,147,106

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

TOWNSHIP OF UNION SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

Total Fund Balances (Brought Forward)		\$25,538,840
<p>Amounts Reported for Governmental Activities in the Statement of Net Position (A-1) are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>		
Cost of Assets	\$138,425,587	
Accumulated Depreciation	<u>(48,094,845)</u>	90,330,742
<p>Long term liabilities, including bonds payable, and other related amounts that are not due and payable in the current period and therefore are not reported as liabilities in the funds.</p>		
Net pension liability	(31,990,005)	
Compensated absences payable	(3,721,280)	
Capital leases payable	(786,992)	
Serial bonds payable	(\$26,355,000)	
Premium on refunding debt, net	(4,086,060)	
Unamortized Deferred Amount on Refunding Bonds, net	<u>(1,431,039)</u>	
	<u>(31,872,099)</u>	(68,370,376)
<p>Deferred Outflows and Inflows of resources are applicable to future periods and therefore are not reported in the funds.</p>		
<p>Pensions:</p>		
Deferred Outflows		
Pension related		5,990,380
<p>Deferred Inflows:</p>		
Pension related		(15,588,626)
<p>Certain liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds.</p>		
Accounts payable - pension related	(2,011,700)	
Accrued interest payable	<u>(110,651)</u>	
		<u>(2,122,351)</u>
Net Position of Governmental Activities		<u><u>\$35,778,608</u></u>

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

TOWNSHIP OF UNION SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Local sources:					
Local tax levy	\$93,403,084			\$2,689,483	\$96,092,567
Tuition from other LEA's within the state	28,777				28,777
Miscellaneous	355,738	\$457,404			813,142
Total revenues-local sources	93,787,599	457,404		2,689,483	96,934,486
State sources	61,147,303	3,142,398		115,167	64,404,868
Federal sources	242,297	6,014,890			6,257,187
Total revenues	155,177,199	9,614,692		2,804,650	167,596,541
EXPENDITURES:					
Current expense:					
Instruction:					
Regular	38,644,886	5,108,234			43,753,120
Special education	10,166,778	1,986,104			12,152,882
Other instruction	2,789,463				2,789,463
Support services:					
Tuition	11,787,010				11,787,010
Student and instruction related services	13,891,614	2,862,891			16,754,506
General administrative services	2,502,346				2,502,346
School administrative services	4,795,699				4,795,699
Central services	1,132,589				1,132,589
Administration Information Technology	667,345				667,345
Plant operations and maintenance	8,309,086				8,309,086
Student transportation services	9,349,577				9,349,577
Employee benefits	46,301,437				46,301,437
Capital outlay	1,348,048	58,544	\$2,115,239		3,521,832
Capital outlay - debt assessment	101,460				101,460
Charter Schools	902,178				902,178
Debt service:					
Principal				2,215,000	2,215,000
Interest				552,305	552,305
Cost of issuance				144,470	144,470
Total expenditures	152,689,516	10,015,774	2,115,239	2,911,775	167,732,304
Excess (deficiency) of revenues over (under) expenditures	2,487,682	(401,082)	(2,115,239)	(107,125)	(135,763)
Other financing sources (uses):					
Operating transfers in		270,582	330,000		600,582
Operating transfers out	(681,647)				(681,647)
Payment to refunding bond escrow agent				(12,846,233)	(12,846,233)
Refunding bonds issued			12,590,000	11,245,000	23,835,000
Premium on refunding bonds, net			2,407,880	1,782,250	4,190,129
Discount on refunding bonds			(47,213)	(36,546)	(83,759)
Capital leases (non-budgeted)	268,750				268,750
Total financing sources (uses):	(412,897)	270,582	15,280,667	144,470	15,282,822
Net change in fund balances	2,074,785	(130,500)	13,165,428	37,346	15,147,059
Fund balances, July 1, 2020 (as restated)	9,885,993	353,186	152,602		10,391,781
Fund balances, June 30, 2021	\$11,960,778	\$222,686	\$13,318,030	\$37,346	\$25,538,840

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

TOWNSHIP OF UNION SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Total net change in fund balances - governmental funds (from B-2) \$15,147,059

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

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

Depreciation expense	(\$3,788,190)	
Capital outlays	3,623,292	
Capital outlays not capitalized	<u>(295,968)</u>	(460,866)

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

Proceeds from capital leases	(1,018,750)	
Issuance of refunding bonds	(23,835,000)	
Refunding bonds issuance premium	(4,190,129)	
Deferred amount on refunding bonds	<u>(1,470,759)</u>	(30,514,638)

Repayment of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.

Payment of bond principal	14,847,000	
Payment of capital leases payable	506,784	
Amortization of premium on refunding bonds	721,377	
Amortization of deferred amounts on refunding bonds	<u>(839,090)</u>	15,236,071

In the statement of activities, only the gain on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net assets will differ from the change in fund balance by the cost of the asset removed. (48,100)

In the statement of activities, interest on long-term debt is accrued, regardless of when due. In governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation. 148,019

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

District pension contributions	2,145,988	
Less: Pension expense	<u>(1,264,396)</u>	881,592

In the statement of activities, certain expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+). (416,138)

Change in net position of governmental activities (\$27,001)

OTHER FUNDS

TOWNSHIP OF UNION SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS - ENTERPRISE FUNDS
JUNE 30, 2021

		<u>BUSINESS TYPE</u> <u>ACTIVITIES -</u> <u>ENTERPRISE FUNDS</u> <u>FOOD</u> <u>SERVICE</u>
ASSETS		
Current assets:		
Cash & cash equivalents	\$	442,768
Accounts receivable:		
Federal		520,528
Other		28,389
Inventories		<u>43,438</u>
Total current assets	\$	<u>1,035,123</u>
Noncurrent assets:		
Furniture, machinery & equipment	\$	2,383,018
Less accumulated depreciation		<u>(1,606,979)</u>
Total noncurrent assets	\$	<u>776,039</u>
Total assets	\$	<u><u>1,811,162</u></u>
LIABILITIES		
Current liabilities:		
Accounts payable	\$	52,538
Interfunds payable		30,596
Unearned revenue		<u>148,147</u>
Total current liabilities	\$	<u>231,281</u>
Total liabilities	\$	<u>231,281</u>
NET POSITION		
Net Investment in Capital Assets	\$	776,039
Unrestricted		<u>803,842</u>
Total net position	\$	<u><u>1,579,881</u></u>

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

EXHIBIT "B-5"

TOWNSHIP OF UNION SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

		<u>BUSINESS TYPE</u> <u>ACTIVITIES -</u> <u>ENTERPRISE FUNDS</u> <u>FOOD SERVICE</u> <u>SCHOOL NUTRITION</u>
OPERATING REVENUES:		
Charges for services:		
Miscellaneous	\$	<u>9,877</u>
Total operating revenues	\$	<u>9,877</u>
OPERATING EXPENSES:		
Cost of sales - reimbursable programs	\$	954,615
Cost of sales - non-reimbursable programs		1,358
Salaries		499,268
Employee benefits		203,756
Other purchased services		128,437
Supplies and materials		70,029
Cleaning, repair and maintenance services		74,410
Depreciation		<u>77,037</u>
Total operating expenses	\$	<u>2,008,910</u>
Operating income (loss)	\$	<u>(1,999,033)</u>
NONOPERATING REVENUES (EXPENSES):		
State sources		
State school lunch program	\$	9,260
Federal sources		
National school breakfast program		792,606
National school lunch program		1,425,789
Emergency operational cost program - schools		162,280
P-EBT administrative cost		3,063
National food distribution commodities		213,692
Interest		961
Miscellaneous expense		<u>(81,065)</u>
Total nonoperating revenues	\$	<u>2,526,586</u>
Transfers in (out)	\$	<u>81,065</u>
Change in Net Position	\$	608,618
Total net position - beginning		<u>971,263</u>
Total net position - ending	\$	<u><u>1,579,881</u></u>

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

EXHIBIT "B-6"

TOWNSHIP OF UNION SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS - ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

		<u>BUSINESS TYPE</u> <u>ACTIVITIES -</u> <u>ENTERPRISE FUNDS</u> <u>FOOD</u> <u>SERVICE</u>
Cash flows from operating activities:		
Receipts from customers	\$	15,694
Payments to employees		(499,268)
Payments to employee benefits		(203,756)
Payment to suppliers		<u>(1,078,678)</u>
Net cash provided (used for) by operating activities	\$	<u>(1,766,008)</u>
Cash flows from noncapital financing activities:		
State Sources	\$	9,735
Federal Sources		<u>2,125,569</u>
Net cash provided by (used for) noncapital financing activities	\$	<u>2,216,369</u>
Cash flows from capital and related financing activities		
Purchase of capital assets	\$	<u>(34,970)</u>
Net cash used for capital and related financing activities	\$	<u>(34,970)</u>
Cash flows from investing activities		
Interest and dividends	\$	<u>961</u>
Net cash used for capital and related financing activities	\$	<u>961</u>
Net increase (decrease) in cash and cash equivalents	\$	416,352
Cash and cash equivalents- July 1		<u>26,416</u>
Cash and cash equivalents- June 30	\$	<u><u>442,768</u></u>
Operating income (loss)	\$	(1,999,033)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:		
Depreciation		77,037
Change in assets and liabilities:		
(Increase) Decrease in inventory		27,701
(Increase) Decrease in other accounts receivable		40,384
Increase (Decrease) in accounts payable		51,914
Increase (Decrease) in deferred revenue		<u>35,990</u>
Net cash provided (used) by operating activities	\$	<u><u>(1,766,008)</u></u>

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

Township of Union School District
Notes to the Financial Statements
June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The Township of Union School District is a Type II District located in Union County, New Jersey. The District is an instrumentality of the State of New Jersey, established to function as an educational institution. The District is governed by a nine member board elected to three-year terms and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

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

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

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

The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include elementary schools through high school Grades K thru 12, located in the Township of Union. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

Township of Union School District
Notes to the Financial Statements
June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

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

District-wide Statements: The Statement of Net Position and the Statement of Activities display information about the District as a whole. These statements include the financial activities of the overall District. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish generally between the governmental and business-type activity of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

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

Township of Union School District
Notes to the Financial Statements
June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Types

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

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

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

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

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

Township of Union School District
Notes to the Financial Statements
June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Proprietary Fund Types

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

Basis of Accounting - Measurement Focus

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

District-wide and Proprietary Fund Financial Statements: The District-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable." Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

Township of Union School District
Notes to the Financial Statements
June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgets/Budgetary Control

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

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

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year. The capital projects fund presents the remaining project appropriations compared to current year expenditures. Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated recognition of one or more state aid payments for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

Township of Union School District
Notes to the Financial Statements
June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Encumbrance Accounting

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

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

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

Interfunds

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

Inventories and Prepaid Expenses

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

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

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

Township of Union School District
Notes to the Financial Statements
June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

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

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

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

Compensated Absences

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

Township of Union School District
Notes to the Financial Statements
June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences (Continued)

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

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

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. For the governmental funds in the fund financial statements, a liability is reported only for to the extent of the amount actually due at year end as a result of employee resignations/retirements. Compensated absences are a reconciling item between the fund level and district-wide presentations.

Fund Equity

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

Unrestricted retained earnings represent the remains of the District's equity in the cumulative earnings of the food service fund.

Unearned Revenue

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

Township of Union School District
Notes to the Financial Statements
June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accrued Liabilities and Long-Term Obligations

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

Net Position

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

Fund Balance – Governmental Funds

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

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

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

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

Township of Union School District
Notes to the Financial Statements
June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance – Governmental Funds (Continued)

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

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

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

Revenues Exchange and Non-Exchange Transactions

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

Township of Union School District
Notes to the Financial Statements
June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues Exchange and Non-Exchange Transactions (Continued)

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

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

Operating Revenues and Expenses

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

Allocation of Indirect Expenses

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

Township of Union School District
Notes to the Financial Statements
June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Extraordinary and Special Items

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

Management Estimates

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

Accounting and Financial Reporting for Pensions

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

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

Deferred Outflows/Inflows of Resources

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

Township of Union School District
Notes to the Financial Statements
June 30, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources (Continued)

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

Recently Adopted Accounting Pronouncements

Beginning with the year ended June 30, 2021, the District has implemented GASB Statement 84, *Fiduciary Activities*. The objective of this new Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less. As a result of the implementation of this Statement, the New Jersey Department of Education has made the following determinations as to the reporting of certain fund which, in prior years, have been reported as Fiduciary Activities:

<u>Activity</u>	Prior to Implementation of <u>GASB 84</u>	After Implementation of <u>GASB 84</u>
Student Activity Funds	Fiduciary Fund	Special Revenue Fund
Scholarship Funds	Fiduciary Fund	Special Revenue Fund
Payroll Agency Funds	Fiduciary Fund	General Fund
State Unemployment Compensation Fund	Fiduciary Fund	General Fund

See Note 20 for information of the restatement of balance resulting in the implementation of this new standard.

Township of Union School District
Notes to the Financial Statements
June 30, 2021

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

Deposits

New Jersey statutes permit the deposit of public funds in public depositories which are located in New Jersey and which meet the requirements of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA requires a bank that accepts public funds to be a public depository. A public depository is defined as a state bank, a national bank, or a savings bank, which is located in the State of New Jersey, the deposits of which are insured by the Federal Deposit Insurance Corporation. The statutes also require public depositories to maintain collateral for deposits of public funds that exceed certain insurance limits. All collateral must be deposited with the Federal Reserve Bank or a Banking Institution that is a member of the Federal Reserve System, and has capital funds of not less than \$25,000,000.00. Under (GUDPA), if a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of the deposits to the governmental unit.

The Township of Union School District had the following cash and cash equivalents at June 30, 2021:

Fund Type:	Bank	Reconciling Items:		Reconciled
	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>
Governmental	\$32,086,443	\$905	\$4,050,920	\$28,036,428
Proprietary	<u>623,339</u>	<u>863</u>	<u>181,433</u>	<u>442,768</u>
	<u>\$32,709,782</u>	<u>\$1,768</u>	<u>\$4,232,353</u>	<u>\$28,479,196</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned. The District does not have a specific deposit policy for custodial credit risk other than those policies that adhere to the requirements of statute. As of June 30, 2021, based upon the coverage provided by FDIC and NJGUDPA, no amount of the bank balance was exposed to custodial credit risk. Of the cash on balance in the bank, \$500,000 was covered by Federal Depository Insurance and \$32,209,782 was covered under the provisions of NJGUDPA.

Township of Union School District
Notes to the Financial Statements
June 30, 2021

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

Investments

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

1. Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
2. Government money market mutual funds which are purchased from an investment company or investment trust which is registered with the Securities and Exchange Commission under the "Investment Company Act of 1940," 15 U.S.C. 80a-1 et seq., and operated in accordance with 17 C.F.R. § 270.2a-7 and which portfolio is limited to U.S. Government securities that meet the definition of an eligible security pursuant to 17 C.F.R. § 270.2a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. These funds are also required to be rated by a nationally recognized statistical rating organization.
3. Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
4. Bonds or other obligations of the Local Unit or bonds or other obligations of school districts of which the Local Unit is a part or within which the school district is located.
5. Bonds or other obligations, having a maturity date not more than 397 days from date of purchase, approved by the Division of Investment of the Department of Treasury for investment by School Districts;
6. Local government investment pools that are fully invested in U.S. Government securities that meet the definition of eligible security pursuant to 17 C.F.R. § 270a-7 and repurchase agreements that are collateralized by such U.S. Government securities in which direct investment may be made pursuant to paragraphs (1) and (3) of N.J.S.A. 18A:20-37. This type of investment is also required to be rated in the highest category by a nationally recognized statistical rating organization.
7. Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C. 52:18A-90.4); or

Township of Union School District
Notes to the Financial Statements
June 30, 2021

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

Investments (Continued)

8. Agreements for the repurchase of fully collateralized securities if:
- a. the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection;
 - b. the custody of collateral is transferred to a third party;
 - c. the maturity of the agreement is not more than 30 days;
 - d. the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C. 17:19-41); and
 - e. a master repurchase agreement providing for the custody and security of collateral is executed.

At June 30, 2021, the District had no outstanding investments.

Based upon the limitation set forth by New Jersey Statutes 18A:20-37 and its existing investment practices, the District is generally not exposed to credit risks, custodial credit risks, concentration of credit risks and interest rate risks for its investments, nor is it exposed to foreign currency risks for its deposits and investments.

Township of Union School District
Notes to the Financial Statements
June 30, 2021

NOTE 3: CHANGE IN CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets that are not depreciated:				
Land	\$ 9,553,000	\$ _____	\$ _____	\$ 9,553,000
Total capital assets that are not depreciated	<u>\$ 9,553,000</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ 9,553,000</u>
Capital assets being depreciated:				
Site improvements	\$ 4,149,247	\$ 26,250	\$ _____	\$ 4,175,497
Building and building improvements	104,866,452	2,052,279	_____	106,918,731
Machinery and equipment	16,671,888	1,248,796	142,324	17,778,359
Total capital assets being depreciated	<u>\$ 125,687,587</u>	<u>\$ 3,327,324</u>	<u>\$ 142,324</u>	<u>\$ 128,872,587</u>
Total gross assets	<u>\$ 135,240,587</u>	<u>\$ 3,327,324</u>	<u>\$ 142,324</u>	<u>\$ 138,425,587</u>
Less: accumulated depreciation for:				
Site improvements	\$ (1,872,370)	\$ (184,443)	\$ _____	\$ (2,056,814)
Building and building improvements	(30,142,434)	(2,724,528)	_____	(32,866,962)
Machinery and equipment	(12,386,076)	(879,218)	(94,224)	(13,171,070)
	<u>\$ (44,400,880)</u>	<u>\$ (3,788,190)</u>	<u>\$ (94,224)</u>	<u>\$ (48,094,845)</u>
Governmental activities capital assets, net	<u>\$ 90,839,707</u>	<u>\$ (460,865)</u>	<u>\$ (48,100)</u>	<u>\$ 90,330,742</u>
Business type activities:				
Machinery and equipment	\$ 2,348,048	\$ 34,970	\$ _____	\$ 2,383,018
Less: accumulated depreciation	<u>(1,529,943)</u>	<u>(77,037)</u>	_____	<u>(1,606,979)</u>
Proprietary fund capital assets, net	<u>\$ 818,105</u>	<u>\$ (42,066)</u>	<u>\$ _____</u>	<u>\$ 776,039</u>

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

Instruction:		
Regular	\$	1,965,954
Special		183,037
Other		9,491
Support Services:		
Student and Instruction related services		88,129
School Administration		237,270
General Administration		298,283
Plant operations & maintenance		124,736
Transportation		813,498
Unallocated		<u>67,792</u>
Total Depreciation Expenses, Governmental Activities	\$	<u>3,788,190</u>

Township of Union School District
Notes to the Financial Statements
June 30, 2021

NOTE 4: LONG-TERM LIABILITIES

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

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

The following is a summary of changes in liabilities that effect other long-term obligations for the year ended June 30, 2021:

<u>Governmental Funds:</u>	Balance June 30, <u>2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance June 30, <u>2021</u>	Amounts Due Within <u>One Year</u>
Bonds Payable	\$17,367,000	\$23,835,000.00	\$14,847,000	\$26,355,000	\$2,480,000
Unamortized Bond Premium	617,308	4,190,128.90	721,377	4,086,060	331,730
Capital Leases Payable	1,025,026	\$268,750	506,784	786,992	508,215
Compensated Absences	3,305,142	416,138		3,721,280	
Net Pension Liability	36,939,573	-	4,949,568	31,990,005	-
	<u>\$ 59,254,049</u>	<u>\$ 28,710,017</u>	<u>\$ 21,024,729</u>	<u>\$ 66,939,338</u>	<u>\$ 3,319,945</u>

Capital Leases Payable

The Board has entered into various capital leases for copier equipment and school buses. The following is a schedule of the future minimum lease payments under capital leases, and the present value of the net minimum lease payments at June 30, 2021:

<u>Year</u>	<u>Amount</u>
2022	\$ 524,585
2023	117,170
2024	117,170
2025	<u>54,430</u>
Total Minimum Lease Payments	\$ 813,355
Less: Amounts Representing Interest	<u>26,363</u>
Present Value of Minimum Lease Payments	<u>\$ 786,992</u>

Township of Union School District
Notes to the Financial Statements
June 30, 2021

NOTE 4: LONG-TERM DEBT (CONTINUED)

The annual requirements to amortize all debt outstanding as of June 30, 2021, including interest payments on issued debt, are as follows:

Fiscal Year Ended <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 2,480,000	\$ 992,031	\$ 3,472,031
2023	2,635,000	1,012,800	3,647,800
2024	1,855,000	908,700	2,763,700
2025	1,930,000	822,350	2,752,350
2026	1,910,000	733,750	2,643,750
2027-2031	7,750,000	2,416,750	10,166,750
2032-2036	4,445,000	1,154,800	5,599,800
2037-2041	<u>3,350,000</u>	<u>321,200</u>	<u>3,671,200</u>
	<u>\$ 26,355,000</u>	<u>\$ 8,362,381</u>	<u>\$ 34,717,381</u>

The Bonds Issued and Outstanding at year end are comprised of the following issues:

\$20,175,000 of 2010 bonds due in remaining annual installments of \$1,310,000 through August 2021 at interest rates of 4%	\$ 1,310,000
\$4,280,000 of 2015 Refunding bonds due in remaining annual installments of \$590,000 to \$620,000 through January 2023 at an interest rates of 4%	1,210,000
\$3,795,000 of 2020 Refunding bonds due in remaining annual installments of \$300,000 to \$370,000 through January 2032 at an interest rates of 4%	3,795,000
\$7,555,000 of 2020 ESIP Refunding bonds due in remaining annual installments of \$215,000 to \$650,000 through August 2040 at an interest rates of 4%	7,555,000
\$5,035,000 of 2021 ESIP Refunding bonds due in remaining annual installments of \$210,000 to \$480,000 through April 2037 at an interest rates of 4%	5,035,000
\$7,450,000 of 2021 Refunding bonds due in remaining annual installments of \$1,010,000 to \$1,110,000 through January 2029 at an interest rates of 5%	<u>7,450,000</u>
	<u>\$ 26,355,000</u>

Township of Union School District
Notes to the Financial Statements
June 30, 2021

NOTE 4: LONG-TERM DEBT (CONTINUED)

Under New Jersey Statutes the District may incur debt in an amount not to exceed 4% of the averaged equalized valuation basis of real property. For the fiscal year ended June 30, 2021, the District borrowing capacity under N.J.S. 18A:24-19 would be as follows:

<u>Year</u>	<u>Equalized Valuation of Real Property</u>
2020	\$7,324,779,887
2019	6,889,559,254
2018	6,640,324,116
	<u>\$20,854,663,257</u>
Average equalized valuation of property	\$6,951,554,419
School borrowing margin (4% of \$6,951,554,419)	\$278,062,177
Net bonded school debt and authorized but not issued as of June 30, 2021	<u>26,355,000</u>
School borrowing power available	<u>\$251,707,177</u>

2020 Refunding

The district issued \$3,795,000 in refunding school bonds to advance refund \$4,162,000 of the districts previously issued and outstanding refunding school bonds. The premium on the issuance was \$538,054 which will be amortized over the life of the bonds. As a result, the \$367,000 of the refunded obligations are considered to be defeased and the liability for those bonds has been removed from the financial statements.

2020 School Energy Savings Obligation Refunding Bonds

The district issued \$7,555,000 in school energy savings obligation refunding school bonds. The District deposited \$9,056,654 in the capital projects fund which is comprised of \$7,555,000 of ESIP Bonds and a premium on the bonds net of an underwriters discount of \$1,501,654.

2021 School Energy Savings Obligation Refunding Bonds

The district issued \$5,035,000 in school energy savings obligation refunding school bonds. The District deposited \$5,894,013 in the capital projects fund which is comprised of \$5,035,000 of ESIP Bonds and a premium on the bonds net of an underwriters discount of \$859,013.

2021 Refunding

The district issued \$7,450,000 in refunding school bonds to advance refund \$8,470,000 of the districts previously issued and outstanding refunding school bonds. The premium on the issuance was \$1,244,195 which will be amortized over the life of the bonds. As a result, the \$1,020,000 of the refunded obligations are considered to be defeased and the liability for those bonds has been removed from the financial statements.

Township of Union School District
Notes to the Financial Statements
June 30, 2021

NOTE 5: PENSION PLANS

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

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

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

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

Township of Union School District
Notes to the Financial Statements
June 30, 2021

NOTE 5: PENSION PLANS (CONTINUED)

Significant Legislation

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

Pension Plan Design Changes

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

Funding Changes

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

COLA Suspension

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

Vesting and Benefit Provisions The vesting and benefit provisions of PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after ten years of service, except for post-retirement healthcare benefits that vest after 25 years of service.

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

Township of Union School District
Notes to the Financial Statements
June 30, 2021

NOTE 5: PENSION PLANS (CONTINUED)

Contribution Requirements The contribution policy is set by N.J.S.A. 43:15A and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. As of April 1, 2018, employee contributions were increased to 7.5%.

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

PERS Contribution Requirements

<u>Year June 30,</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2021	\$ 2,145,988	100.00%	\$ 2,145,988
2020	1,994,147	100.00%	1,994,147
2019	1,976,019	100.00%	1,976,019

During the fiscal years ended June 30, 2021, 2020 and 2019, the State of New Jersey contributed \$15,049,054, \$12,128,127 and \$10,810,237, respectively to the TPAF pension system on behalf of the District.

In accordance with N.J.S.9. 18A:66-66 during the years ended June 30, 2021, 2020 and 2019, the State of New Jersey reimbursed the District \$4,090,974, \$4,079,732 and \$3,998,429, respectively for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements, and the governmental fund statements and schedules as a revenue and expenditure in accordance with GASB 68.

Township of Union School District
Notes to the Financial Statements
June 30, 2021

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

Public Employees Retirement System (PERS)

At June 30, 2021, the District reported a liability of \$31,990,005 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as July 1, 2019 which was rolled forward to June 30, 2020. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2020, the District's proportion was 0.1961688246 percent, which was a decrease of 0.008840516 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized pension expense of \$1,272,430 in the district-wide financial statements. This pension expense was based on the pension plans June 30, 2020 measurement date.

At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$582,485	\$113,130
Changes of assumptions	1,037,792	13,394,518
Net difference between projected and actual earnings on pension plan investments	1,093,444	
Changes in proportion and differences between District contributions and proportionate share of contributions	1,264,959	2,080,978
District contributions subsequent to the measurement date	<u>2,011,700</u>	
	<u>\$5,990,380</u>	<u>\$15,588,626</u>

The \$2,011,700 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e., for the school year ending June 30, 2021, the plan measurement date is June 30, 2020) will be recognized as a reduction of the net pension liability in the year ended June 30, 2022.

Township of Union School District
Notes to the Financial Statements
June 30, 2021

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

Public Employees Retirement System (PERS) (Continued)

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

Year Ended <u>June 30</u>	<u>Amount</u>
2021	(\$4,177,365)
2022	(3,822,898)
2023	(2,254,626)
2024	(1,008,940)
2025	<u>(346,117)</u>
	<u>(\$11,609,946)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which rolled forward to June 30, 2020. These actuarial valuations used the following assumptions:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases:		
Through 2026	2.00%-6.00%	2.00%-6.00%
	Based on Years of Service	Based on Years of Service
Thereafter	3.00%-7.00%	3.00%-7.00%
	Based on Years of Service	Based on Years of Service
Investment Rate of Return	7.00%	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

Township of Union School District
Notes to the Financial Statements
June 30, 2021

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions (Continued)

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at both June 30, 2020 and June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Estate Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%

Township of Union School District
Notes to the Financial Statements
June 30, 2021

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% and 6.28% as of June 30, 2020 and June 30, 2019, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers.

Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

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

The following presents the collective net pension liability of the participating employers as of June 30, 2020 respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's proportionate share of the net pension liability	\$40,586,740	\$31,990,005	\$25,160,439

Township of Union School District
Notes to the Financial Statements
June 30, 2021

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

Public Employees Retirement System (PERS) (Continued)

Pension Plan Fiduciary Net Position

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

Teachers Pensions and Annuity Fund (TPAF)

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

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2021 was as follows:

Net Pension Liability:	
Districts proportionate share	-0-
State's proportionate share associated with the District	<u>\$357,694,123</u>
	<u><u>\$357,694,123</u></u>

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 which was rolled forward to June 30, 2020. The net pension liability associated with the District was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2020, the proportion of the TPAF net pension liability associated with the District was .5432052525% which was an increase of .0048273660 percent from its proportion measured as of June 30, 2019.

Township of Union School District
Notes to the Financial Statements
June 30, 2021

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

Teachers Pensions and Annuity Fund (TPAF) (Continued)

For the year ended June 30, 2021, the District recognized on-behalf pension expense and revenue of \$22,242,944 for contributions provided by the State. This pension expense and revenue was based on the pension plan's June 30, 2020 measurement date.

Actuarial Assumptions

The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Inflation Rate:		
Price	2.75%	2.75%
Wage	3.25%	3.25%
Salary Increases:		
Through 2026	1.55%-4.45%	1.55%-4.55%
	Based on Years of Service	Based on Years of Service
Thereafter	2.75%-5.65%	2.75%-5.45%
	Based on Years of Service	Based on Years of Service
Investment Rate of Return	7.00%	7.00%

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

Township of Union School District
Notes to the Financial Statements
June 30, 2021

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

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% and 7.00% at June 30, 2020 and June 30, 2019 respectively) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries.

The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Assets Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Market Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Estate Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%

Township of Union School District
Notes to the Financial Statements
June 30, 2021

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

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 5.40% and 5.60% as of June 30, 2020 and 2019, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% for both June 30, 2020 and 2019, and a municipal bond rate of 2.21% and 3.50% as of June 30, 2020 and 2019, 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 based on 78% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

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

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

Pension Plan Fiduciary Net Position

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

Township of Union School District
Notes to the Financial Statements
June 30, 2021

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS – GASB 75

Plan Description and Benefits Provided

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

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

Employees Covered by Benefit Terms

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

Active Plan Members	216,804
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	149,304
Inactive Plan Members or Beneficiaries Not Yet Receiving Benefits	<u>- 0 -</u>
Total Plan Members	<u>366,108</u>

Township of Union School District
Notes to the Financial Statements
June 30, 2021

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

Total Non-Employer OPEB Liability

The portion of the total Non-Employer OPEB Liability that was associated with the District at June 30, 2021 was as follows:

Total OPEB Liability:	
District's Proportionate Share	\$-0-
State's Proportionate Share associated with the District	<u>331,689,754</u>
	<u><u>\$331,689,754</u></u>

The total Non-Employer OPEB Liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020.

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

For the year ended June 30, 2021, the District recognized on-behalf post-employment expense and revenue of \$17,832,355 in the government-wide financial statements for contributions provided by the State. This expense and revenue was based on the plans June 30, 2020 measurement date.

At June 30, 2020, the District's proportion was 0.4891460506 percent, which was an increase of .0011826426 from its proportion measured as of June 30, 2019.

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

Township of Union School District
Notes to the Financial Statements
June 30, 2021

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

Actuarial Assumptions and Other Inputs

The total Non-Employer OPEB liability that was associated with the District as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>TPAF/ABP</u>	<u>June 30, 2020</u> <u>PERS</u>	<u>PFRS</u>
Inflation – 2.5%			
Salary Increases			
Through 2026	1.55-4.45%*	2.00-6.00%*	3.25-15.25%*
Thereafter	1.55-4.45%*	3.00-7.00%*	Applied to All Future Years

	<u>TPAF/ABP</u>	<u>June 30, 2019</u> <u>PERS</u>	<u>PFRS</u>
CPI – 2.5%			
Salary Increases			
Through 2026	1.55-3.05%*	2.00-6.00%*	3.25-15.25%*
Thereafter	1.55-3.05%*	3.00-7.00%*	Applied to All Future Years

*Based on Years of Service

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Postretirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies for the periods July 1, 2015— June 30, 2018, July 1, 2014 — June 30, 2018, and July 1, 2013 - June 30, 2018 for TPAF, PERS and PFRS, respectively.

Township of Union School District
Notes to the Financial Statements
June 30, 2021

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount Rate

The discount rate for June 30, 2020 and June 30, 2019 was 2.21% and 3.50% respectively. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the Total Non-Employer OPEB Liability

Shown below are details regarding the total OPEB non-employer Liability associated with the District for the measurement period from June 30, 2019 to June 30, 2020:

Balance at 6/30/19		\$203,622,646
Changes for the year:		
Service cost	\$9,506,841	
Interest	7,362,385	
Differences between expected and actual experience	56,208,985	
Changes in assumptions or other inputs	60,588,320	
Membership Contributions	175,023	
Benefit payments - Net	<u>(5,774,446)</u>	
Net changes		<u>128,067,108</u>
Balance at 6/30/20		<u><u>\$331,689,754</u></u>

Township of Union School District
Notes to the Financial Statements
June 30, 2021

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

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

The following presents the total Non-Employer OPEB liability associated with the District as of June 30, 2020, calculated using the discount rate as disclosed above as well as what the total Non-Employer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2020		
	<u>1.00%</u> <u>Decrease (1.21%)</u>	<u>At Discount</u> <u>Rate (2.21%)</u>	<u>1.00%</u> <u>Increase (3.21%)</u>
State of New Jersey's Proportionate Share of the total Non-Employer OPEB Liability associated with the District	\$399,869,119	\$331,689,754	\$278,380,057

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

The following presents the total Non-Employer OPEB liability associated with the District as of June 30, 2020, calculated using the healthcare trend rate as disclosed above as well as what the total Non-Employer OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2020		
	<u>1.00%</u> <u>Decrease</u>	<u>Healthcare Cost</u> <u>Trend Rate</u>	<u>1.00%</u> <u>Increase</u>
State of New Jersey's Proportionate Share of the total Non-Employer OPEB Liability associated with the District	\$267,751,155	\$331,689,754	\$407,826,415

Township of Union School District
Notes to the Financial Statements
June 30, 2021

NOTE 7: ACCOUNTING AND FINANCIAL REPORTING FOR POST-RETIREMENT BENEFITS OTHER THAN PENSIONS - GASB 75 (CONTINUED)

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

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

State Health Benefit Local Education Retired Employee Plan Information

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

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

NOTE 8: LITIGATION

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

NOTE 9: CONTINGENCIES

The District receives financial assistance from the State of New Jersey and the U.S. Government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. The State and Federal grants received and expended in the 2020-2021 fiscal year were subject to the Uniform Guidance and New Jersey OMB Circular 15-08 which mandates that grant revenues and expenditures be audited in conjunction with the District's annual audit if expenditures for federal or state programs exceed \$750,000. Findings and questioned costs, if any, relative to federal and state financial assistance programs are discussed in the Single Audit Section, Schedule of Findings and Questioned Costs. In addition, all grants and cost reimbursements are subject to financial and compliance audits by the grantors. The District's management does not believe any such audit would result in material amounts of disallowed costs.

Township of Union School District
Notes to the Financial Statements
June 30, 2021

NOTE 10: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees; and natural disasters. The District maintains commercial coverage covering each of those risks of loss. The administration believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method." Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. Charges are applied to the Unemployment Compensation Claims Payable first and any remaining charges are applied to the Unemployment Compensation budget appropriation. The following table is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's Unemployment Compensation Claims Payable and Unemployment Restricted Fund Balance for the current and previous two years:

<u>Fiscal</u> <u>Year</u>	<u>Interest</u> <u>Earned</u>	<u>Board & Employee</u> <u>Contributions</u>	<u>Amount</u> <u>Reimbursed</u>	<u>Ending</u> <u>Balance</u>
2020-21	\$ 10,245	\$ 111,813	\$ 81,862	\$ 1,430,279
2019-20	16,142	118,019	186,017	1,390,082
2018-19	9,296	130,930	217,101	1,441,939

NOTE 11: FUND BALANCE APPROPRIATED

General Fund - Of the \$11,960,778 in General Fund Balance at June 30, 2021, \$578,079 has been assigned for year-end encumbrances; \$17,660 has been designated for subsequent years expenditures; \$1,362,002 has been restricted in the Capital Reserve Account; \$950,000 has been restricted as maintenance reserve; \$725,000 has been restricted as Emergency Reserve; \$1,390,082 has been restricted for unemployment claims; \$1,692,313 has been restricted as excess surplus resulting from the year ended June 30, 2020; \$1,284,134 has been restricted as excess surplus resulting from the year ended June 30, 2021 and \$3,961,507 is unassigned.

Township of Union School District
Notes to the Financial Statements
June 30, 2021

NOTE 12: CALCULATION OF EXCESS SURPLUS- BUDGETARY BASIS

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004,c.73 (S1701), the designation for restricted fund balance - excess surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. Based on the calculation, the Union School District has \$1,284,134 excess fund balance resulting from the year ended June 30, 2021.

General Fund Expenditures	
Fiscal Year Ended June 30, 2021	\$152,689,516
Add:	
Transfer from Capital Reserve to Capital Projects Fund	330,000
Transfer from General Fund to SRF for PreK	270,582
Less:	
On-behalf TPAF Pension and Social Security Reimbursement and assets acquired under capital leases	24,510,426
Adjusted General Fund Expenditures	128,779,672
Excess Surplus Percentage	4.00%
4% of Adjusted 2020-21 General Fund Expenditures	5,151,187
Add: Allowable Adjustments	2,123,037
Maximum Unreserved/Undesignated Fund Balance	7,274,224
Actual Unassigned/Undesignated Fund Balance	8,558,358
Excess Surplus	\$1,284,134

Township of Union School District
Notes to the Financial Statements
June 30, 2021

NOTE 13: CAPITAL RESERVE ACCOUNT

A capital reserve account was originally established by the Township of Union School District by inclusion of \$1,401,000 in the 2000-2001 school year, for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget. The balance remaining in the reserve as of June 30, 2021 is \$1,362,002.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the year ending June 30, 2021 is as follows:

Beginning balance, July 1, 2020		\$681,684
Increased by:		
Board resolution dated 06/15/2021	\$1,000,000	
Interest	<u>10,318</u>	
		<u>1,010,318</u>
		<u>\$1,692,002</u>
Decreased by:		
Utilized in adopted budget		<u>330,000</u>
Ending balance, June 30, 2021		<u><u>\$1,362,002</u></u>

Township of Union School District
Notes to the Financial Statements
June 30, 2021

NOTE 14: MAINTENANCE RESERVE

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

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

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

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

At June 30, 2021, the balance of the Maintenance Reserve Account was \$950,000 and is within the statutory limitations.

The activity of the maintenance reserve for the year ending June 30, 2021 is as follows:

Beginning balance, July 1, 2020 and	\$450,000
Increased by:	
Board resolution dated 06/15/2021	<u>500,000</u>
Balance, June 30, 2021	<u><u>\$950,000</u></u>

Township of Union School District
Notes to the Financial Statements
June 30, 2021

NOTE 15: EMERGENCY RESERVE

An emergency reserve was established by the Township of Union School District for the accumulation of funds for use as emergency expenditures in subsequent fiscal years. The emergency reserve account is maintained in the general fund and its activity is included in the general fund annual budget. The emergency reserve account is used to fund unanticipated general fund current expense costs and may be established to supplement the reserve in the district's annual budget or through a transfer by board resolution at year end of any unanticipated revenue and unexpended line item appropriation amounts in accordance with N.J.S.A. 18A:7F-41.

The activity of the emergency reserve for the year ending June 30, 2021 is as follows:

Balance June 30, 2020 and 2021	\$725,000
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NOTE 16: DEFERRED COMPENSATION

The District offers its employees a choice of the deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency. Since the District does not have any property or rights to the plan assets and no fiduciary relationship exists between the District and the deferred compensation plan, the plan assets are not included in the District's financial statements as of June 30, 2021.

NOTE 17: INVENTORY

Inventory in the Food Service Fund at June 30, 2021 consisted of the following:

Food and Supplies	\$43,438
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The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Act amendments of 1996) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

Township of Union School District
Notes to the Financial Statements
June 30, 2021

NOTE 18: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2021:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$45,386	\$499,897
Special Revenue Fund	499,897	
Capital Projects Fund		14,790
Enterprise Fund		30,596
	\$545,283	\$545,283

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

NOTE 19: TAX ABATEMENT

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

The District has identified tax abatement agreements that have been entered into that require disclosure under this statement. The gross dollar amount, on an accrual basis, by which the District's property tax revenues were potentially reduced during the reporting period as a result of tax abatement agreements totaled \$2,021,948. It is important to note that the District Tax Levy is guaranteed to be paid in full by the municipalities and that the District collected its full tax levy for Fiscal Year 2021.

Township of Union School District
Notes to the Financial Statements
June 30, 2021

NOTE 20: PRIOR PERIOD ADJUSTMENTS

As of July 1, 2020 the District implemented GASB Statement No. 84 Fiduciary Activities (GASB 84). Certain agency funds previously accounted for activities that are not considered fiduciary in nature and are now reported in the Governmental Funds. The District restated the net position and fund balance of the funds indicated below to appropriately reflect the June 30, 2020 balances as follows:

	<u>Governmental Activities</u>
Beginning Net Position 06/30/20	\$33,746,294
Adjustments:	
Unemployment Compensation	1,390,082
Student Activity Fund Balance	413,138
Scholarships Account	<u>256,095</u>
Beginning Net Position 06/30/20 (As restated)	<u>\$35,805,609</u>

	<u>Governmental Funds General Fund</u>	<u>Governmental Funds Special Revenue Fund</u>	<u>Fiduciary Fund</u>
Fund Balance 06/30/20	\$8,495,911	(\$316,047)	\$1,646,177
Adjustments:			
Unemployment Compensation Fund	1,390,082		(1,390,082)
Student Activity Fund Balance		256,095	(256,095)
Scholarships Account	<u> </u>	<u>413,138</u>	<u> </u>
Fund Balance 06/30/20 (As restated)	<u>\$9,885,993</u>	<u>\$353,186</u>	<u>\$-0-</u>

	<u>Fiduciary Fund</u>
Liabilities Balance 06/30/20	\$5,003,169
Payroll deductions and withholdings	(4,590,031)
Due to student groups	<u>(413,138)</u>
Liabilities 06/30/20 (As restated)	<u>\$-0-</u>

NOTE 21: SUBSEQUENT EVENTS

The District has evaluated subsequent events occurring after the financial statement date through February 4, 2022 which is the date the financial statements were available to be issued. Based upon this evaluation, the District has determined that no subsequent events needed to be disclosed.

REQUIRED SUPPLEMENTARY INFORMATION – Part II

BUDGETARY COMPARISON SCHEDULES

TOWNSHIP OF UNION SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2021

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
REVENUES:					
Local sources:					
Local tax levy	\$93,403,084		\$93,403,084	\$93,403,084	\$6,318
Interest earned on capital reserve funds	4,000		4,000	28,777	28,777
Tuition from individuals				345,419	(248,525)
Unrestricted miscellaneous	593,944		593,944		
Total revenues-local sources	94,001,028		94,001,028	93,787,599	(213,429)
State sources:					
Equalization aid	25,765,094		25,765,094	25,765,094	
Categorical special education aid	5,059,749		5,059,749	5,059,749	
Categorical Security Aid	423,870		423,870	423,870	
Categorical Transportation Aid	1,894,809		1,894,809	1,894,809	
Extraordinary aid	1,700,000		1,700,000	3,715,833	2,015,833
Non Public School Transportation				107,204	107,204
On-behalf TPAF post retirement medical (non budgeted)				4,805,870	4,805,870
On -behalf TPAF non-contributory insurance (non-budgeted)				286,328	286,328
On-behalf TPAF pension contribution (non-budgeted)				15,049,054	15,049,054
On-behalf long-term disability insurance (non-budgeted)				9,450	9,450
Reimbursed TPAF social security cont. (non-budgeted)				4,090,974	4,090,974
Total - state sources	34,843,522		34,843,522	61,208,235	26,364,713
Federal sources:					
Medicaid Reimbursement (SEMI)	175,276		175,276	224,637	49,361
Medicaid Reimbursement (FFCRA-SEMI)				17,660	17,660
Total - federal sources	175,276		175,276	242,297	67,021
Total revenues	\$129,019,826		\$129,019,826	\$155,238,131	\$26,218,305
EXPENDITURES					
CURRENT EXPENSE:					
Instruction - regular programs:					
Salaries of teachers:					
Kindergarten	\$1,429,012	\$108,434	\$1,537,446	\$1,537,446	\$11,916
Grades 1-5	12,400,732	(222,066)	12,178,666	12,166,750	3,291
Grades 6-8	7,968,774	43,049	8,011,823	8,008,532	39,506
Grades 9-12	10,998,140	115,949	11,114,089	11,074,583	39,506
Home instruction - regular programs:					
Salaries of teachers	393,000	(89,316)	303,684	303,684	
Purchased professional educational services	\$70,000	(\$45,790)	\$24,210	\$4,507	\$19,703

TOWNSHIP OF UNION SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2021

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Regular programs - undistributed instruction:					
Other salaries for instruction	\$103,473	(\$15,001)	\$88,472	\$86,087	\$2,385
Purchased professional-educational services	1,392,575.85	1,359,405	2,751,981	2,672,609	79,371
Purchased technical services	564,695	55,411	620,106	596,584	23,522
Other purchased services	1,084,923	(440,546)	644,376	523,676	120,700
General supplies	988,226	(204,665)	783,560	683,556	100,005
Textbooks	789,290	10,432	799,722	786,297	13,425
Total regular programs	38,182,840	675,295	38,858,135	38,444,311	\$413,824
Learning and/or language disabilities:					
Salaries of teachers	747,669	(97,473)	650,196	649,935	262
Other salaries for instruction	129,549	(88,645)	40,904	40,904	
General supplies	2,000	(1,120)	880	692	188
Total learning and/or language disabilities	879,218	(187,237)	691,981	691,531	450
Behavioral disabilities:					
Salaries of teachers	324,256	52,513	376,769	376,769	
Other salaries for instruction	49,808	286	50,094	50,094	
General supplies	2,000	(1,440)	560	560	
Total behavioral disabilities:	376,064	51,359	427,423	426,863	560
Multiple disabilities:					
Salaries of teachers	347,995	30,866	378,861	378,861	
Other salaries for instruction	24,501	5,866	30,367	30,367	
General supplies	13,800		13,800	3,109	10,691
Total multiple disabilities:	386,296	36,732	423,028	412,337	10,691
Resource room/resource center:					
Salaries of teachers	6,806,455	366,176	7,172,631	7,170,891	1,740
Other salaries for instruction	50,085	24,608	74,693	74,693	
General supplies	3,000	(500)	2,500		2,500
Total resource room/center	\$6,859,540	\$390,284	\$7,249,824	\$7,245,584	\$4,240

TOWNSHIP OF UNION SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2021

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Autism					
Salaries of teachers	\$489,545	\$147,980	\$637,525	\$625,523	\$12,002
Other salaries for instruction	1,500	27,452	28,952	20,410	8,542
General supplies	24,500		24,500	20,474	4,026
Total autism:	515,545	175,432	690,977	666,408	24,569
Preschool disabilities - part time:					
Salaries of teachers	93,628	(19,115)	74,513	74,513	
Other salaries for instruction	85,784	(60,242)	25,542	25,542	
General supplies	1,000	(1,000)			
Total preschool disabilities - part time	180,412	(80,357)	100,055	100,055	
Preschool disabilities - full time:					
Salaries of teachers	191,483	343,599	535,082	531,805	3,277
Other salaries for instruction	59,468	22,901	82,369	82,369	
General supplies	1,000	10,000	11,000	9,827	1,173
Total preschool disabilities - full time	251,951	376,499	628,450	624,001	4,450
Total special education	9,449,026	762,711	10,211,737	10,166,778	44,960
Basic skills/remedial:					
Salaries of teachers	398,687	539,316	938,003	809,301	128,702
Total basic skills/remedial	398,687	539,316	938,003	809,301	128,702
Bilingual education:					
Salaries of teachers	838,806	141,305	980,111	980,111	
Total bilingual education	838,806	141,305	980,111	980,111	
Vocational programs- local:					
Other Purchased Services	3,000	(2,000)	1,000		1,000
General supplies	18,030	(102)	17,928	13,986	3,942
Total vocational programs- local	21,030	(2,102)	18,928	13,986	4,942
School sponsored cocurricular activities:					
Salaries	235,390	(46,000)	189,390	126,409	62,981
Supplies and Materials	3,500		3,500		3,500
Other objects	34,872	(14,582)	20,290		20,290
Total school sponsored cocurricular activities	\$273,762	(\$60,582)	\$213,180	\$126,409	\$86,771

TOWNSHIP OF UNION SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2021

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
School sponsored athletics:					
Salaries	\$712,541		\$712,541	\$654,154	\$58,387
Purchased services	163,560	(\$48,138)	115,423	83,196	32,227
Supplies and Materials	123,777		123,777	101,132	22,645
Other objects	27,215		27,215	15,877	11,338
Total school sponsored athletics	1,027,094	(48,138)	978,956	854,359	124,597
Before/after school programs:					
Salaries	200,900	(11,090)	189,810	4,869	184,941
Other purchased services	20,000	(12,710)	7,290	7,290	7,290
Supplies and Materials	10,000		10,000	427	9,573
Total before/after care school programs	230,900	(23,800)	207,100	5,297	201,803
Total other instructional programs	2,790,279	546,000	3,336,279	2,789,463	546,816
Total - instruction	\$50,422,145	\$1,984,006	\$52,406,151	\$51,400,552	\$1,005,599
Undistributed expenditures:					
Instruction:					
Tuition to Other LEAs Within the State-Regular	\$53,270	(\$2,000)	\$51,270	\$51,269	\$2
Tuition to Other LEAs Within the State-Special	5,144,935	449,000	5,593,935	5,576,011	17,924
Tuition to County Vocational School - Regular	689,000	2,150	691,150	690,100	1,050
Tuition to County Vocational School - Special	28,000		28,000	28,000	
Tuition to CSSD and regular day schools	10,000	41,792	51,792		51,792
Tuition for private schools for handicapped within the state	6,361,006	(972,325)	5,388,681	5,358,134	30,547
Tuition - State Facilities		79,997	79,997	79,997	
Tuition - other	21,573	(12,223)	9,350	3,500	5,850
Total instruction	12,307,785	(413,609)	11,894,175	11,787,010	107,165
Attendance and social services work:					
Salaries	241,382	(33,568)	207,814	198,086	9,728
Purchased Professional & Technical Services	111,100	15,000	126,100	126,100	
Other objects	500	(362)	138	138	
Total - attendance and social services work	352,982	(18,930)	334,052	324,324	9,728
Health services:					
Salaries	998,182	(35,000)	963,182	926,264	36,919
Purchased Professional & Technical Services	62,124	(17,475)	44,649	38,916	5,733
Supplies and materials	15,859	(1,142)	14,717	5,265	9,452
Total - health services	\$1,076,165	(\$53,617)	\$1,022,548	\$970,445	\$52,104

TOWNSHIP OF UNION SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2021

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Other support services - students-related services:					
Salaries	\$1,593,200	(\$156,240)	\$1,436,960	\$1,436,857	\$103
Purchased professional -educational services	2,180,019	(821,151)	1,358,868	1,307,068	51,799
Supplies and materials	54,021	(6,188)	47,833	28,087	19,746
Total other support services - students-related services	3,827,240	(983,579)	2,843,661	2,772,012	71,649
Other support services students-extra services					
Salaries	2,472,932	(380,089)	2,092,843	2,092,843	
Total other support services students-extra services	2,472,932	(380,089)	2,092,843	2,092,843	
Other support services - students-regular					
Salaries of other professional staff	1,801,552	34,312	1,835,864	1,835,864	
Salaries of secretarial and clerical assistants	287,954	(3,488)	284,466	284,466	
Supplies and materials	600		600	483	117
Other objects	5,600	(1,178)	4,422	3,756	665
Total other support services - students-regular	2,095,706	29,645	2,125,351	2,124,569	782
Other support services - students - special services:					
Salaries of other professional staff	2,828,503	(114,624)	2,713,879	2,713,879	
Salaries of secretarial and clerical assistants	275,328	(10,111)	265,217	265,217	
Purchased professional educational services	170,460	67,801	238,261	209,395	28,866
Other Purchase Services (400-500 series)	8,853	(1,404)	7,449	1,261	6,188
Other objects	2,000		2,000	870	1,130
Total other support services - students - special services	3,285,144	(58,338)	3,226,806	3,190,622	36,184
Improvement of instructional services:					
Salary of Supervisor of instruction	1,194,134	14,965	1,209,099	1,209,099	
Salaries of other professional staff	60,826	(41,355)	19,471	14,422	5,049
Salaries of secretary and clerical assistant	272,522	(25,911)	246,611	246,611	
Supplies and materials	106,800	(26,040)	80,760	80,549	211
Other objects	6,643	(1,640)	5,003	1,654	3,348
Total improvement of instructional services	\$1,640,925	(\$79,981)	\$1,560,944	\$1,552,336	\$8,608

TOWNSHIP OF UNION SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2021

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Educational media/school library:					
Salaries	\$884,560	(\$71,016)	\$813,544	\$774,709	\$38,836
Supplies and materials	69,416	(13,789)	55,627	42,817	12,810
Other objects	15,500	(15,000)	500	500	0
Total educational media/school library	969,476	(99,805)	869,671	817,525	52,146
Instructional staff training services:					
Other Salaries	56,147	(30,000)	26,147	5,500	20,647
Purchased professional educational services	61,802	(41,552)	20,250	9,748	10,502
Other Purchase Services (400-500 series)	30,000	138	30,138	1,615	28,523
Total Instructional staff training services	147,949	(71,415)	76,535	16,863	59,671
Support services general administration:					
Salaries	901,434	(60,743)	840,691	725,180	115,511
General Admin. Salaries- Governance Staff	4,900		4,900	4,900	0
Legal services	705,004	104,494	809,498	751,873	57,625
Audit fees	59,000	(4,353)	54,647	46,020	8,627
Architectural/Engineering Services	49,154	50,245	99,399	72,471	26,928
Other purchased professional services	4,000	4,353	8,353	8,353	0
Purchased technical services	2,000		2,000	1,888	112
Communications/telephone	490,709	(168,283)	322,426	256,410	66,017
Other purchased services	684,240		684,240	569,645	114,595
General Supplies	60,500	(31,740)	28,760	16,662	12,098
BOE in-house training/meeting supplies	6,000		6,000	672	5,328
Judgements against the school district	25,000		25,000	25,000	0
Miscellaneous expenditures	73,400	(40,350)	33,050	21,550	11,500
BOE Membership dues and fees	35,000	(4,511)	30,489	26,722	3,767
Total support services general administration	3,100,341	(150,888)	2,949,453	2,502,346	447,108
Support services school administration:					
Salaries of principals/assistant principals	2,791,202	91,275	2,882,477	2,788,911	93,566
Salaries of secretarial and clerical assistants	569,129	15,199	584,328	584,328	0
Salaries of Other Professional Staff	1,302,168	5,848	1,308,016	1,278,600	29,416
Other salaries	19,800	(12,000)	7,800	6,183	1,617
Unused vacation payment to terminated/retired staff		4,301	4,301	4,301	0
Purchased professional and technical services	5,000		5,000	842	4,158
Other purchased services	12,806		12,806	1,826	10,980
Supplies and materials	90,346	(15,039)	75,308	52,479	22,829
Other objects	152,713	(45,013)	107,700	78,229	29,471
Total support services school administration	\$4,943,163	\$44,572	\$4,987,735	\$4,795,699	\$192,036

TOWNSHIP OF UNION SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2021

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Central services:					
Salaries	\$1,093,861	(\$104,000)	\$989,861	\$892,643	\$97,218
Unused vacation payment to terminated/retired staff		70,497	70,497	70,497	
Purchased professional services	130,197	(20,000)	110,197	83,397	26,800
Misc. purchased services (400-500 series)	13,000		13,000	2,757	10,243
Supplies and Materials	31,361		31,361	17,428	13,933
Miscellaneous Expenditures	15,000		15,000	3,648	11,352
Total central services	1,283,419	(53,503)	1,229,916	1,070,369	159,547
Administration information technology:					
Salaries	675,033	(9,240)	665,793	646,291	19,502
Other Purchased Services	3,500	(575)	2,925	680	2,245
Supplies and Materials	20,000		20,000	19,799	201
Other Objects		17,205	17,205	575	16,630
Total administration information technology	698,533	7,390	705,923	667,345	38,578
Required maintenance for school facilities:					
Salaries	1,176,547	(31,874)	1,144,673	1,144,035	638
Cleaning, repair, and maintenance services	517,244	(9,615)	507,628	385,071	122,557
General Supplies	404,553	(27,769)	376,784	312,967	63,817
Other Objects	74,094	(41,485)	32,609	24,844	7,765
Total required maintenance for school facilities	2,172,438	(110,744)	2,061,694	1,866,918	194,777
Other operations & maintenance of plant:					
Salaries	3,526,779	(348,352)	3,178,427	3,077,271	101,156
Salaries of Non-Instructional Aides	336,800	(47,850)	288,950	21,160	267,790
Unused vacation payment to terminated/retired staff		10,005	10,005	10,005	
Purchased professional and technical services	27,000	1,050	28,050	27,653	397
Cleaning, repair and maint. services	175,819		175,819	7,633	168,186
Other purchased property services	135,000	2,000	137,000	86,237	50,763
General supplies	311,961	(20,000)	291,961	283,467	8,493
Energy (Natural Gas)	653,000	42,143	695,143	551,280	143,863
Energy (Electricity)	1,270,000	(253,187)	1,016,813	628,727	388,086
Total other operations & maintenance of plant	\$6,436,359	(\$614,192)	\$5,822,167	\$4,693,433	\$1,128,734

TOWNSHIP OF UNION SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2021

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Care & Upkeep of Grounds					
Salaries	\$363,761	(\$105,000)	\$258,761	\$233,541	\$25,220
Purchased professional and technical services	36,000	(16,050)	19,950	9,929	10,021
General Supplies	53,996		53,996	35,204	18,792
Total Care and Upkeep of Grounds	453,757	(121,050)	332,707	278,674	54,033
Security:					
Salaries	1,262,937	637	1,263,574	1,211,814	51,760
Purchased professional and technical services	189,640	(82,086)	107,554	75,828	31,727
Cleaning, Repair, and Maintenance Services	97,381	2,320	99,701	99,701	
General Supplies	13,788	32,000	45,788	39,863	5,925
Other Objects	15,700	15,000	30,700	16,934	13,766
Total Security	1,579,446	(32,129)	1,547,317	1,444,140	103,177
Total operations & maintenance of plant services	10,642,000	(878,114)	9,763,886	8,283,164	1,480,722
Student transportation services:					
Salaries of non-instructional aides	748,989	(313,073)	435,916	435,916	10,385
Salaries for pupil transportation (between home and school) - regular	1,847,296	(544,155)	1,303,141	1,292,756	10,385
Salaries for pupil transportation (other than between home and school)	20,000		20,000	10,126	9,874
Management Fee - ESC & CTSA Trans. Program	241,197	40,020	281,217	280,846	370
Other Purchased Prof. and Technical Serv.	14,500	9,250	23,750	15,516	8,234
Cleaning, repair and maint. services	111,356	(67,974)	43,382	36,422	6,960
Lease Purchase Payments - School Buses		167,693	167,693	149,012	18,681
Contracted services (aid in lieu of payments)	613,619	(268,444)	345,175	149,892	195,283
Contract services (aid in lieu of payments)- Charter Sch	49,213		49,213	2,617	46,596
Contract services (aid in lieu of payments)- Choice Sch and school) - vendors	57,844		57,844	2,642	55,202
Contracted services (regular students)	180,040	(143,850)	36,190		36,190
- ESCs & CTSA	124,151	400	124,551	124,512	39
Contracted services (special education students)					
- ESCs & CTSA	5,756,575	949,151	6,705,726	6,704,333	1,393
General supplies	69,186	(1)	69,185	49,743	19,443
Transportation supplies	179,470		179,470	91,432	88,039
Other Objects	3,300		3,300	400	2,900
Total student transportation services	\$10,016,735	(\$170,983)	\$9,845,753	\$9,346,164	\$499,588

TOWNSHIP OF UNION SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2021

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Unallocated benefits:					
Social security contributions	\$1,260,826	\$87,700	\$1,348,526	\$1,294,372	\$54,154
Other retirement contributions - PERS	1,810,000	335,990	2,145,990	2,059,852	86,138
Pension contributions	83,711		83,711	77,466	6,244
Unemployment Compensation	20,000		20,000		20,000
Workmen's compensation	850,000	(87,700)	762,300	595,019	167,281
Health benefits	17,985,000	202,000	18,187,000	17,933,999	253,001
Tuition reimbursement	100,000		100,000	99,052	948
Unused sick payment to terminated/retired staff	400,000	(201,483)	198,517		198,517
Total unallocated benefits	22,509,537	336,507	22,846,044	22,059,761	786,283
Allocated benefits:					
Regular programs - unused sick payment to terminated/retired staff		200,575	200,575	200,575	
Health services - unused sick payment to terminated/retired staff		17,475	17,475	17,475	
Educational media/school library - unused sick payment to terminated/retired staff		12,600	12,600	12,600	
Central services - unused sick payment to terminated/retired staff		62,220	62,220	62,220	
Custodial services - unused sick payment to terminated/retired staff		22,696	22,696	22,696	
Security services - unused sick payment to terminated/retired staff		3,225	3,225	3,225	
Student transportation services - unused sick payment to terminated/retired staff		3,413	3,413	3,413	
Total allocated benefits		322,204	322,204	322,204	
On-behalf TPAF post retirement medical (non budgeted)				4,805,870	(4,805,870)
On-behalf TPAF non-contributory insurance (non-budgeted)				286,328	(286,328)
On-behalf TPAF pension contribution (non-budgeted)				15,049,054	(15,049,054)
On-behalf TPAF long-term disability insurance (non-budgeted)				9,450	(9,450)
Reimbursed TPAF social security contributions (non-budgeted)				4,090,974	(4,090,974)
				24,241,676	(24,241,676)
Total undistributed expenditures	81,370,032	(2,672,531)	78,697,501	98,937,278	(20,239,776)
TOTAL EXPENDITURES - CURRENT EXPENSE	\$131,792,176	(\$688,525)	\$131,103,652	\$150,337,830	(\$19,234,177)

TOWNSHIP OF UNION SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2021

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
CAPITAL OUTLAY:					
Interest Deposit to Capital Reserve	\$4,000		\$4,000		\$4,000
Equipment:					
Undistributed expenditures - Instruction	3,325		3,325		3,325
Undistributed expenditures - Support serv.- Students - Reg.	6,775	\$5,545	12,320	\$6,946	5,375
Undistributed expenditures - Support serv.- Related & Extra	5,000		5,000		5,000
Undistributed expenditures - General administration		4,600	4,600		4,600
Undistributed equipment - Admin Info Tech.	486,381	(38,002)	448,379	447,809	571
Undistributed equipment - Required maintenance for school facility	122,903	(55,615)	67,288	40,431	26,857
Undistributed expenditures - Custodial Services	70,592	(44,000)	26,592	11,780	14,811
Undistributed expenditures - Care and upkeep of grounds	65,000		65,000	49,583	15,417
Undistributed expenditures - Security	159,262	(48,600)	110,662	71,854	38,809
Undistributed expenditures - Student transportation - non inst. equipment		16,766	16,766		
School buses -Regular	181,825	(181,825)			
Grades 1-5	42,902	123,664	166,566	164,319	2,248
Grades 6-8	40,907	46,045	86,952	76,684	10,268
Grades 9-12	32,291	57,746	90,037	90,037	
School sponsored and other instructional program	28,000	50,300	78,300	76,840	1,460
Total equipment	1,245,163	(63,374)	1,181,789	1,053,048	128,741
Facilities acquisition and construction services					
Architectural/Engineering services		26,250	26,250		
Construction services		174,615	174,615		
Assessment for debt service on SDA funding	101,460		101,460	101,460	174,615
Assets Acquired Under Capital Leases (non-budgeted)				268,750	(268,750)
Total facilities acquisition and const. serv.	101,460	200,865	302,325	396,460	(94,135)
TOTAL CAPITAL OUTLAY:	1,350,623	137,491	1,488,114	1,449,508	38,606
CHARTER SCHOOLS:					
Transfer of funds to charter schools	619,730	282,598	902,328	902,178	150
GENERAL FUND GRAND TOTAL	133,762,529	(268,436)	133,494,093	152,689,516	(19,195,421)
Excess (deficiency) of revenues over (under) expenditures	(\$4,742,703)	\$268,436	(\$4,474,267)	\$2,548,614	\$7,022,883

TOWNSHIP OF UNION SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FISCAL YEAR ENDED JUNE 30, 2021

	ORIGINAL BUDGET	BUDGET TRANSFERS/ AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FINAL TO ACTUAL
Other financing sources (uses):					
Transfers to cover deficit - enterprise funds					
Transfers to grants and entitlements - Local Contribution	(\$270,582)	(\$81,065)	(\$81,065)	(\$81,065)	
Operating transfer out - capital projects fund	(330,000)		(270,582)	(270,582)	
Lease Purchase (Non-Budgeted)			(330,000)	(330,000)	
				268,750	\$268,750
Total other financing sources (uses)	(600,582)	(81,065.30)	(681,647)	(412,897)	268,750
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(5,343,285)	187,371	(5,155,915)	2,135,717	7,291,633
Fund balances, July 1 (as restated)	13,137,778		13,137,778	13,137,778	
Fund balances, June 30	\$7,794,493	\$187,371	\$7,981,863	\$15,273,495	\$7,291,633
Recapitulation:					
Assigned - year-end encumbrances				\$578,079	
Assigned - SEM/FFCRA designated for subsequent year's expenditures				17,660	
Restricted - unemployment				1,390,082	
Restricted - capital reserve				1,362,002	
Restricted - maintenance reserve				950,000	
Restricted - emergency reserve				725,000	
Restricted - excess surplus - designated for subsequent year's expenditures				1,692,313	
Restricted - excess surplus - current year				1,284,134	
Unassigned fund balance				7,274,224	
				\$15,273,495	
Reconciliation to Government Fund Statements					
Last Federal and State aid payments not recognized on GAAP basis				(3,312,717)	
Fund Balance per Governmental Funds (GAAP)				\$11,960,778	

TOWNSHIP OF UNION SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR FISCAL YEARS ENDED JUNE 30, 2021

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS/ AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FINAL TO ACTUAL</u>
REVENUES:					
State sources	\$4,287,639	\$342,202	\$4,629,841	\$3,238,682	(\$1,391,159)
Federal sources	2,542,416	5,985,439	8,527,855	5,917,473	(2,610,382)
Other sources	9,332	1,521,189	1,530,521	485,168	(1,045,353)
Total revenues	\$6,839,387	\$7,848,829	\$14,688,216	\$9,641,323	(\$5,046,894)
EXPENDITURES:					
Instruction:					
Salaries of teachers	\$1,886,681	\$404,767	\$2,291,448	\$1,754,623	\$536,824
Other salaries for instruction	483,487	65,493	548,980	513,643	35,337
Purchased professional & technical services	330,482	(145,655)	184,827	119,286	65,541
Other purchased services	13,000	(6,869)	6,131	6,131	
Tuition	1,415,881	522,083	1,937,964	1,894,533	43,431
General supplies	582,785	2,002,958	2,585,743	2,466,128	119,616
Textbooks	24,774	(5,286)	19,488	19,235	253
Other objects	46,252	363,612	409,864	13,975	395,888
Total instruction	4,783,342	3,201,103	7,984,445	6,787,554	1,196,890
Support services:					
Other Salaries	20,000	101,768	121,768	58,502	63,266
Salaries of Supervisors of Instruction	105,060	(40,492)	64,568	48,036	16,532
Salaries of Principals/Program Directors	60,466	65,569	126,035	123,402	2,632
Salaries of Other Professional Staff	253,815	(164,712)	89,103	83,778	5,325
Salaries of Secretarial and Clerical Assistants	59,617	14,769	74,386	74,386	
Salaries of Family/Parent Liason & Parent Specialists	76,880	1,686	78,566	78,566	
Salaries of Master Teachers	100,560	88,108	188,668	187,349	1,319
Purchased professional & technical services	81,593	291,610	373,203	193,126	180,077
Purchased professional & educational services	44,398	36,210	80,608	11,760	68,848
Personal services - employee benefits	851,658	235,917	1,087,575	1,031,083	56,492
Other purchased services	445,080	(26,828)	418,252	17,230	401,022
Supplies and materials	120,500	477,555	598,055	396,386	201,669
Scholarships		326,094	326,094	39,390	286,704
Student Activities		756,786	756,786	447,419	309,367
Other objects	10,000	113,075	123,075	19,385	103,690
Total support services	2,229,627	2,277,116	4,506,743	2,809,797	1,696,946
Facilities acquisition & construction services:					
Instructional Equipment	97,000	2,370,611	2,467,611	387,714	2,079,897
Total expenditures	7,109,969	7,848,829	14,958,798	9,985,066	4,973,733
Other Financing Sources (Uses):					
Transfer from General Fund	270,582		270,582	270,582	
Total Other Financing Sources (Uses)	270,582		270,582	270,582	
Total expenditures and other financing sources (uses)	6,839,387	7,848,829	14,688,216	9,714,484	4,973,733
Excess (deficiency) of revenues over (under) expenditures	\$-0-	\$-0-	\$-0-	(73,161)	(\$73,161)
Fund Balance, July 1 (as restated)				669,233	
Fund Balance, June 30				\$596,072	
Recapitulation of Balance:					
Restricted:					
Scholarships				\$286,704	
Student Activities				309,367	
Total Fund Balance				\$596,072	

TOWNSHIP OF UNION SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
BUDGET TO GAAP RECONCILIATION
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/inflows of resources		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$155,238,131	\$9,641,323
Difference - budget to GAAP Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and related revenue is recognized.		30,708
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	3,251,785	316,047
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(3,312,717)	(373,386)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	\$155,177,199	\$9,614,692
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedules	\$152,689,516	\$9,985,066
Difference - budget to GAAP Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial purposes		30,708
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	\$152,689,516	\$10,015,774

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

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

Measurement Date Ending June 30,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	District's Covered-Employee Payroll	District's Proportion of the Net Pension Liability (Asset) as a Percentage of It's Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.1848735643%	\$ 34,613,388	11,083,954	312.28%	52.08%
2015	0.1861144362%	41,778,961	11,766,218	355.08%	47.92%
2016	0.2047483398%	60,640,585	12,413,608	488.50%	40.14%
2017	0.2011942685%	46,834,809	13,144,042	356.32%	44.10%
2018	0.1986593800%	39,115,042	13,558,570	288.49%	53.60%
2019	0.2050093406%	36,939,573	14,313,544	258.07%	56.27%
2020	0.1961688246%	31,990,005	12,400,104	257.98%	58.32%

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

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

Fiscal Year Ending June 30,	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered- Employee Payroll	Contributions as a Percentage of Covered- Employee Payroll
2014	\$ 1,524,071	\$ 1,524,071	\$ -0-	\$ 11,083,954	13.75%
2015	1,600,845	1,600,845	-0-	11,766,218	13.61%
2016	1,865,776	1,865,776	-0-	12,413,608	15.03%
2017	1,966,877	1,966,877	-0-	13,144,042	14.96%
2018	1,976,019	1,976,019	-0-	13,558,570	14.57%
2019	1,994,147	1,994,147	-0-	14,313,544	13.93%
2020	2,145,990	2,145,990	-0-	12,400,104	17.31%
2021	2,011,700	2,011,700	-0-	11,853,742	16.97%

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

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

Measurement Date Ending June 30,	District's Proportion of the Net Pension Liability (Asset)	District's Proportion Share of the Net Pension Liability (Asset)	State's Proportionate Share of the Net Pension Liability associated with the District	District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its Covered-Employee Payroll	District's Proportionate Share of the Net Pension Liability associated with the District as a percentage of the District's Covered-Employee Payroll	State's Proportionate Share of the Total Net Pension Liability associated with the District as a percentage of the District's Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	0.4993965717%	\$ -0-	\$ 266,911,214	\$ 50,438,662	-0-	529.18%	33.64%
2015	0.5121144212%	-0-	323,678,183	52,609,495	-0-	615.25%	28.71%
2016	0.5273323977%	-0-	414,833,252	55,743,331	-0-	744.18%	22.33%
2017	0.5184152520%	-0-	349,534,277	56,538,225	-0-	618.23%	25.41%
2018	0.5310886758%	-0-	337,867,200	56,723,859	-0-	595.64%	26.49%
2019	0.5383778865%	-0-	330,407,591	58,118,053	-0-	568.51%	26.95%
2020	0.5432052525%	-0-	357,694,123	57,542,387	-0-	621.62%	24.60%

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

TOWNSHIP OF UNION SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION PART III
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

Change in benefit terms:

None

Change in assumptions:

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

Measurement Date Ending <u>June 30,</u>	Discount <u>Rate</u>	Long-Term Expected Rate of <u>Return</u>	Actuarial Experience <u>Study Period</u>
2020	7.00%	7.00%	07/01/14-06/30/18
2019	6.28%	7.00%	07/01/14-06/30/18
2018	5.66%	7.00%	07/01/11-06/30/14
2017	5.00%	7.00%	07/01/11-06/30/14
2016	3.98%	7.65%	07/01/11-06/30/14
2015	4.90%	7.90%	07/01/08-06/30/11
2014	5.39%	7.90%	07/01/08-06/30/11
2013	5.55%	7.90%	07/01/08-06/30/11

TEACHERS PENSION AND ANNUITY FUND (TPAF)

Change in benefit terms:

None

Change in assumptions:

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

Measurement Date Ending <u>June 30,</u>	Discount <u>Rate</u>	Long-Term Expected Rate of <u>Return</u>	Actuarial Experience <u>Study Period</u>
2020	5.40%	7.00%	07/01/15-06/30/18
2019	5.60%	7.00%	07/01/15-06/30/18
2018	4.86%	7.00%	07/01/12-06/30/15
2017	4.25%	7.00%	07/01/12-06/30/15
2016	3.22%	7.65%	07/01/12-06/30/15
2015	4.13%	7.90%	07/01/09-06/30/12
2014	4.68%	7.90%	07/01/09-06/30/12
2013	4.95%	7.90%	07/01/09-06/30/12

REQUIRED SUPPLEMENTARY INFORMATION - PART IV

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

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

	Measurement Date Ended June 30,			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total Non-Employer OPEB Liability - State's Proportionate Share of Total OPEB Liability Associated with the School District				
Balance at 6/30	\$203,622,646	\$220,598,168	\$256,298,313	\$276,132,530
Changes for the year:				
Service cost	9,506,841	8,923,406	10,142,025	12,246,214
Interest	7,362,385	8,766,235	9,437,523	8,137,888
Differences between expected and actual experience	56,208,985	(31,635,870)	(24,270,102)	
Changes in assumptions or other inputs	60,588,320	3,036,030	(25,314,744)	(34,500,500)
Membership Contributions	175,023	185,285	203,869	218,594
Benefit payments - Net	(5,774,446)	(6,250,608)	(5,898,716)	(5,936,413)
Net changes	<u>128,067,108</u>	<u>(16,975,522)</u>	<u>(35,700,145)</u>	<u>(19,834,217)</u>
Balance at 6/30	<u>\$331,689,754</u>	<u>\$203,622,646</u>	<u>\$220,598,168</u>	<u>\$256,298,313</u>
Covered Employee Payroll	69,942,491	72,431,597	70,282,429	69,682,267
District's Proportionate Share of the Total Non-Employer OPEB Liability as a percentage of the District's Covered Employee Payroll	-0-	-0-	-0-	-0-
State's Proportionate Share of the Total Non-Employer OPEB Liability associated with the District as a percentage of the District's Covered Employee Payroll	474.23%	281.12%	313.87%	367.81%

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

TOWNSHIP OF UNION SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION PART IV
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Change in benefit terms: None

Change in assumptions:

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

Measurement Date Ending <u>June 30.</u>	Discount <u>Rate</u>
2020	2.21%
2019	3.50%
2018	3.87%

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

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

TOWNSHIP OF UNION SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	IDEA Basic	IDEA Preschool	Title I	Title II Part A	Title III	Title III Immigrant	Title IV
REVENUES:							
State sources	\$ 1,850,627	\$ 55,666	\$ 808,069	\$ 181,584	\$ 79,337	\$ 6,000	\$ 46,914
Federal sources							
Other sources							
Total revenues	\$ 1,850,627	\$ 55,666	\$ 808,069	\$ 181,584	\$ 79,337	\$ 6,000	\$ 46,914
EXPENDITURES:							
Instruction:							
Salaries of teachers	\$	\$	\$ 399,611	\$ 65,391	\$ 28,460	\$	\$ 9,841
Other Salaries for Instruction							
Purchased professional and technical services							
Other purchased services							
Tuition	1,838,867	55,666	145,734		43,759	6,000	13,549
General supplies							
Textbooks							
Other objects							
Total instruction	\$ 1,838,867	\$ 55,666	\$ 545,345	\$ 65,391	\$ 72,219	\$ 6,000	\$ 29,522
Support services:							
Salaries	\$	\$	\$ 54,000	\$	\$	\$	\$
Salaries of Supervisors of Instruction							
Salaries of Principals/Program Directors			57,371	7,896			120
Salaries of Other Professional Staff			3,200				
Salaries of Secretarial and Clerical Assistants			13,779				
Salaries of Family/Parent Liason and Parent Specialists							
Salaries of Master Teachers							
Purchased professional and technical services	11,760		7,696	68,400	2,000		16,410
Purchased professional educational services							
Personal services - employee benefits			125,964	26,126	1,530		862
Other purchased services			715	13,642	3,588		
Supplies and materials							
Scholarships							
Student Activities							
Other objects				50			
Total support services	\$ 11,760	\$	\$ 262,725	\$ 116,193	\$ 7,118	\$	\$ 17,392
Facilities acquisition and construction services:							
Instructional Equipment							
Total facilities acquisition and construction services:	\$	\$	\$	\$	\$	\$	\$
Total expenditures	\$ 1,850,627	\$ 55,666	\$ 808,069	\$ 181,584	\$ 79,337	\$ 6,000	\$ 46,914
Other financing sources (uses):							
Transfer from general fund							
Total other financing sources (uses)	\$	\$	\$	\$	\$	\$	\$
Excess (deficiency) of revenues Over (under) expenditures	\$	\$	\$	\$	\$	\$	\$
Fund Balance, July 1 (as restated)	\$	\$	\$	\$	\$	\$	\$
Fund Balance, June 30	\$	\$	\$	\$	\$	\$	\$

TOWNSHIP OF UNION SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	CRF - LEA Reopen	CRF - Digital Divide	Non-Public- Digital/Divide	CARES- ESSERE	Union County- CARES	CRRSA- ESSERII	Perkins Secondary
REVENUES:							
State sources	\$ 508,303	\$ 959,476	\$ 13,488	\$ 159,006	\$ 358,550	\$ 853,417	\$ 37,036
Federal sources							
Other sources							
Total revenues	\$ 508,303	\$ 959,476	\$ 13,488	\$ 159,006	\$ 358,550	\$ 853,417	\$ 37,036
EXPENDITURES:							
Instruction:							
Salaries of teachers	\$	\$	\$	\$	\$	\$	\$
Other Salaries for Instruction							8,613
Purchased professional and technical services							
Other purchased services							
Tuition							
General supplies	508,303	959,476	13,488	130,424		496,957	17,569
Textbooks							
Other objects							3,463
Total instruction	\$ 508,303	\$ 959,476	\$ 13,488	\$ 130,424	\$	\$ 496,957	\$ 29,645
Support services:							
Salaries	\$	\$	\$	\$	\$	\$	\$ 4,502
Salaries of Supervisors of Instruction							
Salaries of Principals/Program Directors							
Salaries of Other Professional Staff							2,301
Salaries of Secretarial and Clerical Assistants							
Salaries of Family/Parent Liason and Parent Specialists							
Salaries of Master Teachers						54,900	
Purchased professional and technical services				7,958			
Purchased professional educational services							
Personal services - employee benefits							588
Other purchased services							
Supplies and materials				20,624	358,550		
Scholarships							
Student Activities							
Other objects							
Total support services	\$	\$	\$	\$ 28,582	\$ 358,550	\$ 54,900	\$ 7,391
Facilities acquisition and construction services:							
Instructional Equipment						301,560	
Total facilities acquisition and construction services:	\$	\$	\$	\$	\$	\$ 301,560	\$
Total expenditures	\$ 508,303	\$ 959,476	\$ 13,488	\$ 159,006	\$ 358,550	\$ 853,417	\$ 37,036
Other financing sources (uses):							
Transfer from general fund							
Total other financing sources (uses)	\$	\$	\$	\$	\$	\$	\$
Excess (deficiency) of revenues Over (under) expenditures							
Fund Balance, July 1 (as restated)	\$	\$	\$	\$	\$	\$	\$
Fund Balance, June 30	\$	\$	\$	\$	\$	\$	\$

TOWNSHIP OF UNION SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Nonpublic Textbooks	Nonpublic Security	Nonpublic Nursing	Ch. 192 Compensatory Education	Ch. 192 Transportation	Ch. 193 Supplemental Instruction
REVENUES:						
State sources	\$ 19,235 \$	2,780 \$	29,127 \$	67,495 \$	7,500 \$	8,984
Federal sources						
Other sources						
Total revenues	\$ 19,235 \$	2,780 \$	29,127 \$	67,495 \$	7,500 \$	8,984
EXPENDITURES:						
Instruction:						
Salaries of teachers	\$	\$	\$	\$	\$	\$
Other Salaries for Instruction						
Purchased professional and technical services				67,495	7,500	8,984
Other purchased services						
Tuition						
General supplies						
Textbooks	19,235					
Other objects						
Total instruction	\$ 19,235 \$	\$	\$	67,495 \$	7,500 \$	8,984
Support services:						
Salaries	\$	\$	\$	\$	\$	\$
Salaries of Supervisors of Instruction						
Salaries of Principals/Program Directors						
Salaries of Other Professional Staff						
Salaries of Secretarial and Clerical Assistants						
Salaries of Family/Parent Liason and Parent Specialists						
Salaries of Master Teachers						
Purchased professional and technical services			29,127			
Purchased professional educational services						
Personal services - employee benefits						
Other purchased services						
Supplies and materials		2,780				
Scholarships						
Student Activities						
Other objects						
Total support services	\$ 2,780 \$	\$	29,127 \$	\$	\$	\$
Facilities acquisition and construction services:						
Instructional Equipment						
Total facilities acquisition and construction services:	\$	\$	\$	\$	\$	\$
Total expenditures	\$ 19,235 \$	2,780 \$	29,127 \$	67,495 \$	7,500 \$	8,984
Other financing sources (uses):						
Transfer from general fund						
Total other financing sources (uses)	\$	\$	\$	\$	\$	\$
Excess (deficiency) of revenues Over (under) expenditures						
Fund Balance, July 1 (as restated)	\$	\$	\$	\$	\$	\$
Fund Balance, June 30	\$	\$	\$	\$	\$	\$

TOWNSHIP OF UNION SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Ch. 193 Examination & Classification	Ch. 193 Corrective Speech	Student Activity Funds	Scholarship Funds	Preschool Education Aid	Other Local Programs	TOTAL 2021
REVENUES:							
State sources	\$ 19,312	\$ 7,382	\$	\$	\$ 3,076,867	\$	\$ 3,238,682
Federal sources				70,000		71,520	5,917,473
Other sources			343,648				485,168
Total revenues	\$ 19,312	\$ 7,382	\$ 343,648	\$ 70,000	\$ 3,076,867	\$ 71,520	\$ 9,641,323
EXPENDITURES:							
Instruction:							
Salaries of teachers	\$	\$	\$	\$	1,250,721	600	1,754,623
Other Salaries for Instruction					513,643		513,643
Purchased professional & technical services	19,312	7,382					119,286
Other purchased services							6,131
Tuition							1,894,533
General supplies					130,868		2,466,128
Textbooks							19,235
Other objects						10,512	13,975
Total instruction	\$ 19,312	\$ 7,382	\$	\$	\$ 1,895,232	\$ 11,112	\$ 6,787,554
Support services:							
Salaries	\$	\$	\$	\$	48,036	\$	58,502
Salaries of Supervisors of Instruction					55,834		48,036
Salaries of Principals/Program Directors					80,458		123,402
Salaries of Other Professional Staff					60,607		83,778
Salaries of Secretarial and Clerical Assistants					78,566		74,386
Salaries of Family/Parent Liason and Parent Specialists					187,349		78,566
Salaries of Master Teachers					6,634		187,349
Purchased professional and technical services					876,014		193,126
Purchased professional educational services							11,760
Personal services - employee benefits							1,031,083
Other purchased services							17,230
Supplies and materials					13,638		396,386
Scholarships				39,390			39,390
Student Activities		447,419					447,419
Other objects					19,335		19,385
Total support services	\$	\$ 447,419	\$	\$ 39,390	\$ 1,426,471	\$	\$ 2,809,797
Facilities acquisition & construction services:							
Instructional Equipment	\$	\$	\$	\$	25,746	60,408	387,714
Total facilities acquisition & construction services	\$	\$	\$	\$	\$ 25,746	\$ 60,408	\$ 387,714
Total expenditures	\$ 19,312	\$ 7,382	\$ 447,419	\$ 39,390	\$ 3,347,449	\$ 71,520	\$ 9,985,086
Other financing sources (uses):							
Transfer from general fund	\$	\$	\$	\$	270,582	\$	270,582
Total other financing sources (uses)	\$	\$	\$	\$	\$ 270,582	\$	\$ 270,582
Excess (deficiency) of revenues Over (under) expenditures	\$	\$	(103,770)	\$ 30,610	\$	\$	(73,161)
Fund Balance, July 1 (as restated)	\$	\$	\$ 413,138	\$ 256,095	\$	\$	\$ 669,233
Fund Balance, June 30	\$	\$	\$ 309,367	\$ 286,704	\$	\$	\$ 596,072

TOWNSHIP OF UNION SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>BALANCE</u> <u>JULY 1, 2020</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2021</u>
ASSETS:				
Cash and cash equivalents	\$ 413,138	\$ 343,648	\$ 447,419	\$ 309,367
Total assets	<u>\$ 413,138</u>	<u>\$ 343,648</u>	<u>\$ 447,419</u>	<u>\$ 309,367</u>
LIABILITIES:				
Due student groups:				
Senior High School:				
Union Township High school activities	\$ 217,051	\$ 233,215	\$ 257,542	\$ 192,724
Athletic Account	89,448	38,669	106,687	21,429
Junior High School:				
Burnett	29,825	5,027	14,118	20,735
Kawameeh	56,125	59,161	62,856	52,430
Elementary Schools:				
Battle Hill	3,496	452	699	3,249
Central Five - Jefferson	224	525	525	224
Connecticut Farms	2,427	366	325	2,469
Franklin	520	375		895
Hannah Caldwell	4,830	402	600	4,633
Livingston	4,803	1,989	972	5,820
Washington	4,389	3,466	3,095	4,760
Total liabilities	<u>\$ 413,138</u>	<u>\$ 343,648</u>	<u>\$ 447,419</u>	<u>\$ 309,367</u>

TOWNSHIP OF UNION SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers			
Salaries of Teachers	\$1,618,036	\$1,250,721	\$367,315
Other Salaries for Instruction	548,980	513,643	35,337
Purchased Professional - Educational Services			
Other Purchased Services (400-500 Series)			
General supplies	<u>164,100</u>	<u>130,868</u>	<u>33,232</u>
Textbooks			
Other Objects			
Other Objects			
Total instruction	<u>2,331,116</u>	<u>1,895,232</u>	<u>435,884</u>
Support Services:			
Salaries of Supervisors of Instruction	64,568	48,036	16,532
Salaries of Principals	58,467	55,834	2,632
Salaries of Other Professional Staff	82,783	80,458	2,325
Salaries of Secretarial and Clerical Assistants	60,607	60,607	
Other Salaries	75		75
Salaries of Community Parent Involvement Specialists	78,566	78,566	
Salaries of Master Teachers	188,668	187,349	1,319
Personal Services - Employee Benefits	886,988	876,014	10,974
Purchased Educational Services - Contracted Pre-K			
Purchased Professional - Educational Services			
Other Purchased Professional Services	80,000	6,634	73,366
Purchased Technical Services			
Travel			
Other Purchased Services (400-500 series)			
Supplies and Materials	74,500	13,638	60,862
Other Objects	<u>29,192</u>	<u>19,335</u>	<u>9,857</u>
Total support services	<u>1,604,414</u>	<u>1,426,471</u>	<u>177,943</u>
Facilities acquisition and const. serv.:			
Instructional Equipment	122,913	25,746	97,167
Noninstructional Equipment	<u>81,512</u>		<u>81,512</u>
Total facilities acquisition and const. serv.	<u>204,425</u>	<u>25,746</u>	<u>178,679</u>
Total expenditures	<u>\$4,139,955</u>	<u>\$3,347,449</u>	<u>\$792,506</u>

CALCULATION OF BUDGET AND CARRYOVER

Total 2020-21 Preschool Education Aid Allocation	\$3,733,788
Add: Actual PreK Carryover (June 30, 2020)	465,297
Add: Budgeted Transfer From General Fund	<u>270,582</u>
Total Preschool Education Funds Available for 2020-21 Budget	\$4,469,667
Less: 2020-21 Budgeted Prek (Including prior year budgeted carryover)	<u>4,139,955</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2021	\$329,712
Add: June 30, 2021 Unexpended Preschool Education Aid	<u>792,506</u>
2020-21 actual Carryover-Preschool Education Aid	<u>\$1,122,218</u>
2020-21 Preschool Education Aid Carryover Budgeted for Preschool Programs 2021-22	<u>\$329,711</u>

CAPITAL PROJECTS FUND DETAIL STATEMENTS

TOWNSHIP OF UNION SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

<u>ISSUE/PROJECT TITLE</u>	<u>REVISED</u> <u>AUTHORIZED COST</u>	<u>EXPENDITURES TO DATE</u> <u>PRIOR YEAR(S)</u>	<u>CURRENT YEAR</u>	<u>UNEXPENDED</u> <u>BALANCE</u> <u>JUNE 30, 2021</u>
District-Wide Door Replacement	\$ 434,263	\$ 328,670	\$ 63,896	\$ 41,697
District-Wide Upgrades - FY 2020	231,000	183,991	13,260	33,749
District-Wide Upgrades - FY 2021	330,000		210,795	119,205
Energy Savings Improvement Program - Phase I	9,056,654		1,827,288	7,229,366
Energy Savings Improvement Program - Phase II	5,894,013			5,894,013
	<u>\$ 15,945,930</u>	<u>\$ 512,661</u>	<u>\$ 2,115,239</u>	<u>\$ 13,318,030</u>

TOWNSHIP OF UNION SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

<u>Revenues and financing sources:</u>	
Bond Proceeds	\$ 14,950,667
Capital Outlay transfer to Capital Projects	<u>330,000</u>
Total revenues and financing sources	\$ <u>15,280,667</u>
<u>Expenditures and financing uses:</u>	
Purchased professional and technical services	\$ 217,375
Construction services	<u>1,897,864</u>
Total expenditures and Transfers	\$ <u>2,115,239</u>
Excess (deficiency) of revenues over (under) expenditures	\$ <u>13,165,428</u>
Net change in fund balances	\$ 13,165,428
Fund balance - beginning	<u>152,602</u>
Fund balance - ending	\$ <u><u>13,318,030</u></u>
<u>Recapitulation of Fund Balance</u>	
Committed:	
Year-end encumbrances	\$ 12,398,743
Restricted:	
Capital projects	<u>919,287</u>
Fund balance - GAAP basis (exhibit B-1)	\$ <u><u>13,318,030</u></u>

TOWNSHIP OF UNION SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS - BUDGETARY BASIS
DISTRICT-WIDE DOOR REPLACEMENT
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Capital Outlay Transfer	\$ 434,263	\$	\$ 434,263	\$ 434,263
Total revenues	<u>\$ 434,263</u>	<u>\$</u>	<u>\$ 434,263</u>	<u>\$ 434,263</u>
Expenditures and Other Financing Uses				
Purchased professional & technical services	\$ 24,950	\$	\$ 24,950	\$ 24,950
Construction services	303,720	63,896	367,616	409,313
Total expenditures	<u>\$ 328,670</u>	<u>\$ 63,896</u>	<u>\$ 392,566</u>	<u>\$ 434,263</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 105,593</u>	<u>\$ (63,896)</u>	<u>41,697</u>	
Additional project information:				
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Original Authorized Cost	303,000			
Additional Authorized Cost	131,263			
Revised Authorized Cost	434,263			
Percentage Increase over Original Authorized Cost	43%			
Percentage completion	90%			
Original target completion date	12/1/2019			
Revised target completion date	6/30/2021			

TOWNSHIP OF UNION SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS - BUDGETARY BASIS
DISTRICT-WIDE UPGRADES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Capital Outlay Transfer	\$ 231,000	\$	\$ 231,000	\$ 231,000
Total revenues	<u>\$ 231,000</u>	<u>\$</u>	<u>\$ 231,000</u>	<u>\$ 231,000</u>
Expenditures and Other Financing Uses				
Purchased professional & technical services	\$	\$	\$	\$ 21,000
Construction services	149,991	13,260	163,251	176,000
Transfer to general fund	34,000		34,000	34,000
Total expenditures	<u>\$ 183,991</u>	<u>\$ 13,260</u>	<u>\$ 197,251</u>	<u>\$ 231,000</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 47,009</u>	<u>\$ (13,260)</u>	<u>\$ 33,749</u>	
Additional project information:				
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Original Authorized Cost	231,000			
Additional Authorized Cost				
Revised Authorized Cost	231,000			
Percentage Increase over Original Authorized Cost				
Percentage completion	85%			
Original target completion date	6/30/2021			
Revised target completion date				

TOWNSHIP OF UNION SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS - BUDGETARY BASIS
DISTRICT-WIDE UPGRADES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Capital Outlay Transfer	\$ _____	\$ 330,000	\$ 330,000	\$ 330,000
Total revenues	\$ _____	\$ 330,000	\$ 330,000	\$ 330,000
Expenditures and Other Financing Uses				
Construction services	\$ _____	\$ 210,795	\$ 210,795	\$ 330,000
Total expenditures	\$ _____	\$ 210,795	\$ 210,795	\$ 330,000
Excess (deficiency) or revenues over (under) expenditures	\$ _____	\$ 119,205	\$ 119,205	
Additional project information:				
Grant Date	N/A			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Original Authorized Cost	330,000			
Additional Authorized Cost				
Revised Authorized Cost	330,000			
Percentage completion	64%			
Original target completion date	6/30/2022			
Revised target completion date				

TOWNSHIP OF UNION SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS - BUDGETARY BASIS
ENERGY SAVINGS IMPROVEMENT PROGRAM - PHASE I

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds	\$ _____	\$ 9,056,654	\$ 9,056,654	\$ 9,056,654
Total revenues	\$ _____	\$ 9,056,654	\$ 9,056,654	\$ 9,056,654
Expenditures and Other Financing Uses				
Purchased professional & technical services	\$ _____	\$ 217,375	\$ 217,375	\$ 816,696
Construction services	\$ _____	1,609,913	1,609,913	8,239,958
Total expenditures	\$ _____	\$ 1,827,288	\$ 1,827,288	\$ 9,056,654
Excess (deficiency) or revenues over (under) expenditures	\$ _____	\$ 7,229,366	\$ 7,229,366	
Additional project information:				
Grant Date	N/A			
Bond Authorization Date	12/17/2020			
Bonds Authorized	7,555,000			
Bonds Issued	7,555,000			
SCC Amount				
Local Share				
Original Authorized Cost	9,056,654			
Additional Authorized Cost				
Revised Authorized Cost	9,056,654			
Percentage Increase over Original Authorized Cost				
Percentage completion	20%			
Original target completion date	6/30/2022			
Revised target completion date				

TOWNSHIP OF UNION SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS - BUDGETARY BASIS
ENERGY SAVINGS IMPROVEMENT PROGRAM - PHASE II

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds	\$ _____	\$ 5,894,013	\$ 5,894,013	\$ 5,894,013
Total revenues	\$ _____	\$ 5,894,013	\$ 5,894,013	\$ 5,894,013
Expenditures and Other Financing Uses				
Purchased professional & technical services	\$ _____	\$ _____	\$ _____	\$ 270,105
Construction services	\$ _____	\$ _____	\$ _____	5,623,908
Total expenditures	\$ _____	\$ _____	\$ _____	\$ 5,894,013
Excess (deficiency) or revenues over (under) expenditures	\$ _____	\$ 5,894,013	\$ 5,894,013	
Additional project information:				
Grant Date	N/A			
Bond Authorization Date	4/15/2021			
Bonds Authorized	5,035,000			
Bonds Issued	5,035,000			
SCC Amount				
Local Share				
Original Authorized Cost	5,894,013			
Additional Authorized Cost				
Revised Authorized Cost	5,894,013			
Percentage Increase over Original Authorized Cost				
Percentage completion				
Original target completion date	6/30/2022			
Revised target completion date				

LONG-TERM DEBT SCHEDULES

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

TOWNSHIP OF UNION SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2021

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES DATE	ANNUAL MATURITIES AMOUNT	INTEREST RATE	BALANCE		ISSUED	RETIRED	BALANCE JUNE 30, 2021
						JUNE 30, 2020	JUNE 30, 2021			
Refunding School Bonds - Series 2010	11/10/2010	\$ 20,175,000	8/15/2021	\$ 1,310,000	4.000%	\$ 11,095,000	\$	\$	9,785,000	\$ 1,310,000
School Bonds - Series 2011	9/8/2011	6,712,000				4,502,000			4,502,000	
Refunding School Bonds 2015	1/15/2015	4,280,000	1/1/2022	590,000	4.000%				560,000	1,210,000
			1/1/2023	620,000	4.000%	1,770,000				
Refunding School Bonds - Series 2020	10/13/2020	3,795,000	1/1/2022	300,000	4.000%					
			1/1/2023	320,000	4.000%					
			1/1/2024	325,000	4.000%					
			1/1/2025	335,000	4.000%					
			1/1/2026	335,000	4.000%					
			1/1/2027	350,000	4.000%					
			1/1/2028	360,000	4.000%					
			1/1/2029	365,000	4.000%					
			1/1/2030	370,000	4.000%					
			1/1/2031	370,000	4.000%					
			1/1/2032	365,000	4.000%			3,795,000		3,795,000
School Energy Savings Obligation Refunding Bonds - Series 2020	12/17/2020	7,555,000	8/15/2021	280,000	4.000%					
			8/15/2022	215,000	4.000%					
			8/15/2023	215,000	4.000%					
			8/15/2024	270,000	4.000%					
			8/15/2025	290,000	4.000%					
			8/15/2026	230,000	4.000%					
			8/15/2027	250,000	4.000%					
			8/15/2028	270,000	4.000%					
			8/15/2029	295,000	4.000%					
			8/15/2030	320,000	4.000%					
			8/15/2031	350,000	4.000%					
			8/15/2032	380,000	4.000%					
			8/15/2033	410,000	4.000%					
			8/15/2034	440,000	4.000%					
			8/15/2035	470,000	4.000%					
			8/15/2036	500,000	4.000%					
			8/15/2037	535,000	4.000%					
			8/15/2038	575,000	4.000%					
			8/15/2039	610,000	4.000%					
			8/15/2040	650,000	4.000%			7,555,000		7,555,000

TOWNSHIP OF UNION SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2021

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JUNE 30, 2020	ISSUED	RETIRED	BALANCE JUNE 30, 2021
			DATE	AMOUNT					
School Energy Savings Obligation Refunding Bonds - Series 2021	4/15/2021	\$ 5,035,000	4/15/2023	\$ 370,000	4.000%				
			4/15/2024	210,000	4.000%				
			4/15/2025	225,000	4.000%				
			4/15/2026	240,000	4.000%				
			4/15/2027	260,000	4.000%				
			4/15/2028	275,000	4.000%				
			4/15/2029	295,000	4.000%				
			4/15/2030	315,000	4.000%				
			4/15/2031	335,000	4.000%				
			4/15/2032	360,000	4.000%				
			4/15/2033	380,000	4.000%				
			4/15/2034	405,000	4.000%				
			4/15/2035	430,000	4.000%				
			4/15/2036	455,000	4.000%				
		4/15/2037	480,000	4.000%					
						\$ 5,035,000		\$ 5,035,000	
Refunding School Bonds - Series 2021	5/18/2021	7,450,000	1/1/2023	1,110,000	5.000%				
			1/1/2024	1,105,000	5.000%				
			1/1/2025	1,100,000	5.000%				
			1/1/2026	1,045,000	5.000%				
			1/1/2027	1,045,000	5.000%				
			1/1/2028	1,035,000	5.000%				
		1/1/2029	1,010,000	5.000%		7,450,000		7,450,000	
						\$ 17,367,000	\$ 23,835,000	\$ 14,847,000	\$ 26,355,000

Paid	\$ 2,215,000
Refunded	11,245,000
Deceased	1,387,000
	<u>\$ 14,847,000</u>

TOWNSHIP OF UNION SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

<u>PURPOSE</u>	<u>DATE OF LEASE</u>	<u>TERM OF LEASE</u>	<u>AMOUNT OF ORIGINAL LEASE PRINCIPAL</u>	<u>INTEREST RATE PAYABLE</u>	<u>BALANCE JULY 1, 2020</u>	<u>ISSUED</u>	<u>RETIRED</u>	<u>BALANCE JUNE 30, 2021</u>
Buses	8/30/2018	5	224,547	3.46%	\$ 112,532	\$	55,310	\$ 57,222
Radios	7/1/2018	5	447,704	2.88%	181,514		89,469	92,045
Buses	11/5/2019	5	297,324	2.77%	234,499		56,244	178,254
Computers	5/15/2020	3	750,000	1.41%	496,481		246,497	249,984
Buses	10/15/2020	5	268,750	1.56%		268,750	59,263	209,487
					\$ 1,025,026	\$ 268,750	\$ 506,784	\$ 786,992

TOWNSHIP OF UNION SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES:				
Local sources:				
Local tax levy	\$ 2,689,483	\$ 2,689,483	\$ 2,689,483	\$
State sources:				
Debt service aid type II	115,167	115,167	115,167	
Total revenues	<u>\$ 2,804,650</u>	<u>\$ 2,804,650</u>	<u>\$ 2,804,650</u>	<u>\$</u>
EXPENDITURES:				
Regular debt service:				
Interest on bonds	\$ 589,650	\$ 589,650	\$ 552,305	\$ 37,345
Redemption of bond principal	2,215,000	2,215,000	2,215,000	
Total regular debt service-expenditures	<u>\$ 2,804,650</u>	<u>\$ 2,804,650</u>	<u>\$ 2,767,305</u>	<u>\$ 37,345</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$</u>	<u>\$</u>	<u>\$ 37,345</u>	<u>\$ 37,345</u>
Fund balance, July 1				
Fund balance, June 30	<u>\$</u>	<u>\$</u>	<u>\$ 37,345</u>	<u>\$ 37,345</u>

STATISTICAL SECTION
(UNAUDITED)

TOWNSHIP OF UNION SCHOOL DISTRICT
STATISTICAL SECTION

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

Sources

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

TOWNSHIP OF UNION SCHOOL DISTRICT
NET POSITION BY COMPONENT
UNAUDITED

	Fiscal Year Ending June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental activities										
Net investment in capital assets	\$ 57,671,651	\$ 73,459,183	\$ 74,076,190	\$ 74,901,201	\$ 69,521,056	\$ 66,817,323	\$ 66,419,122	\$ 48,844,016	\$ 46,148,044	\$ 35,319,295
Restricted	21,913,373	10,289,802	5,405,186	5,156,593	16,685,083	21,523,970	26,714,466	27,872,924	29,289,218	36,160,171
Unrestricted (deficit)	(43,806,416)	(48,159,338)	(46,626,549)	(45,053,851)	(42,540,373)	(36,583,405)	(39,152,868)	(4,259,726)	(3,786,510)	(3,739,077)
Total governmental activities net position	\$ 35,778,608	\$ 35,589,647	\$ 32,854,827	\$ 35,003,943	\$ 43,665,766	\$ 51,757,888	\$ 53,980,720	\$ 72,457,214	\$ 71,650,752	\$ 67,740,389
Business-type activities										
Net investment in capital assets	\$ 776,039	\$ 818,105	\$ 812,620	\$ 823,161	\$ 819,426	\$ 879,360	\$ 840,238	\$ 918,049	\$ 722,552	\$ 224,930
Unrestricted	803,842	153,188	303,752	452,546	504,928	1,336,305	1,413,476	1,237,267	1,514,079	2,113,754
Total business-type activities net position	\$ 1,579,881	\$ 971,263	\$ 1,116,372	\$ 1,275,707	\$ 1,324,354	\$ 2,215,665	\$ 2,253,714	\$ 2,155,316	\$ 2,236,631	\$ 2,338,684
District-wide										
Net investment in capital assets	\$ 58,447,690	\$ 74,277,288	\$ 74,888,810	\$ 75,724,362	\$ 70,340,482	\$ 67,696,683	\$ 67,259,360	\$ 49,762,065	\$ 46,870,596	\$ 35,544,225
Restricted	21,913,373	10,289,802	5,405,186	5,156,593	16,685,083	21,523,970	26,714,466	27,872,924	29,289,218	36,160,171
Unrestricted (deficit)	(43,002,574)	(48,006,180)	(46,322,797)	(44,601,305)	(42,035,445)	(35,247,100)	(37,739,392)	(3,022,459)	(2,272,431)	(1,625,323)
Total district net position	\$ 37,358,489	\$ 36,560,910	\$ 33,971,199	\$ 36,279,650	\$ 44,990,120	\$ 53,973,553	\$ 56,234,434	\$ 74,612,530	\$ 73,887,383	\$ 70,079,073

Source: ACFR Schedule A-1

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

	Fiscal Year Ending June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
EXPENSES										
Governmental activities										
Instruction										
Regular	\$ 80,258,951	\$ 68,991,187	\$ 71,649,152	\$ 77,805,228	\$ 79,393,892	\$ 70,648,204	\$ 60,751,603	\$ 53,776,650	\$ 52,466,604	\$ 52,217,721
Special education	\$ 33,583,913	\$ 30,123,608	\$ 19,878,494	\$ 21,311,083	\$ 21,277,414	\$ 18,918,112	\$ 14,052,549	\$ 11,932,208	\$ 11,548,982	\$ 10,797,298
Other instruction	\$ 7,124,470	\$ 6,672,430	\$ 5,988,480	\$ 8,380,690	\$ 8,016,714	\$ 7,428,413	\$ 5,990,569	\$ 5,089,451	\$ 5,143,017	\$ 4,436,423
Support Services:										
Tuition										
Student & instruction related services	\$ 29,360,033	\$ 26,188,636	\$ 13,218,157	\$ 12,670,283	\$ 10,198,341	\$ 8,946,007	\$ 7,596,460	\$ 7,577,508	\$ 7,639,508	\$ 7,837,710
General administrative services	\$ 2,950,266	\$ 3,286,800	\$ 22,601,372	\$ 24,400,356	\$ 19,753,092	\$ 17,763,555	\$ 19,628,392	\$ 17,095,022	\$ 16,489,731	\$ 14,636,548
School administrative services	\$ 9,770,728	\$ 8,700,031	\$ 7,561,387	\$ 7,412,288	\$ 6,602,185	\$ 6,919,671	\$ 8,639,564	\$ 7,571,482	\$ 7,652,111	\$ 7,544,966
Central services and information technology	\$ 1,883,434	\$ 2,223,623	\$ 3,386,269	\$ 3,330,408	\$ 2,715,148	\$ 2,044,175	\$ 8,639,564	\$ 7,571,482	\$ 7,652,111	\$ 7,544,966
Plant operations and maintenance	\$ 11,390,575	\$ 11,313,235	\$ 12,359,449	\$ 13,764,466	\$ 13,091,671	\$ 11,532,667	\$ 14,374,411	\$ 13,550,684	\$ 12,385,363	\$ 10,221,600
Student transportation services	\$ 10,346,252	\$ 7,697,206	\$ 8,059,568	\$ 7,956,901	\$ 7,555,417	\$ 5,943,785	\$ 7,718,450	\$ 6,629,300	\$ 6,340,912	\$ 5,003,000
Interest on long-term debt	\$ 605,758	\$ 635,170	\$ 719,095	\$ 798,995	\$ 1,037,076	\$ 814,673	\$ 1,155,993	\$ 1,149,619	\$ 1,214,817	\$ 1,244,639
Capital Outlay			\$ 928,733	\$ 712,743	\$ 481,027	\$ 379,000				
Unallocated amortization			\$ 1,603,755	\$ 101,460	\$ 74,805	\$ 951,182				
Unallocated depreciation	\$ 154,045	\$ 80,876					\$ 63,625	\$ 63,625	\$ 63,625	\$ 63,625
Total governmental activities expenses	\$ 187,428,424	\$ 165,912,803	\$ 170,976,724	\$ 181,760,269	\$ 174,591,291	\$ 155,067,418	\$ 143,637,743	\$ 127,721,783	\$ 124,184,593	\$ 116,912,423
Business-type activities:										
Food Service	\$ 2,089,975	\$ 2,752,023	\$ 3,309,698	\$ 3,303,360	\$ 3,342,381	\$ 3,256,197	\$ 2,973,746	\$ 3,186,555	\$ 3,036,046	\$ 3,131,227
Total business-type activities expense	\$ 2,089,975	\$ 2,752,023	\$ 3,309,698	\$ 3,303,360	\$ 3,342,381	\$ 3,256,197	\$ 2,973,746	\$ 3,186,555	\$ 3,036,046	\$ 3,131,227
Total district expenses	\$ 189,518,399	\$ 168,664,826	\$ 174,286,422	\$ 185,063,629	\$ 177,933,672	\$ 158,323,615	\$ 146,611,489	\$ 130,908,338	\$ 127,220,639	\$ 120,043,650
PROGRAM REVENUES										
Governmental activities:										
Charges for services	\$ 343,648	\$ 37,827,972	\$ 221,780	\$ 191,385	\$ 113,032	\$ 150,214	\$ 22,660,690	\$ 9,610,490	\$ 11,261,352	\$ 8,705,420
Operating grants and contributions	\$ 55,799,281	\$ 37,827,972	\$ 48,688,313	\$ 53,491,509	\$ 48,459,115	\$ 36,896,315	\$ 22,660,690	\$ 9,610,490	\$ 11,261,352	\$ 8,705,420
Total governmental activities program revenues	\$ 56,142,929	\$ 37,827,972	\$ 48,911,093	\$ 53,682,894	\$ 48,572,147	\$ 37,046,529	\$ 22,660,690	\$ 9,610,490	\$ 11,261,352	\$ 8,705,420
Business-type activities:										
Charges for services	\$ 9,877	\$ 1,173,002	\$ 1,429,670	\$ 1,521,825	\$ 1,630,647	\$ 1,617,053	\$ 1,570,430	\$ 1,612,301	\$ 1,533,692	\$ 1,607,621
Food Service	\$ 2,606,690	\$ 1,428,421	\$ 1,712,479	\$ 1,727,977	\$ 1,679,296	\$ 1,597,231	\$ 1,499,038	\$ 1,488,765	\$ 1,396,897	\$ 1,446,136
Operating grants and contributions	\$ 2,616,567	\$ 2,601,423	\$ 3,142,149	\$ 3,249,802	\$ 3,309,943	\$ 3,214,284	\$ 3,069,468	\$ 3,101,066	\$ 2,930,589	\$ 3,053,757
Total business-type activities program revenues	\$ 58,759,495	\$ 40,429,395	\$ 52,053,242	\$ 56,932,696	\$ 51,882,090	\$ 40,260,813	\$ 25,730,158	\$ 12,711,556	\$ 14,191,941	\$ 11,759,177
Total district program revenues	\$ 114,902,424	\$ 78,257,367	\$ 100,964,335	\$ 110,615,590	\$ 100,454,237	\$ 77,307,342	\$ 48,390,848	\$ 22,322,040	\$ 25,453,294	\$ 19,464,597

TOWNSHIP OF UNION SCHOOL DISTRICT
CHANGES IN NET POSITION
UNAUDITED

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
NET (EXPENSE)/REVENUE										
Governmental activities	\$ (131,285,496)	\$ (128,084,831)	\$ (122,065,631)	\$ (128,077,375)	\$ (126,019,144)	\$ (118,020,889)	\$ (120,977,053)	\$ (118,111,293)	\$ (112,923,241)	\$ (105,207,003)
Business-type activities	526,592	(150,600)	(167,549)	(53,558)	(32,438)	(41,913)	95,722	(85,489)	(105,457)	(77,470)
Total district-wide net expense	\$ (130,758,904)	\$ (128,235,430)	\$ (122,233,180)	\$ (128,130,933)	\$ (126,051,582)	\$ (118,062,802)	\$ (120,881,331)	\$ (118,196,782)	\$ (113,028,698)	\$ (108,284,473)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 93,403,084	\$ 91,571,651	\$ 89,776,128	\$ 87,700,754	\$ 85,981,132	\$ 84,295,227	\$ 81,661,987	\$ 80,060,772	\$ 78,490,953	\$ 76,951,915
Taxes levied for debt service	2,689,483	2,749,240	2,767,366	2,808,184	2,814,225	2,790,533	2,828,639	2,858,913	2,603,922	2,407,988
Grants and contributions	35,253,115	33,682,659	26,513,994	28,340,927	27,779,891	28,061,549	36,395,653	35,445,395	35,057,716	34,198,245
Miscellaneous income	41,977	546,648	859,027	565,687	458,834	630,748	701,969	681,970	746,530	761,657
Transfers	(129,165)				892,940			(1,095)		
Special items										(4,709)
Total governmental activities	\$ 131,258,494	\$ 128,550,198	\$ 119,916,515	\$ 119,415,552	\$ 117,927,022	\$ 115,798,057	\$ 121,588,248	\$ 119,045,955	\$ 116,899,121	\$ 114,315,096
Business-type activities:										
Miscellaneous income	81,065	5,490	8,214	4,911	7,757	3,864	2,676	3,079	3,404	4,935
Transfers					(866,630)			1,095		
Total business-type activities	\$ 82,026	\$ 5,490	\$ 8,214	\$ 4,911	\$ (858,873)	\$ 3,864	\$ 2,676	\$ 4,174	\$ 3,404	\$ 4,935
Total district-wide	\$ 131,340,521	\$ 128,555,689	\$ 119,924,729	\$ 119,420,463	\$ 117,068,149	\$ 115,801,921	\$ 121,590,924	\$ 119,050,129	\$ 116,902,525	\$ 114,320,031
CHANGE IN NET POSITION										
Governmental activities	\$ (27,001)	\$ 465,367	\$ (2,149,116)	\$ (8,661,823)	\$ (8,092,122)	\$ (2,222,832)	\$ 611,195	\$ 934,662	\$ 3,975,880	\$ 6,108,093
Business-type activities	608,618	(145,109)	(159,335)	(48,647)	(891,311)	(38,049)	98,398	(81,315)	(102,053)	(72,539)
Total district	\$ 581,617	\$ 320,258	\$ (2,308,451)	\$ (8,710,470)	\$ (8,983,433)	\$ (2,260,881)	\$ 709,593	\$ 853,347	\$ 3,873,827	\$ 6,035,558

Source: ACFR Schedule A-2

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Fund										
Restricted	\$ 7,403,532	\$ 5,776,248	\$ 4,775,182	\$ 5,106,228	\$ 16,618,331	\$ 16,283,943	\$ 11,329,281	\$ 16,008,626	\$ 13,184,065	\$ 11,830,414
Committed										
Assigned	595,739	2,517,598	1,174,609	865,930	1,094,429	2,563,838	7,066,626	4,914,537	6,208,928	8,120,050
Unassigned	3,961,507	202,065	189,457	525,976	353,566		43,823	14,632	2,216,935	(73,645)
Total general fund	\$ 11,960,778	\$ 8,495,911	\$ 6,139,248	\$ 6,498,134	\$ 18,066,326	\$ 18,847,781	\$ 18,439,730	\$ 20,937,795	\$ 21,609,928	\$ 19,876,819
All Other Governmental Funds										
Restricted	\$ 1,552,705	\$ 57,998	\$	\$ 50,365	\$ 66,752	\$ 5,240,027	\$ 6,254,300	\$ 4,879,239	\$ 5,027,577	\$ 5,387,536
Committed	12,398,743		630,004	428,768	557,404	326,388				
Assigned		94,604					970,244	1,102,566	2,142,872	10,479,039
Unassigned/(Deficit)	(373,386)	(316,047)	(229,318)							
Total all other governmental funds	\$ 13,578,062	\$ (163,445)	\$ 400,686	\$ 479,133	\$ 624,156	\$ 5,566,415	\$ 7,224,544	\$ 5,981,805	\$ 7,170,449	\$ 15,866,575

Source: ACFR Schedule B-1

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues										
Tax levy	\$ 96,092,567	\$ 94,320,891	\$ 92,543,494	\$ 90,508,938	\$ 88,795,357	\$ 87,085,760	\$ 84,490,626	\$ 82,919,685	\$ 81,094,875	\$ 79,359,903
Tuition charges	28,777	52,264								
Interest on capital reserve	10,318	26,011								
Interest on investments	112,895	300,471								
Miscellaneous	689,929	167,902	1,131,157	799,501	631,348	806,283	701,969	681,970	746,530	781,486
State sources	64,404,868	59,276,996	56,824,848	50,901,333	47,736,891	46,495,876	44,421,420	41,756,746	43,263,466	38,360,855
Federal sources	6,257,187	3,274,309	3,468,106	3,039,377	2,900,950	2,915,231	3,041,273	3,299,139	3,055,602	4,518,021
Total revenue	\$ 167,596,541	\$ 157,418,844	\$ 153,967,605	\$ 145,249,149	\$ 140,064,546	\$ 137,303,150	\$ 132,855,288	\$ 128,657,540	\$ 128,160,473	\$ 123,020,265
Expenditures										
Instruction										
Regular instruction	\$ 43,753,120	\$ 41,085,048	\$ 40,808,573	\$ 40,272,135	\$ 39,625,679	\$ 38,667,742	\$ 39,720,263	\$ 39,616,616	\$ 37,929,274	\$ 36,667,485
Special education instruction	12,152,882	11,662,722	9,896,763	10,083,236	9,689,681	9,454,286	9,423,068	8,815,258	8,349,001	7,988,660
Other instruction	3,691,641	3,182,271	3,395,827	4,446,171	4,115,339	4,199,877	3,929,942	3,702,066	3,718,002	3,287,431
Support Services:										
Tuition	11,787,010	12,057,596	13,095,665	12,577,721	11,977,151	10,875,321	7,596,460	7,577,509	7,639,508	7,837,710
Student & instruction related services	16,754,506	16,610,395	15,057,359	14,961,615	13,691,265	13,162,243	13,016,826	12,643,570	11,920,793	11,402,773
General administrative services	2,502,346	2,662,201	2,475,400	2,260,776	2,234,559	2,431,836	2,367,839	2,412,110	2,342,227	2,046,895
School Administrative services	4,795,699	4,867,258	5,226,792	5,440,401	5,284,613	4,891,270	5,571,724	5,505,959	5,531,881	5,300,083
Central services & administrative tech.	1,799,934	1,861,096	1,264,877	1,192,343	1,069,061	933,813				
Plant operations and maintenance	8,309,086	9,046,000	9,325,469	9,514,488	9,763,807	9,184,486	9,412,268	10,209,772	8,953,655	7,779,988
Student transportation services	9,349,577	6,318,880	6,931,928	6,535,648	6,394,379	5,407,232	5,177,319	4,918,400	4,583,986	4,358,247
Unallocated employee benefits	46,301,437	42,500,948	42,004,997	39,715,639	35,871,544	34,277,386	30,814,981	28,086,371	29,305,655	26,524,349
Capital outlay	3,623,292	1,205,476	2,566,493	7,471,941	4,731,691	2,157,793	3,665,503	3,904,316	11,771,841	8,659,433
Debt service:										
Principal	2,215,000	2,190,000	2,175,000	2,105,000	2,045,000	1,960,000	1,890,000	1,830,000	1,715,000	1,445,000
Interest and other charges	552,305	673,750	757,350	833,250	905,900	949,943	1,105,575	1,167,075	1,297,150	1,091,719
Cost of Issue of Refunding Bonds	144,470									
Charter Schools										
Total expenditures	\$ 167,732,304	\$ 155,923,639	\$ 154,982,493	\$ 157,410,364	\$ 147,399,669	\$ 138,553,228	\$ 133,910,613	\$ 130,517,222	\$ 135,123,490	\$ 125,213,855
Excess (Deficiency) of revenues over (under) expenditures	\$ (135,763)	1,495,205	(1,014,888)	(12,161,215)	(7,335,123)	(1,250,078)	(1,255,325)	(1,859,682)	(6,963,017)	(2,193,590)
Other Financing sources (uses)										
Capital leases (non-budgeted)	268,750	297,324	577,555	448,000	735,144					6,712,000
Refunding Bond Proceeds	23,835,000									
Original Issue Premium, net	4,106,370									
Payment to Refunding Escrow Agent	(12,846,233)									
Transfers in	600,582	553,309	1,140,000	531,834	8,023,766	464,804		(1,095)		1,093,317
Transfers out	(681,647)	(553,309)	(1,140,000)	(531,834)	(7,147,501)	(464,804)		(1,095)		(1,093,317)
Total other financing sources (uses)	\$ 15,282,822	\$ 297,324	\$ 577,555	\$ 448,000	\$ 1,611,409	\$ (464,804)	\$ (1,095)	\$ (1,095)	\$ (6,963,017)	\$ 6,712,000
Net change in fund balances	\$ 15,147,059	\$ 1,792,529	\$ (437,333)	\$ (11,713,215)	\$ (5,723,714)	\$ (1,250,078)	\$ (1,255,325)	\$ (1,860,777)	\$ (6,963,017)	\$ 4,518,410
Debt service as a percentage of noncapital expenditures	1.69%	1.85%	1.92%	1.96%	8.33%	2.13%	2.30%	2.37%	2.44%	2.18%

Source: ACFR Schedule B-2

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

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Tuition</u>	<u>Interest On</u> <u>Investments</u>	<u>Prior Year</u> <u>Refunds</u>	<u>Rentals</u>	<u>Misc.</u>	<u>Total</u>
2021	\$ 28,777	\$ 138,003	\$ 7,762	\$ 659	\$ 209,313	\$ 384,515
2020	52,264	326,482	44,840	22,137	62,987	508,710
2019	171,267	375,004	203,581	37,119	72,875	859,846
2018	191,385	233,431	219,384	39,997	94,836	779,033
2017	113,032	194,943	112,700	32,300	339,718	792,693
2016	150,214	18,592	222,237	33,814	128,689	553,546
2015	136,115	60,683	333,935	42,549	25,936	599,218
2014	236,379	64,473	196,764	52,011	156,260	705,887
2013	189,794	72,732	97,393	58,576	10,597	429,092
2012	239,754	65,601	200,614	89,398	30,202	625,569

Source: District Records

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

Fiscal Year Ended December 31,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Tax Exempt Property	Public Utilities (a)	Net Valuation Taxable	Est. Actual (County Equalized Value)	Total Direct School Tax Rate (b)
2020	\$ 10,273,400	\$ 747,994,200	\$ 192,700,100	\$ 65,813,700	\$ 24,802,300	\$ 1,041,583,700	\$ 208,612,100	\$ 1,380,240	\$ 1,042,963,940	\$ 6,982,288,068	\$ 9.214
2019	7,836,600	745,957,200	190,645,900	66,716,100	23,656,000	1,034,811,800	195,912,900	1,414,534	1,036,226,334	6,701,384,331	9.103
2018	6,086,400	744,964,800	189,266,800	69,478,800	22,773,600	1,032,570,400	196,215,800	1,452,617	1,034,023,017	6,428,188,642	8.950
2017	7,914,100	743,548,000	186,518,100	68,853,900	21,752,900	1,028,587,000	187,830,100	1,482,416	1,030,069,416	6,272,037,939	8.787
2016	8,171,500	741,892,000	188,646,000	70,590,000	20,807,900	1,030,107,400	188,170,200	1,533,331	1,031,640,731	6,032,620,003	8.607
2015	8,549,400	742,161,900	190,863,500	70,630,300	20,603,500	1,032,808,600	187,627,400	1,454,499	1,034,263,099	6,127,489,228	8.420
2014	6,348,400	741,128,900	185,346,700	69,774,800	20,572,300	1,023,171,100	185,224,600	1,437,411	1,024,608,511	6,023,633,409	8.247
2013	5,725,100	739,570,500	187,297,800	70,256,500	20,572,300	1,023,422,200	184,689,800	1,592,044	1,025,014,244	6,322,915,083	8.090
2012	5,127,600	741,447,600	183,215,700	82,123,700	20,746,500	1,032,661,100	182,160,000	1,755,137	1,034,416,237	6,380,143,648	7.840
2011	4,925,900	741,672,200	186,972,400	93,708,500	20,751,500	1,048,030,500	182,056,000	1,604,756	1,049,635,256	6,815,847,279	7.561

Source: District records Tax list summary & Municipal Tax Assessor
 Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.
 Reassessment occurs when ordered by the County Board of Taxation

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

(b): Tax rates are per \$100

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

Calendar Year Ended December 31,	Township of Union			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	Total Direct School Tax Rate	Township of Union	Union County		
2020	\$ 8.956	\$ 0.258	\$ 9.214	\$ 7.416	\$ 3.372	\$ 20.002	
2019	8.838	0.265	9.103	7.267	3.363	19.733	
2018	8.682	0.268	8.950	7.150	3.298	19.398	
2017	8.514	0.273	8.787	7.037	3.287	19.111	
2016	8.330	0.275	8.605	6.698	3.144	18.447	
2015	8.150	0.270	8.420	6.739	3.175	18.334	
2014	5.315	2.932	8.247	6.528	3.149	17.924	
2013	7.811	0.279	8.090	6.413	3.097	17.600	
2012	7.588	0.252	7.840	6.261	2.997	17.098	
2011	7.332	0.229	7.561	6.104	2.893	16.558	

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

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

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

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

TOWNSHIP OF UNION SCHOOL DISTRICT
 PRINCIPAL PROPERTY TAX PAYERS - UNION
 CURRENT YEAR AND NINE YEARS AGO
 UNAUDITED

Taxpayer	2021				2012			
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value		Taxable Assessed Value	Rank	% of Total District Net Assessed Value	
Union Mill Run, LLC	\$ 10,930,700	1	1.05%		\$ 10,450,000	2	1.00%	
Mcminn-L. Robbins, Trustee	8,670,100	2	0.83%		7,250,000	5	0.69%	
Union 22 Plaza	8,601,400	3	0.82%		8,928,600	3	0.85%	
Union UE, LLC	7,900,000	4	0.76%		8,500,000	4	0.86%	
VNO 2445 Springfield Ave.	6,225,000	5	0.60%		6,400,000	6	0.66%	
Edison UNNJ001, LLC	5,332,300	6	0.51%					
I&G Direct Real Estate 45	4,977,400	7	0.48%					
Liberty Hall Joint Venture	3,855,600	8	0.37%		3,855,600	7	0.37%	
Union Medical Plaza, LLC	3,682,900	9	0.35%					
Sun Union, LLC	3,345,500	10	0.32%					
MERCK Corporation					17,287,900	1	2.51%	
Bed, Bath & Beyond					3,836,300	8	0.38%	
Target Corporation					3,372,700	9	0.32%	
Dayton Hudson Corp					3,029,400	10	0.29%	
Total	\$ 63,520,900				\$ 72,910,500		6.09%	7.93%

TOWNSHIP OF UNION SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2021	\$ 96,092,567	\$ 96,092,567	100.00%	-
2020	94,320,891	94,320,891	100.00%	-
2019	92,543,494	92,543,494	100.00%	-
2018	90,508,938	90,508,938	100.00%	-
2017	88,795,357	88,795,357	100.00%	-
2016	87,085,760	87,085,760	100.00%	-
2015	84,490,626	84,490,626	100.00%	-
2014	82,919,685	82,919,685	100.00%	-
2013	81,094,875	81,094,875	100.00%	-
2012	79,359,903	79,359,903	100.00%	-

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

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

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

Fiscal Year Ended <u>June 30,</u>	Governmental Activities			Total <u>District</u>	Percentage of Personal <u>Income (a)</u>	<u>Per Capita (a)</u>
	General Obligation <u>Bonds (b)</u>	Capital <u>Leases</u>				
2021	\$ 26,355,000	\$ 786,992	\$ 27,141,992	0.64%	\$ 454	
2020	17,367,000	1,025,026	18,392,026	0.46%	314	
2019	19,557,000	703,387	20,260,387	0.53%	346	
2018	21,732,000	599,663	22,331,663	0.61%	382	
2017	23,837,000	485,967	24,322,967	0.68%	417	
2016	25,882,000		25,882,000	0.76%	449	
2015	27,842,000		27,842,000	0.86%	484	
2014	30,042,000		30,042,000	0.95%	523	
2013	31,872,000		31,872,000	1.05%	558	
2012	33,587,000		33,587,000	1.15%	589	

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

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

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

(b) Includes Early Retirement Incentive Plan (ERIP) refunding if applicable.

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

Fiscal Year Ended <u>June 30,</u>	<u>General Bonded Debt Outstanding</u>		Percentage of Actual Taxable Value (a) of <u>Property</u>	<u>Per Capita (b)</u>
	<u>General Obligation Bonds</u>	<u>Net General Bonded Debt Outstanding</u>		
2021	\$ 26,355,000	\$ 26,355,000	0.38%	\$ 441
2020	17,367,000	17,367,000	1.89%	333
2019	19,557,000	19,557,000	2.11%	370
2018	21,732,000	21,732,000	2.31%	402
2017	23,837,000	23,837,000	2.50%	442
2016	25,882,000	25,882,000	2.69%	481
2015	27,842,000	27,842,000	2.93%	520
2014	30,042,000	30,042,000	3.11%	554
2013	31,872,000	31,872,000	3.25%	587
2012	33,587,000	33,587,000	3.70%	497

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

(a) See Exhibit J-6 for property tax data.

(b) Population data can be found in Exhibit J-14.

TOWNSHIP OF UNION SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2020
(UNAUDITED)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (a)</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes Township of Union	\$ 73,257,769	100%	\$ 73,257,769
Other debt Union County	551,314,136	9.28%	<u>51,153,669</u>
Township of Union School District Direct Debt	21,320,000	100%	<u>21,320,000</u>
Total direct and overlapping debt			<u>\$ 145,731,437</u>

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

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

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

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

Legal Debt Margin Calculation for Year 2020:

Equalized Valuation Basis

Calendar Year	UNION
2020	\$7,324,779,887
2019	6,889,559,254
2018	6,640,324,116
	<u>\$20,854,663,257</u>
	<u>\$6,951,554,419</u>
Average Equalized Valuation of Taxable Property	
	\$278,062,177
	26,355,000
	<u>\$251,707,177</u>

	Fiscal Year Ending June 30,									
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Debt Limit	\$278,062,177	\$265,160,456	\$252,476,580	\$246,783,560	\$243,843,854	\$243,452,334	\$243,843,854	\$243,843,854	\$248,393,109	\$257,077,412
Total Net Debt Applicable To Limit	<u>26,355,000</u>	<u>17,367,000</u>	<u>19,557,000</u>	<u>21,732,000</u>	<u>25,882,000</u>	<u>23,837,000</u>	<u>25,882,000</u>	<u>27,842,000</u>	<u>30,042,000</u>	<u>31,872,000</u>
Legal Debt Margin	<u>\$251,707,177</u>	<u>\$247,793,456</u>	<u>\$232,919,580</u>	<u>\$225,051,560</u>	<u>\$217,961,854</u>	<u>\$219,615,334</u>	<u>\$217,961,854</u>	<u>\$216,001,854</u>	<u>\$218,351,109</u>	<u>\$225,205,412</u>
Total Net Debt Applicable to the Limit as a % of Debt Limit	9.48%	6.55%	7.75%	8.81%	10.61%	9.79%	10.61%	11.42%	12.09%	12.40%

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 N.J.S.A. 18A:24-19 for a K through 12 district; other % limits would be applicable for other district types.

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

<u>Year</u>	<u>Population (a)</u> <u>Union</u>	<u>Personal Income (b)</u>	<u>Per Capita</u> <u>Personal Income (c)</u>	<u>Unemployment</u> <u>Rate (d)</u> <u>Union</u>
2020	59,745	\$4,233,829,425	\$70,865.00	9.90%
2019	58,541	3,999,111,333	68,313.00	3.50%
2018	58,631	3,818,637,030	65,130.00	4.20%
2017	58,476	3,666,269,772	62,697.00	4.40%
2016	58,326	3,578,008,470	61,345.00	4.90%
2015	57,624	3,414,740,616	59,259.00	5.60%
2014	57,538	3,230,758,700	56,150.00	6.40%
2013	57,448	3,169,233,816	55,167.00	8.00%
2012	57,150	3,036,722,400	53,136.00	9.20%
2011	56,988	2,908,781,496	51,042.00	9.70%

Source:

- (a) Population information provided by the NJ Dept. of Labor and Workforce Development.
- (b) Personal income has been estimated based upon the municipal population and per capita personal income presented.
- (c) Per capita personal income by municipality estimated based upon US Department of Commerce, Bureau of Economic Analysis.
- (d) Unemployment data provided by the NJ Dept. of Labor and Workforce Development.

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

<u>Employer</u>	2021		2012	
	<u># of Employees</u>	<u>Percentage of Total Employment</u>	<u>Rank (Optional)</u>	<u>Rank (Optional)</u>
	<u># of Employees</u>	<u>Percentage of Total Employment</u>		<u>Percentage of Total Employment</u>
	=====	=====		=====
	=====	=====		=====

NOT AVAILABLE

Source: Municipal Records

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

Function/Program	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Instruction										
Regular	472	508	471	535	542	527	579	537	527	523
Special education	137	132	132	140	244	199	163	153	159	155
Support Services:										
Student & instruction related services	209	208	225	236	142	234	246	199	171	168
General administration	6	9	10	11	11	12	14	13	10	10
School administrative services	62	52	50	48	50	49	44	48	48	48
Central services	11	11	12	10	10	9	11	10	10	10
Administrative Information Technology	7	7	7	8	7	5	6	7	7	7
Plant operations and maintenance	112	119	141	117	126	140	159	140	137	137
Pupil transportation	82	82	89	76	75	83	80	74	72	72
Total	1,098	1,128	1,137	1,181	1,207	1,258	1,302	1,181	1,141	1,130

Source: District Personnel Records

TOWNSHIP OF UNION SCHOOL DISTRICT
OPERATING STATISTICS
(UNAUDITED)

Fiscal Year	Enrollment	Operating Expenditures (a)	Cost Per Pupil	% Change	Teaching Staff (b)	Teacher/Pupil Ratio			Average Daily Enrollment (c)	Average Daily Attendance (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary School	Middle School	High School				
2021	7,311	\$152,689,516	20,885	1.47%	609	1:10	1:10	1:10	7,112	6,880	(1.18%)	96.74%
2020	7,113	146,409,055	20,583	(2.11%)	697	1:10	1:10	1:10	7,197	6,868	1.24%	95.43%
2019	7,109	149,483,650	21,027	3.09%	697	1:10	1:10	1:10	7,109	6,752	(1.36%)	94.98%
2018	7,207	147,000,173	20,397	7.66%	733	1:11	1:11	1:11	7,207	6,859	(0.33%)	95.17%
2017	7,231	136,989,478	18,945	3.11%	732	1:11	1:11	1:11	7,231	6,857	(0.47%)	94.83%
2016	7,265	133,485,492	18,374	11.57%	735	1:11	1:11	1:11	7,265	6,911	(3.21%)	95.13%
2015	7,506	123,615,831	16,469	(0.20%)	742	1:11	1:11	1:11	7,506	7,134	0.20%	95.04%
2014	7,491	123,615,831	16,502	1.67%	690	1:11	1:11	1:11	7,491	7,139	(0.03%)	95.30%
2013	7,414	120,339,499	16,231	9.75%	686	1:11	1:11	1:11	7,493	7,109	(0.24%)	94.88%
2012	7,654	113,193,621	14,789	2.53%	689	1:11	1:11	1:11	7,511	7,137	(1.63%)	95.02%

Sources: District records, ASSA

Note: Enrollment based on annual October district count.

- a Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

TOWNSHIP OF UNION SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
UNAUDITED

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>District Building</u>							
<u>Elementary</u>							
Battle Hill							
Square Feet	57,375	57,375	57,375	57,375	57,375	57,375	57,375
Capacity (students)	387	387	387	387	387	387	387
Enrollment	398	398	398	409	414	398	428
Connecticut Farms							
Square Feet	57,740	57,740	57,740	57,740	57,740	57,740	57,740
Capacity (students)	513	513	513	513	513	513	513
Enrollment	358	358	358	397	407	417	422
Franklin							
Square Feet	58,635	58,635	58,635	58,635	58,635	58,635	58,635
Capacity (students)	581	581	581	581	581	581	581
Enrollment	450	450	450	421	451	431	442
Hamilton							
Square Feet	35,328	35,328	35,328	35,328	35,328	35,328	35,328
Capacity (students)	312	312	312	312	312	312	312
Enrollment							
Hannah Caldwell							
Square Feet	87,000	87,000	87,000	87,000	87,000	87,000	87,000
Capacity (students)	550	550	550	550	550	550	550
Enrollment	574	574	574	494	529	582	619
Livingston							
Square Feet	48,600	48,600	48,600	48,600	48,600	48,600	48,600
Capacity (students)	525	525	525	525	525	525	525
Enrollment	400	400	400	433	424	440	432
Washington							
Square Feet	64,615	64,615	64,615	64,615	64,615	64,615	64,615
Capacity (students)	656	656	656	656	656	656	656
Enrollment	559	559	559	598	613	608	608
Jefferson / Central Five							
Square Feet	68,940	68,940	68,940	68,940	68,940	68,940	68,940
Capacity (students)	660	660	660	660	660	660	660
Enrollment	526	526	526	562	533	535	558
Middle School							
Burnet							
Square Feet	167,163	167,163	167,163	167,163	167,163	167,163	167,163
Capacity (students)	1,036	1,036	1,036	1,036	1,036	1,036	1,036
Enrollment	1,028	1,028	1,028	977	983	978	1,034
Kawameeh							
Square Feet	105,202	105,202	105,202	105,202	105,202	105,202	105,202
Capacity (students)	822	822	822	822	822	822	822
Enrollment	701	701	701	665	681	675	637
High School							
Union High School							
Square Feet	358,161	358,161	358,161	358,161	358,161	358,161	358,161
Capacity (students)	2,228	2,228	2,228	2,228	2,228	2,228	2,228
Enrollment	2,207	2,207	2,207	2,151	2,195	2,200	2,324
Other							
<u>Field House</u>							
Square Feet	11,316	11,316	11,316	11,316	11,316	11,316	11,316
Capacity (students)							
Enrollment							
Administration Building							
Square Feet	25,200	25,200	25,200	25,200	25,200	25,200	25,200
Number of Schools at June 30, 2021							
Elementary - 8							
Middle School - 2							
Senior High School - 1							
Other- 2							

Source: District records

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

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

School Facilities	Project # (s)	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Battle Hill	N/A	\$ 33,782	\$ 24,391	\$ 24,162	\$ 22,808	\$ 30,734	\$ 40,104	\$ 73,357	\$ 25,652	\$ 72,190	\$ 33,896
Connecticut Farms	N/A	39,116	52,759	52,263	27,543	43,952	39,367	24,923	49,271	40,746	19,253
Franklin	N/A	45,500	36,469	36,126	49,654	52,318	39,365	28,093	35,652	83,868	36,941
Hamilton	N/A	30,604	69,529	68,876	31,713	35,103	24,200	24,466	29,872	15,733	23,208
Central Five	N/A	61,155	34,971	34,643	28,400	30,623	29,675	31,168	21,314		8,167
Livingston	N/A	54,260	39,759	39,386	30,708	58,510	18,623	31,437	75,977	58,572	91,485
Washington	N/A	52,310	36,459	36,116	32,987	66,072	47,952	53,611	42,969	36,330	30,773
Kawameeh	N/A	59,685	58,283	57,735	43,176	48,634	95,588	45,850	36,570	103,561	21,527
Union High School	N/A	183,431	180,998	179,297	162,364	172,422	165,450	232,820	513,270	287,404	122,524
Burnet	N/A	84,063	70,034	69,376	72,094	78,879	105,698	45,042	129,332	179,099	76,280
Hannah Caldwell	N/A	88,285	58,784	58,231	74,896	71,422	76,162	76,683	65,620	86,764	37,645
Total School Facilities		\$ 732,191	\$ 662,436	\$ 656,211	\$ 576,343	\$ 688,669	\$ 682,184	\$ 667,451	\$ 1,025,498	\$ 964,267	\$ 501,699
District-Wide Facilities *		\$ 1,134,727	\$ 1,224,786	\$ 1,213,271	\$ 1,232,342	\$ 1,276,906	\$ 1,308,333	\$ 1,288,245	\$ 1,365,498	\$ 1,150,573	\$ 1,088,273
Grand Total		\$ 1,866,918	\$ 1,887,222	\$ 1,869,482	\$ 1,808,685	\$ 1,965,575	\$ 1,990,517	\$ 1,955,696	\$ 2,390,996	\$ 2,114,840	\$ 1,589,972

UNION TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2021
(UNAUDITED)

<u>Company</u>	<u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
NJSIG	Property Blanket Building & Contents- Replacement Cost Values	\$ 256,102,240	\$ 5,000
NJSIG	Excess Liability		
	-General Aggregate	11,000,000	
	-Automobile Liability	11,000,000	
	-Including Auto Physical Damage	ACV based on Schedule	1,000
	-Employee Benefits Liability	11,000,000	
NJSIG	Excess Worker's Compensation & Employer's Liability		
	-Excess Worker's Compensation	Statutory	
	-Excess Employer's Liability	3,000,000	per acc.
NJSIG	Commercial Crime Coverage		
	-Faithful Performance	1,000,000	1,000
	-Forgery & Alteration, Employee Theft	500,000	1,000
	-Money & Securities (inside/outside)	100,000	1,000
	-Money orders/Counterfeit	100,000	1,000
	-Computer Fraud	1,000,000	1,000
Western World	School Board Legal Liability and Employer Practices Liability	5,000,000	EPLI 150,000 50,000
Chubb Insurance / Ace American Insurance	Underground Storage Tank	1,000,000 / 2,000,000	5,000
XL Catlin/US Fire	Student Accident Insurance	5,000,000	1,000
	Surety Bonds		
	- Business Administrator/Board Secretary	470,000	
	- Treasurer of School Monies	530,000	

Source: District Records

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SINGLE AUDIT SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund of the Township of Union School District (the "District") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated February 4, 2022.

Internal Control Over Financial Reporting

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

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

SUPLEE, CLOONEY & COMPANY

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. We noted other matters that have been reported to the Union Board of Education of the Union School District in a separate Auditor's Management Report on Administrative Findings – Financial and Compliance dated February 4, 2022.

Purpose of This Report

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


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 962

February 4, 2022



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO MAJOR FEDERAL
AND STATE FINANCIAL ASSISTANCE PROGRAMS AND
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE
UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08**

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

Report on Compliance for Each Major Federal and State Program

We have audited the Township of Union School District's compliance with the types of compliance requirements described in the federal *OMB Compliance Supplement* and the New Jersey *OMB State Grant Compliance Supplement* that could have a direct and material effect on each of the Township of Union School District's major federal and state programs for the year ended June 30, 2021. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Township of Union School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB Circular 15-08. Those standards, the Uniform Guidance and New Jersey OMB Circular 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 state program occurred. An audit includes examining, on a test basis, evidence about the Township of Union School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

SUPLEE, CLOONEY & COMPANY

Opinion on Each Major Federal and State Program

In our opinion, the Township of Union School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the Township of Union School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Township of Union School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with Uniform Guidance and New Jersey OMB Circular 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 Township of Union School District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the 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 the Uniform Guidance and State of New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 962

February 4, 2022

TOWNSHIP OF UNION SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

FEDERAL CFDA NUMBER	FEDERAL PROJECT NUMBER	FEDERAL FAIN NUMBER	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE AT JUNE 30, 2020	CARRYOVER AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	SUBRECIPIENT BUDGETARY EXPENDITURES	ADJUSTMENT	(ACCOUNTS RECEIVABLE)	BALANCE AT JUNE 30, 2021
						JUNE 30, 2020						REVENUE	UNEARNED DUE TO GRANTOR
Enterprise Funds													
U.S. Department of Agriculture													
Passed-through State Department of Education:													
Child Nutrition Cluster:													
10.555		201NJ304N1099	N/A	7/1/19	\$ 221,186	\$ 28,218	\$	\$	\$ (28,218)	\$	\$	\$	\$ 5,797
10.555		211NJ304N1099	N/A	7/1/20	10,649			191,271	(185,474)				
10.555		201NJ304N1099	N/A	7/1/19	213,692	(29,425)		29,425					
10.555		201NJ304N1099	N/A	7/1/19	604	(604)		604					
10.553		201NJ304N1099	N/A	7/1/19	54,782	(18,638)		19,994	(1,366)				
10.559		211NJ304N1099	N/A	7/1/20	2,046,558			1,717,818	(2,045,558)			(327,740)	
10.559		211NJ304N1099	N/A	7/1/20	171,480			144,035	(171,480)			(27,445)	
10.555		202121H170341	N/A	7/1/20	162,280	(20,449)		2,103,148	(2,594,366)			(517,465)	5,797
P-EBT Administrative Cost													
10.649		202121S900941	N/A	7/1/20	3,063	(20,449)		2,103,148	(2,597,429)			(520,528)	5,797
Total Enterprise Fund													
General Fund													
U.S. Department of Education													
Passed-through State Department of Education:													
Medical Assistance Program (SEMI-FFCRA)													
93.778		2005NJ5MAP	N/A	7/1/20	17,660			17,660	(17,660)				
93.778		2005NJ5MAP	N/A	7/1/20	224,637			224,637	(224,637)				
Total General Fund													
Special Revenue Fund													
U.S. Department of Education													
IDEA, Part B Special Education Cluster:													
84.027		H027A190100	IDEA529020	7/1/19	1,825,223	(330,651)		230,080			\$ 91,571		\$
84.027		H027B200100	IDEA529021	7/1/20	1,862,068			1,824,921	(1,860,627)			(25,706)	
84.173		H173A190114	IDEA529020	7/1/19	55,497	(2,631)		2,631					
84.173		H173A200114	IDEA529021	7/1/20	55,666			55,665	(55,665)				
Total Special Education Cluster													
E.S.E.A.:													
84.010		S010A180030	ESEA529019	7/1/18	1,108,479	(11,064)		\$	\$				\$
84.010		S010A190030	ESEA529020	7/1/19	1,037,513	(289,244)		352,346	(74,053)		10,961		(11,054)
84.010		S010A200030	ESEA529021	7/1/20	1,056,633			509,211	(734,016)				(224,805)
84.367A		S367A190029	ESEA529020	7/1/19	249,384	(81,195)		80,916			219		
84.367A		S367A200029	ESEA529021	7/1/20	193,909			120,067	(181,585)				(61,518)
84.365		S365A190030	ESEA529020	7/1/19	50,006	(19,667)		27,953	(8,286)				(38,607)
84.365		S365A200030	ESEA529021	7/1/20	93,021	(90)		32,444	(71,051)				(90)
84.365		S365A190030	ESEA529019	7/1/18	19,769								
84.365		S365A200030	ESEA529020	7/1/19	24,169								
84.365		S365A190030	ESEA529020	7/1/20	103,308	(2,539)		5,508	(6,000)				(6,000)
84.424		S424A190031	ESEA529020	7/1/19	118,543	(403,729)		41,072	(43,947)		11,170		(2,875)
84.424		S424A200031	ESEA529021	7/1/20				1,169,515	(1,121,905)				(344,949)
Total E.S.E.A.													
84.048A		V048A190030	N/A	7/1/19	50,552	(11,204)		6,132					(5,072)
84.048A		V048A200030	N/A	7/1/20	46,025			24,232	(37,036)		677		(12,127)
Total Carl D. Perkins													
Education Stabilization Fund													
84.425D		S425D200027	N/A	3/13/20	797,365	(621,483)		772,531	(159,006)				(7,958)
84.425D		S425D210027	N/A	3/13/20	3,209,486			959,476	(853,417)				(853,417)
84.425D		S425D200027	N/A	3/13/20	959,476	(621,483)		1,732,007	(1,971,398)				(861,374)
Total Education Stabilization Fund													
U.S. Department of Treasury													
Passed-through State Department of Education:													
Coronavirus Relief Fund:													
21.019		S377A190031	N/A	7/18/20	13,877			13,488	(13,488)				\$
21.019		21S1520-517	N/A	8/1/20	508,303			508,303	(508,303)				\$
21.019			N/A	8/1/20	358,550			880,341	(358,550)				\$
Total Coronavirus Relief Fund													
Passed-through the County of Union:													
Union County CARES													
21.019			N/A	8/1/20	5,934,824			5,934,824	(5,917,472)		103,418		(1,249,229)
Total Special Revenue Fund													
Total Expenditures of Federal Awards													
See accompanying notes to schedules of expenditures of federal awards and state financial assistance.													

Township of Union School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2021

NOTE 1: GENERAL

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

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and federal awards and state financial assistance are presented on the budgetary basis of accounting with the exceptions of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 of the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The District has elected not to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

Township of Union School District
Notes to the Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended June 30, 2021

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$60,932) for the general fund and \$1,133 for the special revenue fund. See the notes to the required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Federal awards and state financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$242,297	\$61,208,235	\$61,450,532
Special Revenue Fund	5,917,472	3,238,682	9,156,154
Debt Service Fund		115,167	115,167
Food Service Fund	<u>2,597,429</u>	<u>9,260</u>	<u>2,606,690</u>
Total Awards & Financial Assistance	\$8,757,199	\$64,571,344	\$73,328,543
GAAP Adjustment	<u>97,417</u>	<u>(157,217)</u>	<u>(59,799)</u>
Total: GAAP Basis	<u><u>\$8,854,616</u></u>	<u><u>\$64,414,128</u></u>	<u><u>\$73,268,744</u></u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5: OTHER

Revenues and expenditures reported in the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF pension contributions, post-retirement medical benefits and long-term disability insurance represents the amount paid by the state on behalf of the district for the year ended June 30, 2021. TPAF Social Security contributions represent the amount reimbursed by the state for the employer's share of Social Security contributions for TPAF members for the year ended June 30, 2021.

Township of Union School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

Section I – Summary of Auditor’s Results

Financial Statements

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

Federal Program(s)

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

<u>Program</u>	<u>CFDA</u>
Child Nutrition Cluster:	
National School Lunch Program	10.555
National School Lunch Program- Commodities	10.555
Summer Food Service Program for Children	10.559
Education Stabilization Fund- CARES Act	84.425D
Coronavirus Relief Fund	21.019

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

Township of Union School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

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

State Program(s)

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

<u>Program</u>	<u>Grant Number</u>
State Aid Cluster:	
Equalization Aid	21-495-034-5120-078
Categorical Special Education Aid	21-495-034-5120-089
Categorical Security Aid	21-495-034-5120-084

- (5) Program Threshold Determination:
 - Type A State Program Threshold > \$1,332,619
 - Type B State Program Threshold <= \$1,332,619
- (6) Auditee qualified as a low-risk auditee under NJ OMB Circular 15-08? Yes

Township of Union School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

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

Internal Control Findings

None Reported

Compliance Findings

None Reported

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

Federal Programs – None Reported

State Programs – None Reported

Township of Union School District
Schedule of Prior Year Audit Findings

There were no prior year findings.

