

**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, 2022

Prepared by

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

TABLE OF CONTENTS

INTRODUCTORY SECTION	Page
Letter of Transmittal	1-5
Roster of Officials	6
Consultants and Advisors	7
Organizational Chart	8
FINANCIAL SECTION	
Independent Auditor's Report	9-12
REQUIRED SUPPLEMENTARY INFORMATION – Part I	13
Management's Discussion and Analysis (Unaudited)	14-24
BASIC FINANCIAL STATEMENTS	25
A. District-Wide Financial Statements:	26
A-1 Statement of Net Position	27
A-2 Statement of Activities	28
B. Major Fund Financial Statements:	29
Governmental Funds:	
B-1 Balance Sheet	30-31
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balance	32
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	33
Other Funds	34
Proprietary Funds:	
B-4 Statement of Net Position	35
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position	36
B-6 Statement of Cash Flows	37
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	N/A
B-8 Statement of Changes in Fiduciary Net Position	N/A
Notes to the Financial Statements	38-82

TABLE OF CONTENTS (CONTINUED)

	Page
REQUIRED SUPPLEMENTARY INFORMATION – Part II	83
C. Budgetary Comparison Schedules:	84
C-1 General Fund	86-95
C-2 Special Revenue Fund	96
C-3 Budget to GAAP Reconciliation	97
REQUIRED SUPPLEMENTARY INFORMATION - Part III	98
L. Schedules Related to Accounting and Reporting for Pension (GASB 68)	99
L-1 Schedule of the District's Proportionate Share of the Net Pension Liability - Public Employees Retirement System - Last Nine Years	100
L-2 Schedule of the District's Contributions - Public Employees Retirement System - Last Nine Years	101
L-3 Schedule of the District's Proportionate Share of the Net Pension Liability Teachers Pension and Annuity Fund - Last Nine Years	102
L-4 Schedules Related to Accounting and Reporting for Pension (GASB 68) Note to RSI III for the Fiscal Year Ended June 30, 2020	103
REQUIRED SUPPLEMENTARY INFORMATION - Part IV	104
M. Schedule Related to Accounting and Reporting for Postemployment Benefits Other Than Pensions (GASB 75)	105
M-1 Schedule of Changes in the District's Total OPEB Liability and Related Ratios - Last Five Years	106
M-2 Notes to Required Supplementary Information Part IV for the Fiscal Year Ended June 30, 2022	107
OTHER SUPPLEMENTARY INFORMATION	108
D. School Level Schedules	N/A
E. Special Revenue Fund:	109
E-1 Combining Schedule of Revenues and Expenditures-Budgetary Basis	110-113
E1.1 Schedule of Receipts and Disbursements	114
E-2 Schedule of Preschool Education Aid-Budgetary Basis	115

TABLE OF CONTENTS (CONTINUED)

	Page
F. Capital Projects Fund	116
F-1 Summary Schedule of Project Expenditures - Budgetary Basis	117
F-2 Summary Schedule of Project Revenues, Expenditures, and Changes In Fund Balance - Budgetary Basis	118
F-2a Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis – District-Wide Door Replacement	119
F-2b Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis – District Wide Upgrades	120
F-2c Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis – District Wide Upgrades	121
F-2d Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis – Energy Savings Improvement Program	122
G. Proprietary Funds	N/A
H. Fiduciary Fund	N/A
I. Long-Term Debt	123
I-1 Schedule of Serial Bonds	124-125
I-2 Schedule of Obligations Under Capital Leases	126
I-3 Budgetary Comparison Schedule - Debt Service Fund	127

STATISTICAL SECTION - UNAUDITED

Financial Trends

J-1 Net Position by Component	128
J-2 Changes in Net Position	129-130
J-3 Fund Balances - Governmental Funds	131
J-4 Changes in Fund Balances - Governmental Funds	132
J-5 General Fund Other Local Revenue by Source	133

Revenue Capacity

J-6 Assessed Value and Actual Value of Taxable Property	134
J-7 Direct and Overlapping Property Tax Rates	135
J-8 Principal Property Taxpayers - Current Year and Nine Years Ago	136
J-9 Property Tax Levies and Collections	137

TABLE OF CONTENTS (CONTINUED)

	Page
Debt Capacity	
J-10 Ratios of Outstanding Debt by Type	138
J-11 Ratios of Net Bonded Debt Outstanding	139
J-12 Direct and Overlapping Governmental Activities Debt	140
J-13 Legal Debt Margin Information	141
Demographic and Economic Information	
J-14 Demographic and Economic Statistics	142
J-15 Principal Employers - Current Year and Nine Years Ago	143
Operating Information	
J-16 Full-Time Equivalent District Employees by Function/Program	144
J-17 Operating Statistics	145
J-18 School Building Information - Last Ten Fiscal Years	146
J-19 Schedule of Required Maintenance for School Facilities - Last Ten Fiscal Years	147
J-20 Insurance Schedule	148
SINGLE AUDIT SECTION	
K-1 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	149-150
K-2 Independent Auditor's Report on Compliance for Each Major Federal and State Financial Assistance Program and on Internal Control Over Compliance Required by the Uniform Guidance and New Jersey OMB Circular 15-08	151-153
K-3 Schedule of Expenditures of Federal Awards, Schedule A	154
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	155
K-5 Notes to the Schedules of Federal Awards and State Financial Assistance	156-157
K-6 Schedule of Findings and Questioned Costs	158-160
K-7 Schedule of Prior Audit Findings	161

INTRODUCTORY SECTION

Township of Union Public Schools

Yolanda Koon
School Business Administrator/Board Secretary

February 21, 2023

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, 2022 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.

Township of Union Public Schools

Yolanda Koon
School Business Administrator/Board Secretary

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.

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. Our records have shown that these types of transit oriented and downtown development have been attracting many school age children and the rentals to date have been consistent with our school records. The School District with the collaboration of the Township will need to explore options to house our increase enrollments. 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 is committed to implementing the strategic plan, which was created by 79 stakeholders, that focuses on the growth of leaders district staff and faculty, the enhancement of curriculum and programs to meet the ongoing needs and interests of all students, the development of highly effective

Yolanda Koon

School Business Administrator/Board Secretary

intervention programs for students, and developing a more equitable and equity-conscious school environment for staff and students. The district engaged in research related to all of these areas in order to create a strategic plan and develop partnerships with various companies and consultants to support the strategic plan. These include: Dr. Tracey Severns, NJPSA/FEA, LinkIt, Magnolia Consulting, Samantha Pugh, DASH, and Dr. Eddie Fergus.

Initiative Two - The Township of Union School District is committed to providing equity and access to quality instruction as well as developing a more equitable and equity-conscious school environment for staff and students. The district developed partnerships with the following consultants to support its efforts: Dr. Tracey Severns, Magnolia Consulting, Samantha Pugh, DASH, and Dr. Eddie Fergus. In addition, teachers are provided multiple professional development learning opportunities throughout the year in order to assist them with implementing curriculum programs effectively, utilizing effective and engaging teaching strategies, and providing meaningful assessments to students. The district provided faculty with "choice" professional development days as well as an EdCamp experience focused on social-emotional learning (SEL) and technology. Additionally, the district engaged in ongoing partnership with NJPSA/FEA via the "Strengthening Teaching, Leading, and Learning Grant" to further develop the Connected Action Roadmap process in elementary Mathematics. Lastly, the district implemented new technology, music, and economics courses at the high school to address the learning interest of students.

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

3. MAJOR INITIATIVES (CONTINUED):

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. Fostering two-way communication between the community and the school district is one strategy to help build a stronger trust and confidence in the district community. This is accomplished in part through enhanced dissemination of messages using systems like School Messenger, through email, and, under the guise of the district's media manager, the various social media platforms used by the district. Creating partnerships with local government agencies is another way the district is improving its connection to the township community. One such partnership with the local recreation department led to the implementation of a weekend program for special needs students that provides engaging social activities while giving parents and guardians a respite from their childcare responsibilities.

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

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

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.

Township of Union Public Schools

Yolanda Koon
School Business Administrator/Board Secretary

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, 2022.

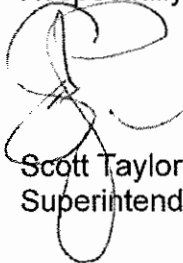
6. ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds which are explained in "Notes to the Financial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

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

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

9. OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Suplee Clooney & Company 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, 2022**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Yocasta Brens-Watson	2023
Guy Francis	2022
Marissa McKenzie	2024
Nancy Minneci, Vice President	2022
John A. O'Shea	2023
Nellis Regis-Darby	2023
Chastity Santana	2024
Kimberly Scott-Hayden	2024
Mary Lynn Williams, President	2022

Other Officials

Dr. Scott Taylor, Superintendent of Schools

Gerry Benaquista, Assistant Superintendent of Schools

Dr. Gretel T. Perez, Assistant 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

EI Associates
8 Ridgedale Avenue
Cedar Knolls, New Jersey 07866

Audit Firm

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

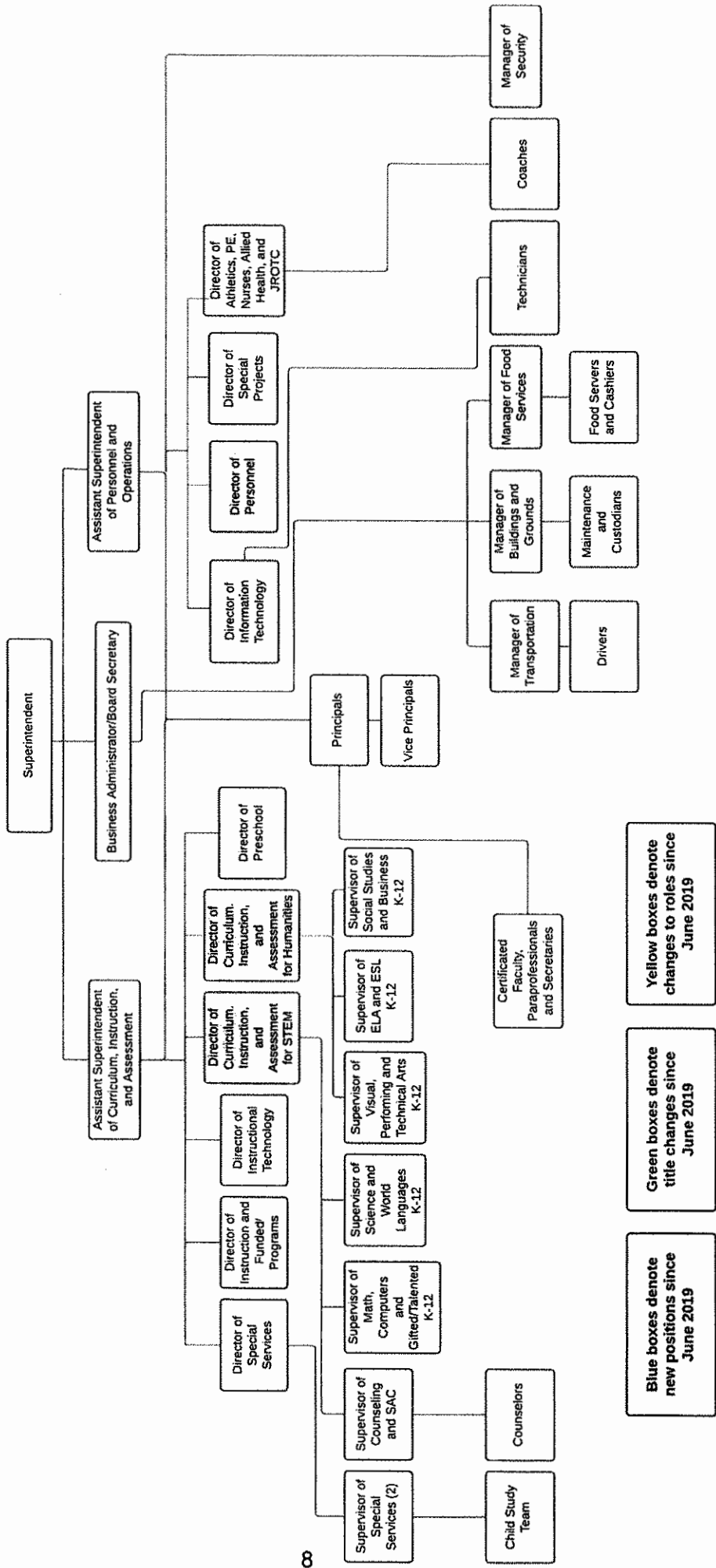
Attorney

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

Official Depositories

ConnectOne Bank
301 Sylvan Ave #1
Englewood Cliffs, NJ 07632

Township of Union School District Leadership Team Proposed Reorganization



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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 Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Township of Union School District, in the County of Union, State of New Jersey (the "District") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the District as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

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Emphasis of Matter

As discussed in Note 1 to the basic financial statements, for the year ended June 30, 2022, the District adopted Governmental Accounting Standards Board Statement No. 87, Leases. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

SUPLEE, CLOONEY & COMPANY

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information schedules and data such as the combining statements and individual fund financial statements, and the Schedules of Expenditures of Federal Awards and State Financial Assistance, as listed in the table of contents, as required by the Uniform Guidance, New Jersey's OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid," and the State of New Jersey, Department of Education, Division of Finance, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and the schedule of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information


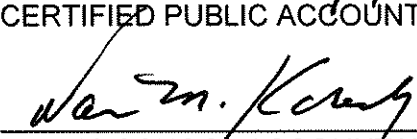
Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover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

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 21, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.


CERTIFIED PUBLIC ACCOUNTANTS

PUBLIC SCHOOL ACCOUNTANT NO. 962

February 21, 2023

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, 2022
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, 2022. 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 (2021-2022) and the prior fiscal year (2020-2021) is required to be presented in the MD&A. In fiscal year 2022 the District implemented GASB Statement No. 87- Leases.

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, 2022
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, 2022
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, 2022
UNAUDITED**

Financial Analysis of the District as a Whole

The District's combined net position has increased from the 2020-2021 fiscal year. The net position from governmental activities increased \$11,600,133. Net position from business-type activities increased \$751,167. 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 2022	FY 2021	FY 2022	FY 2021	FY 2022	FY 2021	Change
Current and Other Assets	\$29,167,261	\$32,632,419	\$876,042	\$1,035,123	\$30,043,303	\$33,667,542	(10.76%)
Capital Assets	98,518,175	90,330,742	1,014,924	776,039	99,533,100	91,106,781	9.25%
Total Assets	<u>127,685,436</u>	<u>122,963,161</u>	<u>1,890,967</u>	<u>1,811,162</u>	<u>129,576,403</u>	<u>124,774,323</u>	<u>3.85%</u>
Deferred Outflows							
Related to Pensions	3,072,673	5,990,380			3,072,673	5,990,380	(48.71%)
Total Deferred Outflows	<u>3,072,673</u>	<u>5,990,380</u>			<u>3,072,673</u>	<u>5,990,380</u>	<u>(48.71%)</u>
Long-Term Liabilities	48,918,453	63,619,393			48,918,453	63,619,393	(23.11%)
Short-Term Liabilities	14,021,190	12,535,875	247,301	200,685	14,268,492	12,736,560	12.03%
Total Liabilities	<u>62,939,643</u>	<u>76,155,268</u>	<u>247,301</u>	<u>200,685</u>	<u>63,186,945</u>	<u>76,355,953</u>	<u>(17.25%)</u>
Deferred Inflows							
Related to Gain From Refunding Debt	1,266,304	1,431,039			1,266,304	1,431,039	(11.51%)
Related to Pensions	18,486,037	15,588,626			18,486,037	15,588,626	18.59%
Total Deferred Inflows	<u>19,752,341</u>	<u>17,019,665</u>			<u>19,752,341</u>	<u>17,019,665</u>	<u>16.06%</u>
Net Position:							
Net investment in Capital Assets	68,904,271	57,671,651	1,014,924	776,039	69,919,195	58,447,690	19.63%
Restricted	16,489,769	21,913,373			16,489,769	21,913,373	(24.75%)
Unrestricted (Deficit)	<u>(38,015,298)</u>	<u>(43,806,416)</u>	<u>1,316,124</u>	<u>803,842</u>	<u>(36,699,174)</u>	<u>(43,002,574)</u>	<u>(14.66%)</u>
Total Net Position	<u>\$47,378,741</u>	<u>\$35,778,608</u>	<u>\$2,331,048</u>	<u>\$1,579,881</u>	<u>\$49,709,790</u>	<u>\$37,358,489</u>	<u>33.06%</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022
UNAUDITED**

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

	Governmental Activities		Business-Type Activities		Total School District	
	<u>FY 2022</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2021</u>
Revenue:						
Program Revenue:						
Charges for Services	\$493,178	\$343,648	\$266,997	\$9,877	\$760,175	\$353,525
Operating Grants and Contributions	40,621,648	55,799,281	4,859,716	2,606,690	45,481,364	58,405,971
General Revenue:						
Property Taxes	98,690,553	96,092,567			98,690,553	96,092,567
Federal and State Aid not restricted	37,129,455	35,253,115			37,129,455	35,253,115
Other	823,259	41,977	2,865	961	826,124	42,938
Total Revenue	177,758,093	187,530,588	5,129,578	2,617,528	182,887,671	190,148,116
Expenses:						
Instruction	106,265,652	120,967,334			106,265,652	120,967,334
Student & Instructional Support Services	28,331,605	29,360,033			28,331,605	29,360,033
Administrative and Business	12,570,392	14,604,428			12,570,392	14,604,428
Maintenance & Operations	7,831,827	11,390,575			7,831,827	11,390,575
Transportation	10,359,537	10,346,252			10,359,537	10,346,252
Other	798,947	759,803	4,417,006	2,089,975	5,215,953	2,849,778
Total Expenses	166,157,960	187,428,424	4,417,006	2,089,975	170,574,966	189,518,399
Disposal of Capital Asset Transfers		(48,100)	38,595	81,065	38,595	(48,100)
Increase/(Decrease) in Net Position	\$11,600,133	\$54,064	\$751,168	\$608,618	\$12,312,706	\$581,617

Both revenues and expenses decreased mainly as a result of the district recognizing a smaller 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, 2022
UNAUDITED**

Sources of Revenue for the Fiscal Year 2022

The District's total revenue for the 2021-2022 school year was \$182,887,671 as reflected in Table 3 below. Property taxes accounted for 53.96 percent of the total revenue with the other 46.04 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 2022</u>		<u>FY 2021</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Property Taxes	\$98,690,553	53.96%	\$96,092,567	50.54%
Operating State and Federal Aid	72,281,921	39.52%	84,045,504	44.20%
Federal and State Grants	10,328,898	5.65%	9,613,582	5.06%
Charges for Services	760,175	0.42%	353,525	0.19%
Other	826,124	0.44%	42,938	0.01%
	<u>\$182,887,671</u>	<u>100.00%</u>	<u>\$190,148,116</u>	<u>100.00%</u>

Expenses for the Fiscal Year 2022

The total expenses for the 2021-2022 fiscal year for all programs and services were \$170,574,966. 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 \$3,959,900 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, 2022
UNAUDITED**

**Table 4
Expenses for Fiscal Year 2022**

<u>Expense Category</u>	<u>FY 2022</u>		<u>FY 2021</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Instruction	\$106,265,652	62.30%	\$120,967,334	63.83%
Student & Instruction Services	28,331,605	16.61%	29,360,033	15.49%
Administrative and Business	12,570,392	7.37%	14,604,428	7.71%
Maintenance & Operations	7,831,827	4.59%	11,390,575	6.01%
Transportation	10,359,537	6.07%	10,346,252	5.46%
Other	5,215,953	3.05%	2,849,778	1.49%
	<u>\$170,574,966</u>	<u>100.00%</u>	<u>\$189,518,399</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 2022</u>		<u>FY 2021</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Instruction	\$77,923,369	62.32%	\$81,465,309	62.05%
Student & Instruction Services	19,699,656	15.75%	18,019,005	13.73%
Administrative and Business	10,441,162	8.35%	11,314,528	8.62%
Maintenance & Operations	7,831,827	6.26%	11,390,575	8.68%
Transportation	8,464,728	6.77%	8,451,443	6.44%
Other	682,392	0.55%	644,636	0.49%
	<u>\$125,043,133</u>	<u>100.00%</u>	<u>\$131,285,496</u>	<u>100.00%</u>

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022
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 2021-2022, 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, 2022
UNAUDITED**

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

	Governmental Activities		Business-Type Activities		Total School District		Total
	<u>FY 2022</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2021</u>	<u>Change</u>
Land	\$9,553,000	\$9,553,000			\$9,553,000	\$9,553,000	0.00%
Site							
Improvements	1,942,086	2,118,683			1,942,086	2,118,683	(8.34%)
Building and							
Building							
Improvements	75,103,446	74,051,769			75,103,446	74,051,769	1.42%
Construction in							
Progress	7,644,431				7,644,431		100.00%
Machinery and							
Equipment	4,275,213	4,607,290	\$1,014,924	\$776,039	5,290,137	5,383,329	(1.73%)
Total Assets	\$98,518,175	\$90,330,742	\$1,014,924	\$776,039	\$99,533,099	\$91,106,781	9.25%

Debt and Long-term Liabilities Administration

At June 30, 2022, the District had \$52,167,151 of outstanding long-term debt, consisting of bonds payable, compensated absences, installment purchase contracts, 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
	<u>FY 2022</u>	<u>FY 2021</u>	<u>Percentage Change</u>
Installment Purchase Contracts Payable	\$718,270	\$786,992	(8.73%)
Compensated Absences Payable	3,470,074	3,721,280	(6.75%)
Bonds Payable	23,875,000	26,355,000	(9.41%)
Original Issue Premium	3,754,330	4,086,060	(8.12%)
Net Pension Liability Payable	20,349,477	31,990,005	(36.39%)
	\$52,167,151	\$66,939,337	(22.07%)

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022
UNAUDITED**

The District's Future

The Township of Union School District saw slight increase in its fund balance during the 2021/2022 school year. The enrollment in the District continues to experience 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, rising health care cost and reduced employee contributions under Chapter 44, the out of district Special Education Student Tuitions, Special Education Related Services, and the continued 2% levy cap. The District's will continue to explore and implement best practices to assist in making sound fiscal management decisions.

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, 2022.

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, 2022

	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
ASSETS:			
Cash and cash equivalents	\$19,809,603	\$454,821	\$20,264,424
Receivables, net	5,724,426	380,582	6,105,007
Internal balances	(687,383)	687,383	
Inventory		40,640	40,640
Restricted assets:			
Restricted cash and cash equivalents	3,633,232		3,633,232
Capital assets:			
Land and construction in progress	17,197,431		17,197,431
Other capital assets, net	81,320,745	1,014,924	82,335,669
Total assets	126,998,053	2,578,350	129,576,403
DEFERRED OUTFLOWS OF RESOURCES:			
Related to pensions	3,072,673		3,072,673
Total Deferred Outflows of Resources	3,072,673		3,072,673
LIABILITIES:			
Accounts payable	2,796,748	186,547	2,983,295
Payroll deductions and withholdings payable	4,381,370		4,381,370
Unemployment compensation claims payable	159,936		159,936
Payable to state government	63,223		63,223
Unearned revenue	3,093,340	60,754	3,154,094
Accrued interest payable	277,876		277,876
Noncurrent liabilities:			
Due within one year	3,248,698		3,248,698
Due beyond one year:			
Net Pension Liability	20,349,477		20,349,477
Compensated absences payable	3,470,074		3,470,074
Bonds and installment purchases payable	25,098,902		25,098,902
Total liabilities	62,939,643	247,301	63,186,945
DEFERRED INFLOWS OF RESOURCES:			
Related to gain from debt refunding	1,266,304		1,266,304
Related to pensions	18,486,037		18,486,037
Total Deferred Inflows of Resources	19,752,341		19,752,341
NET POSITION:			
Net investment in capital assets	68,904,271	1,014,924	69,919,195
Restricted for:			
Capital projects fund	4,505,237		4,505,237
Special revenue fund	592,031		592,031
Other purposes	11,392,500		11,392,500
Unrestricted (deficit)	(38,015,298)	1,316,124	(36,699,174)
Total net position	\$47,378,741	\$2,331,048	\$49,709,790

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

TOWNSHIP OF UNION SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
JUNE 30, 2022

FUNCTIONS/PROGRAMS	EXPENSES	INDIRECT EXPENSES ALLOCATION	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION	
			CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES
Governmental Activities:						
Instruction:						
Regular	\$50,459,210	\$20,234,675		\$20,891,673	(\$49,802,212)	(\$49,802,212)
Special education	24,355,570	5,640,882		6,481,492	(23,514,960)	(23,514,960)
Other	4,391,853	1,183,462		969,118	(4,606,197)	(4,606,197)
Support services:						
Student and instruction related services	21,445,833	6,865,772	\$493,178	8,138,771	(19,699,656)	(19,699,656)
General administrative services	2,818,926	104,381			(2,923,307)	(2,923,307)
School administrative services	5,714,699	2,811,564		2,129,231	(6,397,032)	(6,397,032)
Central services	1,058,851	(190,807)			(868,043)	(868,043)
Administration information technology	417,406	(164,627)			(252,779)	(252,779)
Plant operations and maintenance	9,103,213	(1,271,386)			(7,831,827)	(7,831,827)
Student transportation services	9,990,071	369,466		1,894,809	(8,464,728)	(8,464,728)
Unallocated benefits	31,969,237	(31,969,237)				
Unallocated Depreciation	3,959,900	(3,634,144)				
Interest on long term debt	473,192			116,555	(325,756)	(325,756)
Total governmental activities	166,157,960		493,178	40,621,548	(356,637)	(356,637)
					(125,043,133)	(125,043,133)
Business-type activities:						
Food service	4,417,006			4,859,716	\$709,707	709,707
Total business-type activities	4,417,006			4,859,716	709,707	709,707
Total primary government	\$170,574,966		\$760,175	\$45,481,364	(\$125,043,133)	(\$124,333,426)
General Revenues:						
Taxes:						
Property taxes - general					\$95,524,677	\$95,524,677
Property taxes - debt service					3,165,876	3,165,876
Federal and state aid not restricted					37,129,455	37,129,455
Miscellaneous income					823,259	826,124
Total general revenues					136,643,267	136,646,132
Transfers						38,595
Change in net position					11,600,133	12,351,301
Net Position - beginning					35,778,608	37,358,489
Net Position ending					\$47,378,741	\$49,709,790

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, 2022

ASSETS AND OTHER DEBITS:	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
Assets:					
Cash and cash equivalents	\$15,855,097	\$1,317,665	\$3,191,526	\$37,346	\$20,401,634
Capital reserve account	1,366,201				1,366,201
Maintenance reserve account	950,000				950,000
Emergency reserve account	725,000				725,000
Accounts receivable:					
Federal	16,531	1,615,644			1,632,175
State	4,048,684				4,048,684
Other	43,567				43,567
Interfunds receivable	52,490	499,897			552,387
Total assets	23,057,570	3,433,206	3,191,526	37,346	29,719,647
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts payable	637,342	123,776			761,118
Payroll deductions and withholdings payable	4,381,370				4,381,370
Unemployment compensation claims payable	159,936				159,936
Intergovernmental payable:					
State		63,223			63,223
Interfunds payable	1,187,280		52,490		1,239,770
Unearned revenue		3,093,340			3,093,340
Total liabilities	6,365,927	3,280,339	52,490		9,698,756
Fund balances:					
Restricted for:					
Capital reserve account	1,366,201				1,366,201
Maintenance reserve account	950,000				950,000
Emergency reserve account	725,000				725,000
Excess surplus designated for subsequent years expenditures	1,284,134				1,284,134
Excess surplus - current year	931,022				931,022
Capital projects fund			871,136		871,136
Debt service fund				37,346	37,346
Designated for subsequent years expenditures	2,361,574				2,361,574
Unemployment	1,395,451				1,395,451
Scholarships		251,710			251,710
Student Activities		340,321			340,321
Assigned for:					
Year-end encumbrances	3,727,660				3,727,660
FFCRA/SEMI Designated for subsequent years expenditures	17,660				17,660
Committed for:					
Year-end encumbrances			2,267,900		2,267,900
Unassigned:					
General fund	3,932,941				3,932,941
Special revenue fund (deficit)		(439,164)			(439,164)
Total fund balances	16,691,643	152,867	3,139,036	37,346	20,020,892
Total liabilities and fund balances	\$23,057,570	\$3,433,206	\$3,191,526	\$37,346	\$29,719,647

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, 2022

Total Fund Balances (Brought Forward)		\$20,020,892
<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		\$150,572,921
Accumulated Depreciation		<u>(52,054,745)</u>
		98,518,175
<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		(20,349,477)
Compensated absences payable		(3,470,074)
Installment purchase contracts payable		(718,270)
Serial bonds payable	(\$23,875,000)	
Premium on refunding debt, net	(3,754,330)	
Unamortized Deferred Amount on Refunding Bonds, net	<u>(1,266,304)</u>	
		<u>(28,895,635)</u>
		(53,433,455)
<p>Deferred Outflows and Inflows of resources are applicable to future periods and therefore are not reported in the funds.</p>		
Pensions:		
Deferred Outflows		
Pension related		3,072,673
Deferred Inflows:		
Pension related		(18,486,037)
<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		(2,035,630)
Accrued interest payable		<u>(277,876)</u>
		<u>(2,313,506)</u>
Net Position of Governmental Activities		<u><u>\$47,378,741</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, 2022

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
REVENUES:					
Local sources:					
Local tax levy	\$95,524,677			\$3,165,876	\$98,690,553
Other restricted miscellaneous revenues	9,568				9,568
Miscellaneous	529,733	\$566,730			1,096,463
Total revenues-local sources	96,063,978	566,730		3,165,876	99,796,584
State sources	69,796,922	3,276,976		116,555	73,190,454
Federal sources	208,730	7,262,327			7,471,057
Total revenues	166,069,630	11,106,034		3,282,431	180,458,095
EXPENDITURES:					
Current expense:					
Instruction:					
Regular	37,412,878	5,811,484			43,224,362
Special education	9,605,775	1,973,363			11,579,138
Other instruction	2,314,240				2,314,240
Support services:					
Tuition	12,432,816				12,432,816
Student and instruction related services	15,289,846	3,037,229			18,327,075
General administrative services	2,818,926				2,818,926
School administrative services	4,714,573				4,714,573
Central services	1,058,851				1,058,851
Administration Information Technology	777,897				777,897
Plant operations and maintenance	9,195,258				9,195,258
Student transportation services	10,156,257				10,156,257
Employee benefits	54,006,035				54,006,035
Capital outlay	1,066,663	1,291,067	\$10,178,994		12,536,724
Capital outlay - debt assessment	101,460				101,460
Debt service:					
Principal				2,480,000	2,480,000
Interest				802,431	802,431
Total expenditures	160,951,475	12,113,143	10,178,994	3,282,431	186,526,043
Excess (deficiency) of revenues over (under) expenditures	5,118,155	(1,007,109)	(10,178,994)		(6,067,948)
Other financing sources (uses):					
Operating transfers in		937,290			937,290
Operating transfers out	(937,290)				(937,290)
Installment purchase contracts (non-budgeted)	550,000				550,000
Total financing sources (uses):	(387,290)	937,290			550,000
Net change in fund balances	4,730,865	(69,819)	(10,178,994)		(5,517,948)
Fund balances, July 1, 2021	11,960,778	222,686	13,318,030	37,346	25,538,840
Fund balances, June 30, 2022	\$16,691,643	\$152,867	\$3,139,036	\$37,346	\$20,020,892

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, 2022

Total net change in fund balances - governmental funds (from B-2) (\$5,517,948)

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	(\$3,959,900)	
Capital outlays	12,638,184	
Capital outlays not capitalized	<u>(490,850)</u>	
		8,187,434

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

Proceeds from installment purchase contracts	(550,000)	
--	-----------	--

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

Payment of bond principal	2,480,000	
Payment of installment purchase contracts payable	618,722	
Amortization of premium on refunding bonds	331,730	
Amortization of deferred amounts on refunding bonds	<u>164,734</u>	
		3,595,186

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.

(167,225)

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	2,011,700	
Add: Pension benefit	<u>3,789,780</u>	
		5,801,480

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 (+).

251,207

Change in net position of governmental activities

\$11,600,133

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

OTHER FUNDS

EXHIBIT "B-4"

TOWNSHIP OF UNION SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS - ENTERPRISE FUNDS
JUNE 30, 2022

		<u>BUSINESS TYPE</u> <u>ACTIVITIES -</u> <u>ENTERPRISE FUNDS</u> <u>FOOD</u> <u>SERVICE</u>
ASSETS		
Current assets:		
Cash & cash equivalents	\$	454,821
Accounts receivable:		
State		7,686
Federal		372,896
Interfunds receivable		687,383
Inventories		<u>40,640</u>
Total current assets	\$	<u>1,563,425</u>
Noncurrent assets:		
Furniture, machinery & equipment	\$	2,704,485
Less accumulated depreciation		<u>(1,689,560)</u>
Total noncurrent assets	\$	<u>1,014,924</u>
Total assets	\$	<u><u>2,578,350</u></u>
LIABILITIES		
Current liabilities:		
Accounts payable	\$	186,547
Unearned revenue		<u>60,754</u>
Total current liabilities	\$	<u>247,301</u>
Total liabilities	\$	<u>247,301</u>
NET POSITION		
Net Investment in Capital Assets	\$	1,014,924
Unrestricted		<u>1,316,124</u>
Total net position	\$	<u><u>2,331,048</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, 2022

		<u>BUSINESS TYPE</u> <u>ACTIVITIES -</u> <u>ENTERPRISE FUNDS</u> <u>FOOD SERVICE</u> <u>SCHOOL NUTRITION</u>
OPERATING REVENUES:		
Charges for services:		
Daily sales - non-reimbursable programs	\$	266,997
Total operating revenues	\$	266,997
OPERATING EXPENSES:		
Cost of sales - reimbursable programs	\$	2,004,928
Cost of sales - non-reimbursable programs		79,586
Salaries		1,276,674
Employee benefits		406,285
Other purchased services		212,060
Supplies and materials		216,544
Cleaning, repair and maintenance services		99,753
Depreciation		82,581
Total operating expenses	\$	4,378,411
Operating income (loss)	\$	(4,111,414)
NONOPERATING REVENUES (EXPENSES):		
State sources		
State school lunch program	\$	90,827
Federal sources		
National school breakfast program		394,122
National school lunch program		3,869,890
Summer Food Service Program- Food		248,835
Summer Food Service Program- Admin		20,837
P-EBT administrative cost		3,135
National food distribution commodities		232,070
Interest		2,865
Miscellaneous expense		(38,595)
Total nonoperating revenues	\$	4,823,986
Transfers in (out)	\$	38,595
Change in Net Position	\$	751,168
Total net position - beginning		1,579,881
Total net position - ending	\$	2,331,048

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, 2022

		<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	\$	200,626
Payments to employees		(1,276,674)
Payments to employee benefits		(406,285)
Payment to suppliers		<u>(2,468,697)</u>
Net cash provided (used for) by operating activities	\$	<u>(3,951,030)</u>
Cash flows from noncapital financing activities:		
State Sources	\$	83,141
Federal Sources		<u>4,916,521</u>
Net cash provided by (used for) noncapital financing activities	\$	<u>4,281,683</u>
Cash flows from capital and related financing activities		
Purchase of capital assets	\$	<u>(321,466)</u>
Net cash used for capital and related financing activities	\$	<u>(321,466)</u>
Cash flows from investing activities		
Interest and dividends	\$	<u>2,865</u>
Net cash used for capital and related financing activities	\$	<u>2,865</u>
Net increase (decrease) in cash and cash equivalents	\$	12,052
Cash and cash equivalents- July 1		<u>442,768</u>
Cash and cash equivalents- June 30	\$	<u><u>454,820</u></u>
Operating income (loss)	\$	(4,111,414)
Adjustments to reconcile operating income (loss) to cash provided (used) by operating activities:		
Depreciation		82,581
Change in assets and liabilities:		
(Increase) Decrease in inventory		2,799
(Increase) Decrease in other accounts receivable		28,388
Increase (Decrease) in accounts payable		134,009
Increase (Decrease) in deferred revenue		<u>(87,393)</u>
Net cash provided (used) by operating activities	\$	<u><u>(3,951,029)</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, 2022

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, 2022

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, 2022

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, 2022

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 leases and installment purchase contracts 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, 2022

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, 2022

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, 2022

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, 2022

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, 2022

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, 2022

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, 2022

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.

Proprietary Fund Revenues and Expenses

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

Allocation of Indirect Expenses

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

Township of Union School District
Notes to the Financial Statements
June 30, 2022

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, 2022

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, 2022, the District has implemented GASB Statement 87, *Leases*. GASB Statement 87 establishes criteria for accounting and financial reporting for leases. It creates a single model for lease accounting and requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases. A Lessee is required to recognize a lease liability and an intangible right to use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

Township of Union School District
Notes to the Financial Statements
June 30, 2022

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, 2022:

Fund Type:	<u>Bank</u>	<u>Reconciling Items:</u>		<u>Reconciled</u>
	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>
Governmental	\$31,042,626	\$155,627	\$7,755,419	\$23,442,835
Proprietary	628,565	_____	173,744	454,821
	<u>\$31,671,191</u>	<u>\$155,627</u>	<u>\$7,929,163</u>	<u>\$23,897,656</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, 2022, 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 \$31,171,191 was covered under the provisions of NJGUDPA.

Township of Union School District
Notes to the Financial Statements
June 30, 2022

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, 2022

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, 2022, 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, 2022

NOTE 3: CHANGE IN CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Ending Balance</u>
Governmental activities:			
Capital assets that are not depreciated:			
Land	\$ 9,553,000	\$	\$ 9,553,000
Construction in progress		7,644,431	7,644,431
Total capital assets that are not depreciated	<u>\$ 9,553,000</u>	<u>\$ 7,644,431</u>	<u>\$ 17,197,431</u>
Capital assets being depreciated:			
Site improvements	\$ 4,175,497	\$ 8,720	\$ 4,184,217
Building and building improvements	106,918,731	3,934,237	110,852,967
Machinery and equipment	17,778,359	559,946	18,338,306
Total capital assets being depreciated	<u>\$ 128,872,587</u>	<u>\$ 4,502,903</u>	<u>\$ 133,375,490</u>
Total gross assets	<u>\$ 138,425,587</u>	<u>\$ 12,147,334</u>	<u>\$ 150,572,921</u>
Less: accumulated depreciation for:			
Site improvements	\$ (2,056,814)	\$ (185,318)	\$ (2,242,132)
Building and building improvements	(32,866,962)	(2,882,560)	(35,749,522)
Machinery and equipment	(13,171,070)	(892,023)	(14,063,092)
	<u>\$ (48,094,845)</u>	<u>\$ (3,959,900)</u>	<u>\$ (52,054,745)</u>
Governmental activities capital assets, net	<u>\$ 90,330,742</u>	<u>\$ 8,187,434</u>	<u>\$ 98,518,175</u>
Business type activities:			
Machinery and equipment	\$ 2,383,018	\$ 321,466	\$ 2,704,485
Less: accumulated depreciation	<u>(1,606,979)</u>	<u>(82,581)</u>	<u>(1,689,560)</u>
Proprietary fund capital assets, net	<u>\$ 776,039</u>	<u>\$ 238,885</u>	<u>\$ 1,014,924</u>

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

Instruction:		
Regular	\$	2,055,066
Special		191,334
Other		9,921
Support Services:		
Student and Instruction related services		92,124
School Administration		248,025
General Administration		311,803
Plant operations & maintenance		130,390
Transportation		850,372
Unallocated		<u>70,864</u>
Total Depreciation Expenses, Governmental Activities	\$	<u>3,959,900</u>

Township of Union School District
Notes to the Financial Statements
June 30, 2022

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, 2022:

	<u>Balance,</u> <u>June 30, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance,</u> <u>June 30, 2022</u>	<u>Due Within</u> <u>One Year</u>
Bonds Payable	\$26,355,000		\$2,480,000	\$23,875,000	\$2,635,000
Premium	4,086,060		331,730	3,754,330	331,730
Net Pension Liability	31,990,005		11,640,528	20,349,477	
Compensated Absence	3,721,280		251,207	3,470,074	
Installment Purchase					
Contracts Payable	<u>786,992</u>	<u>\$550,000</u>	<u>618,722</u>	<u>718,270</u>	<u>281,968</u>
Total	<u>\$66,939,337</u>	<u>\$550,000</u>	<u>\$15,322,186</u>	<u>\$52,167,151</u>	<u>\$3,248,698</u>

Installment Purchase Contracts Payable

The Board has entered into various installment purchase contracts for copier equipment, computer technology and school buses. The following is a schedule of the future minimum lease payments under installment purchase contracts, and the present value of the net minimum lease payments at June 30, 2022:

<u>Fiscal Year</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 281,968	\$ 5,806	\$ 287,774
2024	179,937	6,324	186,261
2025	120,442	3,079	123,521
2026	67,588	1,503	69,091
2027	<u>68,335</u>	<u>756</u>	<u>69,091</u>
	<u>\$ 718,270</u>	<u>\$ 17,468</u>	<u>\$ 735,739</u>

Township of Union School District
Notes to the Financial Statements
June 30, 2022

NOTE 4: LONG-TERM DEBT (CONTINUED)

The annual requirements to amortize all debt outstanding as of June 30, 2022, including interest payments on issued debt, are as follows:

Fiscal Year <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,885,000	648,100	2,533,100
2028-2032	6,940,000	2,073,450	9,013,450
2033-2037	4,350,000	974,000	5,324,000
2038-2041	2,370,000	197,200	2,567,200
	<u>\$ 23,875,000</u>	<u>\$ 7,370,350</u>	<u>\$ 31,245,350</u>

<u>Issue</u>	<u>Amount Outstanding June 30, 2022</u>
\$4,280,000 of 2015 Refunding bonds due in remaining annual installment of \$620,000 through January 2023 at an interest rate of 4%	\$620,000
\$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%	3,495,000
\$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%	7,275,000
\$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>\$ 23,875,000</u>

Township of Union School District
Notes to the Financial Statements
June 30, 2022

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, 2022, 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>
2021	\$ 8,238,653,207
2020	7,324,779,887
2019	<u>6,889,559,254</u>
	<u>\$ 22,452,992,348</u>
Average equalized valuation	<u>\$ 7,484,330,783</u>
School borrowing margin (4% of average equalized value)	\$ 299,373,231
Net school debt as of June 30, 2022	<u>23,875,000</u>
School borrowing power available	<u>\$ 275,498,231</u>

Township of Union School District
Notes to the Financial Statements
June 30, 2022

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, 2022

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, 2022

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.

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>Three Year Trend Information for PERS</u>			
Year Ended	Annual Pension	Percentage of	Net Pension
<u>June 30,</u>	<u>Cost (APC)</u>	<u>APC Contributed</u>	<u>Obligation</u>
2022	\$2,011,700	100.00%	\$2,011,700
2021	2,145,990	100.00%	2,145,990
2020	1,994,147	100.00%	1,994,147

During the fiscal years ended June 30, 2022, 2021 and 2020, the State of New Jersey contributed \$21,840,546, \$15,049,054 and \$12,128,127, 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, 2022, 2021 and 2020, the State of New Jersey reimbursed the District \$4,029,170, \$4,090,974 and \$4,079,732, respectively for the employer's share of social security contributions for TPAF members, as calculated on their base salaries.

Township of Union School District
Notes to the Financial Statements
June 30, 2022

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

Public Employees Retirement System (PERS)

At June 30, 2022, the District reported a liability of \$20,349,477.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. 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 members, actuarially determined. At June 30, 2021, the District's proportion was 0.1717762898 percent, which was a decrease of 0.0243925348 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the District recognized pension benefit of \$3,789,781.00 in the district-wide financial statements. This pension benefit was based on the pension plans June 30, 2021 measurement date.

At June 30, 2022, 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	\$ 320,937.00	\$ 145,678.00
Changes of assumptions		7,244,546.00
Net difference between projected and actual earnings on pension plan investments	105,980.00	5,360,587.00
Changes in proportion and differences between District contributions and proportionate share of contributions	610,126.00	5,735,226.00
District contributions subsequent to the measurement date	<u>2,035,630.00</u>	
	<u>\$ 3,072,673.00</u>	<u>\$ 18,486,037.00</u>

The \$2,035,630.00 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e., for the school year ending June 30, 2022, the plan measurement date is June 30, 2021) will be recognized as a reduction of the net pension liability in the year ended June 30, 2023.

Township of Union School District
Notes to the Financial Statements
June 30, 2022

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:

<u>Year Ended</u> <u>June 30,</u>	<u>Amount</u>
2022	(\$5,826,610.00)
2023	(4,453,344.00)
2024	(3,362,552.00)
2025	(2,782,150.00)
2026	(1,024,338.00)
	<u>(\$17,448,994.00)</u>

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which rolled forward to June 30, 2021. These actuarial valuations used the following assumptions:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00%-6.00%
	Based on Years of Service
Thereafter	3.00%-7.00%
	Based on Years of Service
Investment Rate of Return	7.00%

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

Township of Union School District
Notes to the Financial Statements
June 30, 2022

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, 2020 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 June 30, 2021) 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, 2021 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%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate Assets	3.00%	9.15%
Real Estate	8.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

Township of Union School District
Notes to the Financial Statements
June 30, 2022

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% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers.

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

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

The following presents the District's proportionate share of the net pension liability as of June 30, 2021, 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 pension liability	\$27,711,861.00	\$20,349,477.00	\$14,101,450.00

Pension Plan Fiduciary Net Position

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

Township of Union School District
Notes to the Financial Statements
June 30, 2022

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

Teachers Pensions and Annuity Fund (TPAF)

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

The portion of the TPAF Net Pension Liability that was associated with the District recognized at June 30, 2022 was as follows:

Net Pension Liability:	
Districts proportionate share	-0-
State's proportionate share associated with the District	<u>\$248,887,602</u>
	<u><u>\$248,887,602</u></u>

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 which was rolled forward to June 30, 2021. 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, 2021, the proportion of the TPAF net pension liability associated with the District was .5177048886% which was a decrease of .0255003639 percent from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the District recognized on-behalf pension expense and revenue of \$5,856,435.00 in the government-wide financial statements for contributions provided by the State. This pension expense and revenue was based on the pension plans June 30, 2021 measurement date.

Township of Union School District
Notes to the Financial Statements
June 30, 2022

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

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55%-4.45%
	Based on Years of Service
Thereafter	2.75%-5.65%
	Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rate

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

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries.

Township of Union School District
Notes to the Financial Statements
June 30, 2022

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

Teachers Pensions and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions (Continued)

Long-Term Expected Rate of Return (Continued)

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, 2021 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%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate Assets	3.00%	9.15%
Real Estate	8.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

Township of Union School District
Notes to the Financial Statements
June 30, 2022

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

Teachers Pensions and Annuity Fund (TPAF) (Continued)

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

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

Pension Plan Fiduciary Net Position

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

Township of Union School District
Notes to the Financial Statements
June 30, 2022

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	213,901
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	150,427
Inactive Plan Members or Beneficiaries Not Yet Receiving Benefits	<u>- 0 -</u>
Total Plan Members	<u>364,328</u>

Township of Union School District
Notes to the Financial Statements
June 30, 2022

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, 2022 was as follows:

Total OPEB Liability:	
District's Proportionate Share	\$-0-
State's Proportionate Share associated with the District	<u>293,187,300</u>
	<u><u>\$293,187,300</u></u>

The total Non-Employer OPEB Liability as of June 30, 2021 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021.

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

For the year ended June 30, 2022, the District recognized on-behalf post-employment expense and revenue of \$18,386,943 in the government-wide financial statements for contributions provided by the State. This expense and revenue was based on the plans June 30, 2021 measurement date.

At June 30, 2021, the District's proportion was 0.4885831977 percent, which was a decrease of .0005628528 from its proportion measured as of June 30, 2020.

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, 2022

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, 2021 was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. 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>June 30, 2021</u>		
	<u>TPAF/ABP</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	2.75-5.65%*	3.00-7.00%*	Not Applicable

*- Based on Years of Service

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

The actuarial assumptions used in the June 30, 2020 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, 2022

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 5.65% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully insured Medicare Advantage trend rates for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.50% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreases to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate for June 30, 2021 and June 30, 2020 was 2.16% and 2.21% 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, 2020 to June 30, 2021:

Balance at 6/30/20		\$331,689,754
Changes for the year:		
Service cost	\$16,148,768	
Interest	7,605,587	
Changes of Benefit Terms	(312,062)	
Differences between expected and actual experience	(56,437,364)	
Changes in assumptions or other inputs	289,252	
Membership Contributions	194,438	
Benefit payments - Net	(5,991,073)	
Net changes		(38,502,454)
Balance at 6/30/21		\$293,187,300

Township of Union School District
Notes to the Financial Statements
June 30, 2022

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, 2021, 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, 2021		
	1.00% <u>Decrease (1.16%)</u>	At Discount <u>Rate (2.16%)</u>	1.00% <u>Increase (3.16%)</u>
State of New Jersey's Proportionate Share of the total Non-Employer OPEB Liability associated with the District	\$351,192,359	\$293,187,300	\$247,511,798

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, 2021, 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, 2021		
	1.00% <u>Decrease</u>	Healthcare Cost <u>Trend Rate</u>	1.00% <u>Increase</u>
State of New Jersey's Proportionate Share of the total Non-Employer OPEB Liability associated with the District	\$237,336,072	\$293,187,300	\$368,191,372

Township of Union School District
Notes to the Financial Statements
June 30, 2022

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

At June 30, 2021, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's Non-Employer OPEB Liability associated with the District from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 44,196,683	\$ 87,990,722
Changes of assumptions	49,735,507	31,456,265
Changes in proportion	<u>4,793,542</u>	<u>315,662</u>
	<u>\$ 98,725,732</u>	<u>\$ 119,762,649</u>

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

<u>Measurement Period Ended June 30,</u>	<u>Amount</u>
2022	(\$4,880,958)
2023	(\$4,880,958)
2024	(\$4,880,958)
2025	(\$4,880,958)
2026	(\$3,211,460)
Total Thereafter	<u>\$1,698,375</u>
	<u><u>(\$21,036,917)</u></u>

Township of Union School District
Notes to the Financial Statements
June 30, 2022

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-notice-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 2021-2022 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, 2022

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>Year Ended June 30,</u>	<u>Interest and Employer Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022	\$5,369	\$119,739		\$1,555,387
2021	10,245	111,813	\$81,862	1,430,279
2020	16,142	118,019	186,017	1,390,083

NOTE 11: FUND BALANCE

General Fund - Of the \$16,691,643 in General Fund Balance at June 30, 2022, \$3,727,660 has been assigned for year-end encumbrances; \$2,361,574 is assigned to designated for subsequent years expenditures; \$17,660 is assigned to SEMI/FFCRA designated for subsequent years expenditures; \$1,366,201 has been restricted in the Capital Reserve Account; \$950,000 has been restricted as maintenance reserve; \$725,000 has been restricted as Emergency Reserve; \$1,395,451 has been restricted for unemployment claims; \$1,284,134 has been restricted as excess surplus resulting from the year ended June 30, 2021; \$931,022 has been restricted as excess surplus resulting from the year ended June 30, 2022 and \$3,932,941 is unassigned.

Township of Union School District
Notes to the Financial Statements
June 30, 2022

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 \$931,022 excess fund balance resulting from the year ended June 30, 2022.

General Fund Expenditures Fiscal Year Ended June 30, 2022	\$160,951,475
Add:	
Transfer from General Fund to SRF for PreK	937,290
Less:	
On-behalf TPAF Pension and Social Security Reimbursement and assets acquired under installment purchases	<u>31,531,388</u>
Adjusted General Fund Expenditures	130,357,377
Excess Surplus Percentage	<u>4.00%</u>
4% of Adjusted 2021-22 General Fund Expenditures	5,214,295
Add: Allowable Adjustments	2,151,613
Maximum Unreserved/Undesignated Fund Balance	7,365,908
Actual Unassigned/Undesignated Fund Balance	<u>8,296,930</u>
Excess Surplus	<u><u>\$931,022</u></u>

Township of Union School District
Notes to the Financial Statements
June 30, 2022

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.

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, 2022 is as follows:

Balance, June 30, 2021	\$1,362,002
Deposits:	
Interest Earnings	<u>4,199</u>
Balance, June 30, 2022	<u><u>\$1,366,201</u></u>

Township of Union School District
Notes to the Financial Statements
June 30, 2022

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.

The activity of the maintenance reserve for the year ending June 30, 2022 is as follows:

Balance, June 30, 2021	
and June 30, 2022	<u><u>\$950,000</u></u>

Township of Union School District
Notes to the Financial Statements
June 30, 2022

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, 2022 is as follows:

Balance June 30, 2021 and 2022	<u>\$725,000</u>
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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, 2022.

NOTE 17: INVENTORY

Inventory in the Food Service Fund at June 30, 2022 consisted of the following:

Food and Supplies	<u>\$40,640</u>
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The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Act amendments of 1996) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

Township of Union School District
Notes to the Financial Statements
June 30, 2022

NOTE 18: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2022:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
General Fund	\$52,490	\$1,187,280
Special Revenue Fund	499,897	
Capital Projects Fund		52,490
Enterprise Funds	687,383	
	\$1,239,770	\$1,239,770
	\$1,239,770	\$1,239,770

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 \$1,919,397. 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 2022.

Township of Union School District
Notes to the Financial Statements
June 30, 2022

NOTE 20: SUBSEQUENT EVENTS

The District has evaluated subsequent events occurring after the financial statement date through February 21, 2023 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
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
REVENUES:					
Local Sources:					
Local Tax Levy	\$95,524,677		\$95,524,677	\$95,524,677	(\$50,000)
Tuition from Individuals	50,000		50,000		279,733
Unrestricted Miscellaneous Revenues	250,000		250,000	529,733	(20,801)
Interest Earned on Capital Reserve Funds	25,000		25,000	4,199	5,369
Other Restricted Miscellaneous Revenues				5,369	
Total Local Sources	95,849,677		95,849,677	96,063,978	214,301
State Sources:					
Categorical Transportation Aid	1,894,809		1,894,809	1,894,809	
Extraordinary Aid	1,700,000		1,700,000	3,751,273	2,051,273
Categorical Special Education Aid	5,438,881		5,438,881	5,438,881	
Equalization Aid	27,326,611		27,326,611	27,326,611	
Categorical Security Aid	423,870		423,870	423,870	
Other State Aids				100,340	100,340
On-behalf TPAF Contributions-non-budgeted				21,536,693	21,536,693
On-behalf TPAF N.C.G.I.-non-budgeted				303,853	303,853
Reimbursed TPAF Social Security Contribution-non-budgeted				4,029,170	4,029,170
Post Retirement Medical-non budgeted				5,102,834	5,102,834
Long Term Disability Insurance				8,838	8,838
Total State Sources	36,784,171		36,784,171	69,917,172	33,133,001
Federal Sources:					
Medicaid Reimbursement	168,312		168,312	208,730	40,418
Total Federal Sources	168,312		168,312	208,730	40,418
Total Revenues	\$132,802,160		\$132,802,160	\$166,189,880	\$33,387,720
EXPENDITURES:					
CURRENT EXPENSE:					
Instruction - Regular Programs:					
Kindergarten	\$1,568,128	(\$144,741)	\$1,423,387	\$1,375,380	\$48,006
Grades 1-5	12,237,247	(817,474)	11,419,773	11,114,080	305,693
Grades 6-8	8,511,425	(358,908)	8,152,517	7,930,652	221,865
Grades 9-12	11,201,007	343,160	11,544,167	11,175,113	369,054
Regular programs - home instruction:					
Salaries of teachers	330,000	12,861	342,861	342,861	
Purchased professional educational services	\$74,703	(\$24,819)	\$49,883	\$43,935	\$5,948

TOWNSHIP OF UNION SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	ORGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Regular programs - undistributed instruction:					
Other salaries for instruction	\$82,813	(\$20,543)	\$62,270	\$61,569	\$702
Purchased professional - educational services	1,488,000	1,534,457	3,022,457	3,015,376	7,081
Purchased technical services	522,288	74,968	597,256	573,861	23,395
Other purchased services (400 - 500 series)	934,670	(100,956)	833,714	775,658	58,056
General supplies	959,848	(338,576)	621,272	491,585	129,687
Textbooks	524,825	(4,871)	519,954	512,807	7,147
Total regular programs	38,434,954	154,557	38,589,511	37,412,878	1,176,633
Instruction - Special Education:					
Learning and/or Language Disabilities:					
Salaries of Teachers	657,073	(10,163)	646,910	628,674	18,236
Other salaries for instruction	85,347	(83,918)	1,429	1,428	1
General Supplies	2,000	(1,000)	1,000	1,000	1,000
Total Learning and/or Language Disabilities	744,420	(95,081)	649,339	630,102	19,237
Behavioral Disabilities:					
Salaries of Teachers	392,946	(78,031)	314,915	307,314	7,601
Other Salaries for Instruction	51,562	33	51,595	50,094	1,501
General Supplies	3,000	(1,000)	2,000	1,434	566
Total Behavioral Disabilities	447,508	(78,998)	368,510	358,841	9,669
Multiple Disabilities:					
Salaries for Teachers	354,459	19,794	374,253	369,040	5,212
Other Salaries for Instruction	26,789	10,265	37,054	36,310	744
General Supplies	13,861		13,861	9,141	4,720
Total Multiple Disabilities	395,109	30,058	425,167	414,491	10,676
Resource Room / Resource Center:					
Salaries of Teachers	5,783,466	1,326,003	7,109,469	6,971,192	138,278
Other salaries for instruction	66,248	(21,380)	44,868	43,210	1,658
General Supplies	3,000	(1,000)	2,000	230	1,770
Total Resource Room / Resource Center	5,852,714	1,303,624	7,156,338	7,014,631	141,706
Autism:					
Salaries of Teachers	591,608	80,996	672,604	653,536	19,068
Other Salaries for Instruction	13,555	(4,134)	9,421	9,421	
General Supplies	24,500	3,000	27,500	24,782	2,718
Total Autism	629,663	79,862	709,525	687,739	21,786
Preschool Disabilities - Part - Time:					
Salaries of Teachers	69,693	(66,308)	3,385	3,384	1
Other Salaries for Instruction	24,952	(23,739)	1,213	1,213	
Total Preschool Disabilities - Part - Time	\$94,645	(\$90,048)	\$4,598	\$4,597	\$1

TOWNSHIP OF UNION SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>ORIGINAL BUDGET</u>	<u>BUDGET TRANSFERS AND AMENDMENTS</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE/ (UNFAVORABLE)</u>
Preschool Disabilities - Full - Time:					
Salaries of Teachers	\$310,541	\$130,541	\$441,307	\$402,656	\$38,651
Other Salaries for Instruction	88,047	3,591	91,638	88,628	3,010
Supplies and Materials	2,000	2,089	4,089	4,089	
Total Preschool Disabilities - Full - Time	<u>400,813</u>	<u>136,221</u>	<u>537,034</u>	<u>495,374</u>	<u>41,661</u>
Total Special Education	<u>8,564,872</u>	<u>1,285,639</u>	<u>9,850,511</u>	<u>9,605,775</u>	<u>244,735</u>
Basic Skills / Remedial:					
Salaries of Teachers	878,016	(170,805)	707,211	688,595	18,616
Total Basic Skills / Remedial	<u>878,016</u>	<u>(170,805)</u>	<u>707,211</u>	<u>688,595</u>	<u>18,616</u>
Bilingual Education Instruction:					
Salaries of Teachers	1,005,280	(421,252)	584,028	571,066	12,963
Total Bilingual Education Instruction	<u>1,005,280</u>	<u>(421,252)</u>	<u>584,028</u>	<u>571,066</u>	<u>12,963</u>
Vocational Programs Local Instruction:					
Other Purchased Services (400-500 series)	3,000		3,000	3,000	
General Supplies	22,030	(16,467)	5,563	3,992	1,570
Total Vocational Programs Local Instruction	<u>25,030</u>	<u>(16,467)</u>	<u>8,563</u>	<u>3,992</u>	<u>4,570</u>
School Sponsored Co-Curricular Activities:					
Salaries	235,890	(95,598)	140,293	139,551	742
Supplies and Materials	3,500	(1,500)	2,000	2,000	
Other Objects	32,872	(6,800)	26,272	2,819	23,453
Total School Sponsored Co-Curricular Activities	<u>272,262</u>	<u>(103,698)</u>	<u>168,565</u>	<u>142,370</u>	<u>26,195</u>
School Sponsored Athletics:					
Salaries	710,416	(53,192)	657,224	657,224	
Purchased Services (300-500 Series)	150,195	(5,500)	144,695	115,778	28,918
Supplies and Materials	126,794	4,000	130,794	110,450	20,344
Other Objects	30,608		30,608	24,766	5,842
Total School Sponsored Athletics	<u>1,018,013</u>	<u>(54,692)</u>	<u>963,321</u>	<u>\$908,218</u>	<u>55,103</u>
Before/After School Programs Instruction:					
Salaries of Teachers	194,900	(194,265)	615	615	
Other Purchased Services (400-500 series)	20,000	(13,997)	6,003	6,003	
Supplies & Materials	10,000		10,000	10,000	
Total Before/After School Programs Instruction	<u>224,900</u>	<u>(208,262)</u>	<u>16,618</u>	<u>16,618</u>	
Total Before/After School Programs	<u>\$224,900</u>	<u>(\$208,262)</u>	<u>\$16,618</u>	<u>\$16,618</u>	

TOWNSHIP OF UNION SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE -- BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Total Other Instructional Programs	\$3,423,501	(\$975,196)	\$2,448,305	\$2,314,240	\$134,064
Total - Instruction	50,423,326	465,000	50,888,326	49,332,893	1,555,433
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEA's within the State - Regular	50,000	(8,500)	41,500	40,998	502
Tuition to Other LEA's within the State - Special	5,154,135	(402,147)	4,751,988	4,723,096	28,893
Tuition to County Vocational School District - Regular	678,000	102,000	780,000	780,000	
Tuition to County Vocational School District - Sp Ed	28,000	24,000	52,000	52,000	
Tuition to CSSD & Regional Day Schools	60,358	50,503	110,861	110,503	358
Tuition to Private Schools for the Handicapped w/in State	6,337,944	(387,240)	5,950,704	5,935,814	14,890
Tuition - Other	911,500	(112,744)	798,756	790,406	8,350
Total Undistributed Expenditures - Instruction	13,219,937	(734,128)	12,485,809	12,432,816	52,993
Attendance and Social Work Services:					
Salaries	226,441	(34,044)	192,397	187,392	5,005
Purchased Professional and Technical Services	97,000		97,000	81,868	15,132
Other Purchased Services (400-500 series)		2,640	2,640	2,640	
Other Objects	500	(62)	438	438	
Total Attendance and Social Work Services	323,941	(31,466)	292,475	272,338	20,137
Health Services:					
Salaries	1,011,953	(101,685)	910,268	896,979	13,288
Unused Vacation Payment to Terminated/Retired Staff		3,000	3,000	3,000	
Purchased Professional and Technical Services	63,103		63,103	57,760	5,343
Supplies and Materials	17,081		17,081	8,717	8,364
Total Health Services	1,092,136	(98,685)	993,451	966,456	26,995
Other Support Services - Speech, OT, PT & Related Services:					
Salaries	1,457,944	180,488	1,638,432	1,588,520	49,912
Purchased Professional - Educational Services	2,130,339	864,562	2,994,902	2,928,776	66,125
Supplies and Materials	58,995		58,995	49,343	9,652
Total Other Support Services - Speech, OT, PT & Related Services	3,647,278	1,045,051	4,692,329	4,566,639	125,690
Other Support Services - Students - Extra Services					
Salaries	2,084,421	(231,432)	1,852,989	1,812,275	40,715
Total Other Support Services - Students - Extra Services	\$2,084,421	(\$231,432)	\$1,852,989	\$1,812,275	\$40,715

TOWNSHIP OF UNION SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Guidance:					
Salaries of Other Professional Staff	\$1,884,530	\$106,824	\$1,991,354	\$1,929,543	\$61,811
Salaries of Secretarial and Clerical Assistants	293,020	(29,182)	263,838	257,694	6,144
Supplies and Materials	600		600	263	337
Other Objects	5,100		5,100	4,148	952
Total Guidance	<u>2,183,250</u>	<u>77,642</u>	<u>2,260,892</u>	<u>2,191,648</u>	<u>69,244</u>
Child Study Teams:					
Salaries of Other Professional Staff	2,788,670	26,212	2,814,882	2,749,275	65,606
Salaries of Secretarial and Clerical Assistants	275,281	17,108	292,389	288,650	3,739
Salaries of ABA In Home Therapy		72	72	72	
Purchased Professional Educational Services	173,189	(13,132)	160,057	117,274	42,783
Other Purchased Services (400-500 series)	7,000	2,000	9,000	6,696	2,304
Other Objects	1,500		1,500	1,151	349
Total Child Study Teams	<u>3,245,640</u>	<u>32,259</u>	<u>3,277,899</u>	<u>3,163,118</u>	<u>114,781</u>
Improvement of Instruction Services					
Other Support Services - Instructional Staff:					
Salaries of Supervisors of Instruction	1,330,434	7,711	1,338,145	1,308,114	30,031
Salaries of Other Professional Staff	60,826	(58,526)	2,300	2,300	
Salaries of Secretarial and Clerical Assis.	256,421	(53,235)	203,186	202,111	1,075
Unused Vacation Payment to Terminated/Retired Staff		7,607	7,607	92,382	7,607
Supplies and materials	106,800	(13,517)	93,283	92,382	901
Other Objects	6,393	(3,081)	3,312	2,568	745
Total Improvement of Instruction Services /	<u>1,760,874</u>	<u>(113,040)</u>	<u>1,647,834</u>	<u>1,607,474</u>	<u>40,359</u>
Other Support Services - Instructional Staff					
Educational Media Services / School Library:					
Salaries	829,646	(162,633)	667,013	643,774	23,239
Unused Vacation Payment to Terminated/Retired Staff		3,450	3,450	3,450	
Supplies and materials	59,084	(1,568)	57,516	45,119	12,397
Other Objects	15,500	(3,450)	12,050	12,050	
Total Educational Media Services / School Library	<u>\$904,230</u>	<u>(\$164,201)</u>	<u>\$740,030</u>	<u>\$688,894</u>	<u>\$51,136</u>

TOWNSHIP OF UNION SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Instructional Staff Training Services:					
Other Salaries	\$58,647	(\$45,297)	\$13,350	\$5,110	\$8,240
Other Purchased Professional - Educational Services	61,694	(36,992)	24,702	9,820	14,883
Other Purchased Services (400- 500)	30,000	(9,000)	21,000	6,075	14,925
Total Instructional Staff Training Services	<u>150,341</u>	<u>(91,289)</u>	<u>59,052</u>	<u>21,005</u>	<u>38,048</u>
Support Services General Administration:					
Salaries	865,539	(50,004)	815,535	815,535	147
General Admin. Salaries-Governance Staff (AOE Direct Reports Only)	5,047		5,047	4,900	51,663
Legal Services	657,594	65,340	722,934	671,271	
Expenditure and Internal Control Audit Fees	60,000	(17,075)	42,925	42,925	
Architectural/Engineering Services	54,082	12,001	66,083	29,201	36,882
Other Purchased Professional Services	4,000	5,775	9,775	9,775	
Other Purchased Technical Services	2,000		2,000	1,888	112
Communications / Telephone	485,327	(113,873)	371,454	232,526	138,928
Miscellaneous Expenditures	695,207	34,005	729,212	719,724	9,488
General Supplies	140,900	(19,167)	121,733	111,702	10,031
BOE In- House Training/ Meeting Supplies	4,500	(3,000)	1,500	281	1,220
Judgements against the District	70,050	100,598	100,598	100,500	98
Miscellaneous Expenditures	35,000	(13,603)	56,447	51,881	4,566
BOE Membership Dues and Fees	3,079,245	997	3,080,242	26,819	8,181
Total Support Services General Administration	<u>3,079,245</u>	<u>997</u>	<u>3,080,242</u>	<u>2,818,926</u>	<u>261,316</u>
Support Services School Administration:					
Salaries of Principals / Asst. Principals	2,722,868	(8,362)	2,714,506	2,658,639	55,867
Salaries of Other Professionals	594,506	37,697	632,203	616,519	15,684
Salaries of Secretarial and Clerical Assistants	1,284,137	(6,474)	1,277,663	1,241,740	35,923
Other Salaries	18,600	(12,000)	6,600	1,258	5,342
Purchased Professional and Technical Services	5,000	(1,875)	3,125	122	3,003
Other Purchased Services(400-500 series)	10,000		10,000	4,258	5,742
Supplies and Materials	88,442	42,681	131,123	86,588	44,535
Other Objects	111,963	41,668	153,632	105,449	48,183
Total Support Services School Administration	<u>\$4,835,517</u>	<u>\$93,335</u>	<u>\$4,928,852</u>	<u>\$4,714,573</u>	<u>\$214,278</u>

TOWNSHIP OF UNION SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Central Service:					
Salaries	\$1,117,305	(\$214,289)	\$903,016	\$903,016	\$16,618
Unused Vacation Payment to Terminated/Retired Staff		21,217	21,217	4,599	23,182
Purchased Professional Services	128,239	125	128,364	105,183	
Misc. Purch Services (400-500)	13,500	(4,000)	9,500	5,677	3,823
Supplies and Materials	54,126	(21,125)	33,001	28,123	4,877
Miscellaneous Expenditures	15,000		15,000	12,253	2,747
Total Central Service	<u>1,328,170</u>	<u>(218,072)</u>	<u>1,110,098</u>	<u>1,058,851</u>	<u>51,247</u>
Administrative Information Technology:					
Salaries	694,323	28,555	722,878	722,332	546
Other Purchased Services	3,500		3,500	3,500	
Supplies and Materials	36,000		36,000	35,565	435
Other objects	16,500		16,500	16,500	
Total Administrative Information Technology	<u>750,323</u>	<u>28,555</u>	<u>778,878</u>	<u>777,897</u>	<u>981</u>
Required Maintenance for School Facilities:					
Salaries	1,229,507	81,569	1,311,076	1,311,075	1
Cleaning, Repair and Maintenance Services	536,308	16,400	552,707	439,407	113,301
General Supplies	386,349	(65,653)	320,696	259,543	61,153
Other Objects	73,965	(23,210)	50,755	38,764	11,991
Total Required Maintenance for School Facilities	<u>\$2,226,129</u>	<u>\$9,106</u>	<u>\$2,235,234</u>	<u>\$2,048,789</u>	<u>\$186,445</u>

TOWNSHIP OF UNION SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Custodial Services:					
Salaries	\$3,438,108	(\$163,969)	\$3,274,139	\$3,273,607	\$532
Salaries of Non-Instructional Aides	348,046	(141,997)	206,049	98,745	107,304
Unused Vacation Payment to Terminated/Retired Staff		10,855	10,855	10,855	
Purchased Professional and Technical Services	32,000		32,000	29,477	2,523
Cleaning, Repair and Maintenance Services	317,000		317,000	105,404	317,000
Other Purchased Property Services	138,000		138,000	248,962	32,596
General Supplies	306,698	(56,357)	250,341	689,446	1,379
Energy (Natural Gas)	673,000	43,554	716,554	733,619	27,108
Energy (Heat and Electricity)	1,155,000	(264,943)	890,057	201,400	156,438
Interest - Energy Savings Impr Prog Bonds		201,400	201,400		
Total Custodial Services	<u>6,407,852</u>	<u>(371,457)</u>	<u>6,036,395</u>	<u>5,391,516</u>	<u>644,879</u>
Care and Upkeep of Grounds:					
Salaries	306,403	(101,242)	205,161	205,161	
Purchased Professional and Technical Services	42,786	(42,786)		21,984	14,709
Cleaning, Repair And Maintenance		36,693	36,693	39,950	10,565
General Supplies	50,515		50,515	267,095	25,274
Total Care and Upkeep of Grounds	<u>399,704</u>	<u>(107,335)</u>	<u>292,369</u>		
Security:					
Salaries	1,346,712	(47,259)	1,299,453	1,287,681	11,772
Unused Vacation Payment to Terminated/Retired Staff		8,775	8,775	8,775	
Purchased Professional and Technical Services	61,386	5,339	66,725	66,145	580
Cleaning, Repair, and Maintenance Services	96,636	3,000	99,636	98,956	680
General Supplies	37,630	(26,922)	10,708	10,708	
Other Objects	78,200	(7,213)	70,987	15,593	55,395
Total Security	<u>\$1,620,564</u>	<u>(\$64,280)</u>	<u>\$1,556,284</u>	<u>\$1,487,658</u>	<u>\$68,427</u>

TOWNSHIP OF UNION SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Student Transportation Services:					
Salaries of Non-Instructional Aides	\$750,000	(\$304,554)	\$445,446	\$445,446	
Salaries for Pupil Transportation (Between Home and School) - Regular	1,832,882	(446,275)	1,386,607	1,386,605	\$2
Salaries (Other than H & S)	20,000	11,903	31,903	31,903	
Unused Vacation Payment to Terminated/Retired Staff		6,959	6,959	1,563	5,397
Management Fee- ESC & CTSA Trans. Program	140,000	142,032	282,032	282,032	
Transportation- Other Purchased Prof & Tech	14,500	(936)	13,564	13,564	
Cleaning, Repair and Maintenance Services	104,110	(33,910)	70,200	59,939	10,261
Lease Payments		168,000	168,000	162,324	5,676
Contracted Services - Aid in Lieu Payments-NonPub Sch	303,550		303,550	308,505	72,908
Contracted Services - Aid in Lieu Payments-Charter Sch	30,000	17,862	47,862	161	47,839
Contract. Serv. - Aid in Lieu Pymts-Choice Sch	30,000	18,000	48,000	23,917	23,083
Contracted Services (Other than Between Home and School) - Vendors	174,437	(77,824)	96,613	28,079	68,534
Contract. Serv.(Reg. Students)-ESCs & CTSA	115,000	(100,000)	15,000	15,000	15,000
Contracted Services -(Spec.Ed. Students) - ESCs & CTSA	4,975,000	2,215,074	7,190,074	7,176,270	13,804
General Supplies	36,856	(16,945)	19,911	18,752	1,159
Transportation Supplies	186,079	42,798	228,876	217,198	11,678
Other Objects	3,300	(3,000)	300	300	300
Total Student Transportation Services	8,715,714	1,716,183	10,431,898	10,156,257	275,641
Allocated Benefits - Employee Benefits:					
Unused vacation pay to Terminated/Retired Staff		132,488	132,488	43,013	89,475
Unused vacation Pay to Terminated/Retired Staff		24,600	24,600	21,075	3,525
Unused vacation Pay to Terminated/Retired Staff		1,875	1,875	1,875	1,875
Unused vacation Pay to Terminated/Retired Staff		18,875	18,875	15,000	3,875
Unused vacation Pay to Terminated/Retired Staff		14,410	14,410	14,410	
Total Allocated Benefits - Employee Benefits		192,248	192,248	93,498	98,750
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	1,400,000	491,039	1,891,039	1,891,039	
Other Retirement Contributions - PERS	2,000,000	12,770	2,012,770	2,012,770	
Other Retirement Contributions - Regular	86,000		86,000	57,133	28,867
Workmen's Compensation	703,123	54,221	757,344	753,921	3,423
Health Benefits	20,082,161	(1,935,621)	18,146,540	18,139,979	6,561
Tuition Reimbursements	100,000	(23,693)	76,307	76,307	
Unused sick payment	298,541	(298,541)	-	-	
Total Unallocated Benefits - Employee Benefits	\$24,669,825	(\$1,699,825)	\$22,970,000	\$22,931,149	\$38,851

TOWNSHIP OF UNION SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
On-Behalf TPAF Contributions (Non-Budgeted):					
On-behalf TPAF Contributions-non-budgeted				\$21,536,693	(\$21,536,693)
On-behalf TPAF N.C.G.I.-non-budgeted				303,853	(303,853)
Post Retirement Medical-non budgeted				5,102,834	(5,102,834)
Reimbursed TPAF Social Security Contribution-non-budgeted				4,029,170	(4,029,170)
Long Term Disability Insurance				8,838	(8,838)
Total TPAF Pension/Social Security				30,981,388	(30,981,388)
Total Undistributed Expenditures	\$82,645,092	(\$729,835)	\$81,915,257	110,450,459	(28,535,202)
TOTAL EXPENDITURES - CURRENT EXPENSE	133,068,419	(264,835)	132,803,583	159,783,352	(26,979,769)
CAPITAL OUTLAY:					
Equipment:					
Grades 1-5	26,686	89,296	115,982	44,993	70,989
Grades 6-8	8,241	25,885	34,126	29,186	4,940
Grades 9-12 - Equipment		26,896	26,896	2,880	24,015
Vocational Programs - Local - Instruction		13,292	13,292	13,292	
School Sponsored and Other Instructional Program	28,500	1,500	30,000	29,601	399
Undistributed Expenditures - Instruction	3,325		3,325		3,325
Undist.Expend.-Support Serv.-Students - Reg.	35,025	212,108	247,133		247,133
Undist. Expend. - Supp Serv. - Related & Extra.	5,000	(5,000)			
Undist.Expend.-Support Serv. - Child Study Teams		5,000	5,000		5,000
Undistributed Expenditures - General Admin.	4,510	6,358	10,868	10,796	72
Undistributed-Admin, Info Technology	239,000		239,000	39,344	189,656
Undistributed-Req. Maint. For Schools	76,440	(47,856)	28,585	27,928	656
Undistributed-Custodial Services	65,000	(31,356)	33,645	20,434	13,211
Undist. Expend. - Care and Upkeep of Grounds	89,000	(14,000)	55,000	8,371	46,629
Undistributed-Security	70,000	(37,840)	32,160	5,702	26,458
Undist.Expend.-Student Trans.-Non-Inst. Equip.	105,000	12,186	12,186	12,186	0
School Buses - Regular		(105,000)			
Total Equipment	735,727	141,469	877,196	244,713	632,483
Facilities Acquisition and Construction Services:					
Architectural/engineering services	28,500	42,250	70,750	28,965	41,785
Construction services	176,157	106,116	282,273	242,986	39,287
Assessment for Debt Service on SDA Funding	101,460		101,460	101,460	
Total Facilities Acquisition and Construction Services	306,117	148,366	454,483	\$373,411	\$81,072
Interest Deposit to Capital Reserve	\$25,000	(\$25,000)			

TOWNSHIP OF UNION SCHOOL DISTRICT
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	ORIGINAL BUDGET	BUDGET TRANSFERS AND AMENDMENTS	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE/ (UNFAVORABLE)
Assets acquired under Installment purchase contracts (non-budgeted)				\$550,000	(\$550,000)
Undistributed expenditures:					
Equipment				550,000	(550,000)
Total assets acquired under installment purchase contracts (non-budgeted)	\$1,066,843	\$264,835	\$1,331,679	1,168,123	163,556
TOTAL CAPITAL OUTLAY			\$134,135,262	\$160,951,475	(\$26,816,214)
TOTAL EXPENDITURES	(1,333,102)		(1,333,102)	5,238,405	6,571,506
Excess (deficiency) of revenues over (under) expenditures	(937,290)		(937,290)	(937,290)	(550,000)
Other financing sources (uses)	(937,290)		(937,290)	(387,290)	(550,000)
Transfers to grants and entitlements - Local Contribution					
Proceeds from Installment purchase contracts (non-budgeted)					
Total other financing sources	(2,270,392)		(2,270,392)	4,851,115	6,021,506
Excess of revenues and other financing sources over expenditures and other expenditures and other financing sources	15,273,495		15,273,495	15,273,495	
Fund balances, July 1	\$13,003,103		\$13,003,103	\$20,124,610	\$6,021,506
Fund balances, June 30					

Recapitulation:

Assigned - year-end encumbrances	\$3,727,660
Restricted - excess surplus - current year	931,022
Restricted - excess surplus - designated for subsequent year's expenditures	1,284,134
Restricted - capital reserve	1,366,201
Restricted - maintenance reserve	950,000
Restricted - emergency reserve	725,000
Restricted - unemployment	1,395,451
Unassigned fund balance	7,365,908
Assigned - designated for subsequent years expenditures	2,361,574
Assigned fund balance FCCRA/SEMI unreserved desig. sub. year	17,660
	\$20,124,610

Reconciliation to governmental funds statements (GAAP):

Prior Year aid payment not recognized on GAAP basis	(3,432,967)
Fund balance per governmental funds (GAAP)	\$16,691,643

TOWNSHIP OF UNION SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR FISCAL YEARS ENDED JUNE 30, 2022

	<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	\$5,239,069	(\$38,589)	\$5,200,480	\$3,641,796	(\$1,558,684)
Federal sources	2,775,955	8,600,075	11,376,030	10,926,665	(449,365)
Other sources		1,571,723	1,571,723	547,911	(1,023,812)
Total revenues	\$8,015,024	\$10,133,209	\$18,148,233	\$15,116,372	(\$3,031,861)
EXPENDITURES:					
Instruction:					
Salaries of teachers	\$2,075,800	\$1,049,793	\$3,125,593	\$2,874,446	\$251,147
Other salaries for instruction	547,739	307	548,046	484,564	63,482
Purchased professional & technical services		326,825	326,825	257,411	89,414
Other purchased services		59,507	59,507	12,069	47,438
Tuition	1,637,945	1,087,417	2,725,362	2,725,362	
General supplies	511,619	839,026	1,350,645	1,229,015	121,629
Textbooks	517,674	(497,447)	20,227	18,119	2,108
Other objects		436,324	436,324	22,925	413,399
Total instruction	5,290,777	3,301,751	8,592,528	7,623,911	968,617
Support services:					
Other Salaries		175,022	175,022	143,386	31,636
Salaries of Supervisors of Instruction	80,910	(80,910)			
Salaries of Principals/Program Directors	160,954	13,198	174,152	174,152	
Salaries of Other Professional Staff	82,917	115,451	198,368	110,469	87,899
Salaries of Secretarial and Clerical Assistants	74,204	1,850	76,054	74,386	1,668
Other Salaries		24,172	24,172	14,415	9,757
Salaries of Family/Parent Liason & Parent Specialists	80,910	(183)	80,727	78,566	2,161
Salaries of Master Teachers	192,944	(5,595)	187,349	187,349	
Purchased professional & technical services	156,727	409,963	566,690	379,522	187,169
Purchased professional & educational services	352,560	58,751	411,311	389,020	22,291
Personal services - employee benefits	808,021	141,668	949,689	949,689	
Other purchased services	465,000	31,060	496,060	195,180	300,880
Supplies and materials	409,426	137,793	547,219	213,834	333,385
Scholarships		289,505	289,505	37,795	251,710
Student Activities		802,545	802,545	462,224	340,321
Other objects	150,000	200	150,200	150	150,050
Total support services	3,014,574	2,114,488	5,129,062	3,410,136	1,718,926
Facilities acquisition & construction services:					
Instructional Equipment	400,000	(102,697)	297,303	53,545	243,758
Non-Instructional Equipment	246,963	4,819,667	5,066,630	4,970,111	96,519
	646,963	4,716,970	5,363,933	5,023,656	340,277
Total expenditures	8,952,314	10,133,209	19,085,523	16,057,703	3,027,820
Other Financing Sources (Uses):					
Transfer from General Fund	937,290		937,290	937,290	
Total Other Financing Sources (Uses)	937,290		937,290	937,290	
Total expenditures and other financing sources (uses)	8,015,024	10,133,209	18,148,233	15,120,413	3,027,820
Excess (deficiency) of revenues over (under) expenditures	\$-0-	\$-0-	\$-0-	(4,041)	(\$4,041)
Fund Balance, July 1				596,072	
Fund Balance, June 30				\$592,031	
Recapitulation of Balance:					
Restricted:					
Scholarships				\$251,710	
Student Activities				340,321	
Total Fund Balance				\$592,031	

TOWNSHIP OF UNION SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
BUDGET TO GAAP RECONCILIATION
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/inflows of resources		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules	\$166,189,880	\$15,116,372
Difference - budget to GAAP Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and related revenue is recognized.		(3,944,560)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	3,312,717	373,386
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(3,432,967)	(439,164)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	\$166,069,630	\$11,106,034
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedules	\$160,951,475	\$16,057,703
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		(3,944,560)
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	\$160,951,475	\$12,113,143

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 NINE YEARS

<u>Measurement Date Ending June 30,</u>	<u>District's Proportion of the Net Pension Liability (Asset)</u>	<u>District's Proportionate Share of the Net Pension Liability (Asset)</u>	<u>District's Covered-Employee Payroll</u>	<u>District's Proportion of the Net Pension Liability (Asset) as a Percentage of It's Covered-Employee Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
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%
2021	0.1717762898%	20,349,477	11,853,742	171.67%	70.33%

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 NINE YEARS

Fiscal Year Ending <u>June 30.</u>	Contractually Required <u>Contribution</u>	Contributions in Relation to the Contractually Required <u>Contributions</u>	Contribution Deficiency (<u>Excess</u>)	District's Covered- Employee <u>Payroll</u>	Contributions as a Percentage of Covered- Employee <u>Payroll</u>
2014	\$ 1,524,071	\$ 1,524,071	\$ -0-	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%
2022	2,035,630	2,035,630	-0-	11,761,056	17.31%

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 NINE YEARS

Measurement Date Ending June 30,	District's Proportion of the Net Pension Liability (Asset)	District's Proportionate Share of the Net Pension Liability (Asset)	State's Proportionate Share of the Net Pension Liability associated with the District	District's Covered-Employee Payroll	District's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	State's Proportionate Share of the Total Net Pension Liability associated with the District as a percentage of the District's Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
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%
2021	0.5177048886%	-0-	248,887,602	55,961,876	-0-	444.74%	35.52%

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, 2022

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>
2021	7.00%	7.00%	07/01/14-06/30/18
2020	7.00%	7.00%	07/01/14-06/30/18
2019	6.28%	7.00%	07/01/14-06/30/18
2018	5.66%	7.00%	07/01/11-06/30/14
2017	5.00%	7.00%	07/01/11-06/30/14
2016	3.98%	7.65%	07/01/11-06/30/14
2015	4.90%	7.90%	07/01/08-06/30/11
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>
2021	7.00%	7.00%	07/01/15-06/30/18
2020	5.40%	7.00%	07/01/15-06/30/18
2019	5.60%	7.00%	07/01/15-06/30/18
2018	4.86%	7.00%	07/01/12-06/30/15
2017	4.25%	7.00%	07/01/12-06/30/15
2016	3.22%	7.65%	07/01/12-06/30/15
2015	4.13%	7.90%	07/01/09-06/30/12
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 FIVE YEARS

	Measurement Date Ended June 30,				
	2021	2020	2019	2018	2017
Total Non-Employer OPEB Liability - State's Proportionate Share of Total OPEB Liability Associated with the School District					
Balance at 6/30	\$331,689,754	\$203,622,646	\$220,598,168	\$256,298,313	\$276,132,530
Changes for the year:					
Service cost	16,148,768	9,506,841	8,923,406	10,142,025	12,246,214
Interest	7,605,587	7,362,385	8,766,235	9,437,523	8,137,888
Differences between expected and actual experience	(56,437,364)	56,208,985	(31,635,870)	(24,270,102)	
Changes in assumptions or other inputs	289,252	60,588,320	3,036,030	(25,314,744)	(34,500,500)
Membership Contributions	194,438	175,023	185,285	203,869	218,594
Benefit payments - Net	(5,991,073)	(5,774,446)	(6,250,608)	(5,898,716)	(5,936,413)
Net changes	(38,502,454)	128,067,108	(16,975,522)	(35,700,145)	(19,834,217)
Balance at 6/30	\$293,187,300	\$331,689,754	\$203,622,646	\$220,598,168	\$256,298,313
Covered Employee Payroll	67,815,618	69,942,491	72,431,597	70,282,429	69,682,267
District's Proportionate Share of the Total Non-Employer OPEB Liability as a percentage of the District's Covered Employee Payroll	-0-	-0-	-0-	-0-	-0-
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	432.33%	474.23%	281.12%	313.87%	367.81%

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

TOWNSHIP OF UNION SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION PART IV
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Change in benefit terms:

The implementation of Chapter 44 Plan and contribution strategy affecting pre-Medicare future and current retirees and dependents who enroll in the New Jersey Educator Health Plan option upon retirement and were not grandfathered under Chapter 78 (fewer than 20 years of service as of July 1, 2011) is reflected for the Fiscal Year Ending June 30, 2022 as a Plan change.

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>
2021	2.16%
2020	2.21%
2019	3.50%
2018	3.87%

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

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

TOWNSHIP OF UNION SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	IDEA Basic	IDEA Preschool	ARP IDEA Basic	ARP IDEA Preschool	Title I	Title II Part A	Title III	Title IV	CARES - ESSER I
REVENUES:									
State sources	\$ 1,941,298	\$ 56,973	\$ 373,594	\$ 31,822	\$ 853,686	\$ 177,445	\$ 71,396	\$ 62,704	\$ 23,376
Federal sources									
Other sources									
Total revenues	\$ 1,941,298	\$ 56,973	\$ 373,594	\$ 31,822	\$ 853,686	\$ 177,445	\$ 71,396	\$ 62,704	\$ 23,376
EXPENDITURES:									
Instruction:									
Salaries of teachers	\$	\$	\$	\$	\$ 367,989	\$ 57,524	\$ 26,420	\$ 5,156	\$
Other Salaries for Instruction									
Purchased professional and technical services									
Other purchased services									
Tuition	\$ 1,916,390	\$ 56,973	\$ 370,844	\$ 31,822	\$ 211,098		\$ 38,767		\$ 6,000
General supplies									
Textbooks									
Other objects									
Total instruction	\$ 1,916,390	\$ 56,973	\$ 373,594	\$ 31,822	\$ 579,087	\$ 57,524	\$ 65,187	\$ 24,185	\$ 6,000
Support services:									
Salaries	\$	\$	\$	\$	\$ 93,710	\$	\$	\$	\$
Salaries of Principals/Program Directors									
Salaries of Other Professional Staff									
Salaries of Secretarial and Clerical Assistants									
Other salaries									
Salaries of Family/Parent Liaison and Parent Specialists									
Salaries of Master Teachers									
Purchased professional and technical services									
Purchased professional educational services									
Personal services - employee benefits									
Other purchased services	\$ 20,000								
Supplies and materials									
Scholarships									
Student Activities									
Other objects									
Total support services	\$ 20,000	\$	\$	\$	\$ 93,710	\$ 9,164	\$	\$ 29,926	\$
Facilities acquisition and construction services:									
Instructional Equipment	\$ 4,906	\$	\$	\$	\$	\$	\$	\$	\$
Non-Instructional Equipment									
Total facilities acquisition and construction services:	\$ 4,906	\$	\$	\$	\$	\$	\$	\$	\$
Total expenditures	\$ 1,941,298	\$ 56,973	\$ 373,594	\$ 31,822	\$ 853,686	\$ 177,445	\$ 71,396	\$ 62,704	\$ 23,376
Other financing sources (uses):									
Transfer from general fund	\$	\$	\$	\$	\$	\$	\$	\$	\$
Total other financing sources (uses)	\$	\$	\$	\$	\$	\$	\$	\$	\$
Excess (deficiency) of revenues	\$	\$	\$	\$	\$	\$	\$	\$	\$
Over (under) expenditures	\$	\$	\$	\$	\$	\$	\$	\$	\$
Fund Balance, July 1	\$	\$	\$	\$	\$	\$	\$	\$	\$
Fund Balance, June 30	\$	\$	\$	\$	\$	\$	\$	\$	\$

TOWNSHIP OF UNION SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	CRRSA- ESSER II	CRRSA- ESSER II- Learning Acceleration	CRRSA- ESSER II- Mental Health	ARP- ESSER	ARP - ESSER Learning Acceleration	ARP - ESSER Summer Learning & Enrichment	ARP - ESSER Beyond the School Day Activities	ARP - ESSER Mental Health	Perkins Secondary
REVENUES:									
State sources	\$ 2,311,203	\$ 82,227	\$ 43,600	\$ 4,368,952	\$ 42,600	\$ 25,544	\$ 12,776	\$ 55,400	\$ 42,736
Federal sources									
Other sources									
Total revenues	\$ 2,311,203	\$ 82,227	\$ 43,600	\$ 4,368,952	\$ 42,600	\$ 25,544	\$ 12,776	\$ 55,400	\$ 42,736
EXPENDITURES:									
Instruction:									
Salaries of teachers	\$ 48,200	\$ 7,468	\$	\$ 904,386	\$	\$	\$	\$	\$
Other Salaries for Instruction									
Purchased professional and technical services	39,000			67,455					8,222
Other purchased services									
Tuition	271,895	30,265		394,617		25,544	12,776		20,097
General supplies									
Textbooks									
Other objects									
Total instruction	\$ 359,095	\$ 37,733	\$	\$ 1,366,458	\$	\$ 25,544	\$ 12,776	\$	\$ 31,565
Support services:									
Salaries	\$ 45,173	\$	\$	\$	\$	\$	\$	\$	\$ 4,502
Salaries of Principals/Program Directors									2,332
Salaries of Other Professional Staff									
Salaries of Secretarial and Clerical Assistants									
Other salaries									
Salaries of Family/Parent Liason and Parent Specialists									
Salaries of Master Teachers	72,686	44,494	43,600		42,600			55,400	537
Purchased professional and technical services									1,405
Purchased professional educational services									
Personal services - employee benefits									
Other purchased services									
Supplies and materials	1,148			37,927					
Scholarships									
Student Activities									
Other objects									
Total support services	\$ 119,008	\$ 44,494	\$ 43,600	\$ 37,927	\$ 42,600	\$	\$	\$ 55,400	\$ 8,776
Facilities acquisition and construction services:									
Instructional Equipment									
Non-Instructional Equipment	1,833,100			2,964,567					2,395
Total facilities acquisition and construction services:	\$ 1,833,100	\$	\$	\$ 2,964,567	\$	\$	\$	\$	\$ 2,395
Total expenditures	\$ 2,311,203	\$ 82,227	\$ 43,600	\$ 4,368,952	\$ 42,600	\$ 25,544	\$ 12,776	\$ 55,400	\$ 42,736
Other financing sources (uses):									
Transfer from general fund									
Total other financing sources (uses)	\$	\$	\$	\$	\$	\$	\$	\$	\$
Excess (deficiency) of revenues Over (under) expenditures	\$	\$	\$	\$	\$	\$	\$	\$	\$
Fund Balance, July 1									
Fund Balance, June 30									

TOWNSHIP OF UNION SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Nonpublic Textbooks	Nonpublic Technology	Nonpublic Security	Nonpublic Nursing	Ch. 192 Compensatory Education	Ch. 192 E.S.L.	Ch. 192 Transportation	Ch. 193 Supplemental Instruction
REVENUES:								
State sources	\$ 18,119	\$ 10,451	\$ 50,537	\$ 36,702	\$ 90,028	\$ 914	\$ 7,687	\$ 11,564
Federal sources								
Other sources								
Total revenues	\$ 18,119	\$ 10,451	\$ 50,537	\$ 36,702	\$ 90,028	\$ 914	\$ 7,687	\$ 11,564
EXPENDITURES:								
Instruction:								
Salaries of teachers	\$	\$	\$	\$	\$	\$	\$	\$
Other Salaries for Instruction								
Purchased professional and technical services					90,028	914	7,687	11,564
Other purchased services								
Tuition								
General supplies								
Textbooks	18,119	10,451						
Other objects								
Total instruction	\$ 18,119	\$ 10,451	\$	\$	\$ 90,028	\$ 914	\$ 7,687	\$ 11,564
Support services:								
Salaries	\$	\$	\$	\$	\$	\$	\$	\$
Salaries of Principals/Program Directors								
Salaries of Other Professional Staff								
Salaries of Secretarial and Clerical Assistants								
Other salaries								
Salaries of Family/Parent Liason and Parent Specialists								
Salaries of Master Teachers				36,702				
Purchased professional and technical services								
Purchased professional educational services								
Personal services - employee benefits								
Other purchased services			50,537					
Supplies and materials								
Scholarships								
Student Activities								
Other objects								
Total support services	\$	\$	\$ 50,537	\$ 36,702	\$	\$	\$	\$
Facilities acquisition and construction services:								
Instructional Equipment	\$	\$	\$	\$	\$	\$	\$	\$
Non-Instructional Equipment								
Total facilities acquisition and construction services:	\$	\$	\$	\$	\$	\$	\$	\$
Total expenditures	\$ 18,119	\$ 10,451	\$ 50,537	\$ 36,702	\$ 90,028	\$ 914	\$ 7,687	\$ 11,564
Other financing sources (uses):								
Transfer from general fund								
Total other financing sources (uses)	\$	\$	\$	\$	\$	\$	\$	\$
Excess (deficiency) of revenues Over (under) expenditures								
Fund Balance, July 1								
Fund Balance, June 30								

TOWNSHIP OF UNION SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Ch. 193 Examination & Classification	Ch. 193 Corrective Speech	SDA- Emergent Needs	ACSERS- Students with Disabilities	Student Activity Funds	Scholarship Funds	Preschool Education Aid	Other Local Programs	TOTAL 2022
REVENUES:									
State sources	\$ 13,083	\$ 9,858	\$ 166,963	\$ 349,333	\$ 493,178	\$ 2,800	\$ 3,225,890	\$ 51,933	\$ 3,641,796
Federal sources									10,926,865
Other sources									547,911
Total revenues	\$ 13,083	\$ 9,858	\$ 166,963	\$ 349,333	\$ 493,178	\$ 2,800	\$ 3,225,890	\$ 51,933	\$ 15,116,372
EXPENDITURES:									
Instruction:									
Salaries of teachers									2,874,446
Other Salaries for Instruction							1,452,003	5,300	484,584
Purchased professional & technical services	13,083	9,858					484,564		257,411
Other purchased services							2,640		12,069
Tuition				349,333					2,725,362
General supplies							214,580	626	1,229,015
Textbooks									18,119
Other objects								9,228	22,925
Total instruction	\$ 13,083	\$ 9,858	\$	\$ 349,333	\$	\$	\$ 2,153,787	\$ 15,154	\$ 7,623,911
Support services:									
Salaries									143,386
Salaries of Principals/Program Directors							113,025		174,152
Salaries of Other Professional Staff							80,543		110,469
Salaries of Secretarial and Clerical Assistants							60,607		74,386
Other salaries							14,415		14,415
Salaries of Family/Parent Liaison and Parent Specialists							78,566		78,566
Salaries of Master Teachers							187,349		187,349
Purchased professional and technical services							8,230	3,000	379,522
Purchased professional educational services							369,020		369,020
Personal services - employee benefits							808,021		949,089
Other purchased services							172,987		195,180
Supplies and materials							64,906		213,634
Scholarships						37,795		33,779	37,795
Student Activities					462,224				462,224
Other objects									150
Total support services	\$	\$	\$	\$	\$ 462,224	\$ 37,795	\$ 1,957,670	\$ 36,779	\$ 3,410,136
Facilities acquisition & construction services:									
Instructional Equipment							46,242		53,545
Non-Instructional Equipment							5,481		4,970,111
Total facilities acquisition & construction services	\$	\$	\$	\$	\$	\$	\$ 51,723	\$	\$ 5,023,656
Total expenditures	\$ 13,083	\$ 9,858	\$ 166,963	\$ 349,333	\$ 462,224	\$ 37,795	\$ 4,163,180	\$ 51,933	\$ 16,057,703
Other financing sources (uses):									
Transfer from general fund							937,290		937,290
Total other financing sources (uses)	\$	\$	\$	\$	\$	\$	\$ 937,290	\$	\$ 937,290
Excess (deficiency) of revenues Over (under) expenditures									(4,041)
Fund Balance, July 1					30,954				596,072
Fund Balance, June 30					309,367				592,031
					340,321				592,031

TOWNSHIP OF UNION SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>BALANCE</u> <u>JULY 1, 2021</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2022</u>
ASSETS:				
Cash and cash equivalents	\$ 309,367	\$ 493,178	\$ 462,224	\$ 340,321
Total assets	<u>\$ 309,367</u>	<u>\$ 493,178</u>	<u>\$ 462,224</u>	<u>\$ 340,321</u>
FUND BALANCE:				
Due student groups:				
Senior High School:				
Union Township High school activities	\$ 192,724	\$ 318,868	\$ 319,145	\$ 192,447
Athletic Account	21,429	126,266	90,672	57,023
Junior High School:				
Burnett	20,735	9,932	8,058	22,609
Kawameeh	52,430	18,619	31,046	40,003
Elementary Schools:				
Battle Hill	3,249	6,135	4,670	4,714
Central Five - Jefferson	224	1,751	1,425	550
Connecticut Farms	2,469	388	200	2,656
Franklin	895			895
Hannah Caldwell	4,633	1,974	1,054	5,553
Livingston	5,820	3,710	3,661	5,870
Washington	4,760	5,535	2,293	8,002
Total fund balance	<u>\$ 309,367</u>	<u>\$ 493,178</u>	<u>\$ 462,224</u>	<u>\$ 340,321</u>

TOWNSHIP OF UNION SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers			
Salaries of Teachers	\$1,566,716	\$1,452,003	\$114,713
Other Salaries for Instruction	539,846	484,564	55,282
Other Purchased Services (400-500 Series)	13,000	2,640	10,360
General supplies	250,000	214,580	35,420
Total instruction	<u>2,369,562</u>	<u>2,153,787</u>	<u>215,775</u>
Support Services:			
Salaries of Supervisors of Instruction			
Salaries of Principals	113,025	113,025	
Salaries of Other Professional Staff	167,942	80,543	87,399
Salaries of Secretarial and Clerical Assistants	62,275	60,607	1,668
Other Salaries	24,172	14,415	9,757
Salaries of Community Parent Involvement Specialists	80,727	78,566	2,161
Salaries of Master Teachers	187,349	187,349	
Personal Services - Employee Benefits	808,021	808,021	
Purchased Educational Services - Contracted Pre-K	369,020	369,020	
Other Purchased Professional Services	90,000	8,230	81,770
Cleaning, Repair and Maintenance Services	60,000		60,000
Contract Services- Transportation (Btwn Home & School)	285,000	171,282	113,718
Contract Services- Transportation (Field Trips)	33,000	1,705	31,295
Travel	7,000		7,000
Other Purchased Services (400-500 series)	80,000		80,000
Supplies and Materials	379,548	64,906	314,642
Other Objects	150,000		150,000
Total support services	<u>2,897,079</u>	<u>1,957,670</u>	<u>939,409</u>
Facilities acquisition and const. serv.:			
Instructional Equipment	290,000	46,242	243,758
Noninstructional Equipment	102,000	5,481	96,519
Total facilities acquisition and const. serv.	<u>392,000</u>	<u>51,723</u>	<u>340,277</u>
Total expenditures	<u>\$5,658,641</u>	<u>\$4,163,180</u>	<u>\$1,495,461</u>

CALCULATION OF BUDGET AND CARRYOVER

Total 2021-22 Preschool Education Aid Allocation	\$4,391,640
Add: Actual PreK Carryover (June 30, 2021)	1,122,218
Add: Budgeted Transfer From General Fund	937,290
Total Preschool Education Funds Available for 2021-22 Budget	<u>\$6,451,148</u>
Less: 2021-22 Budgeted Prek (Including prior year budgeted carryover)	<u>5,658,641</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2022	<u>\$792,507</u>
Add: June 30, 2022 Unexpended Preschool Education Aid	<u>1,495,461</u>
2021-22 actual Carryover-Preschool Education Aid	<u>\$2,287,968</u>
2021-22 Preschool Education Aid Carryover Budgeted for Preschool Programs 2022-23	<u>\$792,506</u>

CAPITAL PROJECTS FUND DETAIL STATEMENTS

EXHIBIT "F-1"

TOWNSHIP OF UNION SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

<u>ISSUE/PROJECT TITLE</u>	<u>REVISED</u>	<u>EXPENDITURES TO DATE</u>		<u>UNEXPENDED</u>
		<u>AUTHORIZED COST</u>	<u>PRIOR YEAR(S)</u>	
District-Wide Door Replacement	\$ 434,263	\$ 392,566	\$	41,697
District-Wide Upgrades - FY 2020	231,000	197,251		33,749
District-Wide Upgrades - FY 2021	330,000	210,795	7,500	111,705
Energy Savings Improvement Program	<u>14,950,667</u>	<u>1,827,288</u>	<u>10,171,494</u>	<u>2,951,885</u>
	<u>\$ 15,945,930</u>	<u>\$ 2,627,900</u>	<u>\$ 10,178,994</u>	<u>\$ 3,139,036</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, 2022

<u>Expenditures and financing uses:</u>	
Purchased professional and technical services	\$ 95,000
Construction services	<u>10,083,994</u>
Total expenditures and Transfers	<u>\$ 10,178,994</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (10,178,994)</u>
Net change in fund balances	\$ (10,178,994)
Fund balance - beginning	<u>13,318,030</u>
Fund balance - ending	<u>\$ 3,139,036</u>
<u>Recapitulation of Fund Balance</u>	
Committed:	
Year-end encumbrances	\$ 2,267,900
Restricted:	
Capital projects	<u>871,136</u>
Fund balance - GAAP basis (exhibit B-1)	<u>\$ 3,139,036</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, 2022

	<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	367,616	_____	367,616	409,313
Total expenditures	<u>\$ 392,566</u>	<u>\$ _____</u>	<u>\$ 392,566</u>	<u>\$ 434,263</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 41,697</u>	<u>\$ _____</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	6/30/2022			

TOWNSHIP OF UNION SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS - BUDGETARY BASIS
DISTRICT-WIDE UPGRADES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<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	163,251		163,251	176,000
Transfer to general fund	34,000		34,000	34,000
Total expenditures	<u>\$ 197,251</u>	<u>\$</u>	<u>\$ 197,251</u>	<u>\$ 231,000</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 33,749</u>	<u>\$</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	6/30/2022			
Revised target completion date				

TOWNSHIP OF UNION SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE, AND
PROJECT STATUS - BUDGETARY BASIS
DISTRICT-WIDE UPGRADES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<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	<u>\$ 330,000</u>	<u>\$</u>	<u>\$ 330,000</u>	<u>\$ 330,000</u>
Expenditures and Other Financing Uses				
Construction services	\$ 210,795	\$ 7,500	\$ 218,295	\$ 330,000
Total expenditures	<u>\$ 210,795</u>	<u>\$ 7,500</u>	<u>\$ 218,295</u>	<u>\$ 330,000</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 119,205</u>	<u>\$ (7,500)</u>	<u>\$ 111,705</u>	
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	66%			
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

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds	\$ 14,950,667.00	\$ _____	\$ 14,950,667	\$ 14,950,667
Total revenues	<u>\$ 14,950,667.00</u>	<u>\$ _____</u>	<u>\$ 14,950,667</u>	<u>\$ 14,950,667</u>
Expenditures and Other Financing Uses				
Purchased professional & technical services	\$ 217,375.00	\$ _____	\$ 217,375	\$ 816,696
Construction services	1,609,913.00	10,171,494	11,781,407	14,133,971
Total expenditures	<u>\$ 1,827,288.00</u>	<u>\$ 10,171,494</u>	<u>\$ 11,998,782</u>	<u>\$ 14,950,667</u>
Excess (deficiency) or revenues over (under) expenditures	<u>\$ 13,123,379.00</u>	<u>\$ (10,171,494)</u>	<u>\$ 2,951,885</u>	
Additional project information:				
Grant Date	N/A			
Bond Authorization Date	Various			
Bonds Authorized	12,590,000			
Bonds Issued	12,590,000			
SCC Amount				
Local Share				
Original Authorized Cost	14,950,667			
Additional Authorized Cost	0			
Revised Authorized Cost	14,950,667			
Percentage Increase over Original Authorized Cost	0			
Percentage completion	80%			
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, Installment Purchase Contracts and Leases.

TOWNSHIP OF UNION SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2022

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES DATE	ANNUAL MATURITIES AMOUNT	INTEREST RATE	BALANCE JUNE 30, 2021	ISSUED	RETIRED	BALANCE JUNE 30, 2022
Refunding School Bonds - Series 2010	11/10/2010	\$ 20,175,000	1/1/2023	620,000	4.000%	\$ 1,310,000	\$	\$ 1,310,000	\$ 620,000
Refunding School Bonds 2015	1/15/2015	4,280,000	1/1/2023	320,000	4.000%	1,210,000		590,000	
Refunding School Bonds - Series 2020	10/13/2020	3,795,000	1/1/2023	325,000	4.000%				
			1/1/2024	335,000	4.000%				
			1/1/2025	335,000	4.000%				
			1/1/2026	350,000	4.000%				
			1/1/2027	360,000	4.000%				
			1/1/2028	365,000	4.000%				
			1/1/2029	370,000	4.000%				
			1/1/2030	370,000	4.000%				
			1/1/2031	365,000	4.000%				
			1/1/2032		4.000%	3,795,000		300,000	3,495,000
School Energy Savings Obligation Refunding Bonds - Series 2020	12/17/2020	7,555,000	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		280,000	7,275,000

TOWNSHIP OF UNION SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2022

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES DATE	ANNUAL MATURITIES AMOUNT	INTEREST RATE	BALANCE JUNE 30, 2021	ISSUED	RETIRED	BALANCE JUNE 30, 2022
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
						\$ 26,355,000	\$	\$ 2,480,000	\$ 23,875,000

TOWNSHIP OF UNION SCHOOL DISTRICT
 LONG-TERM DEBT
 SCHEDULE OF OBLIGATIONS UNDER INSTALLMENT PURCHASE CONTRACTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

PURPOSE	DATE OF LEASE	TERM OF LEASE	AMOUNT OF ORIGINAL CONTRACT PRINCIPAL	INTEREST RATE PAYABLE	BALANCE JULY 1, 2021	ISSUED	RETIRED	BALANCE JUNE 30, 2022
Buses	8/30/2018	5	224,547	3.46%	57,222	\$	57,222	\$
Radios	7/1/2018	5	447,704	2.88%	92,045		92,045	
Buses	11/5/2019	5	297,324	2.77%	178,254		57,802	120,452
Computers	5/15/2020	3	750,000	1.41%	249,984		249,984	
Buses	10/15/2020	5	268,750	1.56%	209,487		51,162	158,325
Telecommunications	5/15/2020	3	750,000	1.41%		550,000	110,507	439,493
					\$ 786,992	\$ 550,000	\$ 618,722	\$ 718,270

TOWNSHIP OF UNION SCHOOL DISTRICT
DEBT SERVICE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES:				
Local sources:				
Local tax levy	\$ 3,165,876	\$ 3,165,876	\$ 3,165,876	\$
State sources:				
Debt service aid type II	<u>116,555</u>	<u>116,555</u>	<u>116,555</u>	
Total revenues	\$ <u>3,282,431</u>	\$ <u>3,282,431</u>	\$ <u>3,282,431</u>	\$
EXPENDITURES:				
Regular debt service:				
Interest on bonds	\$ 802,431	\$ 802,431	\$ 802,431	\$
Redemption of bond principal	<u>2,480,000</u>	<u>2,480,000</u>	<u>2,480,000</u>	
Total regular debt service-expenditures	\$ <u>3,282,431</u>	\$ <u>3,282,431</u>	\$ <u>3,282,431</u>	\$
Excess (deficiency) of revenues over (under) expenditures	\$	\$	\$	\$
Fund balance, July 1	<u>37,346</u>	<u>37,346</u>	<u>37,346</u>	
Fund balance, June 30	<u>\$ 37,346</u>	<u>\$ 37,346</u>	<u>\$ 37,346</u>	<u>\$</u>

STATISTICAL SECTION

(UNAUDITED)

TOWNSHIP OF UNION SCHOOL DISTRICT
STATISTICAL SECTION

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

Sources

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

TOWNSHIP OF UNION SCHOOL DISTRICT
NET POSITION BY COMPONENT
UNAUDITED

	Fiscal Year Ending June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governmental activities										
Net investment in capital assets	\$ 68,904,271	\$ 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
Restricted	16,489,769	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
Unrestricted (deficit)	(38,015,298)	(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)
Total governmental activities net position	\$ 47,378,741	\$ 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
Business-type activities										
Net investment in capital assets	\$ 1,014,924	\$ 776,039	\$ 818,105	\$ 812,620	\$ 823,161	\$ 819,426	\$ 879,360	\$ 840,238	\$ 918,049	\$ 722,552
Unrestricted	1,316,124	803,842	153,158	303,752	452,546	504,928	1,336,305	1,413,476	1,237,267	1,514,079
Total business-type activities net position	\$ 2,331,048	\$ 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
District-wide										
Net investment in capital assets	\$ 69,919,195	\$ 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
Restricted	16,489,769	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
Unrestricted (deficit)	(96,699,174)	(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)
Total district net position	\$ 49,709,790	\$ 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

Source: ACFR Schedule A-1

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

	Fiscal Year Ending June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
EXPENSES										
Governmental activities:										
Instruction										
Regular	\$ 70,693,885	\$ 80,256,951	\$ 69,991,187	\$ 71,649,152	\$ 77,805,228	\$ 79,393,892	\$ 70,648,204	\$ 60,751,603	\$ 53,776,650	\$ 52,486,604
Special education	29,996,453	33,583,913	30,123,608	19,878,494	21,311,083	21,277,414	18,918,112	14,052,549	11,932,208	11,548,962
Other instruction	5,575,315	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
Support Services:										
Tuition	28,331,605	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
Student & instruction related services	2,923,307	2,950,268	3,286,800	3,022,813	24,400,356	19,753,092	17,763,555	19,628,392	17,095,022	16,489,731
General administrative services	8,526,262	9,770,728	8,700,031	7,561,387	7,412,288	6,602,185	6,919,671	3,666,127	3,286,224	3,239,943
School administrative services	1,120,822	1,863,434	2,223,623	3,386,269	3,330,408	2,715,148	2,044,175	8,639,564	7,571,482	7,652,111
Central services and information technology	7,831,827	11,390,575	11,313,235	12,359,449	13,764,466	13,091,671	11,532,667	14,374,411	13,550,694	12,385,363
Plant operations and maintenance	10,359,537	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
Student transportation services	473,192	605,756	635,170	719,095	798,995	1,037,076	814,673	1,155,993	1,149,619	1,214,817
Interest on long-term debt				928,733	712,743	481,027	378,000			
Capital Outlay				1,603,755	101,480	74,805	951,182			
Unallocated amortization	325,756	154,045	80,876					63,625	83,625	63,625
Unallocated depreciation	166,157,960	187,428,424	165,912,803	170,976,724	181,750,269	174,591,291	155,067,418	143,637,743	127,721,783	124,184,593
Total governmental activities expenses	\$ 170,574,966	\$ 189,518,399	\$ 168,664,326	\$ 174,286,422	\$ 185,063,629	\$ 177,933,672	\$ 158,323,615	\$ 146,611,489	\$ 130,908,338	\$ 127,220,639
Business-type activities:										
Food Service	\$ 4,417,006	\$ 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
Total business-type activities expense	\$ 4,417,006	\$ 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
Total district expenses	\$ 175,000,000	\$ 191,608,374	\$ 171,416,349	\$ 177,596,120	\$ 188,366,989	\$ 181,276,053	\$ 161,580,000	\$ 149,585,235	\$ 134,094,893	\$ 130,256,685
PROGRAM REVENUES										
Governmental activities:										
Charges for services	\$ 493,178	\$ 343,648	\$ 37,827,972	\$ 221,780	\$ 191,385	\$ 113,032	\$ 150,214	\$ 22,660,690	\$ 9,610,490	\$ 11,261,352
Operating grants and contributions	40,621,648	55,799,281	37,827,972	48,689,313	53,491,509	48,459,115	36,896,315	22,660,690	9,610,490	11,261,352
Total governmental activities program revenues	\$ 41,114,826	\$ 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
Business-type activities:										
Charges for services	\$ 266,997	\$ 9,877	\$ 1,173,002	\$ 1,429,870	\$ 1,521,825	\$ 1,630,647	\$ 1,617,053	\$ 1,570,430	\$ 1,612,301	\$ 1,533,692
Food Service	4,859,716	2,606,690	1,428,421	1,712,479	1,727,977	1,679,296	1,587,231	1,499,038	1,488,765	1,386,897
Operating grants and contributions	5,126,713	2,616,567	2,601,423	3,142,149	3,249,802	3,309,843	3,214,284	3,069,468	3,101,066	2,930,589
Total business type activities program revenues	\$ 46,241,539	\$ 58,759,495	\$ 40,423,395	\$ 52,053,242	\$ 56,932,696	\$ 51,882,090	\$ 40,260,813	\$ 25,730,158	\$ 12,711,556	\$ 14,191,941
Total district program revenues	\$ 87,356,365	\$ 114,902,424	\$ 78,251,367	\$ 100,964,335	\$ 110,615,590	\$ 100,454,237	\$ 77,307,342	\$ 48,390,848	\$ 22,322,046	\$ 25,453,293

TOWNSHIP OF UNION SCHOOL DISTRICT
CHANGES IN NET POSITION
UNAUDITED

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
NET (EXPENSE) REVENUE										
Governmental activities	\$ (125,043,133)	\$ (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)
Business-type activities	709,707	526,592	(150,800)	(167,549)	(53,558)	(32,438)	(41,913)	95,722	(85,489)	(105,457)
Total district-wide net expense	<u>\$ (124,333,426)</u>	<u>\$ (130,758,904)</u>	<u>\$ (128,235,430)</u>	<u>\$ (122,233,180)</u>	<u>\$ (128,130,933)</u>	<u>\$ (126,051,582)</u>	<u>\$ (118,062,802)</u>	<u>\$ (120,881,331)</u>	<u>\$ (118,196,782)</u>	<u>\$ (113,028,698)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 95,524,677	\$ 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
Taxes levied for debt service	3,165,676	2,699,483	2,749,240	2,767,366	2,808,184	2,814,225	2,790,533	2,828,639	2,858,913	2,603,922
Grants and contributions	37,129,455	35,253,115	33,662,659	26,513,994	28,340,927	27,779,891	28,081,549	36,395,653	38,445,395	35,057,716
Miscellaneous income	823,259	41,977	546,648	859,027	565,687	458,834	630,748	701,969	681,970	746,530
Transfers		(129,165)				892,940			(1,095)	
Special items										
Total governmental activities	<u>\$ 136,643,267</u>	<u>\$ 131,258,494</u>	<u>\$ 128,550,198</u>	<u>\$ 119,916,515</u>	<u>\$ 119,415,652</u>	<u>\$ 117,927,022</u>	<u>\$ 115,796,057</u>	<u>\$ 121,588,248</u>	<u>\$ 119,045,955</u>	<u>\$ 115,899,121</u>
Business-type activities:										
Miscellaneous income	\$ 2,865	\$ 961	\$ 5,490	\$ 8,214	\$ 4,911	\$ 7,757	\$ 3,864	\$ 2,676	\$ 3,079	\$ 3,404
Transfers	38,595	81,065				(866,630)			1,095	
Total business-type activities	<u>\$ 41,461</u>	<u>\$ 82,026</u>	<u>\$ 5,490</u>	<u>\$ 8,214</u>	<u>\$ 4,911</u>	<u>\$ (858,873)</u>	<u>\$ 3,864</u>	<u>\$ 2,676</u>	<u>\$ 4,174</u>	<u>\$ 3,404</u>
Total district-wide	<u>\$ 136,684,728</u>	<u>\$ 131,340,521</u>	<u>\$ 128,555,689</u>	<u>\$ 119,924,729</u>	<u>\$ 119,420,463</u>	<u>\$ 117,068,149</u>	<u>\$ 115,801,921</u>	<u>\$ 121,590,924</u>	<u>\$ 119,050,129</u>	<u>\$ 115,902,525</u>
CHANGE IN NET POSITION										
Governmental activities	\$ 11,600,133	\$ (27,001)	\$ 465,367	\$ (2,149,116)	\$ (8,661,823)	\$ (8,092,122)	\$ (2,222,832)	\$ 611,195	\$ 934,662	\$ 3,975,880
Business-type activities	751,168	608,618	(145,109)	(159,335)	(48,647)	(891,311)	(38,049)	98,398	(81,315)	(102,053)
Total district	<u>\$ 12,351,301</u>	<u>\$ 581,617</u>	<u>\$ 320,258</u>	<u>\$ (2,308,451)</u>	<u>\$ (8,710,470)</u>	<u>\$ (8,983,433)</u>	<u>\$ (2,260,881)</u>	<u>\$ 709,593</u>	<u>\$ 853,347</u>	<u>\$ 3,873,827</u>

Source: ACFR Schedule A-2

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Fund										
Restricted	\$ 9,013,382	\$ 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
Committed	3,745,320	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
Assigned	3,932,941	3,961,507	202,065	189,457	525,976	353,566		43,823	14,632	2,216,935
Unassigned										
Total general fund	\$ 16,691,643	\$ 11,960,778	\$ 8,495,911	\$ 6,139,248	\$ 6,498,134	\$ 18,065,326	\$ 18,847,781	\$ 18,438,730	\$ 20,937,795	\$ 21,609,928
All Other Governmental Funds										
Restricted	\$ 1,500,513	\$ 1,552,705	\$ 57,998	\$	\$ 50,365	\$ 66,752	\$ 5,240,027	\$ 6,254,300	\$ 4,879,239	\$ 5,027,577
Committed	2,267,900	12,398,743	94,604	630,004	428,768	557,404	326,388	970,244	1,102,566	2,142,872
Assigned										
Unassigned/(Deficit)	(439,164)	(373,366)	(316,047)	(229,318)	479,133	624,156	5,566,415	7,224,544	5,381,805	7,170,449
Total all other governmental funds	\$ 3,329,249	\$ 13,578,062	\$ (163,445)	\$ 400,686	\$ 479,133	\$ 624,156	\$ 5,566,415	\$ 7,224,544	\$ 5,381,805	\$ 7,170,449

Source: ACFR Schedule B-1

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Revenues										
Tax levy	\$ 98,690,553	\$ 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
Tuition charges	4,199	28,777	52,264							
Interest on capital reserve	132,049	112,895	300,471							
Miscellaneous	73,190,454	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
State sources	7,471,057	6,257,187	3,274,309	3,488,106	3,039,377	2,900,950	2,915,231	3,041,273	3,299,139	3,055,602
Federal sources										
Total revenue	\$ 180,458,095	\$ 167,596,541	\$ 157,418,844	\$ 153,967,605	\$ 145,249,149	\$ 140,054,546	\$ 137,303,150	\$ 132,655,288	\$ 128,657,540	\$ 128,160,473
Expenditures										
Instruction										
Regular instruction	\$ 43,224,362	\$ 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
Special education instruction	11,579,138	12,152,882	11,662,722	9,896,763	10,063,236	9,689,681	9,454,266	9,423,068	8,815,258	8,349,001
Other instruction	2,314,240	3,691,641	3,182,271	3,395,827	4,446,171	4,115,339	4,199,877	3,929,942	3,702,086	3,718,002
Support Services:										
Tuition	12,432,816	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
Student & instruction related services	18,327,075	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
General administrative services	2,818,926	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
School Administrative services	4,714,573	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
Central services & administrative tech.	1,838,748	1,799,934	1,861,096	1,264,877	1,192,343	1,069,061	933,813			
Plant operations and maintenance	9,195,258	8,309,086	9,046,000	9,325,469	9,514,488	9,763,807	9,184,486	9,412,288	10,209,772	8,963,655
Student transportation services	10,155,257	9,349,577	6,318,880	6,931,928	6,535,648	6,394,379	5,407,232	5,177,319	4,918,400	4,563,966
Unallocated employee benefits	54,006,035	48,301,437	42,500,948	42,004,967	39,715,639	35,871,544	34,277,366	30,814,981	28,086,371	29,305,655
Capital outlay	12,638,184	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
Debt service:										
Principal	2,480,000	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
Interest and other charges	802,431	552,305	673,750	757,350	833,250	905,900	949,943	1,105,575	1,167,075	1,297,150
Cost of Issue of Refunding Bonds		144,470								
Charter Schools								218,845	128,200	65,517
Total expenditures	\$ 186,526,043	\$ 167,732,304	\$ 155,923,639	\$ 154,982,493	\$ 157,410,384	\$ 147,389,669	\$ 138,553,228	\$ 133,910,613	\$ 130,517,222	\$ 135,123,490
Excess (Deficiency) of revenues over (under) expenditures	\$ (6,067,948)	\$ (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)
Other Financing sources (uses)										
Installment purchase contracts (non-budgeted)										
Refunding Bond Proceeds	550,000	268,750	297,324	577,555	448,000	735,144				
Original Issue Premium, net		23,835,000								
Payment to Refunding Escrow Agent		(12,846,233)								
Transfers in	937,290	600,582	553,309	1,140,000	531,834	8,023,766	464,804			
Transfers out	(937,290)	(681,647)	(553,309)	(1,140,000)	(531,834)	(7,147,501)	(464,804)			
Total other financing sources (uses)	\$ 550,000	\$ 15,282,822	\$ 297,324	\$ 577,555	\$ 448,000	\$ 1,611,409	\$	\$	\$ (1,095)	\$ (1,095)
Net change in fund balances	\$ (5,517,948)	\$ 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)
Debt service as a percentage of noncapital expenditures	1.89%	1.69%	1.85%	1.92%	1.96%	8.33%	2.13%	2.30%	2.37%	2.44%

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>
2022	\$ 16,194	\$ 169,748	\$ 45,890	\$ 42,028	\$ 255,873	\$ 529,733
2021	28,777	138,003	7,762	659	209,313	384,515
2020	52,264	326,482	44,840	22,137	62,987	508,710
2019	171,267	375,004	203,581	37,119	72,875	859,846
2018	191,385	233,431	219,384	39,997	94,836	779,033
2017	113,032	194,943	112,700	32,300	339,718	792,693
2016	150,214	18,592	222,237	33,814	128,689	553,546
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

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)
2021	\$ 10,557,500	\$ 749,319,200	\$ 189,643,200	\$ 64,960,600	\$ 24,940,800	\$1,039,421,300	\$ 213,886,000	\$ 1,223,658	\$ 1,040,644,958	\$ 7,239,273,368	\$ 9.675
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	7.940

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	
2021	\$ 9.365	\$ 0.310	\$ 9.675	\$ 7.631	\$ 3.610	\$ 20.916
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

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	2022			2013		
	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	0.83%	8,928,600	3	0.85%
Union UE, LLC	7,891,000	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%	3,855,600	7	0.37%
Liberty Hall Joint Venture	3,855,600	8	0.37%			
Union Medical Plaza, LLC	3,682,900	9	0.35%			
Sun Union, LLC	3,493,600	10	0.34%			
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	\$ 63,660,000		6.12%	\$ 72,910,500		7.93%

TOWNSHIP OF UNION SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
UNAUDITED

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

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 June 30,	Governmental Activities		Total District	Percentage of Personal Income (a)	Per Capita (a)
	General Obligation Bonds (b)	Capital Leases			
2022	\$ 23,875,000	\$ 718,270	\$ 24,593,270	0.57%	\$ 411
2021	26,355,000	786,992	27,141,992	0.66%	454
2020	17,367,000	1,025,026	18,392,026	0.47%	314
2019	19,557,000	703,387	20,260,387	0.54%	346
2018	21,732,000	599,663	22,331,663	0.62%	382
2017	23,837,000	485,967	24,322,967	0.69%	417
2016	25,882,000		25,882,000	0.77%	449
2015	27,842,000		27,842,000	0.87%	484
2014	30,042,000		30,042,000	0.96%	523
2013	31,872,000		31,872,000	1.06%	558

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>		
2022	\$ 23,875,000	\$ 23,875,000	0.32%	\$ 399
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

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, 2021
(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	\$ 101,291,995	100%	\$ 101,291,995
Other debt Union County	539,924,009	2.62%	<u>14,137,856</u>
Township of Union School District Direct Debt	24,765,000	100%	<u>24,765,000</u>
Total direct and overlapping debt			<u>\$ 140,194,851</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 2021:

Equalized Valuation Basis

Calendar Year	UNION	
2021	\$8,238,653,207	
2020	7,324,779,887	
2019	6,889,559,254	
	<u>\$22,452,992,348</u>	
	\$7,484,330,783	
Average Equalized Valuation of Taxable Property		
Debt Limit (4% (a) of average equalization value)	\$299,373,231	
Total Net Debt Applicable to Limit	<u>23,875,000</u>	
Legal Debt Margin	<u>\$275,498,231</u>	

	Fiscal Year Ending June 30,									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Debt Limit	\$299,373,231	\$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
Total Net Debt Applicable To Limit	<u>23,875,000</u>	<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>
Legal Debt Margin	<u>\$275,498,231</u>	<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>
Total Net Debt Applicable to the Limit as a % of Debt Limit	7.97%	9.48%	6.55%	7.75%	8.81%	10.61%	9.79%	10.61%	11.42%	12.09%

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>Personal Income (b)</u>	<u>Per Capita</u>	<u>Unemployment</u>
	<u>Union</u>		<u>Personal Income (c)</u>	<u>Rate (d)</u>
				<u>Union</u>
2021	59,800	\$4,338,071,400	\$72,543.00	6.40%
2020	59,745	4,114,458,915	68,867.00	9.90%
2019	58,541	3,942,502,186	67,346.00	3.50%
2018	58,631	3,772,435,802	64,342.00	4.20%
2017	58,476	3,624,225,528	61,978.00	4.40%
2016	58,326	3,534,322,296	60,596.00	4.90%
2015	57,624	3,374,980,056	58,569.00	5.60%
2014	57,538	3,193,991,918	55,511.00	6.40%
2013	57,448	3,130,513,864	54,493.00	8.00%
2012	57,150	3,003,746,850	52,559.00	9.20%

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>	2022		2013	
	<u># of Employees</u>	<u>Percentage of Total Employment</u>	<u>Rank (Optional)</u>	<u>Rank (Optional)</u>
	<u>0</u>	<u>0.00%</u>		
	<u>0</u>	<u>0.00%</u>		<u>0.00%</u>

NOT AVAILABLE

Source: Municipal Records

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

Function/Program	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Instruction	471	472	508	471	535	542	527	579	537	527
Regular	104	137	132	132	140	244	199	163	153	159
Special education										
Support Services:										
Student & instruction related services	222	209	208	225	236	142	234	246	199	171
General administration	7	6	9	10	11	11	12	14	13	10
School administrative services	72	62	52	50	48	50	49	44	48	48
Central services	14	11	11	12	10	10	9	11	10	10
Administrative Information Technology	7	7	7	7	8	7	5	6	7	7
Plant operations and maintenance	122	112	119	141	117	126	140	159	140	137
Pupil transportation	68	82	82	89	76	75	83	80	74	72
Total	1,087	1,098	1,128	1,137	1,181	1,207	1,258	1,302	1,181	1,141

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				
2022	7,532	\$160,951,475	21,369	2.32%	575	1:10	1:10	1:10	7,333	6,809	3.11%	92.85%
2021	7,311	152,689,516	20,885	1.47%	609	1:10	1:10	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%

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>2022</u>	<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	57,375
Capacity (students)	387	387	387	387	387	387	387	387
Enrollment	382	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	57,740
Capacity (students)	513	513	513	513	513	513	513	513
Enrollment	421	358	358	358	397	407	417	422
Franklin								
Square Feet	58,635	58,635	58,635	58,635	58,635	58,635	58,635	58,635
Capacity (students)	581	581	581	581	581	581	581	581
Enrollment	447	450	450	450	421	451	431	442
Hamilton								
Square Feet	35,328	35,328	35,328	35,328	35,328	35,328	35,328	35,328
Capacity (students)	312	312	312	312	312	312	312	312
Enrollment								0
Hannah Caldwell								
Square Feet	87,000	87,000	87,000	87,000	87,000	87,000	87,000	87,000
Capacity (students)	550	550	550	550	550	550	550	550
Enrollment	771	574	574	574	494	529	582	619
Livingston								
Square Feet	48,600	48,600	48,600	48,600	48,600	48,600	48,600	48,600
Capacity (students)	525	525	525	525	525	525	525	525
Enrollment	463	400	400	400	433	424	440	432
Washington								
Square Feet	64,615	64,615	64,615	64,615	64,615	64,615	64,615	64,615
Capacity (students)	656	656	656	656	656	656	656	656
Enrollment	570	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	68,940
Capacity (students)	660	660	660	660	660	660	660	660
Enrollment	524	526	526	526	562	533	535	558
<u>Middle School</u>								
Burnet								
Square Feet	167,163	167,163	167,163	167,163	167,163	167,163	167,163	167,163
Capacity (students)	1,036	1,036	1,036	1,036	1,036	1,036	1,036	1,036
Enrollment	979	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	105,202
Capacity (students)	822	822	822	822	822	822	822	822
Enrollment	712	701	701	701	665	681	675	637
<u>High School</u>								
Union High School								
Square Feet	358,161	358,161	358,161	358,161	358,161	358,161	358,161	358,161
Capacity (students)	2,228	2,228	2,228	2,228	2,228	2,228	2,228	2,228
Enrollment	2,263	2,207	2,207	2,207	2,151	2,195	2,200	2,324
<u>Other</u>								
<u>Field House</u>								
Square Feet	11,316	11,316	11,316	11,316	11,316	11,316	11,316	11,316
Capacity (students)								
Enrollment								
Administration Building								
Square Feet	25,200	25,200	25,200	25,200	25,200	25,200	25,200	25,200
Number of Schools at June 30, 2022								
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)	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Battle Hill	N/A	\$ 34,438	\$ 33,782	\$ 24,391	\$ 24,162	\$ 22,808	\$ 30,734	\$ 40,104	\$ 73,357	\$ 25,652	\$ 72,190
Connecticut Farms	N/A	40,957	39,116	52,759	52,263	27,543	43,952	39,367	24,923	49,271	40,746
Franklin	N/A	48,645	45,500	36,469	36,128	49,654	52,318	39,365	28,093	35,652	83,868
Hamilton	N/A	29,055	30,604	69,529	68,876	31,713	35,103	24,200	24,466	29,872	15,733
Central Five	N/A	62,472	61,155	34,971	34,643	28,400	30,623	29,675	31,168	21,314	
Livingston	N/A	62,944	54,260	39,759	39,386	30,708	58,510	18,623	31,437	75,977	58,572
Washington	N/A	58,846	52,310	36,459	36,116	32,987	66,072	47,952	53,611	42,969	36,330
Kawameeh	N/A	62,677	59,685	58,283	57,735	43,176	48,634	95,588	45,850	36,570	103,561
Union High School	N/A	214,593	183,431	180,998	179,297	162,364	172,422	165,450	232,820	513,270	287,404
Burnet	N/A	159,276	84,063	70,034	69,376	72,094	78,879	105,698	45,042	129,332	179,099
Hannah Caldwell	N/A	93,637	88,285	56,784	56,231	74,896	71,422	76,162	76,683	65,620	86,764
Total School Facilities		\$ 867,540	\$ 732,191	\$ 662,436	\$ 656,211	\$ 576,343	\$ 688,669	\$ 682,184	\$ 667,451	\$ 1,025,498	\$ 964,267
District-Wide Facilities *		\$ 1,181,249	\$ 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
Grand Total		\$ 2,048,789	\$ 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

UNION TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2022
(UNAUDITED)

<u>Company</u>	<u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
NJSIG	Property Blanket Building & Contents- Replacement Cost Values	\$ 268,458,073	\$ 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	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
RSUI	School Board Legal Liability and Employer Practices Liability	5,000,000	EPLI 350,000 75,000
Chubb Insurance / Ace American Insurance	Underground Storage Tank	1,000,000 / 2,000,000	5,000
QBE/US Fire	Student Accident Insurance	1,000,000	1,000
	Surety Bonds		
	- Business Administrator/Board Secretary	470,000	
	- Treasurer of School Monies	530,000	
	- Assistant Board Secretary	50,000	

Source: District Records \ (Insurance Broker)

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SINGLE AUDIT SECTION



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund of the Township of Union School District (the "District") as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated February 21, 2023.

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 an other matter that has 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 21, 2023.

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 21, 2023



SUPLEE, CLOONEY & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

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

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Township of Union School District, County of Union, State of New Jersey (the "District") compliance with the types of compliance requirements identified as subject to audit in the Federal *OMB Compliance Supplement* and the *New Jersey OMB State Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2022. The District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and the *New Jersey OMB State Grant Compliance Supplement*. Our responsibilities under those standards, the Uniform Guidance and the New Jersey OMB State Grant Compliance Supplement are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

SUPLEE, CLOONEY & COMPANY

Report on Internal Control over Compliance

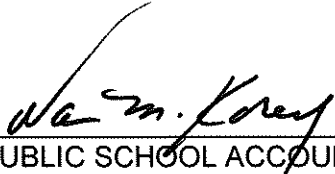
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the New Jersey OMB State Grant Compliance Supplement. Accordingly, this report is not suitable for any other purpose.


CERTIFIED PUBLIC ACCOUNTANTS


PUBLIC SCHOOL ACCOUNTANT NO. 962

February 21, 2023

TOWNSHIP OF UNION SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

FEDERAL ASSISTANCE LISTING NUMBER	FEDERAL GRANTOR/PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL FAIN NUMBER	GRANT OR STATE PROJECT NUMBER	GRANT PERIOD	AWARD AMOUNT	BALANCE AT JUNE 30, 2021	CARRYOVER AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	SUBRECIPIENT BUDGETARY EXPENDITURES	ADJUSTMENT	ACCOUNTS RECEIVABLE	UNEARNED REVENUE	BALANCE AT JUNE 30, 2022
10.655	Enterprise Funds													
10.655	U.S. Department of Agriculture													
10.655	Pass-through State Department of Education:													
10.655	Child Nutrition Cluster:													
10.655	National School Lunch Program - Commodities	211N1304N1089	N/A	07/01/2020-06/30/2021	213,892	5,797		239,439	(5,787)					13,167
10.655	National School Lunch Program - Commodities	221N1304N1086	N/A	07/01/2021-06/30/2022	239,438			3,535,910	(3,669,880)			(333,980)		
10.655	National School Lunch Program - Commodities	221N1304N1088	N/A	07/01/2021-06/30/2022	3,869,890			355,205	(394,122)			(38,916)		
10.655	National School Lunch Program - Commodities	211N1304N1089	N/A	07/01/2020-06/30/2021	394,122	(327,740)		327,740	(248,835)					
10.655	Summer Food Service Program for Children- Food	211N1304N1089	N/A	07/01/2021-06/30/2022	2,045,558			248,835	(248,835)					
10.655	Summer Food Service Program for Children- Food	211N1304N1089	N/A	07/01/2021-06/30/2022	248,835	(27,445)		27,445	(20,837)					
10.655	Summer Food Service Program for Children- Admin	211N1304N1089	N/A	07/01/2021-06/30/2022	171,460			162,280	(4,765,752)			(372,895)		13,167
10.655	Summer Food Service Program for Children- Admin	212121H176341	N/A	07/01/2020-06/30/2021	162,280	(511,668)		4,917,682						
10.649	Total Child Nutrition Cluster				3,063	(3,063)		3,063	(3,135)					
10.649	P-EBT Administrative Cost	202121S900941	N/A	07/01/2020-06/30/2021	3,135			3,135	(3,135)					
10.649	P-EBT Administrative Cost	202222S900941	N/A	07/01/2021-06/30/2022	3,135	(3,063)		6,198	(3,135)					
93.778	Total Enterprise Fund				208,730	(514,731)		4,923,899	(4,798,887)			(372,886)		13,167
93.778	General Fund													
93.778	U.S. Department of Education													
93.778	Pass-through State Department of Education:													
93.778	Medical Assistance Program (BEM)	2005N15MAP	N/A	07/01/2021-06/30/2022	208,730			182,189	(208,730)			(16,531)		
	Total General Fund				208,730			182,189	(208,730)			(16,531)		
84.027	Special Revenue Fund													
84.027	U.S. Department of Education													
84.027	I.D.E.A. Part B Special Education Cluster:													
84.027	I.D.E.A. Part B, Basic	H027A210100	IDEA529021	07/01/2020-09/30/2021	1,962,905	(25,706)		25,706						
84.027	I.D.E.A. Part B, Basic	H027A210100	IDEA529022	07/01/2021-09/30/2022	1,965,849			1,821,615	(1,941,288)			(119,783)		
84.173	ARP - I.D.E.A. Part B, Basic	H173A200114	IDEA529021	07/01/2020-09/30/2021	55,666			332,560	(374,275)			(41,094)		
84.173	ARP - I.D.E.A. Part B, Basic	H173A200114	IDEA529022	07/01/2021-09/30/2022	55,666			99,973	(66,973)			(31,822)		
84.173X	ARP - I.D.E.A. Part B- Preschool	H173X210114	IDEA529022	07/01/2021-09/30/2022	31,822			2,235,754	(2,403,887)			(162,833)		
84.010	E.S.E.A.:													
84.010	Title I	S010A100300	ESEA529019	07/01/2018-06/30/2019	1,108,478	(11,054)		21	(92,678)		11,033			
84.010	Title I	S010A100300	ESEA529020	07/01/2020-09/30/2021	1,066,682	(224,065)		387,483	(891,009)			(254,910)		
84.010	Title I	S010A100300	ESEA529021	07/01/2021-09/30/2022	1,013,982			436,098	(691,009)			(62,130)		
84.387A	Title II, Part A	S365A210029	ESEA529021	07/01/2020-09/30/2021	183,909	(61,518)		61,518	(177,445)			(82,130)		
84.387A	Title II, Part A	S365A210029	ESEA529022	07/01/2021-09/30/2022	185,609			115,315	(1,964)			(8,664)		
84.365	Title III	S365A210030	ESEA529021	07/01/2020-09/30/2021	76,170	(38,607)		50,768	(69,432)					
84.365	Title III	S365A210030	ESEA529022	07/01/2021-09/30/2022	76,170			6,000						
84.365	Title III, Immigrant	S365A100300	ESEA529019	07/01/2018-06/30/2019	19,769	(90)		6,150	(9,275)			(15,405)		
84.365	Title III, Immigrant	S365A210030	ESEA529021	07/01/2020-09/30/2021	6,000	(6,000)		44,025	(59,479)			(4,386)		
84.424	Title IV	S424A200031	ESEA529021	07/01/2020-09/30/2021	118,543	(2,875)		1,157,947	(1,165,323)		11,129	(341,111)		
84.424	Title IV	S424A210031	ESEA529022	07/01/2021-09/30/2022	137,543	(344,949)		12,804	(45,738)		677	(4,386)		
	Total E.S.E.A.				46,025	(17,200)		34,062	(45,738)		677	(4,386)		
84.049A	Carl D. Perkins Secondary Education	V048A200030	N/A	07/01/2020-09/30/2021	46,025	(17,200)		34,062	(45,738)		677	(4,386)		
84.049A	Carl D. Perkins Secondary Education	V048A210030	N/A	07/01/2021-09/30/2022	46,025			45,686	(42,358)			(3,287)		
	Total Carl D. Perkins				92,050	(17,200)		79,748	(88,096)		677	(7,673)		
84.050	Education Stabilization Fund													
84.050	CARES - ESSER I	S425U210027	N/A	03/13/2020-09/30/2022	787,385	(7,958)		24,621	(23,376)			(6,713)		
84.050	CARES - ESSER I	S425U210027	N/A	03/13/2020-09/30/2022	2,973,652	(771,154)		1,442,052	(2,311,203)			(1,640,305)		
84.050	CRRSA - ESSER II- Learning Acceleration	S425U210027	N/A	03/13/2020-09/30/2023	190,834	(80,863)		111,713	(82,227)			(51,377)		
84.050	CRRSA - ESSER II- Mental Health	S425U210027	N/A	03/13/2020-09/30/2023	45,000	(1,400)		1,400	(43,600)			(43,600)		
84.050	ARP - ESSER - Learning Acceleration	S425U210027	N/A	03/13/2020-09/30/2024	6,683,092			748,688	(4,368,982)			(3,620,294)		
84.050	ARP - ESSER - Summer Learning & Enrichment	S425U210027	N/A	03/13/2020-09/30/2024	685,727			25,544	(42,600)			(42,600)		
84.050	ARP - ESSER - Beyond the School Day Activities	S425U210027	N/A	03/13/2020-09/30/2024	46,752			12,776	(15,400)			(55,400)		
84.050	ARP - ESSER - Mental Health	S425U210027	N/A	03/13/2020-09/30/2024	88,501	(887,315)		2,341,250	(6,965,677)			(5,485,822)		
	Total Education Stabilization Fund				349,333			166,021	(346,333)			(183,312)		
21.027	U.S. Department of Treasury													
21.027	Pass-through State Department of Education:													
21.027	ACCSES- Add'l or Compensatory Special Ed & Rel. Sv.	SJFRFD0E1SES	N/A	07/01/2021-06/30/2022	349,333			166,021	(346,333)			(183,312)		
	Total Special Revenue Fund				92,050	(17,200)		79,748	(88,096)		677	(7,673)		
	Total Expenditures of Federal Awards				11,064,926	(11,753,961)		11,064,926	(11,904,282)		11,800	(6,604,683)		13,167

TOWNSHIP OF UNION SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

STATE GRANT/PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	UNEARNED REVENUE (ACCTS REC.)	BALANCE AT JUNE 30, 2021 (ACCTS REC.)	CARRYOVER / (WALKOVER) AMOUNT	CASH RECEIVED	BUDGETARY EXPENDITURES	ADJUSTMENTS/ REPAYMENT OF PRIOR YEAR BALANCES	UNEARNED REVENUE (ACCTS REC.)	BALANCE AT JUNE 30, 2022 (ACCTS REC.)	GRANTOR DUE TO	BUDGETARY RECEIVABLE	MEMO CUMULATIVE TOTAL EXPENDITURES
General Fund:														
State Aid District														
Special Education														
Security Aid														
Total State Aid Cluster														
Extraordinary Special Education Costs Aid	22-495-034-5120-044	3,715,833	07/01/2020	(3,715,833)			3,715,833	(3,715,273)		(3,751,273)			(3,751,273)	3,715,833
Extraordinary Special Education Costs Aid	22-495-034-5120-044	3,751,273	07/01/2021											3,751,273
Nonpublic School Transportation Costs Aid	22-495-034-5120-014	107,204	07/01/2020	(107,204)			107,204	(100,340)		(100,340)			(100,340)	107,204
Nonpublic School Transportation Costs Aid	22-495-034-5120-014	100,340	07/01/2021											100,340
Category 1 Transportation Aid	22-495-034-5120-014	1,884,809	07/01/2021				1,709,429	(1,884,809)					(1,884,809)	1,884,809
On-behalf TPAF Pension Contribution	22-495-034-5094-006	21,536,693	07/01/2021				21,536,693	(21,536,693)					(185,380)	21,536,693
On-behalf TPAF non-contributory insurance	22-495-034-5094-006	303,653	07/01/2021				303,653	(303,653)						303,653
On-behalf TPAF long term disability insurance	22-495-034-5094-004	5,102,834	07/01/2021				5,102,834	(5,102,834)						5,102,834
On-behalf TPAF long term disability insurance	22-495-034-5094-004	8,838	07/01/2021				8,838	(8,838)						8,838
Reimbursed TPAF Social Security Contributions	21-495-034-5094-003	4,090,974	07/01/2020	(201,906)			201,906	(4,029,170)		(197,071)			(197,071)	4,090,974
Reimbursed TPAF Social Security Contributions	22-495-034-5094-003	4,029,170	07/01/2021				3,832,100	(69,917,172)		(4,042,684)			(7,481,651)	4,029,170
														77,831,183
Special Revenue Fund:														
Preschool Education Aid	22-495-034-5120-086	4,381,640	07/01/2021				3,952,476	(3,223,690)		2,287,968			(439,164)	3,225,090
Preschool Education Aid	21-495-034-5120-086	3,733,788	07/01/2020	1,122,218			373,386	(166,963)						2,611,070
Preschool Education Aid	22-100-034-5120-519	186,863	07/01/2020				186,863	(253)						186,863
Textbook Aid	21-100-034-5120-064	19,488	07/01/2021	253			20,227	(18,119)				2,108		19,235
Textbook Aid	22-100-034-5120-064	20,227	07/01/2021											18,119
Nursing Aid	21-100-034-5120-070	32,598	07/01/2020	3,411			37,744	(36,702)						29,127
Nursing Aid	22-100-034-5120-070	37,744	07/01/2021											36,702
Technology Aid	21-100-034-5120-373	14,154	07/01/2020				14,154	(10,451)						10,451
Technology Aid	22-100-034-5120-373	55,825	07/01/2020	53,045			98,975	(50,537)						2,780
Security Aid	22-100-034-5120-509	58,975	07/01/2021											50,537
Handicapped Services:														
Supplementary Instruction	21-100-034-5120-066	11,333	07/01/2020	2,349			11,364	(11,564)						8,984
Supplementary Instruction	22-100-034-5120-066	11,564	07/01/2021											11,564
Examination and Classification	21-100-034-5120-086	19,320	07/01/2020	8			20,654	(19,093)						19,312
Examination and Classification	22-100-034-5120-086	20,654	07/01/2021				11,904	(9,690)						13,083
Corrective Speech	22-100-034-5120-066	11,904	07/01/2021											9,690
Auxiliary Services:														
Compensatory Education	21-100-034-5120-067	110,696	07/01/2020	43,111			113,767	(90,028)						67,465
Compensatory Education	22-100-034-5120-067	113,767	07/01/2021											90,028
E.S.L.	21-100-034-5120-067	888	07/01/2020	888			914	(914)						914
E.S.L.	22-100-034-5120-067	914	07/01/2021											
Transportation	21-100-034-5120-067	21,450	07/01/2020	13,950			22,063	(17,587)						7,687
Transportation	22-100-034-5120-067	22,063	07/01/2021				4,804,591	(3,641,798)						14,376
														63,222
Debt Service Fund:														
Debt Service Aid - Type II	22-495-034-5120-017	116,555	07/01/2021				116,555	(116,555)						116,555
Enterprise Fund:														
National School Lunch Program (State Share)	22-100-010-3360-067	99,827	07/01/2021				83,141	(90,827)						90,827
Total Child Nutrition Cluster														90,827
Total State Financial Assistance														100,987
Less: On-Behalf amounts not utilized for determination of Major Programs:														
On-behalf TPAF pension contribution														(7,695)
On-behalf TPAF non-contributory insurance														(7,686)
On-behalf TPAF post retirement medical														100,987
On-behalf TPAF long term disability insurance														
Total State Financial Assistance Subject to Single Audit														84,455,507

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, 2022

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, 2022

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$120,250) for the general fund and (\$4,010,338) 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	\$208,730	\$69,917,172	\$70,125,902
Special Revenue Fund	10,926,665	3,641,796	14,568,461
Debt Service Fund		116,555	116,555
Food Service Fund	4,768,887	90,827	4,859,715
	<hr/>	<hr/>	<hr/>
Total Awards & Financial Assistance	\$15,904,282	\$73,766,351	\$89,670,633
GAAP Adjustment	(3,664,337)	(485,069)	(4,149,407)
	<hr/>	<hr/>	<hr/>
Total: GAAP Basis	<u>\$12,239,945</u>	<u>\$73,281,281</u>	<u>\$85,521,226</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, 2022. 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, 2022.

Township of Union School District
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2022

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>ALN</u>
Special Education Cluster	84.027/84.173
Education Stabilization Fund- ESSER	84.425D/84.425U
ACSERS- Compensatory Special Education and Related Services	21.027

- | | | |
|-----|---|-----|
| (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, 2022

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	22-495-034-5120-078
Categorical Special Education Aid	22-495-034-5120-089
Categorical Security Aid	22-495-034-5120-084
Categorical Transportation Aid	22-495-034-5120-014
Preschool Education Aid	22-495-034-5120-086

- (5) Program Threshold Determination:
 - Type A State Program Threshold > \$1,404,424
 - Type B State Program Threshold <= \$1,404,424
- (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, 2022

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.

