

*Auditor's Management Report*

*for the*

*Township of Union  
School District*

*in the*

*County of Union  
New Jersey*

*for the*

*Fiscal Year Ended  
June 30, 2022*



**AUDITOR'S MANAGEMENT REPORT OF ADMINISTRATIVE  
FINDINGS-FINANCIAL AND COMPLIANCE**

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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 07083

We have audited, in accordance with U.S. generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Township of Union School District in the County of Union for the year ended June 30, 2022, and have issued our report dated February 21, 2023.

As part of our audit, we performed procedures required by the New Jersey Department of Education, and the findings and results are disclosed on the following pages, as listed in the accompanying table of contents.

This report is intended solely for the information of the Township of Union School District, County of Union, New Jersey, the New Jersey Department of Education and federal and state audit awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

  
CERTIFIED PUBLIC ACCOUNTANTS

  
PUBLIC SCHOOL ACCOUNTANT NO. 962

February 21, 2023

**Independent Auditor's Management Report of Administrative Findings - Financial and Compliance**

**SCOPE OF AUDIT**

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer of School Monies, the activities of the Township of Union Board of Education, and the records of the various funds under the auspices of the Board of Education.

**ADMINISTRATIVE PRACTICES AND PROCEDURES**

**Insurance (N.J.S.A. 18A:17-26, 18A: 17-32)**

Insurance coverage was carried in the amounts as detailed in the District's ACFR (See Exhibit "J-20").

**Official Bonds**

<u>NAME</u>	<u>POSITION</u>	<u>AMOUNT OF BONDS</u>
Jennifer Semler	Treasurer of School Monies	\$530,000
Yolanda Koon	Board Secretary/School Business Administrator	\$470,000

There is a Public Employees' Faithful Performance Blanket Position Bond with American Zurich Insurance Company covering all other employees with coverage of \$500,000.00.

Adequacy of insurance coverage is the responsibility of the Board of Education.

**P.L.2020,c.44**

Our audit procedures included an inquiry and subsequent review of health benefit data required per N.J.S.A.18A:16-13.3 (Chapter 44) submitted for the year on audit. The Chapter 44 summary report was reviewed for reasonableness and timeliness.

The data submitted did include all health benefit plans offered by school district. The school district data certification was completed by the chief school administrator. The school district Chapter 44 data was submitted timely.

**Tuition Charges**

A comparison of tentative tuition charges and actual certified tuition charges was made. The actual costs differed from the estimated costs. The Board made a proper adjustment to the billings to sending Districts for the difference in per pupil costs in accordance with N.J.A.C. 6A-23A-17.1(f)3.

**Independent Auditor's Management Report of Administrative  
Findings - Financial and Compliance**

**FINANCIAL PLANNING, ACCOUNTING AND REPORTING**

**Examination of Claims**

An examination of claims paid during the period under review did not indicate any discrepancies with respect to signatures or supporting documentation.

**Payroll Account**

The net salaries of all employees of the Board were deposited in the Net Payroll Account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the Payroll Agency Account.

All payrolls were approved by the Superintendent and were certified by the President of the Board and the Board Secretary/Business Administrator.

Salary withholdings were properly remitted to the proper agencies, including health benefits withholdings due to the general fund.

Payrolls were delivered to the treasurer of school moneys with a warrant made to her order for the full amount of each payroll.

**Position Control Roster**

The Position Control Roster was reviewed and compared to payroll records, employee benefit records and charges made to the general ledger to ensure proper and consistent financial reporting and that employee benefits are only offered to current employees.

**Reserve for Encumbrances, Liability (Current) for Accounts Payable**

A review of outstanding issued purchase orders was made as of June 30, for goods not yet received or services not yet rendered and it was determined that no blanket purchase orders were included in the balance of the reserve for encumbrances. Also, unpaid purchase orders included in the balance of accounts payable were reviewed for propriety and to determine that goods were received and services were rendered, as of June 30.

**Classification of Expenditures**

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23A-16.2(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.3. As a result of the procedures performed, no errors were noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

**Independent Auditor's Management Report of Administrative Findings - Financial and Compliance**

**Board Secretary's Records**

The records maintained by the Board Secretary were in agreement with the records maintained by the Treasurer of School Monies.

**Treasurer's Records**

The following item was noted during our review of the records of the Treasurer.

**Finding 2022-001-** The Treasurer's records were not in agreement with the records of the Board Secretary. Also, the Treasurer's cash balance for the general operating account was not in agreement with the reconciled cash balance as determined during the audit.

**Recommendation 2022-001-** The Treasurer should reconcile cash records with the reconciled bank statements and the cash records of the Board Secretary.

**Elementary and Secondary Education Act (E.S.E.A.) as Amended by Every Student Succeeds Act (ESSA)**

The E.S.S.A./NCLB financial exhibits are contained within the Special Revenue Section of the ACFR. This section of the ACFR documents the financial position pertaining to projects under Title I and VI of the Elementary and Secondary Education Act as amended and reauthorized.

**Other Special Federal and State Projects**

The District's Special Projects were approved as listed on Schedule A and Schedule B located in the ACFR.

Our audit of the federal and state funds on a test basis, indicated that obligations and expenditures were incurred during the fiscal year or project period for which the project was approved.

The financial exhibits are contained within the Special Revenue section of the ACFR. This section of the ACFR documents the financial position pertaining to the aforementioned special projects.



**Independent Auditor's Management Report of Administrative  
Findings - Financial and Compliance**

**T.P.A.F. Reimbursement**

Our audit procedures included a test of the biweekly reimbursement filed with the Department of Education for district employees who are members of the Teachers Pension and Annuity Fund. No exceptions were noted.

**T.P.A.F. Reimbursement to the State for Federal Salary Expenditures**

The amount of the expenditure charged to the current year's Final Report(s) for all federal awards for the school district to reimburse the State for the TPAF/FICA payments made by the State on-behalf of the school district for those employees whose salaries are identified as being paid from federal funds was made prior to the end of the 90 day grant liquidation period required by the Office of Grants Management. The expenditure was reviewed subsequent to the reimbursement. No exceptions were noted.

**SCHOOL PURCHASING PROGRAMS**

**Contracts and Agreements Requiring Advertisement for Bids**

**N.J.S.A. 18A:18A-3 States:**

"a. When the cost or price of any contract awarded by the purchasing agent in the aggregate, does not exceed in a contract year the total sum of \$32,000.00, the contract may be awarded by a purchasing agent when so authorized by resolution of the board of education without public advertising for bids and bidding therefor, except that the board of education may adopt a resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. (pending before the Legislature as section 15 of this bill) of section 9 of P.L. 1971 c. 198 (C.40A:11-9) the board of education may establish that the bid threshold may be up to \$44,000.00. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

b. Commencing in the fifth year after the year in which P.L. 1999 c. 440 takes effect, and every five years thereafter, the Governor, in consultation with the Department of Treasury, shall adjust the threshold amount and the higher threshold amount which the board of education is permitted to establish as set forth in subsection a. of this section or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in N.J.S.A. 18A:18A-2 and shall round the adjustment to the nearest \$1,000.00. The Governor shall notify all local school districts of the adjustment no later than June 1 of every fifth year. The adjustment shall become effective on July 1 of every year in which it is made. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to paragraph (1) of subsection a. of N.J.S.A. 18A:18A-5 may be awarded for a period not exceeding 12 consecutive months."

**Independent Auditor's Management Report of Administrative  
Findings - Financial and Compliance**

**SCHOOL PURCHASING PROGRAMS (CONTINUED)**

**Contracts and Agreements Requiring Advertisement for Bids (Continued)**

N.J.S.A. 18A:18A-4 states, "Every contract for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the board of education to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this chapter or specifically by any other law.

The board of education may, by resolution approve by the majority of the board of education and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the board of education finds that it has had negative prior experience with the bidder."

Effective July 1, 2020 and thereafter, the bid thresholds in accordance with N.J.S.A. 18A:18A-3(a) are \$44,000.00 (with a Qualified Purchasing Agent), \$32,000.00 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18:39-3 is currently \$20,200.00.

The Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies; the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

The results of our examination indicated that no individual payments, contracts or agreements were made "for the performance of any work or the furnishing or hiring of any materials or supplies," in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provisions of N.J.S.A. 18A:18A-4, amended.

Resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 18A:18A-5.

The system of records did not provide for an accumulation of purchases for which the School Board used contracts entered into by the State Department of Purchase and Property pursuant to Ch. 114, P.L. 1977, therefore, the extent of such purchases could not reasonably be ascertained. Our audit did reveal however, that the District did make purchases under State contracts and cooperative purchasing agreements.

**Independent Auditor's Management Report of Administrative  
Findings - Financial and Compliance**

**FOOD SERVICE FUND**

**COVID – 19 EMERGENCY**

In accordance with the Governor's Declaration of Emergency pertaining to the COVID 19 Virus all Public, Charter and Non-Public schools were ordered to close effective as of March 18, 2020 for an undetermined period to limit the spread of the virus. As a result, School Food Authorities (SFA) were required to institute alternate procedures to provide meals to Free and Reduced Price eligible students during the period of school closures. Governor Murphy's emergency declaration ended June 4, 2021; however, the United States Department of Agriculture's federal waiver continued through June 30, 2022. Food Service Agencies operated under this federal waiver.

As a result, School Food Authorities (SFAs) were required to provide meals in accordance with the regulations governing the National School Nutrition Seamless Summer Option (SSO) or the Summer Food Service Program (SFSP) option. SFAs could also choose to participate in the National School Lunch Program utilizing standard counting and claiming practices.

SFAs were authorized to solicit and award emergency noncompetitive procurements and contracts with Food Service Management Companies in accordance with 2 CFR 200.320 and N.J.S.A. 18A:18A-7. The SFAs were also authorized to submit contract modifications to their existing Cost Reimbursable or Fixed Price contracts as necessary to ensure the feeding of all children throughout the age of 18, as well as persons over 18 with disabilities as defined in the regulations.

SFAs were notified of the requirement to maintain and report separate meal count records and financial records of all applicable costs incurred in providing meals to all students during the emergency.

The school food service program was not selected as a major federal and/or State program. However, the program expenditures exceeded \$100,000 in federal and/or State support. Accordingly, we inquired of school management, or appropriate school food service personnel, as to whether the SFA had any Child Nutrition Program reimbursement overclaims or underclaims. No exceptions were noted.

In addition, we inquired of school management, or appropriate school food service personnel, as to whether the SFA's expenditures of school food service revenues were limited to allowable direct and indirect costs. No exceptions were noted.

The statement of revenues, expenses and charges in fund net position (ACFR exhibit B-5) does separate program and non-program revenue and program and non-program costs of goods sold.

**Independent Auditor's Management Report of Administrative  
Findings - Financial and Compliance**

**FOOD SERVICE FUND (CONTINUED)**

We also inquired of management about the public health emergency procedures/practices that the SFA instituted to provide meals to all students, maintenance of all applicable production records; meal counts; noncompetitive procurements; modification of existing contracts and applicable financial records to document the specific costs applicable to the emergency operations. We also inquired if the FSMC received a loan in accordance with the Payroll Protection Plan and whether the funds were used to pay for costs applicable to the Food Service Programs. We also inquired if the PPP loan was subsequently forgiven and the FSMC refunded or credited the applicable amounts to the SFA. The loan is still being reviewed for forgiveness at this time.

**STUDENT BODY ACTIVITIES**

The following exceptions were noted during our review of the student activity funds.

**APPLICATION FOR STATE SCHOOL AID**

Our audit procedures included a test of information reported in the October 15, 2021 Application for State School Aid (A.S.S.A) for on-roll, private schools for the handicapped, low-income and bilingual. We also performed a review of the district procedures related to its completion. The information that was included on the workpapers was verified without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

The district maintained workpapers on the prescribed state forms or their equivalent.

The district has adequate procedures for the recording of student enrollment data.

**PUPIL TRANSPORTATION**

Our audit procedures included a test of on roll status reported in the 2021-22 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report with the following exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a review of transportation related contracts and purchases. Based on our review, the district complied with proper bidding procedures and award of contracts. The bid specifications for the purchase of buses were in compliance with applicable statutes. No exceptions were noted in our review of transportation related purchases of goods and services.

**FACILITIES AND CAPITAL ASSETS**

Our procedures included review of the SDA grant agreement for consistency with recording SDA revenue, transfer of local funds from the general fund or from the capital reserve account, and awarding of contracts for eligible facilities construction. The following exceptions were noted.

**Independent Auditor's Management Report of Administrative  
Findings - Financial and Compliance**

**TESTING FOR LEAD OF ALL DRINKING WATER IN EDUCATIONAL FACILITIES**

The school district adhered to the requirements of N.J.A.C. 26-1.2 and 12.4 related to the testing for lead of all drinking water in educational facilities.

The school district submitted the annual Statement of Assurance to the Department of Education, pursuant to N.J.A.C. 6A:26-12.4(g).

**FOLLOW-UP ON PRIOR YEAR'S FINDINGS**

In accordance with Government Auditing Standards, our procedures included a review of the prior year audit recommendations. Corrective action had been taken on all prior year findings.

**Independent Auditor's Management Report of Administrative Findings - Financial and Compliance**

**RECOMMENDATIONS**

**Administrative Practices and Procedures**

None

**Financial Planning, Accounting and Reporting**

**Recommendation 2022-001-** The Board Secretary reports should be reconciled with the Treasurer's reports and with the reconciled bank statements.

**School Purchasing Program**

None

**School Food Service**

None

**Student Body Activities**

None

**Application for State School Aid**

None

**Pupil Transportation**

None

**Facilities and Capital Assets**

None

**UNION TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF AUDITED ENROLLMENTS  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2021**

	2022-23 Application for State School Aid						Sample for Verification						Private School for Handicapped			
	Reported on A.S.S.A. as on Roll		Reported on Workpapers on Roll		Errors		Sample Selected from Workpapers		Verified per Registers on Roll		Errors per Registers on Roll		Reported on A.S.S.A. as Private Schools	Sample for Verification	Sample Verified	Sample Errors
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared	Full	Shared				
Half Day Pre-School	29		29		0	0	1		1		0	0				0
Full Day Pre-School	269		269		0	0	12		12		0	0				0
Full Day Kindergarten	429		429		0	0	18		18		0	0				0
One	444		444		0	0	19		19		0	0				0
Two	451		451		0	0	19		19		0	0				0
Three	468		468		0	0	20		20		0	0				0
Four	440		440		0	0	19		19		0	0				0
Five	450		450		0	0	19		19		0	0				0
Six	479		479		0	0	21		21		0	0				0
Seven	483		483		0	0	21		21		0	0				0
Eight	502		502		0	0	22		22		0	0				0
Nine	495		495		0	0	21		21		0	0				0
Ten	455	6	456	6	0	0	20		20		0	0				0
Eleven	436	16	436	16	0	0	19		19		0	0				0
Twelve	464	5	464	5	0	0	20		20		0	0				0
Subtotal	6,295	27	6,295	27	0	0	271	0	271	0	0	0	0	0	0	0
SpEd Elementary (PK-5)	374		374		0	0	16		16		0	0	37	28	28	0
SpEd Middle School (6-8)	240		240		0	0	10		10		0	0	16	12	12	0
SpEd High School	341	23	341	23	0	0	15		15		0	0	33	25	24	1
Subtotal	955	23	955	23	0	0	41	0	41	0	0	0	86	65	64	1
Totals	7,250	50	7,250	50	0	0	312	0	312	0	0	0	86	65	64	1
Percentage					0.00%						0.00%					1.54%

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**UNION TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF AUDITED ENROLLMENTS  
APPLICATION FOR STATE SCHOOL AID SUMMARY  
ENROLLMENT AS OF OCTOBER 15, 2021**

	Resident Low Income			Sample for Verification			Resident ELL Low Income			Sample for Verification		
	Reported on A.S.S.A. as Low Income	Reported on Workpapers as Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors	Reported on A.S.S.A. as ELL Low Income	Reported on Workpapers as ELL Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Full Day Kindergarten	98	98	0	10	10	0	11	11	0	5	5	0
One	143	143	0	15	15	0	15	15	0	7	7	0
Two	168	168	0	18	18	0	25	25	0	12	12	0
Three	184	184	0	19	19	0	20	20	0	10	10	0
Four	200	200	0	20	20	0	25	25	0	12	12	0
Five	192	192	0	19	19	0	11	11	0	5	5	0
Six	205	205	0	20	20	0	10	10	0	5	5	0
Seven	199	199	0	20	20	0	3	3	0	2	2	0
Eight	202	202	0	21	21	0	5	5	0	2	2	0
Nine	203	203	0	21	21	0	4	4	0	2	2	0
Ten	196.5	196.5	0	20	20	0	9	9	0	4	4	0
Eleven	186.5	186.5	0	20	20	0	4	4	0	2	2	0
Twelve	202	202	0	21	21	0	11	11	0	5	5	0
Subtotal	2379	2379	0	244	244	0	153	153	0	73	73	0
SpEd Elementary	153	153	0	14	14	0	11	11	0	5	5	0
SpEd Middle School	121	121	0	12	12	0	2	2	0	1	1	0
SpEd High School	206	206	0	21	21	0	3.5	3.5	0	2	2	0
Subtotal	480.0	480	0	47	47	0	17	17	0	8	8	0
Totals	2859	2859	0	291	291	0	169.5	169.5	0	81	81	0
Percentage Error			0.00%			0.00%			0.00%			0.00%

**Transportation**

	Reported on DRTRS by DOE	Reported on DRTRS by District	Errors	Tested	Verified	Errors
Reg. Public Schools, col.1	1072	1072	0	168	168	0
Transported - Non-Public, col.2	1	1	0	1	1	0
Nonpublic - All, col.3	346	346	0	53	53	0
Reg. - SpEd, col.4	159	159	0	25	23	2
Special Ed Spec, col.6	202	202	0	33	33	0
Totals	1780	1780	0	280	278	2
Percentage Error			0.00%			0.71%



**UNION TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULE OF AUDITED ENROLLMENTS**  
**APPLICATION FOR STATE SCHOOL AID SUMMARY**  
**ENROLLMENT AS OF OCTOBER 15, 2021**

	Resident ELL NOT Low Income			Sample for Verification		
	Reported on A.S.S.A. as NOT Low Income	Reported on Workpapers as NOT Low Income	Errors	Sample Selected from Workpapers	Verified to Application and Register	Sample Errors
Half Day Pre-School			0			0
Full Day Pre-School			0			0
Full Day Kindergarten	22	22	0	14	14	0
One	29	29	0	18	18	0
Two	25	25	0	15	15	0
Three	13	13	0	8	8	0
Four	19	19	0	12	12	0
Five	7	7	0	4	4	0
Six	12	12	0	8	8	0
Seven	6	6	0	4	4	0
Eight	10	10	0	6	6	0
Nine	15	15	0	9	9	0
Ten	9	9	0	6	6	0
Eleven	10	10	0	6	6	0
Twelve	4	4	0	2	2	0
Subtotal	181	181	0	112	112	0
SpEd Elementary	7	7	0	4	4	0
SpEd Middle School	1	1	0	1	1	0
SpEd High School	2	2	0	1	1	0
Subtotal	10	10	0	6	6	0
Totals	191	191	0	118	118	0
Percentage Error			0.00%			0.00%

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>
Assets acquired under Installment purchase contracts (non-budgeted)					
Undistributed expenditures:					
Equipment				\$550,000	(\$550,000)
Total assets acquired under installment purchase contracts (non-budgeted)				550,000	(550,000)
<b>TOTAL CAPITAL OUTLAY</b>	<u>\$1,066,843</u>	<u>\$264,835</u>	<u>\$1,331,679</u>	<u>1,168,123</u>	<u>163,556</u>
<b>TOTAL EXPENDITURES</b>	<u>\$134,135,262</u>		<u>\$134,135,262</u>	<u>\$160,951,475</u>	<u>(\$26,816,214)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,333,102)</u>		<u>(1,333,102)</u>	<u>5,238,405</u>	<u>6,571,506</u>
Other financing sources (uses)					
Transfers to grants and entitlements - Local Contribution	(937,290)		(937,290)	(937,290)	
Proceeds from installment purchase contracts (non-budgeted)				550,000	(550,000)
Total other financing sources	<u>(937,290)</u>		<u>(937,290)</u>	<u>(387,290)</u>	<u>(550,000)</u>
Excess of revenues and other financing sources over expenditures and other expenditures and other financing sources	<u>(2,270,392)</u>		<u>(2,270,392)</u>	<u>4,851,115</u>	<u>6,021,506</u>
Fund balances, July 1	<u>15,273,495</u>		<u>15,273,495</u>	<u>15,273,495</u>	
Fund balances, June 30	<u>\$13,003,103</u>		<u>\$13,003,103</u>	<u>\$20,124,610</u>	<u>\$6,021,506</u>
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 FFCRA/SEMI unreserved desig. sub. year				17,660	
				<u>\$20,124,610</u>	
Reconciliation to governmental funds statements (GAAP):					
Prior Year aid payment not recognized on GAAP basis				<u>(3,432,967)</u>	
Fund balance per governmental funds (GAAP)				<u>\$16,691,643</u>	

UNION SCHOOL DISTRICT

SCHEDULE OF CALCULATION OF EXCESS SURPLUS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

REGULAR DISTRICT

SECTION 1

4% Calculation of Excess Surplus

2021 - 2022 Total General Fund Expenditures per the ACFR, Ex. C-1	\$ 160,951,475.29	
Increased by:		
Transfer from Capital Outlay to Capital Projects Fund	_____	
Transfer from Capital Reserve to Capital Projects Fund	_____	
Transfer from General Fund to SRF for PreK	937,290.00	
Decreased by:		
On-Behalf TPAF Pension & Social Security	\$ 30,981,388.25	
Assets acquired under Installment purchase contracts	550,000.00	
Adjusted 2021 - 2022 General Fund Expenditures		\$ 130,357,377.04
4% of Adjusted 2021 - 2022 General Fund Expenditures		\$ 5,214,295.08
Greater of line above or \$250,000.00		\$ 5,214,295.08
Increased by: Allowable Adjustment		\$ 2,151,613.00
Maximum Unreserved/Undesignated Fund Balance		\$ 7,365,908.08

SECTION 2

Total General Fund - Fund Balances @ 06/30/2022	\$ 20,124,609.58	
Decreased by:		
Year-end Encumbrances	\$ 3,727,659.62	
Legally Restricted-Designated for Subsequent Year's Expenditures	\$ 2,361,574.00	
Legally Restricted-Excess Surplus-Designated for Subsequent Year's Expenditures	\$ 1,284,134.00	
Other Restricted Fund Balances:		
Emergency Reserve	\$ 725,000.00	
Maintenance Reserve	\$ 950,000.00	
Capital Reserve	\$ 1,366,201.27	
Reserve for Unemployment Claims	\$ 1,395,450.93	
Assigned - FFCRA/SEMI - Designated Subs. Yrs Exp	\$ 17,660.08	
Assigned Fund Balance - Unreserved-Designated for Subsequent Year's Expenditures	\$ _____	
Total Unassigned Fund Balance		\$ 8,296,929.68

SECTION 3

Restricted Fund Balance-Excess Surplus \$ 931,021.61

Recapitulation of excess surplus as of June 30, 2022

Reserved Excess Surplus - Designated for Subsequent Year's Expenditures \$ 1,284,134.00

Reserved Excess Surplus \$ 931,021.61

Total Excess Surplus \$ 2,215,155.61

Detail of Allowable Adjustments

Extraordinary Aid \$ 2,051,273.00

Additional Non-Public School Transportation Aid 100,340.00

\$ 2,151,613.00

