

**UNION TOWNSHIP
SCHOOL DISTRICT**

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

JUNE 30, 2023

**Responsibility of the Management of
Union Township School District
Hunterdon County, New Jersey**



**UNION TOWNSHIP
SCHOOL DISTRICT**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2023

TABLE OF CONTENTS

	<u>Page</u>
Other Information - Part I	
Introduction Section	
Letter of Transmittal	1 - 4
Organizational Chart	5
Roster of Officials	6
Consultants and Advisors	7
 Financial Section	
Independent Auditors' Report	8 - 11
 Required Supplementary Information - Part I	
Management's Discussion and Analysis	12 - 19
 Basic Financial Statements	
A. District-Wide Financial Statements	
A-1 Statement of Net Position	20 - 21
A-2 Statement of Activities	22
 B. Fund Financial Statements	
Governmental Funds	
B-1 Balance Sheet	23 - 24
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	25 - 26
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	27 - 28
Proprietary Funds	
B-4 Statement of Fund Net Position	29
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position	30
B-6 Statement of Cash Flows	31
Fiduciary Funds	
B-7 Statement of Net Position	N/A
B-8 Statement of Changes in Net Position	N/A
 Notes to the Financial Statements	32 - 68

**UNION TOWNSHIP
SCHOOL DISTRICT**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2023

TABLE OF CONTENTS (continued)

	<u>Page</u>
Required Supplementary Information - Part II	
C. Budgetary Comparison Schedules	
C-1 General Fund - Budgetary Comparison Schedule	69 - 77
C-1a Combining Schedule of Program Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	N/A
C-1b Community Development Block Grant - Budget and Actual	N/A
C-2 Special Revenue Fund - Budgetary Comparison Schedule	78
Notes to the Required Supplementary Information- Part II	
C-3 Budget-to-GAAP Reconciliation	79
Required Supplementary Information - Part III	
L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
L-1 Schedule of the District's Proportionate Share of the Net Pension Liability - Public Employees Retirement System	80
L-2 Schedule of District's Contributions - Public Employees Retirement System	81
L-3 Schedule of the District's Proportionate Share of the Net Pension Liability - Teacher's Pension and Annuity Fund	82
L-4 Schedule of District's Contributions - Teacher's Pension and Annuity Fund	83
M. Schedules Related to Accounting and Reporting for Other Postemployment Employee Benefits (GASB 75)	
M-1 Schedule of the District's Proportionate Share of the Net Other Postemployment Employee Benefits Liability	84
Notes to the Required Supplementary Information - Part III	85

**UNION TOWNSHIP
SCHOOL DISTRICT**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2023

TABLE OF CONTENTS (continued)

	<u>Page</u>
Other Information - Part II	
D. School Based Budget Schedules	N/A
Combining and Individual Non-Major Fund Financial Statements	
E. Special Revenue Fund	
E-1 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis	86 - 88
E-2 Schedule of Preschool Education Aid Expenditure	N/A
F. Capital Projects Fund	
F-1 Summary Schedule of Project Expenditures	N/A
F-2 Summary Schedule of Revenue, Expenditures, and Changes in Fund Balance - Budgetary Basis	N/A
F-2a Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis	N/A
G. Proprietary Funds	
Enterprise Fund	
G-1 Statement of Fund Net Position	N/A
G-2 Statement of Revenues, Expenses, and Changes in Fund Net Position	N/A
G-3 Statement of Cash Flows	N/A
H. Fiduciary Funds	N/A
I. Long-Term Debt	
I-1 Schedule of Serial Bonds	89
I-2 Schedule of Obligations Under Leases	90
I-3 Debt Service Fund - Budgetary Comparison Schedule	91
Statistical Section	
J. Statistical Section	
J-1 Net Position by Component	92
J-2 Changes in Net Position	93 - 95
J-3 Fund Balances - Governmental Funds	96
J-4 Changes in Fund Balances - Governmental Funds	97 - 98
J-5 General Fund - Other Local Revenues by Source	99
J-6 Assessed Value and Actual Value of Taxable Property	100

**UNION TOWNSHIP
SCHOOL DISTRICT**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2023

TABLE OF CONTENTS (continued)

		<u>Page</u>
J.	Statistical Section (continued)	
	J-7 Direct and Overlapping Property Tax Rates	101
	J-8 Principal Property Taxpayers	102
	J-9 Property Tax Levies and Collections	103
	J-10 Ratios of Outstanding Debt by Type	104
	J-11 Ratios of Net General Bonded Debt Outstanding	105
	J-12 Direct and Overlapping Governmental Activities Debt	106
	J-13 Legal Debt Margin Information	107
	J-14 Demographic and Economic Statistics	108
	J-15 Principal Employers	109
	J-16 Full Time Equivalent District Employees by Function/Program	110
	J-17 Operating Statistics	111
	J-18 School Building Information	112
	J-19 Schedule of Required Maintenance Expenditures by School Facility	113
	J-20 Insurance Schedule	114
	Single Audit Section	
K.	Single Audit Section	
	Other Reporting Required by Government Auditing Standards - Part I	
	K-1 Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	115 - 116
	K-2 Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance and New Jersey OMB Circular Letter 15-08	117 - 120
	Supplementary Information	
	K-3 Schedule of Expenditures of Federal Awards, Schedule A	121 - 122
	K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	123
	K-5 Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	124 - 125
	Other Reporting Required by Government Auditing Standards - Part II	
	K-6 Schedule of Findings and Questioned Costs	126 - 131
	K-7 Summary Schedule of Prior Year Audit Findings and Questioned Costs as Prepared by Management	132



UNION TOWNSHIP SCHOOLS

Nicholas A. Diaz, Superintendent

165 Perryville Road, Hampton, NJ 08827

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www.uniontwpschool.org · #TigerPride #TheU

November 20, 2023

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

Dear Board Members and Constituents of Union Township:

The Annual Comprehensive Financial Report of the Union Township School District (district) for the fiscal year ended June 30, 2023, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the Management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All discourse necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Annual Comprehensive Financial Report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes the transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the 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 State Treasury OMB Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. Information related to the single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations, findings and recommendations, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES

Union Township District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB). All funds and account groups of the District are included in this report.

The District provides a full range of educational services appropriate to the regular education grade levels of K-8 and additional services for preschool special needs children aged 3-5. The following table shows the average daily student enrollment and percentage change for the past ten fiscal years.

School Year	Student Enrollment	Percent Change
2022 - 2023	434.2	3.72%
2021 - 2022	393.3	4.00%
2020 - 2021	397.0	-7.96%
2019 - 2020	422.5	0.07%
2018 - 2019	418.7	-4.22%
2017 - 2018	435.4	1.49%
2016 - 2017	431.0	-0.68%
2015 - 2016	436.1	-3.89%
2014 - 2015	452.9	-4.91%
2013 - 2014	478.7	10.68%

2) ECONOMIC CONDITION AND OUTLOOK

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

Single family residential housing remains the most common type of new development. There is a new residential development site located across the street from the Elementary School. This development contains 74 single family homes on individual lots. Sales started in April of 2022 with the first delivery in October of 2022. As of July 31, 2023, all 74 homes have been sold.

A large international corporation, the township's largest taxpayer has corporate offices within the township. A private recycling operation also operates a facility within the township. Tax ratable increase is mainly dependent upon homes. The increase in business within the township is minimal.

3) MAJOR INITIATIVES

The District continues to work hard to expand its continuum of services despite the budgeting limitations imposed by legislation.

During the 2022-23 school year the exhaust fans were replaced at the Middle School and the ball fields were updated. The playground turf was also replaced at both the Elementary and Middle School.

Some of the major facility issues still facing the District include:

Middle School:

- Interior and exterior doors need replacement
- Electrical upgrade
- Air conditioning/RTU's throughout school
- Unit ventilator replacement
- Parking lot repairs/resurfacing
- Stage renovation
- Upgrades to domestic water system
- Generator for whole school

Elementary School:

- Unit ventilator replacement
- Boiler replacement
- Parking lot repairs/resurfacing
- Interior and exterior doors need to be replaced
- Sound system for the gymnasium
- Generator for whole school
- Preschool playground update

The District is in the midst of executing a comprehensive multi-year strategic plan aimed at revolutionizing our approach to education. Central to this are our restructured programs for gifted and talented students and an updated science curriculum, each designed to better prepare our students for the challenges of the 21st century. Additionally, we've instituted a robust system of interventionists who are dedicated to providing targeted support for students in need. Our collaboration with Franklin Township School will be maintained and enhanced, as we explore additional avenues for shared services to improve efficiencies and offer expanded opportunities for our students. Technology will play a pivotal role in our renewed focus, incorporating advanced tools such as Chromebooks, iPads, and STEM materials will foster innovation and teamwork among our students.

4) INTERNAL ACCOUNTING CONTROLS

Management of the District is responsible for establishing and maintaining the internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial 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) 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.

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

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the district has complied with applicable laws and regulations.

5) BUDGETARY CONTROLS

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at the end of the fiscal year are recorded as reservations of fund balance and are subsequently added to the following year's budget.

6) ACCOUNTING SYSTEM AND REPORTS

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

7) CASH MANAGEMENT

The investment policy of the District is guided by statute as detailed in Notes to the Financial Statements, Note 1. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories, protected from loss under the provision of the Governmental Unit Deposit Protection Act (GUDPA). This was enacted in 1970 to protect governmental units from loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the act.

8) RISK MANAGEMENT

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

9) OTHER INFORMATION

Independent Audit - State statutes require an annual audit by independent Certified Public Accountants or Registered Municipal Accountants. The accounting firm of BKC, CPAs, PC 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB Circular Letter 15-08. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

10) ACKNOWLEDGMENTS

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

Yours in Education,

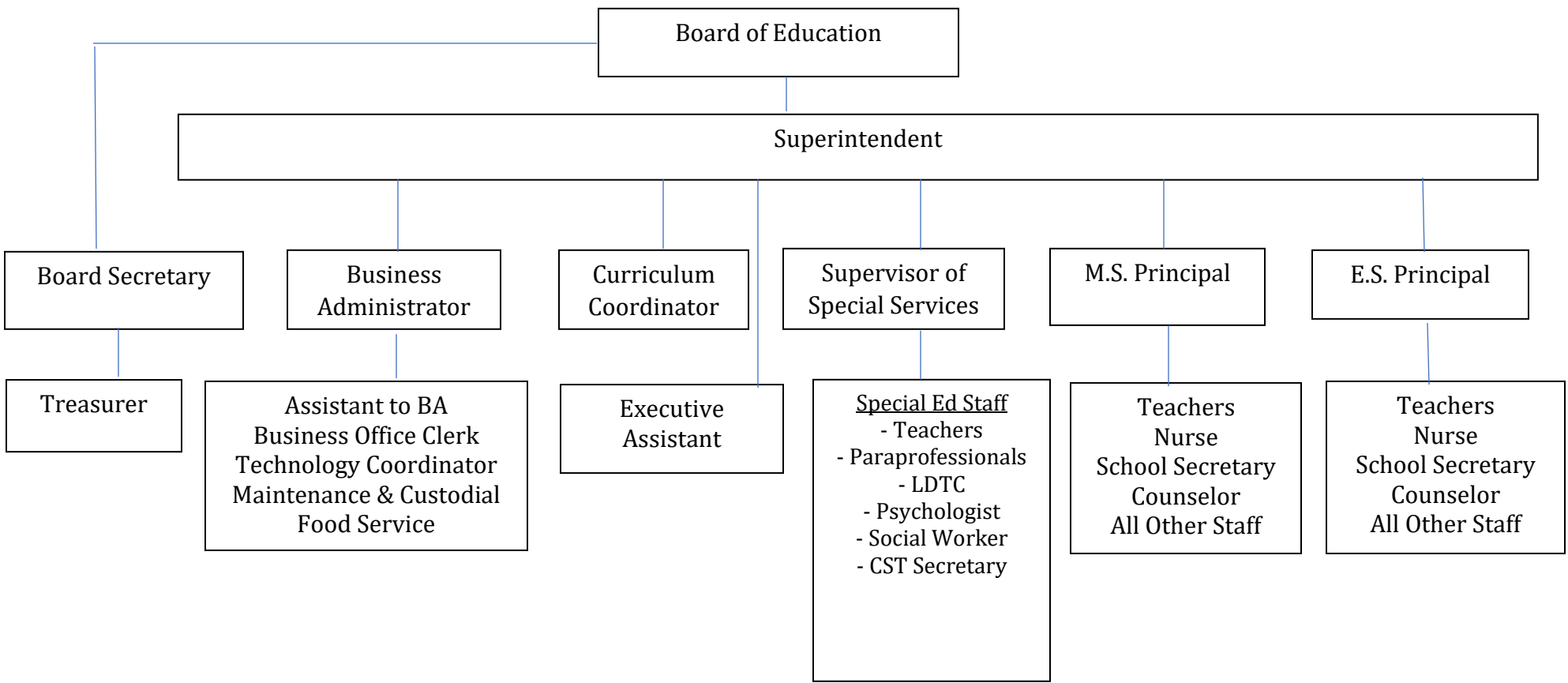


Nicholas Diaz
Superintendent



Eva Preuett
Business Administrator/Board Secretary

UNION TOWNSHIP BOARD OF EDUCATION
Organizational Chart
June 30, 2023



UNION TOWNSHIP SCHOOL DISTRICT
Roster of Officials
June 30, 2023

Members of the Board of Education	Title	Term Expires
Lou Palma	President	2023
Daniel Allen	Co-Vice President	2024
Cortney Dominianni	Co-Vice President	2025
James Teipel		2023
Suzanne Wunder		2023
Michael Kokoszka		2024
Christine Robitaille		2024
John Malone		2025
Caitlyn Piontek		2025

Other Officials	Title
Nicholas Diaz	Superintendent
Lori Tirone	Board Secretary/School Business Administrator
Matthew Herzer	Treasurer

UNION TOWNSHIP SCHOOL DISTRICT
Consultants and Advisors
June 30, 2023

AUDIT FIRM

BKC, CPAs, P.C.
39 State Route 12, Ste 2
Flemington, NJ 08822

ATTORNEY

Schenck, Price, Smith & King, LLP
220 Park Avenue
Florham Park, NJ 07932

ARCHITECT

H2M Architects & Engineers
119 Cherry Hill Road, Suite 110
Florham Park, NJ 07932

OFFICIAL DEPOSITRY

Citizens Bank
Clinton Branch
55 Old Highway 22
Clinton, NJ 08809



Certified Public Accountants, PC
www.bkc-cpa.com

Independent Auditors' Report

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

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Union Township School District (the District) in the County of Hunterdon, as of and for the year ended June 30, 2023, 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, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2023, 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 Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards 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 opinion.

Responsibilities of Management for the Financial Statements

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

Auditors' 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 opinion. 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 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 and *Government Auditing Standards*, we:

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

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 Schedules, Schedules Related to Accounting and Reporting for Pensions, and Schedules Related to Accounting and Reporting for Other Postemployment Employee Benefits listed in the Table of Contents be 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 an opinion on the financial statements that collectively comprise the District's Basic Financial Statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* and Schedule of Expenditures of State Financial Assistance required by New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also presented for purposes of additional analysis not a required part of the Basic Financial Statements.

Such information is the responsibility of Management and were 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 Schedule of Expenditures of Federal Awards, and Schedule of Expenditures of 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, Combining and Individual Non-Major Fund Financial Schedules and Statistical Sections but does not include the Basic Financial Statements and our auditor's report thereon. Our opinion on the Basic Financial Statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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 November 20, 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 solely 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 the effectiveness of 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.



BKC, CPAs, PC



Michael Holk, CPA, PSA
NO. 20CS00265600

November 20, 2023
Flemington, New Jersey

REQUIRED SUPPLEMENTARY INFORMATION - PART I

UNION TOWNSHIP PUBLIC SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
Unaudited

The discussion and analysis of Union Township Public School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2023 are as follows:

- In total, net position increased \$33,804 which represents a 0.38% increase from 2022.
- General revenues accounted for \$14,382,289 in revenue or 95.01% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$755,906 or 4.99% to total revenues of \$15,138,195.
- Total assets of governmental activities decreased by \$1,353,149 as cash and cash equivalents decreased by \$630,182, receivables and other assets increased by \$163,808 and capital assets decreased by \$886,775.
- The School District had \$15,096,202 in expenses; only \$755,906 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$14,382,289 were adequate to provide for these programs.
- Among major funds, the general fund had \$12,730,615 in revenues, \$13,013,096 in expenditures. The general fund's balance decreased \$282,481 from fiscal year 2022.

Using this Annual Comprehensive Financial Report (ACFR)

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

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of Union Township Public School District, the general fund is by far the most significant fund.

UNION TOWNSHIP PUBLIC SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
Unaudited

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole, looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2023?"

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

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the general fund, special revenue fund, capital projects fund and debt service fund.

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds measure and report the operating results by measuring cash on hand and other assets that can be easily converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides.

UNION TOWNSHIP PUBLIC SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
Unaudited

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 Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

The School District as a Whole

Table 1 provides a summary of the District's net position at June 30, 2023 with comparisons to June 30, 2022.

Table 1
Net Position

	06/30/23	06/30/22	Variance	
			Dollars	%
Assets				
Current & other assets	\$ 4,597,645	\$ 5,019,329	\$ (421,684)	-8.40%
Capital assets	14,986,663	15,874,418	(887,755)	-5.59%
Total assets	19,584,308	20,893,747	(1,309,439)	-6.27%
Deferred pension activity	616,364	423,140	193,224	45.66%
Deferred amount on refunding	100,442	111,602	(11,160)	-10.00%
Total deferred outflow of resources	716,806	534,742	182,064	34.05%
Liabilities				
Long-term liabilities	10,690,167	11,050,820	(360,653)	-3.26%
Other liabilities	303,383	510,684	(207,301)	-40.59%
Total liabilities	10,993,550	11,561,504	(567,954)	-4.91%
Deferred pension activity	325,876	919,101	(593,225)	-64.54%
Total deferred inflow of resources	325,876	919,101	(593,225)	-64.54%
Net position				
Net investment in capital assets	7,476,663	7,744,418	(267,755)	-3.46%
Restricted	3,596,947	3,611,547	(14,600)	-0.40%
Unrestricted	(2,091,922)	(2,408,081)	316,159	13.13%
Total net position	\$ 8,981,688	\$ 8,947,884	\$ 33,804	0.38%

Total assets for district-wide purposes decreased \$1,309,439. Cash and cash equivalents decreased by \$609,613; receivables and other assets increased by \$187,929 and capital assets decreased by \$887,755. Unrestricted net position increased by \$316,159 and represents the part of net position that can be used to finance day to day activities without constraints, established by grants or legal requirements of the School District.

UNION TOWNSHIP PUBLIC SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
Unaudited

The negative balance in unrestricted net position is the result of reporting required by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

Table 2 provides a summary of the School District's changes in net position for the fiscal year ended June 30, 2023 with comparisons to the fiscal year ended June 30, 2022.

Table 2
Changes in Net Position

	Fiscal Year Ending		Variance	
	06/30/23	06/30/22	Dollars	%
Revenues				
Program revenues				
Charges for services	\$ 355,280	\$ 169,570	\$ 185,710	109.52%
Operating grants	400,626	401,822	(1,196)	-0.30%
General revenues				
Property taxes	10,183,832	9,665,313	518,519	5.36%
Unrestricted grants	4,082,391	4,648,478	(566,087)	-12.18%
Other	116,066	309,891	(193,825)	-62.55%
Total revenues	<u>15,138,195</u>	<u>15,195,074</u>	<u>(56,879)</u>	<u>-0.37%</u>
Expenses				
Instruction				
Regular	5,624,308	5,449,708	174,600	3.20%
Special	2,384,581	2,240,868	143,713	6.41%
Other	170,349	258,467	(88,118)	-34.09%
Support services				
Tuition	430,056	472,490	(42,434)	-8.98%
Student & instructional staff	2,721,231	2,340,021	381,210	16.29%
General & business administration	615,632	627,810	(12,178)	-1.94%
School administration	509,394	543,253	(33,859)	-6.23%
Maintenance	1,446,210	1,369,214	76,996	5.62%
Transportation	747,283	537,494	209,789	39.03%
Food service	183,814	186,048	(2,234)	-1.20%
Interest on long-term debt	263,344	285,201	(21,857)	-7.66%
Total expenses	<u>15,096,202</u>	<u>14,310,574</u>	<u>785,628</u>	<u>5.49%</u>
Increase (decrease) before special items	41,993	884,500	(842,507)	-95.25%
Special Items				
Adjustment to capital assets	(8,189)	-	(8,189)	*
Loss on sale of assets	<u>-</u>	<u>(359,834)</u>	<u>359,834</u>	<u>100%</u>
Change in net position	<u>\$ 33,804</u>	<u>\$ 524,666</u>	<u>\$ (490,862)</u>	<u>-93.56%</u>

* - Undefined

UNION TOWNSHIP PUBLIC SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
Unaudited

Governmental Activities

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 68.29% of revenues for governmental activities for the Union Township School District for fiscal year 2023.

Instruction comprises 54.18% of district expenses. Support services expenses make up 44.07% of the expenses. Interest on long-term debt makes up 1.75% of the expenses.

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

Table 3 provides a summary of the School District's cost of governmental services for the fiscal year ended June 30, 2023 with comparisons to the fiscal year ended June 30, 2022.

Table 3
Cost of Governmental Services

	Total Cost of Services		Net Cost of Services	
	06/30/23	06/30/22	06/30/23	06/30/22
Instruction	\$ 8,179,238	\$ 7,949,043	\$ 7,798,786	\$ 7,687,905
Support services				
Tuition	430,056	472,490	324,791	381,716
Student & instructional staff	2,721,231	2,340,021	2,678,173	2,321,170
General & business administration	615,632	627,810	615,632	627,810
School administration	509,394	543,253	509,394	543,253
Plant operations & maintenance	1,446,210	1,369,214	1,444,885	1,367,404
Pupil transportation	747,283	537,494	747,283	537,494
Food service	183,814	186,048	(41,992)	(12,771)
Interest on long-term debt	263,344	285,201	263,344	285,201
Total expenses	<u>\$ 15,096,202</u>	<u>\$ 14,310,574</u>	<u>\$ 14,340,296</u>	<u>\$ 13,739,182</u>

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

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

UNION TOWNSHIP PUBLIC SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
Unaudited

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

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

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

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

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

The dependence upon tax revenues is apparent. For all activities, tax revenue support is 67.27%. The community, as a whole, is the primary support for the Union Township School District.

The School District's Funds

The School District's funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$14,005,048, expenditures of \$14,281,825. The largest change in fund balance for the year occurred in the general fund with a decrease of \$282,481.

General Fund Budgeting Highlights

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

During the fiscal year 2023, the School District amended its general fund budget as needed. The School District uses program-based budgeting, and the budgeting systems are designed to lightly control total program budgets but provide flexibility for program management.

For the general fund, budget basis revenue was \$10,619,179 which was \$249,453 above original budgeted estimates of \$10,369,726. This difference was due primarily to unbudgeted state aid realized.

The general fund revenues of the School District were less than expenditures by \$282,519.

UNION TOWNSHIP PUBLIC SCHOOL DISTRICT
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
Unaudited

Capital Assets

At the end of the fiscal year 2023, the School District had \$14,986,663 invested in land, buildings, vehicles, and furniture and equipment.

Table 4 provides a summary of the School District’s capital assets net of depreciation at June 30, 2023 with comparisons to June 30, 2022.

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

	06/30/23	06/30/22	Variance	
			Dollars	%
Land	\$ 81,905	\$ 81,905	\$ -	0.00%
Construction in progress	27,066	195,700	(168,634)	-86.17%
Land improvements	130,977	143,418	(12,441)	-8.67%
Buildings & improvements	13,448,770	13,871,950	(423,180)	-3.05%
Leased building improvements	625,000	875,000	(250,000)	-28.57%
Vehicles	4,040	12,118	(8,078)	-66.66%
Furniture and equipment	668,905	694,327	(25,422)	-3.66%
Total	<u>\$ 14,986,663</u>	<u>\$ 15,874,418</u>	<u>\$ (887,755)</u>	<u>-5.59%</u>

Overall capital assets decreased \$887,755 from fiscal year 2022 to fiscal year 2023. Increases in capital assets (primarily buildings and improvements and furniture and equipment) were offset by depreciation expenses for the year.

Debt Administration

At June 30, 2023, the School District had \$10,690,167 in long-term liabilities. This amount is detailed in Table 5.

At June 30, 2023, the School District’s overall legal debt limit was \$27,105,441 and the legal debt margin was \$19,595,441.

UNION TOWNSHIP PUBLIC SCHOOL DISTRICT
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2023
Unaudited

Table 5 provides a summary of the School District’s outstanding long-term liabilities at June 30, 2023 with comparisons to June 30, 2022.

Table 5
Long-Term Liabilities at Year-End

	06/30/23	06/30/22	Variance	
			Dollars	%
General obligation bonds	\$ 7,510,000	\$ 8,130,000	\$ (620,000)	-7.63%
Net pension liability	1,957,640	1,383,081	574,559	41.54%
Unamortized bond premium	679,023	757,601	(78,578)	-10.37%
Lease payable	508,765	755,091	(246,326)	-32.62%
Compensated absences	34,739	25,047	9,692	38.70%
	<u>\$ 10,690,167</u>	<u>\$ 11,050,820</u>	<u>\$ (360,653)</u>	-3.26%

For the Future

The Union Township School District is in sound financial condition with funds in capital reserve, maintenance reserve, and emergency reserve accounts. Continued emphasis will be placed upon efficient and effective management of resources by leveraging indirect and direct savings towards student programs and initiatives. The district has entered into several shared services with the Franklin Township Board of Education. As of this school year, both districts are sharing:

- Superintendent
- Business Administrator
- Director of Special Education
- Supervisor of Curriculum
- Child Study Team
- Grounds person

Union Township is primarily a residential community with very few ratables which places the tax burden on residential homeowners. We experienced an increase in enrollment and anticipate a further increase due to a new housing community across from the Elementary School.

The Union Township School District commits itself to financial excellence every year and the School District’s system for financial planning, budgeting and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenges of the future.

Contacting the School District’s Financial Management

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District’s finances and to show the School District’s accountability for the money it receives. If you have any questions about this report or need additional information, contact Eva Preuett, Business Administrator/Board Secretary at Union Township Board of Education, 149 Perryville Rd., Hampton, NJ 08827.

DISTRICT-WIDE FINANCIAL STATEMENTS

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

UNION TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
June 30, 2023

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 154,325	\$ 60,153	\$ 214,478
Due from other funds	-	29,171	29,171
Receivables, net	725,830	6,326	732,156
Inventory	-	7,548	7,548
Restricted assets			
Capital reserve account - cash	2,524,830	-	2,524,830
Emergency reserve account - cash	193,900	-	193,900
Maintenance reserve account - cash	665,000	-	665,000
Student activities - cash	26,412	-	26,412
Unemployment compensation - cash	204,150	-	204,150
Capital assets, net			
Land and construction in progress	108,971	-	108,971
Other capital assets, net of depreciation	14,871,421	6,271	14,877,692
Total assets	19,474,839	109,469	19,584,308
Deferred outflows of resources			
Deferred amount on pension activity	616,364	-	616,364
Deferred amount on refunding bond issue	100,442	-	100,442
Total deferred outflows of resources	716,806	-	716,806
Liabilities			
Accounts payable	35,911	-	35,911
Accrued interest	160,723	-	160,723
Due from other funds	29,171	-	29,171
Payroll deductions and withholdings payable	15,820	-	15,820
Unearned revenue	40,975	4,925	45,900
Unemployment compensation claims payable	15,858	-	15,858
Long-term liabilities			
Due within one year	980,237	-	980,237
Due beyond one year	9,709,930	-	9,709,930
Total liabilities	10,988,625	4,925	10,993,550
Deferred inflows of resources			
Deferred amount on pension liability	325,876	-	325,876

See accompanying notes to the financial statements.

UNION TOWNSHIP SCHOOL DISTRICT
Statement of Net Position (continued)
June 30, 2023

	Governmental Activities	Business-Type Activities	Total
Net position			
Net investment in capital assets	\$ 7,470,392	\$ 6,271	\$ 7,476,663
Restricted for			
Capital reserve fund	2,524,830	-	2,524,830
Emergency reserve fund	193,900	-	193,900
Maintenance reserve fund	665,000	-	665,000
Student activities	26,412	-	26,412
Unemployment claims	186,805	-	186,805
Unrestricted	<u>(2,190,195)</u>	<u>98,273</u>	<u>(2,091,922)</u>
Total net position	<u>\$ 8,877,144</u>	<u>\$ 104,544</u>	<u>\$ 8,981,688</u>

See accompanying notes to the financial statements.

UNION TOWNSHIP SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2023

Functions/Programs	Direct Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue & Changes in Net Position		
			Charges for Services	Operating Grants & Contribution	Capital Grants & Contribution	Governmental Activities	Business-Type Activities	Total
Governmental activities								
Instruction								
Regular	\$ 3,485,167	\$ 2,139,141	\$ 195,867	\$ 168,509	\$ -	\$ (5,259,932)	\$ -	\$ (5,259,932)
Special education	1,587,088	797,493	-	493	-	(2,384,088)	-	(2,384,088)
Other special instruction	43,994	8,089	-	15,583	-	(36,500)	-	(36,500)
Other instruction	105,556	12,710	-	-	-	(118,266)	-	(118,266)
Support services								
Tuition	430,056	-	-	105,265	-	(324,791)	-	(324,791)
Students and instruction related services	1,886,688	834,543	20,863	22,195	-	(2,678,173)	-	(2,678,173)
General and business administration services	453,405	162,227	-	-	-	(615,632)	-	(615,632)
School administration services	342,534	166,860	-	-	-	(509,394)	-	(509,394)
Plant operations and maintenance	1,407,605	38,605	1,325	-	-	(1,444,885)	-	(1,444,885)
Pupil transportation	745,048	2,235	-	-	-	(747,283)	-	(747,283)
Interest on long-term debt	263,344	-	-	-	-	(263,344)	-	(263,344)
Total governmental activities	<u>10,750,485</u>	<u>4,161,903</u>	<u>218,055</u>	<u>312,045</u>	<u>-</u>	<u>(14,382,288)</u>	<u>-</u>	<u>(14,382,288)</u>
Business-type activities								
Food service	183,814	-	137,225	88,581	-	-	41,992	41,992
Total business-type activities	<u>183,814</u>	<u>-</u>	<u>137,225</u>	<u>88,581</u>	<u>-</u>	<u>-</u>	<u>41,992</u>	<u>41,992</u>
Total primary government	<u>\$ 10,934,299</u>	<u>\$ 4,161,903</u>	<u>\$ 355,280</u>	<u>\$ 400,626</u>	<u>\$ -</u>	<u>(14,382,288)</u>	<u>41,992</u>	<u>(14,340,296)</u>
			General revenues, special items and transfers					
						9,242,307	-	9,242,307
						941,525	-	941,525
						4,082,391	-	4,082,391
						42,245	542	42,787
						73,279	-	73,279
						(8,189)	-	(8,189)
						<u>14,373,558</u>	<u>542</u>	<u>14,374,100</u>
						(8,730)	42,534	33,804
						8,885,874	62,010	8,947,884
						<u>\$ 8,877,144</u>	<u>\$ 104,544</u>	<u>\$ 8,981,688</u>

See accompanying notes to the financial statements.

FUND FINANCIAL STATEMENTS

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

UNION TOWNSHIP SCHOOL DISTRICT
Governmental Funds
Balance Sheet
June 30, 2023

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 154,325	\$ -	\$ -	\$ -	\$ 154,325
Due from other funds	259,886	17,683	-	-	277,569
Receivables from other governments					
Federal	-	263,927	-	-	263,927
State	416,431	-	-	-	416,431
Other accounts receivable	45,472	-	-	-	45,472
Restricted cash and equivalents	3,587,880	26,412	-	-	3,614,292
Total assets	\$ 4,463,994	\$ 308,022	\$ -	\$ -	\$ 4,772,016
Liabilities and fund balances					
Liabilities					
Due to other funds	\$ 46,854	\$ 259,886	\$ -	\$ -	\$ 306,740
Accounts payable	34,912	999	-	-	35,911
Payroll deductions and withholdings payable	15,820	-	-	-	15,820
Unearned revenue	20,250	20,725	-	-	40,975
Unemployment compensation claims payables	15,858	-	-	-	15,858
Total liabilities	133,694	281,610	-	-	415,304
Fund balances					
Restricted fund balance					
Capital reserve account	2,524,830	-	-	-	2,524,830
Emergency reserve account	193,900	-	-	-	193,900
Maintenance reserve account	665,000	-	-	-	665,000
Student activities	-	26,412	-	-	26,412
Unemployment claims	186,805	-	-	-	186,805
Committed fund balance					
Year-end encumbrances	71,819	-	-	-	71,819
Assigned fund balance					
Designated for subsequent year's expenditures	409,489	-	-	-	409,489
Unassigned fund balance	278,457	-	-	-	278,457
Total fund balances	4,330,300	26,412	-	-	4,356,712
Total liabilities and fund balances	\$ 4,463,994	\$ 308,022	\$ -	\$ -	

See accompanying notes to the financial statements.

UNION TOWNSHIP SCHOOL DISTRICT
Governmental Funds
Balance Sheet (continued)
June 30, 2023

	<u>Total Governmental Funds</u>
Amounts reported for governmental activities in the Statement of Net Position (A-1) are different because:	
Capital assets used in government activities are not financial resources and therefore are not reported in the funds. The cost of assets is \$27,310,849 and the accumulated depreciation is \$12,330,457.	\$ 14,980,392
Deferred outflows and inflows of resources are applicable to future periods and, therefore, are not reported in the funds.	390,930
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(10,690,167)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	<u>(160,723)</u>
Total net position of governmental activities	<u><u>\$ 8,877,144</u></u>

See accompanying notes to the financial statements.

UNION TOWNSHIP SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues					
Local sources					
Local tax levy	\$ 9,242,307	\$ -	\$ -	\$ 941,525	\$ 10,183,832
Tuition					
Individuals	169,525	-	-	-	169,525
Other LEAs within the state	26,342	-	-	-	26,342
Interest income	42,245	-	-	-	42,245
Rents and royalties	1,325	-	-	-	1,325
Miscellaneous	73,279	20,863	-	-	94,142
Total local sources	9,555,023	20,863	-	941,525	10,517,411
State sources	3,146,672	10,216	-	-	3,156,888
Federal sources	28,920	301,829	-	-	330,749
Total revenues	12,730,615	332,908	-	941,525	14,005,048
Expenditures					
Current					
Instructional					
Regular instruction	3,326,874	158,293	-	-	3,485,167
Special education instruction	1,586,595	493	-	-	1,587,088
Other special instruction	28,411	15,583	-	-	43,994
Other instruction	105,556	-	-	-	105,556
Support service and undistributed costs					
Tuition	324,791	105,265	-	-	430,056
Student and instruction related services	1,849,334	37,354	-	-	1,886,688
General and business administrative services	453,405	-	-	-	453,405
School administrative services	342,534	-	-	-	342,534
Plant operations and maintenance	1,407,605	-	-	-	1,407,605
Pupil transportation	745,048	-	-	-	745,048
Unallocated benefits	2,459,391	-	-	-	2,459,391

See accompanying notes to the financial statements.

UNION TOWNSHIP SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances (continued)
For the Fiscal Year Ended June 30, 2023

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Expenditures (cont'd)					
Capital outlay	\$ 109,109	\$ 10,216	\$ -	\$ -	\$ 119,325
Debt service					
Principal	246,326	-	-	620,000	866,326
Interest and other charges	28,117	-	-	321,525	349,642
Total expenditures	<u>13,013,096</u>	<u>327,204</u>	<u>-</u>	<u>941,525</u>	<u>14,281,825</u>
Excess (deficiency) of revenues over (under) expenditures	(282,481)	5,704	-	-	(276,777)
Fund balances, July 1	<u>4,612,781</u>	<u>20,708</u>	<u>-</u>	<u>-</u>	<u>4,633,489</u>
Fund balances, June 30	<u><u>\$ 4,330,300</u></u>	<u><u>\$ 26,412</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,356,712</u></u>

See accompanying notes to the financial statements.

UNION TOWNSHIP SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2023

Total net changes in fund balances - Governmental fund (from B-2) \$ (276,777)

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

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expenses. This is the amount by which depreciation exceeds capital outlays in the period:

Capital outlays	\$ 119,325	
Adjustment for capital outlay	(8,189)	
Depreciation and amortization expense	<u>(997,911)</u>	(886,775)

Repayment of bond principal and leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position and are not reported in the Statement of Activities:

Lease principal payment	246,326	
Bond principal payments	<u>620,000</u>	866,326

Governmental funds report the effect of bond issue premiums when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities:

Amortization of bond premium		78,578
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Governmental funds report district pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

211,890

UNION TOWNSHIP SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities (continued)
For the Fiscal Year Ended June 30, 2023

In the Statement of Activities, interest on long-term debt is accrued regardless of when due. In the governmental funds interest is reported when due. The accrued interest is a reconciling item.	\$ 18,880
In the Statement of Activities, deferred outflows for refunding bond costs are amortized to current year expenses over the amortization period.	(11,160)
In the Statement of Activities, compensated absences and early retirement benefits are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.	<u>(9,692)</u>
Change in net position of governmental activities	<u><u>\$ (8,730)</u></u>

See accompanying notes to the financial statements.

UNION TOWNSHIP SCHOOL DISTRICT
Proprietary Funds
Statement of Fund Net Position
June 30, 2023

	<u>Food Service Fund</u>
Assets	
Current assets	
Cash and cash equivalents	\$ 60,153
Due from other funds	29,171
Other accounts receivable	816
Receivables from other governments	
State	346
Federal	5,164
Inventory	7,548
Total current assets	<u>103,198</u>
Noncurrent assets	
Capital assets	53,460
Less: accumulated depreciation	47,189
Total noncurrent assets	<u>6,271</u>
Total assets	<u>109,469</u>
Liabilities	
Current liabilities	
Unearned revenues - commodities	1,781
Unearned revenues - prepaid sales	3,144
Total liabilities	<u>4,925</u>
Net position	
Net investment in capital assets	6,271
Unrestricted	98,273
Total net position	<u>\$ 104,544</u>

See accompanying notes to the financial statements.

UNION TOWNSHIP SCHOOL DISTRICT
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2023

	Food Service Fund
Operating revenues	
Charges for services	
Daily sales - reimbursable programs	\$ 95,158
Daily sales - nonreimbursable programs	42,067
Total operating revenues	137,225
Operating expenses	
Cost of sales - reimbursable programs	55,926
Cost of sales - nonreimbursable programs	18,436
Commodity food costs	23,545
Salaries	55,283
Supports services - employee benefits	7,936
Purchased professional/technical services	1,869
Purchased property services	2,058
Other purchased services	
Insurance	8,408
Management fee	8,160
Supplies and materials	874
Depreciation	980
Miscellaneous expenditures	339
Total operating expenses	183,814
Operating income (loss)	(46,589)
Non-operating revenues (expenses)	
State sources	
State school lunch program	1,997
Federal sources	
National school lunch program	
Cash assistance	29,602
Non-cash assistance (commodities)	23,545
Supply chain assistance	33,437
Other sources	
Interest earned on investments	542
Total non-operating revenues (expenses)	89,123
Change in net position	42,534
Net position, beginning	62,010
Net position, ending	\$ 104,544

See accompanying notes to the financial statements.

UNION TOWNSHIP SCHOOL DISTRICT
Proprietary Funds
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2023

	Food Service Fund
Cash flows from operating activities	
Receipts from customers (net)	\$ 138,320
Payments to Food Service Management Company	(157,190)
Payments to vendors (net)	(2,396)
Net cash provided by (used for) operating activities	(21,266)
Cash flows from non-capital financing activities	
State sources	1,896
Federal sources	68,568
Net interfund transactions	(29,171)
Net cash provided by (used for) non-capital financing activities	41,293
Cash flows from investing activities	
Interest earned on investments	542
Net cash provided by (used for) investing activities	542
Net increase (decrease) in cash and cash equivalents	20,569
Cash and cash equivalents, beginning	39,584
Cash and cash equivalents, ending	\$ 60,153
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities	
Operating income (loss)	\$ (46,589)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities	
Depreciation	980
Federal food donation program	23,545
(Increase) decrease in accounts receivable	(816)
(Increase) decrease in inventory	438
Increase (decrease) in unearned revenues	1,176
Net cash provided by (used for) operating activities	\$ (21,266)

See accompanying notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies

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

The basic financial statements include:

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

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

A. Reporting entity

The District is a Type II District located in the County of Hunterdon, State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in Grades K-8. The District had an approximate enrollment at June 30, 2023 of 437 students.

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

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

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

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

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

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

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

C. Measurement focus, basis of accounting, and financial statement presentation

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

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

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Property taxes, tuition and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. As under New Jersey State Statute, a municipality is required to remit to its school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be accounts receivable. All other revenue items are considered to be measurable and available only when the District receives cash.

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

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

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

The District reports the following major governmental funds:

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

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

As a result of implementing GASB Statement No. 84, *Fiduciary Activities*, amounts maintained for unemployment claims and payroll withholdings for employee salary deductions are included in the general fund. Amounts maintained for unemployment claims are used to account for the portion of employee deductions for unemployment compensation required to be deposited and accumulated for future unemployment claims under the Benefit Reimbursement Method.

Special Revenue Fund - The District accounts for the proceeds of specific revenue sources from State and Federal Government (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted to expenditures for specified purposes in the special revenue fund. As a result of implementing GASB Statement No. 84, *Fiduciary Activities*, amounts maintained for student activities and private purpose scholarships are included in the special revenue fund. The amounts are considered to be restricted and available to use for specific expenditures. Amounts maintained for student activities are derived from athletic events or other activities of pupil organizations and accumulated for payment of student group activities.

Capital Projects Fund - The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

The District did not utilize the capital projects fund during the fiscal year.

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

Additionally, the District reports the following fund types:

Proprietary Fund types

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

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Proprietary Fund types (continued)

Enterprise Fund - The enterprise fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's enterprise fund is comprised of the food service fund.

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

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

Equipment	12 years
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Fiduciary fund types

The District does not have funds that meet the criteria of a fiduciary fund as defined by GASB Statement No. 84, *Fiduciary Activities*.

D. Budgets/budgetary control

Annual appropriated budgets are prepared in the Spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the County office and, if necessary, are voted upon at the annual school election in November. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line-item accounts within each fund. Line-item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:23-16.2(f)1. All budget amendments must be approved by School Board Resolution.

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

D. Budgets/budgetary control (continued)

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

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

E. Encumbrances

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as reservations of fund balances at fiscal 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.

F. Tuition receivable

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

G. Tuition payable

Tuition charges for the fiscal year 2022-2023 are based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Short-term interfund receivable/payables

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

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

I. Inventories and prepaid items

Inventories and prepaid items, which benefit future periods, other than those recorded in the enterprise fund are recorded as expenditures during the year of purchase.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. The commodities inventory value at balance sheet date is reported as unearned revenue as title does not pass to the School District until the commodities are used. Prepaid items in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2023.

J. Capital assets

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

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

Assets	Years
Buildings	40
Building improvements & portable classroom	20 - 40
Land improvements	20
Furniture	20
Musical instruments	10
Athletic equipment	10
Maintenance equipment	15
Audio visual equipment	10
Office equipment	5 - 10
Computer equipment	5 - 10
Vehicles	5

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

K. Compensated absences

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

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

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

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

L. Unearned revenue

Unearned revenue in the general fund and special revenue fund represents cash, which has been received but not yet earned. See Note 1 (E) regarding the special revenue fund. Unearned revenue in the enterprise fund includes United States government commodity inventories at year-end. The aid revenue associated with this commodity inventory is deferred until it is used in the operations of the food service fund. Prepaid lunch debit card revenue balances at year-end are also included in unearned revenue.

M. Long-term obligations

In the government-wide financial statements, and in internal service fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method.

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

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

N. Net position

Net position represents the difference between the sum of assets and deferred outflows of resources, and the sum of liabilities and deferred inflows of resources. In the government-wide financial statements, net position is classified into the following three components:

- Net investment in capital assets - This component represents capital assets, less accumulated depreciation and net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.
- Restricted - 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.
- Unrestricted - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

O. Fund balances - governmental funds

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

- Non-Spendable - includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.
- Restricted - includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.
- Committed - includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision-making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.
- Assigned - includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

O. Fund balances - governmental funds (continued)

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

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

P. Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires Management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results could differ from those estimates.

Q. Allocation of indirect expenses

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

R. Deferred outflows and inflows of resources

In addition to assets, the Statement of Net 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 two items that qualify for reporting in this category, which are deferred amount on pension activity and deferred amount on refunding bond issue. In addition to liabilities, the Statement of Net 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 future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category, deferred amount on pension liability.

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 2 - Tax assessments and property taxes

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

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

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

School taxes are guaranteed, as to amount of collection, by the Municipality (the collection agency) and are transmitted to the school district in accordance with the Schedule of Tax Installments as certified by the school district's Board of Education on an annual basis.

Note 3 - Deposits and investments

Cash and cash equivalents include petty cash, change funds, and cash in banks. As of June 30, 2023, the District had no investments.

New Jersey Governmental Units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey Governmental Units. In addition, other state statutes permit investments in obligations issued by local authorities and other state agencies. The State of New Jersey does not place any limit on the amount that the District may invest with any one issuer.

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 3 - Deposits and investments (continued)

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of Governmental Units. The statute requires that no Governmental Unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include savings and loan institutions, banks (both state and national banks) and saving banks the deposits of which are federally insured.

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

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits might not be recovered. The District does not have a policy for custodial credit risk. New Jersey statutes require that cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Unit Deposit Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds, employee's salary withholdings, or funds that may pass to the District relative to the happening of a future condition.

As of June 30, 2023, the District's bank balances were exposed to custodial credit risk as follows:

Insured by the FDIC	\$ 250,000
Insured by GUDPA	3,745,402
Total	\$ 3,995,402

Deposits at June 30, 2023 appear in the financial statements as summarized below:

Cash		\$ 3,828,770
Unrestricted cash		
Governmental funds, Balance Sheet	Ref. B-1	\$ 154,325
Enterprise funds, Statement of Net Position	B-4	60,153
Restricted cash		
Governmental funds, Balance Sheet	B-1	3,614,292
Total cash		\$ 3,828,770

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 4 - Capital assets

Capital asset activity for the fiscal year ended June 30, 2023 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 81,905	\$ -	\$ -	\$ 81,905
Construction in progress	195,700	27,066	195,700	27,066
Total	<u>277,605</u>	<u>27,066</u>	<u>195,700</u>	<u>108,971</u>
Capital assets, being Depreciated				
Land improvements	254,316	-	-	254,316
Building & improvements	23,802,885	217,480	8,189	24,012,176
Leased building improvements (intangible assets)	1,250,000	-	-	1,250,000
Vehicles	99,109	-	-	99,109
Furniture & equipment	1,515,798	70,479	-	1,586,277
Total	<u>26,922,108</u>	<u>287,959</u>	<u>8,189</u>	<u>27,201,878</u>
Accumulated depreciation and amortization				
Land improvements	110,898	12,441	-	123,339
Building & improvements	9,930,935	632,471	-	10,563,406
Leased building improvements (intangible assets)	375,000	250,000	-	625,000
Vehicles	86,991	8,078	-	95,069
Furniture & equipment	828,722	94,921	-	923,643
Total	<u>11,332,546</u>	<u>997,911</u>	<u>-</u>	<u>12,330,457</u>
Total capital assets, being depreciated, net	<u>15,589,562</u>	<u>(709,952)</u>	<u>8,189</u>	<u>14,871,421</u>
Transfers	<u>-</u>	<u>(195,700)</u>	<u>(195,700)</u>	<u>-</u>
Governmental activities capital assets, net	<u>\$ 15,867,167</u>	<u>\$ (878,586)</u>	<u>\$ 8,189</u>	<u>\$ 14,980,392</u>

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 4 - Capital assets (continued)

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business type activities				
Furniture & equipment	\$ 53,460	\$ -	\$ -	\$ 53,460
Less: accumulated Depreciation	46,209	980	-	47,189
Business type activities capital assets, net	<u>\$ 7,251</u>	<u>\$ (980)</u>	<u>\$ -</u>	<u>\$ 6,271</u>

Depreciation and amortization expense were charged to governmental functions in the current year as follows:

Instruction		
Regular		\$ 451,743
Special education		191,099
Other special instruction		5,297
Co-curricular activities		12,710
Support services		
Student & instruction		227,173
General & business administration		54,594
School administration		41,244
Plant & maintenance		14,051
Total depreciation and amortization expense, governmental activities		<u>\$ 997,911</u>

Note 5 - Long-term debt

Long-term liability activity for the fiscal year ended June 30, 2023 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
General obligation bonds payable	\$ 8,130,000	\$ -	\$ 620,000	\$ 7,510,000	\$ 650,000
Unamortized bond premium	757,601		78,578	679,023	78,578
Leases payable	755,091		246,326	508,765	251,659
PERS net pension liability	1,383,081	574,559	-	1,957,640	-
Compensated absences payable	25,047	9,692	-	34,739	-
Total governmental activities long- term liabilities	<u>\$ 11,050,820</u>	<u>\$ 584,251</u>	<u>\$ 944,904</u>	<u>\$ 10,690,167</u>	<u>\$ 980,237</u>

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 5 - Long-term debt (continued)

Payments on the general obligation bonds are made in the debt service fund from property taxes and state aid. The compensated absences liability is paid in the current expenditures budget of the District's general fund and the other long-term debts are amortized over a determined period.

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2023, including interest payments, are listed as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2024	\$ 650,000	\$ 296,700	\$ 946,700
2025	675,000	268,128	943,128
2026	705,000	238,084	943,084
2027	740,000	206,488	946,488
2028	770,000	172,638	942,638
2029 - 2033	3,970,000	366,569	4,336,569
Total	<u>\$ 7,510,000</u>	<u>\$ 1,548,607</u>	<u>\$ 9,058,607</u>

General Obligation Bonds - General obligation school building bonds payable at June 30, 2023, with their outstanding balances are comprised of the following individual issues:

\$3,105,000 - 2016 refunding school bonds, interest at 2.00% to 3.00%, due in annual installments beginning July 15, 2016 to July 15, 2030.	\$ 1,260,000
\$7,725,000 - 2017 refunding school bonds, interest at 2.00% to 5.00%, due in annual installments beginning July 15, 2017 to July 15, 2032.	6,250,000
Total	<u>\$ 7,510,000</u>

The general obligation bonded debt of the District is limited by state law to 3% of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2023 is \$27,105,441. General obligation debt at June 30, 2023 is \$7,510,000, resulting in a legal debt margin of \$19,595,441.

Lease payable - Commencing April 3, 2020, the District entered into a \$1,250,000 lease financing contract with TD Equipment Finance, Inc. for capital projects involving installation of new roof, roof restoration, renovations and improvements. The financing is due in five annual installments of \$262,671, including interest at 2.165%, beginning August 1, 2020 through August 1, 2024.

The annual requirements for the lease payable as of June 30, 2023, including interest payments are listed as follows:

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 5 - Long-term debt (continued)

Fiscal Year Ended June 30,	Principal	Interest	Total
2024	\$ 251,659	\$ 11,012	\$ 262,671
2025	257,106	5,565	262,671
Total	\$ 508,765	\$ 16,577	\$ 525,342

Note 6 - Pension plans
Description of systems

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

A. Public employees' retirement system (PERS)

Plan description

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

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All pension benefits vest after 10 years of service.

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public employees' retirement systems (PERS) (continued)

Plan description (continued)

The following represents the membership tiers for PERS:

Tier	Members Eligibility
1	Enrolled prior to July 1, 2007
2	Enrolled on or after July 1, 2007 and prior to November 2, 2008
3	Enrolled on or after November 2, 2008 and prior to May 22, 2010
4	Enrolled on or after May 22, 2010 and prior to June 28, 2011
5	Enrolled on or after June 28, 2011

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

Allocation methodology and reconciliation to financial statements

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer and nonemployer allocations are applied to amounts presented in the schedule of pension amounts by employer and nonemployer. The allocation percentages for each group as of June 30, 2022 measurement date are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2022 measurement date.

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public employees' retirement systems (PERS) (continued)

Allocation methodology and reconciliation to financial statements (continued)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense. The employer and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocations and applied to amounts presented in the schedule of pension amounts by employer and nonemployer are based on the ratio of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2021 through June 30, 2022. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of pension amounts by employer and nonemployer may result in immaterial differences. Contributions from employers are recognized when due, based on statutory requirements.

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for non-contributory group insurance benefits is based on actual claims paid. For fiscal year 2022, the State's pension contribution was less than the actuarial determined amount.

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

The District's contractually required contribution rate for the year ended June 30, 2023 was 14.62% of the District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

The contribution rate 7.50% of base salary effective July 1, 2018.

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public employees' retirement systems (PERS) (continued)

Special funding situation

Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers related to this legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

Collective net pension liability and actuarial information

The District's proportionate share of the net pension liability for PERS as of measurement date June 30, 2022:

Net pension liability	\$ 1,957,640
Proportionate share	0.0129719089%
Plan fiduciary net position as a percentage of the total pension liability	62.91%

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions:

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases (based on age)	2.75 - 6.55%
Investment rate of return	7.00%

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public employees' retirement systems (PERS) (continued)

Collective net pension liability and actuarial information (continued)

Preretirement 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 generational basis. Mortality improvement is based on Scale MP-2021.

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

Long-term expected rate of return

In accordance with state statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022 measurement date) 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 real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2022 measurement date are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocations</u>	<u>Long-Term Expected Rate of Return</u>
U.S. equity	27.00%	8.12%
Non-U.S. developed markets equity	13.50%	8.38%
Emerging markets equity	5.50%	10.33%
Private equity	13.00%	11.80%
Real estate	8.00%	11.19%
Real assets	3.00%	7.60%
High yield	4.00%	4.95%
Private credit	8.00%	8.10%
Investment grade credit	7.00%	3.38%
Cash equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk mitigation strategies	3.00%	4.91%

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public employees' retirement systems (PERS) (continued)

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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 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 projected benefit payments and the Municipal Bond rate was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the collective net pension liability to changes in the discount rate

The following presents the collective net pension liability of the District as of June 30, 2022 measurement date, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

District's proportionate share of the net pension liability

At current discount rate (7.00%)	\$ 1,957,640
At a 1% lower rate (6.00%)	2,536,293
At a 1% higher rate (8.00%)	1,495,871

Collective deferred outflows of resources and deferred inflows of resources

At the June 30, 2022 measurement date, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 14,129	\$ 12,460
Changes of assumptions	6,065	293,136
Net difference between projected and actual earnings on pension plan investments	81,025	-
Changes in proportion and differences between District contributions and proportionate share of contributions	351,563	20,280
District contributions subsequent to the measurement date	163,582	-
Total	\$ 616,364	\$ 325,876

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public employees' retirement systems (PERS) (continued)

Collective deferred outflows of resources and deferred inflows of resources (continued)

The amount 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 ended June 30, 2023, the Plan measurement date is June 30, 2022) of \$163,582 will be recognized as a reduction of the net pension liability in the year ended June 30, 2023.

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the fiscal year ended June 30, 2022 measurement date:

	<u>Beginning Balance</u>	<u>Net Change in Activity</u>	<u>Ending Balance</u>
Deferred outflows of resources			
Differences between expected and actual experience	\$ 21,813	\$ (7,684)	\$ 14,129
Changes of assumptions	7,203	(1,138)	6,065
Differences between projected and actual investment earnings on pension plan investments	-	81,025	81,025
Deferred inflows of resources			
Differences between expected and actual experience	(9,901)	(2,559)	(12,460)
Changes of assumptions	(492,386)	199,250	(293,136)
Differences between projected and actual investment earnings on pension plan investments	<u>(364,340)</u>	<u>364,340</u>	-
Net of deferred outflows	<u>\$ (837,611)</u>	<u>\$ 633,234</u>	<u>\$ (204,377)</u>

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

<u>Fiscal Year Ended June 30,</u>	
2023	\$ (167,925)
2024	(85,552)
2025	(41,722)
2026	91,022
2027	(200)
Total	<u>\$ (204,377)</u>

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public employees' retirement systems (PERS) (continued)

Pension expense (benefit)

For the fiscal year ended June 30, 2023, the District recognized net pension expense (benefit) of (\$48,309), which represents the District's proportionate share of allocable plan pension expense (benefit) of (\$141,774), plus the net amortization of deferred amounts from changes in proportion of \$120,319, plus other adjustments to the net pension liability of (\$26,854). The components of allocable pension expense, which exclude amounts attributable to employer paid member contributions and pension expense related to specific liabilities of individual employers, for the District for the fiscal year ended June 30, 2022 measurement date are as follows:

Service cost	\$	94,362
Interest on total pension liability		378,455
Benefit changes		1,098
Member contributions		(78,692)
Administrative expense		1,690
Expected investment return net of investment expense		(252,631)
Pension expense related to specific liabilities of individual employers		(1,356)
Recognition (amortization) of deferred inflows/outflows of resources		
Differences between projected and actual experience		4,480
Changes of assumptions		(282,897)
Difference between projected and actual investment earnings on pension plan investments		(6,283)
Pension expense (benefit)	\$	(141,774)

B. Teachers' pension and annuity fund (TPAF)

Plan description

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

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death, and disability benefits. All benefits vest after ten 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.

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)
B. Teachers' pension and annuity fund (TPAF) (continued)
Plan description (continued)

The following represents the membership Tiers for TPAF:

Tier	Member Eligibility
1	Enrolled prior to July 1, 2007
2	Enrolled on or after July 1, 2007 and prior to November 2, 2008
3	Enrolled on or after November 2, 2008 and prior to May 22, 2010
4	Enrolled on or after May 22, 2010 and prior to June 28, 2011
5	Enrolled on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 before age 65 with 30 years or more of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year 2022, the State's pension contribution was more than the actuarial determined amount.

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

B. Teachers' pension and annuity fund (TPAF) (continued)

Special funding situation

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 non-employer 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 non-employer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

During the state fiscal year ended June 30, 2022, the State of New Jersey contributed \$1,445,975 to the TPAF for normal pension benefits on behalf of the District.

The contribution rate was 7.50% of base salary effective July 1, 2018.

Collective net pension liability and actuarial information

The District's proportionate share of the net pension liability for TPAF for fiscal year ended June 30, 2022 measurement date is as follows:

District proportionate share of net pension liability	\$ 26,325,112
Less: State proportionate share of net pension liability	8,499,597
Net pension liability	\$ 17,825,515

Proportionate share	0.0345493105%
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Plan fiduciary net position as a percentage of the total pension liability	32.29%
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Actuarial assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

B. Teacher’s pension and annuity fund (TPAF) (continued)

Actuarial assumptions (continued)

Inflation rate

Price	2.75%
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Wage	3.25%
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Salary increases (based on years of service)	2.75 - 5.65%
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Investment rate of return	7.00%
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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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long-term expected rate of return

In accordance with state statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022 measurement date) 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 real rates of return for each major asset class included in TPAF’s target asset allocation as of June 30, 2022 measurement date are summarized in the following table:

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)
B. Teacher's pension and annuity fund (TPAF) (continued)
Long-term expected rate of return (continued)

<u>Asset Class</u>	<u>Target Allocations</u>	<u>Long-Term Expected Rate of Return</u>
U.S. equity	27.00%	8.12%
Non-U.S. developed markets equity	13.50%	8.38%
Emerging markets equity	5.50%	10.33%
Private equity	13.00%	11.80%
Real estate	8.00%	11.19%
Real assets	3.00%	7.60%
High yield	4.00%	4.95%
Private credit	8.00%	8.10%
Investment grade credit	7.00%	3.38%
Cash equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk mitigation strategies	3.00%	4.91%

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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 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 after that date in determining the total pension liability.

Sensitivity of the collective net pension liability to changes in the discount rate

The following presents the collective net pension liability of the District as of June 30, 2022 measurement date, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

District's proportionate share of the net pension liability

At current discount rate (7.00%)	\$	17,825,515
At a 1% lower rate (6.00%)		20,900,795
At a 1% higher rate (8.0/0%)		15,234,978

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

B. Teacher's pension and annuity fund (TPAF) (continued)

Pension expense (benefit)

The components of allocable pension expense (benefit), which pension expense (benefit) related to specific liabilities of individual employers, for the District for the fiscal year ended June 30, 2022 measurement date are as follows:

Service cost	\$	412,221
Interest on total pension liability		1,775,414
Benefit changes		-
Member contributions		(312,977)
Administrative expense		4,359
Expected investment return net of investment expense		(684,076)
Pension expense related to specific liabilities of individual employers		(136)
Recognition (amortization) of deferred inflows/outflows of resources		
Differences between projected and actual experience		69,227
Changes of assumptions		(826,644)
Difference between projected and actual investment earnings on pension plan investments		42,346
Pension expense (benefit)	\$	479,734

C. Defined contribution retirement program

The Defined Contribution Retirement Program (DCRP) was established under the provisions Ch. 92, PL 2007 and expanded under the provisions of Ch. 89, PL 2008 and Ch. 1, PL 2010 to provide eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Employees eligible to enroll in the program include the following: First, employees enrolled in the Public Employees Retirement System (PERS) or Teachers Pension and Annuity Fund (TPAF) on or after July 1, 2007 who earn salary in excess of maximum compensation limits. Also, employees otherwise eligible to enroll in the TPAF and PERS who do not earn the minimum salary (\$9,000 in 2023) but who earn salary of at least \$5,000 annually are eligible to participate. The Program Administrator, Prudential Financial, makes information regarding the program available on its New Jersey Defined Contribution Program Web Site: www.prudential.com/njdcrp.

Contribution rates for DCRP provide for employee contributions of 5.50% of annual contractual compensation as defined. The District's net contribution to the DCRP for fiscal year ended 2023 was \$2,121.

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

D. Other pension plan information

During the fiscal year ended June 30, 2023, the State of New Jersey contributed \$371,476 to the TPAF for postretirement medical benefits, \$19,350 for non-contributory insurance premiums, \$612 for long-term disability insurance, and \$1,394,734 for normal costs and accrued liability costs on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$325,226 during the year ended June 30, 2023 for the employer's share of Social Security contributions for TPAF members calculated on their base salaries. These amounts have been included in the financial statements and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB Statement No. 68.

Note 7 - Postretirement benefits

The State Health Benefit State Retired Employees Plan (State Retired OPEB Plan) is a single-employer defined benefit OPEB plan with a special funding situation. The State Retired OPEB Plan 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. The State Retired OPEB Plan is treated as a cost-sharing multiple employer plan with a special funding situation for allocating the total OPEB liability and related OPEB amounts since each employer mentioned above is required to issue stand-alone financial statements. The State Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of the employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits. In fiscal year 2022, the State paid OPEB benefits for 161,238 State and local retirees.

In accordance with N.J.S.A. 52:14-17.32, the State is required to pay the premiums or periodic charges for health benefits of State employees who retire with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following Plans: the Judicial Retirement System (JRS), the State Police Retirement System (SPRS), the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen's Retirement System (PFRS), and the Alternate Benefit Program (ABP).

The employer contributions for the participating local education employers are legally required to be funded by the State in accordance with N.J.S.A. 52:14-17.32f. According to this law, 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: TPAF, PERS, PFRS, or ABP.

Pursuant to P.L.2011, c.78, future retirees eligible for postemployment 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.

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

The State is legally required to pay for the OPEB benefit coverage for the participating local education employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a non-employer contributing entity. The State, as a non-employer contributing entity, reported a Fiscal Year 2022 total OPEB liability of \$50,646,462,966 for this special funding situation.

Additional information on Pensions and OPEB can be accessed at <https://www.state.nj.us/treasury/taxation/payments-notices.shtml>.

Total OPEB liability

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportionate share percentage determined under Paragraphs 193 and 203 through 205 of GASB Statement No. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the District.

Under a special funding situation, the State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Therefore, the following OPEB liability note information is reported at the State's level and is not accrued by the District.

For purposes of reporting required GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the District's proportionate share of allocable OPEB liability and employer OPEB expense and related revenue as of June 30, 2022 measurement date is as follows:

State's proportionate share of the OPEB liability	\$	50,646,462,966
District's proportionate share of the State's OPEB liability		18,820,273
Employer OPEB expense and related revenue		427,065
Allocable proportionate percentage		0.0371600935%

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)
Changes in the total OPEB liability

	Total OPEB Liability
Total OPEB liability at June 30, 2021	\$ 22,412,914
Service cost	973,233
Interest cost	498,758
Differences between expected and actual experiences	462,261
Changes of assumptions	(5,048,707)
Member contributions	15,849
Gross benefit payments	(494,035)
Total OPEB liability at June 30, 2022	\$ 18,820,273

There were no changes of the benefit terms from June 30, 2021 to June 30, 2022.

Changes of assumptions and other inputs reflect a change in the discount rate from 2.16% as of the June 30, 2021 Plan measurement date to 3.54 % as of the June 30, 2022 Plan measurement date.

The total non-employer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. 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:

	TPAF	PERS
	(based on years of service)	(based on years of service)
Salary increases	2.75% - 4.25%	2.75% - 6.55%

Preretirement mortality rates were based on the Pub-2010 Healthy Teachers (TPAF/ABP) and General (PERS) 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, 2021 valuation were based on the results of actuarial experience studies for the periods July 1, 2018 - June 30, 2021 for TPAF and PERS.

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

Health care trend assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 PPO, the trend is initially (1.99%) in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially (3.54%) in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount rate

The discount rate for June 30, 2022 was 3.54%. 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.

Sensitivity of the total OPEB liability to changes in the discount rates

The following presents the total non-employer OPEB liability as of June 30, 2022 measurement date, using the District's allocable proportionate percentage, 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% point lower or 1% point higher than the current rate:

Total OPEB liability (school retirees)

At current discount rate (3.54%)	\$	18,820,273
At a 1% lower rate (2.54%)		22,121,251
At a 1% higher rate (4.54%)		16,174,704

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the total non-employer OPEB liability, as well as what the total non-employer OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Total OPEB liability (school retirees)

Healthcare cost trend rate	\$	18,820,273
At a 1% lower rate (1% decrease)		15,556,106
At a 1% higher rate (1% increase)		23,107,955

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB

For the fiscal year ended June 30, 2022, the District recognized OPEB expense of \$427,065 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a Trust that meets the criteria in Paragraph 4 of GASB Statement No. 75 and in which there is a special funding situation.

In accordance with GASB Statement 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.

Note 8 - Deferred compensation

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The Plans, which are administered by the entities listed below, permit participants to defer a portion of their salary until future years. Amounts deferred under the Plans are not available to employees until termination, retirement, death or unforeseeable emergency. The Plan Administrators are as follows:

Equitable Advisor
 Lincoln Financial Group

Note 9 - Interfund receivable and payables

The composition of interfund balances as of June 30, 2023 is as follows:

Fund	Receivable Fund	Payable Fund
General fund	\$ 259,886	\$ 46,854
Special revenue fund	17,683	259,886
Food service fund	29,171	-
Total	\$ 306,740	\$ 306,740

The special revenue fund has an interfund payable of \$259,886 due to the general fund for a loan as a result of cash flow issues relating to the delayed receipt of grant revenues. The general fund had an interfund payable of \$29,171 due to the food service fund for subsidies received and not yet transferred over. The general fund had an interfund payable of \$17,683 due to the special revenue fund for grant receipts posted in the general fund.

Note 10 - Inventory

Inventory in the food service fund as of June 30, 2023 consisted of the following:

Food	\$ 3,695
Supplies	3,853
Total	\$ 7,548

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 11 - Contingent liabilities

Grantor agencies

Amounts received, or are receivables, from grantor agencies could be subject to audit and adjusted by grantor agencies. Any disallowed claims, including amounts already collected, may result in a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the Grantor cannot be determined at this time, although the District expects such amount, if any, to be immaterial.

Note 12 - Risk management

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

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

New Jersey Unemployment Compensation Insurance - The District has elected to fund its NJ Unemployment Compensation Insurance under the Benefit Reimbursement Method. Under this plan, the District is required to reimburse the NJ unemployment trust fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, and interest earnings, employee contributions, reimbursements to the state for benefits paid and the ending balance available for claims of the District's unemployment compensation insurance fund:

Fiscal Year	District Contribution	Interest Earnings	Employee Deposits	Amount Reimbursed	Ending Balance Available for Claims
2022 - 2023	\$ -	\$ 2,073	\$ 11,887	\$ 10,937	\$ 204,150
2021 - 2022	-	122	10,133	183	201,127
2020 - 2021	-	266	9,149	2,704	191,055

Note 13 - Reserve accounts

A capital reserve account was established by the District 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 activity is included in the general fund annual budget.

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 13 - Reserve accounts (continued)

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long-Range Facilities Plan (LRFP) and updated annually in the Quality Single Accountability Continuum (QSAC). Upon submission of the LRFP to the Department of Education, 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:26-9.1(d)1, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Districts are allowed as per N.J.S.A. 18A:7F-41(a) and 41(b) to deposit to the reserves by Board Resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts.

The following schedule is a summarization of the reserve accounts for the current fiscal year:

Reserve Type	Beginning Balance	District Contrib.	Interest Earnings	Return Unused Withdrawal	Withdrawal	Ending Balance
Capital	\$2,547,207	\$ -	\$ 15,148	\$ 725,475	\$ 763,000	\$ 2,524,830
Emergency	193,900	-	-	-	-	193,900
Maintenance	665,000	-	-	-	-	665,000
Total	<u>\$3,406,107</u>	<u>\$ -</u>	<u>\$ 15,148</u>	<u>\$ 725,475</u>	<u>\$ 763,000</u>	<u>\$ 3,383,730</u>

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 14 - Fund balance

As described in Note 1 (O) fund balance may be restricted, committed or assigned. An analysis of the general fund balance on June 30, 2023 is as follows:

Restricted	
Capital reserve account - represents funds restricted to capital projects in the Districts long range facilities plan.	\$ 2,524,830
Emergency reserve account - represents funds restricted to finance unanticipated general fund expenditures required for a thorough and efficient education.	193,900
Maintenance reserve account - represents funds accumulated for the required maintenance of a facility in accordance with the EFCFA (N.J.S.A. 18A:76-9).	665,000
Unemployment compensation - represents funds accumulated for future unemployment claims.	186,805
Committed	
Year-end encumbrance - represents fund balance assigned for purchase orders that have been issued but goods or services were not received as of June 30.	71,819
Assigned	
Designated for subsequent year's expenditures - represents amount appropriated in the succeeding year's budget to reduce tax requirements.	409,489
Unassigned	
Undesignated - represents fund balance which has not been restricted or designated.	336,138
Total fund balance - budgetary basis (Exhibit C-1)	4,387,981
Last state aid payments not recognized on GAAP basis	(57,681)
Total fund balance - GAAP basis (Exhibit B-1)	\$ 4,330,300

Note 15 - Calculation of excess surplus

In accordance with N.J.S.A. 18A:7F-7, as amended by PL 2004, Ch. 73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve general fund, fund balance at the fiscal year-end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2023 is \$0.

Note 16 - Recent accounting pronouncements not yet effective

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

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. This statement is effective for reporting periods beginning after December 15, 2023. The District is evaluating the effect of the pronouncement on financial reporting.

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 17 - Deficit balance in unrestricted net position

The District is reporting a deficit balance in unrestricted net position for governmental activities as of June 30, 2023 of (\$2,190,195) on Schedule A-1 Statement of Net Position. The deficit balance is not a negative reflection on the District's financial condition but is the result of reporting required by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

Note 18 - Subsequent events

On December 1, 2022, voters in the District approved a referendum authorizing school bonds to finance \$2,750,000 on facility improvement projects. In connection with this, the District issued bonds on October 31, 2023, for \$2,750,000 at an interest rate of 4.125% maturing on August 15, 2028.

The District has evaluated and determine that no material events or transactions, other than the comment above, have occurred subsequent to November 20, 2023, which is the date the financial statements were available to be issued and no additional items were noted for disclosure.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

UNION TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Unaudited		Final Budget	Actual	Variance Final to Actual
	Original Budget	Budget Transfers			
Revenue					
Local sources					
Local tax levy	\$ 9,242,307	\$ -	\$ 9,242,307	\$ 9,242,307	\$ -
Tuition from individuals	150,000	-	150,000	169,525	19,525
Tuition from other LEAs within the state	45,000	-	45,000	26,342	(18,658)
Rents and royalties	5,000	-	5,000	1,325	(3,675)
Unrestricted miscellaneous revenues	150,000	-	150,000	98,303	(51,697)
Interest earned on capital reserve funds	500	-	500	15,148	14,648
Other restricted miscellaneous revenues	-	-	-	2,073	2,073
Total	9,592,807	-	9,592,807	9,555,023	(37,784)
State sources					
Categorical Transportation Aid	233,413	-	233,413	233,413	-
Extraordinary Aid	150,000	-	150,000	379,464	229,464
Categorical Special Education Aid	356,952	-	356,952	356,952	-
Categorical Security Aid	36,554	-	36,554	36,554	-
State reimbursements from Securing					
Our Children's Future Bond Act	-	-	-	23,861	23,861
Other state aid	-	-	-	4,992	4,992
TPAF Pension (on-behalf)	-	-	-	1,394,734	1,394,734
TPAF Non-contributory insurance	-	-	-	19,350	19,350
TPAF Social Security (reimbursed)	-	-	-	325,226	325,226
TPAF Postretirement benefits	-	-	-	371,476	371,476
TPAF Long-term disability insurance	-	-	-	612	612
Total	776,919	-	776,919	3,146,634	2,369,715
Federal Sources					
FEMA	-	-	-	28,920	28,920
Total	-	-	-	28,920	28,920
Total revenues	\$ 10,369,726	\$ -	\$ 10,369,726	\$ 12,730,577	\$ 2,360,851
Expenditures					
Current					
Instruction - regular program					
Salaries of Teachers					
Preschool	\$ 59,065	\$ (5,778)	53,287	\$ 52,382	\$ 905
Kindergarten	219,737	(34,978)	184,759	184,759	-
Grades 1-5	1,097,881	78,805	1,176,686	1,176,686	-
Grades 6-8	982,942	57,091	1,040,033	1,040,033	-
Home instruction					
Salaries of teacher	10,000	(6,700)	3,300	3,300	-
Purchased professional - educational services	10,000	(10,000)	-	-	-
Regular programs - undistributed instruction					
Purchased professional - educational services	5,000	(4,004)	996	996	-
Purchased technical services	103,573	(47,829)	55,744	55,744	-
Other purchased services	14,400	(10,116)	4,284	4,284	-
General supplies	255,430	(96,504)	158,926	158,377	549
Total	2,758,028	(80,013)	2,678,015	2,676,561	1,454

See independent auditors' report.

UNION TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Special education					
Learning and/or language disabilities					
Salaries of Teachers	\$ 212,284	\$ (4,757)	\$ 207,527	\$ 207,527	\$ -
Other salaries for instruction	31,223	(31,223)	-	-	-
General supplies	4,000	(2,673)	1,327	1,326	1
Total	<u>247,507</u>	<u>(38,653)</u>	<u>208,854</u>	<u>208,853</u>	<u>1</u>
Resource room/resource center					
Salaries of Teachers	559,000	1,562	560,562	560,562	-
Other salaries for instruction	175,980	209,501	385,481	385,481	-
General supplies	16,340	(2,010)	14,330	14,329	1
Other objects	19,050	(19,050)	-	-	-
Total	<u>770,370</u>	<u>190,003</u>	<u>960,373</u>	<u>960,372</u>	<u>1</u>
Preschool disabilities - full-time					
Salaries of Teachers	56,565	1,155	57,720	56,815	905
Other salaries for instruction	29,669	52,644	82,313	80,178	2,135
General supplies	1,829	(917)	912	912	-
Other objects	450	(450)	-	-	-
Total	<u>88,513</u>	<u>52,432</u>	<u>140,945</u>	<u>137,905</u>	<u>3,040</u>
Total special education	<u>1,106,390</u>	<u>203,782</u>	<u>1,310,172</u>	<u>1,307,130</u>	<u>3,042</u>
Basic skills/remedial					
Salaries of teachers	21,600	(21,600)	-	-	-
General supplies	500	-	500	-	500
Total	<u>22,100</u>	<u>(21,600)</u>	<u>500</u>	<u>-</u>	<u>500</u>
Bilingual education - instruction					
Salaries of Teachers	26,095	2,767	28,862	27,702	1,160
General supplies	500	(208)	292	178	114
Total	<u>26,595</u>	<u>2,559</u>	<u>29,154</u>	<u>27,880</u>	<u>1,274</u>
School-sponsored co/extra curricular activities - instruction					
Salaries	25,000	25,735	50,735	50,735	-
Supplies and materials	500	-	500	18	482
Total	<u>25,500</u>	<u>25,735</u>	<u>51,235</u>	<u>50,753</u>	<u>482</u>
School-sponsored athletics - instruction					
Salaries	30,000	6,970	36,970	36,970	-
Purchased services	500	5,147	5,647	5,073	574
Supplies and materials	11,000	(3,342)	7,658	7,560	98
Other objects	9,600	(9,600)	-	-	-
Total	<u>51,100</u>	<u>(825)</u>	<u>50,275</u>	<u>49,603</u>	<u>672</u>
Total instruction regular	<u>\$ 3,989,713</u>	<u>\$ 129,638</u>	<u>\$ 4,119,351</u>	<u>\$ 4,111,927</u>	<u>\$ 7,424</u>

See independent auditors' report.

UNION TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Unaudited		Final Budget	Actual	Variance Final to Actual
	Original Budget	Budget Transfers			
Undistributed expenditures					
Undistributed expenditures - instruction					
Tuition to other LEAs within the State - special	\$ 40,700	\$ 61,197	\$ 101,897	\$ 101,897	\$ -
Tuition to priv. school for the disabled w/i state	243,237	(20,308)	222,929	222,894	35
Total	<u>283,937</u>	<u>40,889</u>	<u>324,826</u>	<u>324,791</u>	<u>35</u>
Undistributed expenditures - attendance & social work					
Salaries	50,241	(2,397)	47,844	47,740	104
Total	<u>50,241</u>	<u>(2,397)</u>	<u>47,844</u>	<u>47,740</u>	<u>104</u>
Undistributed expenditures - health services					
Salaries	165,704	841	166,545	165,625	920
Purchased professional and technical services	2,500	(172)	2,328	1,218	1,110
Other purchased services	700	(94)	606	261	345
Supplies and materials	5,400	(575)	4,825	3,799	1,026
Other objects	150	-	150	27	123
Total	<u>174,454</u>	<u>-</u>	<u>174,454</u>	<u>170,930</u>	<u>3,524</u>
Undistributed expenditures - speech, ot, pt & related services					
Salaries	98,883	53,898	152,781	150,577	2,204
Purchased professional - educational services	105,500	51,385	156,885	156,885	-
Supplies and materials	6,539	-	6,539	6,186	353
Other objects	1,900	(1,900)	-	-	-
Total	<u>212,822</u>	<u>103,383</u>	<u>316,205</u>	<u>313,648</u>	<u>2,557</u>
Undistributed expend - other supp. service stds. - extra service					
Salaries	22,820	14,589	37,409	32,982	4,427
Purchased professional - educational services	50,000	72,961	122,961	122,731	230
Total	<u>72,820</u>	<u>87,550</u>	<u>160,370</u>	<u>155,713</u>	<u>4,657</u>
Undistributed expenditures - guidance					
Salaries of other Professional Staff	149,479	15,128	164,607	163,134	1,473
Purchased professional - educational services	1,500	(1,500)	-	-	-
Other purchased professional & technical services	-	1,500	1,500	-	1,500
Other purchased services	775	-	775	-	775
Supplies and materials	1,800	-	1,800	436	1,364
Total	<u>153,554</u>	<u>15,128</u>	<u>168,682</u>	<u>163,570</u>	<u>5,112</u>
Undistributed expenditures - child study teams					
Salaries of other Professional Staff	284,890	59,197	344,087	344,087	-
Salaries of Secretarial and Clerical Assistants	31,596	17,377	48,973	48,973	-
Other purchased professional & technical services	11,785	1,756	13,541	13,541	-
Other purchased services	5,350	(1,480)	3,870	3,870	-
Supplies and materials	9,730	(2,278)	7,452	7,274	178
Other objects	2,299	(1,525)	774	774	-
Total	<u>345,650</u>	<u>73,047</u>	<u>418,697</u>	<u>418,519</u>	<u>178</u>

See independent auditors' report.

UNION TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Undistributed expenditures - improvement of inst. service					
Salaries of other Professional Staff	\$ 54,000	\$ 10,800	\$ 64,800	\$ 64,800	\$ -
Other purchased services	300	285	585	585	-
Supplies and materials	10,500	(9,858)	642	642	-
Other objects	2,850	(2,850)	-	-	-
Total	<u>67,650</u>	<u>(1,623)</u>	<u>66,027</u>	<u>66,027</u>	<u>-</u>
Undistributed expenditures - edu. media service/sch. library					
Salaries of Technology Coordinators	71,476	-	71,476	71,476	-
Purchased professional and technical services	99,018	(10,863)	88,155	87,351	804
Other purchased services	2,500	(1,145)	1,355	-	1,355
Supplies and materials	49,147	9,573	58,720	58,089	631
Total	<u>222,141</u>	<u>(2,435)</u>	<u>219,706</u>	<u>216,916</u>	<u>2,790</u>
Undistributed expenditures - instructional staff training services					
Purchased professional - educational services	11,000	(4,976)	6,024	6,024	-
Other purchased services	23,500	(9,084)	14,416	14,416	-
Supplies and materials	1,000	-	1,000	280	720
Other objects	1,000	(1,000)	-	-	-
Total	<u>36,500</u>	<u>(15,060)</u>	<u>21,440</u>	<u>20,720</u>	<u>720</u>
Undistributed expenditures - support service - general admin.					
Salaries	138,427	(8,965)	129,462	129,374	88
Legal services	25,000	2,940	27,940	25,940	2,000
Audit fees	30,000	(8,050)	21,950	21,950	-
Architectural/engineering services	7,500	(82)	7,418	-	7,418
Other purchased professional services	3,500	-	3,500	-	3,500
Purchased technical services	5,000	40	5,040	5,040	-
Communications/telephone	10,870	(1,638)	9,232	8,453	779
BOE other purchased services	2,250	284	2,534	2,534	-
Misc purch services	12,471	9,501	21,972	20,582	1,390
General supplies	1,500	(971)	529	457	72
BOE in-house training/meeting supplies	750	(504)	246	199	47
Miscellaneous expenditures	1,000	1,281	2,281	1,984	297
BOE membership dues and fees	5,500	220	5,720	5,719	1
Total	<u>243,768</u>	<u>(5,944)</u>	<u>237,824</u>	<u>222,232</u>	<u>15,592</u>
Undistributed expenditures - support service - school admin.					
Salaries of Principals/Assistant Principals	215,363	-	215,363	215,363	-
Salaries of Secretarial and Clerical Assistants	47,741	2,028	49,769	49,769	-
Purchased professional and technical services	2,000	-	2,000	-	2,000
Other purchased services	1,500	-	1,500	1,051	449
Supplies and materials	8,000	(4,268)	3,732	1,888	1,844
Other objects	6,000	(3,500)	2,500	2,444	56
Total	<u>280,604</u>	<u>(5,740)</u>	<u>274,864</u>	<u>270,515</u>	<u>4,349</u>

See independent auditors' report.

UNION TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Undistributed expenditures - central services					
Salaries	\$ 56,371	\$ -	\$ 56,371	\$ 56,370	\$ 1
Purchased professional services	92,500	5,204	97,704	84,106	13,598
Purchased technical services	16,000	(204)	15,796	13,444	2,352
Miscellaneous purchased services	1,500	-	1,500	696	804
Supplies and materials	4,500	(535)	3,965	1,871	2,094
Other objects	1,500	535	2,035	2,035	-
Total	172,371	5,000	177,371	158,522	18,849
Undistributed expenditures - required maint. for school facilities					
Salaries	113,355	(39,754)	73,601	73,601	-
Cleaning, repair, and maintenance services	250,460	(38,447)	212,013	206,029	5,984
Lead testing in water	15,000	-	15,000	-	15,000
General supplies	99,000	(81,461)	17,539	8,380	9,159
Other objects	1,325	-	1,325	375	950
Total	479,140	(159,662)	319,478	288,385	31,093
Undistributed expenditures - custodial services					
Salaries	296,564	10,440	307,004	305,652	1,352
Purchased professional and technical services	100,805	33,769	134,574	132,299	2,275
Cleaning, repair, and maintenance service	50,000	(13,068)	36,932	36,932	-
Other purchased property services	1,000	(1,000)	-	-	-
Insurance	77,253	2,716	79,969	79,969	-
Miscellaneous purchased services	-	100	100	-	100
General supplies	51,000	(8,797)	42,203	37,156	5,047
Energy (natural gas)	115,500	21,495	136,995	127,429	9,566
Energy (electricity)	150,000	(15,867)	134,133	134,133	-
Energy (gasoline)	5,000	(3,257)	1,743	1,743	-
Other objects	20,845	(4,500)	16,345	16,345	-
Total	867,967	22,031	889,998	871,658	18,340
Undistributed expenditures - care and upkeep of grounds					
Purchased professional and technical services	54,275	(16,518)	37,757	37,757	-
Cleaning, repair, and maintenance service	69,500	(57,500)	12,000	12,000	-
General supplies	18,500	(10,346)	8,154	8,154	-
Total	142,275	(84,364)	57,911	57,911	-
Undistributed expenditures - security					
Purchased professional and technical services	4,000	23,050	27,050	27,050	-
General supplies	9,000	-	9,000	9,000	-
Total	13,000	23,050	36,050	36,050	-

See independent auditors' report.

UNION TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Undistributed expenditures - student transportation service					
Salaries for pupil trans, (between home & school) - reg.	\$ 23,871	\$ 4,999	\$ 28,870	\$ 28,870	\$ -
Management fee - ESC & CTSA trans. program	27,000	(3,884)	23,116	23,116	-
Contract serv. - aid in lieu pymts. - non-public schools	26,000	(10,392)	15,608	14,075	1,533
Contract serv. - aid in lieu pymts. - choice school students	6,000	(1,912)	4,088	4,088	-
Contract serv. (oth. than between home & school) - vend.	24,500	(18,444)	6,056	6,056	-
Contract serv. (between home & school) - joint agreements	-	691	691	691	-
Contract serv. (reg. students) - ESCs & CTSA	305,000	58,929	363,929	363,929	-
Contract serv. (spl. ed. students) - ESCs & CTSA	235,000	68,911	303,911	303,911	-
Total	<u>647,371</u>	<u>98,898</u>	<u>746,269</u>	<u>744,736</u>	<u>1,533</u>
Allocated benefits - employee benefits					
Regular programs - instruction					
Social Security contributions	12,000	-	12,000	12,000	-
Health benefits	642,022	(20,709)	621,313	621,313	-
Tuition reimbursement	20,000	(3,000)	17,000	17,000	-
Total	<u>674,022</u>	<u>(23,709)</u>	<u>650,313</u>	<u>650,313</u>	<u>-</u>
Special programs - instruction					
Social Security contributions	23,000	(3,000)	20,000	20,000	-
Health benefits	354,963	(94,967)	259,996	259,996	-
Total	<u>377,963</u>	<u>(97,967)</u>	<u>279,996</u>	<u>279,996</u>	<u>-</u>
Other instructional programs - instruction					
Social security contributions	5,200	-	5,200	5,200	-
Total	<u>5,200</u>	<u>-</u>	<u>5,200</u>	<u>5,200</u>	<u>-</u>
Attendance and social work services					
Social security contributions	4,000	-	4,000	4,000	-
Health benefits	26,000	-	26,000	26,000	-
Total	<u>30,000</u>	<u>-</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Health services					
Health benefits	13,481	-	13,481	13,481	-
Total	<u>13,481</u>	<u>-</u>	<u>13,481</u>	<u>13,481</u>	<u>-</u>
Other support services - speech/ot/pt & related services					
Health benefits	35,793	-	35,793	35,793	-
Total	<u>35,793</u>	<u>-</u>	<u>35,793</u>	<u>35,793</u>	<u>-</u>
Other supp services- students - extraordinary					
Social security contributions	5,000	(1,011)	3,989	3,989	-
Health benefits	11,710	-	11,710	11,710	-
Total	<u>16,710</u>	<u>(1,011)</u>	<u>15,699</u>	<u>15,699</u>	<u>-</u>
Other support services - guidance					
Health benefits	30,907	-	30,907	30,907	-
Total	<u>30,907</u>	<u>-</u>	<u>30,907</u>	<u>30,907</u>	<u>-</u>

See independent auditors' report.

UNION TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Unaudited		Final Budget	Actual	Variance Final to Actual
	Original Budget	Budget Transfers			
Other support services - child study teams					
Social Security contributions	\$ 4,900	\$ -	\$ 4,900	\$ 4,900	\$ -
Health benefits	92,775	-	92,775	92,775	-
Other employee benefits	3,000	(1,617)	1,383	1,383	-
Total	100,675	(1,617)	99,058	99,058	-
Improvement of instruction services					
Health benefits	13,725	-	13,725	13,725	-
Tuition reimbursement	3,000	887	3,887	3,886	1
Total	16,725	887	17,612	17,611	1
Educational media services - sch. library					
Social security contributions	5,500	-	5,500	5,500	-
Health benefits	27,307	-	27,307	27,307	-
Tuition reimbursement	1,000	-	1,000	195	805
Total	33,807	-	33,807	33,002	805
Support services - general administration					
Social Security contributions	5,000	421	5,421	5,210	211
Health benefits	43,326	2,224	45,550	44,438	1,112
Tuition reimbursement	2,500	(1,750)	750	-	750
Other employee benefits	1,500	(176)	1,324	1,324	-
Total	52,326	719	53,045	50,972	2,073
Support services - school administration					
Social Security contributions	3,550	-	3,550	3,550	-
Health benefits	54,806	-	54,806	54,806	-
Tuition reimbursement	7,000	2,240	9,240	9,240	-
Other employee benefits	6,000	(1,577)	4,423	4,423	-
Total	71,356	663	72,019	72,019	-
Support services - central services					
Social Security contributions	5,000	-	5,000	5,000	-
Health benefits	16,679	-	16,679	16,679	-
Total	21,679	-	21,679	21,679	-
Required maintenance for school facilities					
Social Security contributions	8,000	-	8,000	8,000	-
Health benefits	40,756	-	40,756	40,756	-
Total	48,756	-	48,756	48,756	-
Custodial services					
Social Security contributions	30,000	(29,954)	46	23	23
Health benefits	117,205	(12,547)	104,658	104,658	-
Tuition reimbursement	5,000	(4,836)	164	164	-
Total	152,205	(47,337)	104,868	104,845	23
Student transportation services					
Health benefits	2,500	(2,500)	-	-	-
Other employee benefits	2,500	(2,188)	312	312	-
Total	5,000	(4,688)	312	312	-
Total allocated benefits - employees	\$ 1,686,605	\$ (174,060)	\$ 1,512,545	\$ 1,509,643	\$ 2,902

See independent auditors' report.

UNION TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Unallocated benefits - employee benefits					
Social Security contributions	\$ 15,000	\$ 31,961	\$ 46,961	\$ 46,961	\$ -
Other retirement contributions - PERS	130,000	33,582	163,582	163,582	-
Other retirement contributions - regular	7,000	(4,879)	2,121	2,121	-
Workmen's compensation	47,402	(1,504)	45,898	45,898	-
Health benefits	21,000	(7,408)	13,592	13,592	-
Other employee benefits	14,025	61,814	75,839	75,839	-
Total	<u>234,427</u>	<u>113,566</u>	<u>347,993</u>	<u>347,993</u>	<u>-</u>
On-behalf TPAF Pension contribution	-	-	-	1,394,734	(1,394,734)
On-behalf TPAF Non-contributory insurance	-	-	-	19,350	(19,350)
On-behalf TPAF Postretirement medical benefits	-	-	-	371,476	(371,476)
On-behalf TPAF Long-term disability insurance	-	-	-	612	(612)
Reimbursed TPAF Social Security contribution	-	-	-	325,226	(325,226)
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,111,398</u>	<u>(2,111,398)</u>
Total undistributed expenditures	<u>\$ 6,387,297</u>	<u>\$ 131,257</u>	<u>\$ 6,518,554</u>	<u>\$ 8,517,617</u>	<u>\$ (1,999,063)</u>
Total current	<u>\$ 10,377,010</u>	<u>\$ 260,895</u>	<u>\$ 10,637,905</u>	<u>\$ 12,629,544</u>	<u>\$ (1,991,639)</u>
Capital outlay					
Equipment					
Undistributed					
Undistributed expend. - support service - inst. staff	\$ 11,550	\$ -	\$ 11,550	\$ 11,550	\$ -
Undistributed expenditures - care and upkeep of grounds	66,534	-	66,534	50,378	16,156
Undistributed expenditures - security	8,751	-	8,751	8,551	200
Total equipment	<u>86,835</u>	<u>-</u>	<u>86,835</u>	<u>70,479</u>	<u>16,356</u>
Facilities acquisition and construction service					
Architectural/engineering services	76,610	92	76,702	27,066	49,636
Construction services	721,154	(92)	721,062	11,564	709,498
Lease purchase agreements - principal	262,672	-	262,672	246,326	16,346
Assessment for debt service on SDA funding	28,117	-	28,117	28,117	-
Total facilities acquisition and construction service	<u>1,088,553</u>	<u>-</u>	<u>1,088,553</u>	<u>313,073</u>	<u>775,480</u>
Total capital outlay	<u>\$ 1,175,388</u>	<u>\$ -</u>	<u>\$ 1,175,388</u>	<u>\$ 383,552</u>	<u>\$ 791,836</u>
Total expenditures	<u>\$ 11,552,398</u>	<u>\$ 260,895</u>	<u>\$ 11,813,293</u>	<u>\$ 13,013,096</u>	<u>\$ (1,199,803)</u>
Excess (deficiency) of revenues over (under) expenditures	\$ (1,182,672)	\$ (260,895)	\$ (1,443,567)	\$ (282,519)	\$ 1,161,048
Fund balances, July 1	4,670,500	-	4,670,500	4,670,500	-
Fund balances, June 30	<u>\$ 3,487,828</u>	<u>\$ (260,895)</u>	<u>\$ 3,226,933</u>	<u>\$ 4,387,981</u>	<u>\$ 1,161,048</u>

See independent auditors' report.

UNION TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Recapitulation of excess (deficiency) of revenues over (under) expenditures					
Adjustment for prior year encumbrances	\$ (163,735)	\$ -	\$ (163,735)	\$ (163,735)	\$ -
Increase in capital reserve	-	725,475	725,475	725,475	-
Interest deposit to capital reserve	500	-	500	15,148	14,648
Withdrawal from capital reserve	(763,000)	-	(763,000)	(763,000)	-
Interest earned on unemployment compensation	-	-	-	2,073	2,073
Budgeted fund balance	(256,437)	(986,370)	(1,242,807)	(98,480)	1,144,327
Total	\$ (1,182,672)	\$ (260,895)	\$ (1,443,567)	\$ (282,519)	\$ 1,161,048
Recapitulation of fund balance					
Restricted fund balance					
Capital reserve				\$ 2,524,830	
Emergency reserve				193,900	
Maintenance reserve				665,000	
Unemployment compensation				186,805	
Committed fund balance					
Year-end encumbrances				71,819	
Assigned fund balance					
Designated for subsequent year's expenditures				409,489	
Unassigned fund balance				336,138	
Fund balance per budgetary basis				4,387,981	
Reconciliation to governmental statements (GAAP)					
Last state aid payments not recognized on GAAP basis				(57,681)	
Fund balance per governmental funds (GAAP)				\$ 4,330,300	

See independent auditors' report.

UNION TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Unaudited		Final Budget	Actual	Variance Final to Actual
	Original Budget	Budget Transfers			
Revenues					
Federal sources	\$ 603,517	\$ 4,512	\$ 608,029	\$ 289,997	\$ (318,032)
State sources	10,216	(10,216)	-	-	-
Local sources	-	20,863	20,863	20,863	-
Total revenues	<u>\$ 613,733</u>	<u>\$ 15,159</u>	<u>\$ 628,892</u>	<u>\$ 310,860</u>	<u>\$ (318,032)</u>
Expenditures					
Instruction					
Salaries	\$ 121,116	\$ 358	\$ 121,474	\$ 40,658	\$ 80,816
Purchased professional and technical services	21,200	-	21,200	380	20,820
Other purchased services	6,398	-	6,398	6,350	48
General supplies	166,970	(358)	166,612	115,149	51,463
Other objects	701	-	701	-	701
Total	<u>316,385</u>	<u>-</u>	<u>316,385</u>	<u>162,537</u>	<u>153,848</u>
Support services					
Tuition	105,265	-	105,265	105,265	-
Salaries	41,069	-	41,069	-	41,069
Employee benefits	73,432	4,235	77,667	-	77,667
Purchased professional and technical services	8,735	(4,235)	4,500	-	4,500
General supplies	38,129	-	38,129	22,195	15,934
Student activities	-	15,159	15,159	15,159	-
Total	<u>266,630</u>	<u>15,159</u>	<u>281,789</u>	<u>142,619</u>	<u>139,170</u>
Capital outlay					
Instructional equipment	30,718	-	30,718	-	30,718
Total	<u>30,718</u>	<u>-</u>	<u>30,718</u>	<u>-</u>	<u>30,718</u>
Total expenditures	<u>\$ 613,733</u>	<u>\$ 15,159</u>	<u>\$ 628,892</u>	<u>\$ 305,156</u>	<u>\$ 323,736</u>
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ 5,704	\$ 5,704
Fund balances, July 1	20,708	-	20,708	20,708	-
Fund balances, June 30	<u>\$ 20,708</u>	<u>\$ -</u>	<u>\$ 20,708</u>	<u>\$ 26,412</u>	<u>\$ 5,704</u>
Recapitulation of fund balance					
Restricted fund balance					
Student activities				\$ 26,412	
Fund balance per budgetary basis				<u>\$ 26,412</u>	

See independent auditors' report.

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Required Supplementary Information - Part II
Budget-to-GAAP Reconciliation
For the Fiscal Year Ended June 30, 2023

Explanation of Differences Between Budgetary Inflows and
Outflows and GAAP Revenues and Expenditures

<u>Sources/Inflows of Resources</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 12,730,577	\$ 310,860
Difference - Budget to GAAP		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized:		
Outstanding encumbrances - prior year	-	23,569
Outstanding encumbrances - prior year cancelled	-	(197)
Outstanding encumbrances - current year	-	(1,324)
Differences - Budget to GAAP		
The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not		
State aid receivable prior year	57,719	-
State aid receivable current year	(57,681)	-
Total revenues (GAAP basis)	<u>\$ 12,730,615</u>	<u>\$ 332,908</u>
<u>Uses/Outflows of Resources</u>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 13,013,096	\$ 305,156
Difference - Budget to GAAP		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized:		
Outstanding encumbrances - prior year	-	23,569
Outstanding encumbrances - prior year cancelled	-	(197)
Outstanding encumbrances - current year	-	(1,324)
Total expenditures (GAAP basis)	<u>\$ 13,013,096</u>	<u>\$ 327,204</u>

See independent auditors' report.

REQUIRED SUPPLEMENTARY INFORMATION - PART III

**SCHEDULES RELATED TO ACCOUNTING
AND REPORTING FOR PENSIONS (GASB 68)
(UNAUDITED)**

UNION TOWNSHIP SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Public Employees Retirement System
Last Ten Fiscal Years

	District's proportion of the net pension liability (asset)		District's covered employee payroll	District's proportion of the net pension liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net position as a percentage of the total pension liability
	Percentage	Value			
2014	0.0095938120%	\$ 1,796,224	\$ 702,442	255.71%	52.08%
2015	0.0103440398%	2,322,030	734,312	316.22%	47.93%
2016	0.0094218084%	2,790,469	697,072	400.31%	40.14%
2017	0.0106296117%	2,474,404	628,284	393.84%	48.10%
2018	0.0098260000%	1,934,691	725,948	266.51%	53.60%
2019	0.0103876257%	1,871,693	800,916	233.69%	56.27%
2020	0.0115989808%	1,891,490	995,444	190.01%	58.32%
2021	0.0116750154%	1,383,081	914,515	151.24%	70.33%
2022	0.0129719089%	1,957,640	876,851	223.26%	62.91%
2023	N/A	N/A	1,118,767	N/A	N/A

N/A = Information not available

See independent auditors' report.

UNION TOWNSHIP SCHOOL DISTRICT
Schedule of District's Contributions
Public Employees Retirement System
Last Ten Fiscal Years

	<u>Contractually required contribution</u>	<u>Contributions in relation to the contractually required contribution</u>	<u>Contribution deficiency (excess)</u>	<u>District's covered employee payroll</u>	<u>Contributions as a percentage of covered employee payroll</u>
2014	\$ 79,420	\$ (79,420)	\$ -	\$ 702,442	11.31%
2015	79,090	(79,090)	-	734,312	10.77%
2016	88,931	(88,931)	-	697,072	12.76%
2017	83,702	(83,702)	-	628,284	13.32%
2018	98,472	(98,472)	-	725,948	13.56%
2019	97,737	(97,737)	-	800,916	12.20%
2020	101,041	(101,041)	-	995,444	10.15%
2021	126,887	(126,887)	-	914,515	13.87%
2022	136,728	(136,728)	-	876,851	15.59%
2023	163,582	(163,582)	-	1,118,767	14.62%

N/A = Information not available

See independent auditors' report.

UNION TOWNSHIP SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Pension Liability
Teacher's Pension and Annuity Fund
Last Ten Fiscal Years

	Proportionate share of net pension liability (asset)				District's covered employee payroll	District's proportion of the net pension liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net position as as a percentage of the total pension liability
	District's proportion		State's proportion	Total			
	Percentage	Value					
2014	0.00%	\$ -	\$ 20,016,894	\$ 20,016,894	\$ 3,705,859	0.00%	33.64%
2015	0.00%	-	23,239,500	23,239,500	3,870,801	0.00%	28.71%
2016	0.00%	-	28,246,858	28,246,858	3,770,449	0.00%	22.33%
2017	0.00%	-	24,638,317	24,638,317	3,670,358	0.00%	25.41%
2018	0.00%	-	22,709,997	22,709,997	4,003,983	0.00%	26.49%
2019	0.00%	-	23,046,130	23,046,130	3,892,776	0.00%	26.95%
2020	0.00%	-	24,732,539	24,732,539	3,665,014	0.00%	24.60%
2021	0.00%	-	17,461,609	17,461,609	3,877,923	0.00%	35.52%
2022	0.00%	-	17,825,515	17,825,515	3,971,746	0.00%	32.29%
2023	N/A	N/A	N/A	N/A	4,517,415	N/A	N/A

N/A = Information not available

See independent auditors' report.

UNION TOWNSHIP SCHOOL DISTRICT
Schedule of District's Contributions
Teacher's Pension and Annuity Fund
Last Ten Fiscal Years

	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	District's covered employee payroll	Contributions as a percentage of covered employee payroll
2014	\$ 158,438	\$ (158,438)	\$ -	\$ 3,705,859	4.28%
2015	198,786	(198,786)	-	3,870,801	5.14%
2016	287,486	(287,486)	-	3,770,449	7.62%
2017	411,032	(411,032)	-	3,670,358	11.20%
2018	538,456	(538,456)	-	4,003,983	13.45%
2019	754,020	(754,020)	-	3,892,776	19.37%
2020	755,040	(755,040)	-	3,665,014	20.60%
2021	851,111	(851,111)	-	3,877,923	21.95%
2022	1,064,405	(1,064,405)	-	3,971,746	26.80%
2023	1,445,975	(1,445,975)	-	4,517,415	32.01%

N/A = Information not available

See independent auditors' report.

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR
OTHER POSTEMPLOYMENT EMPLOYEE BENEFITS (GASB 75)
(UNAUDITED)**

UNION TOWNSHIP SCHOOL DISTRICT
Schedule of the District's Proportionate Share of the Net Other
Postemployment Employee Benefits Liability
Last Ten Fiscal Years

	Proportionate share of other postemployment employee benefits liability (asset)				District's covered employee payroll	District's proportion of the other postemployment employee liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net position as a percentage of the total other postemployment employee benefits liability
	District's proportion		State's proportion	Total			
	Percentage	Value					
2014	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2017	0.00%	\$ -	\$ 20,767,732	\$ 20,767,732	\$ 4,298,642	0.00%	0.00%
2018	0.00%	-	17,897,426	17,897,426	4,729,931	0.00%	0.00%
2019	0.00%	-	16,371,530	16,371,530	4,693,692	0.00%	0.00%
2020	0.00%	-	26,058,132	26,058,132	4,660,458	0.00%	0.00%
2021	0.00%	-	22,412,914	22,412,914	4,792,438	0.00%	0.00%
2022	0.00%	-	18,820,273	18,820,273	4,848,597	0.00%	0.00%
2023	N/A	N/A	N/A	N/A	N/A	N/A	N/A

N/A = Information not available

See independent auditors' report.

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Required Supplementary Information - Part III
(Unaudited)
June 30, 2023

- Note 1 - Special funding situation - TPAF and other postretirement benefits
The participating employer allocations included in the supplemental Schedule of Employer Special Funding Allocations and the supplemental Schedule of Special Funding Amounts by Employer for each local employer are provided as each local employer is required to record in their financial statements, as an expense and corresponding revenue, their proportionate share of the pension expense and other postretirement benefits (OPEB) expense allocated to the State of New Jersey (the State) under the special-funding situation and include their proportionate share of the net pension liability and OPEB liability in their respective notes to their financial statements. For this purpose, the proportionate share was developed based on actual contributions made to the Teachers' Pension and Annuity Fund and for OPEB allocated to employers based upon covered payroll and adjusted by expected State Early Retirement Incentive contributions for the respective fiscal year.
- Note 2 - Changes in assumptions - TPAF
The discount rate was 7.00% in State fiscal year 2021 and 7.00% in State fiscal year 2022. The inflation rate was 2.75% in State fiscal year 2021 and 2.75% in State fiscal year 2022.
- Note 3 - Changes in assumptions - PERS
The discount rate was 7.00% in State fiscal year 2021 and 7.00% in State fiscal year 2022. The inflation rate was 2.75% for State fiscal year 2021 and 2.75% for State fiscal year 2022.
- Note 4 - Changes in assumptions - other postretirement employee benefits
The other postretirement employee benefits discount rate increased from 2.16% in State fiscal year 2021 to 3.54% in State fiscal year 2022. The inflation rate was 2.50% for State fiscal year 2021 and 2022.
- Note 5 - Changes in healthcare trend assumptions - other postretirement employee benefits
For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 PPO, the trend is initially (1.99%) in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially (3.54%) in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

SPECIAL REVENUE FUND

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

UNION TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues
and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2023

	Total Brought Forward	ESSA Title IA	ESSA Title IIA	Small Rural School Achievement	IDEA Basic	IDEA Preschool	Total
Revenues							
Federal sources	\$ 99,081	\$ 2,920	\$ 6,350	\$ 76,381	\$ 101,456	\$ 3,809	\$ 289,997
Local sources	20,863	-	-	-	-	-	20,863
Total revenues	\$ 119,944	\$ 2,920	\$ 6,350	\$ 76,381	\$ 101,456	\$ 3,809	\$ 310,860
Expenditures							
Instruction							
Salaries	\$ 40,658	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,658
Purchased professional and technical services	380	-	-	-	-	-	380
Other purchased services	-	-	6,350	-	-	-	6,350
General supplies	35,848	2,920	-	76,381	-	-	115,149
Total	76,886	2,920	6,350	76,381	-	-	162,537
Support services							
Tuition	-	-	-	-	101,456	3,809	105,265
General supplies	22,195	-	-	-	-	-	22,195
Student activities	15,159	-	-	-	-	-	15,159
Total	37,354	-	-	-	101,456	3,809	142,619
Total expenditures	\$ 114,240	\$ 2,920	\$ 6,350	\$ 76,381	\$ 101,456	\$ 3,809	\$ 305,156
Excess (deficiency) of revenues over (under) expenditures	\$ 5,704	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,704
Fund balances, July 1	20,708	-	-	-	-	-	20,708
Fund balances, June 30	\$ 26,412	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,412

See independent auditors' report.

UNION TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues
and Expenditures - Budgetary Basis (continued)
For the Fiscal Year Ended June 30, 2023

	Total Brought Forward	CRRSA ESSER II	CRRSA Mental Health	ARP Beyond the School Day	ARP NJTSS Mental Health	ARP Summer Learning	Total Carried Forward
Revenues							
Federal sources	\$ 14,234	\$ 20,409	\$ 22,195	\$ 19,739	\$ 22,288	\$ 216	\$ 99,081
Local sources	20,863	-	-	-	-	-	20,863
Total revenues	\$ 35,097	\$ 20,409	\$ 22,195	\$ 19,739	\$ 22,288	\$ 216	\$ 119,944
Expenditures							
Instruction							
Salaries	\$ 3,875	\$ -	\$ -	\$ 14,495	\$ 22,288	\$ -	\$ 40,658
Purchased professional and technical services	380	-	-	-	-	-	380
Other purchased services	-	-	-	-	-	-	-
General supplies	9,979	20,409	-	5,244	-	216	35,848
Total	14,234	20,409	-	19,739	22,288	216	76,886
Support services							
Tuition	-	-	-	-	-	-	-
General supplies	-	-	22,195	-	-	-	22,195
Student activities	15,159	-	-	-	-	-	15,159
Total	15,159	-	22,195	-	-	-	37,354
Total expenditures	\$ 29,393	\$ 20,409	\$ 22,195	\$ 19,739	\$ 22,288	\$ 216	\$ 114,240
Excess (deficiency) of revenues over (under) expenditures	\$ 5,704	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,704
Fund balances, July 1	20,708	-	-	-	-	-	20,708
Fund balances, June 30	\$ 26,412	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,412

See independent auditors' report.

UNION TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues
and Expenditures - Budgetary Basis (continued)
For the Fiscal Year Ended June 30, 2023

	Middle Grades Career Awareness	Student Activities	Total Carried Forward
Revenues			
Federal sources	\$ 14,234	\$ -	\$ 14,234
Local sources	-	20,863	20,863
Total revenues	<u>\$ 14,234</u>	<u>\$ 20,863</u>	<u>\$ 35,097</u>
Expenditures			
Instruction			
Salaries	\$ 3,875	\$ -	\$ 3,875
Purchased professional and technical services	380	-	380
Other purchased services	-	-	-
General supplies	9,979	-	9,979
Total	<u>14,234</u>	<u>-</u>	<u>14,234</u>
Support services			
Tuition	-	-	-
Other purchased services	-	-	-
Student activities	-	15,159	15,159
Total	<u>-</u>	<u>15,159</u>	<u>15,159</u>
Total expenditures	<u>\$ 14,234</u>	<u>\$ 15,159</u>	<u>\$ 29,393</u>
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ 5,704	\$ 5,704
Fund balances, July 1	-	20,708	20,708
Fund balances, June 30	<u>\$ -</u>	<u>\$ 26,412</u>	<u>\$ 26,412</u>

See independent auditors' report.

LONG-TERM DEBT SCHEDULES

The Long-Term Debt Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the School District. This includes serial bonds outstanding, obligations under leases, and early retirement program.

UNION TOWNSHIP SCHOOL DISTRICT
Long-Term Debt
Schedule of Serial Bonds
For the Fiscal Year Ended June 30, 2023

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance 07/01/22	Issued	Retired	Balance 06/30/23
			Date	Amount					
Refunding of 2007 series refunding bond issue	05/03/17	\$ 7,725,000	07/15/23	\$ 495,000	4.00%	\$ 6,720,000	\$ -	\$ 470,000	\$ 6,250,000
			07/15/24	520,000	5.00%	-	-	-	-
			07/15/25	550,000	5.00%	-	-	-	-
			07/15/26	580,000	5.00%	-	-	-	-
			07/15/27	610,000	5.00%	-	-	-	-
			07/15/28	640,000	5.00%	-	-	-	-
			07/15/29	670,000	5.00%	-	-	-	-
			07/15/30	700,000	4.00%	-	-	-	-
			07/15/31	730,000	3.75%	-	-	-	-
			07/15/32	755,000	3.75%	-	-	-	-
Refunding of series 2002 & 2005 for new elementary school	01/27/16	3,105,000	07/15/23	155,000	2.000%	1,410,000	-	150,000	1,260,000
			07/15/24	155,000	2.000%	-	-	-	-
			07/15/25	155,000	2.125%	-	-	-	-
			07/15/26	160,000	2.125%	-	-	-	-
			07/15/27	160,000	3.000%	-	-	-	-
			07/15/28	155,000	3.000%	-	-	-	-
			07/15/29	160,000	3.000%	-	-	-	-
			07/15/30	160,000	3.000%	-	-	-	-
						<u>\$ 8,130,000</u>	<u>\$ -</u>	<u>\$ 620,000</u>	<u>\$ 7,510,000</u>

See independent auditors' report.

UNION TOWNSHIP SCHOOL DISTRICT
Long-Term Debt
Schedule of Obligations Under Leases
For the Fiscal Year Ended June 30, 2023

Issue	Interest Rate	Amount of Original Issue	Balance 07/01/22	Issued	Retired	Balance 06/30/23
Installation of new roof, roof restoration, renovations and improvements	2.165%	\$ 1,250,000	\$ 755,091	\$ -	\$ 246,326	\$ 508,765
			<u>\$ 755,091</u>	<u>\$ -</u>	<u>\$ 246,326</u>	<u>\$ 508,765</u>

See independent auditors' report.

UNION TOWNSHIP SCHOOL DISTRICT
Debt Service Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2023

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Revenues					
Local sources					
Local tax levy	\$ 941,525	\$ -	\$ 941,525	\$ 941,525	\$ -
Total revenues	<u>941,525</u>	<u>-</u>	<u>941,525</u>	<u>941,525</u>	<u>-</u>
Expenditures					
Regular debt service					
Redemption of principal	620,000	-	620,000	620,000	-
Interest	<u>321,525</u>	<u>-</u>	<u>321,525</u>	<u>321,525</u>	<u>-</u>
Total expenditures	<u>941,525</u>	<u>-</u>	<u>941,525</u>	<u>941,525</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-
Fund balance, July 1	-	-	-	-	-
Fund balance, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report.

STATISTICAL SECTION

UNION TOWNSHIP SCHOOL DISTRICT
Statistical Section J Series

CONTENTS	PAGE
FINANCIAL TRENDS	
These schedules contain trend information to help the reader understand how the District's financial performance and wellbeing have changed over time.	J-1 to J-5
REVENUE CAPACITY	
These schedules contain trend information to help the reader assess the District's most significant local revenue sources, the property tax.	J-6 to J-9
DEBT CAPACITY	
These schedules contain trend information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	J-10 to J-13
DEMOGRAPHIC AND ECONOMIC INFORMATION	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	J-14 to J-15
OPERATING INFORMATION	
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	J-16 to J-20
Sources: Unless otherwise noted, the information in these schedules are derived from the Annual Comprehensive Financial Reports (ACFR) for the relevant year.	
The District implemented GASB Statement No. 84 in the fiscal year ending June 30, 2021. Schedules presenting information relating to the implementation of GASB Statement No. 84 include information beginning in that year.	

UNION TOWNSHIP SCHOOL DISTRICT
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Government activities										
Net investment in capital assets	\$ 3,976,657	\$ 4,675,761	\$ 5,474,720	\$ 6,259,431	\$ 6,249,882	\$ 6,549,380	\$ 7,976,291	\$ 8,212,935	\$ 7,737,167	\$ 7,470,392
Restricted	3,889,746	3,514,670	2,957,192	2,458,045	1,956,818	2,075,828	2,798,246	3,282,889	3,611,547	3,596,947
Unrestricted	(1,952,064)	(2,063,435)	(2,004,874)	(2,180,508)	(1,877,321)	(2,199,015)	(3,349,842)	(3,121,829)	(2,462,840)	(2,190,195)
Total governmental activities	<u>\$ 5,914,339</u>	<u>\$ 6,126,996</u>	<u>\$ 6,427,038</u>	<u>\$ 6,536,968</u>	<u>\$ 6,329,379</u>	<u>\$ 6,426,193</u>	<u>\$ 7,424,695</u>	<u>\$ 8,373,995</u>	<u>\$ 8,885,874</u>	<u>\$ 8,877,144</u>
Business-type activities										
Net investment in capital assets	\$ 3,840	\$ 2,710	\$ 1,875	\$ 7,394	\$ 6,584	\$ 5,858	\$ 5,132	\$ 8,317	\$ 7,251	\$ 6,271
Unrestricted	36,628	47,892	60,175	35,911	36,376	35,319	33,254	40,906	54,759	98,273
Total business-type activities	<u>\$ 40,468</u>	<u>\$ 50,602</u>	<u>\$ 62,050</u>	<u>\$ 43,305</u>	<u>\$ 42,960</u>	<u>\$ 41,177</u>	<u>\$ 38,386</u>	<u>\$ 49,223</u>	<u>\$ 62,010</u>	<u>\$ 104,544</u>
District-wide										
Net investment in capital assets	\$ 3,980,497	\$ 4,678,471	\$ 5,476,595	\$ 6,266,825	\$ 6,256,466	\$ 6,555,238	\$ 7,981,423	\$ 8,221,252	\$ 7,744,418	\$ 7,476,663
Restricted	3,889,746	3,514,670	2,957,192	2,458,045	1,956,818	2,075,828	2,798,246	3,282,889	3,611,547	3,596,947
Unrestricted	(1,915,436)	(2,015,543)	(1,944,699)	(2,144,597)	(1,840,945)	(2,163,696)	(3,316,588)	(3,080,923)	(2,408,081)	(2,091,922)
Total district-wide	<u>\$ 5,954,807</u>	<u>\$ 6,177,598</u>	<u>\$ 6,489,088</u>	<u>\$ 6,580,273</u>	<u>\$ 6,372,339</u>	<u>\$ 6,467,370</u>	<u>\$ 7,463,081</u>	<u>\$ 8,423,218</u>	<u>\$ 8,947,884</u>	<u>\$ 8,981,688</u>

*

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

* as restated

See independent auditors' report.

UNION TOWNSHIP SCHOOL DISTRICT
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities										
Instruction										
Regular	\$ 3,681,727	\$ 4,511,551	\$ 4,723,401	\$ 5,067,528	\$ 5,667,409	\$ 5,130,049	\$ 4,948,697	\$ 5,226,676	\$ 5,449,708	\$ 5,624,308
Special education	1,469,613	1,704,837	1,978,393	2,256,707	2,251,725	2,195,217	1,934,496	2,435,779	2,240,868	2,384,581
Other special education	51,227	79,159	69,768	139,843	197,239	152,865	102,463	121,831	99,767	52,083
Other instruction	237,072	278,470	295,713	289,013	264,957	416,035	259,439	60,784	158,700	118,266
Support services										
Tuition	234,322	369,987	299,932	462,871	410,297	335,463	344,343	400,379	472,490	430,056
Student and instruction related services	1,341,813	1,480,058	1,501,595	1,442,376	1,940,579	2,147,503	2,202,756	2,727,248	2,340,021	2,721,231
General and business administrative services	679,859	814,440	861,935	897,907	947,118	963,351	558,843	700,122	627,810	615,632
School administration	244,152	276,016	295,439	341,954	369,795	364,857	492,382	561,551	543,253	509,394
Plant operations and maintenance	1,109,528	1,031,921	933,558	917,918	1,117,581	1,118,714	1,178,939	1,357,015	1,369,214	1,446,210
Pupil transportation	481,271	494,475	480,243	511,823	490,138	533,144	607,272	471,055	537,494	747,283
Special schools	-	-	-	-	-	25,653	25,561	-	-	-
Interest on long-term debt	592,783	570,833	525,845	381,419	374,867	356,341	347,972	333,737	285,201	263,344
Total governmental activities expenses	<u>10,123,367</u>	<u>11,611,747</u>	<u>11,965,822</u>	<u>12,709,359</u>	<u>14,031,705</u>	<u>13,739,192</u>	<u>13,003,163</u>	<u>14,396,177</u>	<u>14,124,526</u>	<u>14,912,388</u>
Business-type activities										
Food services	132,256	132,079	131,058	165,476	141,317	130,018	96,167	100,835	186,048	183,814
Total business-type activities	<u>132,256</u>	<u>132,079</u>	<u>131,058</u>	<u>165,476</u>	<u>141,317</u>	<u>130,018</u>	<u>96,167</u>	<u>100,835</u>	<u>186,048</u>	<u>183,814</u>
Total district expenses	<u>\$ 10,255,623</u>	<u>\$ 11,743,826</u>	<u>\$ 12,096,880</u>	<u>\$ 12,874,835</u>	<u>\$ 14,173,022</u>	<u>\$ 13,869,210</u>	<u>\$ 13,099,330</u>	<u>\$ 14,497,012</u>	<u>\$ 14,310,574</u>	<u>\$ 15,096,202</u>

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

UNION TOWNSHIP SCHOOL DISTRICT
Changes in Net Position (continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Program revenues										
Governmental activities										
Charges for services										
Regular instruction	\$ 34,320	\$ 34,500	\$ 42,930	\$ 34,517	\$ 70,490	\$ 61,600	\$ 84,709	\$ 82,735	\$ 150,389	\$ 216,730
Other instruction	159,557	160,096	169,099	177,187	145,960	130,356	88,083	-	-	-
Plant operations and maintenance	7,255	6,463	7,495	4,140	1,715	13,285	4,228	125	1,810	1,325
Pupil transportation	-	-	-	-	-	-	1,231	-	-	-
Operating grants and contributions	146,061	98,557	257,205	168,555	150,769	232,528	185,877	199,569	220,374	312,045
Capital grants and contributions	-	255,728	3,935	-	-	-	-	-	-	-
Total governmental activities	<u>347,193</u>	<u>555,344</u>	<u>480,664</u>	<u>384,399</u>	<u>368,934</u>	<u>437,769</u>	<u>364,128</u>	<u>282,429</u>	<u>372,573</u>	<u>530,100</u>
Business-type activities										
Charges for services										
Food service	106,177	112,476	109,795	112,843	107,988	98,450	62,666	75	17,371	137,225
Operating grants and contributions	27,218	29,574	32,468	33,531	31,828	29,493	30,375	111,544	181,448	88,581
Total business-type activities	<u>133,395</u>	<u>142,050</u>	<u>142,263</u>	<u>146,374</u>	<u>139,816</u>	<u>127,943</u>	<u>93,041</u>	<u>111,619</u>	<u>198,819</u>	<u>225,806</u>
Total district-wide program revenues	<u>\$ 480,588</u>	<u>\$ 697,394</u>	<u>\$ 622,927</u>	<u>\$ 530,773</u>	<u>\$ 508,750</u>	<u>\$ 565,712</u>	<u>\$ 457,169</u>	<u>\$ 394,048</u>	<u>\$ 571,392</u>	<u>\$ 755,906</u>
Net (expense) revenues										
Governmental activities	\$ (9,776,174)	\$ (11,056,403)	\$ (11,485,158)	\$ (12,324,960)	\$ (13,662,771)	\$ (13,301,423)	\$ (12,639,035)	\$ (14,113,748)	\$ (13,751,953)	\$ (14,382,288)
Business-type activities	1,139	9,971	11,205	(19,102)	(1,501)	(2,075)	(3,126)	10,784	12,771	41,992
Total district-wide net expenses	<u>\$ (9,775,035)</u>	<u>\$ (11,046,432)</u>	<u>\$ (11,473,953)</u>	<u>\$ (12,344,062)</u>	<u>\$ (13,664,272)</u>	<u>\$ (13,303,498)</u>	<u>\$ (12,642,161)</u>	<u>\$ (14,102,964)</u>	<u>\$ (13,739,182)</u>	<u>\$ (14,340,296)</u>

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

UNION TOWNSHIP SCHOOL DISTRICT
Changes in Net Position (continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General revenues and other changes in net position										
Governmental activities										
Property taxes levied for general purposes, net	\$ 7,665,205	\$ 7,665,205	\$ 7,741,857	\$ 7,896,694	\$ 8,054,628	\$ 8,215,721	\$ 8,380,035	\$ 8,547,636	\$ 8,718,588	\$ 9,242,307
Taxes levied for debt service	1,039,326	1,042,794	1,035,349	619,902	661,090	955,725	959,583	946,275	946,725	941,525
Unrestricted grants and contributions	1,311,013	2,506,015	2,949,847	3,823,868	4,688,705	4,150,412	3,908,062	5,509,492	4,648,478	4,082,391
Investment earnings	17,327	16,754	14,616	20,632	44,841	50,539	34,271	5,454	6,426	42,245
Miscellaneous income	14,983	38,292	43,531	73,794	5,918	25,840	152,787	54,191	303,449	73,279
Special item-payment to refunding bond agent	145,500	-	-	-	-	-	-	-	-	-
Special item - loss on sale of capital assets	-	-	-	-	-	-	-	-	(359,834)	(8,189)
Total governmental activities	<u>10,193,354</u>	<u>11,269,060</u>	<u>11,785,200</u>	<u>12,434,890</u>	<u>13,455,182</u>	<u>13,398,237</u>	<u>13,434,738</u>	<u>15,063,048</u>	<u>14,263,832</u>	<u>14,373,558</u>
Business-type activities										
Investment earnings	150	163	243	357	534	292	335	53	16	542
Miscellaneous income	-	-	-	-	622	-	-	-	-	-
Total business-type activities	<u>150</u>	<u>163</u>	<u>243</u>	<u>357</u>	<u>1,156</u>	<u>292</u>	<u>335</u>	<u>53</u>	<u>16</u>	<u>542</u>
Total district-wide	<u>\$ 10,193,504</u>	<u>\$ 11,269,223</u>	<u>\$ 11,785,443</u>	<u>\$ 12,435,247</u>	<u>\$ 13,456,338</u>	<u>\$ 13,398,529</u>	<u>\$ 13,435,073</u>	<u>\$ 15,063,101</u>	<u>\$ 14,263,848</u>	<u>\$ 14,374,100</u>
Change in net position										
Governmental activities	\$ 417,180	\$ 212,657	\$ 300,042	\$ 109,930	\$ (207,589)	\$ 96,814	\$ 795,703	\$ 949,300	\$ 511,879	\$ (8,730)
Business-type activities	1,289	10,134	11,448	(18,745)	(345)	(1,783)	(2,791)	10,837	12,787	42,534
Total district	<u>\$ 418,469</u>	<u>\$ 222,791</u>	<u>\$ 311,490</u>	<u>\$ 91,185</u>	<u>\$ (207,934)</u>	<u>\$ 95,031</u>	<u>\$ 792,912</u>	<u>\$ 960,137</u>	<u>\$ 524,666</u>	<u>\$ 33,804</u>

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

UNION TOWNSHIP SCHOOL DISTRICT
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General fund										
Restricted	\$ 3,496,871	\$ 3,500,385	\$ 2,949,202	\$ 3,286,269	\$ 2,947,931	\$ 2,546,163	\$ 2,995,683	\$ 3,263,699	\$ 3,590,839	\$ 3,570,535
Committed	123,043	3,094	143,340	33,658	24,457	91,863	498,942	134,970	163,735	71,819
Assigned	75,856	65,545	92,892	38,677	316,485	301,127	97,303	197,437	256,437	409,489
Unassigned	262,418	262,326	237,872	297,306	262,544	286,118	293,350	624,110	601,770	278,457
Total general fund	<u>\$ 3,958,188</u>	<u>\$ 3,831,350</u>	<u>\$ 3,423,306</u>	<u>\$ 3,655,910</u>	<u>\$ 3,551,417</u>	<u>\$ 3,225,271</u>	<u>\$ 3,885,278</u>	<u>\$ 4,220,216</u>	<u>\$ 4,612,781</u>	<u>\$ 4,330,300</u>
							*			
All other governmental funds										
Restricted, reported in										
Special revenue fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,455	\$ 19,190	\$ 20,708	\$ 26,412
Capital projects fund	392,874	9,284	-	-	-	-	-	-	-	-
Assigned, reported in										
Debt service fund	1	5,001	7,001	2,002	3,542	3,542	-	-	-	-
Total all other governmental funds	<u>\$ 392,875</u>	<u>\$ 14,285</u>	<u>\$ 7,001</u>	<u>\$ 2,002</u>	<u>\$ 3,542</u>	<u>\$ 3,542</u>	<u>\$ 18,455</u>	<u>\$ 19,190</u>	<u>\$ 20,708</u>	<u>\$ 26,412</u>
							*			

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

* as restated

See independent auditors' report.

UNION TOWNSHIP SCHOOL DISTRICT
Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Tax levy	\$ 8,704,531	\$ 8,707,999	\$ 8,777,206	\$ 8,516,596	\$ 8,715,718	\$ 9,171,446	\$ 9,339,618	\$ 9,493,911	\$ 9,665,313	\$ 10,183,832
Tuition charges	34,320	34,500	42,930	34,517	70,490	61,600	84,709	82,000	144,355	195,867
Interest earnings	17,327	16,754	14,616	20,632	44,841	50,539	34,271	5,454	6,426	42,245
Before/after school child care service fees	159,557	160,096	169,099	177,187	145,960	130,356	88,083	-	-	-
Miscellaneous	20,658	40,675	41,878	59,004	9,592	45,034	176,101	73,863	316,893	95,467
State sources	1,311,013	1,428,919	1,530,866	1,701,510	1,825,414	2,110,703	2,219,027	2,748,242	3,109,341	3,156,888
State sources - capital projects	-	255,727	3,935	-	-	-	-	-	-	-
Federal sources	143,561	98,557	253,698	167,829	148,810	226,619	168,022	180,757	214,774	330,749
Total revenues	10,390,967	10,743,227	10,834,228	10,677,275	10,960,825	11,796,297	12,109,831	12,584,227	13,457,102	14,005,048
Expenditures										
Instruction										
Regular instruction	2,404,009	2,550,128	2,447,086	2,366,832	2,537,558	2,470,481	2,287,030	2,168,837	2,548,298	2,676,561
Special education instruction	895,219	925,663	1,024,839	1,040,519	1,028,866	1,039,754	950,420	1,054,706	1,032,417	1,307,130
Other special instruction	39,148	39,148	40,520	38,311	42,234	63,717	67,068	59,619	49,765	27,880
Other instruction	172,918	194,890	191,543	189,556	171,416	199,872	220,777	49,221	100,565	100,356
Support services										
Tuition	137,768	305,265	150,123	363,980	317,415	269,111	219,710	300,963	381,716	324,791
Student and instruction related services	952,260	967,229	906,917	793,706	1,047,134	1,201,888	1,172,296	1,217,000	1,168,905	1,573,783
General and business administrative services	327,719	358,693	341,766	381,562	334,030	374,674	212,065	195,345	191,215	200,553
School administration services	171,145	164,864	165,978	167,333	188,893	197,949	254,525	257,331	250,298	270,515
Central services	199,762	202,888	172,124	213,551	235,939	243,502	120,672	188,421	169,899	180,201
Plant operations and maintenance	912,328	813,459	712,286	740,964	836,747	883,377	932,694	1,070,188	1,119,328	1,254,004
Pupil transportation	481,271	494,475	480,243	511,823	490,138	515,521	583,142	464,120	531,760	744,736
Employee benefits	1,386,279	1,429,197	1,447,001	1,309,905	1,449,296	1,586,256	1,617,452	1,661,259	1,743,863	1,857,636
On-behalf TPAF Pension and Social Security contribution	687,615	793,268	923,635	1,026,845	1,174,476	1,379,670	1,410,000	1,688,318	2,063,916	2,111,398
Capital outlay	74,522	205,703	924,823	123,604	21,200	380,301	1,619,137	427,008	270,235	109,109
Special revenue funds	146,061	98,557	257,205	168,555	150,769	232,528	185,877	199,569	224,890	327,204
Capital projects	31,285	639,317	85,445	113,842	-	-	-	-	-	-
Debt service										
Principal	465,000	485,000	505,000	550,000	680,000	550,000	580,000	838,802	846,107	866,326
Interest and other charges	602,442	580,911	558,467	462,624	357,667	433,842	411,242	389,392	369,842	349,642
Total expenditures	10,086,751	11,248,655	11,335,001	10,563,512	11,063,778	12,022,443	12,844,107	12,230,099	13,063,019	14,281,825

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

UNION TOWNSHIP SCHOOL DISTRICT
Changes in Fund Balances - Governmental Funds (continued)
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Excess (deficiency) of revenues over (under) expenditures	\$ 304,216	\$ (505,428)	\$ (500,773)	\$ 113,763	\$ (102,953)	\$ (226,146)	\$ (734,276)	\$ 354,128	\$ 394,083	\$ (276,777)
Other financing sources (uses)										
Leases (non-budgeted)	-	-	-	-	-	-	1,250,000	-	-	-
Proceeds from refunding bond issue	-	-	3,105,000	7,725,000	-	-	-	-	-	-
Payment to refunding bond escrow agent	-	-	(3,147,418)	(8,661,966)	-	-	-	-	-	-
Premium (discount) on bond issue	-	-	127,863	1,050,808	-	-	-	-	-	-
Insurance claim proceeds for chiller damage	145,500	-	-	-	-	-	-	-	-	-
Transfers in (out)	-	-	-	-	-	(100,000)	(62,058)	-	-	-
Total other financing sources (uses)	145,500	-	85,445	113,842	-	(100,000)	1,187,942	-	-	-
Net change in fund balances	<u>\$ 449,716</u>	<u>\$ (505,428)</u>	<u>\$ (415,328)</u>	<u>\$ 227,605</u>	<u>\$ (102,953)</u>	<u>\$ (326,146)</u>	<u>\$ 453,666</u>	<u>\$ 354,128</u>	<u>\$ 394,083</u>	<u>\$ (276,777)</u>
Debt service as a percentage of non-capital expenditures	11.98%	11.42%	11.48%	10.87%	10.37%	9.23%	9.69%	11.61%	10.50%	9.38%

Source: District Records

Note: 1) Non-capital expenditures are total expenditures less capital outlay.
2) During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

UNION TOWNSHIP SCHOOL DISTRICT
General Fund - Other Local Revenues by Source
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Interest income	\$ 17,327	\$ 16,754	\$ 14,616	\$ 20,632	\$ 44,841	\$ 50,539	\$ 34,271	\$ 5,454	\$ 6,426	\$ 42,245
Tuition	34,320	34,500	42,930	34,517	70,490	61,600	84,709	82,000	144,355	195,867
Transportation fees	-	-	-	-	-	-	1,231	-	-	-
Prior year accounts payable canceled	-	14	1,690	5,665	1,114	-	-	-	16,943	42,621
Prior year refund	-	1,360	18,201	2,158	-	808	95,984	32,700	40,277	3,573
Rentals	7,255	6,463	7,990	4,140	1,715	13,285	4,228	125	1,810	1,325
Miscellaneous other	860	1,462	2,771	346	91	5,386	1,154	2,540	2,722	13,950
Sale of assets	-	2,400	-	-	-	-	1,108	-	230,882	1,027
Donations/Contributions	3,600	88	1,701	4,000	4,713	19,646	-	-	500	-
Textbook sales	132	-	-	-	-	-	-	-	-	-
Miscellaneous account balances canceled	-	-	-	9,340	-	-	-	-	-	-
E-rate rebates	5,311	15,817	2,400	17,939	-	-	15,149	18,951	12,125	10,588
Before and after school child care service fees	159,557	160,096	169,099	177,187	145,960	130,356	88,083	-	-	-
FEMA storm reimbursement	-	-	-	11,490	-	-	-	-	-	-
Shared services	-	-	-	-	-	-	38,892	-	-	-
Miscellaneous grants/awards	1,000	12,300	1,000	3,200	-	-	-	-	-	-
Outstanding checks voided	-	771	617	-	-	-	500	-	-	1,520
Annual totals	\$ 229,362	\$ 252,025	\$ 263,015	\$ 290,614	\$ 268,924	\$ 281,620	\$ 365,309	\$ 141,770	\$ 456,040	\$ 312,716

Source: District Records

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

**UNION TOWNSHIP SCHOOL DISTRICT
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years**

	Fiscal Year Ended June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Vacant land	\$ 15,073,108	\$ 16,553,308	\$ 16,134,508	\$ 13,952,608	\$ 12,018,208	\$ 11,730,700	\$ 12,130,100	\$ 11,678,100	\$ 19,257,200	\$ 26,381,600
Residential	522,049,700	524,247,100	525,993,900	528,600,700	528,912,900	529,490,600	529,477,100	530,543,500	530,371,000	847,578,200
Farm regular	37,591,100	36,133,300	36,774,000	37,425,800	37,524,100	37,573,000	37,174,700	38,009,400	38,132,400	53,315,100
Q farm	1,082,411	1,072,111	1,031,611	1,036,261	1,040,029	1,045,475	1,051,400	1,039,800	1,054,200	1,252,400
Commercial	88,792,500	104,475,132	107,510,532	113,430,532	113,430,532	114,132,832	112,942,632	114,054,132	114,151,232	145,382,700
Industrial	10,386,700	10,386,700	10,386,700	4,498,800	4,498,800	4,498,800	4,498,800	4,498,800	4,624,300	8,539,300
Apartment	230,900	230,900	230,900	230,900	230,900	230,900	230,900	230,900	947,900	950,000
Total assessed value	675,206,419	693,098,551	698,062,151	699,175,601	697,655,469	698,702,307	697,505,632	700,054,632	708,538,232	1,083,399,300
Public utilities (a)	4,909,700	97	95	95	-	-	-	-	-	-
Net valuation taxable	\$ 680,116,119	\$ 693,098,648	\$ 698,062,246	\$ 699,175,696	\$ 697,655,469	\$ 698,702,307	\$ 697,505,632	\$ 700,054,632	\$ 708,538,232	\$1,083,399,300
Estimated actual county equalized value	\$ 782,462,171	\$ 801,919,065	\$ 809,910,948	\$ 809,699,596	\$ 817,788,617	\$ 858,673,107	\$ 854,158,256	\$ 849,374,705	\$ 890,570,930	\$ 990,762,963
Percentage of net valuation to estimated actual equalized value	86.92%	86.43%	86.19%	86.35%	85.31%	81.37%	81.66%	82.42%	79.56%	109.35%
Total direct school tax rate (b)	\$ 1.280	\$ 1.267	\$ 1.221	\$ 1.247	\$ 1.315	\$ 1.337	\$ 1.362	\$ 1.380	\$ 1.438	\$ 0.966

*

Source: Municipal Tax Assessor

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation. Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment.

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

* Revalued/Reassessed

See independent auditors' report.

UNION TOWNSHIP SCHOOL DISTRICT
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Rate Per \$100 of Assessed Value)

Assessment Year	School District Direct Rate			Regional School Rate	Overlapping Rates		Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-6) Total Direct School Tax Rate		Municipality	County	
2014	\$ 1.127	\$ 0.153	\$ 1.280	\$ 0.695	\$ 0.248	\$ 0.427	\$ 2.650
2015	1.115	0.152	1.267	0.665	0.262	0.441	2.635
2016	1.077	0.144	1.221	0.679	0.270	0.431	2.601
2017	1.156	0.091	1.247	0.680	0.291	0.429	2.647
2018	1.215	0.100	1.315	0.679	0.302	0.442	2.738
2019	1.198	0.139	1.337	0.741	0.317	0.463	2.858
2020	1.222	0.140	1.362	0.781	0.329	0.460	2.932
2021	1.242	0.138	1.380	0.815	0.337	0.458	2.990
2022	1.297	0.141	1.438	0.810	0.346	0.473	3.067
2023	* 0.877	0.089	0.966	0.581	0.239	0.345	2.131

Sources: Municipal Tax Collector

Note: N.J.S.A. 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 pre-budget by more than the spending growth limitation calculated as follows: the pre-budget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

(a) The District's basic tax rate is calculated from the A4F Form which is submitted with the budget and the net valuation taxable.

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

* Revalued/Reassessed

See independent auditors' report.

**UNION TOWNSHIP SCHOOL DISTRICT
Principal Property Taxpayers
Current Year and Nine Years Ago**

	2023			2014		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
	Transco Pipeline/AD Valorem Tax	\$ 21,000,000	1	1.94%	\$ 4,909,700	5
Perryville SPE LLC	20,777,800	2	1.92%	-		0.00%
Gan Equities	14,700,000	3	1.36%	-		0.00%
Fallone Developers, LLC	7,735,300	4	0.71%	2,730,000	8	0.40%
Kramer Electronic Holdings LLC	7,158,700	5	0.66%	6,250,000	3	0.92%
County Arch Care Center	6,594,000	6	0.61%	4,690,800	6	0.69%
Pilot Travel Centers	6,200,000	7	0.57%	2,502,200	9	0.37%
Amsdell Storage Ventures XXXVII LLC	5,929,200	8	0.55%	-		0.00%
Prime Storage Clinton LLC	5,856,000	9	0.54%	-		0.00%
Somo Associates	4,740,000	10	0.44%	-		0.00%
Energy (NJ)	-		0.00%	31,240,250	1	4.59%
Crown Perryville LLC	-		0.00%	15,000,000	2	2.21%
FW LLC/FW Realty	-		0.00%	5,182,750	4	0.76%
Evergreen Associates	-		0.00%	3,464,965	7	0.51%
FDRA LLC	-		0.00%	2,475,400	10	0.36%
	<u>\$ 100,691,000</u>		<u>9.30%</u>	<u>\$ 78,446,065</u>		<u>11.53%</u>

Source: Municipal Tax Assessor

See independent auditors' report.

UNION TOWNSHIP SCHOOL DISTRICT
Property Tax Levies and Collections
Last Ten Years

Fiscal Year Ending June 30,	Taxes Levied for the Year	Collected within the Year of the Levy (a)	
		Amount	Percentage of Levy
2014	\$ 8,704,531	\$ 8,704,531	100.00%
2015	8,707,999	8,707,999	100.00%
2016	8,777,206	8,777,206	100.00%
2017	8,516,596	8,516,596	100.00%
2018	8,715,718	8,715,718	100.00%
2019	9,171,446	9,171,446	100.00%
2020	9,339,618	9,339,618	100.00%
2021	9,493,911	9,493,911	100.00%
2022	9,665,313	9,665,313	100.00%
2023	10,183,832	10,183,832	100.00%

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

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

UNION TOWNSHIP SCHOOL DISTRICT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ending June 30,	Governmental Activities				Business-Type Activities Leases	Total District	% of Personal Income (a)	Per Capita (a)
	General Obligation Bonds	Certificates of Participation	Leases	Bond Anticipation Notes (BANs)				
2014	\$ 13,425,000	\$ -	\$ -	\$ -	\$ -	\$ 13,425,000	3.08%	2,316
2015	12,940,000	-	-	-	-	12,940,000	2.86%	2,252
2016	12,455,000	-	-	-	-	12,455,000	2.68%	2,173
2017	11,130,000	-	-	-	-	11,130,000	2.33%	1,950
2018	10,450,000	-	-	-	-	10,450,000	2.16%	1,833
2019	9,900,000	-	-	-	-	9,900,000	1.98%	1,741
2020	9,320,000	-	1,250,000	-	-	10,570,000	2.03%	1,864
2021	8,735,000	-	996,198	-	-	9,731,198	1.81%	1,723
2022	8,130,000	-	755,091	-	-	8,885,091	1.34%	1,340
2023	7,510,000	-	508,765	-	-	8,018,765	N/A	1,260

Notes: 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.

See independent auditors' report.

UNION TOWNSHIP SCHOOL DISTRICT
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ending June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	% of Actual Taxable Value of Property (a)	Per Capita (b)
	General Obligation Bonds	Deductions			
2014	\$ 13,425,000	\$ -	\$ 13,425,000	1.97%	\$ 2,316
2015	12,940,000	-	12,940,000	1.87%	2,252
2016	12,455,000	-	12,455,000	1.78%	2,173
2017	11,130,000	-	11,130,000	1.59%	1,950
2018	10,450,000	-	10,450,000	1.50%	1,833
2019	9,900,000	-	9,900,000	1.42%	1,741
2020	9,320,000	-	9,320,000	1.34%	1,643
2021	8,735,000	-	8,735,000	1.25%	1,547
2022	8,130,000	-	8,130,000	1.15%	1,226
2023	7,510,000	-	7,510,000	0.69%	1,180

Notes: 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.

See independent auditors' report.

UNION TOWNSHIP SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of December 31, 2022

Governmental Unit	<u>Debt Outstanding</u>	<u>Estimated % Applicable (a)</u>	<u>Estimated Share of Debt</u>
Debt repaid with property taxes			
Municipality	\$ 3,033,443	100.00%	\$ 3,033,443
Regional High School	6,960,000	10.40%	723,608
County general obligation debt	74,164,045	3.88%	<u>2,875,925</u>
Subtotal, overlapping debt			6,632,975
School district direct debt			<u>7,510,000</u>
Total direct and overlapping debt			<u><u>\$ 14,142,975</u></u>

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

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

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

See independent auditors' report.

UNION TOWNSHIP SCHOOL DISTRICT
Legal Debt Margin Information
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2023

	Equalized Valuation Basis
	2022 \$ 984,354,310
	2021 879,907,783
	2020 846,282,009
	<u>\$ 2,710,544,102</u>
Average equalized valuation of taxable property	<u>\$ 903,514,701</u>
Debt limit (3.0% of average equalization value)	\$ 27,105,441
Total net debt applicable to limit	<u>7,510,000</u>
Legal debt margin	<u>\$ 19,595,441</u>

	Fiscal Year				
	2019	2020	2021	2022	2023
Debt limit	\$ 24,853,672	\$ 25,325,808	\$ 25,592,923	\$ 25,818,135	\$ 27,105,441
Total net debt applicable	<u>9,900,000</u>	<u>9,320,000</u>	<u>8,735,000</u>	<u>8,130,000</u>	<u>7,510,000</u>
Legal debt margin	<u>\$ 14,953,672</u>	<u>\$ 16,005,808</u>	<u>\$ 16,857,923</u>	<u>\$ 17,688,135</u>	<u>\$ 19,595,441</u>
Total net debt applicable to the limit as a percentage of debt limit	39.83%	36.80%	34.13%	31.49%	27.71%

	Fiscal Year				
	2014	2015	2016	2017	2018
Debt limit	\$ 24,355,671	\$ 23,748,693	\$ 23,639,114	\$ 23,937,797	\$ 24,321,326
Total net debt applicable	<u>13,425,000</u>	<u>12,940,000</u>	<u>12,435,000</u>	<u>11,130,000</u>	<u>10,450,000</u>
Legal debt margin	<u>\$ 10,930,671</u>	<u>\$ 10,808,693</u>	<u>\$ 11,204,114</u>	<u>\$ 12,807,797</u>	<u>\$ 13,871,326</u>
Total net debt applicable to the limit as a percentage of debt limit	55.12%	54.49%	52.60%	46.50%	42.97%

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.

See independent auditors' report.

**UNION TOWNSHIP SCHOOL DISTRICT
Demographic and Economic Statistics
Last Ten Fiscal Years**

Year	Population (a)	Personal Income (b)	Per Capita Personal Income (c)	Unemployment Rate (d)
2014	5,797	\$ 436,021,355	\$ 75,215	4.5%
2015	5,745	453,062,190	78,862	4.5%
2016	5,731	464,102,111	80,981	3.8%
2017	5,707	478,035,441	83,763	3.7%
2018	5,700	483,998,400	84,912	3.5%
2019	5,687	500,080,658	87,934	3.1%
2020	5,672	521,517,712	91,946	7.5%
2021	5,648	537,057,024	95,088	5.0%
2022	6,629	664,809,152	100,288	3.3%
2023	6,366	N/A	N/A	N/A

Sources:

- (a) Population information provided by the NJ Dept of Labor and Workforce Development.
- (b) Personal income has been estimated based upon the Municipal population and per capita personal income presented.
- (c) Per capita personal income by county estimated based upon the 2020 census published by the U.S. Bureau of Economic Analysis.
- (d) Unemployment data provided by the NJ Dept of Labor and Workforce Development.

**UNION TOWNSHIP SCHOOL DISTRICT
Principal Employers
Current Year and Nine Years Ago**

2023

<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>
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INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

2014

<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Municipal Employment</u>
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INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

See independent auditors' report.

UNION TOWNSHIP SCHOOL DISTRICT
Full Time Equivalent District Employees by Function/Program
Last Ten Fiscal Years

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Instruction										
Regular	37.0	35.0	35.0	38.0	31.0	36.0	31.2	30.2	32.2	35.4
Special education	16.5	19.2	20.0	20.0	21.0	24.8	13.8	13.4	14.0	12.0
Other instruction	1.0	-	-	-	-	-	-	-	-	-
Support services										
Student and instruction related services	8.6	8.4	8.4	8.0	5.0	4.0	18.3	19.5	20.0	22.6
General administration	2.0	2.3	2.0	2.0	4.0	4.0	2.0	2.0	2.0	2.0
School administration services	2.0	2.0	2.0	2.0	4.0	5.0	4.0	4.0	4.0	4.0
Other administration services	-	-	-	-	-	-	2.0	2.0	2.0	2.0
Central services	2.5	2.5	2.5	3.0	3.0	2.0	3.0	4.0	4.0	4.0
Plant operations and maintenance	8.0	8.0	5.5	8.0	7.0	7.0	7.0	7.0	7.0	7.0
Before & after care	2.8	2.8	2.8	6.0	7.0	5.0	5.0	-	-	-
Total	80.4	80.2	78.2	87.0	82.0	87.8	86.3	82.1	85.2	89.0

Source: District Personnel Records

UNION TOWNSHIP SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>June 30 Enrollment</u>	<u>Operating Expenditures (a)</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff (b)</u>	<u>Teacher Ratio</u>	<u>Average Daily Enrollment (ADE) (c)</u>	<u>Average Daily Attendance (ADA) (c)</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2014	493	\$ 8,913,502	\$ 18,080	1.06%	43	1 to 11.47	495.3	478.7	10.68%	96.65%
2015	495	9,337,724	18,864	4.34%	44	1 to 11.25	471.0	452.9	-4.91%	96.16%
2016	449	9,261,266	20,626	9.34%	45	1 to 9.98	452.7	436.1	-3.89%	96.33%
2017	436	9,313,442	21,361	3.56%	48	1 to 9.08	449.6	431.0	-0.68%	95.86%
2018	449	10,004,911	22,283	4.32%	45	1 to 9.98	456.3	435.4	1.49%	95.42%
2019	439	10,658,300	24,279	8.96%	51	1 to 8.61	437.1	418.7	-4.21%	95.79%
2020	443	10,233,728	23,101	-4.85%	45	1 to 9.84	437.4	422.5	0.07%	96.59%
2021	408	10,574,897	25,919	12.20%	44	1 to 9.27	402.5	397.0	-7.98%	98.63%
2022	423	11,576,835	27,368	5.59%	46	1 to 9.20	418.6	393.3	4.00%	93.96%
2023	437	12,956,748	29,649	8.33%	48	1 to 9.10	434.2	408.4	3.72%	94.07%

Source: District Records

- (a) Operating expenditures equal total expenditures less debt service and capital outlay.
- (b) Teaching staff includes only full-time equivalents or certificated staff.
- (c) Average Daily Enrollment and Average Daily Attendance are obtained from the School Register Summary.

See independent auditors' report.

UNION TOWNSHIP SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years

District Building	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Middle School (1954)										
Square feet	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000
Capacity (students)	550	550	550	550	550	550	550	550	550	550
Enrollment	249	240	234	230	231	231	210	200	183	174
Elementary School (2007)										
Square feet	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Capacity (students)	500	500	500	500	500	500	500	500	500	500
Enrollment	249	255	215	208	235	206	226	208	235	255
Number of schools at June 30, 2023:										
Elementary	1									
Middle	1									

Source: District Facilities Office

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

UNION TOWNSHIP SCHOOL DISTRICT
Schedule of Required Maintenance Expenditures by School Facility
Last Ten Fiscal Years

Undistributed Expenditures - Required Maintenance for School Facilities

<u>Fiscal Year Ending</u>	<u>School Facilities*</u>		<u>Total</u>
	<u>Elementary School</u>	<u>Middle School</u>	
2014	\$ 59,456	\$ 110,352	\$ 169,808
2015	30,944	69,906	100,850
2016	113,054	51,878	164,932
2017	82,329	66,591	148,920
2018	62,279	81,427	143,706
2019	71,955	114,913	186,868
2020	124,489	105,207	229,696
2021	97,114	204,585	301,699
2022	188,848	163,634	352,482
2023	138,425	149,960	288,385
Total school facilities	<u>\$ 968,893</u>	<u>\$ 1,118,453</u>	<u>\$ 2,087,346</u>

Source: District Records

* School Facilities As Defined Under E.F.C.F.A.
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

UNION TOWNSHIP SCHOOL DISTRICT
Insurance Schedule
June 30, 2023
(Unaudited)

	<u>Coverage</u>	<u>Deductible</u>
School Commercial Package Policy - NJ Schools		
Insurance Group (NJSIG)		
Property - Building Blanket and Contents (Fund Limit)	\$ 500,000,000	\$ 2,500
General Liability	21,000,000	-
Equipment Breakdown	100,000,000	2,500
Crime Public Employee Dishonesty	250,000	1,000
Auto Liability	21,000,000	-
Auto Physical Damage	Actual Cash Value	1,000
School Board Legal Liability - NJSIG		
Errors and Omissions	21,000,000	5,000
Workers Compensation - NJSIG		
Per accident per employee	3,000,000	-
Per disease per employee	3,000,000	-
Disease Policy Limit	3,000,000	-
Public Employees' Faithful Performance		
Treasurer of School Monies	200,000	-
School Board Secretary	200,000	-
Student Accident Insurance - BMI benefits through Berkeley/ United States Fire Insurance Co.		
Policy Limit	1,000,000	Full Excess
Pollution Policy - NJSIG through Ironshore Specialty Insurance		
Claim Limit	1,000,000	250,000
Cyber & Privacy Liability - CFC		
Claim Limit	1,000,000	5,000
Annual Aggregate	1,000,000	-

Source: District Records

See independent auditors' report.

SINGLE AUDIT SECTION

**OTHER REPORTING REQUIRED BY
GOVERNMENT AUDITING STANDARDS - PART I**



**Independent Auditors' Report on Internal Control Over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards***

Honorable President and
Members of the Board of Education
Union Township School District
Hampton, 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 and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, and the aggregate remaining fund information of the Union Township School District (the District) in the County of Hunterdon, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 20, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Union Township School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2023-002 that we consider to be significant deficiencies.

Report on 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2023-001.

Union Township School District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Franklin Township School District's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



BKC, CPAs, PC



Michael Holk, CPA, PSA
NO. 20CS00265600

November 20, 2023
Flemington, New Jersey



Certified Public Accountants, PC
www.bkc-cpa.com

**Independent Auditors' Report on Compliance for Each Major Program
and on Internal Control Over Compliance Required by the
New Jersey OMB Circular 15-08**

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

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Union Township School District's (the District) compliance with the types of compliance requirements as subject to audit in the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the District's major state programs for the year ended June 30, 2023. The District's major 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 state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major 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; and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and New Jersey OMB's Circulars 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards 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 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 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*, and the New Jersey OMB's Circulars 15-08 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 state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, 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 New Jersey OMB's Circulars 15-08, 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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the and the New Jersey OMB's Circulars 15-08 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2023-001 and 2023-002. Our opinion on each major state program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the noncompliance findings identified in our audit described in the accompanying Schedule of Findings and Questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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 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 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 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. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2023-002 to be a significant deficiency.

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.



BKC, CPAs, PC



Michael A. Holk, CPA,
PSA NO. 20CS00265600

November 20, 2023
Flemington, New Jersey

SUPPLEMENTARY INFORMATION

UNION TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards, Schedule A
For the Fiscal Year Ended June 30, 2023

Grantor/Program Title	Federal CFDA Number	FAIN Number	Project Number	Program or Award Amount	Grant Period		Balance June 30, 2022		Cash Received	Budgetary Expenditure	Adjustment	Repayment of Prior Year Balance	Balance June 30, 2023		
					From	To	Deferred Rev. (Accts. Rec)	Carryover Amount					Accounts Receivable	Deferred Revenue	Due to Grantor
U.S. Department of Homeland Security General Fund FEMA	97.036	Not Available	FEMA-5270-23	\$ 28,920	7/1/2022	06/30/23	\$ -	\$ -	\$ 28,920	\$ 28,920	\$ -	\$ -	\$ -	\$ -	\$ -
U.S. Department of Education passed through State Department of Education Special Revenue Fund Special education cluster (IDEA)															
IDEA Basic	84.027A	H027A190100	IDEA-5270-20	124,633	07/01/19	06/30/20	7,025	-	-	-	-	-	-	7,025	-
IDEA Basic	84.027A	H027A220101	IDEA-5270-23	101,456	07/01/22	06/30/23	-	-	60,213	101,456	-	-	(41,243)	-	-
IDEA Preschool	84.173A	H173S200114	IDEA-5270-22	3,364	07/01/21	06/30/22	-	-	-	-	197	-	-	197	-
IDEA Preschool	84.173A	H173S220114	IDEA-5270-23	3,809	07/01/22	06/30/23	-	-	3,809	3,809	-	-	-	-	-
Total special education cluster (IDEA)							7,025	-	64,022	105,265	197	-	(41,243)	7,222	-
ESSA Title I	84.010	S010A220030	ESSA-5270-23	2,949	07/01/22	06/30/23	-	-	-	2,920	-	-	(2,920)	-	-
ESSA Title II A	84.367A	S367A200029	ESSA-5270-21	4,339	07/01/20	06/30/21	(503)	-	-	-	-	-	(503)	-	-
ESSA Title II A	84.367A	S367A210029	ESSA-5270-22	5,701	07/01/21	06/01/22	(5,701)	-	5,701	-	-	-	-	-	-
ESSA Title II A	84.367A	S367A220029	ESSA-5270-23	6,398	07/01/22	06/30/23	-	-	-	6,350	-	-	(6,350)	-	-
ESSA Title IV	84.424A	S424A200031	ESSA-5270-21	10,000	07/01/20	06/30/21	6,679	-	-	-	-	-	-	6,679	-
Rural Education Achievement Program	84.358A	S358B200030	S358A-190135	43,185	07/01/20	06/30/21	1,243	-	-	1,243	-	-	-	-	-
Rural Education Achievement Program	84.358A	S358B210030	S358A-200135	61,005	07/01/21	06/01/22	(48,000)	-	-	13,005	-	-	(61,005)	-	-
Rural Education Achievement Program COVID-19	84.358A	S358B220030	S358A-210135	62,133	07/01/22	06/30/23	-	-	-	62,133	-	-	(62,133)	-	-
CARES Emergency Relief	84.425D	S425D210027	CARES-5270-22	11,025	03/13/20	09/30/22	13	-	-	-	-	-	-	13	-
CRRSA - ESSER II	84.425D	S425D210027	CRRSA-5270-23	22,026	03/13/20	09/30/23	13,508	-	-	20,409	-	-	(6,901)	-	-
CRRSA - Learning Acceleration	84.425D	S425D210027	CRRSA-5270-23	25,000	03/13/20	09/30/23	(18)	-	-	-	-	-	(18)	-	-
CRRSA - Mental Health	84.425D	S425D210027	CRRSA-5270-23	45,000	03/13/20	09/30/23	(1)	-	-	22,195	-	-	(22,196)	-	-
ARP - ESSER Evidenced Based Learning & Enrichment	84.425U	S425U210027	ESSER-5270-24	40,000	03/13/20	09/30/24	-	-	-	216	-	-	(216)	-	-
Evidence Based Comprehension Beyond the School Day	84.425U	S425U210027	ESSER-5270-24	40,000	03/13/20	09/30/24	(5,505)	-	-	19,739	-	-	(25,244)	-	-
NJTSS Mental Health	84.425U	S425U210027	ESSER-5270-24	45,000	03/13/20	09/30/24	-	-	-	22,288	-	-	(22,288)	-	-
Middle Grades Career Awareness and Exploration Program	84.048	V048A210030	23-VE06-G06	57,109	09/01/21	06/30/22	(26,790)	-	26,790	-	-	-	-	-	-
Middle Grades Career Awareness and Exploration Program	84.048	V048A220030	23-VE06-G06	45,000	09/01/22	06/30/23	-	-	-	14,234	-	-	(14,234)	-	-
Total Special Revenue Fund							(58,050)	-	96,513	289,997	197	-	(265,251)	13,914	-

See independent auditors' report.

UNION TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards, Schedule A (continued)
For the Fiscal Year Ended June 30, 2023

Grantor/Program Title	Federal CFDA Number	FAIN Number	Project Number	Program or Award Amount	Grant Period		Balance June 30, 2022			Budgetary Expenditure	Adjustment	Repayment of Prior Year Balance	Balance June 30, 2023			
					From	To	Deferred Rev. (Accts. Rec)	Carryover Amount	Cash Received				Accounts Receivable	Deferred Revenue	Due to Grantor	
					U.S. Department of Agriculture passed through State Department of Agriculture Enterprise Fund											
Child Nutrition Cluster																
National School Lunch Program																
Non-Cash Assistance (Commodities)	10.555	221NJ304N1099	N/A	\$ 12,361	10/01/21	09/30/22	\$ 1,699	\$ -	\$ -	\$ 1,699	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Cash Assistance (Commodities)	10.555	231NJ304N1199	N/A	23,627	10/01/22	09/30/23	-	-	23,627	21,846	-	-	-	1,781	-	-
Cash Assistance	10.555	221NJ304N1099	N/A	164,436	10/01/21	09/30/22	(10,693)	-	10,693	-	-	-	-	-	-	-
Cash Assistance	10.555	231NJ304N1199	N/A	29,602	10/01/22	09/30/23	-	-	24,438	29,602	-	-	(5,164)	-	-	-
Total Child Nutrition Cluster							(8,994)	-	58,758	53,147	-	-	(5,164)	1,781	-	-
Supply Chain Assistance	10.555	231NJ304N1199	N/A	33,437	10/01/22	09/30/23	-	-	33,437	33,437	-	-	-	-	-	-
Total Enterprise Fund							(8,994)	-	92,195	86,584	-	-	(5,164)	1,781	-	-
Total Federal Awards							\$ (67,044)	\$ -	\$ 217,628	\$ 405,501	\$ 197	\$ -	\$ (270,415)	\$ 15,695	\$ -	\$ -

See independent auditors' report.

UNION TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance, Schedule B
For the Fiscal Year Ended June 30, 2023

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period		Balance June 30, 2022					Balance June 30, 2023			Memo	
			From	To	Deferred Rev. (Accts. Rec)	Due to Grantor	Cash Received	Budgetary Expenditure	Adjustments	Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure
State Department of Education														
General Fund														
Special Education Categorical Aid	23-495-034-5120-089	\$ 356,952	07/01/22	06/30/23	\$ -	\$ -	\$ 324,110	\$ 356,952	\$ -	\$ -	\$ -	\$ -	\$ 32,842	\$ 356,952
Security Aid	23-495-034-5120-084	36,554	07/01/22	06/30/23	-	-	33,191	36,554	-	-	-	-	3,363	36,554
Transportation Aid	23-495-034-5120-014	233,413	07/01/22	06/30/23	-	-	211,937	233,413	-	-	-	-	21,476	233,413
Extraordinary Aid	22-495-034-5120-044	410,895	07/01/21	06/30/22	(410,895)	-	410,895	-	-	-	-	-	-	410,895
Extraordinary Aid	23-495-034-5120-044	379,464	07/01/22	06/30/23	-	-	-	379,464	-	(379,464)	-	-	-	379,464
Non-Public Transportation Aid	22-495-034-5120-014	5,510	07/01/21	06/30/22	(5,510)	-	5,510	-	-	-	-	-	-	5,510
Non-Public Transportation Aid	23-495-034-5120-014	4,992	07/01/22	06/30/23	-	-	-	4,992	-	(4,992)	-	-	-	4,992
Secure our Childrens Future Bond Act	23-100-082-2600-A92	23,861	07/01/22	06/30/23	-	-	23,861	23,861	-	-	-	-	-	23,861
On-Behalf TPAF Pension Contribution - Postretirement Medical	23-495-034-5094-001	371,476	07/01/22	06/30/23	-	-	371,476	371,476	-	-	-	-	-	371,476
On-Behalf TPAF Pension Contribution - Non-Contributory Insurance	23-495-034-5094-004	19,350	07/01/22	06/30/23	-	-	19,350	19,350	-	-	-	-	-	19,350
On-Behalf TPAF Pension Contribution - Long-Term Disability Insurance	23-495-034-5094-004	612	07/01/22	06/30/23	-	-	612	612	-	-	-	-	-	612
On-Behalf TPAF Pension Contribution - Teachers' Pension & Annuity Fund	23-495-034-5094-002	1,394,734	07/01/22	06/30/23	-	-	1,394,734	1,394,734	-	-	-	-	-	1,394,734
Reimbursed TPAF Social Security Contribution	22-495-034-5094-003	283,981	07/01/21	06/30/22	(14,611)	-	14,611	-	-	-	-	-	-	283,981
Reimbursed TPAF Social Security Contribution	23-495-034-5094-003	325,226	07/01/22	06/30/23	-	-	293,251	325,226	-	(31,975)	-	-	-	325,226
Total General Fund					(431,016)	-	3,103,538	3,146,634	-	(416,431)	-	-	57,681	3,847,020
State Department of Education														
Special Revenue Fund														
SDA Emergent and Capital Maintenance Needs	22-100-034-5120-519	10,216	07/01/22	06/30/23	(10,216)	-	10,216	-	-	-	-	-	-	10,216
Total Special Revenue Fund					(10,216)	-	10,216	-	-	-	-	-	-	10,216
State Department of Agriculture														
Enterprise Fund														
State School Lunch Program	22-100-010-3350-023	3,811	07/01/21	06/30/22	(245)	-	245	-	-	-	-	-	-	3,811
State School Lunch Program	23-100-010-3350-023	1,997	07/01/22	06/30/23	-	-	1,651	1,997	-	(346)	-	-	-	1,997
Total Enterprise Fund					(245)	-	1,896	1,997	-	(346)	-	-	-	5,808
Total State Financial Assistance					\$ (441,477)	\$ -	\$ 3,115,650	3,148,631	\$ -	\$ (416,777)	\$ -	\$ -	\$ 57,681	\$ 3,863,044
Less: On-Behalf TPAF Pension System Contributions														
On-Behalf TPAF Pension Contribution - Teachers' Pension & Annuity Fund	23-495-034-5094-002							1,394,734						
On-Behalf TPAF Pension Contribution - Non-Contributory Insurance	23-495-034-5094-004							19,350						
On-Behalf TPAF Pension Contribution - Postretirement Medical	23-495-034-5094-001							371,476						
On-Behalf TPAF Pension Contribution - Long-Term Disability Insurance	23-495-034-5094-004							612						
Total for State Financial Assistance - Major Program Determination								\$ 1,362,459						

See independent auditors' report.

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2023

Note 1 - General

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance present the activity of all federal awards and state financial assistance programs of the Union Township School District. The District is defined in Note 1 (A) to the District's basic financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, is included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

Note 2 - Basis of accounting

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1 (C) and 1 (D) to the District's basic financial statements.

Note 3 - Relationship of financial statements

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$38 for the general fund and \$21,815 for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2023

Note 3 - Relationship of financial statements (continued)

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

	Federal	State	Total
General fund	\$ 28,920	\$ 3,146,672	\$ 3,175,592
Special revenue fund	301,829	10,216	312,045
Food service fund	86,584	1,997	88,581
Total awards and financial assistance	\$ 417,333	\$ 3,158,885	\$ 3,576,218

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 under the USDA Commodities Program represent current year distributions respectively. The amount reported as TPAF Pension contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2023. TPAF Social Security contribution represents the amount reimbursed by the State for the employer's share of Social Security Contributions for TPAF members for the fiscal year ended June 30, 2023

Note 6 - Indirect costs

The District has elected not to utilize the 10% de minimis indirect cost rate.

**OTHER REPORTING REQUIRED BY
GOVERNMENT AUDITING STANDARDS - PART II**

**UNION TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal Control Over Financial Reporting:

- 1. Were material weakness(es) identified? Yes No
- 2. Were significant deficiencies identified? Yes None reported

Noncompliance material to basic financial statements noted?

Yes No

Federal Awards

Not Applicable

Internal Control Over Major Programs:

- 1. Were material weakness(es) identified? Yes No
- 2. Were significant deficiencies identified? Yes None reported

What was the type of auditor's report issued on compliance for major programs?

Unmodified

Were any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 Section .516(a)?

Yes No

Identification of Major Programs:

CFDA Number(s)	FEIN Number(s)	Name of Federal Program or Cluster
<u>Not Applicable</u>	<u>Not Applicable</u>	<u>Not Applicable</u>

What was the dollar threshold used to distinguish between Type A and Type B programs?

Did the auditee qualify as a low-risk auditee?

Yes No

**UNION TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023**

Section I - Summary of Auditor's Results (continued)

State Awards

What was the dollar threshold used to distinguish between Type A and Type B programs? \$750,000

Did the auditee qualify as a low-risk auditee? X Yes No

Internal Control Over Major Programs:

- 1. Were material weakness(es) identified? Yes X No
- 2. Were there significant deficiencies identified that are not considered to be material weaknesses? X Yes None reported

What was the type of auditor's report issued on compliance for major programs? Unmodified

Were any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08 as applicable? X Yes No

Identification of Major Programs:

<u>State Grant/Project Numbers</u>	<u>Name of State Program</u>
	<i>State Aid Public Cluster:</i>
<i>23-495-034-5120-089</i>	<i>Special Education Categorical Aid</i>
<i>23-495-034-5120-084</i>	<i>Security Aid</i>

UNION TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

Section II - Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards and with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

Finding 2023-001

Criteria

Budgetary line accounts should not be over-expended and county approval should be obtained for all transfers of funds between budgetary line accounts that exceed the 10% limit.

Condition

Budgetary line accounts were over-expended and county approval was not obtained for all transfers of funds between budgetary line accounts that exceed the 10% limit.

Context

As part of our audit procedures, it was noted budgetary line accounts were over-expended and county approval was not obtained for all transfers of funds between budgetary line accounts that exceed the 10% limit.

Cause

Unknown

Effect

Various account balances were not accurate.

Recommendation

Budgetary line accounts should not be over-expended and county approval should be obtained for all transfers of funds between budgetary line accounts that exceed the 10% limit.

View of Responsible Officials and Planned Corrective Action (unaudited)

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

**UNION TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023**

Section II - Financial Statement Findings (continued)

Finding 2023-002

Criteria

The bank reconciliations, Board Secretary's report, and Treasurer's report should be in agreement prior to submission to the Board for approval and accounting entries should be maintained in an accurate and complete manner.

Condition

The bank reconciliations, Board Secretary's report, and Treasurer's report were not in agreement prior to submission to the Board for approval and not all accounting entries were accurately entered or complete.

Context

As part of our audit procedures, it was noted cash balances of the bank reconciliations, Board Secretary's report, and Treasurer's report did not agree. Additionally, not all accounting entries were entered or entered accurately.

Cause

Differences between reports were not resolved prior to Board approval and accounting entries were not correct.

Effect

Accounting records were not accurate.

Recommendation

The District should ensure that bank reconciliations, Board Secretary's report, and Treasurer's report are in agreement prior to submission to the Board for approval and accounting entries should be accurate and complete.

View of Responsible Officials and Planned Corrective Action (unaudited)

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

**UNION TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023**

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs

Federal Awards

There were no findings or questioned costs for the year ended June 30, 2023.

State Awards

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards and with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

Finding 2023-001

Criteria

Budgetary line accounts should not be over-expended and county approval should be obtained for all transfers of funds between budgetary line accounts that exceed the 10% limit.

Condition

Budgetary line accounts were over-expended and county approval was not obtained for all transfers of funds between budgetary line accounts that exceed the 10% limit.

Context

As part of our audit procedures, it was noted budgetary line accounts were over-expended and county approval was not obtained for all transfers of funds between budgetary line accounts that exceed the 10% limit.

Cause

Unknown

Effect

Various account balances were not accurate.

Recommendation

Budgetary line accounts should not be over-expended and county approval should be obtained for all transfers of funds between budgetary line accounts that exceed the 10% limit.

View of Responsible Officials and Planned Corrective Action (unaudited)

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

UNION TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs (continued)

State Awards (continued)

Finding 2023-002

Criteria

The bank reconciliations, Board Secretary's report, and Treasurer's report should be in agreement prior to submission to the Board for approval and accounting entries should be maintained in an accurate and complete manner.

Condition

The bank reconciliations, Board Secretary's report, and Treasurer's report were not in agreement prior to submission to the Board for approval and not all accounting entries were accurately entered or complete.

Context

As part of our audit procedures, it was noted cash balances of the bank reconciliations, Board Secretary's report, and Treasurer's report did not agree. Additionally, not all accounting entries were entered or entered accurately.

Cause

Differences between reports were not resolved prior to Board approval and accounting entries were not correct.

Effect

Accounting records were not accurate.

Recommendation

The District should ensure that bank reconciliations, Board Secretary's report, and Treasurer's report are in agreement prior to submission to the Board for approval and accounting entries should be accurate and complete.

View of Responsible Officials and Planned Corrective Action (unaudited)

The responsible officials agree with the finding and will address the matter as part of their corrective action plan.

**UNION TOWNSHIP SCHOOL DISTRICT
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management
For the Fiscal Year Ended June 30, 2023**

Status of Prior Year Findings

There were no prior year findings or questioned costs.