# UNION TOWNSHIP

# BOARD OF EDUCATION

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

# FOR THE FISCAL YEAR ENDED JUNE 30, 2010

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

# OF THE

# UNION TOWNSHIP BOARD OF EDUCATION

## UNION TOWNSHIP, NEW JERSEY

## FOR THE FISCAL YEAR ENDED JUNE 30, 2010

**Prepared by**

**UNION TOWNSHIP BOARD OF EDUCATION**

**DEPARTMENT OF ADMINISTRATION**

**UNION TOWNSHIP SCHOOL DISTRICT**
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# INTRODUCTORY SECTION

# UNION TOWNSHIP SCHOOL DISTRICT

Mr. Jeffrey Bender
Superintendent

Mrs. Fran Suchovic
Middle School Principal

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

Ms. Amy Barkman
Business Administrator

September 30, 2010

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

Dear Board Members and Constituents of Union Township:
The comprehensive annual financial report of the Union Township school District (district) for the fiscal year ended June 30, 2010, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All discourse necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes the transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit of 1984 and the U.S. Office of Management and Budget A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.* Information related to the single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations, findings and recommendations, are included in the single audit section of this report.

## 1) REPORTING ENTITY AND ITS SERVICES

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

The district provides a full range of educational services appropriate to the regular education grade levels of K-8 and additional services for Pre-School Special Needs

children aged 3-5. The student population at the end the fiscal year was approximately 529 students, a number that demonstrates a reduction in enrollment in the school.

During the last five years, enrollment numbers shown a continual decline.

| School Year | Student Enrollment | Percent Change |
|---|---|---|
| 2009-10 | 529 | -8.5 |
| 2008-09 | 574 | -5.7 |
| 2007-08 | 607 | +.16 |
| 2006-07 | 608 | 0 |
| 2005-06 | 608 | -2.1 |
| 2004-05 | 621 | -4.0 |
| 2003-04 | 646 | 0 |
| 2002-03 | 646 | +1.4 |
| 2001-02 | 637 | +1.1 |
| 2000-01 | 630 | +5.9 |
| 1999-00 | 595 | +11.2 |
| 1998-99 | 535 | +4.9 |
| 1997-98 | 510 | +4.1 |
| 1996-97 | 490 | +5.6 |

## 2) ECONOMIC CONDITION AND OUTLOOK

Union Township's period of growth has slowed down, the impact of at least one new housing development and proposed COAH housing remains unclear. Twenty five percent of the land in Union Township is state owned. The state owned land included Spruce Run Recreation Area and the Clinton Hunting and Fishing Grounds. It also includes the Edna Mahan Correctional Facility and part of the Hunterdon Developmental Center. The correctional facility no longer produces strain on the school budget.

Singly family residential housing remains the most common type of new development. There is currently one new housing development approved that has begun to advertise property sales. A large international corporation, the township's largest taxpayer has corporate offices within the township. A private recycling operation also operates a facility within the township. Tax ratable increase is mainly dependent upon homes. The increase in business within the township is minimal.

## 3) MAJOR INITIATIVES

The district continues to work hard to expand its continuum of services despite the budgeting limitations imposed by legislation. The major facility issue facing the district is the maintenance and necessary upgrades to the waste water treatment plant; a planned upgrade to the windows in the middle school, and the increase in utility costs. The major educational initiative continues on the previous goals relating to technology. The district has made incredible progress in the replacement of obsolete hardware and has expanded hardware inventory to include interactive presentation boards.

The district successfully reduced the number of bus routes from 12 to 11 resulting in significant savings and increased efficiency. The Board continues to be part of the

transportation jointure with North Hunterdon Voorhees Regional High School District to maximize savings.

## 4) INTERNAL ACCOUNTING CONTROLS

Management of the district is responsible for establishing and maintaining the internal control structure designed to ensure that the assets of the district are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statement in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that:

1. The cost of a control should not exceed the benefits likely to be derived;

2. The valuation of costs and benefits requires estimates and judgments by management.

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

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

## 5) BUDGETARY CONTROLS

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at the end of the year are included as re-appropriations of fund balance in the subsequent year or are cancelled. The re-appropriations amounts are reported as reservations of fund balance at June 30, 2010.

## 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.

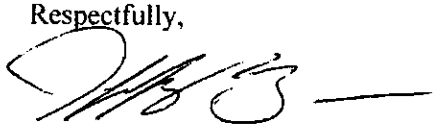
## 9) OTHER INFORMATION

Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The account firm of William Colantano Jr., CPA was selected by the board of education. The audit meets the requirements set forth in state statutes, the Audit Act of 1984 and the related OBM/Circular A-133 and state Treasury Circular Letter 98-07 OMB. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

## 10) ACKNOWLEDGMENTS

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

Respectfully,



Jeffrey Bender
Superintendent
Union Township School

## Roster of Board of Education
## Year ending June 30, 2010

| NAME | TERM |
|---|---|
| Peter Ashey (President) | 2013 |
| John Corcoran | 2011 |
| Vincent DiRoberto | 2012 |
| Dennis J. Glacken | 2011 |
| Kevin Kuo | 2012 |
| Michael Sroka | 2013 |
| Elizabeth Stothoff ( Vice President) | 2013 |
| Teipel, James | 2011 |
| Karen Wisnosky | 2012 |

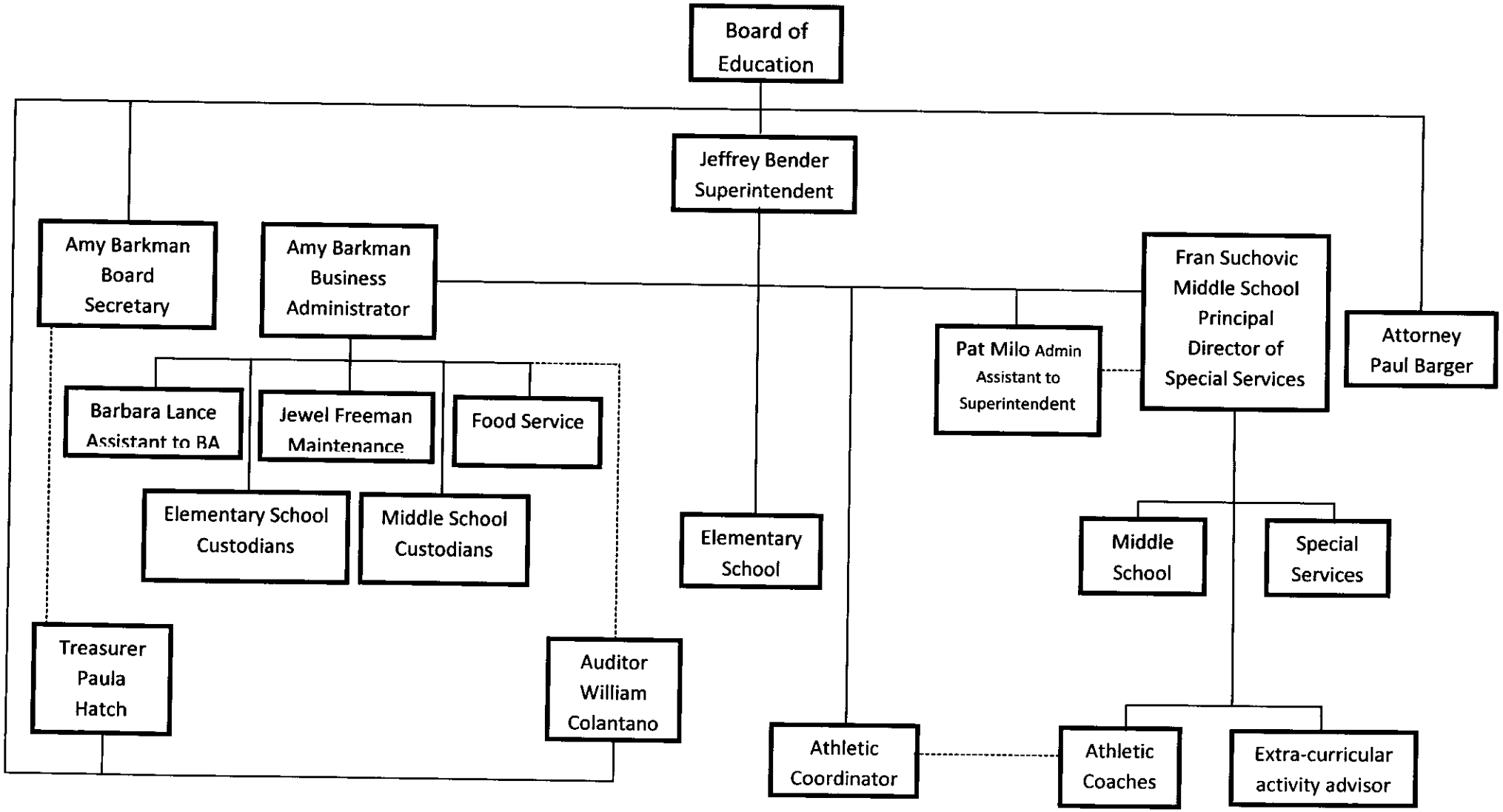
## OTHER OFFICIALS

| | |
|---|---|
| Jeffrey Bender | Superintendent |
| Amy M. Barkman | School Business Administrator/ Board Secretary |
| Frances Suchovic | Principal |
| Paula Hatch | Treasurer |

Union Township School District

2010-2011 School Year

Organization Chart



# UNION TOWNSHIP BOARD OF EDUCATION
# CONSULTANTS AND ADVISORS

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

**ARCHITECT**
**Bell Architect**
**37 Quakertown Rd.**
**Pittstown, NJ 08867**

**ATTORNEY**
**Paul Barger of the Firm**
**Parker McCay P.A.**
**1009 Lenox Drive**
**Building Four East**
**Suite 102A**
**Lawrenceville, NJ 08646-2321**

**OFFICIAL DEPOSITORY**

**TD Bank**
**92 West Main St.**
**Clinton, NJ 08809**

# FINANCIAL SECTION

*William M. Colantano, Jr.*
*A Professional Corporation*



Certified Public Accountant
Public School Accountant
Registered Municipal Accountant

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

# INDEPENDENT AUDITOR'S REPORT

September 30, 2010

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Union Township School District in the County of Hunterdon, as of and for the fiscal year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Union Township Board of Education management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

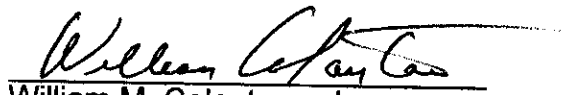
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Union Township Board of Education in the County of Hunterdon, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated September 30, 2010 on our consideration of the Union Township Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Management Discussion and Analysis and Budgetary Comparison Information are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Union Township Board of Education's basic financial statements. The accompanying introductory section, and other supplementary information, such as, the combining and individual fund financial statements, long-term debt schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and long-term debt schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by US Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and New Jersey OMB's Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid" and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



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

# REQUIRED SUPPLEMENTARY INFORMATION-PART I

# MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2010 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, 2010.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 2010 are as follows:**

- In total, net assets increased **$648,991** which represents a **14.13** percent increase from 2009.

- General revenues accounted for **$ 10,659,142** in revenue or **95.0** percent of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for $**558,815** or **5.0** percent to total revenues of $**11,217,957.**
  Total assets of governmental activities increased by **$280,857** as cash and cash equivalents increased by **$640,190**, receivables increased by $ **152,060** capital assets decreased by **$497,947** and other assets decreased by **$ 13,446**.

- The School District had **$ 10,465,509** in expenses; only **$ 558,815** of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of **$10,659,142** were adequate to provide for these programs.

- Among major funds, the General Fund had **$ 9,704,622**, in revenues, $ **8,909,113**, in expenditures and **$103,187** in other financing uses. The General Fund's balance increased **$692,322** over 2009. This increase was the result of effective cost cutting measures implemented by the District.

## Using this Generally Accepted Accounting Principals Report (GAAP)

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

The Statement of Net Assets 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
UNAUDITED

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.

## Reporting the School District as a Whole

### Statement of Net Assets 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 2010?
The Statement of Net Assets 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 assets and changes in those assets. This change in net assets 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. No-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 Assets and the Statement of Activities, the School District reports governmental activities. Governmental activities are the activities where most of the School District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

## Reporting the School District's Most Significant Funds

### Fund Financial Statements

The analysis of the School Districts major funds begins on page 16 . Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund.

### Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2010 UNAUDITED

cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

### The School District as a Whole

Recall that the Statement of Net Assets provides the perspective of the School District as a whole.

Table 1 provides a summary of the District's net assets at 6/30/10 with comparisons to 6/30/09.

**Table 1**
**Net Assets**

| | 6/30/10 | 6/30/09 | Variance Dollars | Variance % |
|---|---|---|---|---|
| Current & Other Assets | $ 1,994,905 | $ 1,235,826 | $ 759,079 | 61.42 |
| Capital Assets | 19,319,027 | 19,820,072 | (501,045) | (2.53) |
| Total Assets | 21,313,932 | 21,055,898 | 258,034 | 1.23 |
| Long-Term Liabilities | 15,448,925 | 15,912,842 | (463,917) | (2.92) |
| Other Liabilities | 623,150 | 550,190 | 72,960 | 13.26 |
| Total Liabilities | 16,072,075 | 16,463,032 | (390,957) | (2.37) |
| Net Assets Invested in Capital Assets, Net of Related Debt | 4,099,765 | 4,159,423 | (59,658) | (1.43) |
| Restricted | 841,123 | 441,050 | 400,073 | 91 |
| Unrestricted | 300,969 | (7,607) | 308,576 | 4056.47 |
| Total Net Assets | $ 5,241,857 | $ 4,592,866 | $ 648,991 | 14.13 |

Total assets increased **$ 258,034** mostly from cash flow from cost-cutting measures. Cash and cash equivalents increased by **$637,246** , receivables increased by $**134,431**, capital assets decreased by **$501,045** and other assets decreased by **$12,598.**

Unrestricted net assets, the part of net assets that can be used to finance day to day activities without constraints, established by grants or legal requirements of the School District, increased by **$ 308,576.** This was the result of effective cost cutting measures implemented by the District offset by an increase in restricted net assets for capital and maintenance reserve by **$401,005** to be utilized in future years for new capital projects and required maintenance for school facilities.

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2010 UNAUDITED

Table 2 provides a summary of the School District's changes in net assets in fiscal year ending 6/30/10 with comparisons to 6/30/09.

**Table 2**
**Changes in Net Assets**

| | Fiscal Year Ending | | Variance | |
|---|---|---|---|---|
| | 6/30/10 | 6/30/09 | Dollars | % |
| Revenues | | | | |
| Program Revenues: | | | | |
| Charges for Services | $ 269,549 | $ 343,658 | $ (74,109) | (21.56) |
| Operating Grants | 289,266 | 210,885 | 78,381 | 37.17 |
| General Revenues: | | | | |
| Property Taxes | 9,266,574 | 8,890,608 | 375,966 | 4.23 |
| Unrestricted Grants | 1,348,153 | 1,428,547 | (80,394) | (5.63) |
| Other | 44,415 | 27,528 | 16,887 | 61.34 |
| Total Revenues | 11,217,957 | 10,901,226 | 316,731 | 2.91 |
| Program Expenses | | | | |
| Instruction: | | | | |
| Regular | 3,706,061 | 3,951,779 | (245,718) | (6.22) |
| Special | 1,339,516 | 1,229,817 | 109,699 | 8.92 |
| Other | 291,614 | 279,990 | 11,624 | 4.15 |
| Support Services: | | | | |
| Tuition | 448,670 | 499,416 | (50,746) | (10.16) |
| Student & Instructional Staff | 1,203,134 | 1,205,147 | (2,013) | (0.17) |
| General & Business Administration | 771,964 | 776,494 | (4,530) | (0.58) |
| School Administration | 309,074 | 221,538 | 87,536 | 39.51 |
| Maintenance | 946,477 | 1,207,912 | (261,435) | (21.64) |
| Transportation | 653,496 | 667,414 | (13,918) | (2.09) |
| Food Service | 148,157 | 158,841 | (10,684) | (6.73) |
| Interest on Long-Term Debt | 647,346 | 668,490 | (21,144) | (3.16) |
| Total Expenses | 10,465,509 | 10,866,838 | (401,329) | (3.69) |
| Increases (Decreases) Before Special Items | 752,448 | 34,388 | 718,060 | 2088.11 |
| Special Items: | | | | |
| Transfers | (103,457) | - | (103,457) | * |
| Total Special Items | (103,457) | - | (103,457) | |
| Increase (Decrease) in Net Assets | $ 648,991 | $ 34,388 | $ 614,603 | 1787.26 |

* = Undefined

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
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 **74.0** percent of revenues for governmental activities for the Union Township Public School district for fiscal year 2010.

Instruction comprises **51.7** percent of district expenses. Support services expenses make up **42.0** percent of the expenses. Interest on long-term debt makes up **6.3** percent of the expenses.

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

Table 3 provides a summary of the School District's cost of governmental services in fiscal year ending 06/30/10 with comparison to 6/30/09

**Table 3**
**Cost of Governmental Services**

| | Total Cost of Services | | Net Cost of Services | |
|---|---|---|---|---|
| | 6/30/10 | 6/30/09 | 6/30/10 | 6/30/09 |
| Instruction | $5,337,191 | $5,461,586 | $5,059,210 | $5,196,755 |
| Support Services: | | | | |
| Tuition | 448,670 | 499,416 | 338,319 | 386,067 |
| Student & Instructional Staff | 1,203,134 | 1,205,147 | 1,182,691 | 1,192,473 |
| General & Business Administration | 771,964 | 776,494 | 771,964 | 776,409 |
| School Administration | 309,074 | 221,538 | 309,074 | 221,538 |
| Plant Operations & Maintenance | 946,477 | 1,207,912 | 944,174 | 1,202,090 |
| Pupil Transportation | 653,496 | 667,414 | 653,496 | 667,414 |
| Food Service | 148,157 | 158,841 | 420 | 1,059 |
| Interest on Long-Term Debt | 647,346 | 668,490 | 647,346 | 668,490 |
| Total Expenses | $10,465,509 | $10,866,838 | $9,906,694 | $10,312,295 |

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

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

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

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

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 includes 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 **82.6** percent. The community, as a whole, is the primary support for the Union Township School District.

## The School District's Funds

Information about the School District's major funds starts on page 16. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of **$ 11,065,175** and expenditures of $ **10,274,696** and other financing uses of **$103,457.** The net positive change in fund balance for the year of **$ 687,022** was most significant in the General Fund, an increase of $**692,322**. This reflects effective cost cutting measures implemented by the District.

## General Fund Budgeting Highlights

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

During the course of the fiscal 2010 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.

## MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2010 UNAUDITED

For the General Fund, budget basis revenue was $ 9,171,895, $ 81,328 below original budgeted estimates of $ 9,253,223. This difference was due primarily to plummeting interest rates and unprecedented cuts in state aid.

The General Fund revenues and other financing sources of the School District were more than expenditures and other financing usages by $697,129.

### Capital Assets

At the end of the fiscal year 2010 the School District had $ 19,319,027 invested in land, buildings, furniture and equipment, and vehicles.

Table 4 provides a summary of the School District's capital assets net of depreciation at 6/30/10 with comparisons to 6/30/09.

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

| | 6/30/10 | 6/30/09 | Variance Dollars | Variance % |
|---|---|---|---|---|
| Land | $ 271,601 | $ 271,601 | $ - | 0.00 |
| Land Improvements | 13,511 | 14,785 | (1,274) | (8.62) |
| Buildings & Improvements | 18,580,441 | 19,106,786 | (526,345) | (2.75) |
| Equipment & Software | 451,127 | 419,858 | 31,269 | 7.45 |
| Vehicles | 2,347 | 7,042 | (4,695) | (66.67) |
| Total | $ 19,319,027 | $ 19,820,072 | $ (501,045) | (2.53) |

*** = Undefined**

Overall capital assets decreased $501,045 from fiscal year 2009 to fiscal year 2010. Increases in capital assets (primarily buildings and improvements, machinery and equipment) were offset by depreciation expenses for the year. The District purchased a platform lift, 14 white boards for instruction, and a softball field backstop with a total cost of $74,051.

## Debt Administration

At June 30, 2010, the School district had **$ 15,448,925 in long-term liabilities.** This amount is detailed in Table 5.

At June 30, 2010, the School District's overall legal debt limit was **$ 28,625,717**, and the legal debt margin was **$13,403,717.**

Table 5 provides a summary of the District's outstanding debt at 6/30/10 with comparisons to 6/30/09.

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

| | 6/30/10 | 6/30/09 | Variance Dollars | Variance % |
|---|---|---|---|---|
| 1995 General Obligation Bonds | $277,000 | $538,000 | ($261,000) | -48.51 |
| 2002 General Obligation Bonds | 3,370,000 | 3,470,000 | -100,000 | -2.88 |
| 2005 General Obligation Bonds | 2,800,000 | 2,850,000 | -50,000 | -1.75 |
| 2007 Refunding Bonds | 8,775,000 | 8,805,000 | -30,000 | -0.34 |
| Unamortized Bond Premium | 81,512 | 85,592 | -4,080 | -4.77 |
| Capital Leases | 4,937 | 9,692 | -4,755 | -49.06 |
| Compensated Absences | 140,476 | 154,558 | -14,082 | -9.11 |
| | $15,448,925 | $15,912,842 | ($463,917) | -2.92 |

* = Undefined

## For the Future

Our available free balance surplus on a budgetary basis is currently **$354,839**. The Union Township Public School District is at an average financial condition presently. A major concern is future finances with S-1701and reduced State Funding.

Union Township is primarily a residential community, with very few ratables; thus the burden is focused on homeowners to absorb the tax burden.

In conclusion, the Union Township Public School District has committed itself to financial excellence for many years. In addition, the School District's system for financial planning,

budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenge of the future.

## Contacting the School District's Financial Management

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

# BASIC FINANCIAL STATEMENTS

## DISTRICT-WIDE FINANCIAL STATEMENTS

The statement of net assets 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 ASSETS
JUNE 30, 2010

| | Governmental Activities | Business-Type Activities | Total |
|---|---|---|---|
| ASSETS | | | |
| Cash & Cash Equivalents | $ 544,897 | $ 15,739 | $ 560,636 |
| Internal Balances | (2,549) | 2,549 | |
| Receivables, Net | 298,631 | 958 | 299,589 |
| Inventory | | 5,316 | 5,316 |
| Bond Issuance Costs, Net | 281,121 | | 281,121 |
| Restricted Assets: | | | |
| Capital Projects Fund-Cash | 9,582 | | 9,582 |
| Legal Reserve Accounts-Cash | 838,661 | | 838,661 |
| Capital Assets (Note 4) | | | |
| Land | 271,601 | | 271,601 |
| Other Capital Assets, Net of Depreciation | 19,038,114 | 9,312 | 19,047,426 |
| Total Assets | 21,280,058 | 33,874 | 21,313,932 |
| LIABILITIES | | | |
| Accounts Payable | 190,971 | | 190,971 |
| Due to Other Funds | 78,516 | | 78,516 |
| Accrued Interest | 296,390 | | 296,390 |
| Deferred Revenue | 54,784 | 2,489 | 57,273 |
| Long-Term Liabilities (Note 5): | | | |
| Due Within One Year | 512,547 | | 512,547 |
| Due Beyond One Year | 14,936,378 | | 14,936,378 |
| Total Liabilities | 16,069,586 | 2,489 | 16,072,075 |
| NET ASSETS | | | |
| Invested in Capital Assets, Net of Related Debt | 4,090,453 | 9,312 | 4,099,765 |
| Restricted for: | | | |
| Legal Reserves | 838,661 | | 838,661 |
| Capital Projects | 1,637 | | 1,637 |
| Debt Service | 825 | | 825 |
| Unrestricted | 278,896 | 22,073 | 300,969 |
| TOTAL NET ASSETS | $ 5,210,472 | $ 31,385 | $ 5,241,857 |

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

UNION TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| Functions/Programs | Direct Expenses | Indirect Expenses Allocation | Program Revenues: Charges for Services | Program Revenues: Operating Grants & Contribution | Program Revenues: Capital Grants & Contribution | Net (Expense) Revenue & Changes in Net Assets: Governmental Activities | Net (Expense) Revenue & Changes in Net Assets: Business-Type Activities | Net (Expense) Revenue & Changes in Net Assets: Total |
|---|---|---|---|---|---|---|---|---|
| Governmental Activities: | | | | | | | | |
| Instruction: | | | | | | | | |
| Regular | $ 3,000,488 | $ 705,573 | | $ 58,524 | | $ (3,647,537) | | $ (3,647,537) |
| Special Education | 1,092,227 | 247,289 | | 73,190 | | (1,266,326) | | (1,266,326) |
| Other Special Instruction | 46,388 | 12,297 | | | | (58,685) | | (58,685) |
| Other Instruction | 188,127 | 44,802 | $ 146,267 | | | (86,662) | | (86,662) |
| Support Services: | | | | | | | | |
| Tuition | 448,670 | | | 110,351 | | (338,319) | | (338,319) |
| Students & Instruction Related Services | 995,453 | 207,681 | | 20,443 | | (1,182,691) | | (1,182,691) |
| General & Business Administration Services | 652,814 | 119,150 | | | | (771,964) | | (771,964) |
| School Administration Services | 250,297 | 58,777 | | | | (309,074) | | (309,074) |
| Plant Operations & Maintenance | 906,003 | 40,474 | 2,303 | | | (944,174) | | (944,174) |
| Pupil Transportation | 653,496 | | | | | (653,496) | | (653,496) |
| Interest on Long-Term Debt | 647,346 | | | | | (647,346) | | (647,346) |
| Total Governmental Activities | 8,881,309 | 1,436,043 | 148,570 | 262,508 | $ - | (9,906,274) | $ - | (9,906,274) |
| Business-Type Activities: | | | | | | | | |
| Food Service | 148,157 | | 120,979 | 26,758 | | | (420) | (420) |
| Total Business-Type Activities | 148,157 | - | 120,979 | 26,758 | - | - | (420) | (420) |
| Total Primary Government | $ 9,029,466 | $ 1,436,043 | $ 269,549 | $ 289,266 | $ - | (9,906,274) | (420) | (9,906,694) |
| General Revenues, Transfers & Special Items | | | | | | | | |
| Property Taxes Levied for General Purposes | | | | | | 8,187,711 | | 8,187,711 |
| Property Taxes Levied for Debt Service | | | | | | 1,078,863 | | 1,078,863 |
| Federal & State Aid Not Restricted | | | | | | 1,348,153 | | 1,348,153 |
| Investment Earnings | | | | | | 5,284 | 65 | 5,349 |
| Miscellaneous Income | | | | | | 39,066 | | 39,066 |
| Transfers | | | | | | (103,457) | | (103,457) |
| Total General Revenues, Transfers & Special Items | | | | | | 10,555,620 | 65 | 10,555,685 |
| Change in Net Assets | | | | | | 649,346 | (355) | 648,991 |
| Net Assets-Beginning | | | | | | 4,561,126 | 31,740 | 4,592,866 |
| Net Assets-Ending | | | | | | $ 5,210,472 | $ 31,385 | $ 5,241,857 |

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

# FUND FINANCIAL STATEMENTS

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

UNION TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010

| | General Fund | Special Revenue Fund | Capital Project Fund | Debt Service Fund | Total Governmental Funds |
|---|---|---|---|---|---|
| ASSETS | | | | | |
| Cash & Cash Equivalents | $ 544,072 | | | $ 825 | $ 544,897 |
| Due from Other Funds | 120,780 | | | | 120,780 |
| Receivables from Other Governments: | | | | | |
| State | 119,125 | | | | 119,125 |
| Federal | 6,696 | $ 172,810 | | | 179,506 |
| Restricted Cash & Equivalents | 838,661 | | $ 9,582 | | 848,243 |
| TOTAL ASSETS | $ 1,629,334 | $ 172,810 | $ 9,582 | $ 825 | $ 1,812,551 |
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Due to Other Funds | $ 83,549 | $ 118,026 | $ 270 | | $ 201,845 |
| Accounts Payable | 190,971 | | | | 190,971 |
| Deferred Revenue | | 54,784 | | | 54,784 |
| Total Liabilities | 274,520 | 172,810 | 270 | $ - | 447,600 |

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

UNION TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010
(Continued)

| | General Fund | Special Revenue Fund | Capital Project Fund | Debt Service Fund | Total Governmental Funds |
|---|---|---|---|---|---|
| LIABILITIES AND FUND BALANCES (Cont'd) | | | | | |
| Fund Balances: | | | | | |
| Reserved For: | | | | | |
| Encumbrances | $ 244,432 | | | | $ 244,432 |
| Capital Reserve Account | 615,623 | | | | 615,623 |
| Maintenance Reserve Account | 223,037 | | | | 223,037 |
| Emergency Reserve Account | 1 | | | | 1 |
| Unreserved: | | | | | |
| Designated for Subsequent Year's Expenditures | | | $ 9,312 | $ 825 | 10,137 |
| Undesignated | 271,721 | | | | 271,721 |
| Total Fund Balances | 1,354,814 | $ - | 9,312 | 825 | 1,364,951 |
| TOTAL LIABILITIES AND FUND BALANCES | $ 1,629,334 | $ 172,810 | $ 9,582 | $ 825 | |

| | | |
|---|---|---|
| Amounts reported for governmental activities in the Statement of Net Assets (A-1) are different because: | | |
| Capital assets used in government activities are not financial resources & therefore are not reported in the funds. The cost of the assets is | $ 22,949,610 | |
| and the accumulated depreciation is | 3,639,895 | |
| | | 19,309,715 |
| Long-term liabilities, Including bonds payable, are not due & payable in the current period & therefore are not reported as liabilities in the funds | | (15,448,925) |
| Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. | | (296,390) |
| Bond issuance costs are reported as expenditures in the governmental funds. The cost is | 354,575 | |
| and the accumulated amortization is | 73,454 | |
| | | 281,121 |
| Total Net Assets of Governmental Activities | | $ 5,210,472 |

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

UNION TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| | General Fund | Special Revenue Fund | Capital Projects Fund | Debt Service Fund | Total Governmental Funds |
|---|---|---|---|---|---|
| REVENUES | | | | | |
| Local Sources: | | | | | |
| Local Tax Levy | $ 8,187,711 | | | $ 1,078,863 | $ 9,266,574 |
| Interest on Investments | 4,010 | | $ 270 | | 4,280 |
| Interest Earned on Capital Reserve Funds | 959 | | | | 959 |
| Interest Earned on Maintenance Reserve Funds | 45 | | | | 45 |
| Before/After School Child Care Service Fees | 146,267 | | | | 146,267 |
| Rentals | 1,403 | | | | 1,403 |
| Contributions and Donations from Private Sources | 2,500 | $ 1,795 | | | 4,295 |
| Refund of Prior Year's Expenditures | 8,668 | | | | 8,668 |
| Miscellaneous | 23,818 | | | | 23,818 |
| Total | 8,375,381 | 1,795 | 270 | 1,078,863 | 9,456,309 |
| State Sources | 1,289,067 | | | 18,912 | 1,307,979 |
| Federal Sources | 40,174 | 260,713 | | | 300,887 |
| Total Revenues | 9,704,622 | 262,508 | 270 | 1,097,775 | 11,065,175 |
| EXPENDITURES | | | | | |
| Current : | | | | | |
| Instructional: | | | | | |
| Regular Instruction | 2,962,846 | 31,702 | | | 2,994,548 |
| Special Education Instruction | 1,051,618 | 40,609 | | | 1,092,227 |
| Other Special Instruction | 46,388 | | | | 46,388 |
| Other Instruction | 186,591 | | | | 186,591 |
| Support Service & Undistributed Costs: | | | | | |
| Tuition | 338,319 | 110,351 | | | 448,670 |
| Student & Instruction Related Services | 975,010 | 20,443 | | | 995,453 |
| General & Business Administrative Services | 639,368 | | | | 639,368 |
| School Administrative Services | 250,297 | | | | 250,297 |

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

UNION TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)

| | General Fund | Special Revenue Fund | Capital Projects Fund | Debt Service Fund | Total Governmental Funds |
|---|---|---|---|---|---|
| EXPENDITURES (Cont'd) | | | | | |
| Current: (Cont'd) | | | | | |
| Plant Operations & Maintenance | $ 902,904 | | | | $ 902,904 |
| Pupil Transportation | 651,897 | | | | 651,897 |
| Unallocated Benefits | 894,526 | $ 1 | | | 894,527 |
| Capital Outlay | 9,349 | 59,402 | $ 5,300 | | 74,051 |
| Debt Service: | | | | | |
| Principal | | | | $ 441,000 | 441,000 |
| Interest & Other Charges | | | | 656,775 | 656,775 |
| Total Expenditures | 8,909,113 | 262,508 | 5,300 | 1,097,775 | 10,274,696 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 795,509 | - | (5,030) | - | 790,479 |
| Other Financing Sources (Uses): | | | | | |
| Transfers In | 270 | | | | 270 |
| Transfers Out | (103,457) | | (270) | | (103,727) |
| Total Other Financing Sources (Uses) | (103,187) | - | (270) | - | (103,457) |
| Net Changes in Fund Balances | 692,322 | - | (5,300) | - | 687,022 |
| Fund Balances, July 1 | 662,492 | - | 14,612 | 825 | 677,929 |
| Fund Balances, June 30 | $ 1,354,814 | $ - | $ 9,312 | $ 825 | $ 1,364,951 |

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

UNION TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| | | |
|---|---|---|
| Total Net Changes in Fund Balances-Governmental Fund (from B-2) | | $ 687,022 |
| 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 asserts 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 | $ 74,051 | |
| Depreciation Expenses | (571,998) | |
| | | (497,947) |
| Repayment of bond principal and capital leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and are not reported in the statement of activities: | | |
| Bond Principal Payments | 441,000 | |
| Capital Lease Payments | 4,755 | |
| | | 445,755 |
| Governmental funds report the effect of issuance costs and premiums when debt is first issued, whereas these amounts are deferred & amortized in the statement of activities: | | |
| Amortization of Bond Premium & Discounts | 4,080 | |
| Amortization of Bond Issuance Costs | (13,446) | |
| | | (9,366) |
| 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. | | 9,800 |
| In the statement of activities, compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation. | | 14,082 |
| Change in Net Assets of Governmental Activities | | $ 649,346 |

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

UNION TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FUND NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2010

| | Food Service Fund |
|---|---|
| ASSETS | |
| Current Assets: | |
| Cash & Cash Equivalents | $ 15,739 |
| Due from Other Funds | 2,549 |
| Receivables from Other Governments: | |
| State | 120 |
| Federal | 838 |
| Inventory | 5,316 |
| Total Current Assets | 24,562 |
| Noncurrent Assets: | |
| Capital Assets | 40,663 |
| Less: Accumulated Depreciation | 31,351 |
| Total Noncurrent Assets | 9,312 |
| Total Assets | 33,874 |
| LIABILITIES | |
| Current Liabilities: | |
| Deferred Revenues | 2,489 |
| NET ASSETS | |
| Invested in Capital Assets, Net of Related Debt | 9,312 |
| Unrestricted | 22,073 |
| TOTAL NET ASSETS | $ 31,385 |

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

UNION TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| | Food Service Fund |
|---|---|
| Operating Revenues: | |
| Charges for Services: | |
| Daily Sales-Reimbursable Programs | $ 92,708 |
| Daily Sales-Unreimburseable Programs | 28,271 |
| Total Operating Revenues | 120,979 |
| Operating Expenses: | |
| Costs of Sales | 71,186 |
| Salaries | 42,799 |
| Employee Benefits | 8,870 |
| Supplies and Materials | 7,169 |
| Management Fee | 5,490 |
| Repairs | 5,734 |
| Insurance | 1,306 |
| Other Purchased Services | 2,283 |
| Depreciation | 3,098 |
| Miscellaneous | 222 |
| Total Operating Expenses | 148,157 |
| Operating Income (Loss) | (27,178) |
| Nonoperating Revenues (Expenses): | |
| State Sources: | |
| State School Lunch Program | 1,682 |
| Federal Sources: | |
| National School Lunch Program | 12,184 |
| Special Milk Program | 2 |
| Food Donation Program | 12,890 |
| Interest Revenue | 65 |
| Total Nonoperating Revenues (Expenses) | 26,823 |
| Change in Net Assets | (355) |
| Net Assets, Beginning | 31,740 |
| Net Assets, Ending | $ 31,385 |

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

UNION TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| | Food Service Fund |
|---|---|
| Cash Flows from Operating Activities: | |
| Receipts from Customers | $ 120,979 |
| Payments to Food Service Management Company | (149,650) |
| Payments to Vendors | (2,202) |
| Net Cash Provided by (Used For) Operating Activities | (30,873) |
| Cash Flows from Noncapital Financing Activities: | |
| State Sources | 1,817 |
| Federal Sources | 13,028 |
| General Fund Interfund Activity | 13,019 |
| Net Cash Provided by (Used For) Noncapital Financing Activities | 27,864 |
| Cash Flows from Investing Activities: | |
| Interest Earned on Investments | 65 |
| Net Increase (Decrease) in Cash and Cash Equivalents | (2,944) |
| Cash and Cash Equivalents, July 1 | 18,683 |
| Cash and Cash Equivalents, June 30 | $ 15,739 |
| Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities: | |
| Operating Income (Loss) | $ (27,178) |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities: | |
| Depreciation | 3,098 |
| Food Donation Program | 12,890 |
| (Increase) Decrease in Other Receivables | 3,633 |
| (Increase) Decrease in Inventory | (848) |
| Increase (Decrease) in Accounts Payable | (23,555) |
| Increase (Decrease) in Deferred Revenue | 1,087 |
| Net Cash Provided by (Used For) Operating Activities | $ (30,873) |

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

UNION TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2010

| | Unemployment Compensation Fund | Student Activity Agency Fund | Payroll Agency Fund |
|---|---|---|---|
| ASSETS | | | |
| Cash & Cash Equivalents | $ 1,470 | $ 32,547 | $ 16,446 |
| Due from Other Funds | 81,000 | | |
| TOTAL ASSETS | 82,470 | $ 32,547 | $ 16,446 |
| LIABILITIES | | | |
| Due to Other Funds | | | $ 2,484 |
| Accounts Payable | $ 2,494 | | |
| Due to Student Groups | | $ 32,547 | |
| Payroll Deductions & Withholdings | | | 13,962 |
| TOTAL LIABILITIES | 2,494 | $ 32,547 | $ 16,446 |
| NET ASSETS | | | |
| Held in Trust for Unemployment Claims & Other Purposes | $ 79,976 | | |

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

UNION TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| | Unemployment Compensation Fund |
|---|---|
| ADDITIONS | |
| Contributions: | |
| Plan Members | $ 7,903 |
| Investment Earnings-Interest | 8 |
| Total Additions | 7,911 |
| DEDUCTIONS | |
| Unemployment Claims | 50,734 |
| Other Financing Sources: | |
| Transfers In from General Fund | 103,457 |
| Change in Net Assets | 60,634 |
| Net Assets, Beginning of the Year | 19,342 |
| Net Assets, End of the Year | $ 79,976 |

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

# NOTES TO FINANCIAL STATEMENTS

UNION TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The basic financial statements include:

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

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, 2010 of 535 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.

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

B. Government-Wide and Fund Financial Statements

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

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

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

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

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

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

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

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

UNION TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010
(Continued)

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

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

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

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

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

The District reports the following major governmental funds:

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

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The District accounts for the proceeds of specific revenue sources from State and Federal Government (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes in the Special Revenue Fund.

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

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

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

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

Additionally, the District reports the following fund types:

Proprietary Fund Types

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

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

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

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

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

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

UNION TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010
(Continued)

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

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

Fiduciary Fund Types

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

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

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

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

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's Proprietary Funds have elected not to apply the standards issued by FASB after November 30, 1989.

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 are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in NJAC 6:20-2A.2(m)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2010 were insignificant.

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

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

D. Budgets/Budgetary Control (Cont'd)

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

E. Encumbrances

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

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

F. Tuition Receivable

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

G. Tuition Payable

Tuition charges for the fiscal years 2009-2010 and 2008-2009 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Short-Term Interfund Receivables/Payables

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

I. Inventories and Prepaid Items

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

Enterprise Fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. The commodities inventory value at balance sheet date is reported as a deferred 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, 2010.

UNION TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010
(Continued)

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

J. Capital Assets

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

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

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

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

K. Compensated Absences

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

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

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

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

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

L. Deferred Revenue

Deferred 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.

Deferred 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 deferred 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 assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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.

N. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a restricted purpose. Designations of fund balance represent tentative plans for future use of financial resources that are subject to change.

In the government-wide statements, net assets represent the difference between assets and liabilities. Invested in Capital Assets, Net of Related Debt consists of capital assets, net of accumulated depreciation, and reduced by the balance of long-term debt used to finance these assets. Net assets are reported as restricted when there are limitations externally imposed on their use either through enabling legislation or other restrictions imposed by creditors, grantors or laws or regulations of other governments. The District's restricted net assets in the governmental activities as of June 30, 2010 consists of the following:

| | Restricted Net Assets |
|---|---|
| Capital Reserve Fund | $ 615,623 |
| Maintenance Reserve | 223,037 |
| Emergency Reserve | 1 |
| Capital Projects Fund | 1,637 |
| Debt Service Fund | 825 |
| Total | $ 841,123 |

UNION TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010
(Continued)

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

O. Comparative Data/Reclassifications

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

P. Allocation of Indirect Expenses

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

## NOTE 2. TAX ASSESSMENTS AND PROPERTY TAXES

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

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

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

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

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

## NOTE 3. DEPOSITS AND CASH EQUIVALENTS AND INVESTMENTS

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

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

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

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

Deposits at June 30, 2010 appear in the financial statements as summarized below:

| | | |
|---|---|---|
| Cash | | $ 1,459,342 |
| Investments | | -0- |
| Total Cash and Investments | | $ 1,459,342 |
| | Ref. | |
| Cash and Investments: | | |
| Governmental Funds, Statement of Net Assets | B-1 | $ 1,393,140 |
| Enterprise Fund, Statement of Net Assets | B-4 | 15,739 |
| Fiduciary Funds, Statement of Net Assets | B-7 | 50,463 |
| Total Cash and Investments | | $ 1,459,342 |

Deposits – The District's carrying amount of bank deposits at June 30, 2010 is $1,459,342 and the bank balance is $1,735,324. Of the bank balance, $250,000 is covered by federal depositary insurance and $1,485,324 is insured by GUDPA.

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

Deposit and Investment Risk

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

1. Custodial credit risk disclosures for investments defined as category 3 assets under GASB Statement No. 3. Since all of the deposits and investments of the district are category 1 assets, these disclosures are not required.

2. Credit quality ratings for investments in debt securities, external investment pools, money market funds, bond mutual funds, and other pooled investments of fixed-income securities. As the district has no such investments, this disclosure is not applicable.

3. Disclosure of investments by amount and issuer for any issuer that represents five percent of more of total investments. This requirement does not apply to investments issued or explicitly guaranteed by the US government and investments in mutual funds or pools. This disclosure is reported below under Concentration of Credit Risk.

4. Interest rate risk disclosures are required for all debt investments and non-money market like pools. As the district has no such investments, this disclosure is not applicable.

5. Investments that are exposed to foreign currency risk should be disclosed. As of district has no such investments this disclosure is not applicable.

Concentration of Credit Risk

The State of New Jersey does not place any limit on the amount that the district may invest with any one issuer. As of June 30, 2010, the district had no investments.

## NOTE 4. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2010 is as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| GOVERNMENTAL ACTIVITIES | | | | |
| Capital Assets, Not Being Depreciated: | | | | |
| Land | $ 271,601 | $ -0- | $ -0- | $ 271,601 |
| Capital Assets, Being Depreciated: | | | | |
| Land Improvements | 25,477 | | | 25,477 |
| Building & Improvements | 21,847,499 | | | 21,847,499 |
| Vehicles | 23,473 | | | 23,473 |
| Software & Equipment | 741,789 | 74,051 | 34,280 | 781,560 |
| Total | 22,638,238 | 74,051 | 34,280 | 22,678,009 |

UNION TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010
(Continued)

**NOTE 4. CAPITAL ASSETS** (Cont'd)

| GOVERNMENTAL ACTIVITIES | Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| Accumulated Depreciation: | | | | |
| Land Improvements | $ 10,692 | $ 1,274 | | $ 11,966 |
| Building & Improvements | 2,740,713 | 526,345 | | 3,267,058 |
| Vehicles | 16,431 | 4,695 | | 21,126 |
| Software & Equipment | 334,341 | 39,684 | $ 34,280 | 339,745 |
| Total | 3,102,177 | 571,998 | 34,280 | 3,639,895 |
| Total Capital Assets, Being Depreciated, Net | 19,536,061 | (497,947) | -0- | 19,038,114 |
| Transfers | -0- | -0- | -0- | -0- |
| Governmental Activities Capital Assets, Net | $ 19,807,662 | $ (497,947) | $ -0- | $ 19,309,715 |
| Business-Type Activities: | | | | |
| Furniture & Equipment | $ 40,663 | | | $ 40,663 |
| Less: Accum Depreciation | 28,253 | $ 3,098 | | 31,351 |
| Business-Type Activities Capital Assets, Net | $ 12,410 | $ (3,098) | $ -0- | $ 9,312 |

Depreciation expense was charged to governmental functions in the current year as follows:

| | |
|---|---|
| Instruction: | |
| Regular | $ 274,079 |
| Special Education | 97,800 |
| Other Special Instruction | 4,154 |
| Co-curricular Activities | 18,244 |
| Support Services: | |
| Student & Instruction | 89,135 |
| General & Business Admin | 57,250 |
| School Administration | 22,412 |
| Maintenance of Plant | 7,325 |
| Pupil Transportation | 1,599 |
| Total Depreciation Expense, Governmental Activities | $ 571,998 |

## NOTE 5. LONG-TERM DEBT

Long-Term Liability Activity for the Year Ended June 30, 2010 is as Follows:

| | Beginning Balance | Accruals | Payments | Ending Balance | Due Within One Year |
|---|---|---|---|---|---|
| Governmental Activities: | | | | | |
| General Obligation Bonds Payable | $ 15,663,000 | | $ 441,000 | $ 15,222,000 | $ 482,000 |
| Unamortized Premium | 85,592 | | 4,080 | 81,512 | 4,080 |
| Capital Lease | 9,692 | | 4,755 | 4,937 | 4,937 |
| Compensated Absences Payable | 154,558 | $ 11,216 | 25,298 | 140,476 | 21,530 |
| Total Governmental Activities Long-Term Liabilities | $ 15,912,842 | $ 11,216 | $ 475,133 | $ 15,448,925 | $ 512,547 |

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

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2010 including interest payments are listed as follows:

| Year Ending June 30, | Principal | Interest | Total |
|---|---|---|---|
| 2011 | $ 482,000 | $ 634,875 | $ 1,116,875 |
| 2012 | 405,000 | 614,250 | 1,019,250 |
| 2013 | 445,000 | 594,944 | 1,039,944 |
| 2014 | 465,000 | 574,325 | 1,039,325 |
| 2015 | 485,000 | 552,794 | 1,037,794 |
| 2016-2020 | 2,780,000 | 2,405,700 | 5,185,700 |
| 2021-2025 | 3,435,000 | 1,744,193 | 5,179,193 |
| 2026-2030 | 4,180,000 | 973,435 | 5,153,435 |
| 2031-2033 | 2,545,000 | 153,834 | 2,698,834 |
| Total | $ 15,222,000 | $ 8,248,350 | $ 23,470,350 |

UNION TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010
(Continued)

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

General Obligation Bonds – General obligation school building bonds at June 30, 2010, with their outstanding balances are comprised of the following individual issues:

| | | |
|---|---|---|
| $2,763,000-1995 general obligation school building bonds, due in annual installments of $134,000 to $277,000, beginning July 15, 1996, through July 15, 2010, interest at 5.00% | $ | 277,000 |
| $11,962,000-2002 general obligation school building bonds, $8,142,000 defeased on March 22, 2007, remainder due in annual installments of $50,000 to $435,000, beginning July 15, 2004, through July 15, 2019, interest from 4.75% | | 3,370,000 |
| $2,900,000-2005 general obligation school building bonds, due in annual installments from $50,000 to $180,000. beginning July 15, 2008, through July 15, 2030, interest from 4.00% to 4.35% | | 2,800,000 |
| $8,920,000-2007 general obligation refunding bonds, due in Annual installment of $25,000 to $820,000 beginning July 15, 2007 through July 15, 2032 interest from 4.00% to 4.15% | | 8,775,000 |
| | $ | 15,222,000 |

Advance Refunding of School Bond Series 2002
Defeasance of Debt-On March 22, 2007, the District defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust with an escrow agent to provide for all future debt service payments of the 2002 series bonds. As a result, the portion of the 2002 series bonds to be refunded are considered defeased and both the trust account cash and investment balance asset and the liability for those bonds has been removed from the financial statements. At June 30, 2010, outstanding bonds in the amount of $8,142,000 are considered defeased. The bonds are scheduled to be redeemed through the escrow account on July 15, 2017.

The general obligation bonded debt of the District is limited by state law to 3.00% of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2010 is $28,625,717. General obligation debt at June 30, 2010 is $15,222,000, resulting in a legal debt margin of $13,403,717.

**NOTE 6. PENSION PLANS**

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

**NOTE 6. PENSION PLANS** (Cont'd)

Description of Systems (Cont'd)

A. Teachers' Pension and Annuity Fund - The Teachers' Pension and Annuity Fund was established in January, 1955 under the provisions of NJSA 18A:66 to provide coverage including post-retirement health care to substantially all full time public school employees in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for health care coverage. Members are eligible for retirement at age 55 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 55 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55).

B. Public Employees' Retirement System - The Public Employees' Retirement System was established in January, 1955 under the provisions of NJSA 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service and 25 years for health care coverage. Members are eligible for retirement at age 55 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 55 with 25 or more years of credited service. Anyone who retires early and is under age 55 receives retirement benefits as calculated in the above mentioned formula but at a reduced rate (one quarter of one percent for each month the member lacks of attaining age 55).

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

Significant Legislation

During the year ended June 30, 1997, legislation was enacted authorizing the New Jersey Economic Development Authority (the "Authority") to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. On June 30, 1997, the Authority issued bonds pursuant to this legislation and $1,547,688,633 and $241,106,642 from the proceeds of the bonds were deposited into the investment account of TPAF and PERS, respectively.

**NOTE 6. PENSION PLANS** (Cont'd)

Significant Legislation (Cont'd)

As a result of additional legislation enacted during the year ended June 30, 1997 (Ch 115, PL 1997), the asset valuation method was changed from market related value to full market value for the valuation reports dated March 31, 1996. The legislation also provides for a reduction in the normal contributions of the State to the systems from excess assets for FY's 1997 and 1998, and local employers for FY 1999, and, thereafter, authorizes the State Treasurer to reduce the normal contributions of State and local employers to the systems, to the extent possible, from up to 100% of excess assets through FY 2002, and on a declining maximum percentage of excess thereafter.

Due to the enactment of the legislation described above, the State of New Jersey's portion of the unfunded accrued liability under each retirement system was eliminated except for the unfunded liability for local early retirement incentive benefits; accordingly, the pension costs for TPAF and PERS were reduced.

Contribution Requirements

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contribution of 5.50% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, non-contributory death benefits and post-retirement medical premiums. Under current statute the Board is a non-contributing employer of the TPAF.

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

| Year Funding | Post Retirement Benefit Costs | Percentage of APC Contributed |
|---|---|---|
| 06/30/10 | $ 245,704 | 100% |
| 06/30/09 | 257,222 | 100% |
| 06/30/08 | 516,882 | 100% |

Three-Year Trend Information for PERS

| Year Funding | Annual Pension Cost (APC) | Percentage of APC Contributed |
|---|---|---|
| 06/30/10 | $ 64,646 | 100% |
| 06/30/09 | 51,549 | 100% |
| 06/30/08 | 40,230 | 100% |

**NOTE 6. PENSION PLANS** (Cont'd)

Contribution Requirements (Cont'd)

During the year ended June 30, 2010, the State of New Jersey contributed $233,283 to the TPAF for post-retirement medical benefits and $12,421 for the non-contributory insurance premiums on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board $289,330 during the year ended June 30, 2010 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 27.

**NOTE 7. POST-RETIREMENT BENEFITS**

Chapter 384 of PL 1987 and Ch 6 of PL 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. PL 2007, Ch 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. As of June 30, 2009, there were 84,590 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with Ch 62, PL 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning the fiscal year 1994.

The State is also responsible for the cost attributable to Ch 126, PL 1992, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. In fiscal year 2009, the State paid $116.9 million toward Ch 126 benefits for 13,320 eligible retired members.

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

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

## NOTE 7. POST-RETIREMENT BENEFITS (Cont'd)

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. The school district adopted a resolution to participate in the SHBP. The States Health Benefits Commission is the executive body established by the statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295 or by visiting their website at http://www.state.nj.us/treasur/pension/pdf/financial/gasb-43-aug2010.pdf

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

## 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:

The Equitable
AXA Advisors
Lincoln Financial Group
Lincoln Investment Planning Inc.

## NOTE 9. INTERFUND RECEIVABLE AND PAYABLES

The following interfund balances remained on the balance sheet as of June 30, 2010:

| Fund | Interfund Receivable | Interfund Payable |
|---|---|---|
| General Fund | $ 120,780 | $ 83,549 |
| Payroll & Agency Fund | | 2,484 |
| Capital Projects Fund | | 270 |
| Food Service Fund | 2,549 | |
| Unemployment Compensation Fund | 81,000 | |
| Special Revenue Fund | | 118,026 |
| | $ 204,329 | $ 204,329 |

**NOTE 9. INTERFUND RECEIVABLE AND PAYABLES** (Cont'd)

The balance due from the Payroll & Agency Fund to the General Fund represents an imprest balance of $2,000 and various other activities that hasn't been transferred to the General Fund of $484. The balance due from the Capital Projects Fund to the General Fund represents interest earnings designated to the General Fund of $270. The balance due from the Special Revenue Fund to the General Fund represents a loan from the General Fund of $118,026 due to cash flow issues related to the delayed receipt of grant revenues. The balance due from the General Fund to the Food Service Fund of $2,549 represents cafeteria subsidy aid received in the General Fund but not yet transferred to the Food Service Fund. The balance due from the General Fund to the Unemployment Compensation Fund of $81,000 represents a board contribution not yet transferred.

All interfund balances will be liquidated within one year.

During the year ended June 30, 2010, the Capital Projects Fund transferred $270 representing interest earnings designated to the General Fund.

The General Fund transferred $103,457 to the Unemployment Compensation Fund representing a board contribution necessitated by the cost of unemployment claims which exceeded the amount of employee withholdings for the fiscal year.

**NOTE 10. INVENTORY**

Inventory in the Food Service Fund at June 30, 2010 consisted of the following:

| | | |
|---|---|---|
| Food | $ | 3,926 |
| Supplies | | 1,390 |
| | $ | 5,316 |

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1984) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperationg revenue in the financial statements.

**NOTE 11. CONTINGENT LIABILITIES**

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

## NOTE 12. RISK MANAGEMENT

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

Property and Liability Insurance - The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of the Comprehensive Annual Financial Report.

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

| Fiscal Year | District Contrib | Interest Earnings | Employee Contrib | Amount Reimbursed | Ending Balance |
|---|---|---|---|---|---|
| 2009-2010 | $103,457 | $ 8 | $ 7,903 | $ 50,734 | $ 79,976 |
| 2008-2009 | -0- | 214 | 7,947 | 18,718 | 19,342 |
| 2007-2008 | -0- | 1,057 | 7,471 | 10,772 | 29,899 |

## NOTE 13. LEGAL RESERVE ACCOUNTS

A capital reserve account was established by the District by inclusion of $1 on September 25, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

Districts are allowed as per NJSA 18A:7F-41(a) & 41(b) to deposit to the legal reserves by board resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. Pursuant to this state statute, the District deposited $200,000 to their Capital Reserve account and $100,000 to their Maintenance Reserve account by board resolution in June 2010. The District had previously deposited $1 to their Emergency Reserve account.

## NOTE 13. LEGAL RESERVE ACCOUNTS (Cont'd)

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

| Reserve Type | Beginning Balance | District Contribution | Interest Earnings | Withdrawals | Ending Balance |
|---|---|---|---|---|---|
| Capital Reserve | $ 414,664 | $ 200,000 | $ 959 | | $ 615,623 |
| Maintenance Reserve | 22,992 | 200,000 | 45 | | 223,037 |
| Emergency Reserve | | 1 | | | 1 |
| Totals | $ 437,656 | $ 400,001 | $ 1,004 | $ -0- | $ 838,661 |

## NOTE 14. FUND BALANCES-BUDGETARY BASIS

As described in Note 1 P-Fund Equity (Fund Balance) may be reserved or designated. An analysis of the General Fund Balance on June 30, 2010 and 2009 is as follows:

| | 2010 | 2009 |
|---|---|---|
| Reserved: | | |
| Encumbrances-Represents reservation of fund balance for purchase orders which have been issued but goods or services were not received as of June 30 | $ 244,432 | $ 6,272 |
| Capital Reserve Account-Represents funds restricted to capital projects in the Districts Long Range Facilities Plan | 615,623 | 414,664 |
| Maintenance Reserve Account-Represents funds restricted for required maintenance of school facilities | 223,037 | 22,992 |
| Emergency Reserve Account-Represents Funds accumulated to finance unanticipated general fund expenditures required for thorough and efficient education | 1 | |
| Unreserved: | | |
| Undesignated-Represents fund balance which has not been reserved or designated | 354,839 | 296,875 |
| Total Fund Balance | $ 1,437,932 | $ 740,803 |

## NOTE 15. CALCULATION OF EXCESS SURPLUS

In accordance with NJSA 18A:7F-7, as amended by PL 2004, Ch 73 (S1701), the designation for Reserved Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2010 is $-0-.

# REQUIRED SUPPLEMENTARY INFORMATION-PART II

# BUDGETARY COMPARISON SCHEDULES

UNION TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|---|---|---|---|---|
| REVENUES | | | | | |
| Local Sources: | | | | | |
| Local Tax Levy | $ 8,187,711 | | $ 8,187,711 | $ 8,187,711 | |
| Interest on Investments | | | | 4,010 | $ 4,010 |
| Interest Earned on Capital Reserve Funds | 2,000 | | 2,000 | 959 | (1,041) |
| Interest Earned on Maintenance Reserve Funds | | | | 45 | 45 |
| Before/After School Child Care Service Fees | | | | 146,267 | 146,267 |
| Rentals | | | | 1,403 | 1,403 |
| Refund of Prior Year's Expenditures | | | | 8,668 | 8,668 |
| Miscellaneous | 236,552 | | 236,552 | 23,818 | (212,734) |
| Total | 8,426,263 | $ - | 8,426,263 | 8,372,881 | (53,382) |
| State Sources: | | | | | |
| Categorical Transportation Aid | 217,100 | | 217,100 | 141,115 | (75,985) |
| Categorical Special Educational Aid | 308,818 | | 308,818 | 308,818 | |
| Equalization Aid | 221,409 | (40,174) | 181,235 | 151,528 | (29,707) |
| Categorical Security Aid | 40,685 | | 40,685 | 26,445 | (14,240) |
| Adjustment Aid | 38,948 | | 38,948 | 25,316 | (13,632) |
| Extraordinary Special Education Costs Aid | | | | 96,535 | 96,535 |
| Nonpublic Transportation Aid | | | | 9,083 | 9,083 |
| On-Behalf TPAF Pension Contribution | | | | 245,704 | 245,704 |
| Reimbursed TPAF Social Security Contribution | | | | 289,330 | 289,330 |
| Total | 826,960 | (40,174) | 786,786 | 1,293,874 | 507,088 |
| Federal Sources: | | | | | |
| ARRA SFSF ESF Aid | | 38,677 | 38,677 | 38,677 | |
| ARRA SFSF GSF Aid | | 1,497 | 1,497 | 1,497 | |
| Total | - | 40,174 | 40,174 | 40,174 | - |
| TOTAL REVENUES | $ 9,253,223 | $ - | $ 9,253,223 | $ 9,706,929 | $ 453,706 |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| Instruction-Regular Program: | | | | | |
| Salaries of Teachers: | | | | | |
| Kindergarten | $ 147,190 | $ (25,904) | $ 121,286 | $ 115,804 | $ 5,482 |
| Grades 1-5 | 1,385,371 | (119,551) | 1,265,820 | 1,239,705 | 26,115 |
| Grades 6-8 | 1,025,891 | 3,239 | 1,029,130 | 1,022,391 | 6,739 |
| Home Instruction: | | | | | |
| Salaries of Teachers | 5,450 | | 5,450 | 165 | 5,285 |
| Regular Programs-Undistributed Instruction: | | | | | |
| Other Salaries for Instruction | 16,079 | | 16,079 | 16,079 | |
| Purchased Professional Educational Services | 1,100 | (1,100) | | | |
| Purchased Technical Services | 79,040 | 56,249 | 135,289 | 76,320 | 58,969 |
| Other Purchased Services | 58,468 | 9,830 | 68,298 | 39,436 | 28,862 |
| General Supplies | 126,000 | (30,396) | 95,604 | 33,743 | 61,861 |
| Textbooks | 25,000 | (19,577) | 5,423 | 5,398 | 25 |
| Other Objects | 6,750 | 3,706 | 10,456 | 10,335 | 121 |
| Total | 2,876,339 | (123,504) | 2,752,835 | 2,559,376 | 193,459 |
| Special Education: | | | | | |
| Cognitive-Mild: | | | | | |
| Salaries of Teachers | 65,295 | 7,300 | 72,595 | 72,595 | |
| General Supplies | 750 | (750) | | | |
| Total | 66,045 | 6,550 | 72,595 | 72,595 | - |
| Learning and/or Language Disabilities: | | | | | |
| Salaries of Teachers | 184,668 | (184,668) | | | |
| Other Salaries for Instruction | 6,000 | 203,000 | 209,000 | 209,000 | |
| General Supplies | 500 | (278) | 222 | | 222 |
| Total | 191,168 | 18,054 | 209,222 | 209,000 | 222 |

UNION TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|---|---|---|---|---|
| EXPENDITURES (Cont'd) | | | | | |
| Current: (cont'd) | | | | | |
| Resource Room/Resource Center: | | | | | |
| Salaries of Teachers | $ 457,315 | $ 14,790 | $ 472,105 | $ 471,340 | $ 765 |
| General Supplies | 4,410 | (2,709) | 1,701 | 1,224 | 477 |
| Textbooks | 1,400 | | 1,400 | | 1,400 |
| Total | 463,125 | 12,081 | 475,206 | 472,564 | 2,642 |
| Preschool Disabilities-Part Time: | | | | | |
| Salaries of Teachers | 76,045 | (1,642) | 74,403 | 63,500 | 10,903 |
| Other Salaries for Instruction | 50,440 | (14,790) | 35,650 | 25,955 | 9,695 |
| General Supplies | 500 | | 500 | | 500 |
| Total | 126,985 | (16,432) | 110,553 | 89,455 | 21,098 |
| Total Special Education | 847,323 | 20,253 | 867,576 | 843,614 | 23,962 |
| Basic Skills/Remedial: | | | | | |
| Salaries of Teachers | 53,170 | | 53,170 | 46,100 | 7,070 |
| General Supplies | 750 | (224) | 526 | 288 | 238 |
| Total | 53,920 | (224) | 53,696 | 46,388 | 7,308 |
| Bilingual Education: | | | | | |
| Salaries of Teachers | 9,754 | (9,487) | 267 | | 267 |
| General Supplies | 500 | | 500 | | 500 |
| Total | 10,254 | (9,487) | 767 | - | 767 |
| School Sponsored Co/Extra Curricular Activities: | | | | | |
| Salaries | 30,704 | | 30,704 | 27,095 | 3,609 |
| Supplies & Materials | 5,950 | | 5,950 | 4,753 | 1,197 |
| Other Objects | 300 | | 300 | 269 | 31 |
| Total | 36,954 | - | 36,954 | 32,117 | 4,837 |
| School Sponsored Athletic Activities: | | | | | |
| Salaries | 34,671 | | 34,671 | 33,900 | 771 |
| Purchased Services | 7,150 | | 7,150 | 2,970 | 4,180 |
| Supplies & Materials | 3,400 | | 3,400 | 2,109 | 1,291 |
| Other Objects | 750 | | 750 | 256 | 494 |
| Total | 45,971 | - | 45,971 | 39,235 | 6,736 |
| Before/After School Programs-Instructional | | | | | |
| Salaries of Teachers | 43,680 | 1,260 | 44,940 | 44,940 | |
| Other Salaries of Instruction | 77,784 | | 77,784 | 50,854 | 26,930 |
| Supplies and Materials | 8,850 | (1,373) | 7,477 | 5,994 | 1,483 |
| Total | 130,314 | (113) | 130,201 | 101,788 | 28,413 |
| Total Instruction Regular | $ 4,001,075 | $ (113,075) | $ 3,888,000 | $ 3,622,518 | $ 265,482 |
| Undistributed Expenditures: | | | | | |
| Instruction Tuition: | | | | | |
| Other LEA's Within the State-Special | $ 5,000 | $ 12,580 | $ 17,580 | $ 17,580 | |
| CSSD & Regional Day School | | 86,720 | 86,720 | 86,720 | |
| Private Schools for Disabled the Within the State | 245,284 | (11,265) | 234,019 | 234,019 | |
| Total | 250,284 | 88,035 | 338,319 | 338,319 | $ - |
| Health Services: | | | | | |
| Salaries | 122,965 | 5,774 | 128,739 | 128,739 | |
| Purchased Professional Technical Services | 3,250 | (61) | 3,189 | 3,000 | 189 |
| Other Purchased Services | 2,695 | (1,739) | 956 | 503 | 453 |
| Supplies & Materials | 5,245 | (1,997) | 3,248 | 2,659 | 589 |
| Other Objects | 175 | | 175 | 80 | 95 |
| Total | 134,330 | 1,977 | 136,307 | 134,981 | 1,326 |

UNION TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|---|---|---|---|---|
| EXPENDITURES (Cont'd) | | | | | |
| Current: (cont'd) | | | | | |
| Other Support Services-Students-Related: | | | | | |
| Salaries | $ 111,203 | $ 5,233 | $ 116,436 | $ 116,436 | |
| Purchased Professional Educational Services | 153,100 | 2,270 | 155,370 | 154,220 | $ 1,150 |
| Supplies & Materials | 1,900 | (636) | 1,264 | 1,264 | |
| Total | 266,203 | 6,867 | 273,070 | 271,920 | 1,150 |
| Other Support Services-Students-Regular: | | | | | |
| Salaries of Other Professional Staff | 80,395 | 82,895 | 163,290 | 163,290 | |
| Other Purchased Professional & Technical Services | 1,500 | (225) | 1,275 | 616 | 659 |
| Other Purchased Services | 800 | | 800 | | 800 |
| Supplies & Materials | 990 | (391) | 599 | 537 | 62 |
| Total | 83,685 | 82,279 | 165,964 | 164,443 | 1,521 |
| Other Support Services-Students-Special: | | | | | |
| Salaries of Other Professional Staff | 229,218 | 5,069 | 234,287 | 234,287 | |
| Other Purchased Professional & Technical Services | 83,000 | (59,560) | 23,440 | 12,000 | 11,440 |
| Miscellaneous Purchased Services | 9,100 | 1,546 | 10,646 | 10,471 | 175 |
| Supplies & Materials | 11,100 | (6,060) | 5,040 | 4,927 | 113 |
| Other Objects | 700 | | 700 | 150 | 550 |
| Total | 333,118 | (59,005) | 274,113 | 261,835 | 12,278 |
| Improvement of Instruction Services: | | | | | |
| Other Purchased Services | 6,400 | | 6,400 | | 6,400 |
| Supplies & Materials | 500 | | 500 | | 500 |
| Total | 6,900 | - | 6,900 | - | 6,900 |
| Educational Media Services/School Library: | | | | | |
| Salaries | 24,060 | 95 | 24,155 | 24,155 | |
| Purchased Professional and Technical Services | 2,500 | | 2,500 | 1,641 | 859 |
| Supplies & Materials | 10,000 | | 10,000 | 3,269 | 6,731 |
| Other Objects | 600 | (95) | 505 | | 505 |
| Total | 37,160 | - | 37,160 | 29,065 | 8,095 |
| Support Services General Administration: | | | | | |
| Salaries | 199,100 | | 199,100 | 198,853 | 247 |
| Legal Services | 60,000 | (15,724) | 44,276 | 32,553 | 11,723 |
| Audit Fees | 19,250 | (255) | 18,995 | 18,825 | 170 |
| Other Purchased Professional Services | 18,500 | | 18,500 | 13,822 | 4,678 |
| Purchased Technical Services | 4,000 | (358) | 3,642 | 3,195 | 447 |
| Communication & Telephone | 71,048 | | 71,048 | 70,174 | 874 |
| Board of Education Other Purchased Services | 7,200 | | 7,200 | 1,775 | 5,425 |
| Other Purchased Services | 23,650 | (117) | 23,533 | 21,361 | 2,172 |
| General Supplies | 8,500 | 117 | 8,617 | 8,617 | |
| Board of Education In-House Training/Meeting Supplies | 2,670 | 140 | 2,810 | 2,806 | 4 |
| Judgments Against the School District | 35,000 | 11,000 | 46,000 | 46,000 | |
| Miscellaneous Expenditures | 6,974 | (140) | 6,834 | 5,802 | 1,032 |
| Total | 455,892 | (5,337) | 450,555 | 423,783 | 26,772 |
| Support Services School Administration: | | | | | |
| Salaries of Principals & Assistant Principals | 110,344 | | 110,344 | 110,344 | |
| Salaries of Secretarial & Clerical Assistants | 109,198 | | 109,198 | 91,583 | 17,615 |
| Purchased Professional & Technical Services | 4,300 | 4,388 | 8,688 | 8,688 | |
| Other Purchased Services | 15,278 | (10,330) | 4,948 | 3,065 | 1,883 |
| Supplies & Materials | 5,500 | | 5,500 | 5,447 | 53 |
| Other Objects | 2,000 | | 2,000 | 1,884 | 116 |
| Total | 246,620 | (5,942) | 240,678 | 221,011 | 19,667 |

UNION TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|---|---|---|---|---|
| EXPENDITURES (Cont'd) | | | | | |
| Current: (cont'd) | | | | | |
| Central Services: | | | | | |
| Salaries | $ 140,884 | $ 9,077 | $ 149,961 | $ 149,961 | |
| Purchased Professional Services | 11,650 | (6,362) | 5,288 | 5,288 | |
| Purchased Technical Services | 7,635 | 315 | 7,950 | 7,950 | |
| Miscellaneous Purchased Services | 16,978 | (2,026) | 14,952 | 13,752 | $ 1,200 |
| General Supplies | 5,000 | (975) | 4,025 | 2,677 | 1,348 |
| Total | 182,147 | 29 | 182,176 | 179,628 | 2,548 |
| Required Maintenance for School Facilities: | | | | | |
| Cleaning, Repair & Maintenance Services | 172,255 | (6,849) | 165,406 | 96,140 | 69,266 |
| General Supplies | 35,000 | | 35,000 | 1,744 | 33,256 |
| Total | 207,255 | (6,849) | 200,406 | 97,884 | 102,522 |
| Other Operation & Maintenance Services: | | | | | |
| Salaries | 315,433 | (43,572) | 271,861 | 248,405 | 23,456 |
| Purchased Professional & Technical Services | 85,000 | (112) | 84,888 | 81,990 | 2,898 |
| Cleaning, Repair & Maintenance Services | 41,000 | (20,160) | 20,840 | 19,900 | 940 |
| Rental of Land & Building Other Than Lease Purchase | 5,127 | 99 | 5,226 | 100 | 5,126 |
| Other Purchased Property Services | 500 | 4,861 | 5,361 | 5,290 | 71 |
| Insurance | 56,946 | (5,126) | 51,820 | 45,795 | 6,025 |
| General Supplies | 75,000 | 3,181 | 78,181 | 47,484 | 30,697 |
| Energy (Heat & Electric) | 558,589 | (151,656) | 406,933 | 291,416 | 115,517 |
| Other Objects | 600 | | 600 | 560 | 40 |
| Total | 1,138,195 | (212,485) | 925,710 | 740,940 | 184,770 |
| Student Transportation Services: | | | | | |
| Management Fees-ESC Transportation Programs | 14,960 | (1,326) | 13,634 | 12,340 | 1,294 |
| Contracted Services (Between Home & School)-Vendors | | 7,429 | 7,429 | 7,429 | |
| Contracted Services (Other Than Between Home & School)-Vendors | 26,075 | (2,917) | 23,158 | 23,158 | |
| Contracted Services (Between Home & School)-Joint Agreement | 408,440 | (33,201) | 375,239 | 339,701 | 35,538 |
| Contracted Services (Special Education Students)-ESCs | 239,500 | (20,373) | 219,127 | 218,881 | 246 |
| Contracted Services-Aid in Lieu of Payments-Nonpublic Schools | | 50,388 | 50,388 | 50,388 | |
| Total | 688,975 | - | 688,975 | 651,897 | 37,078 |
| Allocated Benefits: | | | | | |
| Regular Programs-Instruction: | | | | | |
| Health Benefits | 569,274 | (163,809) | 405,465 | 403,470 | 1,995 |
| Special Programs-Instruction: | | | | | |
| Health Benefits | - | 208,493 | 208,493 | 208,004 | 489 |
| Other Instructional Programs-Instruction: | | | | | |
| Social Security Contributions | 9,292 | (2,260) | 7,032 | 5,037 | 1,995 |
| Other Retirement Conributions-Regular | 6,681 | | 6,681 | | 6,681 |
| Health Benefits | 7,375 | 1,373 | 8,748 | 8,414 | 334 |
| Total | 23,348 | (887) | 22,461 | 13,451 | 9,010 |
| Health Services: | | | | | |
| Health Benefits | 13,831 | 1,559 | 15,390 | 15,390 | - |
| Other Support Services-Students-Related Services: | | | | | |
| Health Benefits | 27,662 | 2,558 | 30,220 | 30,220 | - |

UNION TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|---|---|---|---|---|
| EXPENDITURES (Cont'd) | | | | | |
| Current: (cont'd) | | | | | |
| Allocated Benefits: (Cont'd) | | | | | |
| Other Support Services-Students-Regular: | | | | | |
| Health Benefits | $ 13,831 | $ 6,579 | $ 20,410 | $ 20,410 | $ - |
| Other Support Services-Students-Special: | | | | | |
| Health Benefits | 41,493 | 5,769 | 47,262 | 46,746 | 516 |
| Support Services-General Administration: | | | | | |
| Health Benefits | 26,481 | 3,449 | 29,930 | 29,455 | 475 |
| Support Services-School Administration: | | | | | |
| Health Benefits | 26,279 | 3,146 | 29,425 | 29,286 | 139 |
| Support Services-Central Services: | | | | | |
| Health Benefits | 5,622 | 880 | 6,502 | 6,502 | - |
| Operation & Maintenance of Plant Service: | | | | | |
| Health Benefits | 67,771 | (3,413) | 64,358 | 64,080 | 278 |
| Total Allocated Benefits | 815,592 | 64,324 | 879,916 | 867,014 | 12,902 |
| Unallocated Benefits-Employee Benefits: | | | | | |
| Social Security Contributions | 99,030 | (13,877) | 85,153 | 85,153 | |
| Other Retirement Contributions-Regular | 64,500 | 5,803 | 70,303 | 70,303 | |
| Workmen's Compensation | 64,708 | (1,132) | 63,576 | 63,576 | |
| Health Benefits | 32,189 | (6,829) | 25,360 | 25,242 | 118 |
| Tuition Reimbursement | 35,000 | (21,510) | 13,490 | 9,955 | 3,535 |
| Other Employee Benefits | 108,365 | (3,102) | 105,263 | 105,263 | |
| Total | 403,792 | (40,647) | 363,145 | 359,492 | 3,653 |
| Total Personal Services-Employee Benefits | 1,219,384 | 23,677 | 1,243,061 | 1,226,506 | 16,555 |
| On-Behalf TPAF Pensions Contribution | | | | 245,704 | (245,704) |
| Reimbursed TPAF Social Security Contribution | | | | 289,330 | (289,330) |
| Total | - | - | - | 535,034 | (535,034) |
| Total Undistributed Expenditures | $ 5,250,148 | $ (86,754) | $ 5,163,394 | $ 5,277,246 | $ (113,852) |
| TOTAL CURRENT | $ 9,251,223 | $ (199,829) | $ 9,051,394 | $ 8,899,764 | $ 151,630 |
| CAPITAL OUTLAY | | | | | |
| Equipment: | | | | | |
| Undistributed: | | | | | |
| Instructional Equipment | | $ 75,635 | $ 75,635 | | $ 75,635 |
| Operation & Maintenance of Plant | | 27,009 | 27,009 | $ 6,849 | 20,160 |
| TOTAL CAPITAL OUTLAY | $ - | $ 102,644 | $ 102,644 | $ 6,849 | $ 95,795 |
| TOTAL EXPENDITURES | $ 9,251,223 | $ (97,185) | $ 9,154,038 | $ 8,906,613 | $ 247,425 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | $ 2,000 | $ 97,185 | $ 99,185 | $ 800,316 | $ 701,131 |
| Other Financing Sources (Uses): | | | | | |
| Transfers In-Capital Projects Fund | | | | 270 | 270 |
| Transfers Out-Unemployment Compensation Fund | | (103,457) | (103,457) | (103,457) | |
| | - | (103,457) | (103,457) | (103,187) | 270 |

UNION TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|---|---|---|---|---|
| Excess (Deficiency of Revenues & Other Financing Sources Over (Under) Expenditures & Other Financing Uses | $ 2,000 | $ (6,272) | $ (4,272) | $ 697,129 | $ 701,401 |
| Fund Balances, July 1 | 740,803 | - | 740,803 | 740,803 | - |
| Fund Balances, June 30 | $ 742,803 | $ (6,272) | $ 736,531 | $ 1,437,932 | $ 701,401 |
| Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures | | | | | |
| Adjustment for Prior Year Encumbrances | | $ (6,272) | $ (6,272) | $ (6,272) | |
| Increase in Capital Reserve | $ 2,000 | 200,000 | 202,000 | 200,959 | $ (1,041) |
| Increase in Maintenance Reserve | | 200,000 | 200,000 | 200,045 | 45 |
| Increase in Emergency Reserve | | 1 | 1 | 1 | |
| Budgeted Fund Balance | | (400,001) | (400,001) | 302,396 | 702,397 |
| TOTAL | $ 2,000 | $ (6,272) | $ (4,272) | $ 697,129 | $ 701,401 |

RECAPITULATION OF FUND BALANCE

| | |
|---|---|
| Reserved: | |
| Reserve for Encumbrances | $ 244,432 |
| Capital Reserve | 615,623 |
| Maintenance Reserve | 223,037 |
| Emergency Reserve | 1 |
| Unreserved: | |
| Undesignated-Free | 354,839 |
| | 1,437,932 |
| Reconciliation to Governmental Statements (GAAP): | |
| Last State Aid Payment not Recognized on GAAP Basis | (83,118) |
| Fund Balance Per Governmental Funds (GAAP) | $ 1,354,814 |

# UNION TOWNSHIP SCHOOL DISTRICT
# COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL
# GENERAL FUND
# FOR THE FISCAL YEAR ENDED JUNE 30, 2010

(Not Applicable to this Report)

UNION TOWNSHIP SCHOOL DISTRICT
AMERICAN RECOVERY AND REINVESTMENT ACT-BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| REVENUES | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|---|---|---|---|---|
| Federal Sources: | | | | | |
| ARRA SFSF ESF Aid | | $ 38,677 | $ 38,677 | $ 38,677 | |
| ARRA SFSF GSF Aid | | 1,497 | 1,497 | 1,497 | |
| TOTAL REVENUES | $ - | 40,174 | 40,174 | 40,174 | $ - |
| EXPENDITURES | | | | | |
| Fund 16 ARRA SFSF ESF: | | | | | |
| Special Education: | | | | | |
| Learning and/or Language Disabilities: | | | | | |
| Other Salaries for Instruction | | $ 38,677 | $ 38,677 | $ 38,677 | |
| Total | $ - | 38,677 | 38,677 | 38,677 | $ - |
| Fund 17 ARRA SFSF GSF: | | | | | |
| Special Education: | | | | | |
| Learning and/or Language Disabilities: | | | | | |
| Other Salaries for Instruction | | 1,497 | 1,497 | 1,497 | |
| Total | - | 1,497 | 1,497 | 1,497 | - |
| TOTAL EXPENDITURES | $ - | $ 40,174 | $ 40,174 | $ 40,174 | $ - |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | $ - | $ - | $ - | $ - | $ - |
| Fund Balances, July 1 | - | - | - | - | - |
| Fund Balances, June 30 | $ - | $ - | $ - | $ - | $ - |

UNION TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|---|---|---|---|---|
| REVENUES | | | | | |
| Local Sources | $ 2,295 | | $ 2,295 | $ 1,795 | $ (500) |
| Federal Sources | 309,647 | | 309,647 | 255,363 | (54,284) |
| TOTAL REVENUES | $ 311,942 | $ - | $ 311,942 | $ 257,158 | $ (54,784) |
| EXPENDITURES | | | | | |
| Instruction: | | | | | |
| Salaries | $ 3,412 | $ 3,418 | $ 6,830 | $ 6,830 | |
| Purchased Professional & Technical Services | 5,917 | | 5,917 | 2,978 | $ 2,939 |
| Other Purchased Services | 119,049 | (3,418) | 115,631 | 112,139 | 3,492 |
| General Supplies | 88,819 | | 88,819 | 55,365 | 33,454 |
| Other Objects | 500 | | 500 | | 500 |
| Totals | 217,697 | - | 217,697 | 177,312 | 40,385 |
| Support Services: | | | | | |
| Salaries | | | | | |
| Personal Services Employee Benefits | 1 | | 1 | 1 | |
| Purchased Professional & Technical Services | | | | | |
| Other Purchased Services | 18,800 | | 18,800 | 9,819 | 8,981 |
| Supplies and Materials | 16,041 | | 16,041 | 10,624 | 5,417 |
| Total | 34,842 | - | 34,842 | 20,444 | 14,398 |
| Facilities Acquisition and Construction Services: | | | | | |
| Instructional Equipment | 59,403 | - | 59,403 | 59,402 | 1 |
| TOTAL EXPENDITURES | $ 311,942 | $ - | $ 311,942 | $ 257,158 | $ 54,784 |

# NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION

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

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

| | General Fund | Special Revenue Fund |
|---|---|---|
| Sources/Inflows of Resources | | |
| Actual amounts (budgetary) "revenues" from the budgetary comparison schedules. | $ 9,706,929 | $ 257,158 |
| 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 | | 5,350 |
| The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expenses (GASB 33): | | |
| State Aid Receivable Prior Year | 78,311 | |
| State Aid Receivable Current Year | (83,118) | |
| Donations of Capital Assets are not recognized as revenue for budgetary purposes but are recognized for GAAP purposes. | 2,500 | |
| Total Revenues (GAAP Basis) | $ 9,704,622 | $ 262,508 |
| Uses/Outflows of Resources | | |
| Actual Amounts (budgetary basis) "total outflows" from the budgetary comparison schedule. | $ 8,906,613 | $ 257,158 |
| Differences-Budget to GAAP: | | |
| Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes: | | |
| Outstanding Encumbrances Prior Year | | 5,350 |
| Capital Assets donated are not recognized as outflow of resources for budgetary purposes but are treated as expenditures for GAAP purposes. | 2,500 | |
| Total Expenditures (GAAP Basis) | $ 8,909,113 | $ 262,508 |

# OTHER SUPPLEMENTAL INFORMATION

## SCHOOL LEVEL SCHEDULES

(NOT APPLICABLE TO THIS REPORT)

# SPECIAL REVENUE FUND

## DETAIL STATEMENTS

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

UNION TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| | NCLB Title IIA | NCLB Title IID | NCLB Title IV | IDEA Basic | IDEA Pre-School | ARRA IDEA Basic | ARRA IDEA Pre-School | Small Rural School Achievement | Local Grants | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| REVENUES | | | | | | | | | | |
| Local Sources | | | | | | | | | $ 1,795 | $ 1,795 |
| Federal Sources | $ 5,246 | $ 1,788 | $ 825 | $110,351 | $ 3,419 | $ 87,346 | $ 1,554 | $ 44,834 | | 255,363 |
| TOTAL REVENUES | $ 5,246 | $ 1,788 | $ 825 | $110,351 | $ 3,419 | $ 87,346 | $ 1,554 | $ 44,834 | $ 1,795 | $ 257,158 |
| EXPENDITURES | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Salaries | | | | | $ 3,418 | | | $ 3,412 | | $ 6,830 |
| Purchased Professional & Technical Services | $ 2,153 | | $ 825 | | | | | | | 2,978 |
| Other Purchased Services | | $ 1,788 | | $110,351 | | | | | | 112,139 |
| General Supplies | 1,779 | | | | | $ 36,096 | $ 1,095 | 14,600 | $ 1,795 | 55,365 |
| Totals | 3,932 | 1,788 | 825 | 110,351 | 3,418 | 36,096 | 1,095 | 18,012 | 1,795 | 177,312 |
| Support Services: | | | | | | | | | | |
| Personal Services-Employee Benefits | | | | | 1 | | | | | 1 |
| Other Purchased Services | 1,129 | | | | | 8,231 | 459 | | | 9,819 |
| Supplies & Materials | 185 | | | | | 10,439 | | | | 10,624 |
| Totals | 1,314 | - | - | - | 1 | 18,670 | 459 | - | - | 20,444 |
| Facility Acquisition & Construction Services: | | | | | | | | | | |
| Instructional Equipment | - | - | - | - | | 32,580 | - | 26,822 | - | 59,402 |
| TOTAL EXPENDITURES | $ 5,246 | $ 1,788 | $ 825 | $110,351 | $ 3,419 | $ 87,346 | $ 1,554 | $ 44,834 | $ 1,795 | $ 257,158 |

# CAPITAL PROJECTS FUND

## DETAIL STATEMENTS

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

UNION TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| Description | Approval Date | Revised Budgetary Appropriations | GAAP Expenditures to Date Prior Years | GAAP Expenditures to Date Current Year | Unexpended Appropriations 6/30/2009 |
|---|---|---|---|---|---|
| Acquisition, Construction and Equipping of New Elementary School and Renovate Existing School | 06/03/02<br>08/15/05 | $ 18,032,236 | $ 18,017,624 | $ 5,300 | $ 9,312 |
| | | $ 18,032,236 | $ 18,017,624 | $ 5,300 | $ 9,312 |

UNION TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| | |
|---|---|
| Revenues and Other Financing Sources: | |
| Local Sources-Interest Earnings | $ 270 |
| Total Revenues | 270 |
| Expenditures and Other Financing Uses: | |
| Transfer Out to General Fund | 270 |
| Backstop Project | 5,300 |
| Total Expenditures | 5,570 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (5,300) |
| Fund Balance-Beginning | 14,612 |
| Fund Balance-Ending | $ 9,312 |

UNION TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES,
PROJECT BALANCE AND PROJECT STATUS-BUDGETARY BASIS
ACQUISITION, CONSTRUCTION AND EQUIPPING NEW ELEMENTARY
SCHOOL AND RENOVATE EXISTING SCHOOL
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| | Prior Periods | Current Year | Totals | Revised Authorized Cost |
|---|---|---|---|---|
| Revenues and Other Financing Sources: | | | | |
| State Sources-SCC Grant | $ 3,169,950 | | $ 3,169,950 | $ 3,169,950 |
| Local Sources: | | | | |
| Bond Proceeds | 14,862,000 | | 14,862,000 | 14,862,000 |
| School Budget Funding | 286 | | 286 | 286 |
| Total Revenues | 18,032,236 | $ - | 18,032,236 | 18,032,236 |
| Expenditures and Other Financing Uses: | | | | |
| Land Purchase | 880,436 | | 880,436 | 880,436 |
| Fees & Permits | 48,014 | | 48,014 | 48,014 |
| Purchased Professional & Technical Services | 1,989,893 | | 1,989,893 | 1,989,893 |
| Construction Services | 14,227,401 | | 14,227,401 | 14,236,713 |
| Sewer Plant Bed | 84,428 | | 84,428 | 84,428 |
| Additional Sewer Plant Improvements | 325,280 | | 325,280 | 325,280 |
| Miscellaneous Construction | 967 | | 967 | 967 |
| Builders Insurance | 22,575 | | 22,575 | 22,575 |
| Telecommunication Systems | 187,500 | | 187,500 | 187,500 |
| Furniture | 162,896 | | 162,896 | 162,896 |
| New Signs for the Two Schools | 14,219 | | 14,219 | 14,219 |
| Athletic Field Backstop | | 5,300 | 5,300 | 5,300 |
| Supplies & Materials | 1,332 | | 1,332 | 1,332 |
| Property Maintenance | 3,360 | | 3,360 | 3,360 |
| Temporary Note Interest | 5,872 | | 5,872 | 5,872 |
| Special Election Expenses | 9,151 | | 9,151 | 9,151 |
| Bond Issue Cost Expenses | 45,728 | | 45,728 | 45,728 |
| Miscellaneous | 8,572 | | 8,572 | 8,572 |
| Total Expenditures | 18,017,624 | 5,300 | 18,022,924 | 18,032,236 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | $ 14,612 | $ (5,300) | $ 9,312 | $ - |

| Additional Project Information | |
|---|---|
| Project Number | 5270-50-03-0767 |
| Grant Date | 11/05/03 |
| Original Bonds Authorized Date | 06/03/02 |
| Additional Bonds Authorized Date | 08/15/05 |
| Original Bonds Authorized | $ 14,712,686 |
| Original Bonds Issued | $ 11,962,000 |
| Additional Bonds Authorized | $ 2,900,000 |
| Additional Bonds Issued | $ 2,900,000 |
| Additional State Aid Authorized | $ 419,550 |
| Original Authorized Cost | $ 14,712,686 |
| Additional Authorized Cost | $ 3,319,550 |
| Revised Authorized Cost | $ 18,032,236 |
| Percentage Complete | 100% |

## PROPRIETARY FUND

## DETAIL STATEMENTS

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

UNION TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FUND NET ASSETS
ENTERPRISE FUNDS
JUNE 30, 2010

| | Food Service Fund |
|---|---|
| ASSETS | |
| Current Assets: | |
| Cash & Cash Equivalents | $ 15,739 |
| Due from Other Funds | 2,549 |
| Receivables from Other Governments: | |
| State | 120 |
| Federal | 838 |
| Inventory | 5,316 |
| Total Current Assets | 24,562 |
| Non-Current Assets: | |
| Capital Assets | 40,663 |
| Less: Accumulated Depreciation | 31,351 |
| Total Non-Current Assets | 9,312 |
| Total Assets | 33,874 |
| LIABILITIES | |
| Current Liabilities: | |
| Deferred Revenues | 2,489 |
| NET ASSETS | |
| Invested in Capital Assets, Net of Related Debt | 9,312 |
| Unrestricted | 22,073 |
| TOTAL NET ASSETS | $ 31,385 |

UNION TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS
ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

| | Food Service Fund |
|---|---|
| Operating Revenues: | |
| Charges for Services: | |
| Daily Sales-Reimbursable Programs | $ 92,708 |
| Daily Sales-Unreimburseable Programs | 28,271 |
| Total Operating Revenues | 120,979 |
| Operating Expenses: | |
| Costs of Sales | 71,186 |
| Salaries | 42,799 |
| Employee Benefits | 8,870 |
| Supplies and Materials | 7,169 |
| Management Fee | 5,490 |
| Repairs | 5,734 |
| Insurance | 1,306 |
| Other Purchased Services | 2,283 |
| Depreciation | 3,098 |
| Miscellaneous | 222 |
| Total Operating Expenses | 148,157 |
| Operating Income (Loss) | (27,178) |
| Nonoperating Revenues (Expenses): | |
| State Sources: | |
| State School Lunch Program | 1,682 |
| Federal Sources: | |
| National School Lunch Program | 12,184 |
| Special Milk Program | 2 |
| Food Donation Program | 12,890 |
| Interest Revenue | 65 |
| Total Nonoperating Revenues (Expenses) | 26,823 |
| Change in Net Assets | (355) |
| Net Assets, Beginning | 31,740 |
| Net Assets, Ending | $ 31,385 |

UNION TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

| | Food Service Fund |
|---|---|
| Cash Flows from Operating Activities: | |
| Receipts from Customers | $ 120,979 |
| Payments to Food Service Management Company | (149,650) |
| Payments to Vendors | (2,202) |
| Net Cash Provided by (Used For) Operating Activities | (30,873) |
| Cash Flows from Noncapital Financing Activities: | |
| State Sources | 1,817 |
| Federal Sources | 13,028 |
| General Fund Interfund Activity | 13,019 |
| Net Cash Provided by (Used For) Noncapital Financing Activities | 27,864 |
| Cash Flows from Investing Activities: | |
| Interest Earned on Investments | 65 |
| Net Increase (Decrease) in Cash and Cash Equivalents | (2,944) |
| Cash and Cash Equivalents, July 1 | 18,683 |
| Cash and Cash Equivalents, June 30 | $ 15,739 |
| Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities: | |
| Operating Income (Loss) | $ (27,178) |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities: | |
| Depreciation | 3,098 |
| Food Donation Program | 12,890 |
| (Increase) Decrease in Other Receivables | 3,633 |
| (Increase) Decrease in Inventory | (848) |
| Increase (Decrease) in Accounts Payable | (23,555) |
| Increase (Decrease) in Deferred Revenue | 1,087 |
| Net Cash Provided by (Used For) Operating Activities | $ (30,873) |

## FIDUCIARY FUND

## DETAIL STATEMENTS

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

UNION TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30,2010

| | Unemployment Compensation Fund | Student Activity Agency Fund | Payroll Agency Fund | Totals |
|---|---|---|---|---|
| ASSETS | | | | |
| Cash & Cash Equivalents | $ 1,470 | $ 32,547 | $ 16,446 | $ 50,463 |
| Due from Other Funds | 81,000 | | | 81,000 |
| Total Assets | 82,470 | 32,547 | 16,446 | 131,463 |
| LIABILITIES | | | | |
| Due to Other Funds | | | 2,484 | 2,484 |
| Accounts Payable | 2,494 | | | 2,494 |
| Due to Student Groups | | 32,547 | | 32,547 |
| Payroll Deductions & Withholdings | | | 13,962 | 13,962 |
| Total Liabilities | 2,494 | 32,547 | 16,446 | 51,487 |
| NET ASSETS | | | | |
| Held in Trust for Unemployment Claims & Other Purposes | $ 79,976 | $ - | $ - | $ 79,976 |

# UNION TOWNSHIP SCHOOL DISTRICT
## STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
## FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| | Unemployment Compensation Fund |
|---|---|
| ADDITIONS | |
| Contributions: | |
| Plan Members | $ 7,903 |
| Investment Earnings-Interest | 8 |
| Total Additions | 7,911 |
| DEDUCTIONS | |
| Unemployment Claims | 50,734 |
| Other Financing Sources: | |
| Transfers In from General Fund | 103,457 |
| Change in Net Assets | 60,634 |
| Net Assets, Beginning of the Year | 19,342 |
| Net Assets, End of the Year | $ 79,976 |

UNION TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| | Balance 07/01/09 | Additions | Deletions | Balance 06/30/10 |
|---|---|---|---|---|
| ASSETS | | | | |
| Cash & Cash Equivalents | $ 34,632 | $ 40,487 | $ 42,572 | $ 32,547 |
| Due from Other Funds | 240 | | 240 | |
| TOTAL ASSETS | $ 34,872 | $ 40,487 | $ 42,812 | $ 32,547 |
| LIABILITIES | | | | |
| Due to Student Groups | $ 34,872 | $ 40,487 | $ 42,812 | $ 32,547 |
| TOTAL LIABILITIES | $ 34,872 | $ 40,487 | $ 42,812 | $ 32,547 |

UNION TOWNSHIP SCHOOL DISTRICT
PAYROLL AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| | Balance 07/01/09 | Additions | Deletions | Balance 06/30/10 |
|---|---|---|---|---|
| ASSETS | | | | |
| Cash & Cash Equivalents | $ 47,102 | $ 5,458,874 | $ 5,489,530 | $ 16,446 |
| TOTAL ASSETS | $ 47,102 | $ 5,458,874 | $ 5,489,530 | $ 16,446 |
| LIABILITIES | | | | |
| Payroll Deductions & Withholdings | $ 43,285 | $ 2,099,715 | $ 2,129,038 | $ 13,962 |
| Net Payroll | | 3,349,796 | 3,349,796 | |
| Due to Other Funds | 3,817 | 9,363 | 10,696 | 2,484 |
| TOTAL LIABILITIES | $ 47,102 | $ 5,458,874 | $ 5,489,530 | $ 16,446 |

## LONG-TERM DEBT SCHEDULES

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

UNION TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
STATEMENT OF SERIAL BONDS
JUNE 30,2010

| Issue | Date of Issue | Amount of Issue | Annual Maturities Date | Annual Maturities Amount | Interest Rate | Balance 07/01/09 | Issued | Retired | Balance 06/30/10 |
|---|---|---|---|---|---|---|---|---|---|
| School Addition | 12/01/95 | $ 2,763,000 | 07/15/10 | $ 277,000 | 5.00% | $ 538,000 | | $ 261,000 | $ 277,000 |
| New Elementary School | 07/01/02 | 11,962,000 | 07/15/10 | 100,000 | 4.75% | | | | |
| | | | 07/15/11 | 300,000 | | | | | |
| | | | 07/15/12 | 315,000 | | | | | |
| | | | 07/15/13 | 330,000 | | | | | |
| | | | 07/15/14 | 345,000 | | | | | |
| | | | 07/15/15 | 360,000 | | | | | |
| | | | 07/15/16 | 375,000 | | | | | |
| | | | 07/15/17 | 395,000 | | | | | |
| | | | 07/15/18 | 415,000 | | | | | |
| | | | 07/15/19 | 435,000 | | 3,470,000 | | 100,000 | 3,370,000 |
| New Elementary School | 09/29/05 | 2,900,000 | 07/15/10-11 | 75,000 | 4.00% | | | | |
| | | | 07/15/12-13 | 100,000 | | | | | |
| | | | 07/15/14 | 105,000 | | | | | |
| | | | 07/15/15 | 110,000 | | | | | |
| | | | 07/15/16 | 115,000 | | | | | |
| | | | 07/15/17 | 120,000 | | | | | |
| | | | 07/15/18 | 125,000 | | | | | |
| | | | 07/15/19 | 130,000 | | | | | |
| | | | 07/15/20 | 135,000 | | | | | |
| | | | 07/15/21 | 140,000 | | | | | |
| | | | 07/15/22 | 145,000 | 4.25% | | | | |
| | | | 07/15/23 | 150,000 | | | | | |
| | | | 07/15/24 | 155,000 | | | | | |
| | | | 07/15/25 | 160,000 | | | | | |
| | | | 07/15/26 | 165,000 | | | | | |
| | | | 07/15/27 | 170,000 | | | | | |
| | | | 07/15/28 | 170,000 | 4.30% | | | | |
| | | | 07/15/29 | 175,000 | | | | | |
| | | | 07/15/30 | 180,000 | 4.35% | 2,850,000 | | 50,000 | 2,800,000 |

UNION TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
STATEMENT OF SERIAL BONDS
JUNE 30,2010
(Continued)

| Issue | Date of Issue | Amount of Issue | Annual Maturities Date | Annual Maturities Amount | Interest Rate | Balance 07/01/09 | Issued | Retired | Balance 06/30/10 |
|---|---|---|---|---|---|---|---|---|---|
| Refunding Issue of 2002 Issue for New Elementary School | 03/22/07 | $ 8,920,000 | 07/15/10-07/15/12 | $ 30,000 | 4.00% | | | | |
| | | | 07/15/13-07/15/15 | 35,000 | | | | | |
| | | | 07/15/16-07/15/18 | 40,000 | | | | | |
| | | | 07/15/19 | 45,000 | | | | | |
| | | | 07/15/20 | 500,000 | | | | | |
| | | | 07/15/21 | 520,000 | | | | | |
| | | | 07/15/22 | 540,000 | | | | | |
| | | | 07/15/23 | 565,000 | | | | | |
| | | | 07/15/24 | 585,000 | | | | | |
| | | | 07/15/25 | 615,000 | | | | | |
| | | | 07/15/26 | 640,000 | | | | | |
| | | | 07/15/27 | 665,000 | | | | | |
| | | | 07/15/28 | 695,000 | 4.125% | | | | |
| | | | 07/15/29 | 725,000 | | | | | |
| | | | 07/15/30 | 755,000 | 4.15% | | | | |
| | | | 07/15/31 | 790,000 | | | | | |
| | | | 07/15/32 | 820,000 | | $ 8,805,000 | | $ 30,000 | $ 8,775,000 |
| | | | | | | $ 15,663,000 | $ - | $ 441,000 | $ 15,222,000 |

UNION TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
JUNE 30,2010

| | Interest Rate | Amount of Original Issue | Balance 07/01/09 | Issued Current Year | Retired Current Year | Balance 06/30/10 |
|---|---|---|---|---|---|---|
| Ford F-250 Truck | 3.83% | $ 23,473 | $ 9,692 | $ - | $ 4,755 | $ 4,937 |

UNION TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| | Original Budget | Budget Transfers | Final Budget | Actual | Variance Final to Actual |
|---|---|---|---|---|---|
| REVENUES | | | | | |
| Local Sources: | | | | | |
| Local Tax Levy | $ 1,078,863 | | $ 1,078,863 | $ 1,078,863 | |
| State Sources: | | | | | |
| Debt Service Aid-State Support | 18,912 | | 18,912 | 18,912 | |
| Total Revenues | 1,097,775 | $ - | 1,097,775 | 1,097,775 | $ - |
| EXPENDITURES | | | | | |
| Regular Debt Service: | | | | | |
| Interest | 656,775 | | 656,775 | 656,775 | |
| Redemption of Principal | 441,000 | | 441,000 | 441,000 | |
| Total Expenditures | 1,097,775 | - | 1,097,775 | 1,097,775 | - |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | - | - | - | - | - |
| Fund Balance, July 1 | 825 | - | 825 | 825 | - |
| Fund Balance, June 30 | $ 825 | $ - | $ 825 | $ 825 | $ - |
| Recapitulation of Excess (Deficiency of Revenue Over (Under) Expenditures: | | | | | |
| Budgeted Fund Balance | $ - | $ - | $ - | $ - | $ - |

# STATISTICAL SECTION

UNION TOWNSHIP SCHOOL DISTRICT
STATISTICAL SECTION J SERIES

CONTENTS


| | PAGE |
|---|---|
| FINANCIAL TRENDS | |
| These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time. | J-1 to J-5 |
| REVENUE CAPACITY | |
| These schedules contain trend information to help the reader assess the District's most significant local revenue sources, the property tax. | J-6 to J-9 |
| DEBT CAPACITY | |
| These schedules contain trend information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future. | J-10 to J-13 |
| DEMOGRAPHIC AND ECONOMIC INFORMATION | |
| These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place. | J-14 to J-15 |
| OPERATING INFORMATION | |
| These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs. | J-16 to J-20 |


Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports (CAFR) for the relevant year. The District implemented GASB Statement 34 in the fiscal year ending June 30, 2004; schedules presenting district-wide information include information beginning in that year.

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

| | Fiscal Year Ending June 30, | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| GOVERNMENT ACTIVITIES | | | | | | | |
| Invested in Capital Assets, Net of Related Debt | $ 1,430,207 | $ 1,560,581 | $ 1,400,618 | $ 3,988,567 | $ 4,259,517 | $ 4,147,013 | $ 4,090,453 |
| Restricted | 48,940 | 1 | 376,360 | 85,152 | 247,773 | 441,050 | 841,123 |
| Unrestricted | (150,812) | (189,179) | 87,475 | 277,364 | 25,191 | (26,937) | 278,896 |
| TOTAL GOVERNMENTAL ACTIVITIES NET ASSETS | $ 1,328,335 | $ 1,371,403 | $ 1,864,453 | $ 4,351,083 | $ 4,532,481 | $ 4,561,126 | $ 5,210,472 |
| BUSINESS-TYPE ACTIVITIES | | | | | | | |
| Invested in Capital Assets, Net of Related Debt | $ 19,214 | $ 19,620 | $ 21,702 | $ 18,605 | $ 15,507 | $ 12,410 | $ 9,312 |
| Unrestricted | (3,211) | 2,361 | 4,602 | 3,298 | 10,490 | 19,330 | 22,073 |
| TOTAL BUSINESS-TYPE ACTIVITIES | $ 16,003 | $ 21,981 | $ 26,304 | $ 21,903 | $ 25,997 | $ 31,740 | $ 31,385 |
| DISTRICT-WIDE | | | | | | | |
| Invested in Capital Assets, Net of Related Debt | $ 1,449,421 | $ 1,580,201 | $ 1,422,320 | $ 4,007,172 | $ 4,275,024 | $ 4,159,423 | $ 4,099,765 |
| Restricted | 48,940 | 1 | 376,360 | 85,152 | 247,773 | 441,050 | 841,123 |
| Unrestricted | (154,023) | (186,818) | 92,077 | 280,662 | 35,681 | (7,607) | 300,969 |
| TOTAL DISTRICT-WIDE | $ 1,344,338 | $ 1,393,384 | $ 1,890,757 | $ 4,372,986 | $ 4,558,478 | $ 4,592,866 | $ 5,241,857 |

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

| | Fiscal Year Ending June 30, | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| EXPENSES | | | | | | | |
| Governmental Activities: | | | | | | | |
| Instruction: | | | | | | | |
| Regular | $ 2,947,925 | $ 3,314,579 | $ 3,173,181 | $ 3,611,663 | $ 3,783,314 | $ 3,951,779 | $ 3,706,061 |
| Special Education | 1,080,636 | 1,134,125 | 1,148,769 | 1,226,602 | 1,270,636 | 1,229,817 | 1,339,516 |
| Other Special Education | 98,857 | 103,805 | 104,922 | 75,141 | 88,507 | 65,758 | 58,685 |
| Other Instruction | 79,833 | 81,119 | 76,964 | 74,186 | 82,490 | 94,194 | 232,929 |
| Support Services: | | | | | | | |
| Tuition | 166,846 | 139,632 | 192,895 | 282,592 | 441,033 | 499,416 | 448,670 |
| Student & Instruction Related Services | 1,092,747 | 1,151,391 | 1,147,165 | 1,202,482 | 1,073,163 | 1,205,147 | 1,203,134 |
| General & Business Administrative Services | 816,365 | 824,805 | 742,702 | 951,606 | 898,864 | 776,494 | 771,964 |
| School Administration | 191,464 | 197,696 | 208,005 | 257,793 | 212,449 | 221,538 | 309,074 |
| Plant Operations & Maintenance | 712,421 | 717,823 | 665,073 | 1,067,087 | 1,189,226 | 1,207,912 | 946,477 |
| Pupil Transportation | 401,137 | 414,349 | 522,095 | 613,952 | 640,986 | 667,414 | 653,496 |
| Transfers to Charter Schools | | 8,385 | | | | | |
| Interest on Long-Term Debt | 664,846 | 652,693 | 732,911 | 667,764 | 683,149 | 668,490 | 647,346 |
| Total Governmental Activities Expenses | 8,253,077 | 8,740,402 | 8,714,682 | 10,030,868 | 10,363,817 | 10,587,959 | 10,317,352 |
| Business-Type Activities: | | | | | | | |
| Child Care | | | | | | 120,038 | |
| Food Services | 140,512 | 142,389 | 143,958 | 145,378 | 159,073 | 158,841 | 148,157 |
| Total Business-Type Activities | 140,512 | 142,389 | 143,958 | 145,378 | 159,073 | 278,879 | 148,157 |
| TOTAL DISTRICT EXPENSES | $ 8,393,589 | $ 8,882,791 | $ 8,858,640 | $ 10,176,246 | $ 10,522,890 | $ 10,866,838 | $ 10,465,509 |

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

| | Fiscal Year Ending June 30, | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| PROGRAM REVENUES | | | | | | | |
| Governmental Activities: | | | | | | | |
| Charges for Services: | | | | | | | |
| Regular Instruction | $ 2,074 | $ 226 | | | | $ 165 | |
| Other Instruction | 3,910 | | | | | | $ 146,267 |
| Student & Instruction Related Services | | | $ 3,150 | | | 85 | |
| General & Business Administrative Services | 126 | | 880 | | $ 41 | | |
| Plant Operations & Maintenance | | 3,163 | 5,233 | $ 14,611 | 10,675 | 5,822 | 2,303 |
| Pupil Transportation | 3,060 | | | | | | |
| Operating Grants & Contributions | 137,785 | 140,424 | 119,993 | 127,122 | 169,258 | 185,569 | 262,508 |
| Capital Grants & Contributions | 16,800 | | 15,766 | 3,060,136 | 77,248 | | |
| Total Governmental Activities Program Revenues | 163,755 | 143,813 | 145,022 | 3,201,869 | 257,222 | 191,641 | 411,078 |
| Business-Type Activities: | | | | | | | |
| Charges for Services: | | | | | | | |
| Child Care | | | | | | 205,120 | |
| Food Service | 117,006 | 124,126 | 119,030 | 112,954 | 129,933 | 132,466 | 120,979 |
| Operating Grants & Contributions | 20,604 | 18,410 | 20,474 | 20,998 | 24,147 | 25,316 | 26,758 |
| Total Business-Type Activities Program Revenues | 137,610 | 142,536 | 139,504 | 133,952 | 154,080 | 362,902 | 147,737 |
| TOTAL DISTRICT-PROGRAM REVENUES | $ 301,365 | $ 286,349 | $ 284,526 | $ 3,335,821 | $ 411,302 | $ 554,543 | $ 558,815 |
| NET (EXPENSE) REVENUES | | | | | | | |
| Governmental Activities | $ (8,089,322) | $ (8,596,589) | $ (8,569,660) | $ (6,828,999) | $ (10,106,595) | $ (10,396,318) | $ (9,906,274) |
| Business-Type Activities | (2,902) | 147 | (4,454) | (11,426) | (4,993) | 84,023 | (420) |
| TOTAL DISTRICT-WIDE NET EXPENSES | $ (8,092,224) | $ (8,596,442) | $ (8,574,114) | $ (6,840,425) | $ (10,111,588) | $ (10,312,295) | $ (9,906,694) |

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

| | Fiscal Year Ending June 30, | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| GENERAL REVENUES & OTHER CHANGES IN NET ASSETS | | | | | | | |
| Governmental Activities: | | | | | | | |
| Property Taxes Levied for General Purposes, Net | $ 5,922,067 | $ 6,310,974 | $ 6,439,151 | $ 7,323,876 | $ 7,543,485 | $ 7,814,862 | $ 8,187,711 |
| Taxes Levied for Debt Service | 805,019 | 838,870 | 1,021,165 | 911,105 | 1,032,132 | 1,075,746 | 1,078,863 |
| Unrestricted Grants & Contributions | 1,130,085 | 1,218,480 | 1,314,489 | 1,583,060 | 1,633,909 | 1,428,547 | 1,348,153 |
| Tuition Received | 73,167 | 60,810 | 25,617 | 10,300 | 19,009 | | |
| Investment Earnings | 68,322 | 193,038 | 256,500 | 92,020 | 37,962 | 5,791 | 5,284 |
| Miscellaneous Income | 9,120 | 17,485 | 14,108 | 38,019 | 30,035 | 21,723 | 39,066 |
| Transfers In (Out) | | | (8,320) | (6,310) | (8,539) | 78,294 | (103,457) |
| Special Item-Payment to Refunding Bond Agent | | | | (636,441) | | | |
| Total Governmental Activities | 8,007,780 | 8,639,657 | 9,062,710 | 9,315,629 | 10,287,993 | 10,424,963 | 10,555,620 |
| Business-Type Activities: | | | | | | | |
| Investment Earnings | 32 | 183 | 457 | 715 | 356 | 14 | 65 |
| Miscellaneous Income | | 5,648 | | | 192 | | |
| Transfers In (Out) | | | 8,320 | 6,310 | 8,539 | (78,294) | |
| Total Business-Type Activities | 32 | 5,831 | 8,777 | 7,025 | 9,087 | (78,280) | 65 |
| TOTAL DISTRICT-WIDE | $ 8,007,812 | $ 8,645,488 | $ 9,071,487 | $ 9,322,654 | $ 10,297,080 | $ 10,346,683 | $ 10,555,685 |
| CHANGE IN NET ASSETS | | | | | | | |
| Governmental Activities | $ (81,542) | $ 43,068 | $ 493,050 | $ 2,486,630 | $ 181,398 | $ 28,645 | $ 649,346 |
| Business-Type Activities | (2,870) | 5,978 | 4,323 | (4,401) | 4,094 | 5,743 | (355) |
| TOTAL DISTRICT | $ (84,412) | $ 49,046 | $ 497,373 | $ 2,482,229 | $ 185,492 | $ 34,388 | $ 648,991 |

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

| | Fiscal Year Ending June 30, | | | | | | |
|---|---|---|---|---|---|---|---|
| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| General Fund: | | | | | | | |
| Reserved | $ 62,265 | $ 53,145 | $ 294,416 | $ 135,589 | $ 280,083 | $ 443,928 | $ 1,083,093 |
| Unreserved | 179,416 | 101,012 | 129,367 | 345,765 | 236,373 | 218,564 | 271,721 |
| Total General Fund | $ 241,681 | $ 154,157 | $ 423,783 | $ 481,354 | $ 516,456 | $ 662,492 | $ 1,354,814 |
| All Other Governmental Funds: | | | | | | | |
| Unreserved, Reported In: | | | | | | | |
| Capital Projects Fund | $ 10,065,970 | $ 8,351,557 | $ 1,846,847 | $ 434,889 | $ 28,831 | $ 14,612 | $ 9,312 |
| Debt Service Fund | 48,939 | | 97,114 | 8,693 | 5,579 | 825 | 825 |
| Total All Other Governmental Funds | $ 10,114,909 | $ 8,351,557 | $ 1,943,961 | $ 443,582 | $ 34,410 | $ 15,437 | $ 10,137 |

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

| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|---|---|---|
| Revenues: | | | | | | | | | | |
| Tax Levy | $ 5,368,952 | $ 5,727,904 | $ 6,263,771 | $ 6,727,086 | $ 7,149,844 | $ 7,460,316 | $ 8,234,981 | $ 8,575,617 | $ 8,890,608 | $ 9,266,574 |
| Tuition Charges | 16,378 | 47,773 | 32,161 | 73,167 | 60,810 | 25,617 | 10,300 | 19,009 | | |
| Interest Earnings | 40,998 | 15,140 | 118,071 | 68,322 | 193,038 | 256,500 | 92,020 | 37,962 | 5,791 | 5,284 |
| Before/After School Child Care Service Fees | | | | | | | | | | 146,267 |
| Miscellaneous | 22,757 | 21,139 | 16,878 | 6,398 | 14,787 | 12,310 | 43,775 | 35,996 | 29,707 | 38,184 |
| State Sources | 847,247 | 983,476 | 1,041,012 | 1,133,461 | 1,222,424 | 1,318,617 | 1,584,096 | 1,634,619 | 1,428,547 | 1,307,979 |
| State Sources-Capital Projects | | | | 16,800 | | 15,766 | 3,060,136 | 77,248 | | |
| Federal Sources | 59,229 | 94,247 | 201,435 | 149,071 | 136,480 | 114,865 | 126,086 | 168,548 | 176,070 | 300,887 |
| Total Revenues | 6,355,561 | 6,889,679 | 7,673,328 | 8,174,305 | 8,777,383 | 9,203,991 | 13,151,394 | 10,548,999 | 10,530,723 | 11,065,175 |
| Expenditures: | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Regular Instruction | 2,205,020 | 2,267,102 | 2,226,826 | 2,175,920 | 2,460,835 | 2,273,556 | 2,324,944 | 2,568,771 | 2,700,717 | 2,559,376 |
| Special Education Instruction | 482,632 | 508,872 | 607,590 | 721,499 | 744,595 | 754,072 | 812,298 | 807,912 | 790,261 | 843,614 |
| Other Special Instruction | 32,480 | 36,065 | 62,683 | 68,720 | 75,402 | 74,143 | 59,654 | 58,437 | 51,519 | 46,388 |
| School Sponsored/Other Instructional | 45,620 | 48,115 | 55,819 | 56,427 | 59,700 | 55,583 | 62,157 | 67,634 | 73,214 | 173,140 |
| Support Services: | | | | | | | | | | |
| Tuition | 122,620 | 115,267 | 242,720 | 166,846 | 139,632 | 192,895 | 176,906 | 331,396 | 386,067 | 338,319 |
| Student & Inst Related Services | 814,382 | 745,403 | 776,577 | 827,336 | 844,172 | 820,728 | 891,936 | 776,725 | 887,311 | 862,244 |
| General Administration | 349,049 | 321,201 | 335,842 | 419,993 | 494,516 | 480,206 | 622,138 | 588,785 | 433,631 | 423,783 |
| School Administration Services | 142,685 | 165,309 | 147,847 | 151,125 | 149,140 | 152,877 | 194,258 | 147,343 | 158,758 | 221,011 |
| Central Services | 147,908 | 213,425 | 233,834 | 239,015 | 173,248 | 124,590 | 141,174 | 153,297 | 169,788 | 179,628 |
| Administrative Information Technology | | | | | | 10,000 | 16,083 | | | |
| Plant Operations & Maintenance | 447,193 | 446,901 | 520,589 | 615,509 | 638,940 | 590,086 | 962,169 | 1,069,212 | 1,071,189 | 838,824 |
| Pupil Transportation | 367,883 | 410,382 | 445,706 | 398,077 | 414,349 | 516,749 | 608,203 | 639,387 | 665,815 | 651,897 |
| Employee Benefits | 591,989 | 787,315 | 894,846 | 1,043,470 | 1,193,941 | 1,175,226 | 1,257,752 | 1,164,314 | 1,241,146 | 1,226,506 |
| On-Behalf TPAF Pension & Social Security Contribution | 267,051 | 233,401 | 315,470 | 354,480 | 409,113 | 497,247 | 758,497 | 782,934 | 527,825 | 535,034 |
| Capital Outlay | 238,323 | 9,966 | 4,932 | | 37,058 | 51,658 | 141,171 | 51,814 | 25,600 | 9,349 |
| Transfer of Funds to Charter Schools | | | | | 8,385 | | | | | |
| Special Revenue Funds | 86,680 | 135,457 | 233,508 | 152,447 | 140,424 | 119,993 | 127,122 | 169,258 | 185,569 | 262,508 |
| Capital Projects Fund | | 905,059 | 627,098 | 411,310 | 1,738,490 | 9,458,325 | 4,540,755 | 483,306 | 14,219 | 5,300 |
| Debt Service: | | | | | | | | | | |
| Principal | 158,000 | 168,000 | 177,000 | 187,000 | 248,000 | 259,000 | 271,000 | 424,000 | 422,000 | 441,000 |
| Interest & Other Charges | 112,900 | 104,750 | 393,646 | 669,131 | 658,319 | 683,777 | 752,671 | 630,005 | 677,325 | 656,775 |
| Total Expenditures | 6,612,415 | 7,621,990 | 8,302,533 | 8,658,305 | 10,628,259 | 18,290,711 | 14,720,888 | 10,914,530 | 10,481,954 | 10,274,696 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (256,854) | (732,311) | (629,205) | (484,000) | (1,850,876) | (9,086,720) | (1,569,494) | (365,531) | 48,769 | 790,479 |
| Other Financing Sources (Uses): | | | | | | | | | | |
| Bond Issue Proceeds | | | 11,722,760 | | | 2,900,000 | | | | |
| Proceeds from Refunding Bond Issue | | | | | | | 8,920,000 | | | |
| Payment to Refunding Bond Escrow Agent | | | | | | | (8,778,441) | | | |
| Premium (Discount) on Bond Issue | | | 75 | | | 33,597 | (8,563) | | | |
| Capital Leases | | | | | | 23,473 | | | | |
| Deposit on Sale of Bonds | | 239,240 | | | | | | | | |
| Prior Year Receivable Canceled | | | | | | | | | | |
| Transfers In (Out) | (6,150) | (2,239) | (363) | | | (8,320) | (6,310) | (8,539) | 78,294 | (103,457) |
| Total Other Financing Sources (Uses) | (6,150) | 237,001 | 11,722,472 | - | - | 2,948,750 | 126,686 | (8,539) | 78,294 | (103,457) |
| Net Change in Fund Balances | $ (263,004) | $ (495,310) | $ 11,093,267 | $ (484,000) | $ (1,850,876) | $ (6,137,970) | $ (1,442,808) | $ (374,070) | $ 127,063 | $ 687,022 |
| Debt Service as a Percentage of Non capital Expenditures | 4.44% | 4.24% | 8.04% | 11.58% | 11.41% | 12.03% | 11.35% | 11.30% | 11.77% | 11.98% |

Source: District Records

NOTE: Non-capital expenditures are total expenditures less capital outlay, capital projects fund and debt service.
Central Service and Administrative Information Technology account classifications were added beginning with year end June 30, 2005
Prior to June 30; 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

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

| Description | Fiscal Year Ending June 30, | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
| Interest Income | $ 40,998 | $ 14,140 | $ 8,769 | $ 6,020 | $ 18,611 | $ 31,936 | $ 57,391 | $ 35,920 | $ 5,466 | $ 5,014 |
| Tuition | 16,378 | 47,773 | 32,161 | 73,167 | 60,810 | 25,617 | 10,300 | 19,009 | | |
| Prior Year Accounts Payable Canceled | | 4,692 | | | 2,985 | | | | 2,225 | 1,356 |
| Insurance Dividends | | | 4,490 | | | | | | | |
| Insurance Rebates | | | | | | | | | 5,981 | |
| In Lieu of Taxes | 4,546 | 2,336 | | 4,444 | 2,280 | 2,261 | | | | |
| Bid Spec Fees | | | | | | | | | | |
| Prior Year Refunds | 5,827 | 2,121 | 11,937 | 829 | 193 | 3,610 | 790 | 20,751 | | 8,668 |
| Rentals | | | | | 250 | | 10,000 | 10,000 | 2,480 | 1,403 |
| Miscellaneous Other | 9 | 280 | 355 | 941 | 1,852 | 1,194 | | 41 | 161 | 349 |
| Sale of Surplus Assets | | | 96 | 100 | | | | | | |
| Donations | | 5,000 | | 55 | 6,941 | | 32,900 | 5,074 | | 2,500 |
| Vending Machine Sales | 980 | | | | | | | | | |
| Textbook Sales | 400 | | | | | | | | | 495 |
| Miscellaneous Account Balances Canceled | | | | | | | | | | 193 |
| E-Rate Telephone Reimbursements | 10,071 | | | | | | | | 9,343 | 8,854 |
| Before/After School Child Care Service Fees | | | | | | | | | | 146,267 |
| Copier Lease Buy Out | | | | | | | | | | 9,321 |
| Miscellaneous Grants | | | | | | | | | | 2,503 |
| Outstanding Checks Voided | | 5,607 | | | | 4,245 | 85 | 130 | 18 | 747 |
| Annual Totals | $ 79,209 | $ 81,949 | $ 57,808 | $ 85,556 | $ 93,922 | $ 68,863 | $ 111,466 | $ 90,925 | $ 25,674 | $ 187,670 |

Source: District Records

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

| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|---|---|---|
| Vacant Land | $ 17,873,951 | $ 21,516,151 | $ 20,842,553 | $ 21,043,753 | $ 18,052,753 | $ 17,106,353 | $ 21,461,753 | $ 17,071,053 | $ 17,789,004 | $ 14,951,504 |
| Residential | 323,758,100 | 458,252,800 | 469,932,400 | 481,886,000 | 490,224,800 | 495,155,800 | 501,947,100 | 519,230,400 | 531,265,200 | 534,714,400 |
| Farm Regular | 18,736,200 | 28,399,300 | 28,009,400 | 28,560,500 | 30,377,650 | 31,722,700 | 31,951,200 | 32,247,700 | 32,804,500 | 32,635,000 |
| Q Farm | 1,350,760 | 1,281,030 | 1,216,780 | 1,200,115 | 1,165,215 | 1,120,815 | 1,072,715 | 1,073,165 | 1,074,115 | 1,077,841 |
| Commercial | 104,938,700 | 106,665,800 | 108,636,800 | 100,622,600 | 100,639,700 | 102,662,000 | 102,662,000 | 93,292,800 | 93,143,200 | 92,890,900 |
| Industrial | 5,073,000 | 13,560,200 | 13,560,200 | 13,560,200 | 14,192,100 | 14,192,100 | 14,192,100 | 14,192,100 | 14,192,100 | 14,192,100 |
| Apartment | 157,200 | 230,900 | 230,900 | 230,900 | 230,900 | 230,900 | 230,900 | 230,900 | 230,900 | 230,900 |
| Total Assessed Value | 471,887,911 | 629,906,181 | 642,429,033 | 647,104,068 | 654,883,118 | 662,190,668 | 673,517,768 | 677,338,118 | 690,499,019 | 690,692,645 |
| Public Utilities (a) | 1,833,370 | 1,833,370 | 1,955,185 | 1,951,857 | 1,675,388 | 1,675,340 | 1,395,073 | 6,213,305 | 6,213,177 | 6,213,177 |
| Net Valuation Taxable | $ 473,721,281 | $ 631,739,551 | $ 644,384,218 | $ 649,055,925 | $ 656,558,506 | $ 663,866,008 | $ 674,912,841 | $ 683,551,423 | $ 696,712,196 | $ 696,905,822 |
| Estimated Actual County Equalized Value | $ 591,074,085 | $ 703,104,676 | $ 739,022,377 | $ 745,107,268 | $ 856,773,535 | $ 949,881,505 | $ 1,045,339,935 | $ 1,039,966,366 | $ 1,018,649,790 | $ 930,199,976 |
| Percentage of Net Valuation to Estimated Actual County Equalized Value | 80.15% | 89.85% | 87.19% | 87.11% | 76.63% | 69.89% | 64.56% | 65.73% | 68.40% | 74.92% |
| Total Direct School Tax Rate (b) | $ 1.21 | $ 0.99 * | $ 1.05 | $ 1.11 | $ 1.14 | $ 1.24 | $ 1.27 | $ 1.30 | $ 1.33 | $ 1.35 |

Source: Municipal Tax As

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

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

* Revalued/Reassessed

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

| Assessment Year | | School District Direct Rate | | | | Overlapping Rates | | Total Direct & Overlapping Tax Rate |
|---|---|---|---|---|---|---|---|---|
| | | Basic Rate (a) | General Obligation Debt Service (b) | (From J-6) Total Direct School Tax Rate | Regional School Rate | Municipality | County | |
| 2001 | | $ 1.16 | $ 0.05 | $ 1.21 | $ 0.56 | $ 0.03 | $ 0.58 | $ 2.38 |
| 2002 | * | 0.89 | 0.10 | 0.99 | 0.53 | 0.03 | 0.51 | 2.06 |
| 2003 | | 0.92 | 0.13 | 1.05 | 0.51 | 0.04 | 0.47 | 2.07 |
| 2004 | | 0.98 | 0.13 | 1.11 | 0.58 | 0.04 | 0.47 | 2.20 |
| 2005 | | 0.98 | 0.16 | 1.14 | 0.64 | 0.07 | 0.49 | 2.34 |
| 2006 | | 1.10 | 0.14 | 1.24 | 0.66 | 0.08 | 0.51 | 2.49 |
| 2007 | | 1.12 | 0.15 | 1.27 | 0.67 | 0.16 | 0.51 | 2.61 |
| 2008 | | 1.14 | 0.16 | 1.30 | 0.69 | 0.18 | 0.51 | 2.68 |
| 2009 | | 1.18 | 0.15 | 1.33 | 0.74 | 0.20 | 0.50 | 2.77 |
| 2010 | | 1.19 | 0.16 | 1.35 | 0.75 | 0.21 | 0.46 | 2.77 |

Sources: Municipal Tax Collector

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

(a) The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net valuation taxable.
(b) Rates for debt service are based on each year's requirements.

* Revalued/Reassessed

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

| | 2010 | | | 2001 | | |
|---|---|---|---|---|---|---|
| | Taxable Assessed Value | Rank | % of Total District Net Assessed Value | Taxable Assessed Value | Rank | % of Total District Net Assessed Value |
| Energy LLC | $ 31,240,250 | 1 | 4.48% | | | |
| Crown Perryville LLC | 19,000,000 | 2 | 2.73% | | | |
| INO Therapeutics Inc | 8,610,000 | 3 | 1.24% | | | |
| Transcontinental Gas Pipeline Company | 4,909,700 | 4 | 0.70% | | | |
| County Arch Care Center | 4,618,500 | 5 | 0.66% | $ 3,573,400 | 2 | 0.76% |
| Fallone at Union LLC | 4,304,600 | 6 | 0.62% | | | |
| Evergreen Associates | 4,099,100 | 7 | 0.59% | 3,290,600 | 3 | 0.70% |
| FW LLC/FW Realty | 3,484,750 | 8 | 0.50% | | | |
| Clinton Block LLC | 3,445,400 | 9 | 0.49% | | | |
| FDRA LLC | 2,513,000 | 10 | 0.36% | | | |
| Foster Wheeler Corp | | | | 66,910,600 | 1 | 14.12% |
| Annandale Enterprises | | | | 2,813,500 | 4 | 0.59% |
| Red Hills Industrial Park | | | | 2,625,200 | 5 | 0.55% |
| Woodhurst Realty LLP | | | | 1,815,000 | 6 | 0.38% |
| Hilltop Fuel Co | | | | 1,653,300 | 7 | 0.35% |
| Hunterdon Realty Holders LLC | | | | 1,550,000 | 8 | 0.33% |
| Individual Property Owner | | | | 1,506,600 | 9 | 0.32% |
| Radco Construction | | | | 1,361,900 | 10 | 0.29% |
| | $ 86,225,300 | | 12.37% | $ 87,100,100 | | 18.39% |

Source: Municipal Tax Assessor

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

| Year Ending December 31, | Taxes Levied for the Year | Collected Within the Fiscal Year of the Levy (a) | |
|---|---|---|---|
| | | Amount | Percentage of Levy |
| 2000 | $ 10,802,863 | $ 10,431,620 | 96.56% |
| 2001 | 11,565,307 | 11,168,959 | 96.57% |
| 2002 | 13,169,693 | 12,881,833 | 97.81% |
| 2003 | 13,624,049 | 13,341,634 | 97.93% |
| 2004 | 14,399,144 | 14,101,721 | 97.92% |
| 2005 | 15,484,594 | 15,232,476 | 98.37% |
| 2006 | 16,768,356 | 16,441,468 | 98.05% |
| 2007 | 17,944,383 | 17,539,149 | 97.74% |
| 2008 | 18,587,529 | 18,257,565 | 98.22% |
| 2009 | 19,364,904 | 19,012,814 | 98.18% |

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

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

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

| Fiscal Year Ending June 30, | Governmental Activities | | | | Business-Type Activities | | | |
|---|---|---|---|---|---|---|---|---|
| | General Obligation Bonds | Certificates of Participation | Capital Leases | Bond Anticipation Notes (BANs) | Capital Leases | Total District | % of Personal Income (a) | Per Capita (a) |
| 2001 | $ 2,179,000 | | $ 2,949 | | | $ 2,181,949 | 0.65% | $ 349 |
| 2002 | 2,011,000 | | | $ 950,000 | | 2,961,000 | 0.84% | 468 |
| 2003 | 13,796,000 | | | | | 13,796,000 | 3.82% | 2,181 |
| 2004 | 13,609,000 | | | | | 13,609,000 | 3.67% | 2,153 |
| 2005 | 13,361,000 | | | | | 13,361,000 | 3.56% | 2,135 |
| 2006 | 16,002,000 | | 18,682 | | | 16,020,682 | 4.28% | 2,551 |
| 2007 | 16,509,000 | | 18,682 | | | 16,527,682 | 4.11% | 2,641 |
| 2008 | 16,085,000 | | 14,271 | | | 16,099,271 | 3.78% | 2,578 |
| 2009 | 15,663,000 | | 9,692 | | | 15,672,692 | 3.67% | 2,526 |
| 2010 | 15,222,000 | | 4,937 | | | 15,226,937 | N/A | 2,454 |

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

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

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

| Fiscal Year Ending June 30, | General Bonded Debt Outstanding | | | % of Actual Taxable Value of Property (a) | Per Capita (b) |
|---|---|---|---|---|---|
| | General Obligation Bonds | Deductions | Net General Bonded Debt Outstanding | | |
| 2001 | $ 2,179,000 | | $ 2,179,000 | 0.46% | $ 348 |
| 2002 | 2,011,000 | | 2,011,000 | 0.32% | 318 |
| 2003 | 13,796,000 | | 13,796,000 | 2.04% | 2,181 |
| 2004 | 13,609,000 | | 13,609,000 | 2.10% | 2,153 |
| 2005 | 13,361,000 | | 13,361,000 | 2.04% | 2,135 |
| 2006 | 16,002,000 | | 16,002,000 | 2.41% | 2,548 |
| 2007 | 16,509,000 | | 16,509,000 | 2.45% | 2,638 |
| 2008 | 16,085,000 | | 16,085,000 | 2.35% | 2,576 |
| 2009 | 15,663,000 | | 15,663,000 | 2.25% | 2,525 |
| 2010 | 15,222,000 | | 15,222,000 | 2.18% | 2,454 |

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

(a) See Exhibit J-6 for property tax data.
(b) Population data can be found in Exhibit J-14.

UNION TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2009

| GOVERNMENTAL UNIT | Debt Outstanding | Estimated % Applicable (a) | Estimated Share of Overlapping Debt |
|---|---|---|---|
| Debt Repaid with Property Taxes: | | | |
| Municipality | $ 8,578,532 | 100.00 | $ 8,578,532 |
| Regional High School | 5,245,000 | 10.04 | 526,412 |
| County General Obligation Debt | 115,572,465 | 3.92 | 4,531,524 |
| Subtotal, Overlapping Debt | | | 13,636,468 |
| School District Direct Debt | | | 15,222,000 |
| Total Direct and Overlapping Debt | | | $ 28,858,468 |

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

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2010

| | | | |
|---|---|---|---|
| Equalized Valuation Basis | | | |
| | 2009 | $ 921,648,450 | |
| | 2008 | 981,222,828 | |
| | 2007 | 959,700,439 | |
| | | $ 2,862,571,717 | |
| Average Equalized Valuation of Taxable Property | | $ 954,190,572 | |
| Debt Limit (3.0% of Average Equalization Value) | | $ 28,625,717 | (a) |
| Total Net Debt Applicable to Limit | | 15,222,000 | |
| Legal Debt Margin | | $ 13,403,717 | |

| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|---|---|---|
| Debt Limit | $ 13,208,211 | $ 14,657,618 | $ 16,629,226 | $ 18,725,708 | $ 20,608,933 | $ 22,736,522 | $ 25,022,454 | $ 27,127,201 | $ 28,594,843 | $ 28,625,717 |
| Total Net Debt Applicable | 2,179,000 | 13,973,000 | 16,546,686 | 16,342,886 | 16,094,600 | 18,719,834 | 16,509,000 | 16,085,000 | 15,663,000 | 15,222,000 |
| Legal Debt Margin | $ 11,029,211 | $ 684,618 | $ 82,540 | $ 2,382,822 | $ 4,514,333 | $ 4,016,688 | $ 8,513,454 | $ 11,042,201 | $ 12,931,843 | $ 13,403,717 |
| Total Net Debt Applicable to the Limit as a Percentage of Debt Limit | 16.50% | 95.33% | 99.50% | 87.28% | 78.10% | 82.33% | 65.98% | 59.29% | 54.78% | 53.18% |

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

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

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

| Year | Population ( a ) | Personal Income ( b ) | Per Capita Personal Income ( c ) | Unemployment Rate ( d ) |
|---|---|---|---|---|
| 2001 | 6,253 | $ 333,597,550 | $ 53,350 | 1.5% |
| 2002 | 6,328 | 350,761,040 | 55,430 | 2.6% |
| 2003 | 6,326 | 361,277,860 | 57,110 | 2.9% |
| 2004 | 6,322 | 370,886,452 | 58,666 | 2.4% |
| 2005 | 6,259 | 375,020,503 | 59,917 | 3.0% |
| 2006 | 6,281 | 374,297,352 | 59,592 | 3.4% |
| 2007 | 6,259 | 402,616,434 | 64,326 | 2.9% |
| 2008 | 6,245 | 425,621,730 | 68,154 | 3.8% |
| 2009 | 6,204 | 426,742,140 | 68,785 | 7.0% |
| 2010 | 6,204 | N/A | N/A | N/A |

Sources:

( a ) Population information provided by the NJ Dept of Labor and Workforce Development

( b ) Personal income has been estimated based upon the municipal population and per capita personal income presented

( c ) Per capita personal income by county estimated based upon the 2000 census published by the US Bureau of Economic Analysis.

( d ) Unemployment data provided by the NJ Dept of Labor and Workforce Development

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

| | 2010 | | | 2001 | | |
|---|---|---|---|---|---|---|
| Employer | Employees | Rank | Percentage of Total Municipal Employment | Employees | Rank | Percentage of Total Municipal Employment |

INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

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

| FUNCTION/PROGRAM | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|---|---|
| Instruction: | | | | | | | | | |
| Regular | 42.0 | 42.0 | 48.0 | 50.0 | 50.0 | 49.3 | 46.0 | 39.0 | 39.0 |
| Special Education | 10.0 | 10.0 | 10.0 | 12.0 | 13.0 | 10.0 | 10.0 | 9.0 | 7.0 |
| Other Instruction | | | | | | | | | 2.0 |
| Support Services: | | | | | | | | | |
| Student and Instruction Related Services | 5.0 | 5.0 | 5.0 | 7.0 | 5.0 | 4.0 | 4.0 | 6.0 | 12.5 |
| General Administration | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 3.0 | 2.0 | 2.0 | 2.0 |
| School Administration Services | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 3.6 | 4.0 | 2.0 | 2.0 |
| Other Administrative Services | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 4.4 | 4.0 | 4.0 | 2.0 |
| Central Services | 2.0 | 2.0 | 3.0 | 2.0 | 3.0 | 1.8 | 1.8 | 2.0 | 2.5 |
| Plant Operations and Maintenance | 3.0 | 4.0 | 5.0 | 5.0 | 5.0 | 7.8 | 8.0 | 7.0 | 6.5 |
| Pupil Transportation | | | | | | 0.2 | | | |
| Before & After Care | | | | | | | | | 7.0 |
| Total | 71.0 | 72.0 | 80.0 | 85.0 | 85.0 | 84.1 | 79.8 | 71.0 | 82.5 |

General Note: Information prior to 2002 is unavailable
Sources: District Personnel Records

UNION TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS

| Fiscal Year | Enrollment | Operating Expenditures ( a ) | Cost Per Pupil | Percentage Change | Teaching Staff ( b) | Teacher Ratio | Average Daily Enrollment (ADE) ( c ) | Average Daily Attendance (ADA) ( c ) | % Change in Average Daily Enrollment | Student Attendance Percentage |
|---|---|---|---|---|---|---|---|---|---|---|
| 2001 | 632 | $ 6,103,192 | $ 9,657 | 12.17% | 60 | 1 to 10.53 | 613.9 | 585.2 | 2.35% | 95.32% |
| 2002 | 637 | 6,434,215 | 10,101 | 4.60% | 65 | 1 to 9.80 | 620.5 | 592.0 | 1.08% | 95.41% |
| 2003 | 646 | 7,099,857 | 10,990 | 8.81% | 70 | 1 to 9.23 | 637.1 | 607.7 | 2.68% | 95.39% |
| 2004 | 647 | 7,390,864 | 11,423 | 3.94% | 67 | 1 to 9.66 | 644.9 | 619.3 | 1.22% | 96.04% |
| 2005 | 621 | 7,946,392 | 12,796 | 12.02% | 65 | 1 to 9.55 | 613.0 | 586.5 | -4.95% | 95.68% |
| 2006 | 607 | 7,837,951 | 12,913 | 0.91% | 63 | 1 to 9.63 | 594.0 | 570.3 | -3.10% | 96.01% |
| 2007 | 608 | 9,015,291 | 14,828 | 14.83% | 59 | 1 to 10.25 | 603.3 | 578.0 | 1.57% | 95.81% |
| 2008 | 607 | 9,325,405 | 15,363 | 3.61% | 54 | 1 to 11.22 | 606.7 | 581.7 | 0.56% | 95.88% |
| 2009 | 574 | 9,342,810 | 16,277 | 5.95% | 48 | 1 to 11.95 | 554.4 | 531.0 | -8.62% | 95.78% |
| 2010 | 535 | 9,162,272 | 17,126 | 5.22% | 46 | 1 to 11.63 | 533.3 | 511.4 | -3.81% | 95.89% |

Source: District Records

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

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

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

UNION TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

| DISTRICT BUILDING | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---|---|---|---|---|---|---|---|---|---|
| Middle School (1954) | | | | | | | | | | |
| Square Feet | 64,060 | 64,060 | 64,060 | 64,060 | 64,060 | 64,060 | 64,060 | 64,060 | 64,060 | 64,060 |
| Capacity (Students) | 550 | 550 | 550 | 550 | 550 | 550 | 550 | 550 | 550 | 550 |
| Enrollment | 650 | 657 | 646 | 646 | 621 | 608 | 302 | 300 | 277 | 242 |
| Elementary School (2007) | | | | | | | | | | |
| Square Feet | | | | | | | 53,213 | 53,213 | 53,213 | 53,213 |
| Capacity (Students) | | | | | | | 500 | 500 | 500 | 500 |
| Enrollment | | | | | | | 299 | 306 | 303 | 282 |

Number of Schools at June 30, 2010:

| | |
|---|---|
| Elementary | 1 |
| Middle | 1 |

Source: District Facilities Office
N/A=Not Available

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

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

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES

| *School Facilities | Union Township Elementary School | Union Township Middle School | Total |
|---|---|---|---|
| 2001 | | $ 124,954 | $ 124,954 |
| 2002 | | 74,817 | 74,817 |
| 2003 | | 32,079 | 32,079 |
| 2004 | | 46,139 | 46,139 |
| 2005 | | 94,558 | 94,558 |
| 2006 | | 51,055 | 51,055 |
| 2007 | $ 14,388 | 44,105 | 58,493 |
| 2008 | 60,587 | 61,884 | 122,471 |
| 2009 | 50,413 | 149,760 | 200,173 |
| 2010 | 39,175 | 58,709 | 97,884 |
| Total School Facilities | $ 164,563 | $ 738,060 | $ 902,623 |

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

Source: District Records

# UNION TOWNSHIP SCHOOL DISTRICT
## INSURANCE SCHEDULE
## JUNE 30, 2010
## (UNAUDITED)

| | Coverage | Deductible |
|---|---|---|
| School Package Policy-NJ School Boards Association: | | |
| Property-Blanket Building & Contents (Policy Limit) | $ 300,000,000 | $ 2,500 |
| General Liability | 6,000,000 | |
| EDP Equipment | 525,000 | 1,000 |
| Boiler & Machinery | 100,000,000 | 1,000 |
| Crime Public Employee Dishonesty | 100,000 | 1,000 |
| Auto | 6,000,000 | 1,000 |
| School Board Legal Liability-NJ School Boards Association: | | |
| Directors and Officers Policy | 6,000,000 | 5,000 |
| Workers Compensation-NJ School Boards Association: | | |
| Per Accident Per Employee | 2,000,000 | |
| Per Disease Per Employee | 2,000,000 | |
| Disease Policy Limit | 2,000,000 | |
| Public Employees' Faithful Performance-Selective Insurance: | | |
| Assistant to Business Administrator | 200,000 | |
| Treasurer of School Monies | 200,000 | |
| School Board Secretary | 200,000 | |
| Student Accident-Markel Life Insurance Co: | | |
| Student Accident Policy | 1,000,000 | |

Source: District Records

# SINGLE AUDIT SECTION

*William M. Colantano, Jr.*
*A Professional Corporation*

Certified Public Accountant
Public School Accountant
Registered Municipal Accountant

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Washington, NJ 07882 - 1530
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# 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

September 30, 2010

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

We have audited the financial statements of the Board of Education of the Union School District in the County of Hunterdon as of and for the year ended June 30, 2010, and have issued our report thereon dated September 30, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; Government Auditing Standards issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Board of Education's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board of Education's financial statements are free of 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 these provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

This report is intended solely for the information of the management of the Board of Education and federal and state awarding agencies and pass through entities is not intended to be and should not be use by anyone other than these specified parties.

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

*William M. Colantano, Jr.*
*A Professional Corporation*



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# INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04

September 30, 2010

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

## Compliance

We have audited the compliance of the Board of Education of the Union School District in the County of Hunterdon, with the types of compliance requirements described in the US Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and New Jersey OMB's Circular 04-04 that are applicable to its major federal and state programs for the year ended June 30, 2010. The Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Board of Education's management. Our responsibility is to express an opinion on the Board of Education's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in "Government Auditing Standards," issued by the Comptroller General of the United States; the audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; and New Jersey OMB's Circular 04-04 "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid;" and OMB Circular A-133 "Audits of States, Local Governments, and Non-Profit Organizations". Those Standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Board of Education's compliance with those requirements.

In our opinion the Board of Education complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2010.

Internal Control Over Compliance

The management of the Board of Education is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit we considered the Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal and state programs in order to determine our audit procedures for the purpose of expressing our opinion on compliance but not for the purpose of expressing an opinion on the effectiveness on internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board of Education's internal control over compliance.

A control deficiency in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal and state program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal or state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal or state program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended for the information of the Board of Education, the New Jersey State Department of Education (the cognizant audit agency) and other state and federal awarding agencies and is not intended to be and should not be used by anyone other than those specified parties.

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

*William M. Colantano, Jr.*

UNION TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS SCHEDULE A
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| Grantor/Program Title | Federal CFDA Number | Project Number | Program or Award Amount | Grant Period From To | Balance June 30, 2009 | Carryover Amount | Cash Received | Budgetary Expenditure | Adjustment | Repayment of Prior Year Balance | Balance June 30, 2010 Accounts Receivable | Balance June 30, 2010 Deferred Revenue | Balance June 30, 2010 Due to Grantor |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| US Department of Education | | | | | | | | | | | | | |
| General Revenue Fund: | | | | | | | | | | | | | |
| ARRA State Fiscal Stabilization Fund: | | | | | | | | | | | | | |
| Education Stabilization Fund Aid (ESF | 84.394 | N/A | $ 38,677 | 07/01/2009-06/30/2010 | | | $ 38,677 | $ 38,677 | | | | | |
| Government Services Fund Aid (GSF) | 84.397 | N/A | 1,497 | 07/01/2009-06/30/2010 | | | 1,497 | 1,497 | | | | | |
| Total General Fund | | | | | $ - | $ - | 40,174 | 40,174 | $ - | $ - | $ - | $ - | $ - |
| US Department of Education Passed Through State Department of Education: | | | | | | | | | | | | | |
| Special Revenue Fund: | | | | | | | | | | | | | |
| NCLB Title IIA | 84.367A | NCLB-527009 | 10,363 | 09/01/2008-08/31/2009 | 3,835 | | 1,256 | 2,153 | | | | 2,938 | |
| NCLB Title IIA | 84.367A | NCLB-527010 | 5,279 | 09/01/2009-08/31/2010 | | | 1,323 | 3,092 | | | (3,956) | 2,187 | |
| NCLB Title IID | 84.318X | NCLB-527010 | 5,280 | 09/01/2009-08/31/2010 | | | | 1,788 | | | (5,280) | 3,492 | |
| NCLB Title IV | 84.186A | NCLB-527010 | 825 | 09/01/2009-08/31/2010 | | | 648 | 825 | | | (177) | | |
| NCLB Title V Carry-over | 84.298A | NCLB-527007 | 794 | 09/01/2007-08/31/2008 | 174 | | | | | 174 | | | |
| Small, Rural School Achievement Prog | 84.358A | N/A | 48,514 | 07/01/2008-09/30/2009 | (15,023) | | 23,421 | 8,398 | | | | | |
| Small, Rural School Achievement Prog | 84.358A | N/A | 48,751 | 07/01/2009-09/30/2010 | | | 41,130 | 36,437 | | | (7,621) | 12,314 | |
| ARRA IDEA Basic | 84.391 | | 117,982 | 09/01/2009-08/31/2011 | | | 78,692 | 87,346 | | | (39,290) | 30,636 | |
| ARRA IDEA Preschool | 84.392 | | 4,271 | 09/01/2009-08/31/2011 | | | 1,554 | 1,554 | | | (2,717) | 2,717 | |
| IDEA Basic | 84.027 | IDEA-527010 | 110,351 | 09/01/2009-08/31/2010 | | | | 110,351 | | | (110,351) | | |
| IDEA Preschool | 84.173 | IDEA-527008 | 3,666 | 09/01/2007-08/31/2008 | 1 | | | 1 | | | | | |
| IDEA Preschool | 84.173 | IDEA-527010 | 3,418 | 09/01/2009-08/31/2010 | | | | 3,418 | | | (3,418) | | |
| Total Special Revenue Fund | | | | | (11,013) | - | 148,024 | 255,363 | - | 174 | (172,810) | 54,284 | - |
| US Department of Agriculture Passed Through State Department of Education: | | | | | | | | | | | | | |
| Enterprise Fund: | | | | | | | | | | | | | |
| Food Donation Program | 10.550 | N/A | 13,977 | 07/01/2009-06/30/2010 | | | 13,977 | 11,488 | | | | 2,489 | |
| Food Donation Program | 10.550 | N/A | 12,141 | 07/01/2008-06/30/2009 | 1,402 | | | 1,402 | | | | | |
| National School Lunch Program | 10.555 | N/A | 12,184 | 07/01/2009-06/30/2010 | | | 11,346 | 12,184 | | | (838) | | |
| National School Lunch Program | 10.555 | N/A | 11,981 | 07/01/2008-06/30/2009 | (1,669) | | 1,669 | | | | | | |
| Special Milk Program | 10.556 | N/A | 2 | 07/01/2009-06/30/2010 | | | 2 | 2 | | | | | |
| Special Milk Program | 10.556 | N/A | 159 | 07/01/2008-06/30/2009 | (11) | | 11 | | | | | | |
| Total Enterprise Fund | | | | | (278) | - | 27,005 | 25,076 | - | - | (838) | 2,489 | - |
| TOTAL FEDERAL FINANCIAL ASSISTANCE | | | | | $ (11,291) | $ - | $ 215,203 | $ 320,613 | $ - | $ 174 | $ (173,648) | $ 56,773 | $ - |

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

UNION TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE SCHEDULE B
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

| Grantor/Program Title | Project Number | Program or Award Amount | Grant Period From To | Balance June 30, 2009 | Cash Received | Budgetary Expenditure | Adjustment/ Repayment of Prior Year Balance | Balance June 30, 2010 Accounts Receivable | Deferred Revenue | Due to Grantor | MEMO Budgetary Receivable | MEMO Cumulative Expenditure |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| State Department of Education | | | | | | | | | | | | |
| General Fund: | | | | | | | | | | | | |
| Equalization Aid | 10-495-034 -5120-078 | $ 151,528 | 07/01/2009- 06/30/2010 | | $ 151,528 | $ 151,528 | | | | | $ 19,281 | $ 151,528 |
| Categorical Transportation Aid | 10-495-034 -5120-014 | 141,115 | 07/01/2009- 06/30/2010 | | 141,115 | 141,115 | | | | | 17,956 | 141,115 |
| Categorical Special Educational Aid | 10-495-034 -5120-089 | 308,818 | 07/01/2009- 06/30/2010 | | 308,818 | 308,818 | | | | | 39,295 | 308,818 |
| Categorical Security Aid | 10-495-034 -5120-084 | 26,445 | 07/01/2009- 06/30/2010 | | 26,445 | 26,445 | | | | | 3,365 | 26,445 |
| Adjustment Aid | 10-495-034 -5120-085 | 25,316 | 07/01/2009- 06/30/2010 | | 25,316 | 25,316 | | | | | 3,221 | 25,316 |
| Non-Public Remote Transportation Aid | N/A | 9,083 | 07/01/2009- 06/30/2010 | | | 9,083 | | $ (9,083) | | | | 9,083 |
| Non-Public Remote Transportation Aid | N/A | 10,202 | 07/01/2008- 06/30/2009 | $ (10,202) | 10,202 | | | | | | | 10,202 |
| Extraordinary Special Education Costs Aid | 10-100-034 -5120-473 | 96,535 | 07/01/2009- 06/30/2010 | | | 96,535 | | (96,535) | | | | 96,535 |
| Extraordinary Special Education Costs Aid | 09-100-034 -5120-473 | 106,068 | 07/01/2008- 06/30/2009 | $ (106,068) | 106,068 | | | | | | | 106,068 |
| On-Behalf TPAF Pension Contribution- Post-Retirement Medical | 10-495-034 -5095-001 | 233,283 | 07/01/2008- 06/30/2009 | | 233,283 | 233,283 | | | | | | 233,283 |
| On-Behalf TPAF Pension Contribution- Non-Contributory Insurance | 10-495-034 -5095-007 | 12,421 | 07/01/2008- 06/30/2009 | | 12,421 | 12,421 | | | | | | 12,421 |
| Reimbursed TPAF Social Security Contribution | 09-495-034 -5095-002 | 270,603 | 07/01/2009- 06/30/2010 | (13,329) | 13,329 | | | | | | | 270,603 |
| Reimbursed TPAF Social Security Contribution | 10-495-034 -5095-002 | 289,330 | 07/01/2008- 06/30/2009 | | 275,823 | 289,330 | | (13,507) | | | | 289,330 |
| Total General Fund | | | | (129,599) | 1,304,348 | 1,293,874 | $ - | (119,125) | $ - | $ - | 83,118 | 1,680,747 |
| Debt Service Fund: | | | | | | | | | | | | |
| Debt Service Aid-State Support | 10-495-034 -5120-017 | 18,912 | 07/01/2009- 06/30/2010 | - | 18,912 | 18,912 | - | - | - | - | - | 18,912 |
| State Department of Agriculture | | | | | | | | | | | | |
| Enterprise Fund: | | | | | | | | | | | | |
| State School Lunch Program | 09-100-010 -3350-023 | 1,796 | 07/01/2008- 06/30/2009 | (255) | 255 | | | | | | | 1,796 |
| State School Lunch Program | 10-100-010 -3350-023 | 1,682 | 07/01/2007- 06/30/2008 | | 1,562 | 1,682 | | (120) | | | | 1,682 |
| Total Enterprise Fund | | | | (255) | 1,817 | 1,682 | - | (120) | - | - | - | 3,478 |
| TOTAL STATE FINANCIAL ASSISTANCE | | | | $ (129,854) | $ 1,325,077 | $ 1,314,468 | $ - | $ (119,245) | $ - | $ - | $ 83,118 | $ 1,703,137 |

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

UNION TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2010

## NOTE 1. GENERAL

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

## NOTE 2. BASIS OF ACCOUNTING

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

## NOTE 3. RELATIONSHIP OF FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to PL 2004, Ch 97 (A3521). For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferred and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is $2,307 for the general fund, $5,350 for the special revenue fund and $-0- for the Capital Projects Fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

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

| | Local | Federal | State | Total |
|---|---|---|---|---|
| General Fund | | | $ 1,305,392 | $ 1,305,392 |
| Special Revenue Fund | $ 1,795 | $ 260,713 | | 262,508 |
| Debt Service Fund | | | 18,912 | 18,912 |
| Food Service Fund | | 25,076 | 1,682 | 26,758 |
| | $ 1,795 | $ 285,789 | $ 1,325,986 | $ 1,613,570 |

## NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

UNION TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2010
(CONTINUED)

## NOTE 5. OTHER

Revenues and expenditures reported under the USDA Commodities Program represent current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2010. TPAF Social Security Contribution represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2010.

UNION TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

## SECTION I-SUMMARY OF AUDITOR'S RESULTS

Financial Statements

| | |
|---|---|
| Type of Auditor's Report Issued: | Unqualified |
| Internal Control Over Financial Reporting: | |
| 1. Material weakness(es) identified? | Yes X No |
| 2. Reportable conditions identified that are not considered to be material weaknesses? | Yes X No |
| Noncompliance Material to Financial Statements Noted? | Yes X No |
| Federal Awards | NOT APPLICABLE |
| Internal Control Over Major Programs: | |
| 1. Material weakness(es) identified? | Yes No |
| 2. Reportable conditions identified that are not considered to be material weaknesses? | Yes No |
| Type of Auditor's Report Issued on Compliance for Major Programs? | |
| Any Audit Findings Disclosed that are Required to be Reported in Accordance with Section .510 (a) of Circular A-133 | Yes No |

Identification of Major Programs:

| CFDA Numbers | Amount | Name of Federal Program |
|---|---|---|

UNION TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
(Continued)

## SECTION I-SUMMARY OF AUDITOR'S RESULTS

| | |
|---|---|
| Federal Awards (Cont'd) | NOT APPLICABLE |
| Dollar Threshold used to Distinguish Between Type A and Type B Programs: | |
| Auditee qualified as a low-risk auditee | ____ Yes ____ No |
| **State Awards** | |
| Dollar Threshold used to Distinguish Between Type A and Type B Programs: | $300,000 |
| Auditee Qualified as low-risk auditee | X Yes ____ No |
| Type of Auditor's Report Issued on Compliance for Major Programs: | Unqualified |
| Internal Control Over Major Programs: | |
| 1. Material weakness(es) identified? | ____ Yes X No |
| 2. Reportable conditions identified that are not considered to be material weaknesses? | ____ Yes X No |
| Any Audit Findings Disclosed That are Required to be Reported in Accordance with NJ OMB Circular Letter 04-04? | ____ Yes X No |

Identification of Major Programs:

| GMIS Numbers | Amount | Name of State Program |
|---|---|---|
| 10-495-034-5120-014 | $ 141,115 | Transportation Aid |
| 10-495-034-5120-089 | 308,818 | Categorical Special Education Aid |
| 10-495-034-5095-002 | 289,330 | Reimbursed TPAF Social Security Contrib |

UNION TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

SECTION II-FINANCIAL STATEMENT FINDINGS

There were no findings or questioned costs for the year ended June 30, 2010.

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

There were no findings or questioned costs for the year ended June 30, 2010.



UNION TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

There were no prior year findings or questioned costs.