

**UNION TOWNSHIP
SCHOOL DISTRICT**

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

JUNE 30, 2024

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



**UNION TOWNSHIP
SCHOOL DISTRICT**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2024

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SCHOOL DISTRICT**

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UNION TOWNSHIP SCHOOLS

Dr. Barbara Popp
Interim Superintendent

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www.uniontwpschool.org · #TigerPride #TheU

November 21, 2024

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

Dear Board Members and Constituents of Union Township:

The Annual Comprehensive Financial Report of the Union Township School District (District) for the fiscal year ended June 30, 2024, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the Management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All discourse necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Annual Comprehensive Financial Report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes the transmittal letter, the District's organizational chart and a list of principal officials. The Financial Section includes general purpose financial statements and schedules, as well as the auditors' report thereon. The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Treasury OMB Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. Information related to the single audit, including the auditors' report on the internal control structure and compliance with applicable laws and regulations, findings and recommendations, are included in the Single Audit Section of this report.

1) REPORTING ENTITY AND ITS SERVICES

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

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

Average Daily Enrollment

<u>School Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2023 - 2024	483.9	11.45%
2022 - 2023	434.2	3.72%
2021 - 2022	393.3	4.00%
2020 - 2021	397.0	-7.96%
2019 - 2020	422.5	0.07%
2018 - 2019	418.7	-4.22%
2017 - 2018	435.4	1.49%
2016 - 2017	431.0	-0.68%
2015 - 2016	436.1	-3.89%
2014 - 2015	452.9	-4.91%

2) ECONOMIC CONDITION AND OUTLOOK

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

Single family residential housing remains the most common type of new development. There is a new residential development site located across the street from the Elementary School. This development contains 74 single family homes on individual lots. Sales started in April of 2022 and as of July 2024, all new families have moved in.

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

3) MAJOR INITIATIVES

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

During the 2023-24 school year, the District moved forward with referendum approved projects which consist of HVAC upgrades in both buildings and interior and exterior door replacements at the middle school. The District also installed a new preschool playground for ages 2 to 5 to welcome the increased preschool student enrollment.

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

Middle School:

- Plumbing Upgrades
- Air conditioning/RTU's throughout school
- Unit Ventilator replacement
- Parking lot repairs/resurfacing and possible addition
- Stage renovation, specifically sound system
- Upgrades to domestic water system
- Generator for whole school

Elementary School:

- Unit ventilator replacement
- Boiler replacement
- Parking lot repairs/resurfacing
- Generator for whole school

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

4) INTERNAL ACCOUNTING CONTROLS

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

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

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

5) BUDGETARY CONTROLS

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual

appropriated budget approved by the Board of Education. Annual appropriated budgets are adopted for the general fund, special revenue fund, and debt service fund. Project length budgets are approved for the capital improvements accounted for the capital projects fund. The final budget amount, as amended for the fiscal year, is reflected in the Financial Section.

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

6) ACCOUNTING SYSTEM AND REPORTS

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

7) CASH MANAGEMENT

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

8) RISK MANAGEMENT

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

9) OTHER INFORMATION

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

10) ACKNOWLEDGMENTS

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

Yours in Education,

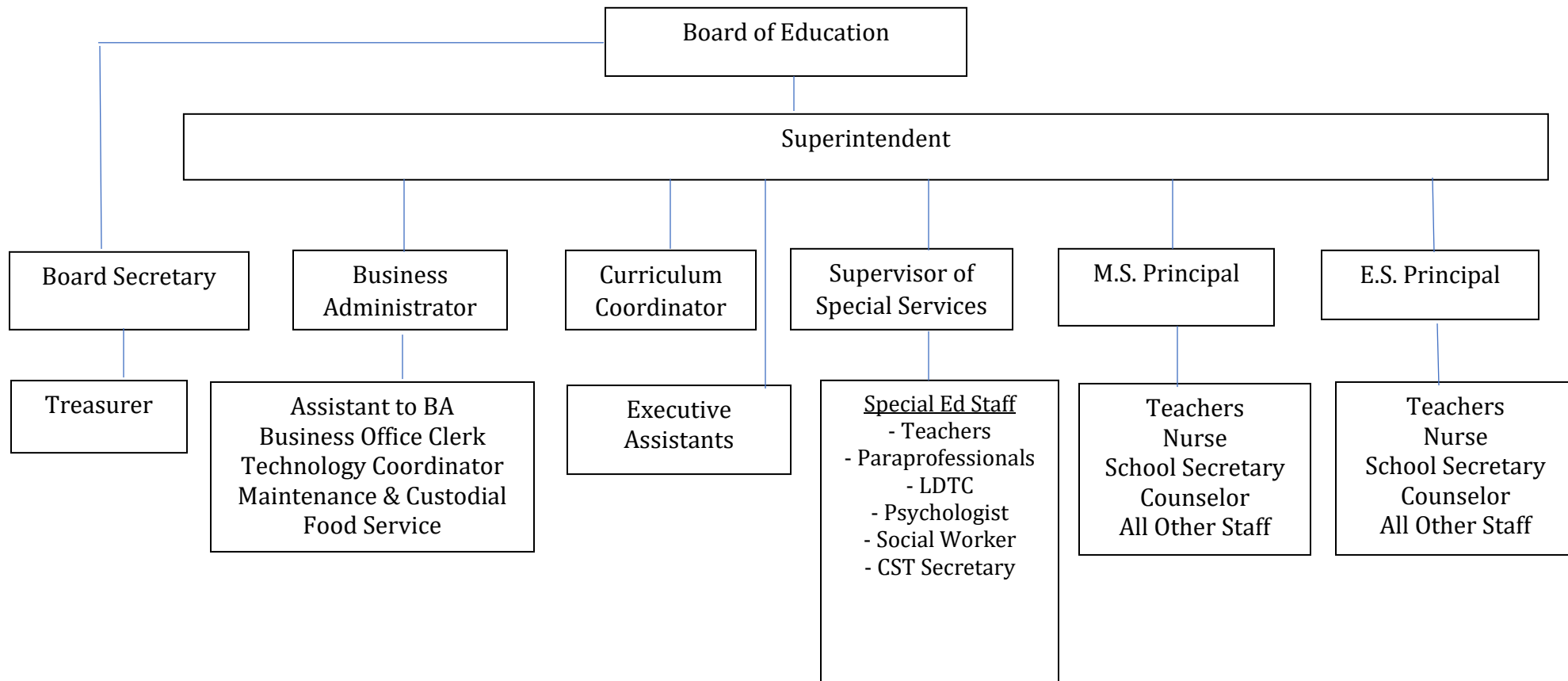


Dr. Barbara Popp
Interim Superintendent



Eva Preuett
Business Administrator/Board Secretary

UNION TOWNSHIP BOARD OF EDUCATION
Organizational Chart
June 30, 2024



UNION TOWNSHIP SCHOOL DISTRICT
Roster of Officials
June 30, 2024

Members of the Board of Education	Title	Term Expires
Cortney Dominianni	President	2025
Lou Palma	Co-Vice President	2027
Michael Kokoszka		2024
Christine Robitaille		2024
Daniel Allen		2025
John Malone		2025
Caitlyn Piontek		2025
Amelia Lamonde		2027
Nicole Rasavage		2027

Other Officials	Title
Nicholas Diaz	Superintendent
Eva Preuett	Board Secretary/School Business Administrator
Patricia Martucci	Treasurer of School monies

UNION TOWNSHIP SCHOOL DISTRICT
Consultants and Advisors
June 30, 2024

AUDIT FIRM

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

ATTORNEY

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

ARCHITECT

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

OFFICIAL DEPOSITRY

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



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

Independent Auditors' Report

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

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Union Township School District (the District) in the County of Hunterdon, as of and for the year ended June 30, 2024, and the related Notes to the Financial Statements, which collectively comprise the District's Basic Financial Statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedules, Schedules Related to Accounting and Reporting for Pensions, and Schedules Related to Accounting and Reporting for Other Postemployment Employee Benefits listed in the Table of Contents be presented to supplement the Basic Financial Statements. Such information is the responsibility of Management and, although not a part of the Basic Financial Statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the Basic Financial Statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of Management about the methods of preparing the information and comparing the information for consistency with Management's responses to our inquiries, the Basic Financial Statements, and other knowledge we obtained during our audit of the Basic Financial Statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's Basic Financial Statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* and Schedule of Expenditures of State Financial Assistance required by New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also presented for purposes of additional analysis not a required part of the Basic Financial Statements.

Such information is the responsibility of Management and were derived from and relates directly to the underlying accounting and other records used to prepare the Basic Financial Statements. The information has been subjected to the auditing procedures applied in the audit of the Basic Financial Statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the Basic Financial Statements or to the Basic Financial Statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards, and Schedule of Expenditures of State Financial Assistance are fairly stated, in all material respects, in relation to the Basic Financial Statements as a whole.

Other Information

Management is responsible for the Other Information included in the annual report. The Other Information comprises the introductory, Combining and Individual Non-Major Fund Financial Schedules and Statistical Sections but does not include the Basic Financial Statements and our auditors' report thereon. Our opinion on the Basic Financial Statements do not cover the Other Information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



BKC, CPAs, PC



Michael Holk, CPA, PSA
NO. 20CS00265600

November 21, 2024
Flemington, New Jersey

REQUIRED SUPPLEMENTARY INFORMATION - PART I

UNION TOWNSHIP PUBLIC SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
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, 2024. 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 Basic Financial Statements and the Notes to the Financial Statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2024 are as follows:

- In total, net position decreased \$382,183 which represents a 4.26% decrease from 2023.
- General revenues accounted for \$14,731,188 in revenue or 91.62% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$1,348,051 or 8.38% to total revenues of \$16,079,239.
- Total assets of governmental activities increased by \$1,602,348 as cash and cash equivalents increased by \$1,784,701, receivables and other assets increased by \$162,091 and capital assets decreased by \$344,444.
- The School District had \$16,461,422 in expenses; only \$1,348,051 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$14,731,188 were adequate to provide for these programs.
- Among major funds, the general fund had \$12,965,965 in revenues, \$13,465,483 in expenditures and \$393,558 in other financing uses. The general fund's balance decreased \$893,076 from fiscal year 2023.

Using this Annual Comprehensive Financial Report (ACFR)

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

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

UNION TOWNSHIP PUBLIC SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

Reporting the School District as a Whole

Statement of Net Position and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole, looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2024?"

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

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

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

Governmental Funds

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

UNION TOWNSHIP PUBLIC SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

The School District as a Whole

Table 1 provides a summary of the District's net position at June 30, 2024 with comparisons to June 30, 2023.

Table 1
Net Position

	06/30/24	06/30/23	Variance	
			Dollars	%
Assets				
Current & other assets	\$ 6,546,327	\$ 4,597,645	\$ 1,948,682	42.38%
Capital assets	14,659,111	14,986,663	(327,552)	-2.19%
Total assets	21,205,438	19,584,308	1,621,130	8.28%
Deferred pension activity	424,524	616,364	(191,840)	-31.12%
Deferred amount on refunding	89,282	100,442	(11,160)	-11.11%
Total deferred outflow of resources	513,806	716,806	(203,000)	-28.32%
Liabilities				
Long-term liabilities	12,379,275	10,690,167	1,689,108	15.80%
Other liabilities	605,398	303,383	302,015	99.55%
Total liabilities	12,984,673	10,993,550	1,991,123	18.11%
Deferred pension activity	135,066	325,876	(190,810)	-58.55%
Total deferred inflow of resources	135,066	325,876	(190,810)	-58.55%
Net position				
Net investment in capital assets	4,792,005	7,476,663	(2,684,658)	-35.91%
Restricted	5,725,452	3,596,947	2,128,505	59.18%
Unrestricted	(1,917,952)	(2,091,922)	173,970	8.32%
Total net position	\$ 8,599,505	\$ 8,981,688	\$ (382,183)	-4.26%

Total assets for district-wide purposes increased \$1,621,130. Cash and cash equivalents increased by \$1,792,072; receivables and other assets increased by \$156,610 and capital assets decreased by \$327,552. Unrestricted net position increased by \$173,970 and represents the part of net position that can be used to finance day to day activities without constraints, established by grants or legal requirements of the School District.

UNION TOWNSHIP PUBLIC SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

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

Table 2 provides a summary of the School District's changes in net position for the fiscal year ended June 30, 2024 with comparisons to the fiscal year ended June 30, 2023.

Table 2
Changes in Net Position

	Fiscal Year Ending		Variance	
	06/30/24	06/30/23	Dollars	%
Revenues				
Program revenues				
Charges for services	\$ 214,789	\$ 355,280	\$ (140,491)	-39.54%
Operating grants	922,276	400,626	521,650	130.21%
Capital grants	210,986	-	210,986	100.00%
General revenues				
Property taxes	10,464,770	10,183,832	280,938	2.76%
Unrestricted grants	4,147,772	4,082,391	65,381	1.60%
Other	118,646	116,066	2,580	2.22%
Total revenues	<u>16,079,239</u>	<u>15,138,195</u>	<u>941,044</u>	6.22%
Expenses				
Instruction				
Regular	6,382,714	5,624,308	758,406	13.48%
Special	2,214,526	2,384,581	(170,055)	-7.13%
Other	280,515	170,349	110,166	64.67%
Support services				
Tuition	773,609	430,056	343,553	79.89%
Student & instructional staff	2,939,923	2,721,231	218,692	8.04%
General & business administration	708,175	615,632	92,543	15.03%
School administration	473,634	509,394	(35,760)	-7.02%
Maintenance	1,397,061	1,446,210	(49,149)	-3.40%
Transportation	807,495	747,283	60,212	8.06%
Food service	198,170	183,814	14,356	7.81%
Interest on long-term debt	285,600	263,344	22,256	8.45%
Total expenses	<u>16,461,422</u>	<u>15,096,202</u>	<u>1,365,220</u>	9.04%
Increase (decrease) before special items	(382,183)	41,993	(424,176)	-1010.11%
Special Items				
Adjustment to capital assets	<u>-</u>	<u>(8,189)</u>	<u>8,189</u>	100.00%
Change in net position	<u>\$ (382,183)</u>	<u>\$ 33,804</u>	<u>\$ (415,987)</u>	-1230.59%

UNION TOWNSHIP PUBLIC SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
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 65.95% of revenues for governmental activities for the Union Township School District for fiscal year 2024.

Instruction comprises 53.93% of district expenses. Support services expenses make up 44.33% of the expenses. Interest on long-term debt makes up 1.74% of the expenses.

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

Table 3 provides a summary of the School District's cost of governmental services for the fiscal year ended June 30, 2024 with comparisons to the fiscal year ended June 30, 2023.

Table 3
Cost of Governmental Services

	Total Cost of Services		Net Cost of Services	
	06/30/24	06/30/23	06/30/24	06/30/23
Instruction	\$ 8,877,755	\$ 8,179,238	\$ 8,212,882	\$ 7,798,786
Support services				
Tuition	773,609	430,056	647,853	324,791
Student & instructional staff	2,939,923	2,721,231	2,727,367	2,678,173
General & business administration	708,175	615,632	697,415	615,632
School administration	473,634	509,394	379,075	509,394
Plant operations & maintenance	1,397,061	1,446,210	1,368,176	1,444,885
Pupil transportation	807,495	747,283	806,651	747,283
Food service	198,170	183,814	(11,648)	(41,992)
Interest on long-term debt	285,600	263,344	285,600	263,344
Total expenses	<u>\$ 16,461,422</u>	<u>\$ 15,096,202</u>	<u>\$ 15,113,371</u>	<u>\$ 14,340,296</u>

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

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

UNION TOWNSHIP PUBLIC SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

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

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

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

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

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

The dependence upon tax revenues is apparent. For all activities, tax revenue support is 65.08%. The community, as a whole, is the primary support for the Union Township School District.

The School District's Funds

The School District's funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$15,011,523, expenditures of \$16,083,137 and \$2,750,581 in other financing sources. The largest change in fund balance for the year occurred in the capital projects fund with an increase of \$2,647,136.

General Fund Budgeting Highlights

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

During the fiscal year 2024, the School District amended its general fund budget as needed. The School District uses program-based budgeting, and the budgeting systems are designed to lightly control total program budgets but provide flexibility for program management.

For the general fund, budget basis revenue was \$10,873,920 which was \$18,105 above original budgeted estimates of \$10,855,815. This difference was due primarily to unbudgeted state aid realized.

The general fund revenues of the School District were less than expenditures and other financing uses by \$710,466.

UNION TOWNSHIP PUBLIC SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

Capital Assets

At the end of the fiscal year 2024, the School District had \$14,659,111 invested in land, buildings, vehicles, and furniture and equipment.

Table 4 provides a summary of the School District's capital assets net of depreciation at June 30, 2024 with comparisons to June 30, 2023.

	06/30/24	06/30/23	Variance	
			Dollars	%
Land	\$ 81,905	\$ 81,905	\$ -	0.00%
Construction in progress	664,740	27,066	637,674	2356.00%
Land improvements	118,537	130,977	(12,440)	-9.50%
Buildings & improvements	12,811,066	13,448,770	(637,704)	-4.74%
Leased building improvements	375,000	625,000	(250,000)	-40.00%
Vehicles	-	4,040	(4,040)	-100.00%
Furniture and equipment	607,863	668,905	(61,042)	-9.13%
Total	<u>\$ 14,659,111</u>	<u>\$ 14,986,663</u>	<u>\$ (327,552)</u>	-2.19%

Overall capital assets decreased \$327,552 from fiscal year 2023 to fiscal year 2024. Increases in capital assets (primarily construction in progress and furniture and equipment) were offset by depreciation expenses for the year.

Debt Administration

At June 30, 2024, the School District had \$12,379,275 in long-term liabilities. This amount is detailed in Table 5.

At June 30, 2024, the School District's overall legal debt limit was \$29,367,223 and the legal debt margin was \$19,757,223.

UNION TOWNSHIP PUBLIC SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

Table 5 provides a summary of the School District's outstanding long-term liabilities at June 30, 2024 with comparisons to June 30, 2023.

Table 5
Long-Term Liabilities at Year-End

	06/30/24	06/30/23	Variance	
			Dollars	%
General obligation bonds	\$ 9,610,000	\$ 7,510,000	\$ 2,100,000	27.96%
Net pension liability	1,863,174	1,957,640	(94,466)	-4.83%
Unamortized bond premium	601,026	679,023	(77,997)	-11.49%
Lease payable	257,106	508,765	(251,659)	-49.46%
Compensated absences	47,969	34,739	13,230	38.08%
	<u>\$ 12,379,275</u>	<u>\$ 10,690,167</u>	<u>\$ 1,689,108</u>	15.80%

For the Future

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

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

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

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

Contacting the School District's Financial Management

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

DISTRICT-WIDE FINANCIAL STATEMENTS

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

UNION TOWNSHIP SCHOOL DISTRICT
Statement of Net Position
June 30, 2024

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ -	\$ 67,524	\$ 67,524
Due from other funds	-	29,172	29,172
Receivables, net	887,921	792	888,713
Inventory	-	7,600	7,600
Restricted assets			
Capital reserve account - cash	1,993,665	-	1,993,665
Emergency reserve account - cash	193,900	-	193,900
Maintenance reserve account - cash	565,000	-	565,000
Unemployment compensation - cash	192,888	-	192,888
Special revenue fund - cash	143,114	-	143,114
Student activities - cash	28,601	-	28,601
Capital projects fund - cash	2,436,150	-	2,436,150
Capital assets, net			
Land and construction in progress	746,645	-	746,645
Other capital assets, net of depreciation	13,889,303	23,163	13,912,466
Total assets	<u>21,077,187</u>	<u>128,251</u>	<u>21,205,438</u>
Deferred outflows of resources			
Deferred amount on pension activity	424,524	-	424,524
Deferred amount on refunding bond issue	89,282	-	89,282
Total deferred outflows of resources	<u>513,806</u>	<u>-</u>	<u>513,806</u>
Liabilities			
Accounts payable	67,936	5,166	73,102
Accrued interest	188,924	-	188,924
Due to other funds	29,172	-	29,172
Payroll deductions and withholdings payable	49,448	-	49,448
Unearned revenue	255,429	5,748	261,177
Unemployment compensation claims payable	3,575	-	3,575
Long-term liabilities			
Due within one year	1,510,800	-	1,510,800
Due beyond one year	10,868,475	-	10,868,475
Total liabilities	<u>12,973,759</u>	<u>10,914</u>	<u>12,984,673</u>
Deferred inflows of resources			
Deferred amount on pension liability	<u>135,066</u>	<u>-</u>	<u>135,066</u>

See accompanying notes to the financial statements.

UNION TOWNSHIP SCHOOL DISTRICT
Statement of Net Position (continued)
June 30, 2024

	Governmental Activities	Business-Type Activities	Total
Net position			
Net investment in capital assets	\$ 4,768,842	\$ 23,163	\$ 4,792,005
Restricted for			
Capital reserve fund	2,101,502	-	2,101,502
Emergency reserve fund	193,900	-	193,900
Maintenance reserve fund	565,000	-	565,000
Unemployment claims	189,313	-	189,313
Student activities	28,601	-	28,601
Capital projects fund	2,647,136	-	2,647,136
Unrestricted	(2,012,126)	94,174	(1,917,952)
Total net position	<u>\$ 8,482,168</u>	<u>\$ 117,337</u>	<u>\$ 8,599,505</u>

See accompanying notes to the financial statements.

UNION TOWNSHIP SCHOOL DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2024

Functions/Programs	Direct Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue & Changes in Net Position		
			Charges for Services	Operating Grants & Contribution	Capital Grants & Contribution	Governmental Activities	Business- Type Activities	Total
Governmental activities								
Instruction								
Regular	\$ 4,007,135	\$ 2,375,579	\$ 37,570	\$ 482,355	\$ 96,421	\$ (5,766,368)	\$ -	\$ (5,766,368)
Special education	1,416,845	797,681	-	-	43,674	(2,170,852)	-	(2,170,852)
Other special instruction	109,141	52,794	-	-	2,743	(159,192)	-	(159,192)
Other instruction	67,890	50,690	-	-	2,110	(116,470)	-	(116,470)
Support services								
Tuition	773,609	-	-	125,756	-	(647,853)	-	(647,853)
Students and instruction related services	2,023,931	915,992	26,417	146,263	39,876	(2,727,367)	-	(2,727,367)
General and business administration services	483,520	224,655	-	-	10,760	(697,415)	-	(697,415)
School administration services	364,152	109,482	-	90,128	4,431	(379,075)	-	(379,075)
Plant operations and maintenance	1,316,040	81,021	1,805	16,953	10,127	(1,368,176)	-	(1,368,176)
Pupil transportation	802,129	5,366	-	-	844	(806,651)	-	(806,651)
Interest on long-term debt	285,600	-	-	-	-	(285,600)	-	(285,600)
Total governmental activities	<u>11,649,992</u>	<u>4,613,260</u>	<u>65,792</u>	<u>861,455</u>	<u>210,986</u>	<u>(15,125,019)</u>	<u>-</u>	<u>(15,125,019)</u>
Business-type activities								
Food service	198,170	-	148,997	60,821	-	-	11,648	11,648
Total business-type activities	<u>198,170</u>	<u>-</u>	<u>148,997</u>	<u>60,821</u>	<u>-</u>	<u>-</u>	<u>11,648</u>	<u>11,648</u>
Total primary government	<u>\$ 11,848,162</u>	<u>\$ 4,613,260</u>	<u>\$ 214,789</u>	<u>\$ 922,276</u>	<u>\$ 210,986</u>	<u>(15,125,019)</u>	<u>11,648</u>	<u>(15,113,371)</u>
General revenues, special items and transfers								
Property taxes levied for general purposes						9,518,070	-	9,518,070
Property taxes levied for debt service						946,700	-	946,700
Federal and state aid not restricted						4,147,772	-	4,147,772
Investment earnings						72,864	1,145	74,009
Miscellaneous income						44,637	-	44,637
Total general revenues and special items						<u>14,730,043</u>	<u>1,145</u>	<u>14,731,188</u>
Change in net position						<u>(394,976)</u>	<u>12,793</u>	<u>(382,183)</u>
Net position - beginning						<u>8,877,144</u>	<u>104,544</u>	<u>8,981,688</u>
Net position - ending						<u>\$ 8,482,168</u>	<u>\$ 117,337</u>	<u>\$ 8,599,505</u>

See accompanying notes to the financial statements.

FUND FINANCIAL STATEMENTS

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

UNION TOWNSHIP SCHOOL DISTRICT
Governmental Funds
Balance Sheet
June 30, 2024

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
Assets					
Due from other funds	\$ 90	\$ -	\$ -	\$ -	\$ 90
Receivables from other governments					
Federal	-	62,531	-	-	62,531
State	555,925	-	210,986	-	766,911
Other accounts receivable	58,479	-	-	-	58,479
Restricted cash and equivalents	2,945,453	171,715	2,436,150	-	5,553,318
Total assets	\$ 3,559,947	\$ 234,246	\$ 2,647,136	\$ -	\$ 6,441,329
Liabilities and fund balances					
Liabilities					
Due to other funds	\$ 29,172	\$ 90	\$ -	\$ -	\$ 29,262
Accounts payable	40,528	27,408	-	-	67,936
Payroll deductions and withholdings payable	49,448	-	-	-	49,448
Unearned revenue	-	255,429	-	-	255,429
Unemployment compensation claims payables	3,575	-	-	-	3,575
Total liabilities	122,723	282,927	-	-	405,650
Fund balances					
Restricted fund balance					
Capital reserve account	2,101,502	-	-	-	2,101,502
Emergency reserve account	193,900	-	-	-	193,900
Maintenance reserve account	565,000	-	-	-	565,000
Unemployment claims	189,313	-	-	-	189,313
Student activities	-	28,601	-	-	28,601
Capital projects account	-	-	2,647,136	-	2,647,136
Committed fund balance					
Year-end encumbrances	53,433	-	-	-	53,433
Assigned fund balance					
Designated for subsequent year's expenditures	86,138	-	-	-	86,138
Unassigned fund balance	247,938	(77,282)	-	-	170,656
Total fund balances	3,437,224	(48,681)	2,647,136	-	6,035,679
Total liabilities and fund balances	\$ 3,559,947	\$ 234,246	\$ 2,647,136	\$ -	\$ 6,441,329

See accompanying notes to the financial statements.

UNION TOWNSHIP SCHOOL DISTRICT
Governmental Funds
Balance Sheet (continued)
June 30, 2024

	<u>Total Governmental Funds</u>
Amounts reported for governmental activities in the Statement of Net Position (A-1) are different because:	
Capital assets used in government activities are not financial resources and therefore are not reported in the funds. The cost of assets is \$27,962,425 and the accumulated depreciation is \$13,326,477.	\$ 14,635,948
Deferred outflows and inflows of resources are applicable to future periods and, therefore, are not reported in the funds.	378,740
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(12,379,275)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	<u>(188,924)</u>
Total net position of governmental activities	<u><u>\$ 8,482,168</u></u>

See accompanying notes to the financial statements.

UNION TOWNSHIP SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues					
Local sources					
Local tax levy	\$ 9,518,070	\$ -	\$ -	\$ 946,700	\$ 10,464,770
Tuition					
Individuals	37,570	-	-	-	37,570
Interest income	72,864	-	-	-	72,864
Rents and royalties	1,805	-	-	-	1,805
Miscellaneous	44,637	26,417	-	-	71,054
Total local sources	9,674,946	26,417	-	946,700	10,648,063
State sources	3,291,019	475,444	210,986	-	3,977,449
Federal sources	-	386,011	-	-	386,011
Total revenues	12,965,965	887,872	210,986	946,700	15,011,523
Expenditures					
Current					
Instructional					
Regular instruction	3,493,067	514,068	-	-	4,007,135
Special education instruction	1,415,443	1,402	-	-	1,416,845
Other special instruction	109,141	-	-	-	109,141
Other instruction	67,890	-	-	-	67,890
Support service and undistributed costs					
Tuition	647,853	125,756	-	-	773,609
Student and instruction related services	1,763,624	260,307	-	-	2,023,931
General and business administrative services	483,520	-	-	-	483,520
School administrative services	364,152	-	-	-	364,152
Plant operations and maintenance	1,297,360	18,680	-	-	1,316,040
Pupil transportation	802,129	-	-	-	802,129
Unallocated benefits	2,692,948	147,745	-	-	2,840,693

See accompanying notes to the financial statements.

UNION TOWNSHIP SCHOOL DISTRICT
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances (continued)
For the Fiscal Year Ended June 30, 2024

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Expenditures (cont'd)					
Capital outlay	\$ 48,580	\$ 13,903	\$ 589,093	\$ -	\$ 651,576
Debt service					
Principal	251,659	-	-	650,000	901,659
Interest and other charges	28,117	-	-	296,700	324,817
Total expenditures	<u>13,465,483</u>	<u>1,081,861</u>	<u>589,093</u>	<u>946,700</u>	<u>16,083,137</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(499,518)</u>	<u>(193,989)</u>	<u>(378,107)</u>	<u>-</u>	<u>(1,071,614)</u>
Other financing sources (uses)					
Bond proceeds	-	-	2,750,581	-	2,750,581
Transfers	<u>(393,558)</u>	<u>118,896</u>	<u>274,662</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(393,558)</u>	<u>118,896</u>	<u>3,025,243</u>	<u>-</u>	<u>2,750,581</u>
Net change in fund balance	(893,076)	(75,093)	2,647,136	-	1,678,967
Fund balances, July 1	<u>4,330,300</u>	<u>26,412</u>	<u>-</u>	<u>-</u>	<u>4,356,712</u>
Fund balances, June 30	<u><u>\$ 3,437,224</u></u>	<u><u>\$ (48,681)</u></u>	<u><u>\$ 2,647,136</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 6,035,679</u></u>

See accompanying notes to the financial statements.

UNION TOWNSHIP SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2024

Total net changes in fund balances - Governmental fund (from B-2)	\$	1,678,967
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Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:

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

Capital outlays	\$ 651,576	
Depreciation and amortization expense	<u>(996,020)</u>	
		(344,444)

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

Lease principal payment	251,659	
Bond principal payments	<u>650,000</u>	
		901,659

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

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

93,436

UNION TOWNSHIP SCHOOL DISTRICT
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities (continued)
For the Fiscal Year Ended June 30, 2024

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. \$ (28,201)

In the Statement of Activities, deferred outflows for refunding bond costs are amortized to current year expenses over the amortization period. (11,160)

Proceeds from debt issues are financing sources in the governmental funds. They are not revenue in the Statement of Activities. The issuance of debt increase long-term liabilities in the Statement of Net Position:
 Proceeds of bond sale (2,750,581)

In the Statement of Activities, compensated absences and early retirement benefits are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation. (13,230)

Change in net position of governmental activities \$ (394,976)

UNION TOWNSHIP SCHOOL DISTRICT
Proprietary Funds
Statement of Fund Net Position
June 30, 2024

	<u>Food Service Fund</u>
Assets	
Current assets	
Cash and cash equivalents	\$ 67,524
Due from other funds	29,172
Other accounts receivable	
Receivables from other governments	
State	57
Federal	735
Inventory	7,600
Total current assets	<u>105,088</u>
Non-current assets	
Capital assets	72,860
Less: accumulated depreciation	49,697
Total non-current assets	<u>23,163</u>
Total assets	<u>128,251</u>
Liabilities	
Current liabilities	
Accounts payable	5,166
Unearned revenues - commodities	2,176
Unearned revenues - prepaid sales	3,572
Total liabilities	<u>10,914</u>
Net position	
Net investment in capital assets	23,163
Unrestricted	94,174
Total net position	<u><u>\$ 117,337</u></u>

See accompanying notes to the financial statements.

UNION TOWNSHIP SCHOOL DISTRICT
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2024

	Food Service Fund
Operating revenues	
Charges for services	
Daily sales - reimbursable programs	\$ 97,202
Daily sales - nonreimbursable programs	51,795
Total operating revenues	<u>148,997</u>
Operating expenses	
Cost of sales - reimbursable programs	55,731
Cost of sales - nonreimbursable programs	23,055
Commodity food costs	19,644
Salaries	54,861
Supports services - employee benefits	8,468
Purchased professional/technical services	1,682
Purchased property services	5,372
Other purchased services	
Insurance	8,961
Management fee	8,574
Supplies and materials	8,157
Depreciation	2,508
Miscellaneous expenditures	1,157
Total operating expenses	<u>198,170</u>
Operating income (loss)	<u>(49,173)</u>
Non-operating revenues (expenses)	
State sources	
State school lunch program	1,937
Federal sources	
National school lunch program	
Cash assistance	23,589
Non-cash assistance (commodities)	19,644
P-EBT administrative	653
Supply chain assistance	14,725
Other sources	
Interest earned on investments	1,145
Miscellaneous	273
Total non-operating revenues (expenses)	<u>61,966</u>
Change in net position	12,793
Net position, beginning	<u>104,544</u>
Net position, ending	<u><u>\$ 117,337</u></u>

See accompanying notes to the financial statements.

UNION TOWNSHIP SCHOOL DISTRICT
Proprietary Funds
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2024

	Food Service Fund
Cash flows from operating activities	
Receipts from customers (net)	\$ 149,425
Payments to Food Service Management Company	(156,650)
Payments to vendors (net)	(13,043)
Net cash provided by (used for) operating activities	<u>(20,268)</u>
Cash flows from non-capital financing activities	
State sources	2,226
Federal sources	43,396
Miscellaneous	272
Net cash provided by (used for) non-capital financing activities	<u>45,894</u>
Cash flows from capital financing activities	
Acquisition of Equipment	(19,400)
Net cash provided by (used for) capital financing activities	<u>(19,400)</u>
Cash flows from investing activities	
Interest earned on investments	1,145
Net cash provided by (used for) investing activities	<u>1,145</u>
Net increase (decrease) in cash and cash equivalents	7,371
Cash and cash equivalents, beginning	<u>60,153</u>
Cash and cash equivalents, ending	<u><u>\$ 67,524</u></u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities	
Operating income (loss)	\$ (49,173)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities	
Depreciation	2,508
Federal food donation program	19,644
(Increase) decrease in accounts receivable	816
Increase (decrease) in accounts payable	5,166
(Increase) decrease in inventory	(52)
Increase (decrease) in unearned revenues	823
Net cash provided by (used for) operating activities	<u><u>\$ (20,268)</u></u>

See accompanying notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies

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

The Basic Financial Statements include:

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

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

A. Reporting entity

The District is a Type II District located in the County of Hunterdon, State of New Jersey. As a Type II District, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. The purpose of the District is to educate students in Grades K-8. The District had an approximate enrollment at June 30, 2024 of 507 students.

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

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

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

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

B. Government-wide and fund financial statements

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

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

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

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

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

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

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

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

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

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

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

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

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

The District reports the following major governmental funds:

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

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

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

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

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

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

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

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

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

Additionally, the District reports the following fund types:

Proprietary Fund types

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

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

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

Proprietary Fund types (continued)

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

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

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

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

Equipment	12 years
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Fiduciary fund types

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

D. Budgets/budgetary control

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

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

D. Budgets/budgetary control (continued)

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

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

E. Encumbrances

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

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

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

F. Tuition receivable

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

G. Tuition payable

Tuition charges for the fiscal year 2023-2024 are based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Short-term interfund receivable/payables

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

UNION TOWNSHIP SCHOOL DISTRICT

Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

I. Inventories and prepaid items

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. The commodities inventory value at Balance Sheet date is reported as unearned revenue as title does not pass to the School District until the commodities are used. Prepaid items in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2024.

J. Capital assets

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

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

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

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

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

K. Compensated absences

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

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

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

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

L. Unearned revenue

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

M. Long-term obligations

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

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

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

N. Net position

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

- Net investment in capital assets - This component represents capital assets, less accumulated depreciation and net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.
- Restricted - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- Unrestricted - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

O. Fund balances - governmental funds

In the Fund Financial Statements, governmental funds report the following classifications of fund balance:

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

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies (continued)

O. Fund balances - governmental funds (continued)

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

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

P. Use of estimates

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

Q. Allocation of indirect expenses

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

R. Deferred outflows and inflows of resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has two items that qualify for reporting in this category, which are deferred amount on pension activity and deferred amount on refunding bond issue. In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has one item that qualifies for reporting in this category, deferred amount on pension liability.

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 2 - Tax assessments and property taxes

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

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

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

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

Note 3 - Deposits and investments

Cash and cash equivalents include petty cash, change funds, and cash in banks. As of June 30, 2024, the District had no investments.

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

UNION TOWNSHIP SCHOOL DISTRICT

Notes to the Financial Statements

Note 3 - Deposits and investments (continued)

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

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

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

As of June 30, 2024, the District's bank balances were exposed to custodial credit risk as follows:

Insured by the FDIC	\$ 250,000
Insured by GUDPA	5,760,823
Total	<u>\$ 6,010,823</u>

Deposits at June 30, 2024 appear in the financial statements as summarized below:

	<u>Ref.</u>	
Unrestricted cash		
Governmental funds, Balance Sheet	B-1	\$ -
Enterprise funds, Statement of Net Position	B-4	67,524
Restricted cash		
Governmental funds, Balance Sheet	B-1	5,553,318
Total cash		<u>\$ 5,620,842</u>

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 4 - Capital assets

Capital asset activity for the fiscal year ended June 30, 2024 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 81,905	\$ -	\$ -	\$ 81,905
Construction in progress	27,066	637,674	-	664,740
Total	<u>108,971</u>	<u>637,674</u>	<u>-</u>	<u>746,645</u>
Capital assets, being Depreciated				
Land improvements	254,316	-	-	254,316
Building & improvements	24,012,176	-	-	24,012,176
Leased building improvements (intangible assets)	1,250,000	-	-	1,250,000
Vehicles	99,109	-	-	99,109
Furniture & equipment	1,586,277	13,902	-	1,600,179
Total	<u>27,201,878</u>	<u>13,902</u>	<u>-</u>	<u>27,215,780</u>
Accumulated depreciation and amortization				
Land improvements	123,339	12,440	-	135,779
Building & improvements	10,563,406	637,704	-	11,201,110
Leased building improvements (intangible assets)	625,000	250,000	-	875,000
Vehicles	95,069	4,040	-	99,109
Furniture & equipment	923,643	91,836	-	1,015,479
Total	<u>12,330,457</u>	<u>996,020</u>	<u>-</u>	<u>13,326,477</u>
Total capital assets, being depreciated, net	<u>14,871,421</u>	<u>(982,118)</u>	<u>-</u>	<u>13,889,303</u>
Governmental activities capital assets, net	<u>\$ 14,980,392</u>	<u>\$ (344,444)</u>	<u>\$ -</u>	<u>\$ 14,635,948</u>

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 4 - Capital assets (continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business type activities				
Furniture & equipment	\$ 53,460	\$ 19,400	\$ -	\$ 72,860
Less: accumulated depreciation	47,189	2,508	-	49,697
Business type activities capital assets, net	<u>\$ 6,271</u>	<u>\$ 16,892</u>	<u>\$ -</u>	<u>\$ 23,163</u>

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

Instruction	
Regular	\$ 479,968
Special education	160,028
Other special instruction	12,327
Co-curricular activities	7,668
Support services	
Student & instruction	228,596
General & business administration	54,612
School administration	41,130
Plant & maintenance	11,691
Total depreciation and amortization expense, governmental activities	<u>\$ 996,020</u>

Note 5 - Long-term debt

Long-term liability activity for the fiscal year ended June 30, 2024 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
General obligation bonds payable	\$ 7,510,000	\$ 2,750,000	\$ 650,000	\$ 9,610,000	\$ 1,175,000
Unamortized bond premium	679,023	581	78,578	601,026	78,694
Leases payable	508,765	-	251,659	257,106	257,106
PERS net pension liability	1,957,640	-	94,466	1,863,174	-
Compensated absences payable	34,739	13,230	-	47,969	-
Total governmental activities long-term liabilities	<u>\$ 10,690,167</u>	<u>\$ 2,763,811</u>	<u>\$ 1,074,703</u>	<u>\$ 12,379,275</u>	<u>\$ 1,510,800</u>

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

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 5 - Long-term debt (continued)

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2024, including interest payments, are listed as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2025	\$ 1,175,000	\$ 380,221	\$ 1,555,221
2026	1,245,000	318,022	1,563,022
2027	1,290,000	264,626	1,554,626
2028	1,340,000	208,376	1,548,376
2029	1,385,000	148,832	1,533,832
2030 - 2033	3,175,000	229,906	3,404,906
Total	<u>\$ 9,610,000</u>	<u>\$ 1,549,983</u>	<u>\$ 11,159,983</u>

General Obligation Bonds - General obligation school building bonds payable at June 30, 2024, with their outstanding balances are comprised of the following individual issues:

\$3,105,000 - 2016 refunding school bonds, interest at 2.00% to 3.00%, due in annual installments beginning July 15, 2016 to July 15, 2030.	\$ 1,105,000
\$7,725,000 - 2017 refunding school bonds, interest at 2.00% to 5.00%, due in annual installments beginning July 15, 2017 to July 15, 2032.	5,755,000
\$2,750,000 - 2023 school bonds, interest at 0.050% to 4.125%, due in annual installments beginning August 15, 2024 to August 15, 2028.	2,750,000
Total	<u>\$ 9,610,000</u>

The general obligation bonded debt of the District is limited by state law to 3% of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2024 is \$29,367,223. General obligation debt at June 30, 2024 is \$9,610,000, resulting in a legal debt margin of \$19,757,223.

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

The annual requirements for the lease payable as of June 30, 2024, including interest payments are listed as follows:

Fiscal Year Ended June 30,	Principal	Interest	Total
2025	<u>\$ 257,106</u>	<u>\$ 5,565</u>	<u>\$ 262,671</u>

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans

Description of systems

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

A. Public Employees' Retirement System (PERS)

Plan description

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

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

The following represents the membership tiers for PERS:

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

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

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

Allocation methodology and reconciliation to financial statements

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense. The employer and nonemployer allocation percentages presented in the Schedule of Employer and Nonemployer Allocations and applied to amounts presented in the Schedule of Pension Amounts by Employer and Nonemployer are based on the ratio of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2022 through June 30, 2023. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the Schedule of Pension Amounts by Employer and Nonemployer may result in immaterial differences. Contributions from employers are recognized when due, based on statutory requirements.

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the Schedule of Employer and Nonemployer Allocations are applied to amounts presented in the Schedule of Pension Amounts by Employer and Nonemployer. The allocation percentages for each group as of June 30, 2023 measurement date are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2023 measurement date.

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for non-contributory group insurance benefits is based on actual claims paid. For fiscal year 2023, the State's pension contribution was more than the actuarial determined amount.

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

Contributions (continued)

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

The District's contractually required contribution rate for the year ended June 30, 2024 was 15.16% of the District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

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

Special funding situation

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

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

Collective net pension liability and actuarial information

The District's proportionate share of the net pension liability for PERS as of measurement date June 30, 2023:

Net pension liability	\$ 1,863,174
Proportionate share	0.0128633366%

Plan fiduciary net position as a percentage of the total pension liability	65.23%
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The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions:

Inflation rate	
Price	2.75%
Wage	3.25%

Salary increases (based on age)	2.75 - 6.55%
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Investment rate of return	7.00%
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Preretirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

Long-term expected rate of return

In accordance with state statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees, and the Actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2023 measurement date are summarized in the following table:

Asset Class	Target Allocations	Long-Term Expected Rate of Return
U.S. equity	28.00%	8.98%
Non-U.S. developed markets equity	12.75%	9.22%
International small cap equity	1.25%	9.22%
Emerging markets equity	5.50%	11.13%
Private equity	13.00%	12.50%
Real estate	8.00%	8.58%
Real assets	3.00%	8.40%
High yield	4.50%	6.97%
Private credit	8.00%	9.20%
Investment grade credit	7.00%	5.19%
Cash equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk mitigation strategies	3.00%	6.21%

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments and the Municipal Bond rate was applied to all projected benefit payments to determine the total pension liability.

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

The following presents the collective net pension liability of the District as of June 30, 2023 measurement date, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

District's proportionate share of the net pension liability

At current discount rate (7.00%)	\$ 1,863,174
At a 1% lower rate (6.00%)	2,445,904
At a 1% higher rate (8.00%)	1,396,271

Collective deferred outflows of resources and deferred inflows of resources

At the June 30, 2023 measurement date, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 17,814	\$ 7,616
Changes of assumptions	4,093	112,916
Net difference between projected and actual earnings on pension plan investments	8,580	-
Changes in proportion and differences between District contributions and proportionate share of contributions	222,115	14,534
District contributions subsequent to the measurement date	171,922	-
Total	<u>\$ 424,524</u>	<u>\$ 135,066</u>

The amount reported as deferred outflows of resources related to pensions resulting from School District contributions subsequent to the measurement date (i.e., for the school year ended June 30, 2024, the Plan measurement date is June 30, 2023) of \$171,922 will be recognized as a reduction of the net pension liability in the year ended June 30, 2024.

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

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

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the fiscal year ended June 30, 2023 measurement date:

	Beginning Balance	Net Change in Activity	Ending Balance
Deferred outflows of resources			
Differences between expected and actual experience	\$ 14,129	\$ 3,685	\$ 17,814
Changes of assumptions	6,065	(1,972)	4,093
Differences between projected and actual investment earnings on pension plan investments	81,025	(72,445)	8,580
Deferred inflows of resources			
Differences between expected and actual experience	(12,460)	4,844	(7,616)
Changes of assumptions	(293,136)	180,220	(112,916)
Differences between projected and actual investment earnings on pension plan investments	-	-	-
Net changes	<u>\$ (204,377)</u>	<u>\$ 114,332</u>	<u>\$ (90,045)</u>

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

Fiscal Year Ended June 30,

2024	\$ (98,369)
2025	(54,906)
2026	76,727
2027	(13,731)
2028	234
Total	<u>\$ (90,045)</u>

Changes in proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.08, 5.04, 5.13, 5.16, 5.21, and 5.63 years for the 2023, 2022, 2021, 2020, 2019, and 2018, respectively.

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

Pension expense (benefit)

For the fiscal year ended June 30, 2024, the District recognized net pension expense (benefit) of \$79,008, which represents the District's proportionate share of allocable plan pension expense (benefit) of (\$18,780), plus the net amortization of deferred amounts from changes in proportion of \$105,606, plus the pension expense related to specific liabilities of individual employers of \$522, plus other adjustments to the net pension liability of (\$8,340). The components of allocable pension expense, which exclude amounts attributable to employer paid member contributions and pension expense related to specific liabilities of individual employers, for the District for the fiscal year ended June 30, 2023 measurement date are as follows:

Service cost	\$ 155,866
Interest on total pension liability	588,623
Benefit changes	-
Member contributions	(125,706)
Administrative expense	2,751
Expected investment return net of investment expense	(346,965)
Pension expense related to specific liabilities of individual employers	(2,316)
Recognition (amortization) of deferred inflows/outflows of resources	
Differences between projected and actual experience	10,161
Changes of assumptions	(284,233)
Difference between projected and actual investment earnings on pension plan investments	(16,961)
Pension expense (benefit)	<u>\$ (18,780)</u>

B. Teachers' Pension and Annuity Fund (TPAF)

Plan description

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

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death, and disability benefits. All benefits vest after ten years of service. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)
B. Teachers' Pension and Annuity Fund (TPAF) (continued)
Plan description (continued)

The following represents the membership Tiers for TPAF:

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

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year 2023, the State's pension contribution was more than the actuarial determined amount.

Special funding situation

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

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

Special funding situation (continued)

During the state fiscal year ended June 30, 2023, the State of New Jersey contributed \$1,421,539 to the TPAF for normal pension benefits on behalf of the District.

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

Collective net pension liability and actuarial information

The District's proportionate share of the net pension liability for TPAF for fiscal year ended June 30, 2023 measurement date is as follows:

District proportionate share of net pension liability	\$ 26,653,021
Less: State proportionate share of net pension liability	9,242,075
Net pension liability	<u>\$ 17,410,946</u>

Proportionate share	0.0341172549%
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Plan fiduciary net position as a percentage of the total pension liability	34.68%
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Actuarial assumptions

The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases (based on years of service)	2.75 - 4.25%
Investment rate of return	7.00%

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

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

B. Teacher's Pension and Annuity Fund (TPAF) (continued)

Long-term expected rate of return

In accordance with state statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees, and the Actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2023 measurement date are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocations</u>	<u>Long-Term Expected Rate of Return</u>
U.S. equity	28.00%	8.98%
Non-U.S. developed markets equity	12.75%	9.22%
International small cap equity	1.25%	9.22%
Emerging markets equity	5.50%	11.13%
Private equity	13.00%	12.50%
Real estate	8.00%	8.58%
Real assets	3.00%	8.40%
High yield	4.50%	6.97%
Private credit	8.00%	9.20%
Investment grade credit	7.00%	5.19%
Cash equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk mitigation strategies	3.00%	6.21%
	28.00%	8.98%

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments after that date in determining the total pension liability.

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

B. Teacher's Pension and Annuity Fund (TPAF) (continued)

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

The following presents the collective net pension liability of the District as of June 30, 2023 measurement date, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

District's proportionate share of the net pension liability

At current discount rate (7.00%)	\$ 17,410,946
At a 1% lower rate (6.00%)	20,530,665
At a 1% higher rate (8.0/0%)	14,783,401

Pension expense (benefit)

The components of allocable pension expense (benefit), which pension expense (benefit) related to specific liabilities of individual employers, for the District for the fiscal year ended June 30, 2023 measurement date are as follows:

Service cost	\$ 464,750
Interest on total pension liability	1,794,909
Benefit changes	-
Member contributions	(317,844)
Administrative expense	4,627
Expected investment return net of investment expense	(580,474)
Pension expense related to specific liabilities of individual employers	(153)
Recognition (amortization) of deferred inflows/outflows of resources	
Differences between projected and actual experience	66,688
Changes of assumptions	(1,038,651)
Difference between projected and actual investment earnings on pension plan investments	33,884
Pension expense (benefit)	<u>\$ 427,736</u>

C. Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) was established under the provisions Ch. 92, PL 2007 and expanded under the provisions of Ch. 89, PL 2008 and Ch. 1, PL 2010 to provide eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Employees eligible to enroll in the program include the following: First, employees enrolled in the Public Employees Retirement System (PERS) or Teachers Pension and Annuity Fund (TPAF) on or after July 1, 2007 who earn salary in excess of maximum compensation limits. Also, employees otherwise eligible to enroll in the TPAF and PERS who do not earn the minimum salary (\$9,300 in 2024) but who earn salary of at least \$5,000 annually are eligible to participate. The Program Administrator, Empower, makes information regarding the program available on its New Jersey Defined Contribution Program website: njplans.empower-retirement.com.

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 6 - Pension plans (continued)

C. Defined Contribution Retirement Program (continued)

Contribution rates for DCRP provide for employee contributions of 5.50% of annual contractual compensation as defined. The District's net contribution to the DCRP for fiscal year ended June 30, 2024 was \$5,310.

D. Other pension plan information

During the fiscal year ended June 30, 2024, the State of New Jersey contributed \$413,488 to the TPAF for postretirement medical benefits, \$17,131 for non-contributory insurance premiums, \$679 for long-term disability insurance, and \$1,502,133 for normal costs and accrued liability costs on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$341,224 during the year ended June 30, 2024 for the employer's share of Social Security contributions for TPAF members calculated on their base salaries. These amounts have been included in the financial statements and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB Statement No. 68.

Note 7 - Postretirement benefits

The State Health Benefit State Retired Employees Plan (State Retired OPEB Plan) is a single-employer defined benefit OPEB plan with a special funding situation. The State Retired OPEB Plan is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other than Pensions*. The State Retired OPEB Plan is treated as a cost-sharing multiple employer plan with a special funding situation for allocating the total OPEB liability and related OPEB amounts since each employer mentioned above is required to issue stand-alone financial statements. The State Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of the employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits. In fiscal year 2022, the State paid OPEB benefits for 161,238 State and local retirees.

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

The employer contributions for the participating local education employers are legally required to be funded by the State in accordance with N.J.S.A. 52:14-17.32f. According to this law, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following Plans: TPAF, PERS, PFRS, or ABP.

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

Pursuant to P.L.2011, c.78, future retirees eligible for postemployment medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

The State is legally required to pay for the OPEB benefit coverage for the participating local education employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a non-employer contributing entity. The State, as a non-employer contributing entity, reported a Fiscal Year 2023 total OPEB liability of \$52,361,668,239 for this special funding situation.

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

Total OPEB liability

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

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

For purposes of reporting required GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the District's proportionate share of allocable OPEB liability and employer OPEB expense and related revenue as of June 30, 2023 measurement date is as follows:

State's proportionate share of the OPEB liability	\$ 52,361,668,239
District's proportionate share of the State's OPEB liability	19,762,622
Employer OPEB expense and related revenue	426,260
Allocable proportionate percentage	0.0377425370%

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

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

	<u>Total OPEB Liability</u>
Total OPEB liability at June 30, 2022	\$ 18,820,273
Service cost	784,292
Interest cost	696,015
Differences between expected and actual experiences	(53,072)
Changes of assumptions	39,833
Member contributions	17,836
Gross benefit payments	(542,555)
Total OPEB liability at June 30, 2023	<u>\$ 19,762,622</u>

There were no changes of the benefit terms from June 30, 2022 to June 30, 2023.

Changes of assumptions and other inputs reflect a change in the discount rate from 3.54% as of the June 30, 2022 Plan measurement date to 3.65% as of the June 30, 2023 Plan measurement date.

The total non-employer OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

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

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

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of the TPAF and PERS experience studies prepared for July 1, 2018 - June 30, 2021.

100% of active members are considered to participate in the Plan upon retirement.

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

Health care trend assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 PPO, the trend is increasing to 14.80% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.40% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount rate

The discount rate for June 30, 2023 was 3.65%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

The following presents the total non-employer OPEB liability as of June 30, 2023 measurement date, using the District's allocable proportionate percentage, calculated using the discount rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

Total OPEB liability (school retirees)

At current discount rate (3.65%)	\$ 19,762,622
At a 1% lower rate (2.65%)	23,168,282
At a 1% higher rate (4.65%)	17,028,273

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

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

Total OPEB liability (school retirees)

Healthcare cost trend rate	\$ 19,762,622
At a 1% lower rate (1% decrease)	16,406,023
At a 1% higher rate (1% increase)	24,154,740

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 7 - Postretirement benefits (continued)

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

For the fiscal year ended June 30, 2023, the District recognized OPEB expense of \$426,260 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a Trust that meets the criteria in Paragraph 4 of GASB Statement No. 75 and in which there is a special funding situation.

In accordance with GASB Statement No. 75, the District's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources.

Note 8 - Deferred compensation

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

Equitable Advisor
Lincoln Financial Group

Note 9 - Interfund receivable and payables

The composition of interfund balances as of June 30, 2024 is as follows:

Fund	Receivable Fund	Payable Fund
General fund	\$ 90	\$ 29,172
Special revenue fund	-	90
Food service fund	29,172	-
Total	<u>\$ 29,262</u>	<u>\$ 29,262</u>

The special revenue fund has an interfund payable of \$90 due to the general fund for grant expenses posted in the general fund. The general fund had an interfund payable of \$29,172 due to the food service fund for subsidies received and not yet transferred.

Note 10 - Inventory

Inventory in the food service fund as of June 30, 2024 consisted of the following:

Food	\$ 5,295
Supplies	2,305
Total	<u>\$ 7,600</u>

UNION TOWNSHIP SCHOOL DISTRICT

Notes to the Financial Statements

Note 11 - Contingent liabilities

The District is involved with various litigation matters. It is believed that the outcome, or exposure to the District, from such litigation is unknown, or potential losses cannot be reasonably estimated at this time.

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

Note 12 - Risk management

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

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

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

Fiscal Year	District Contribution	Interest Earnings	Employee Deposits	Amount Reimbursed	Ending Balance Available for Claims
2023 - 2024	\$ -	\$ 2,508	\$ 19,972	\$ 32,255	\$ 192,888
2022 - 2023	-	2,073	11,887	12,424	202,663
2021 - 2022	-	122	10,133	183	201,127

Note 13 - Reserve accounts

A capital reserve account was established by the District for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and activity is included in the general fund annual budget.

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 13 - Reserve accounts (continued)

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long-Range Facilities Plan (LRFP) and updated annually in the Quality Single Accountability Continuum (QSAC). Upon submission of the LRFP to the Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:26-9.1(d)1, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

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

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

Reserve Type	Beginning Balance	District Contrib.	Interest Earnings	Return Unused Withdrawal	Withdrawal	Ending Balance
Capital	\$ 2,524,830	\$ 166,125	\$ 19,871	\$ 665,338	\$ 1,274,662	\$ 2,101,502
Emergency	193,900	-	-	-	-	193,900
Maintenance	665,000	-	-	-	100,000	565,000
Total	<u>\$ 3,383,730</u>	<u>\$ 166,125</u>	<u>\$ 19,871</u>	<u>\$ 665,338</u>	<u>\$ 1,374,662</u>	<u>\$ 2,860,402</u>

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 14 - Fund balance

As described in Note 1 (O) fund balance may be restricted, committed or assigned. An analysis of the general fund balance on June 30, 2024 is as follows:

Restricted

Capital reserve account - represents funds restricted to capital projects in the Districts long range facilities plan.	\$ 2,101,502
Emergency reserve account - represents funds restricted to finance unanticipated general fund expenditures required for a thorough and efficient education.	193,900
Maintenance reserve account - represents funds accumulated for the required maintenance of a facility in accordance with the EFCFA (N.J.S.A. 18A:76-9).	565,000
Unemployment compensation - represents funds accumulated for future unemployment claims.	189,313

Committed

Year-end encumbrance - represents fund balance assigned for purchase orders that have been issued but goods or services were not received as of June 30.	53,433
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Assigned

Designated for subsequent year's expenditures - represents amount appropriated in the succeeding year's budget to reduce tax requirements.	86,138
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Unassigned

Undesignated - represents fund balance which has not been restricted or designated.	488,229
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Total fund balance - budgetary basis (Exhibit C-1)	3,677,515
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Last state aid payments not recognized on GAAP basis	(240,291)
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Total fund balance - GAAP basis (Exhibit B-1)	<u>\$ 3,437,224</u>
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Note 15 - Calculation of excess surplus

In accordance with N.J.S.A. 18A:7F-7, as amended by PL 2004, Ch. 73 (S1701), the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve general fund, fund balance at the fiscal year-end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2024 is \$0.

Note 16 - Deficit balance in unrestricted net position

The District is reporting a deficit balance in unrestricted net position for governmental activities as of June 30, 2024 of (\$2,012,126) on Schedule A-1, Statement of Net Position. The deficit balance is not a negative reflection on the District's financial condition but is the result of reporting required by GASB Statement No. 68, Accounting and Financial Reporting for Pensions, which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Financial Statements

Note 17 - Deficit unassigned fund balance in the special revenue fund

The District has a deficit unassigned fund balance of (\$77,282) in the special revenue fund as of June 30, 2024 as reported in the fund statements. PL 2005, Chapter 97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For inter-governmental transactions, GASB Statement No. 33 requires the recognition (revenue, expenditure, asset and liability) should be in symmetry, (i.e., if one government recognizes an asset, the other government recognizes a liability). Since the State is recording the last state aid payment in the subsequent fiscal year, the School District cannot recognize the last state aid payment on the GAAP financial statements until the year the state records the payable.

Due to the timing difference of recording the last state aid payment, the special revenue fund balance deficit does not alone indicate that the District is facing financial difficulties.

Note 18 - Recent accounting pronouncements not yet effective

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

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

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. This statement is effective for reporting periods beginning after June 15, 2024. The District is evaluating the effect of the pronouncement on financial reporting.

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This statement is effective for reporting periods beginning after June 15, 2025. The District is evaluating the effect of the pronouncement on financial reporting.

Note 19 - Subsequent events

The District has evaluated and determine that no material events or transactions have occurred subsequent to November 21, 2024, which is the date the financial statements were available to be issued and no additional items were noted for disclosure.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

UNION TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Unaudited			Actual	Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget		
Revenue					
Local sources					
Local tax levy	\$ 9,518,070	\$ -	\$ 9,518,070	\$ 9,518,070	\$ -
Tuition from individuals	176,000	-	176,000	37,570	(138,430)
Tuition from other LEAs within the state	45,000	-	45,000	-	(45,000)
Rents and royalties	5,000	-	5,000	1,805	(3,195)
Unrestricted miscellaneous revenues	150,000	-	150,000	95,122	(54,878)
Interest earned on capital reserve funds	1,000	-	1,000	19,871	18,871
Other restricted miscellaneous revenues	-	-	-	2,508	2,508
Total	9,895,070	-	9,895,070	9,674,946	(220,124)
State sources					
Categorical transportation aid	233,413	-	233,413	233,413	-
Extraordinary aid	300,000	-	300,000	531,859	231,859
Categorical special education aid	390,778	-	390,778	390,778	-
Categorical security aid	36,554	-	36,554	36,554	-
Other state aid	-	-	-	6,370	6,370
TPAF Pension (on-behalf)	-	-	-	1,502,133	1,502,133
TPAF Non-contributory insurance	-	-	-	17,131	17,131
TPAF Social Security (reimbursed)	-	-	-	341,224	341,224
TPAF Postretirement benefits	-	-	-	413,488	413,488
TPAF Long-term disability insurance	-	-	-	679	679
Total	960,745	-	960,745	3,473,629	2,512,884
Total revenues	\$ 10,855,815	\$ -	\$ 10,855,815	\$ 13,148,575	\$ 2,292,760
Expenditures					
Current					
Instruction - regular program					
Salaries of Teachers					
Preschool	\$ 64,050	\$ (56,236)	\$ 7,814	\$ 7,814	\$ -
Kindergarten	235,636	(12,221)	223,415	223,415	-
Grades 1-5	1,279,760	39,407	1,319,167	1,319,167	-
Grades 6-8	1,068,155	(28,225)	1,039,930	1,039,930	-
Home instruction					
Salaries of teacher	10,000	(30)	9,970	1,803	8,167
Purchased professional - educational services	10,000	(8,770)	1,230	1,230	-
Regular programs - undistributed instruction					
Purchased professional - educational services	24,455	768	25,223	25,211	12
Purchased technical services	87,085	4,052	91,137	91,137	-
Other purchased services	3,000	(21)	2,979	2,082	897
General supplies	106,632	(9,633)	96,999	96,999	-
Total	2,888,773	(70,909)	2,817,864	2,808,788	9,076

See independent auditors' report.

UNION TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Unaudited				Variance
	Original	Budget	Final		Final
	Budget	Transfers	Budget	Actual	to Actual
Special education					
Learning and/or language disabilities					
Salaries of Teachers	\$ 226,735	\$ (75,870)	\$ 150,865	\$ 150,565	\$ 300
Other salaries for instruction	34,015	5,340	39,355	39,355	-
General supplies	4,000	-	4,000	3,686	314
Total	264,750	(70,530)	194,220	193,606	614
Resource room/resource center					
Salaries of Teachers	587,320	31,943	619,263	619,263	-
Other salaries for instruction	304,502	(140,301)	164,201	163,866	335
General supplies	8,250	(1,495)	6,755	6,755	-
Other objects	5,200	(5,200)	-	-	-
Total	905,272	(115,053)	790,219	789,884	335
Autism					
Salaries of teachers	-	66,930	66,930	66,930	-
Other salaries for instruction	-	65,964	65,964	65,964	-
Total	-	132,894	132,894	132,894	-
Preschool disabilities - full-time					
Salaries of Teachers	61,550	(59,525)	2,025	-	2,025
Other salaries for instruction	-	24,150	24,150	23,482	668
General supplies	2,500	(975)	1,525	883	642
Total	64,050	(36,350)	27,700	24,365	3,335
Total special education	1,234,072	(89,039)	1,145,033	1,140,749	4,284
Basic skills/remedial					
Salaries of teachers	-	65,405	65,405	65,405	-
General supplies	500	-	500	416	84
Total	500	65,405	65,905	65,821	84
Bilingual education - instruction					
Salaries of Teachers	28,992	13,743	42,735	42,735	-
General supplies	2,000	(1,004)	996	178	818
Total	30,992	12,739	43,731	42,913	818
School-sponsored co/extra curricular activities - instruction					
Salaries	29,425	-	29,425	24,647	4,778
Supplies and materials	200	-	200	-	200
Total	29,625	-	29,625	24,647	4,978
School-sponsored athletics - instruction					
Salaries	34,671	377	35,048	35,048	-
Purchased services	11,000	(5,251)	5,749	5,749	-
Supplies and materials	2,000	446	2,446	2,446	-
Total	47,671	(4,428)	43,243	43,243	-
Total instruction regular	\$ 4,231,633	\$ (86,232)	\$ 4,145,401	\$ 4,126,161	\$ 19,240

See independent auditors' report.

UNION TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Unaudited				Variance
	Original	Budget	Final		Final
	Budget	Transfers	Budget	Actual	to Actual
Undistributed expenditures					
Undistributed expenditures - instruction					
Tuition to other LEAs within the State - special	\$ 380,634	\$ (74,352)	\$ 306,282	\$ 298,224	\$ 8,058
Tuition to priv. school for the disabled w/i state	177,826	171,803	349,629	349,629	-
Total	558,460	97,451	655,911	647,853	8,058
Undistributed expenditures - attendance & social work					
Salaries	51,745	(11,000)	40,745	40,068	677
Total	51,745	(11,000)	40,745	40,068	677
Undistributed expenditures - health services					
Salaries	164,950	(19,638)	145,312	143,310	2,002
Purchased professional and technical services	2,500	-	2,500	2,250	250
Supplies and materials	5,440	4,718	10,158	8,157	2,001
Total	172,890	(14,920)	157,970	153,717	4,253
Undistributed expenditures - speech, ot, pt & related services					
Salaries	168,343	(5,474)	162,869	161,637	1,232
Purchased professional - educational services	105,500	(72,826)	32,674	32,674	-
Supplies and materials	7,039	(5,507)	1,532	1,532	-
Other objects	2,850	(2,770)	80	80	-
Total	283,732	(86,577)	197,155	195,923	1,232
Undistributed expend - other supp. service stds. - extra service					
Salaries	34,015	167,015	201,030	199,144	1,886
Purchased professional - educational services	50,000	4,072	54,072	54,072	-
Supplies and materials	1,000	(1,000)	-	-	-
Total	85,015	170,087	255,102	253,216	1,886
Undistributed expenditures - guidance					
Salaries of other Professional Staff	156,630	(19,000)	137,630	137,086	544
Purchased professional - educational services	1,500	(1,500)	-	-	-
Other purchased professional & technical services	-	500	500	500	-
Other purchased services	275	-	275	-	275
Supplies and materials	1,800	-	1,800	1,604	196
Total	160,205	(20,000)	140,205	139,190	1,015
Undistributed expenditures - child study teams					
Salaries of other Professional Staff	296,382	13,911	310,293	310,243	50
Salaries of Secretarial and Clerical Assistants	65,181	(15,579)	49,602	49,602	-
Purchased professional - educational services	1,550	(1,550)	-	-	-
Other purchased professional & technical services	10,000	(1,221)	8,779	7,689	1,090
Other purchased services	2,500	-	2,500	768	1,732
Supplies and materials	10,178	(8,012)	2,166	2,166	-
Other objects	2,300	(1,870)	430	430	-
Total	388,091	(14,321)	373,770	370,898	2,872

See independent auditors' report.

UNION TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Unaudited			Variance Final to Actual
	Original Budget	Budget Transfers	Final Budget	
Undistributed expenditures - improvement of inst. service				
Salaries of supervisor of instruction	\$ 28,841	\$ 27,860	\$ 56,701	\$ 49,464 \$ 7,237
Other purchased services	500	-	500	- 500
Supplies and materials	100,797	(18,852)	81,945	81,904 41
Other objects	2,850	(2,850)	-	- -
Total	132,988	6,158	139,146	131,368 7,778
Undistributed expenditures - edu. media service/sch. library				
Salaries of Technology Coordinators	74,336	-	74,336	73,728 608
Purchased professional and technical services	83,328	(4,833)	78,495	77,733 762
Other purchased services	1,004	-	1,004	1,004 -
Supplies and materials	2,648	9,503	12,151	11,477 674
Total	161,316	4,670	165,986	163,942 2,044
Undistributed expenditures - instructional staff training services				
Purchased professional - educational services	3,700	(2,313)	1,387	60 1,327
Other purchased services	19,000	(10,000)	9,000	5,196 3,804
Supplies and materials	500	-	500	417 83
Other objects	1,000	-	1,000	992 8
Total	24,200	(12,313)	11,887	6,665 5,222
Undistributed expenditures - support service - general admin.				
Salaries	127,666	17,120	144,786	140,474 4,312
Legal services	24,000	(5,614)	18,386	12,934 5,452
Audit fees	25,000	(2,400)	22,600	22,600 -
Architectural/engineering services	5,000	(4,614)	386	- 386
Other purchased professional services	4,100	5,765	9,865	9,865 -
Communications/telephone	11,120	163	11,283	11,091 192
BOE other purchased services	2,675	430	3,105	3,105 -
Misc purch services	12,755	501	13,256	13,133 123
General supplies	2,000	-	2,000	1,958 42
BOE in-house training/meeting supplies	50	-	50	- 50
Miscellaneous expenditures	2,500	957	3,457	3,457 -
BOE membership dues and fees	5,500	(957)	4,543	3,661 882
Total	222,366	11,351	233,717	222,278 11,439
Undistributed expenditures - support service - school admin.				
Salaries of Principals/Assistant Principals	222,147	14,142	236,289	235,314 975
Salaries of Secretarial and Clerical Assistants	49,245	2,229	51,474	51,474 -
Other purchased services	750	1,500	2,250	958 1,292
Supplies and materials	8,000	(366)	7,634	6,977 657
Other objects	6,000	(1,456)	4,544	2,927 1,617
Total	286,142	16,049	302,191	297,650 4,541

See independent auditors' report.

UNION TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Unaudited				Variance
	Original	Budget	Final		Final
	Budget	Transfers	Budget	Actual	to Actual
Undistributed expenditures - central services					
Salaries	\$ 60,771	\$ 108,435	\$ 169,206	\$ 167,125	\$ 2,081
Purchased professional services	110,100	(88,060)	22,040	19,340	2,700
Purchased technical services	400	173	573	573	-
Miscellaneous purchased services	2,000	(385)	1,615	1,475	140
Supplies and materials	4,910	(3,115)	1,795	1,795	-
Other objects	2,230	(755)	1,475	1,475	-
Total	180,411	16,293	196,704	191,783	4,921
Undistributed expenditures - required maint. for school facilities					
Salaries	33,524	2,226	35,750	35,750	-
Cleaning, repair, and maintenance services	183,079	(2,227)	180,852	119,799	61,053
Lead testing in water	15,000	-	15,000	7,439	7,561
General supplies	79,456	(49,316)	30,140	21,886	8,254
Total	311,059	(49,317)	261,742	184,874	76,868
Undistributed expenditures - custodial services					
Salaries	307,302	23,000	330,302	296,247	34,055
Purchased professional and technical services	184,775	(16,294)	168,481	141,365	27,116
Cleaning, repair, and maintenance service	43,500	-	43,500	36,572	6,928
Insurance	96,040	(3,000)	93,040	86,783	6,257
General supplies	45,500	(22,696)	22,804	21,092	1,712
Energy (natural gas)	115,500	-	115,500	101,326	14,174
Energy (electricity)	150,000	-	150,000	128,398	21,602
Energy (gasoline)	5,000	-	5,000	1,431	3,569
Other objects	3,500	11,013	14,513	11,138	3,375
Total	951,117	(7,977)	943,140	824,352	118,788
Undistributed expenditures - care and upkeep of grounds					
Purchased professional and technical services	52,964	(20,000)	32,964	31,524	1,440
Cleaning, repair, and maintenance service	65,000	(20,000)	45,000	33,248	11,752
General supplies	20,000	(10,000)	10,000	4,914	5,086
Total	137,964	(50,000)	87,964	69,686	18,278
Undistributed expenditures - security					
Purchased professional and technical services	123,897	(49,777)	74,120	67,570	6,550
General supplies	500	13,957	14,457	14,457	-
Total	124,397	(35,820)	88,577	82,027	6,550

See independent auditors' report.

UNION TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Unaudited			Variance	
	Original	Budget	Final		Final
	Budget	Transfers	Budget	Actual	to Actual
Undistributed expenditures - student transportation service					
Salaries for pupil trans, (between home & school) - reg.	\$ 27,248	\$ 1,127	\$ 28,375	\$ 23,043	\$ 5,332
Management fee - ESC & CTSA trans. program	27,620	4,128	31,748	31,446	302
Contract serv. - aid in lieu pymts. - non-public schools	14,819	2,656	17,475	17,339	136
Contract serv. - aid in lieu pymts. - choice school students	6,132	(503)	5,629	2,330	3,299
Contract serv. (oth. than between home & school) - vend.	-	10,018	10,018	6,095	3,923
Contract serv. (between home & school) - joint agreements	-	3,094	3,094	3,094	-
Contract serv. (reg. students) - ESCs & CTSAs	305,549	70,528	376,077	376,077	-
Contract serv. (spl. ed. students) - ESCs & CTSAs	231,431	116,745	348,176	342,705	5,471
Total	612,799	207,793	820,592	802,129	18,463
Allocated benefits - employee benefits					
Regular programs - instruction					
Social Security contributions	12,300	(12,300)	-	-	-
Health benefits	691,264	(16,882)	674,382	671,096	3,286
Tuition reimbursement	17,000	-	17,000	13,183	3,817
Total	720,564	(29,182)	691,382	684,279	7,103
Special programs - instruction					
Social Security contributions	23,600	(23,600)	-	-	-
Health benefits	331,675	(65,574)	266,101	266,101	-
Unused sick payment for terminated/retired staff	-	9,000	9,000	9,000	-
Total	355,275	(80,174)	275,101	275,101	-
Other instructional programs - instruction					
Social security contributions	5,400	(5,400)	-	-	-
Total	5,400	(5,400)	-	-	-
Attendance and social work services					
Social security contributions	4,200	(4,136)	64	-	64
Health benefits	27,700	-	27,700	27,700	-
Total	31,900	(4,136)	27,764	27,700	64
Health services					
Health benefits	16,166	-	16,166	16,166	-
Total	16,166	-	16,166	16,166	-
Other support services - speech/ot/pt & related services					
Health benefits	40,759	-	40,759	40,759	-
Total	40,759	-	40,759	40,759	-
Other supp services- students - extraordinary					
Social security contributions	5,200	(5,200)	-	-	-
Health benefits	11,464	-	11,464	11,464	-
Total	16,664	(5,200)	11,464	11,464	-
Other support services - guidance					
Health benefits	56,846	-	56,846	56,846	-
Total	56,846	-	56,846	56,846	-

See independent auditors' report.

UNION TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Unaudited				Variance
	Original	Budget	Final		Final
	Budget	Transfers	Budget	Actual	to Actual
Other support services - child study teams					
Social Security contributions	\$ 5,100	\$ (5,100)	\$ -	\$ -	\$ -
Health benefits	118,436	(3,561)	114,875	113,572	1,303
Other employee benefits	1,000	(1,000)	-	-	-
Total	124,536	(9,661)	114,875	113,572	1,303
Improvement of instruction services					
Health benefits	27,828	(13,921)	13,907	13,907	-
Tuition reimbursement	3,000	(1,165)	1,835	-	1,835
Total	30,828	(15,086)	15,742	13,907	1,835
Educational media services - sch. library					
Social security contributions	5,700	(5,700)	-	-	-
Health benefits	28,223	-	28,223	28,223	-
Tuition reimbursement	500	-	500	-	500
Total	34,423	(5,700)	28,723	28,223	500
Support services - general administration					
Social Security contributions	5,200	-	5,200	-	5,200
Health benefits	56,466	(2,853)	53,613	49,109	4,504
Other employee benefits	2,000	1,248	3,248	3,248	-
Total	63,666	(1,605)	62,061	52,357	9,704
Support services - school administration					
Social Security contributions	3,800	(3,800)	-	-	-
Health benefits	57,688	-	57,688	57,688	-
Tuition reimbursement	7,000	(1,897)	5,103	4,917	186
Other employee benefits	2,000	1,897	3,897	3,897	-
Total	70,488	(3,800)	66,688	66,502	186
Support services - central services					
Social Security contributions	5,200	-	5,200	-	5,200
Health benefits	17,102	-	17,102	17,102	-
Total	22,302	-	22,302	17,102	5,200
Required maintenance for school facilities					
Social Security contributions	8,200	(8,200)	-	-	-
Health benefits	14,601	-	14,601	14,601	-
Total	22,801	(8,200)	14,601	14,601	-
Custodial services					
Social Security contributions	30,300	(30,300)	-	-	-
Health benefits	120,620	-	120,620	120,620	-
Tuition reimbursement	2,000	-	2,000	1,200	800
Total	152,920	(30,300)	122,620	121,820	800
Student transportation services					
Health benefits	2,500	(2,500)	-	-	-
Total	2,500	(2,500)	-	-	-
Total allocated benefits - employees	\$ 1,768,038	\$ (200,944)	\$ 1,567,094	\$ 1,540,399	\$ 26,695

See independent auditors' report.

UNION TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Unaudited				Variance
	Original	Budget	Final		Final
	Budget	Transfers	Budget	Actual	to Actual
Unallocated benefits - employee benefits					
Social Security contributions	\$ 11,549	\$ 141,656	\$ 153,205	\$ 153,205	\$ -
Other retirement contributions - PERS	163,000	9,536	172,536	172,535	1
Other retirement contributions - regular	7,000	(1,690)	5,310	5,310	-
Workmen's compensation	63,226	-	63,226	62,021	1,205
Health benefits	15,000	11,155	26,155	14,765	11,390
Other employee benefits	2,000	11,481	13,481	10,457	3,024
Total	261,775	172,138	433,913	418,293	15,620
On-behalf TPAF Pension contribution	-	-	-	1,502,133	(1,502,133)
On-behalf TPAF Non-contributory insurance	-	-	-	17,131	(17,131)
On-behalf TPAF Postretirement medical benefits	-	-	-	413,488	(413,488)
On-behalf TPAF Long-term disability insurance	-	-	-	679	(679)
Reimbursed TPAF Social Security contribution	-	-	-	341,224	(341,224)
Total	-	-	-	2,274,655	(2,274,655)
Total undistributed expenditures	\$ 6,874,710	\$ 198,801	\$ 7,073,511	\$ 9,010,966	\$ (1,937,455)
Total current	\$ 11,106,343	\$ 112,569	\$ 11,218,912	\$ 13,137,127	\$ (1,918,215)
Capital outlay					
Facilities acquisition and construction service					
Architectural/engineering services	\$ 110,004	\$ -	\$ 110,004	\$ 48,581	\$ 61,423
Lease purchase agreements - principal	-	251,659	251,659	251,658	1
Bldgs. other than lease purchase agreements	251,659	(251,659)	-	-	-
Other objects	940,000	(940,000)	-	-	-
Assessment for debt service on SDA funding	28,117	-	28,117	28,117	-
Total facilities acquisition and construction service	1,329,780	(940,000)	389,780	328,356	61,424
Total capital outlay	\$ 1,329,780	\$ (940,000)	\$ 389,780	\$ 328,356	\$ 61,424
Total expenditures	\$ 12,436,123	\$ (827,431)	\$ 11,608,692	\$ 13,465,483	\$ (1,856,791)
Excess (deficiency) of revenues over (under) expenditures	\$ (1,580,308)	\$ 827,431	\$ (752,877)	\$ (316,908)	\$ 435,969
Other financing sources (uses)					
Operating transfer out					
Transfer to special revenue fund - preschool programs	-	(118,896)	(118,896)	(118,896)	-
Capital reserve - transfer to capital projects fund	-	(940,000)	(940,000)	(274,662)	665,338
Total other financing sources (uses)	-	(1,058,896)	(1,058,896)	(393,558)	665,338
Excess (deficiency) of revenues & other financing sources over (under) expenditures & other financing uses	(1,580,308)	(231,465)	(1,811,773)	(710,466)	1,101,307
Fund balances, July 1	4,387,981	-	4,387,981	4,387,981	-
Fund balances, June 30	\$ 2,807,673	\$ (231,465)	\$ 2,576,208	\$ 3,677,515	\$ 1,101,307

See independent auditors' report.

UNION TOWNSHIP SCHOOL DISTRICT
General Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Unaudited				Variance
	Original	Budget	Final		Final
	Budget	Transfers	Budget	Actual	to Actual
Recapitulation of excess (deficiency) of revenues over (under) expenditures					
Adjustment for prior year encumbrances	\$ (71,819)	\$ -	\$ (71,819)	\$ (71,819)	\$ -
Increase in capital reserve	-	831,463	831,463	831,463	-
Interest deposit to capital reserve	1,000	-	1,000	19,871	18,871
Withdrawal from capital reserve	(1,000,000)	(274,662)	(1,274,662)	(1,274,662)	-
Withdrawal from maintenance reserve	(100,000)	-	(100,000)	(100,000)	-
Interest earned on unemployment compensation	-	-	-	2,508	2,508
Budgeted fund balance	(409,489)	(788,266)	(1,197,755)	(117,827)	1,079,928
Total	<u>\$ (1,580,308)</u>	<u>\$ (231,465)</u>	<u>\$ (1,811,773)</u>	<u>\$ (710,466)</u>	<u>\$ 1,101,307</u>
Recapitulation of fund balance					
Restricted fund balance					
Capital reserve				\$ 2,101,502	
Emergency reserve				193,900	
Maintenance reserve				565,000	
Unemployment compensation				189,313	
Committed fund balance					
Year-end encumbrances				53,433	
Assigned fund balance					
Designated for subsequent year's expenditures				86,138	
Unassigned fund balance				<u>488,229</u>	
Fund balance per budgetary basis				3,677,515	
Reconciliation to governmental statements (GAAP)					
Last state aid payments not recognized on GAAP basis				<u>(240,291)</u>	
Fund balance per governmental funds (GAAP)				<u>\$ 3,437,224</u>	

See independent auditors' report.

UNION TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Original Budget	Unaudited Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Local sources	\$ 26,417	\$ -	\$ 26,417	\$ 26,417	\$ -
State sources	791,504	-	791,504	609,137	(182,367)
Federal sources	483,359	1,385	484,744	391,039	(93,705)
Total revenues	<u>1,301,280</u>	<u>1,385</u>	<u>1,302,665</u>	<u>1,026,593</u>	<u>(276,072)</u>
Other Financing Sources					
Transfers In	118,896	-	118,896	118,896	-
Total revenues & other financing sources	<u>\$ 1,420,176</u>	<u>\$ 1,385</u>	<u>\$ 1,421,561</u>	<u>\$ 1,145,489</u>	<u>\$ (276,072)</u>
Expenditures					
Instruction					
Salaries	\$ 368,577	\$ 21,833	\$ 390,410	\$ 287,951	\$ 102,459
Purchased professional and technical services	15,000	-	15,000	-	15,000
Other purchased services	-	41,780	41,780	41,780	-
General supplies	215,868	(27,664)	188,204	171,480	16,724
Total	<u>599,445</u>	<u>35,949</u>	<u>635,394</u>	<u>501,211</u>	<u>134,183</u>
Support services					
Tuition	125,756	-	125,756	125,756	-
Salaries	211,229	(38,000)	173,229	106,534	66,695
Employee benefits	268,362	(40,962)	227,400	160,678	66,722
Purchased professional and technical services	13,333	27,119	40,452	39,817	635
Plant operations and maintenance	18,680	-	18,680	18,680	-
Other purchased services	33,952	35,393	69,345	64,300	5,045
Travel	1,000	-	1,000	-	1,000
Supplies and materials	29,929	2,388	32,317	31,781	536
Student activities	24,228	-	24,228	24,228	-
Total	<u>726,469</u>	<u>(14,062)</u>	<u>712,407</u>	<u>571,774</u>	<u>140,633</u>
Capital outlay					
Instructional equipment	92,073	(20,502)	71,571	70,315	1,256
Total	<u>92,073</u>	<u>(20,502)</u>	<u>71,571</u>	<u>70,315</u>	<u>1,256</u>
Total expenditures	<u>\$ 1,417,987</u>	<u>\$ 1,385</u>	<u>\$ 1,419,372</u>	<u>\$ 1,143,300</u>	<u>\$ 276,072</u>
Excess (deficiency) of revenues over (under) expenditures	\$ 2,189	\$ -	\$ 2,189	\$ 2,189	\$ -
Fund balances, July 1	26,412	-	26,412	26,412	-
Fund balances, June 30	<u>\$ 28,601</u>	<u>\$ -</u>	<u>\$ 28,601</u>	<u>\$ 28,601</u>	<u>\$ -</u>
Recapitulation of fund balance					
Restricted fund balance					
Student activities				\$ 28,601	
Fund balance per budgetary basis				28,601	
Reconciliation to governmental statements (GAAP)					
Last state aid payments not recognized on GAAP basis				(77,282)	
Fund balance per governmental funds (GAAP)				<u>\$ (48,681)</u>	

See independent auditors' reports.

UNION TOWNSHIP SCHOOL DISTRICT
Notes to Required Supplementary Information
Budget-to-GAAP Reconciliation
For the Fiscal Year Ended June 30, 2024

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

Sources/Inflows of Resources	General Fund	Special Revenue Fund
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 13,148,575	\$ 1,026,593
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	-	1,324
Outstanding encumbrances - current year	-	(62,763)
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	57,681	-
State aid receivable current year	(240,291)	(77,282)
Total revenues (GAAP basis)	<u>\$ 12,965,965</u>	<u>\$ 887,872</u>
Uses/Outflows of Resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 13,465,483	\$ 1,143,300
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	-	1,324
Outstanding encumbrances - current year	-	(62,763)
Total expenditures (GAAP basis)	<u>\$ 13,465,483</u>	<u>\$ 1,081,861</u>

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

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

	District's proportion of the net pension liability (asset)		District's covered employee payroll	District's proportion of the net pension liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net position as as a percentage of the total pension liability
	Percentage	Value			
2015	0.0103440398%	\$ 2,322,030	\$ 734,312	316.22%	47.93%
2016	0.0094218084%	2,790,469	697,072	400.31%	40.14%
2017	0.0106296117%	2,474,404	628,284	393.84%	48.10%
2018	0.0098260000%	1,934,691	725,948	266.51%	53.60%
2019	0.0103876257%	1,871,693	800,916	233.69%	56.27%
2020	0.0115989808%	1,891,490	995,444	190.01%	58.32%
2021	0.0116750154%	1,383,081	914,515	151.24%	70.33%
2022	0.0129719089%	1,957,640	876,851	223.26%	62.91%
2023	0.0128633366%	1,863,174	1,118,767	166.54%	65.23%
2024	N/A	N/A	1,134,197	N/A	N/A

N/A = Information not available

See independent auditors' report.

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

	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	District's covered employee payroll	Contributions as a percentage of covered employee payroll
2015	\$ 79,090	\$ (79,090)	\$ -	\$ 734,312	10.77%
2016	88,931	(88,931)	-	697,072	12.76%
2017	83,702	(83,702)	-	628,284	13.32%
2018	98,472	(98,472)	-	725,948	13.56%
2019	97,737	(97,737)	-	800,916	12.20%
2020	101,041	(101,041)	-	995,444	10.15%
2021	126,887	(126,887)	-	914,515	13.87%
2022	136,728	(136,728)	-	876,851	15.59%
2023	163,582	(163,582)	-	1,118,767	14.62%
2024	171,922	(171,922)	-	1,134,197	15.16%

See independent auditors' report.

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

	Proportionate share of net pension liability (asset)				District's covered employee payroll	District's proportion of the net pension liability (asset)	Plan fiduciary
	District's proportion		State's proportion	Total		as a percentage of its	net position as
	Percentage	Value				covered employee payroll	as a percentage of the total pension liability
2015	0.00%	\$ -	\$ 23,239,500	\$ 23,239,500	\$ 3,870,801	0.00%	28.71%
2016	0.00%	-	28,246,858	28,246,858	3,770,449	0.00%	22.33%
2017	0.00%	-	24,638,317	24,638,317	3,670,358	0.00%	25.41%
2018	0.00%	-	22,709,997	22,709,997	4,003,983	0.00%	26.49%
2019	0.00%	-	23,046,130	23,046,130	3,892,776	0.00%	26.95%
2020	0.00%	-	24,732,539	24,732,539	3,665,014	0.00%	24.60%
2021	0.00%	-	17,461,609	17,461,609	3,877,923	0.00%	35.52%
2022	0.00%	-	17,825,515	17,825,515	3,971,746	0.00%	32.29%
2023	0.00%	-	17,410,946	17,410,946	4,517,415	0.00%	34.68%
2024	N/A	N/A	N/A	N/A	4,842,415	N/A	N/A

N/A = Information not available

See independent auditors' report.

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

	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	District's covered employee payroll	Contributions as a percentage of covered employee payroll
2015	\$ 198,786	\$ (198,786)	\$ -	\$ 3,870,801	5.14%
2016	287,486	(287,486)	-	3,770,449	7.62%
2017	411,032	(411,032)	-	3,670,358	11.20%
2018	538,456	(538,456)	-	4,003,983	13.45%
2019	754,020	(754,020)	-	3,892,776	19.37%
2020	755,040	(755,040)	-	3,665,014	20.60%
2021	851,111	(851,111)	-	3,877,923	21.95%
2022	1,064,405	(1,064,405)	-	3,971,746	26.80%
2023	1,445,975	(1,445,975)	-	4,517,415	32.01%
2024	1,421,539	(1,421,539)	-	4,842,415	29.36%

See independent auditors' report.

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

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

	Proportionate share of other postemployment employee benefits liability (asset)			Total	District's covered employee payroll	District's proportion of the other postemployment employee liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net position as a percentage of the total other postemployment employee benefits liability
	District's proportion		State's proportion				
	Percentage	Value					
2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2017	0.00%	\$ -	\$ 20,767,732	\$ 20,767,732	\$ 4,298,642	0.00%	0.00%
2018	0.00%	-	17,897,426	17,897,426	4,729,931	0.00%	0.00%
2019	0.00%	-	16,371,530	16,371,530	4,693,692	0.00%	0.00%
2020	0.00%	-	26,058,132	26,058,132	4,660,458	0.00%	0.00%
2021	0.00%	-	22,412,914	22,412,914	4,792,438	0.00%	0.00%
2022	0.00%	-	18,820,273	18,820,273	4,848,597	0.00%	0.00%
2023	0.00%	-	19,762,622	19,762,622	5,636,182	0.00%	0.00%
2024	N/A	N/A	N/A	N/A	N/A	N/A	N/A

N/A = Information not available

See independent auditors' report.

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Required Supplementary Information - Part III
(Unaudited)
June 30, 2024

- Note 1 - Special funding situation - PERS, TPAF, and other postretirement benefits
The participating employer allocations included in the supplemental Schedule of Employer Special Funding Allocations and the supplemental Schedule of Special Funding Amounts by Employer for each local employer are provided as each local employer is required to record in their financial statements, as an expense and corresponding revenue, their proportionate share of the pension expense and other postretirement benefits (OPEB) expense allocated to the State of New Jersey (the State) under the special-funding situation and include their proportionate share of the net pension liability and OPEB liability in their respective notes to their financial statements. For this purpose, the proportionate share was developed based on actual contributions made to the Public Employees' Retirement System (PERS), Teachers' Pension and Annuity Fund (TPAF) and for OPEB allocated to employers based upon covered payroll and adjusted by expected State Early Retirement Incentive contributions for the respective fiscal year.
- Note 2 - Changes in assumptions - TPAF
The discount rate was 7.00% in state fiscal year 2022 and 7.00% in state fiscal year 2023. The inflation rate was 2.75% in state fiscal year 2022 and 2.75% in state fiscal year 2023.
- Note 3 - Changes in assumptions - PERS
The discount rate was 7.00% in state fiscal year 2022 and 7.00% in state fiscal year 2023. The inflation rate was 2.75% for state fiscal year 2022 and 2.75% for state fiscal year 2023.
- Note 4 - Changes in assumptions - other postretirement employee benefits
The other postretirement employee benefits discount rate increased from 3.54% in state fiscal year 2022 to 3.65% in state fiscal year 2023.
- Note 5 - Changes in healthcare trend assumptions - other postretirement employee benefits
For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 PPO, the trend is increasing to 14.80% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.40% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

SPECIAL REVENUE FUND

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

UNION TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues
and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2024

	IDEA Basic	IDEA Preschool	ARP IDEA Basic	ARP IDEA Preschool	ESEA Title IA	ESEA Title IIA	ESEA Title IV	Small, Rural School Achievement	CRRSA ESSER II	CRRSA Learning Acceleration	CRRSA Mental Health
Revenues											
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-	-	-	-	-
Federal sources	109,330	3,833	16,426	1,402	12,995	3,470	10,000	52,765	1,418	9,058	20,434
Total revenues	109,330	3,833	16,426	1,402	12,995	3,470	10,000	52,765	1,418	9,058	20,434
Other financing sources											
Transfer from general fund	-	-	-	-	-	-	-	-	-	-	-
Total revenues and other financing sources	\$ 109,330	\$ 3,833	\$ 16,426	\$ 1,402	\$ 12,995	\$ 3,470	\$ 10,000	\$ 52,765	\$ 1,418	\$ 9,058	\$ 20,434
Expenditures											
Instruction											
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other purchased services	-	-	-	-	-	-	-	-	-	-	-
General supplies	-	-	-	1,402	-	-	10,000	52,765	1,418	-	-
Total	-	-	-	1,402	-	-	10,000	52,765	1,418	-	-
Support services											
Tuition	109,330	-	16,426	-	-	-	-	-	-	-	-
Salaries	-	-	-	-	-	-	-	-	-	-	-
Employee benefits	-	-	-	-	-	-	-	-	-	-	-
Purchased professional and technical services	-	3,833	-	-	-	-	-	-	-	9,058	4,500
Plant operations & maintenance	-	-	-	-	-	-	-	-	-	-	-
Other purchased services	-	-	-	-	-	3,470	-	-	-	-	-
Supplies and materials	-	-	-	-	12,995	-	-	-	-	-	15,934
Student activities	-	-	-	-	-	-	-	-	-	-	-
Total	109,330	3,833	16,426	-	12,995	3,470	-	-	-	9,058	20,434
Capital											
Instructional equipment	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	\$ 109,330	\$ 3,833	\$ 16,426	\$ 1,402	\$ 12,995	\$ 3,470	\$ 10,000	\$ 52,765	\$ 1,418	\$ 9,058	\$ 20,434
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balances, July 1	-	-	-	-	-	-	-	-	-	-	-
Fund balances, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See independent auditors' reports.

UNION TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Combining Schedule of Program Revenues
and Expenditures - Budgetary Basis (continued)
For the Fiscal Year Ended June 30, 2024

	ARP ESSER	ARP Accelerated Learning	ARP Beyond the School Day	NJTSS Mental Health	Middle Grades Career	SDA Emergent and Capital Maintenance Needs	Preschool Expansion Aid	Student Activities	Total
Revenues									
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,417	\$ 26,417
State sources	-	-	-	-	-	18,680	590,457	-	609,137
Federal sources	47,060	47,052	9,024	22,711	24,061	-	-	-	391,039
Total revenues	47,060	47,052	9,024	22,711	24,061	18,680	590,457	26,417	1,026,593
Other financing sources									
Transfer from general fund	-	-	-	-	-	-	118,896	-	118,896
Total revenues and other financing sources	\$ 47,060	\$ 47,052	\$ 9,024	\$ 22,711	\$ 24,061	\$ 18,680	\$ 709,353	\$ 26,417	\$ 1,145,489
Expenditures									
Instruction									
Salaries	\$ 5,280	\$ 5,650	\$ 9,024	\$ -	\$ 15,482	\$ -	\$ 252,515	\$ -	\$ 287,951
Other purchased services	41,780	-	-	-	-	-	-	-	41,780
General supplies	-	-	-	-	217	-	105,678	-	171,480
Total	47,060	5,650	9,024	-	15,699	-	358,193	-	501,211
Support services									
Tuition	-	-	-	-	-	-	-	-	125,756
Salaries	-	-	-	-	7,225	-	99,309	-	106,534
Employee benefits	-	-	-	11,797	1,137	-	147,744	-	160,678
Purchased professional and technical services	-	7,147	-	10,914	-	-	4,365	-	39,817
Plant operations & maintenance	-	-	-	-	-	18,680	-	-	18,680
Other purchased services	-	31,867	-	-	-	-	28,963	-	64,300
Supplies and materials	-	2,388	-	-	-	-	464	-	31,781
Student activities	-	-	-	-	-	-	-	24,228	24,228
Total	-	41,402	-	22,711	8,362	18,680	280,845	24,228	571,774
Capital									
Instructional equipment	-	-	-	-	-	-	70,315	-	70,315
Total	-	-	-	-	-	-	70,315	-	70,315
Total expenditures	\$ 47,060	\$ 47,052	\$ 9,024	\$ 22,711	\$ 24,061	\$ 18,680	\$ 709,353	\$ 24,228	\$ 1,143,300
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,189	\$ 2,189
Fund balances, July 1	-	-	-	-	-	-	-	26,412	26,412
Fund balances, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,601	\$ 28,601

See independent auditors' reports.

UNION TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Schedule of Preschool Education Aid - Budgetary Basis
For the Fiscal Year Ended June 30, 2024

	Final Budget	Actual	Variance Final to Actual
Expenditures			
Instruction			
Salaries	\$ 179,385	\$ 147,403	\$ 31,982
Other salaries for instruction	131,039	105,112	25,927
Supplies	110,050	105,678	4,372
Total	<u>420,474</u>	<u>358,193</u>	<u>62,281</u>
Support services			
Salaries - supervisor of instruction	6,237	6,237	-
Salaries - other professional staff	47,024	47,024	-
Salaries - secretarial & clerical	16,826	16,826	-
Salaries - other	29,222	29,222	-
Salaries - master teachers	55,720	-	55,720
Employee benefits	208,683	147,744	60,939
Purchased professional and technical services	5,000	4,365	635
Other purchased services	28,963	28,963	-
Travel	1,000	-	1,000
Supplies	1,000	464	536
Total	<u>399,675</u>	<u>280,845</u>	<u>118,830</u>
Capital outlay			
Instructional equipment	71,571	70,315	1,256
Total	<u>71,571</u>	<u>70,315</u>	<u>1,256</u>
Total expenditures	<u><u>\$ 891,720</u></u>	<u><u>\$ 709,353</u></u>	<u><u>\$ 182,367</u></u>

UNION TOWNSHIP SCHOOL DISTRICT
Special Revenue Fund
Schedule of Preschool Education Aid - Budgetary Basis (continued)
For the Fiscal Year Ended June 30, 2024

Calculation of Budget & Carryover

Total revised 2023 - 2024 preschool education aid allocation	\$ 772,824
Add: actual ECPA/PEA carryover (June 30, 2023)	-
Add: budgeted transfer from general fund	<u>118,896</u>
Total preschool education aid funds available for 2023 - 2024 budget	891,720
Less: 2023 - 2024 budgeted preschool education aid	<u>(891,720)</u>
Available and unbudgeted preschool education aid funds as of June 30, 2024	-
Add: 2023 - 2024 unexpended preschool education aid	<u>182,367</u>
2023 - 2024 Actual carryover preschool education aid	<u><u>\$ 182,367</u></u>
Preschool education aid carryover budgeted for preschool programs 2024 - 2025	<u><u>\$ -</u></u>

CAPITAL PROJECTS FUND

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, 2024

Description	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations 06/30/24
			Prior Years	Current Year	
HVAC and electrical services upgrades	11/22/22	\$ 3,613,353	\$ -	\$ 478,819	\$ 3,134,534
Door replacement project	11/22/22	1,024,788	-	110,274	914,514
		<u>\$ 4,638,141</u>	<u>\$ -</u>	<u>\$ 589,093</u>	<u>\$ 4,049,048</u>

See independent auditors' reports.

UNION TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Summary Schedule of Revenues, Expenditures,
and Changes in Net Position - Budgetary Basis
For the Fiscal Year Ended June 30, 2024

Revenues and other financing sources	
Local sources	
Bond proceeds	\$ 2,750,000
Bond premium	581
Transfers from capital reserve	274,662
State sources	1,613,479
Total revenues and other financing sources	<u>4,638,722</u>
Expenditures and other financing uses	
Construction services	\$ 375,930
Purchased professional and technical services	
Legal services	34,341
Other professional services	178,822
Total expenditures and other financing uses	<u>589,093</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	4,049,629
Net position - beginning	<u>-</u>
Net position - ending	<u><u>\$ 4,049,629</u></u>
Recapitulation of fund balance	
Capital project fund balance	\$ 4,049,048
Bond premium	581
Fund balance per budgetary basis	<u>4,049,629</u>
Reconciliation to governmental statements (GAAP)	
Receivables from other governments - state	<u>(1,402,493)</u>
Fund balance per governmental funds (GAAP)	<u><u>\$ 2,647,136</u></u>

See independent auditors' reports.

UNION TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status
Budgetary Basis
HVAC and Electrical Services Upgrades Project
For the Fiscal Year Ended June 30, 2024

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Local sources				
Transfers from other funds	\$ -	\$ 274,662	\$ 274,662	\$ 274,662
Bond proceeds	-	1,725,212	1,725,212	1,725,212
State sources		1,613,479	1,613,479	1,613,479
Total revenues and other financing sources	-	3,613,353	3,613,353	3,613,353
Expenditures and other financing uses				
Construction services	-	330,750	330,750	3,230,852
Purchased professional services				
Legal services	-	15,038	15,038	134,211
Other professional services	-	133,031	133,031	93,948
Other purchased services	-	-	-	154,342
Total expenditures and other financing uses	-	478,819	478,819	3,613,353
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 3,134,534	\$ 3,134,534	\$ -

Additional Project Information

Project number	5270-050-23-1000
Project authorization date	11/22/22
Bonds authorized	10/31/23
Bonds issued	\$ 1,725,212
Original authorized cost	3,613,353
Additional authorized cost	-
Revised authorized cost	3,613,353
Percentage completion	13.25%

See independent auditors' reports.

UNION TOWNSHIP SCHOOL DISTRICT
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balance and Project Status
Budgetary Basis
Door Replacement Project
For the Fiscal Year Ended June 30, 2024

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Local sources				
Bond proceeds	\$ -	\$ 1,024,788	\$ 1,024,788	\$ 1,024,788
Total revenues	-	1,024,788	1,024,788	1,024,788
Expenditures and other financing uses				
Construction services	-	45,180	45,180	797,500
Purchased professional and technical services				
Legal services	-	19,303	19,303	79,750
Other professional services	-	45,791	45,791	147,538
Total expenditures	-	110,274	110,274	1,024,788
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 914,514	\$ 914,514	\$ -

Additional Project Information

Project number	5270-050-23-2000
Project authorization date	11/22/22
Bonds authorized	10/31/23
Bonds and bond anticipation notes	\$ 1,024,788
Original authorized cost	1,024,788
Additional authorized cost	-
Revised authorized cost	1,024,788
Percentage completion	10.76%

See independent auditors' reports.

LONG-TERM DEBT SCHEDULES

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

UNION TOWNSHIP SCHOOL DISTRICT
Long-Term Debt
Schedule of Serial Bonds
For the Fiscal Year Ended June 30, 2024

Issue	Date of	Amount of	Annual Maturities		Interest	Balance	Issued	Retired	Balance
	Issue	Issue	Date	Amount	Rate	07/01/23			06/30/24
School bonds of 2023	10/31/23	\$ 2,750,000	08/15/24	\$ 500,000	0.05%	\$ -	\$ 2,750,000	\$ -	\$ 2,750,000
			08/15/25	540,000	4.00%	-	-	-	-
			08/15/26	550,000	4.00%	-	-	-	-
			08/15/27	570,000	4.00%	-	-	-	-
			08/15/28	590,000	4.13%	-	-	-	-
Refunding of 2007 series refunding bond issue	05/03/17	7,725,000	07/15/24	520,000	5.00%	6,250,000	-	495,000	5,755,000
			07/15/25	550,000	5.00%	-	-	-	-
			07/15/26	580,000	5.00%	-	-	-	-
			07/15/27	610,000	5.00%	-	-	-	-
			07/15/28	640,000	5.00%	-	-	-	-
			07/15/29	670,000	5.00%	-	-	-	-
			07/15/30	700,000	4.00%	-	-	-	-
			07/15/31	730,000	3.75%	-	-	-	-
			07/15/32	755,000	3.75%	-	-	-	-
Refunding of series 2002 & 2005 for new elementary school	01/27/16	3,105,000	07/15/24	155,000	2.000%	1,260,000	-	155,000	1,105,000
			07/15/25	155,000	2.125%	-	-	-	-
			07/15/26	160,000	2.125%	-	-	-	-
			07/15/27	160,000	3.000%	-	-	-	-
			07/15/28	155,000	3.000%	-	-	-	-
			07/15/29	160,000	3.000%	-	-	-	-
			07/15/30	160,000	3.000%	-	-	-	-
						\$ 7,510,000	\$ 2,750,000	\$ 650,000	\$ 9,610,000

See independent auditors' report.

UNION TOWNSHIP SCHOOL DISTRICT
Long-Term Debt
Schedule of Obligations Under Leases
For the Fiscal Year Ended June 30, 2024

Issue	Interest Rate	Amount of Original Issue	Balance 7/1/23	Issued	Retired	Balance 06/30/24
Installation of new roof, roof restoration, renovations and improvements	2.165%	\$ 1,250,000	\$ 508,765	\$ -	\$ 251,659	\$ 257,106
			<u>\$ 508,765</u>	<u>\$ -</u>	<u>\$ 251,659</u>	<u>\$ 257,106</u>

See independent auditors' report.

UNION TOWNSHIP SCHOOL DISTRICT
Debt Service Fund
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2024

	Original Budget	Unaudited Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Local sources					
Local tax levy	\$ 946,700	\$ -	\$ 946,700	\$ 946,700	\$ -
Total revenues	946,700	-	946,700	946,700	-
Expenditures					
Regular debt service					
Redemption of principal	650,000	-	650,000	650,000	-
Interest	296,700	-	296,700	296,700	-
Total expenditures	946,700	-	946,700	946,700	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-
Fund balance, July 1	-	-	-	-	-
Fund balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

See independent auditors' report.

STATISTICAL SECTION

UNION TOWNSHIP SCHOOL DISTRICT
Statistical Section J Series

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

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

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Government activities										
Net investment in capital assets	\$ 4,675,761	\$ 5,474,720	\$ 6,259,431	\$ 6,249,882	\$ 6,549,380	\$ 7,976,291	\$ 8,212,935	\$ 7,737,167	\$ 7,470,392	\$ 4,768,842
Restricted	3,514,670	2,957,192	2,458,045	1,956,818	2,075,828	2,798,246	3,282,889	3,611,547	3,596,947	5,725,452
Unrestricted	(2,063,435)	(2,004,874)	(2,180,508)	(1,877,321)	(2,199,015)	(3,349,842)	(3,121,829)	(2,462,840)	(2,190,195)	(2,012,126)
Total governmental activities	<u>\$ 6,126,996</u>	<u>\$ 6,427,038</u>	<u>\$ 6,536,968</u>	<u>\$ 6,329,379</u>	<u>\$ 6,426,193</u>	<u>\$ 7,424,695</u>	<u>\$ 8,373,995</u>	<u>\$ 8,885,874</u>	<u>\$ 8,877,144</u>	<u>\$ 8,482,168</u>
Business-type activities										
Net investment in capital assets	\$ 2,710	\$ 1,875	\$ 7,394	\$ 6,584	\$ 5,858	\$ 5,132	\$ 8,317	\$ 7,251	\$ 6,271	\$ 23,163
Unrestricted	47,892	60,175	35,911	36,376	35,319	33,254	40,906	54,759	98,273	94,174
Total business-type activities	<u>\$ 50,602</u>	<u>\$ 62,050</u>	<u>\$ 43,305</u>	<u>\$ 42,960</u>	<u>\$ 41,177</u>	<u>\$ 38,386</u>	<u>\$ 49,223</u>	<u>\$ 62,010</u>	<u>\$ 104,544</u>	<u>\$ 117,337</u>
District-wide										
Net investment in capital assets	\$ 4,678,471	\$ 5,476,595	\$ 6,266,825	\$ 6,256,466	\$ 6,555,238	\$ 7,981,423	\$ 8,221,252	\$ 7,744,418	\$ 7,476,663	\$ 4,792,005
Restricted	3,514,670	2,957,192	2,458,045	1,956,818	2,075,828	2,798,246	3,282,889	3,611,547	3,596,947	5,725,452
Unrestricted	(2,015,543)	(1,944,699)	(2,144,597)	(1,840,945)	(2,163,696)	(3,316,588)	(3,080,923)	(2,408,081)	(2,091,922)	(1,917,952)
Total district-wide	<u>\$ 6,177,598</u>	<u>\$ 6,489,088</u>	<u>\$ 6,580,273</u>	<u>\$ 6,372,339</u>	<u>\$ 6,467,370</u>	<u>\$ 7,463,081</u>	<u>\$ 8,423,218</u>	<u>\$ 8,947,884</u>	<u>\$ 8,981,688</u>	<u>\$ 8,599,505</u>

*

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

* as restated

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities										
Instruction										
Regular	\$ 4,511,551	\$ 4,723,401	\$ 5,067,528	\$ 5,667,409	\$ 5,130,049	\$ 4,948,697	\$ 5,226,676	\$ 5,449,708	\$ 5,624,308	\$ 6,382,714
Special education	1,704,837	1,978,393	2,256,707	2,251,725	2,195,217	1,934,496	2,435,779	2,240,868	2,384,581	2,214,526
Other special education	79,159	69,768	139,843	197,239	152,865	102,463	121,831	99,767	52,083	161,935
Other instruction	278,470	295,713	289,013	264,957	416,035	259,439	60,784	158,700	118,266	118,580
Support services										
Tuition	369,987	299,932	462,871	410,297	335,463	344,343	400,379	472,490	430,056	773,609
Student and instruction related services	1,480,058	1,501,595	1,442,376	1,940,579	2,147,503	2,202,756	2,727,248	2,340,021	2,721,231	2,939,923
General and business administrative services	814,440	861,935	897,907	947,118	963,351	558,843	700,122	627,810	615,632	708,175
School administration	276,016	295,439	341,954	369,795	364,857	492,382	561,551	543,253	509,394	473,634
Plant operations and maintenance	1,031,921	933,558	917,918	1,117,581	1,118,714	1,178,939	1,357,015	1,369,214	1,446,210	1,397,061
Pupil transportation	494,475	480,243	511,823	490,138	533,144	607,272	471,055	537,494	747,283	807,495
Special schools	-	-	-	-	25,653	25,561	-	-	-	-
Interest on long-term debt	570,833	525,845	381,419	374,867	356,341	347,972	333,737	285,201	263,344	285,600
Total governmental activities expenses	<u>11,611,747</u>	<u>11,965,822</u>	<u>12,709,359</u>	<u>14,031,705</u>	<u>13,739,192</u>	<u>13,003,163</u>	<u>14,396,177</u>	<u>14,124,526</u>	<u>14,912,388</u>	<u>16,263,252</u>
Business-type activities										
Food services	132,079	131,058	165,476	141,317	130,018	96,167	100,835	186,048	183,814	198,170
Total business-type activities	<u>132,079</u>	<u>131,058</u>	<u>165,476</u>	<u>141,317</u>	<u>130,018</u>	<u>96,167</u>	<u>100,835</u>	<u>186,048</u>	<u>183,814</u>	<u>198,170</u>
Total district expenses	<u>\$ 11,743,826</u>	<u>\$ 12,096,880</u>	<u>\$ 12,874,835</u>	<u>\$ 14,173,022</u>	<u>\$ 13,869,210</u>	<u>\$ 13,099,330</u>	<u>\$ 14,497,012</u>	<u>\$ 14,310,574</u>	<u>\$ 15,096,202</u>	<u>\$ 16,461,422</u>

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

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Program revenues										
Governmental activities										
Charges for services										
Regular instruction	\$ 34,500	\$ 42,930	\$ 34,517	\$ 70,490	\$ 61,600	\$ 84,709	\$ 82,735	\$ 150,389	\$ 216,730	\$ 63,987
Other instruction	160,096	169,099	177,187	145,960	130,356	88,083	-	-	-	-
Plant operations and maintenance	6,463	7,495	4,140	1,715	13,285	4,228	125	1,810	1,325	1,805
Pupil transportation	-	-	-	-	-	1,231	-	-	-	-
Operating grants and contributions	98,557	257,205	168,555	150,769	232,528	185,877	199,569	220,374	312,045	861,455
Capital grants and contributions	255,728	3,935	-	-	-	-	-	-	-	210,986
Total governmental activities	<u>555,344</u>	<u>480,664</u>	<u>384,399</u>	<u>368,934</u>	<u>437,769</u>	<u>364,128</u>	<u>282,429</u>	<u>372,573</u>	<u>530,100</u>	<u>1,138,233</u>
Business-type activities										
Charges for services										
Food service	112,476	109,795	112,843	107,988	98,450	62,666	75	17,371	137,225	148,997
Operating grants and contributions	29,574	32,468	33,531	31,828	29,493	30,375	111,544	181,448	88,581	60,821
Total business-type activities	<u>142,050</u>	<u>142,263</u>	<u>146,374</u>	<u>139,816</u>	<u>127,943</u>	<u>93,041</u>	<u>111,619</u>	<u>198,819</u>	<u>225,806</u>	<u>209,818</u>
Total district-wide program revenues	<u>\$ 697,394</u>	<u>\$ 622,927</u>	<u>\$ 530,773</u>	<u>\$ 508,750</u>	<u>\$ 565,712</u>	<u>\$ 457,169</u>	<u>\$ 394,048</u>	<u>\$ 571,392</u>	<u>\$ 755,906</u>	<u>\$ 1,348,051</u>
Net (expense) revenues										
Governmental activities	\$ (11,056,403)	\$ (11,485,158)	\$ (12,324,960)	\$ (13,662,771)	\$ (13,301,423)	\$ (12,639,035)	\$ (14,113,748)	\$ (13,751,953)	\$ (14,382,288)	\$ (15,125,019)
Business-type activities	<u>9,971</u>	<u>11,205</u>	<u>(19,102)</u>	<u>(1,501)</u>	<u>(2,075)</u>	<u>(3,126)</u>	<u>10,784</u>	<u>12,771</u>	<u>41,992</u>	<u>11,648</u>
Total district-wide net expenses	<u>\$ (11,046,432)</u>	<u>\$ (11,473,953)</u>	<u>\$ (12,344,062)</u>	<u>\$ (13,664,272)</u>	<u>\$ (13,303,498)</u>	<u>\$ (12,642,161)</u>	<u>\$ (14,102,964)</u>	<u>\$ (13,739,182)</u>	<u>\$ (14,340,296)</u>	<u>\$ (15,113,371)</u>

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

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General revenues and other changes in net position										
Governmental activities										
Property taxes levied for general purposes, net	\$ 7,665,205	\$ 7,741,857	\$ 7,896,694	\$ 8,054,628	\$ 8,215,721	\$ 8,380,035	\$ 8,547,636	\$ 8,718,588	\$ 9,242,307	\$ 9,518,070
Taxes levied for debt service	1,042,794	1,035,349	619,902	661,090	955,725	959,583	946,275	946,725	941,525	946,700
Unrestricted grants and contributions	2,506,015	2,949,847	3,823,868	4,688,705	4,150,412	3,908,062	5,509,492	4,648,478	4,082,391	4,147,772
Investment earnings	16,754	14,616	20,632	44,841	50,539	34,271	5,454	6,426	42,245	72,864
Miscellaneous income	38,292	43,531	73,794	5,918	25,840	152,787	54,191	303,449	73,279	44,637
Special item - loss on sale of capital assets	-	-	-	-	-	-	-	(359,834)	(8,189)	-
Total governmental activities	<u>11,269,060</u>	<u>11,785,200</u>	<u>12,434,890</u>	<u>13,455,182</u>	<u>13,398,237</u>	<u>13,434,738</u>	<u>15,063,048</u>	<u>14,263,832</u>	<u>14,373,558</u>	<u>14,730,043</u>
Business-type activities										
Investment earnings	163	243	357	534	292	335	53	16	542	1,145
Miscellaneous income	-	-	-	622	-	-	-	-	-	-
Total business-type activities	<u>163</u>	<u>243</u>	<u>357</u>	<u>1,156</u>	<u>292</u>	<u>335</u>	<u>53</u>	<u>16</u>	<u>542</u>	<u>1,145</u>
Total district-wide	<u>\$ 11,269,223</u>	<u>\$ 11,785,443</u>	<u>\$ 12,435,247</u>	<u>\$ 13,456,338</u>	<u>\$ 13,398,529</u>	<u>\$ 13,435,073</u>	<u>\$ 15,063,101</u>	<u>\$ 14,263,848</u>	<u>\$ 14,374,100</u>	<u>\$ 14,731,188</u>
Change in net position										
Governmental activities	\$ 212,657	\$ 300,042	\$ 109,930	\$ (207,589)	\$ 96,814	\$ 795,703	\$ 949,300	\$ 511,879	\$ (8,730)	\$ (394,976)
Business-type activities	10,134	11,448	(18,745)	(345)	(1,783)	(2,791)	10,837	12,787	42,534	12,793
Total district	<u>\$ 222,791</u>	<u>\$ 311,490</u>	<u>\$ 91,185</u>	<u>\$ (207,934)</u>	<u>\$ 95,031</u>	<u>\$ 792,912</u>	<u>\$ 960,137</u>	<u>\$ 524,666</u>	<u>\$ 33,804</u>	<u>\$ (382,183)</u>

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

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General fund										
Restricted	\$ 3,500,385	\$ 2,949,202	\$ 3,286,269	\$ 2,947,931	\$ 2,546,163	\$ 2,995,683	\$ 3,263,699	\$ 3,590,839	\$ 3,570,535	\$ 3,049,715
Committed	3,094	143,340	33,658	24,457	91,863	498,942	134,970	163,735	71,819	53,433
Assigned	65,545	92,892	38,677	316,485	301,127	97,303	197,437	256,437	409,489	86,138
Unassigned	262,326	237,872	297,306	262,544	286,118	293,350	624,110	601,770	278,457	247,938
Total general fund	<u>\$ 3,831,350</u>	<u>\$ 3,423,306</u>	<u>\$ 3,655,910</u>	<u>\$ 3,551,417</u>	<u>\$ 3,225,271</u>	<u>\$ 3,885,278</u>	<u>\$ 4,220,216</u>	<u>\$ 4,612,781</u>	<u>\$ 4,330,300</u>	<u>\$ 3,437,224</u>
						*				
All other governmental funds										
Restricted, reported in										
Special revenue fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,455	\$ 19,190	\$ 20,708	\$ 26,412	\$ 28,601
Capital projects fund	9,284	-	-	-	-	-	-	-	-	2,647,136
Assigned, reported in										
Debt service fund	5,001	7,001	2,002	3,542	3,542	-	-	-	-	-
Unassigned, reported in										
Special revenue fund	-	-	-	-	-	-	-	-	-	(77,282)
Total all other governmental funds	<u>\$ 14,285</u>	<u>\$ 7,001</u>	<u>\$ 2,002</u>	<u>\$ 3,542</u>	<u>\$ 3,542</u>	<u>\$ 18,455</u>	<u>\$ 19,190</u>	<u>\$ 20,708</u>	<u>\$ 26,412</u>	<u>\$ 2,598,455</u>
						*				

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

* as restated

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Tax levy	\$ 8,707,999	\$ 8,777,206	\$ 8,516,596	\$ 8,715,718	\$ 9,171,446	\$ 9,339,618	\$ 9,493,911	\$ 9,665,313	\$ 10,183,832	\$ 10,464,770
Tuition charges	34,500	42,930	34,517	70,490	61,600	84,709	82,000	144,355	195,867	37,570
Interest earnings	16,754	14,616	20,632	44,841	50,539	34,271	5,454	6,426	42,245	72,864
Before/after school child care service fees	160,096	169,099	177,187	145,960	130,356	88,083	-	-	-	-
Miscellaneous	40,675	41,878	59,004	9,592	45,034	176,101	73,863	316,893	95,467	72,859
State sources	1,428,919	1,530,866	1,701,510	1,825,414	2,110,703	2,219,027	2,748,242	3,109,341	3,156,888	3,766,463
State sources - capital projects	255,727	3,935	-	-	-	-	-	-	-	210,986
Federal sources	98,557	253,698	167,829	148,810	226,619	168,022	180,757	214,774	330,749	386,011
Total revenues	10,743,227	10,834,228	10,677,275	10,960,825	11,796,297	12,109,831	12,584,227	13,457,102	14,005,048	15,011,523
Expenditures										
Instruction										
Regular instruction	2,550,128	2,447,086	2,366,832	2,537,558	2,470,481	2,287,030	2,168,837	2,548,298	2,676,561	2,808,788
Special education instruction	925,663	1,024,839	1,040,519	1,028,866	1,039,754	950,420	1,054,706	1,032,417	1,307,130	1,138,935
Other special instruction	39,148	40,520	38,311	42,234	63,717	67,068	59,619	49,765	27,880	108,734
Other instruction	194,890	191,543	189,556	171,416	199,872	220,777	49,221	100,565	100,356	67,890
Support services										
Tuition	305,265	150,123	363,980	317,415	269,111	219,710	300,963	381,716	324,791	647,853
Student and instruction related services	967,229	906,917	793,706	1,047,134	1,201,888	1,172,296	1,217,000	1,168,905	1,573,783	1,454,988
General and business administrative services	358,693	341,766	381,562	334,030	374,674	212,065	195,345	191,215	200,553	205,176
School administration services	164,864	165,978	167,333	188,893	197,949	254,525	257,331	250,298	270,515	297,650
Central services	202,888	172,124	213,551	235,939	243,502	120,672	188,421	169,899	180,201	208,885
Plant operations and maintenance	813,459	712,286	740,964	836,747	883,377	932,694	1,070,188	1,119,328	1,254,004	1,160,939
Pupil transportation	494,475	480,243	511,823	490,138	515,521	583,142	464,120	531,760	744,736	802,129
Employee benefits	1,429,197	1,447,001	1,309,905	1,449,296	1,586,256	1,617,452	1,661,259	1,743,863	1,857,636	1,960,505
On-behalf TPAF Pension and Social Security contribution	793,268	923,635	1,026,845	1,174,476	1,379,670	1,410,000	1,688,318	2,063,916	2,111,398	2,274,655
Capital outlay	205,703	924,823	123,604	21,200	380,301	1,619,137	427,008	270,235	109,109	48,581
Special revenue funds	98,557	257,205	168,555	150,769	232,528	185,877	199,569	224,890	327,204	1,081,861
Capital projects	639,317	85,445	113,842	-	-	-	-	-	-	589,093
Debt service										
Principal	485,000	505,000	550,000	680,000	550,000	580,000	838,802	846,107	866,326	901,658
Interest and other charges	580,911	558,467	462,624	357,667	433,842	411,242	389,392	369,842	349,642	324,817
Total expenditures	11,248,655	11,335,001	10,563,512	11,063,778	12,022,443	12,844,107	12,230,099	13,063,019	14,281,825	16,083,137

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

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Excess (deficiency) of revenues over (under) expenditures	\$ (505,428)	\$ (500,773)	\$ 113,763	\$ (102,953)	\$ (226,146)	\$ (734,276)	\$ 354,128	\$ 394,083	\$ (276,777)	\$ (1,071,614)
Other financing sources (uses)										
Leases (non-budgeted)	-	-	-	-	-	1,250,000	-	-	-	-
Proceeds from refunding bond issue	-	3,105,000	7,725,000	-	-	-	-	-	-	2,750,000
Payment to refunding bond escrow agent	-	(3,147,418)	(8,661,966)	-	-	-	-	-	-	-
Premium (discount) on bond issue	-	127,863	1,050,808	-	-	-	-	-	-	581
Transfers in (out)	-	-	-	-	(100,000)	(62,058)	-	-	-	-
Total other financing sources (uses)	-	85,445	113,842	-	(100,000)	1,187,942	-	-	-	2,750,581
Net change in fund balances	\$ (505,428)	\$ (415,328)	\$ 227,605	\$ (102,953)	\$ (326,146)	\$ 453,666	\$ 354,128	\$ 394,083	\$ (276,777)	\$ 1,678,967
Debt service as a percentage of non-capital expenditures	11.42%	11.48%	10.87%	10.37%	9.23%	9.69%	11.61%	10.50%	9.38%	8.63%

Source: District Records

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

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Interest income	\$ 16,754	\$ 14,616	\$ 20,632	\$ 44,841	\$ 50,539	\$ 34,271	\$ 5,454	\$ 6,426	\$ 42,245	\$ 72,864
Tuition	34,500	42,930	34,517	70,490	61,600	84,709	82,000	144,355	195,867	37,570
Prior year accounts payable canceled	14	1,690	5,665	1,114	-	-	-	16,943	42,621	-
Prior year refund	1,360	18,201	2,158	-	808	95,984	32,700	40,277	3,573	14,797
Rentals	6,463	7,990	4,140	1,715	13,285	4,228	125	1,810	1,325	1,805
Miscellaneous other	1,462	2,771	346	91	5,386	1,154	2,540	2,722	13,950	2,102
Sale of assets	2,400	-	-	-	-	1,108	-	230,882	1,027	637
Donations/Contributions	88	1,701	4,000	4,713	19,646	-	-	500	-	1,000
Miscellaneous account balances canceled	-	-	9,340	-	-	-	-	-	-	-
E-rate rebates	15,817	2,400	17,939	-	-	15,149	18,951	12,125	10,588	26,101
Before and after school child care service fees	160,096	169,099	177,187	145,960	130,356	88,083	-	-	-	-
FEMA storm reimbursement	-	-	11,490	-	-	-	-	-	-	-
Shared services	-	-	-	-	-	38,892	-	-	-	-
Miscellaneous grants/awards	12,300	1,000	3,200	-	-	-	-	-	-	-
Outstanding checks voided	771	617	-	-	-	500	-	-	1,520	-
Annual totals	<u>\$ 252,025</u>	<u>\$ 263,015</u>	<u>\$ 290,614</u>	<u>\$ 268,924</u>	<u>\$ 281,620</u>	<u>\$ 364,078</u>	<u>\$ 141,770</u>	<u>\$ 456,040</u>	<u>\$ 312,716</u>	<u>\$ 156,876</u>

Source: District Records

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

See independent auditors' report.

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

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Vacant land	\$ 16,553,308	\$ 16,134,508	\$ 13,952,608	\$ 12,018,208	\$ 11,730,700	\$ 12,130,100	\$ 11,678,100	\$ 19,257,200	\$ 26,381,600	\$ 21,480,300
Residential	524,247,100	525,993,900	528,600,700	528,912,900	529,490,600	529,477,100	530,543,500	530,371,000	847,578,200	872,891,900
Farm regular	36,133,300	36,774,000	37,425,800	37,524,100	37,573,000	37,174,700	38,009,400	38,132,400	53,315,100	53,359,300
Q farm	1,072,111	1,031,611	1,036,261	1,040,029	1,045,475	1,051,400	1,039,800	1,054,200	1,252,400	1,158,300
Commercial	104,475,132	107,510,532	113,430,532	113,430,532	114,132,832	112,942,632	114,054,132	114,151,232	145,382,700	144,663,800
Industrial	10,386,700	10,386,700	4,498,800	4,498,800	4,498,800	4,498,800	4,498,800	4,624,300	8,539,300	8,539,300
Apartment	230,900	230,900	230,900	230,900	230,900	230,900	230,900	947,900	950,000	950,000
Total assessed value	693,098,551	698,062,151	699,175,601	697,655,469	698,702,307	697,505,632	700,054,632	708,538,232	1,083,399,300	1,103,042,900
Public utilities (a)	97	95	95	-	-	-	-	-	-	-
Net valuation taxable	<u>\$ 693,098,648</u>	<u>\$ 698,062,246</u>	<u>\$ 699,175,696</u>	<u>\$ 697,655,469</u>	<u>\$ 698,702,307</u>	<u>\$ 697,505,632</u>	<u>\$ 700,054,632</u>	<u>\$ 708,538,232</u>	<u>\$ 1,083,399,300</u>	<u>\$ 1,103,042,900</u>
Estimated actual county equalized value	<u>\$ 801,919,065</u>	<u>\$ 809,910,948</u>	<u>\$ 809,699,596</u>	<u>\$ 817,788,617</u>	<u>\$ 858,673,107</u>	<u>\$ 854,158,256</u>	<u>\$ 849,374,705</u>	<u>\$ 890,570,930</u>	<u>\$ 990,762,963</u>	<u>\$ 1,091,905,464</u>
Percentage of net valuation to estimated actual equalized value	<u>86.43%</u>	<u>86.19%</u>	<u>86.35%</u>	<u>85.31%</u>	<u>81.37%</u>	<u>81.66%</u>	<u>82.42%</u>	<u>79.56%</u>	<u>109.35%</u>	<u>101.02%</u>
Total direct school tax rate (b)	<u>\$ 1.267</u>	<u>\$ 1.221</u>	<u>\$ 1.247</u>	<u>\$ 1.315</u>	<u>\$ 1.337</u>	<u>\$ 1.362</u>	<u>\$ 1.380</u>	<u>\$ 1.438</u>	<u>\$ 0.966</u>	<u>\$ 0.981</u>

*

Source: Municipal Tax Assessor

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

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

* Revalued/Reassessed

See independent auditors' report.

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

Assessment Year	School District Direct Rate				Regional School Rate	Overlapping Rates		Total Direct & Overlapping Tax Rate
	Basic	General	(From J-6)	Total Direct				
	Rate (a)	Obligation Debt Service (b)	School Tax Rate					
2015	\$ 1.115	\$ 0.152	\$ 1.267	\$ 0.665	\$ 0.262	\$ 0.441	\$ 2.635	
2016	1.077	0.144	1.221	0.679	0.270	0.431	2.601	
2017	1.156	0.091	1.247	0.680	0.291	0.429	2.647	
2018	1.215	0.100	1.315	0.679	0.302	0.442	2.738	
2019	1.198	0.139	1.337	0.741	0.317	0.463	2.858	
2020	1.222	0.140	1.362	0.781	0.329	0.460	2.932	
2021	1.242	0.138	1.380	0.815	0.337	0.458	2.990	
2022	1.297	0.141	1.438	0.810	0.346	0.473	3.067	
2023	* 0.877	0.089	0.966	0.581	0.239	0.345	2.131	
2024	0.892	0.089	0.981	0.534	0.237	0.367	2.119	

Sources: Municipal Tax Collector

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

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

* Revalued/Reassessed

See independent auditors' report.

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

	2024			2015		
	Taxable Assessed	Rank	% of Total District Net	Taxable Assessed	Rank	% of Total District Net
	Value		Assessed Value	Value		Assessed Value
Transco Pipeline/AD Valorem Tax	\$ 21,000,000	1	1.90%	\$ 15,682,632	2	2.26%
Perryville SPE LLC	20,777,800	2	1.88%	-		0.00%
Gan Equities	13,400,000	3	1.21%	-		0.00%
County Arch Care Center	6,594,000	4	0.60%	4,690,800	6	0.68%
Pilot Travel Centers	6,200,000	5	0.56%	2,502,200	9	0.36%
Amsdell Storage Ventures XXXVII LLC	5,929,200	6	0.54%	-		0.00%
Prime Storage Clinton LLC	5,856,000	7	0.53%	-		0.00%
Individual Property Owner	5,753,200	8	0.52%	-		0.00%
SGS Perryville Development LLC	5,143,900	9	0.47%	-		0.00%
Somo Associates	4,740,000	10	0.43%	-		0.00%
Energy (NJ)	-		0.00%	31,240,250	1	4.51%
Crown Perryville LLC	-		0.00%	15,000,000	3	2.16%
Kramer Electronic Holdings LLC	-		0.00%	6,250,000	4	0.90%
FW LLC/FW Realty	-		0.00%	5,341,951	5	0.77%
Evergreen Associates	-		0.00%	3,464,965	7	0.50%
Fallone at Union LLC	-		0.00%	2,730,000	8	0.39%
FDRA LLC	-		0.00%	2,475,400	10	0.36%
	<u>\$ 95,394,100</u>		<u>8.64%</u>	<u>\$ 89,378,198</u>		<u>12.89%</u>

Source: Municipal Tax Assessor

See independent auditors' report.

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

Fiscal Year Ending June 30,	Taxes Levied for the Year	Collected within the Year of the Levy (a)	
		Amount	Percentage of Levy
2015	\$ 8,707,999	\$ 8,707,999	100.00%
2016	8,777,206	8,777,206	100.00%
2017	8,516,596	8,516,596	100.00%
2018	8,715,718	8,715,718	100.00%
2019	9,171,446	9,171,446	100.00%
2020	9,339,618	9,339,618	100.00%
2021	9,493,911	9,493,911	100.00%
2022	9,665,313	9,665,313	100.00%
2023	10,183,832	10,183,832	100.00%
2024	10,464,770	10,464,770	100.00%

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

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

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

Fiscal Year Ending June 30,	Governmental Activities				Business-Type Activities Leases	Total District	% of Personal Income (a)	Per Capita (a)
	General Obligation Bonds	Certificates of Participation	Leases	Bond Anticipation Notes (BANs)				
2015	\$ 12,940,000	\$ -	\$ -	\$ -	\$ -	\$ 12,940,000	2.86%	\$ 2,252
2016	12,455,000	-	-	-	-	12,455,000	2.68%	2,173
2017	11,130,000	-	-	-	-	11,130,000	2.33%	1,950
2018	10,450,000	-	-	-	-	10,450,000	2.16%	1,833
2019	9,900,000	-	-	-	-	9,900,000	1.98%	1,741
2020	9,320,000	-	1,250,000	-	-	10,570,000	2.03%	1,864
2021	8,735,000	-	996,198	-	-	9,731,198	1.81%	1,723
2022	8,130,000	-	755,091	-	-	8,885,091	1.34%	1,340
2023	7,510,000	-	508,765	-	-	8,018,765	1.23%	1,260
2024	9,610,000	-	257,106	-	-	9,867,106	N/A	1,544

Notes: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

(a) See Exhibit J-14 for personal income and population data.

These ratios are calculated using personal income and population for the prior calendar year.

See independent auditors' report.

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

Fiscal Year Ending June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	% of Actual Taxable Value of Property (a)	Per Capita (b)
	General Obligation Bonds	Deductions			
2015	\$ 12,940,000	\$ -	\$ 12,940,000	1.87%	\$ 2,252
2016	12,455,000	-	12,455,000	1.78%	2,173
2017	11,130,000	-	11,130,000	1.59%	1,950
2018	10,450,000	-	10,450,000	1.50%	1,833
2019	9,900,000	-	9,900,000	1.42%	1,741
2020	9,320,000	-	9,320,000	1.34%	1,643
2021	8,735,000	-	8,735,000	1.25%	1,547
2022	8,130,000	-	8,130,000	1.15%	1,226
2023	7,510,000	-	7,510,000	0.69%	1,180
2024	9,610,000	-	9,610,000	0.87%	1,504

Notes: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

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

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

See independent auditors' report.

UNION TOWNSHIP SCHOOL DISTRICT
Direct and Overlapping Governmental Activities Debt
As of December 31, 2023

Governmental Unit	Debt Outstanding	Estimated % Applicable (a)	Estimated Share of Debt
Debt repaid with property taxes			
Municipality	\$ 2,127,500	100.00%	\$ 2,127,500
Regional High School	6,360,000	10.66%	677,976
County general obligation debt	71,347,396	3.91%	<u>2,789,683</u>
Subtotal, overlapping debt			5,595,159
School district direct debt			<u>9,610,000</u>
Total direct and overlapping debt			<u><u>\$ 15,205,159</u></u>

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

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

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

See independent auditors' report.

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

Legal Debt Margin Calculation for Fiscal Year 2024

	Equalized Valuation Basis
2023	\$ 1,072,460,206
2022	984,354,310
2021	879,907,783
	<u>\$ 2,936,722,299</u>
Average equalized valuation of taxable property	<u>\$ 978,907,433</u>
Debt limit (3.0% of average equalization value)	\$ 29,367,223
Total net debt applicable to limit	<u>9,610,000</u>
Legal debt margin	<u>\$ 19,757,223</u>

	Fiscal Year				
	2020	2021	2022	2023	2024
Debt limit	\$ 25,325,808	\$ 25,592,923	\$ 25,818,135	\$ 27,105,441	\$ 29,367,223
Total net debt applicable	9,320,000	8,735,000	8,130,000	7,510,000	9,610,000
Legal debt margin	<u>\$ 16,005,808</u>	<u>\$ 16,857,923</u>	<u>\$ 17,688,135</u>	<u>\$ 19,595,441</u>	<u>\$ 19,757,223</u>
Total net debt applicable to the limit as a percentage of debt limit	36.80%	34.13%	31.49%	27.71%	32.72%

	Fiscal Year				
	2015	2016	2017	2018	2019
Debt limit	\$ 23,748,693	\$ 23,639,114	\$ 23,937,797	\$ 24,321,326	\$ 24,853,672
Total net debt applicable	12,940,000	12,435,000	11,130,000	10,450,000	9,900,000
Legal debt margin	<u>\$ 10,808,693</u>	<u>\$ 11,204,114</u>	<u>\$ 12,807,797</u>	<u>\$ 13,871,326</u>	<u>\$ 14,953,672</u>
Total net debt applicable to the limit as a percentage of debt limit	54.49%	52.60%	46.50%	42.97%	39.83%

Source: Equalized valuation bases were obtained from the annual report of the State of New Jersey Department of Treasury, Division of Taxation.

(a) Limit set by N.J.S.A. 18A:24-19.

See independent auditors' report.

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

Year	Population (a)	Personal Income (b)	Per Capita Personal Income (c)	Unemployment Rate (d)
2015	5,745	\$ 453,062,190	\$ 78,862	4.5%
2016	5,731	464,102,111	80,981	3.8%
2017	5,707	478,035,441	83,763	3.7%
2018	5,700	483,998,400	84,912	3.5%
2019	5,687	500,080,658	87,934	3.1%
2020	5,672	521,517,712	91,946	7.5%
2021	5,648	537,057,024	95,088	5.0%
2022	6,629	664,809,152	100,288	3.3%
2023	6,366	649,612,104	102,044	3.7%
2024	6,391	N/A	N/A	N/A

Sources:

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

N/A Information not available

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

2024

			Percentage of
			Total Municipal
Employer	Employees	Rank	Employment

INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

2015

			Percentage of
			Total Municipal
Employer	Employees	Rank	Employment

INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

See independent auditors' report.

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

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Instruction										
Regular	35.0	35.0	38.0	31.0	36.0	31.2	30.2	32.2	35.4	38.4
Special education	19.2	20.0	20.0	21.0	24.8	13.8	13.4	14.0	12.0	11.0
Support services										
Student and instruction related services	8.4	8.4	8.0	5.0	4.0	18.3	19.5	20.0	22.6	25.2
General administration	2.3	2.0	2.0	4.0	4.0	2.0	2.0	2.0	2.0	2.0
School administration services	2.0	2.0	2.0	4.0	5.0	4.0	4.0	4.0	4.0	4.0
Other administration services	-	-	-	-	-	2.0	2.0	2.0	2.0	2.0
Central services	2.5	2.5	3.0	3.0	2.0	3.0	4.0	4.0	4.0	3.0
Plant operations and maintenance	8.0	5.5	8.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Before & after care	2.8	2.8	6.0	7.0	5.0	5.0	-	-	-	-
Total	<u>80.2</u>	<u>78.2</u>	<u>87.0</u>	<u>82.0</u>	<u>87.8</u>	<u>86.3</u>	<u>82.1</u>	<u>85.2</u>	<u>89.0</u>	<u>92.6</u>

Source: District Personnel Records

See independent auditors' report.

UNION TOWNSHIP SCHOOL DISTRICT
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	June 30 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
2015	495	\$ 9,337,724	\$ 18,864	4.34%	44	1 to 11.25	471.0	452.9	-4.91%	96.16%
2016	449	9,261,266	20,626	9.34%	45	1 to 9.98	452.7	436.1	-3.89%	96.33%
2017	436	9,313,442	21,361	3.56%	48	1 to 9.08	449.6	431.0	-0.68%	95.86%
2018	449	10,004,911	22,283	4.32%	45	1 to 9.98	456.3	435.4	1.49%	95.42%
2019	439	10,658,300	24,279	8.96%	51	1 to 8.61	437.1	418.7	-4.21%	95.79%
2020	443	10,233,728	23,101	-4.85%	45	1 to 9.84	437.4	422.5	0.07%	96.59%
2021	408	10,574,897	25,919	12.20%	44	1 to 9.27	402.5	397.0	-7.98%	98.63%
2022	423	11,576,835	27,368	5.59%	46	1 to 9.20	418.6	393.3	4.00%	93.96%
2023	437	12,956,748	29,649	8.33%	48	1 to 9.10	434.2	408.4	3.73%	94.06%
2024	507	14,218,988	28,045	-5.41%	54	1 to 9.39	483.9	459.8	11.45%	95.02%

Source: District Records

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

See independent auditors' report.

UNION TOWNSHIP SCHOOL DISTRICT
School Building Information
Last Ten Fiscal Years

<u>District Building</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<u>Middle School (1954)</u>										
Square feet	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000	65,000
Capacity (students)	550	550	550	550	550	550	550	550	550	550
Enrollment	240	234	230	231	231	210	200	183	174	162
<u>Elementary School (2007)</u>										
Square feet	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Capacity (students)	500	500	500	500	500	500	500	500	500	500
Enrollment	255	215	208	235	206	226	208	235	255	310
<u>Number of schools at June 30, 2024:</u>										
Elementary	1									
Middle	1									

Source: District Facilities Office

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

See independent auditors' report.

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

Undistributed expenditures - required maintenance for school facilities

<u>Fiscal Year Ending</u>	<u>School Facilities*</u>		<u>Total</u>
	<u>Elementary School</u>	<u>Middle School</u>	
2015	\$ 30,944	\$ 69,906	\$ 100,850
2016	113,054	51,878	164,932
2017	82,329	66,591	148,920
2018	62,279	81,427	143,706
2019	71,955	114,913	186,868
2020	124,489	105,207	229,696
2021	97,114	204,585	301,699
2022	188,848	163,634	352,482
2023	138,425	149,960	288,385
2024	88,740	96,134	184,874
Total school facilities	<u>\$ 998,177</u>	<u>\$ 1,104,235</u>	<u>\$ 2,102,412</u>

Source: District Records

* School facilities as defined under E.F.C.F.A.
(N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

See independent auditors' report.

UNION TOWNSHIP SCHOOL DISTRICT
Insurance Schedule
June 30, 2024
(Unaudited)

	<u>Coverage</u>	<u>Deductible</u>
School Commercial Package Policy - NJ Schools		
Insurance Group (NJSIG)		
Property - building blanket and contents (Fund Limit)	\$ 500,000,000	\$ 2,500
General liability	6,000,000	-
Equipment breakdown	100,000,000	2,500
Crime public employee dishonesty	250,000	1,000
Auto liability	6,000,000	-
Auto physical damage	Actual Cash Value	1,000
School board legal liability - NJSIG		
Errors and omissions	6,000,000	5,000
Workers compensation - NJSIG		
Per accident per employee	3,000,000	-
Per disease per employee	3,000,000	-
Disease policy limit	3,000,000	-
Public employees' faithful performance - Selective		
School Board Secretary	200,000	-
Public employees' faithful performance - Hanover		
Treasurer of School Monies	200,000	-
Student accident insurance - BMI benefits through Berkeley/ United States Fire Insurance Co.		
Policy limit	1,000,000	Full Excess
Pollution policy - NJSIG through Ironshore Specialty Insurance		
Claim limit	1,000,000	250,000
Cyber & Privacy liability - CFC		
Each claim	1,000,000	5,000
Annual aggregate	1,000,000	-

Source: District Records

See independent auditors' report.

SINGLE AUDIT SECTION

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



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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, and the aggregate remaining fund information of the Union Township School District (the District) in the County of Hunterdon, as of and for the year ended June 30, 2024, and the related Notes to the Financial Statements, which collectively comprise the District's Basic Financial Statements, and have issued our report thereon dated November 21, 2024.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2024-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2024-001.

Union Township School District's Response to Findings

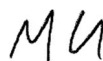
Government Auditing Standards requires the auditor to perform limited procedures on Union Township School District's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. The District's response was not subject to the auditing procedures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

Purpose of this Report

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



BKC, CPAs, PC



Michael Holk, CPA, PSA
NO. 20CS00265600

November 21, 2024
Flemington, New Jersey



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

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

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

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Union Township School District's (the District) compliance with the types of compliance requirements as subject to audit in the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the District's major state programs for the year ended June 30, 2024. The District's major state programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2024.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and New Jersey OMB's Circulars 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the New Jersey OMB's Circulars 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major state program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the New Jersey OMB's Circulars 15-08, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the New Jersey OMB's Circular 15-08 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2024-001. Our opinion on each major state program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. We identified certain deficiencies in internal control over compliance, described in the accompanying Schedule of Findings and Questioned Costs as item 2024-001 that we consider to be a significant deficiency.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.



BKC, CPAs, PC



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

November 21, 2024
Flemington, New Jersey

SUPPLEMENTARY INFORMATION

UNION TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards, Schedule A
For the Fiscal Year Ended June 30, 2024

Grantor/Program Title	Federal AL Number	FAIN Number	Program or Award Amount	Grant Period		Balance June 30, 2023		Cash Received	Budgetary Expenditure	Adjustment	Repayment of Prior Year Balance	Balance June 30, 2024		
				From	To	Deferred Rev. (Accts. Rec)	Carryover Amount					Accounts Receivable	Deferred Revenue	Due to Grantor
U.S. Department of Education passed through State Department of Education Special Revenue Fund														
Special education cluster (IDEA)														
IDEA Basic	84.027A	H027A200100	\$ 124,633	07/01/19	06/30/20	\$ 7,025	\$ -	\$ -	\$ 7,025	\$ -	\$ -	\$ -	\$ -	\$ -
IDEA Basic	84.027A	H027A230100	101,456	07/01/22	06/30/23	(41,243)	-	41,243	-	-	-	-	-	-
IDEA Basic	84.027A	H027A240100	109,330	07/01/23	06/30/24	-	-	78,871	102,305	-	-	(23,434)	-	-
IDEA Preschool	84.173A	H173A220114	3,364	07/01/21	06/30/22	197	-	-	-	-	-	-	197	-
IDEA Preschool	84.173A	H173A240114	3,833	07/01/23	06/30/24	-	-	3,833	3,833	-	-	-	-	-
ARP IDEA Basic	84.027X	H027X210100	16,426	03/13/20	09/30/24	-	-	16,426	16,426	-	-	-	-	-
ARP IDEA Preschool	84.173X	H173X210114	1,402	03/13/20	09/30/24	-	-	1,402	1,402	-	-	-	-	-
Total special education cluster (IDEA)						(34,021)	-	141,775	130,991	-	-	(23,434)	197	-
ESSA Title I	84.010	S010A230030	2,949	07/01/22	06/30/23	(2,920)	-	2,937	17	-	-	-	-	-
ESSA Title I	84.010	S010A240030	12,983	07/01/23	06/30/24	-	-	12,983	12,978	-	-	-	5	-
ESSA Title II A	84.367A	S367A210029	4,339	07/01/20	06/30/21	(503)	-	-	-	-	-	(503)	-	-
ESSA Title II A	84.367A	S367A220029	6,398	07/01/21	06/01/22	(6,350)	-	6,350	-	-	-	-	-	-
ESSA Title II A	84.367A	S367A240029	4,989	07/01/23	06/30/24	-	-	-	3,470	-	-	(3,470)	-	-
ESSA Title IV	84.424	S424A210031	10,000	07/01/20	06/30/21	6,679	-	-	6,679	-	-	-	-	-
ESSA Title IV	84.424	S424A240031	10,000	07/01/23	06/30/24	-	-	10,000	3,321	-	-	-	6,679	-
Rural Education Achievement Program	84.358A	S358B210030	61,005	07/01/20	06/30/21	(61,005)	-	61,005	-	-	-	-	-	-
Rural Education Achievement Program	84.358A	S358B230030	62,133	07/01/22	06/30/23	(62,133)	-	62,133	-	-	-	-	-	-
Rural Education Achievement Program	84.358A	S358B240030	52,765	07/01/23	06/30/24	-	-	52,765	52,765	-	-	-	-	-
COVID-19														
CARES Emergency Relief	84.425D	S425D210027	11,025	03/13/20	09/30/22	13	-	-	-	-	-	-	13	-
CRRSA - ESSER II	84.425D	S425D210027	22,026	03/13/20	09/30/23	(6,901)	-	8,319	1,418	-	-	-	-	-
CRRSA - Learning Acceleration	84.425D	S425D210027	25,000	03/13/20	09/30/23	(18)	-	9,076	9,058	-	-	-	-	-
CRRSA - Mental Health	84.425D	S425D210027	45,000	03/13/20	09/30/23	(22,196)	-	42,630	20,434	-	-	-	-	-
ARP - ESSER														
ARP - ESSER	84.425U	S425U210027	49,502	03/13/20	09/30/24	-	-	41,780	47,060	-	-	(5,280)	-	-
Accelerated Learning Coach and Educator Support	84.425U	S425U210027	50,000	03/13/20	09/30/24	-	-	36,242	47,052	-	-	(10,810)	-	-
Evidenced Based Learning & Enrichment	84.425U	S425U210027	40,000	03/13/20	09/30/24	(216)	-	216	-	-	-	-	-	-
Evidence Based Comprehension														
Beyond the School Day	84.425U	S425U210027	40,000	03/13/20	09/30/24	(25,244)	-	34,268	9,024	-	-	-	-	-
NJTSS Mental Health	84.425U	S425U210027	45,000	03/13/20	09/30/24	(22,288)	-	44,999	22,711	-	-	-	-	-
Middle Grades Career Awareness and Exploration Program	84.048	V048A230030	68,500	09/01/22	06/30/23	(14,234)	-	55,920	-	-	42,763	(1,077)	-	-
Middle Grades Career Awareness and Exploration Program	84.048	V048A240030	65,278	09/01/23	06/30/24	-	-	-	24,061	-	-	(24,061)	-	-
Total Special Revenue Fund						(251,337)	-	623,398	391,039	-	42,763	(68,635)	6,894	-

See independent auditors' report.

UNION TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of Federal Awards, Schedule A (continued)
For the Fiscal Year Ended June 30, 2024

Grantor/Program Title	Federal AL Number	FAIN Number	Program or Award Amount	Grant Period		Balance June 30, 2023		Cash Received	Budgetary Expenditure	Adjustment	Repayment of Prior Year Balance	Balance June 30, 2024		
				From	To	Deferred Rev. (Accts. Rec)	Carryover Amount					Accounts Receivable	Deferred Revenue	Due to Grantor
U.S. Department of Agriculture passed through State Department of Agriculture Enterprise Fund														
Child Nutrition Cluster														
National School Lunch Program														
Non-Cash Assistance (Commodities)	10.555	231NJ304N1099	\$ 23,627	07/01/22	06/30/23	\$ 1,781	\$ -	\$ -	\$ 1,781	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Cash Assistance (Commodities)	10.555	241NJ304N1099	20,039	07/01/23	06/30/24	-	-	20,039	17,863	-	-	-	2,176	-
Cash Assistance	10.555	231NJ304N1099	29,602	07/01/22	06/30/23	(5,164)	-	5,164	-	-	-	-	-	-
Cash Assistance	10.555	241NJ304N1099	23,589	07/01/23	06/30/24	-	-	22,854	23,589	-	-	(735)	-	-
Total Child Nutrition Cluster						(3,383)	-	48,057	43,233	-	-	(735)	2,176	-
P-EBT administrative	10.649	2022225900941	653	07/01/23	06/30/24	-	-	653	653	-	-	-	-	-
Supply Chain Assistance	10.555	241NJ304N1099	14,725	07/01/23	06/30/24	-	-	14,725	14,725	-	-	-	-	-
Total Enterprise Fund						(3,383)	-	63,435	58,611	-	-	(735)	2,176	-
Total Federal Awards						\$ (254,720)	\$ -	\$ 686,833	\$ 449,650	\$ -	\$ 42,763	\$ (69,370)	\$ 9,070	\$ -

See independent auditors' report.

UNION TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance, Schedule B
For the Fiscal Year Ended June 30, 2024

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period		Balance June 30, 2023					Balance June 30, 2024			Memo	
					Deferred Rev. (Accts. Rec)	Due to Grantor	Cash Received	Budgetary Expenditure	Adjust-ments	Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure
			From	To										
State Department of Education														
General Fund														
Special Education Categorical Aid	24-495-034-5120-089	\$ 390,778	07/01/23	06/30/24	\$ -	\$ -	\$ 248,664	\$ 390,778	\$ -	\$ -	\$ -	\$ -	\$ 142,114	\$ 390,778
Security Aid	24-495-034-5120-084	36,554	07/01/23	06/30/24	-	-	23,261	36,554	-	-	-	-	13,293	36,554
Transportation Aid	24-495-034-5120-014	233,413	07/01/23	06/30/24	-	-	148,529	233,413	-	-	-	-	84,884	233,413
Extraordinary Aid	23-495-034-5120-044	379,464	07/01/22	06/30/23	(379,464)	-	379,464	-	-	-	-	-	-	379,464
Extraordinary Aid	24-495-034-5120-044	531,859	07/01/23	06/30/24	-	-	-	531,859	-	(531,859)	-	-	-	531,859
Non-Public Transportation Aid	23-495-034-5120-014	4,992	07/01/22	06/30/23	(4,992)	-	4,992	-	-	-	-	-	-	4,992
Non-Public Transportation Aid	24-495-034-5120-014	6,370	07/01/23	06/30/24	-	-	-	6,370	-	(6,370)	-	-	-	6,370
On-Behalf TPAF Pension Contribution - Postretirement Medical	24-495-034-5094-001	413,488	07/01/23	06/30/24	-	-	413,488	413,488	-	-	-	-	-	413,488
On-Behalf TPAF Pension Contribution - Non-Contributory Insurance	24-495-034-5094-004	17,131	07/01/23	06/30/24	-	-	17,131	17,131	-	-	-	-	-	17,131
On-Behalf TPAF Pension Contribution - Long-Term Disability Insurance	24-495-034-5094-004	679	07/01/23	06/30/24	-	-	679	679	-	-	-	-	-	679
On-Behalf TPAF Pension Contribution - Teachers' Pension & Annuity Fund	24-495-034-5094-002	1,502,133	07/01/23	06/30/24	-	-	1,502,133	1,502,133	-	-	-	-	-	1,502,133
Reimbursed TPAF Social Security Contribution	23-495-034-5094-003	325,226	07/01/22	06/30/23	(31,975)	-	31,975	-	-	-	-	-	-	325,226
Reimbursed TPAF Social Security Contribution	24-495-034-5094-003	341,224	07/01/23	06/30/24	-	-	323,528	341,224	-	(17,696)	-	-	-	341,224
Total General Fund					(416,431)	-	3,093,844	3,473,629	-	(555,925)	-	-	240,291	4,183,311
Special Revenue Fund														
Preschool Expansion Aid	24-495-034-5120-086	772,824	07/01/23	06/30/24	-	-	695,542	590,457	-	-	182,367	-	77,282	590,457
SDA Emergent and Capital Maintenance Needs	23-100-034-5120-519	9,344	07/01/22	06/30/23	-	-	9,344	9,344	-	-	-	-	-	9,344
SDA Emergent and Capital Maintenance Needs	24-100-034-5120-519	9,336	07/01/23	06/30/24	-	-	9,336	9,336	-	-	-	-	-	9,336
Total Special Revenue Fund					-	-	714,222	609,137	-	-	182,367	-	77,282	609,137
New Jersey Board of Public Utilities														
Capital Projects Fund														
School and Small Business Energy Efficiency Stimulus Program	SSB-VEEVR	1,613,479	07/01/23	06/30/24	-	-	-	210,986	-	(210,986)	-	-	1,613,479	210,986
Total Capital Projects Fund					-	-	-	210,986	-	(210,986)	-	-	1,613,479	210,986
State Department of Agriculture														
Enterprise Fund														
State School Lunch Program	23-100-010-3350-023	1,997	07/01/22	06/30/23	(346)	-	346	-	-	-	-	-	-	1,997
State School Lunch Program	24-100-010-3350-023	1,937	07/01/23	06/30/24	-	-	1,880	1,937	-	(57)	-	-	-	1,937
Total Enterprise Fund					(346)	-	2,226	1,937	-	(57)	-	-	-	3,934

See independent auditors' report.

UNION TOWNSHIP SCHOOL DISTRICT
Schedule of Expenditures of State Financial Assistance, Schedule B (continued)
For the Fiscal Year Ended June 30, 2024

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period		Balance June 30, 2023				Balance June 30, 2024				Memo	
					Deferred Rev. (Accts. Rec)	Due to Grantor	Cash Received	Budgetary Expenditure	Adjustments	Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure
					From	To								
Total State Financial Assistance					\$ (416,777)	\$ -	\$ 3,810,292	\$ 4,295,689	\$ -	\$ (766,968)	\$ 182,367	\$ -	\$ 1,931,052	\$ 5,007,368
Less: On-Behalf TPAF Pension System Contributions														
On-Behalf TPAF Pension Contribution - Teachers' Pension & Annuity Fund	24-495-034-5094-002	\$ 1,502,133	07/01/23	06/30/24				1,502,133						
On-Behalf TPAF Pension Contribution - Non-Contributory Insurance	24-495-034-5094-004	17,131	07/01/23	06/30/24				17,131						
On-Behalf TPAF Pension Contribution - Postretirement Medical	24-495-034-5094-001	413,488	07/01/23	06/30/24				413,488						
On-Behalf TPAF Pension Contribution - Long-Term Disability Insurance	24-495-034-5094-004	679	07/01/23	06/30/24				679						
Total for State Financial Assistance - Major Program Determination								\$ 2,362,258						

See independent auditors' report.

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2024

Note 1 - General

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

Note 2 - Basis of accounting

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

Note 3 - Relationship of financial statements

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$182,610) for the general fund and (\$138,721) for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

UNION TOWNSHIP SCHOOL DISTRICT
Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2024

Note 3 - Relationship of financial statements (continued)

Financial assistance revenues are reported in the District's Basic Financial Statements on a GAAP basis as follows:

	Federal	State	Total
General fund	\$ -	\$ 3,291,019	\$ 3,291,019
Special revenue fund	386,011	475,444	861,455
Capital projects fund	-	210,986	210,986
Food service fund	58,611	1,937	60,548
Total awards and financial assistance	<u>\$ 444,622</u>	<u>\$ 3,979,386</u>	<u>\$ 4,424,008</u>

Note 4 - Relationship to federal and state financial reports

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

Note 5 - Other

Revenues and expenditures reported 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, 2024. TPAF Social Security contribution represents the amount reimbursed by the State for the employer's share of Social Security Contributions for TPAF members for the fiscal year ended June 30, 2024.

Note 6 - Indirect costs

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

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

UNION TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2024

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued

Unmodified

Internal Control Over Financial Reporting:

1. Were material weakness(es) identified?

☐ Yes ☒ No

2. Were significant deficiencies identified?

☒ Yes ☐ None reported

Noncompliance material to Basic
Financial Statements noted?

☒ Yes ☐ No

Federal Awards

Not Applicable

Internal Control Over Major Programs:

1. Were material weakness(es) identified?

☐ Yes ☐ No

2. Were significant deficiencies identified?

☐ Yes ☐ None reported

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

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

☐ Yes ☐ No

Identification of Major Programs:

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

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

Did the auditee qualify as a low-risk auditee?

☐ Yes ☐ No

UNION TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2024

Section I - Summary of Auditors' Results (continued)

State Awards

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

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

Internal Control Over Major Programs:

1. Were material weakness(es) identified? Yes X No

2. Were there significant deficiencies identified that are not considered to be material weaknesses? X Yes None reported

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

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

Identification of Major Programs:

<u>State Grant/Project Numbers</u>	<u>Name of State Program</u>
<u>24-495-034-5120-089</u>	<u>State Aid Public Cluster:</u>
<u>24-495-034-5120-084</u>	<u>Special Education Categorical Aid</u>
	<u>Security Aid</u>
<u>24-495-034-5094-003</u>	<u>Reimbursed TPAF Social Security</u>

UNION TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2024

Section II - Financial Statement Findings

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

Finding 2024-001 (2023-001)

Criteria

Budgetary line accounts should not be over-expended.

Condition

The Board Secretary Report contained over-expended budgetary line accounts.

Context

As part of our audit procedures, it was noted budgetary line accounts were over-expended.

Cause

Transfers were not made between budgetary line accounts to ensure no accounts are over-expended.

Effect

Various account balances were not accurate.

Recommendation

Transfers should be made between budgetary line accounts to ensure no accounts are over-expended.

View of Responsible Officials and Planned Corrective Action (unaudited)

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

UNION TOWNSHIP SCHOOL DISTRICT
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2024

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

Federal Awards

There were no findings or questioned costs for the year ended June 30, 2024.

State Awards

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

Finding 2024-001 (2023-001)

Criteria

Budgetary line accounts should not be over-expended.

Condition

The Board Secretary Report contained over-expended budgetary line accounts.

Context

As part of our audit procedures, it was noted budgetary line accounts were over-expended.

Cause

Transfers were not made between budgetary line accounts to ensure no accounts are over-expended.

Effect

Various account balances were not accurate.

Recommendation

Transfers should be made between budgetary line accounts to ensure no accounts are over-expended.

View of Responsible Officials and Planned Corrective Action (unaudited)

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

UNION TOWNSHIP SCHOOL DISTRICT
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management
For the Fiscal Year Ended June 30, 2024

Status of Prior Year Findings

In accordance with *Government Auditing Standards*, our procedures included a review of all prior year recommendations including findings. Corrective action has been taken on all prior year findings with the exception of 2023-001.