



Union Public Schools
Independent School District #9
Tulsa, Oklahoma 74133



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Comprehensive Annual Financial Report
For the fiscal year ending June 30, 2015



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Tulsa, Oklahoma

Comprehensive Annual Financial Report

For the Fiscal Year Ending June 30, 2015

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December 22, 2015

To the Patrons of Union Public Schools:

The Comprehensive Annual Financial Report of Union Public Schools, Independent District #9 (the "District") for the fiscal year ending June 30, 2015, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operation of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The letter of transmittal is designed to complement Management's Discussion and Analysis and should be read in conjunction with it. Union Public Schools Management's Discussion and Analysis can be found immediately after the report of the independent auditor, on page 25.

The report includes all current funds of the District. The services provided include education of preschool through adults with primary emphasis on Pre-K through grade 12.



Student Statistics

In 2014-2015, Union grew by 297 students. With a 1.9 percent increase over the previous year, Union served 15,823 students – 7,656 at the elementary level and 8,167 in grades 6-12.

In terms of racial origin, 10 percent were Native American, 16.4 percent were African-American, 0.2 percent were Pacific Islander/Hawaiian, 7.3 percent were Asian, 37.0 percent were Caucasian; and 29.1 percent were of Hispanic ethnicity.

There were 236 three-year-olds at the Rosa Parks Early Childhood Education Center, and 756 four-year-olds enrolled in Pre-K classes districtwide.



The district had 1,721 students, or 10.87%, identified with special needs, and 3,049, or 19%, were identified as gifted.

During summer school, 1,743 elementary students received remediation or enrichment.

There were well over 1,000 students (grades Pre-K-7) enrolled in Union’s Extended Day Program (EDP). Before and after school, EDP students engaged in cooking projects, science experiments, homework clubs, multicultural activities, active outdoor play and more. EDP Summer Camp was held at Grove Elementary offering weekly themes over a nine-week period.

English Language Learner (ELL) services were provided to 2,015 elementary and 800 secondary students; 501 became English-proficient and exited the program. Our diverse population speaks more than 50 different languages.

More than 14,425 Union students were involved in some form of the arts, including 6,922 elementary students who took both art and music classes. At the secondary level (grades 6-12), 1,017 were in band; 598 in orchestra; 1,401 in vocal music; 1,556 in drama; 235 in speech/debate; and 2,462 in a wide variety of visual arts disciplines.

More than 2,500 students in grades K-12 participated in Union’s 167 non-competitive sports and spirit programs. Approximately 1,600 were involved in its 23 competitive sports teams and spirit squads grades 7-12. District athletic participation in grades 7-12 totaled 1,638; 667 girls and 971 boys.

Of the district’s 2014-2015 seniors, 30% planned to further their education at four-year colleges or universities, 36% at two-year schools, 11% planned on attending technical or vocational schools or entering the military, and 23% were undecided.

College classes, which also count toward graduation, were offered at the UCA for only \$12.75, per course, through the Tulsa Community College (TCC) EXCELerate program. In the past five years of Union’s

TCC partnership, high school students have earned a total of 8,724 hours of college credit, with an estimated savings to Union families of more than \$5,000,000.

The district offered 22 Advanced Placement (AP) courses, and 573 students took 1,090 AP exams, with 55% passing.

Union seniors received more than \$2.8 million in scholarship offers.

With 174 seniors from the class of 2014 qualifying for the Oklahoma’s Promise Scholarship, Union was recognized by the Oklahoma State Regents for Higher Education as the Oklahoma’s Promise State 6A Champion for the third consecutive year.

More than 600 seniors qualified to receive the Tulsa Achieves scholarship through Tulsa Community College, and more than 178 were eligible to receive Oklahoma’s Promise scholarships. Seventy-six percent of the seniors took the ACT, and their average score was 21.5.

Academic All-Conference honors went to 146 Union athletes, 76 received Honorable Mention, and 34 student-athletes signed athletic college scholarships.

The graduating class of 2015 numbered 1,138 students, the largest number in the district’s history. Over the past three years more than 3,100 students have earned their diploma.

More than 3,300 students were served in Union’s Adult Education Program, and the district continued to serve most of northeastern Oklahoma including Bixby, Jenks, Sapulpa, and Sand Springs.

Elementary Student Achievement

Andersen fourth grader Garris Munoz competed at the Hall of Fame Dance Challenge in Oklahoma City and received First Place Platinum, First Place in his division, and overall High Point in the National Division for his lyrical piece “Near Light.”

Darnaby showcased its STEM (science, technology, engineering, and mathematics) program, Project Lead The Way at the 2015 CareerTech STEM Day at the Capitol in March. Students set up an information booth, and were recognized from the gallery during a House session.



Grove’s “Human Foosball Table” was selected for an exhibit at the Tulsa Children’s Museum. Tiffany Bolding’s engineering team of 10 students - Colin Alexander, Olivia Bacon, Corinne Bell, Giovanni Benitez, Ana Cherry, Nicolas Evans, Drevin Fuller, Jackson Pool, Piper Stokes, and Ashley Welch - worked on the design before school for several months. The exhibit had to be STEM based, involve creativity, communication, and teamwork.



Peters fifth grader Meghana Venkatesha was selected the Oklahoma winner of the 2015 Nicholas Green Distinguished Student Award. She was recognized at the Oklahoma Association of Gifted, Creative and Talented State Conference and received a \$500 savings bond. Meghana was one of 50 students in the nation to receive this award.

Secondary Student Achievement

Six seniors were named National Merit Finalists – Delaney Couri, Megan Harju, Nitesh Mathur, Jeremy Roberts, and Daniella Royer. Sam Bogard and Emily Koehn were Semifinalists, and Commended Students included Madeline Harney, Rachel Hurtado, and Haley Welch.



Seniors Daniel Koehler Yaschine and Bianca Moreno were recognized as outstanding Hispanic/Latino high school students by the College Board’s National Hispanic Recognition Program (NHRP).

Senior Rachel Hurtado earned the title of first runner-up at the first-ever Oklahoma Youth Poet Laureate inaugural ceremony. Twelve finalists from across the state performed their poetic pieces at the University of Oklahoma. Senior Kerry Hagins was awarded Honorable Mention.

Seniors Andrew Sparkman and Alyssa Leggett were named Mr. and Miss Union – the highest honor a student may receive at Union High School.

Senior Aldyn Lieberman was named a 2015 recipient of the Scholarships to Success Entrepreneurship Scholarship through the district’s partnership with Dream It, Do It to expand students’ knowledge of entrepreneurship and manufacturing.

Senior Jacob Armstrong created a website for tracking attendance in Service Learning. The website allows for supervisors to take attendance daily or weekly electronically. It also sends an email reminder to the supervisor each Monday to turn in attendance and has the ability to generate attendance reports.

Seniors Madeline Harney, Jeremy Roberts, and Daniella Royer were selected as candidates for the U.S. Presidential Scholars Program, and Daniella was named one of 565 semifinalists nationwide.

Senior Michael Hill was one of two delegates selected from Oklahoma to attend the American Legion Boys Nation. Selection is based on leadership skills, academic record, and activity at American Legion Boys State.

2015 Valedictorians were Sheridan Chappelle, Brian Dunagan, Madeline Harney, Nitesh Mathur, Samantha Osman, Han Pham,

Cole Roberts, Jeremy Roberts, Daniella Royer, Sang Ha Seo, Andrew Sparkman, Monica Venkatesha, and Haley Welch. Salutatorians were Delaney Couri, Olivia Darr, Deborah Ede, Laura Gray, Megan Harju, Lindsay Martin, Bianca Moreno, Savannah Ramsey, Zoya Shariieff, Tanner Stokes, Emily Tobben, and Paige Tobben.

Nitesh Mathur and Laura Gray were named Seniors of the Year.

Mason Farquhar (football) and Natalie Heiliger (pom) were named Homecoming King and Queen.

Six Union students were inducted into the Oklahoma Indian Student Honor Society for their academic performance and community involvement. More than 800 names across the state were submitted for inclusion. Students inducted include seniors Laura Gray, Thomas Cox, Victoria Granger; sophomores Reid Rector, Joshua Spears; and freshman Bailey Henson.

Three teams of four students each competed at the Oklahoma State University (OSU) Engineering Design Challenge taking 2nd, 3rd and 4th place honors.

Sophomore Charles Gordon was named 2015 Youth of the Year for The Salvation Army Boys & Girls Clubs of Metro Tulsa. The award is the highest honor a Club member can receive. He was awarded a \$5,000 scholarship.

The real-world skills High School students learned in a pilot program this year – the only such Engineers Alliance for the Arts (EAA) high school program outside of California – were put to the test at the 1st Annual Student Impact Project Bridge Competition. Approximately 80 Union students worked with local engineers for ten weeks to create bridges for the competition. Entries were judged on artistic design, written and oral presentation, and design integrity and solution. The competition was sponsored by the National Council of Structural Engineers Association (NCSEA), Oklahoma Structural Engineer’s Association, Wallace Engineering, Oklahoma Engineering Foundation, Engineers Alliance for the Arts (EAA), and the Tulsa Regional STEM Alliance (TRSA).

Sophomores got hands-on experience in STEM at the Tulsa Tech Riverside Campus during the STEM Exploratorium educational event - part science fair, career fair and engineering fair, rolled into one for middle and high school students.

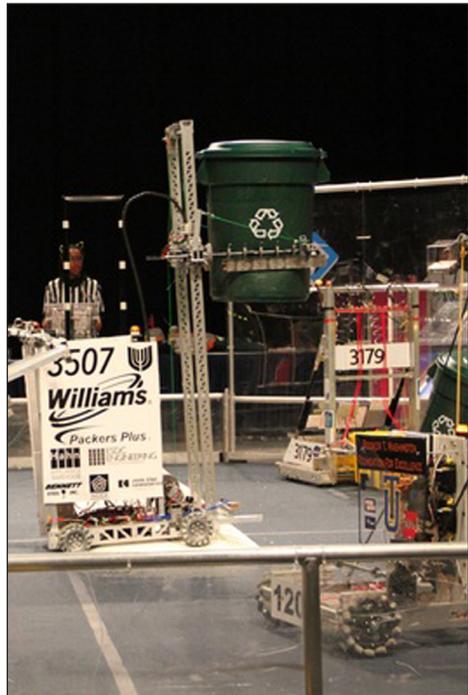


After placing in both the Illinois and Oklahoma regional competitions the “Ubotics”, Union High School’s robotics team go to compete in the FIRST World Championship in St. Louis. FIRST (For Inspiration and Recognition of Science and Technology) is a non-profit organization founded by Segway inventor, Sean Kamen



Secondary Student Achievement (Cont.)

At the Oklahoma regionals, Steve Wozniak – the American inventor, electronics engineer, and computer programmer who co-founded Apple Computer with Steve Jobs – volunteered as a judge and



interviewed the team about their robot. Ubotics is sponsored by The Williams Companies, Packers Plus, John Zink Hamworthy, Hahn Appliance, ESDC Engineering, Bennett Steel, Inc.; National Defense Education Program, Oklahoma State Department of Education, and Union Public Schools.

At the TSA (Technology Student Association) National Competition, sophomore Peter Wetherbee placed 6th in 3D Engineering Competition, and Palmer Tetley (senior),

Ashley Tran (sophomore) and Emily Tran (sophomore) placed 9th in the Systems Control Technology Competition.

When sophomore Connor Prag, an aspiring Boy Scout, was looking for an Eagle Scout project, he reached out to his former Global Gardens teacher to ask what he could do to help improve Global Garden. He discovered that Global Gardens had recently partnered with special education classes at the High School and was in need of infrastructure to support the students and others who use wheelchairs. Prag secured sponsors for the project to build a bridge with the help of others in his troop, friends, and family.

The Tulsa Zoo hosted a ribbon-cutting ceremony to honor the completion of an observation deck constructed by eighth-grade students over the zoo's siamang pond which was part of a learning camp through Union's STEM program. The project allowed the students to have hands-on experience, while learning about engineering. They also learned the value of teamwork by working together to construct a deck that will be enjoyed by zoo guests for many years.

Five seventh grade pre-engineering students - Colin Alexander, Olivia Bacon, Corinne Bell, Nicholas Evans, and Jackson Pool - were honored for their work on robotics and STEM projects. They were among 50 seventh graders from around the area honored at the 'You're Kind of a Big Deal' banquet.

High scores netted three seventh graders - Ryan Dollins, Keegan Knouse, and Anna McMullen - won the Grand Recognition award from Duke University's Talent Identification Program- the largest program of its kind in the nation. Seventeen others received state recognition for their high scores.

The Renegade Regiment placed 11th overall in the Bands of America Grand Nationals. At Super Regionals in St. Louis, members took 3rd place out of 63 participating bands. Earlier, the band swept all captions (Music, Visual, & General Effect) at the Broken Arrow Invitational in both the preliminary and final rounds. Additionally, the band earned the class champion award and was crowned grand champion with a final score of 78.00.

Green Country schools swept the Oklahoma Bandmasters Association state championships. Broken Arrow took first place followed by Union in second, Owasso in third place, and Jenks in fourth.

Six students earned performing positions in the Oklahoma All-State Band and All-State Jazz Band including Marie Gordon (Jr-Oboe), Megan Harju (Sr-Oboe), Rachel Morris (Sr-Clarinet), Drew Thomas (Jr-Jazz Sax), Freddy Vega (Soph-Bass Clarinet), & Karen Vega (Sr-Piccolo).

Eighty-six students in grades 7-9 earned performing and alternative positions in the Northeast Oklahoma Band Directors Association (NBDA) Junior High All-District Honor Band.

The High School Jazz Ensemble II and High School Jazz Combo won a state championship.

The High School Open Class Winter Guard won the Winter Guard International Open Class at the Kansas City Regional and earned a spot in Finals (top 15 in the country) at Winter Guard International's Scholastic Open Class World Championship Competition.

High School Orchestra received superior ratings in both concert and sight-reading in the Oklahoma Secondary School Activities Association (OSSAA) symphony orchestra contest. This earned the orchestra's fourth consecutive sweepstakes award.

At OSSAA district solo/ensemble contest, string ensembles ranging from solos with piano accompaniment to octets earned 29 superior ratings and 10 excellent ratings. The 8th and 9th grade string orchestras received superior ratings in both concert and sight-reading performances at the OSSAA state middle school orchestra contest.



The junior/senior Symphony Orchestra (complete with winds, brass, and percussion) performed in the OSSAA State Full Orchestra Contest and received superior ratings in both concert and sight-reading performances. This performance along with the string orchestra performance earlier earned the junior/senior orchestra the Sweepstakes Award.

The 8th grade and 9th grade orchestras performed in the OSSAA District Orchestra Contest and received straight superior ratings earning the prestigious Sweepstakes Award.



Secondary Student Achievement (Cont.)

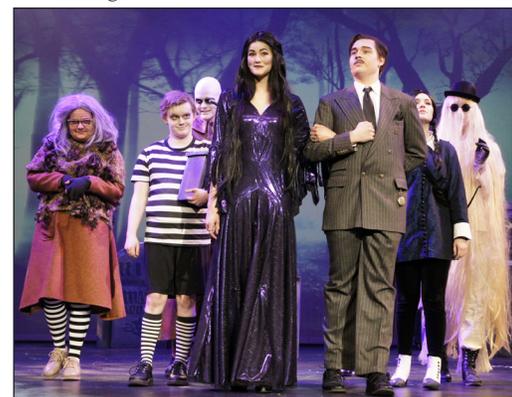
The 7th grade orchestra performed in a regional level contest and received a rating of superior and received an outstanding performance award. Violinist Danny Li was named outstanding individual musician.

The Union 8th Grade Mixed Choir competed in the Ozark Music In The Parks contest and earned a Superior rating and placed 2nd with a near-perfect score of 99.80.

Union High School was the first school

in Oklahoma to perform "The Addams Family, the Musical," featuring 197 students in the cast. All the costumes, sets, lights, and choreography were created by local Tulsa artists.

Three Speech/Debate students qualified to compete



in the National Tournament in Dallas.

Union hosted the 36th annual YouthArts!, one of the state's longest running arts festivals, showcasing the artistry of Union students.

Student Community Service

Through a Tulsa Community College class offered through Career Connect, High School students teamed with APSCO Tulsa, BAMA, Legends Bicycles, and the City of Tulsa to refurbish more than 100 bicycles to donate to local charities during the holiday season.

High School Business Professionals of America (BPA) members volunteered at the Tulsa Dream Center serving breakfast, cleaning and painting, supervising kids in the after-school program, and packing groceries for local families.

Students in the High School Child Development class volunteered at several elementary schools during End of Instruction (EOI) testing blocks.

Students in the High School Graphics Design class created digital picture books with nursery rhymes, and students in the Child Development class read the books and donated them to Briarglen students.

As part of the annual United Way Day of Caring, High School students joined in on the volunteerism and helped spruce up the Global Gardens Garden House across the street from the High School. The students joined adult volunteers and spent the day making the garden area -including a new chicken coop - look good.

Global Gardens hosted a pop-up farmer's market at its garden located near the High School. The site includes 108 individual plots representing students, families, retirees and everyone in between. The garden was so successful that members decided to have regular pop up farmers' markets to sell the excess and share their experience with the larger community. In addition to garden produce, the market featured honey made from bees that made the garden their home. Profits from the market were put back into the garden to continue developing the space and create new opportunities. Market funds helped the gardeners build a chicken coop to house several chickens whose eggs were sold at the market.

Union soccer players volunteered at the Angel Tree booth in Woodland Hills Mall, assisting patrons with selecting an angel as well as recording and bagging the gifts.

Student athletes in the Redskin AID program volunteered in Extended Day, at Special Olympics and Read Across America, and assisted with Salvation Army bell ringing and Make-A-Wish sponsorship.

Ninth grade students collected 1,100 items for Community Services after the tornado in Sand Springs.

6th/7th Grade students donated more than 2,500 cans of food during the holiday season, and partnered with Volunteer Tulsa to create comfort kits containing toiletry and personal hygiene items for the Tulsa Red Cross to distribute to clients displaced from their homes as a result of disasters.

Andersen students collected 564 toys during a Salvation Army toy drive.

The Darnaby student council held a Toy Drive for the Salvation Army and gathered 188 toys. They also made Valentine cards to send to the Marines.



Jarman hosted an Angel Tree Program for students and their siblings in need of assistance through the holidays.

Peters Honor Choir and Student Council officers and representatives traveled to the Kenosha Landing Retirement Home where they sang carols and passed out gifts of slippers, blankets, socks, and robes to the residents.



Employee Statistics

Ninth Grade & High School Athletic Achievement



It was yet another coronation for Union, as the Redskins won their fifth consecutive Class 6A girls' golf state championship.

The girls' soccer team won the state championship with a perfect 17-0 record. They finished at No. 1

in the top-50 FAB 50 Girls spring rankings. This was the first time an Oklahoma girls' team has been crowned the champ in the 16 years the website has been doing rankings.

Juniors Ben Fields and Ayo Ologolo, sophomore Trey Brown, and freshman A.K. Wilson teamed to win the state track championship in the 4x200 relay.

The Highsteppers garnered another state championship bringing their program total to 31, and Junior Highsteppers finished 1st in Kick and 3rd in Jazz.

At the Regional Showcase in Keller, Texas, the Varsity Highsteppers were named Medium Varsity Grand Champions, and received Best in Class for their hip hop and kick routines, as well as First Runner Up Best in Class for jazz. They were awarded the team Super Sweepstakes award for receiving an average score of 90 or higher in all three routines. The officers were named 1st Runner Up Best in Class for their jazz and contemporary routines, and also received a Silver Sweepstakes award for having a score of 85 or higher on two routines.

Also at the Regional Showcase, JV Highstepper officers won Best in Class and a Superior Performance award for their contemporary dance, and the team won Best in Class and a Superior Performance award for kick.

All three Highstepper seniors - Ashlyn Ernest, Hailey Dickson, and Maddie Parks - were named to the Oklahoma State Dance Team Director's Association (OSDTDA) Eastern All-Regional dance team. They were selected from among more than 80 girls from across the state.

Varsity Pom finished second in state; JV was third and 8th grade was third. Seventh grade Pom also took a state championship.

Union Varsity Cheer finished as runners-up at 2015 National Cheerleaders Association (NCA) National Championships as well as runners-up at state.

Seniors Demery Pennington and Dominique Rodriguez were named to the All-State Cheerleading Squad.

Senior Highstepper Ashlyn Ernest and senior Pom member Madeline Harney received OSDTDA Community Service scholarships at state. Pom senior Abby Edgeller was awarded an Academic Scholarship.

Senior Jeremy Roberts was named to the All-State East tennis team.

Senior Chance Wenglewski won the 6A 220-lb. state wrestling championship. He finished his wrestling career at Union as a 3x placer, 2x state runner-up, and the 2015 State Champion. Junior Mason Naifeh was the 2015 106-lb. state runner up.

Union senior quarterback Mason Farquhar was named a finalist for 2014 Vype Mr. Football and was named to the Coaches All-State football team.

The girls' golf and boys' swimming teams earned the Distinguished Academic Plaque for a GPA of 3.50 and ranked in the top five of Class 6A. Academic Achievement Certificates (GPA of 3.25 or above and upper 1/3 of Class 6A) were awarded to girls' swimming, slowpitch softball, girls' tennis, boys' tennis, boys' golf, and boys' soccer.

Employee Statistics

Union employed 80 administrators - 65 certified and 15 non-certified - and 1002 certified teachers. Support staff members accounted for another 898 positions, both full time and part time. The ethnic diversity among the staff was African-American 5.9%; American Indian 5.6%, Asian 2.0%, Hispanic 10.8%, Caucasian and other 75.7%; 415 were male and 1,565 female. During new teacher induction, 178 teachers were welcomed to the district.

At the end of 2014-2015, Union had 81 National Board Certified teachers, and 36.7% of district teaching and administrative staff held graduate-level degrees - 380 had master's degrees and 17 had doctorates.

Teaching & Learning

Superintendent Dr. Kirt Hartzler was selected by the U.S. Department of Education as one of 100 top school leaders from across America to participate in the first-ever National Connected Superintendents Summit at the White House. The event builds on the momentum of the ConnectED Initiative, a plan President Obama announced in 2013, to connect 99% of students to high speed Internet and empower teachers with the technology they need to transform teaching and learning. Dr. Hartzler was among exemplary local school chiefs recognized for their leadership in helping transition their districts to digital learning.

Dr. Vince Bertram, President & CEO of Project Lead The Way, visited Darnaby and the Union Collegiate Academy. Project Lead the Way is a national program designed to promote interest in science, technology, engineering and mathematics (STEM).





Teaching & Learning (Cont.)

Tulsa Mayor Dewey Bartlett spoke during a reception at the Union Collegiate Academy to recognize students who successfully completed workforce development programs while still in high school. Union Career Connect was designed to align to the district's goal of "100% graduation, college and career ready." The "learn to earn" model placed students in industry-based experiences that could evolve into paid internships and full-time employment. Nine students served as paid interns in manufacturing areas and 11 in automotive mechanics. Bama Companies, Inc., and APSCO offered full-time jobs to more than half of Union's manufacturing interns following graduation, and students earned a total of 69 nationally recognized work-ready certifications.



Clark and Briarglen Elementary served up supper with a side of homework during Homework Diners, giving families the opportunity to enjoy a delicious, hot meal while getting homework help from teachers. The Eastern Oklahoma Food Bank donated

food; culinary students from Tulsa Community College cooked; and Northeastern State University and faith-based partners provided homework help for parents and students.

Many Union teachers hit the bricks before school began in August. Boevers teachers walked the neighborhood to meet new families and welcome students back to school. Huge smiles greeted Briarglen teachers as they delivered backpacks to students' homes. Clark staff went to each of their 600-plus students' homes to deliver backpacks and welcome them back to school, and Rosa Parks kindergarten teachers visited students' homes to get acquainted.

McAuliffe Elementary was named as a Leader in Me Lighthouse School by Franklin Covey Co. The recognition came because the school has achieved outstanding student outcomes by implementing The Leader in Me process and because of the extraordinary impact the school is having on staff, students, parents, and the greater community.

As a new Project Lead The Way school, Moore Elementary jumped into STEM education with both feet. They joined up with the FIRST (For Inspiration and Recognition of Science and Technology) Lego League and, thanks to a \$2,000 grant from the Oklahoma State Department of Education, hosted two Lego League teams for the first year ever.

Five students were recognized during a special graduation ceremony in front of friends and families for the new ASPIRE program at the Alternative School. ASPIRE serves as the second Alternative School for students enrolled in 9th-12th grades. Students receive intensive counseling and academic support in order to increase academic achievement. Individualized learning goals for academics and counseling guide ASPIRE students toward all-around success.

The district's Adult Learning Center sponsored a career fair for the public to allow individuals to network with local professionals, area schools, and other job seekers who may know of companies that are hiring. High School students were provided an opportunity to visit the career fair before it was opened to the public and adult education students.

Union hosted its first-ever Union Teaching Institute in August, featuring more than 140 classes from which teachers could choose as part of an all-day professional development event.

Contributions from the Community

Patrons in the Union Public School District overwhelmingly passed its February 10 bond issue. More than 80 percent of those voting said yes to the \$27-million proposal, which means new classrooms at Rosa Parks, Phase II expansion at the Union 8th Grade Center, and preconstruction work for a new elementary school near 31st and Garnett.

Tulsa's SemGroup® Corporation and State Farm Insurance teamed up for Junior Achievement (JA) in a Day to teach nearly 450 students in 20 classrooms lessons in real-life business at Briarglen. State Farm also presented a grant check for \$18,000 to Junior Achievement of Oklahoma, and SemGroup gave \$3,500 to Briarglen and \$4,500 to JA.

More than 150 QuikTrip employee volunteers descended on Rosa Parks to complete a second Day of Caring. QuikTrip volunteers helped with 12 different projects ranging from book buddies, classroom assistants, building garden beds, painting, and the signature project - building an outdoor pavilion kitchen for Global Gardens.

TTCU (Tulsa Teachers Credit Union) presented a bi-annual check for \$3,700 for usage of the Union School Pride Visa Check card.

The Charles and Lynn Schusterman Family Foundation granted \$500,000 to Project Lead The Way (PLTW), the nation's leading provider of STEM programs, to support PLTW at Union. In addition to the \$500,000 gift, the foundation committed up to \$250,000 in matching funds. The grant allows the district to quadruple the number of K-12 students enrolled in STEM programs from approximately 4,000 students in 2014-15 to nearly all of its 16,000 students in 2017-18.



Westlake Ace Hardware, located at 91st and Memorial, partnered with Darnaby Elementary to give their main hallways a much needed make-over by building custom frames to showcase students' work. Several teachers, parents and students joined representatives from Ace Hardware to work on the project.



Teaching & Learning (Cont.)

Hahn Appliance donated \$2,500 and nine Galaxy tablets to the Ubotics team to prepare for and compete in the FIRST (For Inspiration and Recognition of Science and Technology) Robotics Competition.



Nineteen grants totaling \$13,912.26 were given to 20 different teachers at nine of the district's 19 sites.

Rosa Parks Elementary received funding through the Flint Family Foundation for STEM-based study trips and outreach classes provided by Tulsa Children's Museum (TCM) Discovery Lab. The grant paid for transportation to the facility for 28 groups, a total of about 700 students.

First Baptist Church in Tulsa served lunch to all employees (four different lunches over more than a two-hour period) at the 6th/7th Grade Center in April. First Baptist has sponsored the annual Backpack Giveaway, helped with landscaping, and supported students and their families for a number of years. FBC is also the sponsor of the district Clothing Closet, located immediately to the west of the 6th/7th Grade Center.

McAuliffe Elementary launched its Global Gardens curriculum as part of its ongoing community schools initiative funded by a grant from the Lobeck Taylor Family Foundation, The United Way, and many individual donors.

Employee Achievements

Alternative English teacher Ami Reynolds was named the 2014-2015 District Teacher of the Year. Site winners included Faith Hamilton, Andersen; Diana Bayona, Boevers; Melissa Saffell, Briarglen; Beth Turner, Cedar Ridge; Charity Covey, Clark; Kristen Robinson, Darnaby; Sarah Rhodes, Grove; Geri Stites, Jarman; Mandy Lewis, Jefferson; Caroline Quinonez, McAuliffe; Jen Marple, Moore; Linda Cunningham, Peters; Janna Hamilton, Rosa Parks; Nicole Hill, Rosa Parks Early Childhood Education Center; Amanda Kennedy, 6th Grade; Meghan Bender, 7th Grade; Tamarah Danzy, 8th Grade; Millie Gamble, 9th Grade Center; and Courtney McCartney, High School.

Melanie Coday, receptionist for Peters Elementary, was named the 2014-2015 Support Employee of the Year.

Darnaby Elementary teachers Kristen Robinson and Suzanne Martin were recognized as national leaders in Project Lead The Way.

Seventh grade science teacher Michael Lewis was accepted to SET Sail, a STEM workshop at the US Naval Academy in Annapolis, Maryland. Director of Child Nutrition Lisa Griffin and Executive Chef Callie Fowler won a regional recipe contest sponsored by Equipment Preference, Inc. (EPI), a broker for kitchen equipment. Their prize was a trip to the EPI culinary exposition in Austin, Texas, plus a \$1000 scholarship for a Union student.

Jarman principal Shawna Thompson received the 2015 University of Oklahoma Young Educator Award which honors practicing educators who have demonstrated distinctive achievements in elementary, secondary, or community education careers. Winners must be alumni of the Jeannine Rainbolt College of Education who have not passed their 40th birthday.

Seventh grade music teacher Abby Bruce was named Young Oklahoma Bandmaster of the Year and was inducted into the Phi Beta Mu International Band Directors Fraternity.

Speech and debate coach Christian Jones earned a First Diamond degree of membership in the National Speech & Debate Association's Honor Society, and was recognized in *Rostrum*, the official magazine of the National Speech & Debate Association.

Clark Elementary fifth grade teacher Kent Jones was named the recipient of the 2015 Tex Richardson Engineering & Science Guidance Award. The annual award honors teachers who provide exemplary career guidance to students, and Jones was recognized for his work with students in an after-school engineering club, The Building Club, where students worked on various projects such as building training boards for Therapeutics Service Dogs of Oklahoma.

Sue Haralson was named a national Native American Teacher of the Year, and Union Public Schools was honored for its exemplary Native American programs during the National Johnson-O'Malley Organization conference in Portland, Oregon.

Varsity football coach Kirt Fridrich was honored by the Boren Mentoring Initiative for his commitment to young people, his community, and mentoring.

McAuliffe Elementary first grade teacher Charity Guinn was featured in *Oklahoma Country*. The article focused on how she plants her country roots in her urban classroom through the *Ag in the Classroom* curriculum. She uses agricultural lessons to teach her students the importance of food production and community roles.



Darnaby and Moore Elementary schools earned the Most Improved Safety award for the third quarter; and Boevers Elementary, Alternative Education, and Rosa Parks Early Childhood Education Center earned Top Performer. They were served breakfast through the generous financial support of TRC Disaster Solutions.



The Oklahoma Energy Resources Board (OERB) selected High School teacher Jona Ghose as the winner of the 2015 Harlan Krumme Memorial Energy Education Grant. Ghose was chosen for her innovative techniques in teaching her students about oil and natural gas, and she received \$500 for classroom materials and an additional \$500 for personal use.



Jefferson Elementary PE teacher Diana Irick was named the Elementary PE Teacher of the Year by the Oklahoma Association for Health, Physical Education, Recreation and Dance (OAHPERD). Irick was also named Coordinator of the Year at the annual Schools for Healthy Lifestyles meeting/training.

Emily Barkley was named the Oklahoma Interscholastic Athletic Administrators Association (OIAAA) Athletic Director of the Year.

Associate Athletic Director

Mike Rose was named East Athletic Director Newcomer of the Year.

Head athletic trainer Dan Newman was selected as one of the National Athletic Trainers' Association's 2014 Athletic Trainer Service Award recipients.

David Lynn was name Oklahoma Coaches Association (OCA) Region 7 Swim Coach of the Year, and 8th grade football coach Nathan Claytor was named OCA Region 7 Junior High Coach of the Year. Tyler Ashley was named OCA Region 7 Coach of the Year for junior high cross country, 9th grade boys' basketball, and varsity boys' tennis.

Pom coach Emily Jones was awarded Coach of the Year for the East.

Girls' soccer coach Brian Elliott celebrated his 100th career win and was named Oklahoma Soccer Coach of the Year.

District Achievements

The national publication, Food Service Director, listed the top 100 school district cafeterias in the country, and Union was ranked as # 4.

Union was honored with a Silver Award for its contributions to the annual Tulsa Area United Way Campaign. The district broke its own record by raising \$207,807, a 6.54 percent increase over last year's donation.

For the 21st consecutive year, Union earned the Certificate of Excellence in Financial Reporting from the Association of School Business Officials International, the highest recognition for a school district offered by ASBO, recognizing significant achievement in school system financial reporting. See page 16 for award certificate.

The Certificate of Achievement for Excellence in Financial Reporting was awarded to Union's Finance Department by the Government

Finance Officers Association (GFOA) of the United States and Canada for its comprehensive annual financial report. The GFOA certificate of achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management. See page 17 for award certificate.

Communications

Union's Communications Department won nine Awards of Excellence and two Awards of Merit from the Oklahoma School Public Relations Association for work created in 2014.

Two electronic newsletters, The Communicator OnLine and the monthly Union Board Report, won Awards of Excellence. The department also received an Award of Excellence in the "One-Time Project" category for its "Keys to Engagement" bond campaign, a multi-faceted information campaign motivating voters to pass a \$21-million bond issue in February 2014, with a more than 80-percent majority.

Other awards were for printing, writing, video production, website/social media presence, and a Briarglen Elementary Pre-K video project completed on a "Shoestring Budget."

Technology

More than 350 additional wireless access points were installed throughout the district to better meet the demand for wireless connectivity and mobile computing.

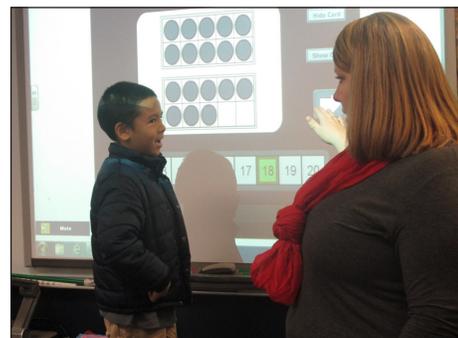
Computer labs at the High School, 9th Grade Center, 8th Grade Center, and 6th/7th Grade Center were upgraded or replaced.

Teacher and office staff computers were upgraded at Andersen, Cedar Ridge, Clark, Darnaby, Moore, Rosa Parks, the 8th Grade Center, and the 9th Grade Center. This involved replacing teachers' desktop computers with tablet computers to allow teachers the flexibility to be mobile in the classroom and no longer tied to a desktop computer.

Sixty laptop computers needed for the PLTW science curriculum were purchased for the High School science department.

Over 250 Casio projectors were purchased to replace the aging and unreliable projectors that are used with SmartBoards in the classroom.

Boevers, Briarglen, Clark, McAuliffe, and Peters Elementary received complete video surveillance system upgrades to enhance the district's ability to monitor students, faculty & grounds. Features included more cameras as well as fully digital (high resolution) access through a network connection for video playback.





Technology (Cont.)



Boevers, Clark, McAuliffe, Peters Elementary all had their intercom paging systems upgraded as well as new speakers throughout the building. The High School also had the intercom head-end unit upgraded to complete the upgrade for that facility.

McAuliffe, Clark, Boevers, Briarglen,

and Rosa Parks Elementary each had 120 iPads purchased to enhance literacy skills for the second grade students.

Union hosted the 3rd Annual Tulsa Area Schools Technology Symposium focusing on infrastructure solutions as well as how various technologies can be incorporated into the instructional

Transportation

More than 10,000 students rode the bus on a regular basis during 2014-2015. The district maintains a fleet of 102 school buses and 92 support vehicles, and a team of six mechanics keeps them in good working order. There are 38 shuttle routes and 20 after-school routes. Seventy-one buses run daily routes traveling approximately 5,455 miles per day on average. Activity buses traveled more than 90,000 miles during the school year. The district purchased over 172,000 gallons of diesel fuel and over 37,000 gallons of unleaded fuel.

Transportation worked with the Communications department to develop a training video for in-service training and implemented SafeSchools bus driver training for coaches who serve as drivers for athletic events. The Director of Transportation was chosen as a delegate to represent Oklahoma at the 16th National Congress on School Transportation Specifications and Procedures.

Child Nutrition

The Child Nutrition Department served an average of 9,750 lunches, 5,600 breakfasts, and 2,000 after-school snacks each day. District participation increased by 6% for lunches and 12% for breakfast. The number of students qualifying for free/reduced lunch has steadily increased over recent years and is currently at 65%. Of the 183 child nutrition employees, 42 are Serve-Safe certified and 55 are Culinary Arts trained. The district spends approximately \$4 million for food each year including Farm-to-School produce.

Child Nutrition applied for and received a \$16,000 grant from the Midwest Dairy Council; developed a marketing and promotion plan

for the High School cafeteria; implemented a nutrition education program called FUEL developed by the Youth Philanthropy Initiative to help students make healthier choices; began working with Women in Recovery to provide jobs for qualified candidates, and piloted an online lunch payment program.

Union Public Schools participated in the Summer Food Service Program, serving free meals to all children aged 18 or younger at various schools sites throughout the summer. The program, funded by the federal government, was open to all children including non-Union students.

Maintenance/Facilities Services

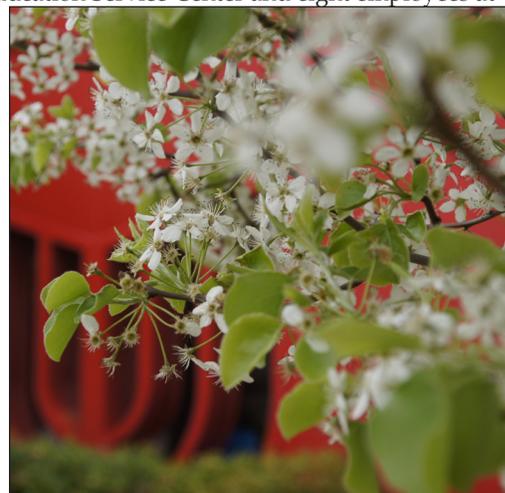
The Maintenance Department is comprised of 16 specialists and 23 building engineers. Their job is to maintain equipment and ensure that all district facilities are running smoothly. The specialists include a licensed locksmith, two licensed plumbers, two licensed electricians, five licensed HVAC technicians, two licensed electronics technicians, two carpenters, and a painter, and each school site has at least one licensed building engineer. The High School campus, including the Union Multipurpose Activity Center (UMAC), has five building engineers because of its size and large volume of day, night, and weekend activities.

The Custodial Department has 119 full- and part-time employees including 20 lead custodian supervisors. Custodial staff members, collectively, clean and maintain more than 3.3 million sq. ft. of building space. Project work includes hard surface floor care burnishing, stripping and refinishing of vinyl tile and wood flooring, soft surface floor care of carpet including interim spot cleaning and deep extraction. Deep cleaning of shower rooms and restrooms with state-of-the-art touch-less high-pressure equipment is done to minimize any bacterial issues. The elementary schools' building engineers are in charge of custodial duties during the school day.

The Grounds Department's 14 employees maintain more than 425 acres of district property at 23 different sites. The grounds staff do a very diverse number of jobs for the district including mowing, edging, landscape and playground maintenance, small asphalt and concrete repairs, snow removal, assisting with UMAC events, and serving as the district moving crew.

The Purchasing and Supply Management Department consists of five employees at the Education Service Center and eight employees at

the Distribution Center, four of whom deal exclusively with Child Nutrition orders. They support the functions of bidding, purchasing, contract review, records management, and daily intra-mail service, as well as supply receiving, warehousing, and distribution.





Safety and Security

More than 6,740 safety training videos were completed with a 95% successful completion rate, and routine site safety walks were completed at all sites. The SafeSchools Alert program was successfully implemented, and safety training was incorporated into substitute workshops. A Chemical Hygiene Plan and a Safety Patrol handbook were written, implemented, and distributed. The injury incurred cost rate decreased from a seven-year average of \$770,000



per semester to \$142,888 for the first semester of 2014-2015. The claim litigation rate improved from 12.62% in 2011-2012 to 0% in 2014-2015.

In addition to the Director of Security and a district Security Coordinator, the district employed ten full-time security officers at the secondary

schools and 25 part-time officers for athletic and special events. One Broken Arrow School Resource Officer was on call daily in addition to six off-duty Tulsa Police Department officers on a rotating schedule, allowing one to patrol the district each day. The district partnered with the Tulsa Tech Criminal Justice Department to allow Tech students to shadow security officers during sporting events.

Union Multipurpose Activity Center

The Facilities Department includes 2.5 employees who scheduled and coordinated 14,056 activities throughout the district during the 2014-15 school year. This included 128,097 room hours and 1,351,988 attendees to the events. The department also oversees the U-Wear store, with one full-time employee, which markets Union spirit wear and items.

Facility scheduling not only encompasses the actual event but all the communications, operations, and maintenance to prepare, set up, run, and clean up every event. This makes accurate scheduling very important. An estimated 34,818 activities occurred during the year, and there were 2,274 facility rentals to outside groups which involved scheduling, contracts, scheduling conflict resolution, staffing, and set up and tear down.

Construction/Facilities

The Track project included a new track surface, an artificial turf football field, a track facility including locker rooms, restrooms, coaches' offices, concession area, and ticket office, a new discus and shot throwing area, bleacher modifications, new sidewalks and plaza area, a new press box, a new scoreboard, a band observation tower, new fencing, and additional landscape.

The 6th/7th Grade Center Expansion Project, Phase 2, included nine

new classrooms, a new office area and conference rooms, a nurses' office, a clinic, several small offices, a new entry and plaza area, landscaping, resealing/re-stripping the entire parking lot, expansion of the bus loop plus additional sidewalks, and other finish upgrades such as new paint to beautify the campus.

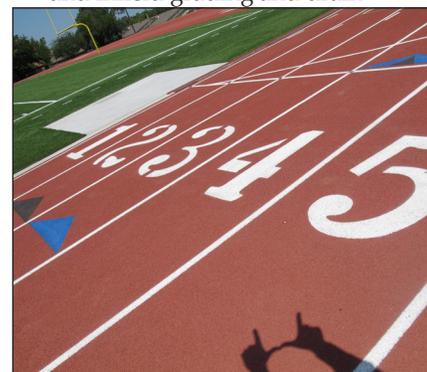
The 8th Grade Center Expansion Project, Phase 1, includes a new fine arts wing (band room, orchestra room, choir room, and visual art room), a new gym, a football locker room, a weight room, a training room, storage, a new soccer space (includes larger locker rooms, coaches' offices, and concession area), restroom upgrades, and parking entry and exit changes to separate the 8th Grade Center parking from McAuliffe Elementary parking. The work completed over the summer included the relocation and/or replacement of numerous underground utility lines and new entry and parking lot installation at McAuliffe Elementary.

The Operations Complex project included the addition of a modular building for technology employees and purchase of, or repairs, to equipment. Structures of all of the freezers and coolers in the warehouse were sealed. Some of the other projects completed in the complex included improved lighting, doors, compressors, walls and ceilings, flooring, shelving, and overhead door and spring replacement. Climate control areas were expanded in the warehouse; three sections of the parking lot and driveway were replaced; and the transportation mechanic pits were filled for safety reasons.

Among the larger school site projects were flooring replacements at Clark Elementary and Peters Elementary. The Peters Elementary gym and cafeteria floors were also replaced.

Other smaller projects included:

- The Andersen Elementary cabinet replacement project was completed.
- The softball field upgrade project, including new dugouts, storage rooms, installation, was completed.
- The High School minor renovation project included the removal of two locker areas to create a Rockets and Robots work room and a storage room, and two rooms received separation walls to create new additional classrooms.
- The 6th/7th Grade Center kitchen floor replacement project was completed.
- Boevers, Briarglen, Clark, Darnaby, McAuliffe, 6th/7th, and 9th Grade Center received kitchen supply and exhaust fan replacements.
- A new walk-in freezer/cooler was installed at Darnaby Elementary, and they received a new dish-machine as well.
- Parking lots at the 9th Grade Center and Rosa Parks were resealed and re-stripped.





Economic Condition



Union Public Schools is located within the Tulsa Metropolitan Statistical Area (MSA), a seven-county area whose population exceeds 969,224 or 25 percent of the population of the state of Oklahoma. The Tulsa Metropolitan Chamber of Commerce

reports Tulsa's major industries as aerospace parts manufacturing and aviation, transportation, distribution and logistics; machinery and electrical equipment manufacturing; health care; and petroleum and natural gas. The Chamber estimates the value of all goods and services produced in the Tulsa MSA for 2014 at \$50.9 billion, or 30.7 percent of the Oklahoma economy.

Forbes recently named Tulsa the 70th best place to do business and have a career. Tulsa's economy grew faster than the U.S. average in 2014 in both employment and in the production of goods and services, but a fourth quarter drop in oil prices has negatively affected gross domestic product and employment outlook for 2015. Despite this negative impact, Tulsa continues to be a prime location for employers looking to relocate or expand due to a low cost of doing business at 15 percent below the U.S. average; a desirable central location; and a cost of living that is 11 percent below the U.S. average. According to the Tulsa Metropolitan Chamber of Commerce, employment should continue to increase by .08 percent in 2015, down slightly from 1.6 percent in 2014 as a result of oil prices impacting employment with no additional hiring or layoffs.

Many publications have praised the Tulsa MSA for strong economic rankings, including:

- #2 – "Best Cities to Start a Business" – *WalletHub*, 2015
- #5 – "Most Affordable Big Cities in the U.S." – *Kiplinger*, 2015
- #10 – "Ten Best Cities for New Grads to Launch Their Careers" – *The Fiscal Times*, 2015
- #10 – "20 Best Places to Live in Your 20's" – *WalletHub*, 2015
- #37 – "Best Cities for Cost of Doing Business" – *Forbes*, 2015

The area's economy has continued to remain strong in the national and international financial markets despite reductions in oil prices. The Office of the State Treasurer maintains reports that the state ended fiscal year 2015 with 1.8 percent higher revenues than the prior year. The slight increase in revenue is attributed to various economic indicators such as gross income tax (up 6.5 percent) and sales tax (up 3.4 percent). A reduction in oil prices has hindered revenue collection increases for FY 2015, although collections are higher than FY 2014.

The unemployment rate in the Tulsa MSA was 5.7 percent in 2013, and then decreased to a 2014 level of 4.8 percent, with a 2015 projected rate of 4.0 percent, 1.5 percent below the U.S. average. The Tulsa Chamber projects the unemployment rate will continue to decrease through 2019 despite drops in oil prices.

Union Public Schools contributes to Tulsa's workplace initiatives by offering community programs for both adults and children such as:

- *Adult Basic Education* – classes for adults who need basic instruction in reading, writing, math and life skills,
- *Workplace Education* – links education goals to the employer's desire for high performance work and product quality,
- *GED Preparation* – instruction to prepare adults to take the Tests of General Educational Development (GED),
- *English as a Second Language (ESL)* – instruction to non-English speaking adults to help them be productive citizens of our community.

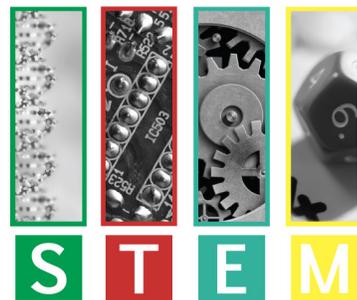
The Adult Education program exceeded their goal in school year 2014-2015 by serving over 3,300 students. Due to program expansion that includes six Northeastern Oklahoma counties and 50 classes, the program predicts continued growth in school year 2015-2016 with estimates beyond 3,500 adults.

In addition to helping many adults in the community, Union Public Schools has formed relationships with numerous Tulsa area programs including:

- *Asbury Learning Center*
- *The Carrera Program*
- *CAP (Community Action Project)*
- *Department of Human Services*
- *Arts and Humanities Council of Tulsa*
- *Metropolitan Tulsa Urban League*
- *South Tulsa Community House*
- *Northeastern State University*
- *Oklahoma State University*
- *Tulsa Community College*
- *Tulsa Technology Center*
- *Workforce Tulsa Eastgate Metroplex, Pryor, and Muskogee*

The District provides opportunities for community involvement through Community Schools, a program that connects businesses, local agencies, and foundations with Union Public Schools to improve quality of life for students, families, and surrounding areas. Utilizing the Tulsa Area Community Schools Initiative vision, Union continues to work with organizations to provide activities and programs that bring communities closer.

STEM programs continue to provide positive educational learning opportunities at Union Public Schools. Through access to cutting-edge labs from elementary to the Union Collegiate Academy, the STEM program provides a unique approach to learning to further students' interests in science, technology, engineering, and mathematics fields.



Union Public Schools sustains efforts to deliver superior healthcare to the district. A collaborative effort between the University of Oklahoma (OU) Bedlam Community Health Clinic and Union Public Schools produces cutting-edge services for the Union community.



The Union Public Schools Bedlam School-Based Health Clinic operates at both Roy Clark Elementary School and Rosa Parks Elementary School. These clinics provide a convenient way for students to receive a wide range of health care services, which operate at no cost to the school district. The primary goal of the clinics is to serve families of all children in each of the schools, including those who qualify for Medicaid or have no health insurance. The clinics provide at least one full-time physician's assistant or a resident physician. In addition, a pediatrician visits each clinic as part of a rotating schedule. The physicians work with and assist school nurses.

In addition to student health care, Union partners with the University of Oklahoma Physicians-Tulsa to provide low cost medical services for employees through a recently renovated employee clinic. This unique partnership provides access to quality health care while controlling escalating health care costs. The clinic is staffed by a fully-licensed OU physician, a physician's assistant, and a licensed practical nurse. Limited pharmaceutical services are also available at the clinic.

Enrollment

Union has experienced significant growth in the past decade. During



Physicians

Community Health Clinic

the 2005-2006 school year, the district recorded total enrollment of 14,101. In 2014-2015, enrollment reached 15,823. Administration projects enrollment in the 2015-2016 school year to exceed 16,000 students with the continuation of the four-year-old program at every elementary site and the three-year-old program together serving approximately 1,023 students. Additional enrollment details may be found in the Statistical Section of this CAFR.

Facilities

To accommodate growth in student population, the district maintains over 3-million square feet of facilities, including thirteen elementary schools (grades Pre-K-5), a Sixth/Seventh Grade Center, an Eighth Grade Center, a Ninth Grade Center, a High School (grades 10-12), an Alternative School serving high school students, a Transportation/Operations/Warehouse Complex, and an Education Service Center. The district's newest projects include expansion of the Eighth Grade Center, which includes a fine arts wing, gym, athletic area, parking lot and bus loop, and the purchase of additional land to be used as the future site of the next elementary. Please refer to the Statistical Section of this CAFR for additional facility details.

Bond Funds

On February 10, 2015, district voters approved a \$27-million bond proposal for various school projects including the building of a new elementary, as well as expanding classroom space at Rosa Parks Elementary; providing funds for basic, but critical capital improvements; acquisition of textbooks, media books and instructional hardware/software; instructional technology and operations equipment; building repairs and renovations to sites districtwide.



Grants/Federal Programs

During the 2014-2015 school year, Union received more than \$13.81 million in federal grant money, up \$1.84 million from the previous year. The largest contributors to the inflation of federal money include Title I, Individuals with Disability Education Act (IDEA), Adult Education, and Carl Perkins, which all saw increases.

Major Initiatives

Major initiatives that were enacted as a result of the 2015 Oklahoma Legislative Session included:

- H.B. 1498: Defining the Phrase "Per Pupil Expenditure" - Creates a law pertaining to schools and expenditures. The bill defines "per pupil expenditure" and provides the categories that shall be used and the conditions in which the expenditures apply.
- H.B. 1963: Ad Valorem Tax Code - Modifies confidentiality provisions and prohibits increases in ad valorem taxes pursuant to certain final judgments in tax appeals. This bill also modifies payments of taxes in relation to appeals from certain orders regarding valuation of property.
- S.B. 189: Oklahoma Performance Informed Budget and Transparency Act of 2015 - Provides policy and procedures on budget requests and oversight of State budget performance.
- H.B. 1962: Ad Valorem Taxation - Amending the definition of all personal property to include certain tangible personal property to relate to Article X of the Oklahoma Constitution.

Internal Control

Management of the district is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the district are protected from loss, theft or misuse and to ensure that adequate accounting data is 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.



Long-Term Financial Planning

The Board of Education of Union Public Schools, in conjunction with the Superintendent and Chief Financial Officer, establishes a system of sound financial planning and management to assure that the district's objectives are addressed and that funds are expended in accordance with plans expressed through the Board budget. The financial management system components include: 1) a planning process that consists of a review of state statutes, Board policies, concepts, ideas, problems, constraints, approaches and systems before dollar amounts are established in the budget; and 2) a budget that is the expression of the plans of the Board through three main budgets – the General Fund, a Special Revenue Fund, and the Child Nutrition Fund.

Budgetary Controls

The district utilizes budgetary controls to ensure compliance with legal appropriation limitations and to provide an operating plan for the district's resources. The annual appropriated budget includes activity of the General, Special Revenue Funds, and Child Nutrition Funds. Capital projects activity is controlled with approval of project-length financial plans. Initial budgets are adopted at the beginning of the fiscal year with periodic amendments approved by the Board as necessary.

The level of budgetary control is maintained by fund, project, and function of the OCAS (Oklahoma Cost Accounting System.) Individual line items may be adjusted without Board action, but total budgeted expenditures may not exceed appropriations at the major fund level without Board approval. The district utilizes an encumbrance system as a technique of budgetary control with encumbered appropriations lapsing at year end.

Independent Audit

Oklahoma state statutes require an annual audit by independent certified public accountants. The accounting firm of RSM US LLP, was selected by the Board to conduct the audit. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Federal Single Audit Act of 1984 and related Uniform Grant Guidance (UGG). The auditor's report on the basic financial statements is included in the financial section of this report.

Closing

Sincerely,

Kirt Hartzler, Ed.D.
 Superintendent

Debra J. Jacoby, CPA
 Chief Financial Officer/
 Treasurer

Catherine L. Bentley, CPA
 Director of Financial
 Reporting/Treasury

Gail Easterling, CPA
 Director of Accounting





Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award
is presented to*

Union Public Schools, Independent District I-009

*For Its Comprehensive Annual Financial Report (CAFR)
For the Fiscal Year Ended June 30, 2014*

The CAFR has been reviewed and met or exceeded
ASBO International's Certificate of Excellence standards



Mark C. Pepera, MBA, RSBO, SFO
President

John D. Musso, CAE, RSBA
Executive Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Union Public Schools
Independent District I-009
Oklahoma**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

A handwritten signature in black ink, reading "Jeffrey R. Ennis".

Executive Director/CEO



2014-2015 BOARD OF EDUCATION



**Jeff
Bennett**
District #1
2011-2016



**Patrick
Coyle**
District #2
2012-2017



**Heather
McAdams**
District #3
2013-2018



**Stacey
Roerman**
District #4
2014-2019



**Ed
Payton**
District #5
2010-2015
Retired Feb. 2015



**Ken
Kinnear**
District #5
2015-2020
Inducted Feb. 2015

2014-2015 Administrators

Dr. Kirt Hartzler, Ed.D.....	Superintendent
Debra Jacoby, CPA.....	Chief Financial Officer/Treasurer
Dr. Kathy Dodd.....	Associate Superintendent
Charlie Bushyhead.....	Asst. Superintendent for Support Services
Gretchen Haas-Bethell.....	Sr. Executive Director of Communications
Cynthia Solomon.....	Sr. Executive Director of Human Resources
Jackie White.....	Sr. Executive Director of Federal Programs
Todd Borland.....	Executive Director of Technology
Sandi Calvin.....	Executive Director of Elementary Education
Todd Nelson.....	Executive Director of Student Achievement
Lee Snodgrass.....	Executive Director of Special Projects
Lisa Witcher.....	Executive Director of Secondary Education
Emily Barkley.....	Director of Athletics
Cathy Bentley, CPA.....	Director of Financial Reporting/Treasury
Gail Easterling, CPA.....	Director of Accounting
Gary Greenhill.....	Director of Transportation
Lisa Griffin.....	Director of Child Nutrition
Fred Isaacs.....	Director of Construction Services
Dr. Penny Kay.....	Director of Special Services
Matt McCready.....	Director of Fine Arts
Dave Stauffer.....	Director of Safety
Ty Wardlow.....	Director of Security
David Young.....	Director of Purchasing/Supply Management
Kelly Brassfield.....	IT Program Director
Susan Crowder.....	Director of Professional Standards
Sherrri Fair.....	Director of Student Data & Assessment
Joanna Jamison.....	Director of Adult Education
Sarah McBryde.....	Director of Facilities
Christine Bunyard.....	Associate Director of Payroll
Becky Byers, CPA.....	Associate Director of Budget
Steve Dunlap.....	Associate Athletic Director
Kirk Fridrich.....	Associate Athletic Director
Jay Loegering.....	Associate Director of Human Resources
Charles Pisarra.....	Associate Director of Fine Arts
Mike Rose.....	Associate Athletic Director

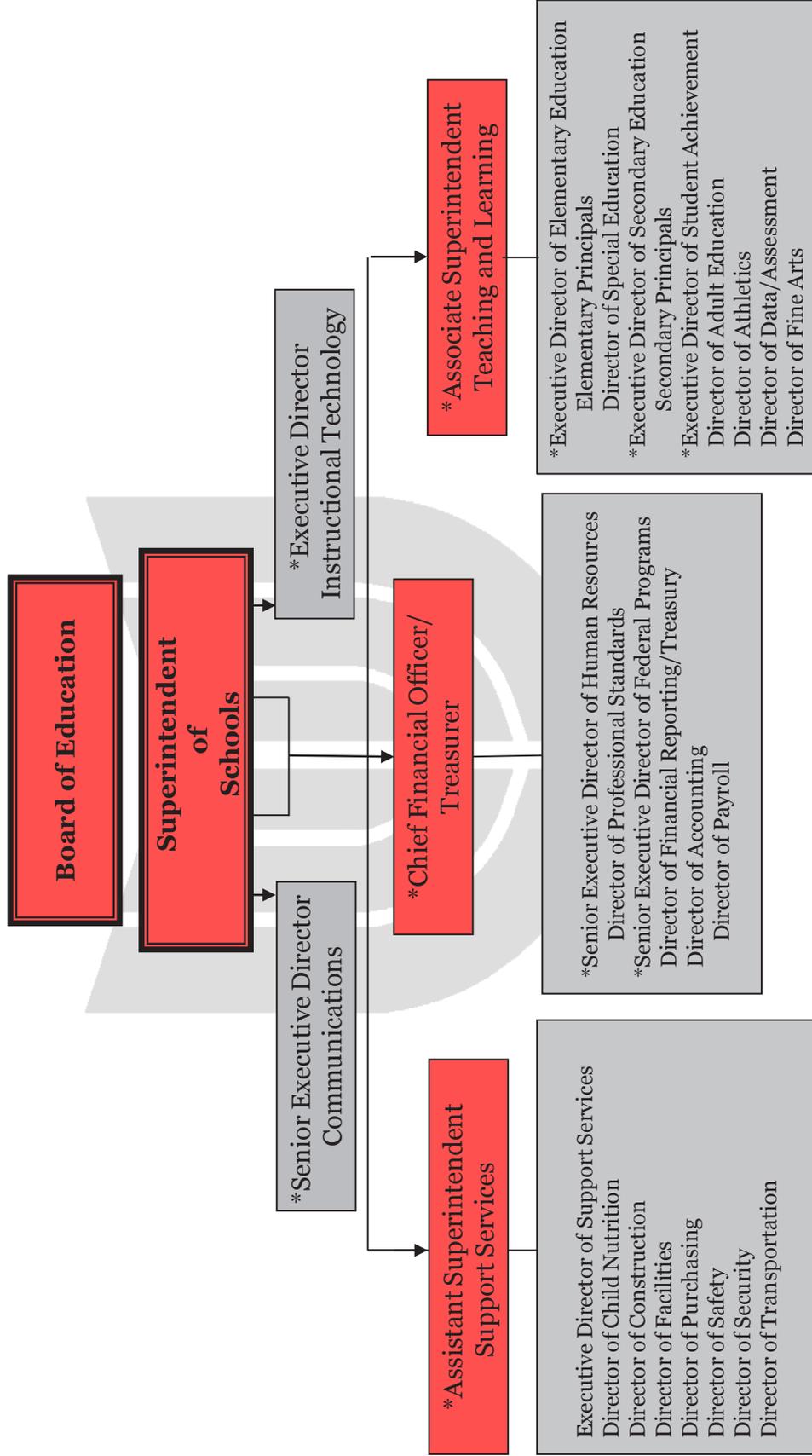
2014-2015 Principals

Gart Morris, Tony Tempest, John Chargois.....	High School
John Federline.....	Ninth Grade Center
Richard Storm.....	Alternative School
Marla Robinson.....	Eighth Grade Center
Steve Pittman, Tamra Bird.....	Sixth/Seventh Grade Center
Bethany Harper.....	Andersen Elementary
Alycia Pennington.....	Boevers Elementary
Tracy Weese.....	Briarglen Elementary
Ellen Cramer.....	Cedar Ridge Elementary
Theresa Kiger.....	Clark Elementary
Chris Reynolds.....	Darnaby Elementary
Kim Berns.....	Grove Elementary
Shawna Thompson.....	Jarman Elementary
Kim Rampey.....	Jefferson Elementary
Rita Long.....	McAuliffe Elementary
Lindsay Smith.....	Moore Elementary
Chasity Gray.....	Peters Elementary
Karen Vance.....	Rosa Parks Elementary
Lynn McClure.....	Rosa Parks Early Childhood Education Center



Union Public Schools

2014-2015 Administrative Organizational Chart



* Denotes Cabinet position

8/19/14

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Independent Auditor's Report

To the Board of Education
Union Public Schools
Tulsa, Oklahoma

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Union Public Schools (the District) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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, 2015, 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.

Emphasis of Matter

As discussed in Note K, in 2015, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition of Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*. The provisions of GASB Statements No. 68 and No. 71 required the District to restate its net position as of July 1, 2014 upon adoption. Our opinion is not modified with respect to the matter.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of funding progress for other post employment benefits, the schedule of the District's proportionate share of the net pension liability, the schedule of the District's contributions to Oklahoma Teacher's Retirement System, and the respective budgetary and actual comparison schedules for the General Fund and Building Fund, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

The accompanying Introductory and Statistical sections, as listed in the table of contents, have not been subjected to the procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report (under separate cover) dated December 22, 2015, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

RSM US LLP

Oklahoma City, Oklahoma
December 22, 2015

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Union Public Schools – Management’s Discussion and Analysis

The Management’s Discussion and Analysis of Union Public School District’s financial performance provides a narrative overview of the district’s financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the district’s financial performance as a whole. Readers should also review the transmittal letter, notes to the basic financial statements, and supplementary information to enhance their understanding of the district’s financial performance.

Financial Highlights

Key financial highlights for fiscal year 2015 are as follows:

- » In total, the district’s net position increased \$10.39 million. The net position of governmental activities increased \$9.61 million which represents a 13.44 percent increase from fiscal year 2014 when using the restated beginning net position due to the implementation of GASB 68 and 71.
- » The net position of business-type activities increased \$774,575 or 18.17 percent from fiscal year 2014.
- » General revenues accounted for \$110.91 million in revenue or 75.60 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$35.80 million or 24.40 percent of total revenues of \$146.72 million.
- » The district had \$127.97 million in expenses related to governmental activities; only \$26.85 million of these expenses were offset by program specific charges for services, grants or contributions. Expenses are shown in programs that are easily identifiable utilizing the current Oklahoma Cost Accounting System (OCAS) coding structure.
- » Among the major funds, the general fund had \$111.15 million in revenues, \$110.64 million in expenditures, and \$1.0 million in other uses and transfers into the fund resulting in a fund balance increase of \$1.51 million. This increase is primarily a result of an increase in state and local revenue collections. The building fund had \$4.08 million in revenues, \$5.17 million in expenditures, and \$82,766 in transfers into the fund yielding a fund balance decrease of \$1.01 million. This decrease is primarily attributed to a one-time expenditure for the remodel of the operations complex. Bond fund revenues totaled \$134,121. Net bond sale proceeds were \$27 million. Expenditures in the bond fund totaled \$22.26 million. The sinking fund had \$21.58 million in revenues and \$21.9 million in expenditures.
- » The net position for the child nutrition enterprise fund increased \$774,575. This increase resulted from operating revenues of \$2.16 million and non-operating revenues of \$6.97 million exceeding operating expenses of \$8.36 million.

Overview of the Financial Statements

This Comprehensive Annual Financial Report (CAFR) consists of a series of basic financial statements: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. Other supplementary information is included in addition to the basic financial statements. These statements are organized so the reader can understand Union 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.

Government-wide financial statements. The government-wide financial statements are designed to provide information about the activities of the district as a whole, presenting both an aggregate view of the district’s finances and a longer-term view of those finances.

The *Statement of Net Position* presents information on all of the district’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position.

Union Public Schools – Management’s Discussion and Analysis

The *Statement of Activities* presents information showing how the district’s net position changed during fiscal year 2015.

While this document contains the large number of funds used by the district to provide programs and activities, the view of the district as a whole looks at all financial transactions and asks the question, “How did we do financially during 2015?” The Statement of Net Position and the Statement of Activities answer this question. These statements include *all assets, deferred outflows of resources, liabilities, and deferred inflows of resources* 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 expenditures regardless of when cash is received or paid.

These two statements report the district’s net position and changes in that position. This change in net position is important because it tells the reader that, for the district as a whole, its financial position has improved or diminished. The causes of this change may be the result of many factors—some financial, some not. Non-financial factors include the district’s property tax base, current property tax laws in Oklahoma restricting revenue growth, facility conditions, mandated educational programs, and other factors.

The Statement of Net Position and the Statement of Activities are divided into two distinct types of activities:

- » Governmental activities—most of the district’s programs and services are reported here, including instruction, support services, operation and maintenance of plant, pupil transportation, and extracurricular activities.
- » Business-type activities—these goods or services are provided on a fee basis to recover all of the expenses of the goods or services provided. The district’s child nutrition program is reported as a business-type activity.

The government-wide financial statements can be found beginning on page 37.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Union Public School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into three categories: 1) governmental funds, 2) proprietary funds, and 3) fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the district’s near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the district’s near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the building fund, the sinking (debt service) fund and the bond fund, all of which are considered to be major funds. A summary of the district’s major funds can be found in Note A of the notes to the financial statements beginning on page 49 of this report.

Union Public Schools – Management’s Discussion and Analysis

The basic governmental fund financial statements begin on page 41 of this report.

Proprietary Funds. Proprietary funds use the same basis of accounting as business-type activities. The basic proprietary fund financial statements begin on page 44 of this report.

Fiduciary Funds. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the district’s own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements begin on page 47 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 49 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the district.

Government-Wide Financial Analysis

Recall that the Statement of Net Position provides the perspective of the district as a whole.

Table 1 provides a summary comparison of the district’s net position for fiscal years 2014 and 2015:

Table 1
Net Position
(In Millions)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<u>Assets</u>						
Current Assets	\$ 154.64	\$ 147.64	\$ 6.73	\$ 6.43	\$ 161.37	\$ 154.07
Capital Assets						
Land & CIP Assets	25.63	16.29	0.11	0.00	25.74	\$ 16.29
Capital Assets Being Depreciated, net	143.08	147.22	0.89	0.64	143.97	\$ 147.86
Total Assets	<u>323.35</u>	<u>311.15</u>	<u>7.73</u>	<u>7.07</u>	<u>331.08</u>	<u>318.22</u>
<u>Deferred Outflows of Resources</u>	<u>6.85</u>	<u>0.00</u>	<u>0.11</u>	<u>0.00</u>	<u>6.95</u>	<u>0.00</u>
<u>Liabilities</u>						
Current Liabilities	35.49	35.36	0.53	0.55	36.02	\$ 35.91
Noncurrent Liabilities	140.80	59.69	1.80	0.00	142.60	\$ 59.69
Total Liabilities	\$ <u>176.29</u>	<u>95.05</u>	\$ <u>2.33</u>	<u>0.55</u>	\$ <u>178.62</u>	<u>95.60</u>
<u>Deferred Inflows of Resources</u>	<u>72.81</u>	<u>52.21</u>	<u>0.47</u>	<u>0.00</u>	<u>73.28</u>	<u>52.21</u>
<u>Net Position</u>						
Investment in Capital Assets, net	125.86	137.35	1.00	0.64	126.86	\$ 137.99
Restricted for Debt Service	11.88	11.77	0.00	0.00	11.88	\$ 11.77
Restricted for Capital Projects	1.97	1.72	0.00	0.00	1.97	\$ 1.72
Unrestricted	-58.61	13.05	4.04	5.88	-54.57	\$ 18.93
Total Net Position	\$ <u>81.10</u>	\$ <u>163.89</u>	\$ <u>5.04</u>	\$ <u>6.52</u>	\$ <u>86.14</u>	\$ <u>170.41</u>

Union Public Schools – Management’s Discussion and Analysis

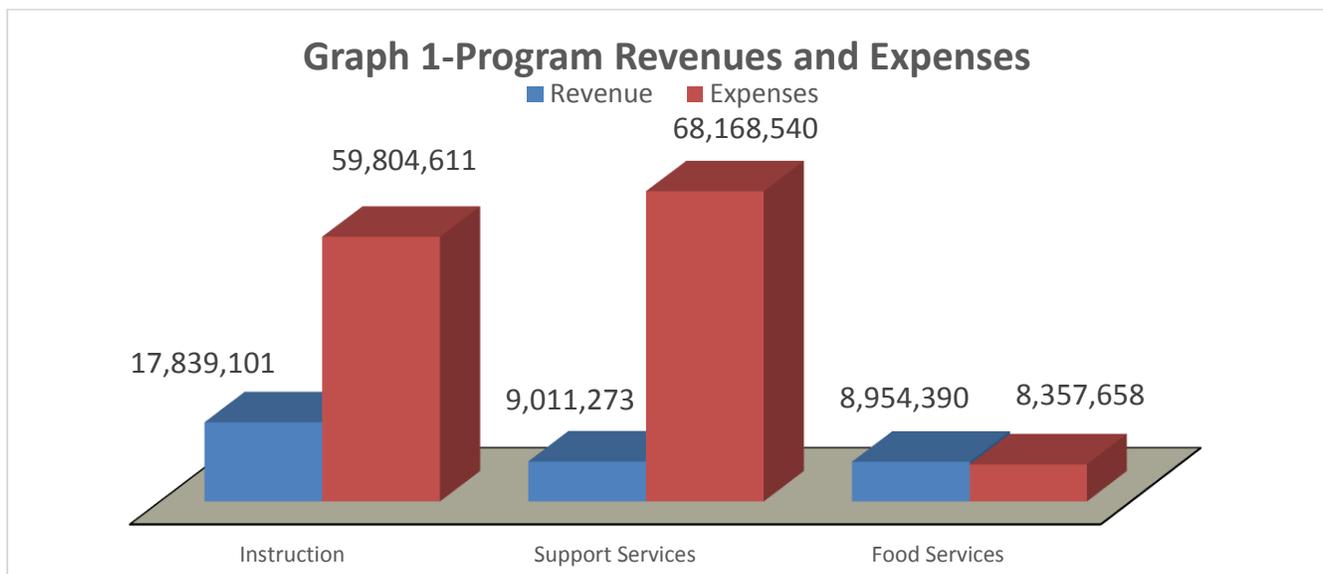
Total assets were \$323.35 million. Cash and cash equivalents were \$85.37 million. Investments totaled \$17.40 million. Capital assets, net of depreciation, were \$169.71 million. Taxes and other receivables were \$57.47 million.

The net position of the district’s governmental activities increased by \$9.61 million. The majority of this increase was a result of an increase in state aid, an increase in Flexible Benefit Allowance, an increase in property tax revenue, and other increases to state, local, and federal sources. The October 2014 student count of 15,754 unweighted ADM and 25,056 weighted ADM reflected district growth of 302 actual students and 494 weighted students. This growth was responsible for the increase in the mid-term State Aid allocation. The district was able to maintain its ending fund balance percentage in the general fund at 13.98 percent on a budgetary basis, which placed it in a favorable operating position to weather the oil and gas dependent economic slowdown. The district will continue to monitor state revenue projections and market conditions to anticipate circumstances that may warrant changes in spending in the next fiscal year.

The net position of the district’s business-type activities increased by \$774,575, due primarily to an increase in federal and state grants. Analysis of the child nutrition activity indicates that it should remain stable and self-supporting.

Governmental Activities. As reported in the Statement of Activities on page 38, the cost of the district’s governmental activities for the year ended June 30, 2015, was \$127.97 million. This represents an increase in the cost of governmental activities of \$2.53 million compared to the prior fiscal year. The reader will note a \$977,877 increase in Instructional Staff Service expenses, and a \$2.80 million increase in Operations & Maintenance Service expenses from the prior fiscal year. The primary reason for the increase in expenses can be attributed to one-time funds spent for the remodel of the Operations building complex, as well as continued expansion of the district’s security services. Not all of the cost of governmental activities was borne by the taxpayers. Of the \$127.97 million cost, \$2.72 million was paid by those who used or benefited from the services rendered (e.g., charges for before and after school care and summer school tuition), and \$24.13 million was paid through various federal and state grants and contributions. Consequently, the net cost of \$101.12 million, after taking into consideration these fees and subsidies, was paid by the taxpayers, unrestricted federal and state aid, and other general revenues.

Graph 1 below illustrates the cost of services in the district’s three largest programs -- instruction, support services, and food services. The graph compares the cost of the services with the revenues generated by the program.



Union Public Schools – Management’s Discussion and Analysis

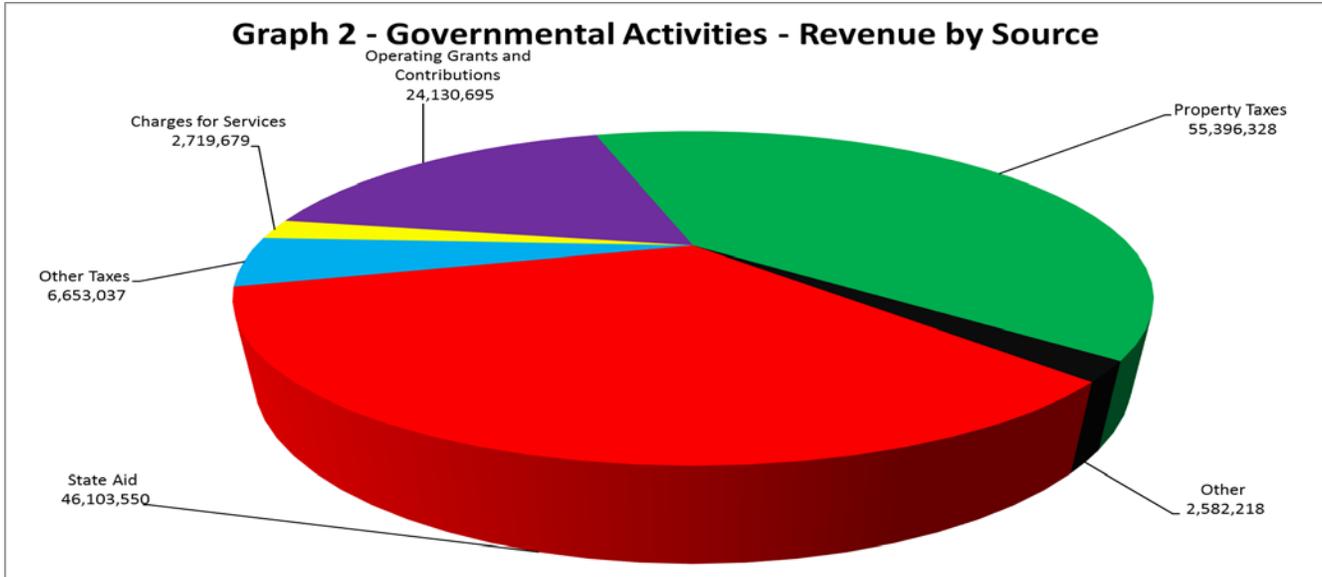
Table 2 provides a summary comparison of the district’s change in net position for the fiscal years 2015 and 2014:

Table 2
Changes in Net Position
(In Millions)

	Governmental Activities		Business-Type Activities		Total	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenues						
Program Revenues:						
Charges for Services	\$ 2.72	\$ 2.48	\$ 2.16	\$ 2.40	\$ 4.88	\$ 4.88
Operating Grants and Contributions	24.13	21.9	6.79	5.80	30.92	27.70
Capital Grants and Contributions	0.00	0.00	0.00	0.00	0.00	0.00
General Revenues:						
Property Taxes	55.40	54.62	0.00	0.00	55.40	54.62
Other Taxes	6.65	7.00	0.00	0.00	6.65	7.00
State Aid Not Restricted to Specific Programs	46.10	45.15	0.09	0.00	46.19	45.15
Earnings on Investments	0.74	0.00	0.05	0.00	0.79	0.00
Other	1.87	1.52	0.02	0.35	1.89	1.87
Total Revenues	\$ <u>137.61</u>	\$ <u>132.67</u>	\$ <u>9.11</u>	\$ <u>8.55</u>	\$ <u>146.72</u>	\$ <u>141.22</u>
Expenses						
Instruction:						
Regular Instruction	45.00	46.34	0.00	0.00	45.00	46.34
Special Education Instruction	6.34	6.23	0.00	0.00	6.34	6.23
Vocational Education	0.74	0.67	0.00	0.00	0.74	0.67
Other Instruction	7.72	7.38	0.00	0.00	7.72	7.38
Support Services:						
Pupil Services	6.52	6.14	0.00	0.00	6.52	6.14
Instructional Staff Services	6.08	5.31	0.00	0.00	6.08	5.31
General Administration Services	2.18	2.10	0.00	0.00	2.18	2.10
School Administration Services	8.52	8.74	0.00	0.00	8.52	8.74
Business Services	8.59	9.33	0.00	0.00	8.59	9.33
Operations & Maintenance Services	25.75	22.95	0.00	0.00	25.75	22.95
Pupil Transportation Services	4.51	4.44	0.00	0.00	4.51	4.44
Other Support Services	0.59	0.52	0.00	0.00	0.59	0.52
Community Services	4.18	3.76	0.00	0.00	4.18	3.76
Interest on Long-Term Debt	1.26	1.53	0.00	0.00	1.26	1.53
Food Services	0.00	0.00	8.36	7.49	8.36	7.49
Total Expenses	\$ <u>127.97</u>	\$ <u>125.44</u>	\$ <u>8.36</u>	\$ <u>7.49</u>	\$ <u>136.33</u>	\$ <u>132.93</u>
Change in Net Position	9.61	7.22	0.77	0.74	10.38	7.96
Net Position, Beginning	163.89	156.67	6.52	5.78	170.41	162.45
Net Position, Beginning Restated for 2015 Per GASB 68 & 71	71.49	0.00	4.26	0.00	75.75	0.00
Net Position, Ending Restated for 2015 Per GASB 68 & 71	\$ <u><u>81.10</u></u>	\$ <u><u>163.89</u></u>	\$ <u><u>5.04</u></u>	\$ <u><u>6.52</u></u>	\$ <u><u>86.14</u></u>	\$ <u><u>170.41</u></u>

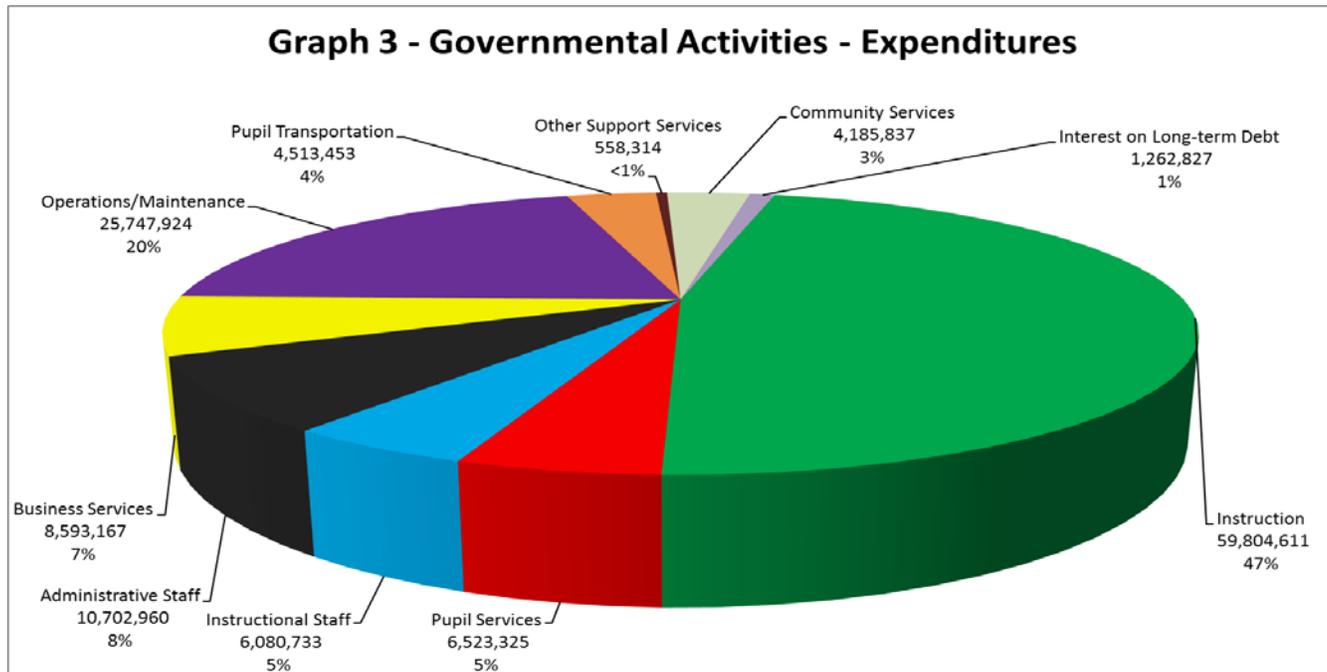
Union Public Schools - Management's Discussion and Analysis

Total governmental activities revenues increased in fiscal year 2015 to \$137.59 million. This represents a 3.70 percent revenue increase over the previous year. Graph 2 illustrates the components of this revenue. Governmental activities increased the district's net position by \$9.61 million, thereby accounting for a majority of the improvement in the net position of the district.



Instruction comprised 46.73 percent of governmental program expenditures. Support services expenditures made up 53.27 percent of governmental expenditures.

Graph 3 illustrates the components of the expenditures in the governmental activities.



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Business-Type Activities. Business-type activities consist of child nutrition services. This program had operating revenues of \$2.16 million, non-operating revenues of \$6.97 million, and expenses of \$8.35 million for fiscal year 2015.

The increase in Child Nutrition expenditures reflects additional student enrollment, an increase in the cost of food, as well as a concerted effort to provide more healthy food options for students. The Child Nutrition fund ended the year in a positive financial condition. Management has reviewed this program and, barring any unforeseen circumstances, the child nutrition program should remain stable and require no support from tax revenues.

Financial Analysis of the Government’s Funds

As noted earlier, Union Public School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the district’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the district’s financing requirements. In particular, fund balances may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the district’s governmental funds reported combined ending fund balances of \$80.50 million, with \$277,419 of this total amount constituting non-spendable fund balance reserved for inventories. In addition, \$57.73 million is restricted for specific purposes: \$10.52 million in the building fund for uses mandated by the Oklahoma Constitution including building erection and maintenance, security, utilities, and fire/casualty premiums; \$11.88 million in the sinking fund for debt service, and \$35.34 million in the bond fund for capital projects. Assigned fund balance totals \$3.49 million for compensating balances, early retirement incentive, and insurance recovery. Unassigned fund balance totals \$19.00 million and is available for spending at the district’s discretion.

The general fund is the chief operating fund of the district. At the end of the current fiscal year, unassigned fund balance of the general fund was \$19.00 million. As a measure of the general fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 17.17 percent of total general fund expenditures. The fund balance of the District’s general fund increased by \$1.51 million from the prior year as a result of an increase in local revenue, primarily ad valorem tax and Project Lead the Way collections, as well as federal revenue sources in the form of Adult Education, IDEA, and Title I and II.

Controlling fiscal year-end expenditures to maintain a continuing level of fund balance is also a contributing factor to the district’s financial stability. The district relies on the ending fund balance to meet cash flow needs during the first six months of the following fiscal year. While a small portion of the revenue is collected during the first six months of the fiscal year, the significant revenue collections occur in late spring. This annual cash flow trend requires the district to increase the ending fund balance each year as the expenditure budget grows in order to meet cash flow requirements of the first six months prior to tax revenues being collected.

The revenue and expenditure budgets are revised during the fiscal year based on the final federal grant award notifications, state aid allocation revisions, actual revenue receipts and other unanticipated increases or decreases in revenue or expenditures. Fiscal year 2015 general fund revenue budgets were revised during the year based on adjustments to revenue collections. The fiscal year saw a \$1.50 million increase in mid-term state aid, State Flexible Benefit Allowance, property tax collections, and other local, state, and federal sources, while federal grant collections estimates were reduced.

Union Public Schools – Management’s Discussion and Analysis

The variance in the final budget versus the actual revenues and expenditures revealed a variance in revenues of \$841,044 and a variance in expenditures of \$2.29 million. This revenue variance is primarily due to higher than anticipated collections of local and state sources of revenue. The approved final expenditure budget was intentionally larger than anticipated actual expenditures to provide the flexibility necessary to manage any unanticipated revenue receipts and expenditures incurred in the final days of the fiscal year.

The building fund had a total fund balance of \$10.52 million. The net decrease in fund balance during the current year in the building fund was \$1.01 million. This decrease in fund balance is attributed to the District’s need to keep sites operational by maintaining and repairing buildings. The Oklahoma Constitution allows building funds to be used for erecting, remodeling, repairing, or maintaining school buildings; purchasing furniture, equipment, or computer software; paying energy and utility costs; purchasing telecommunications services; paying fire and casualty insurance premiums; purchasing security systems; and paying salaries of security personnel. The ending fund balance will be used for those purposes.

The building fund budget was revised from the original budget approved by the Board on November 2014. The building fund revenue budget was revised and approved by the Board in May 2015 to reflect an increase in insurance reimbursements. The building fund expenditure budget was not revised during fiscal year 2015, reflecting a no net change from the original budget.

The sinking (debt service) fund had a total fund balance of \$11.88 million, all of which was restricted for the payment of debt service. The net increase in fund balance during the current year in the debt service fund was \$108,886. Millage rates for sinking fund levies are not controlled by the district but are set annually by the Tulsa County Excise Board after a thorough review of property valuations and the district’s debt service needs.

The bond fund had a total fund balance of \$35.34 million, all of which was committed for capital projects. The net increase in fund balance during the current year in the bond fund was \$4.80 million. This increase in fund balance is primarily due to the passage of a larger bond issue than the prior year, and reduced capital outlay expenditures. On February 10, 2015, district voters approved a \$27 million bond proposal which included funds for: site improvements; acquisition of textbooks, media books and instructional hardware/software. Because of its strong patron support base, the district is prudent to keep bonded capacity at traditional levels while not imposing an undue tax burden on the community. More information regarding bond funds and millage levies may be found in the Statistical Section. Statutory requirements dictate that bond funds be used for the voter-approved purposes of acquiring school sites, constructing and equipping new school facilities and renovating existing facilities.

Proprietary Funds. Union Public School District’s proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The proprietary funds have operating revenues of \$15.37 million and non-operating revenues of \$6.97 million. Operating expenses were \$21.71 million.

General Fund Budgetary Highlights

Union Public School District adopts an annual appropriated budget for its general fund. The district’s budget is prepared according to Oklahoma law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significantly budgeted fund is the general fund.

For the general fund, budget basis revenue was \$105.68 million with original budget estimates of \$103.34 million and final budget estimates of \$104.84 million. The majority of the revenue variance came from higher than anticipated local source collections and state revenue sources (state aid, flexible benefit allowance, and property tax collections) offset by lower than anticipated federal (ad valorem collections) sources.

The final expenditure budget was intentionally approved to be larger than needed in order to provide the necessary spending authority to the district by the Board to meet the State of Oklahoma spending requirements. The district must have sufficient budget spending authority to allow for any unanticipated revenues that might be collected

Union Public Schools – Management’s Discussion and Analysis

during the last thirty calendar days of the fiscal year. During 2014-15, the majority of the additional spending authority was allocated to the instructional, student support, and instructional staff function areas. Although the revenue collections were higher than the final revenue budget, spending was curtailed making it unnecessary to revise the budget in order to stay within the carryover limit required by the Board. Union carried forward a budgetary ending fund balance of 13.98 percent.

Capital Assets and Debt Administration

Capital Assets. At the end of fiscal year 2015, the district had \$169.71 million in property, plant and equipment (net of depreciation), of which \$168.71 million was in governmental activities. Table 3 shows a comparison of fiscal years 2014 and 2015 balances.

Table 3
Capital Assets
(Net of Depreciation, in Millions)

	Governmental Activities		Business-Type Activities		Total	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Land	\$ 14.29	\$ 14.29	\$ 0.00	\$ 0.00	\$ 14.29	\$ 14.29
Land Improvements	8.22	8.47	0.00	0.00	8.22	8.47
Construction in Progress	11.34	2.00	0.11	0.00	11.45	2.00
Buildings/Improvements	127.74	133.08	0.00	0.00	127.74	133.08
Furniture, Machinery, Equipment and Vehicles	7.12	5.67	0.89	0.64	8.01	6.31
Total	\$ <u>168.71</u>	\$ <u>163.51</u>	\$ <u>1.00</u>	\$ <u>0.64</u>	\$ <u>169.71</u>	\$ <u>164.15</u>

Capital assets of \$337.81 million exceeded depreciation of \$168.10 million. As a growing school district, Union is committed to provide the facilities and tools that enable district staff to produce a quality product. Union’s student population continues to exceed 15,800. Therefore, additional classroom space and equipment are necessary each year to accommodate that growth. The acquisition of capital assets is critical to the Board’s desire to provide lower class sizes district-wide, technology-related instructional opportunities, and neighborhood elementary schools. Bond issue dollars are the only resource available to schools to purchase many of these capital assets since state funding goes almost exclusively to pay teacher and staff salaries. Recent bond issue projects include:

- *Rosa Parks Elementary additional classrooms
- *8th Grade Center remodel
- *New elementary #14 phase 1
- *Furniture, fixtures and equipment
- *Electronic software/subscriptions/licenses/maintenance
- *Land/Building purchase/remodel
- *Acquisition of textbooks and technology
- *Acquisition of athletic, spirit and fine arts uniforms and equipment
- *Renovations and repairs to various school sites

In addition to all bond projects listed above, Union Public Schools continued financial system implementation during fiscal year 2015. This financial system brings the District new levels of efficiencies and controls. This multi-phase project will be completed in three phases, with the second phase continuing through June 30, 2015. The final phase will be completed over the next fiscal year.

Union Public Schools – Management’s Discussion and Analysis

Additional information on the district’s capital assets may be found in Note D to the financial statements beginning on page 61.

Long-Term Debt. At June 30, 2015, the school district had \$78.2 million in bonds outstanding, \$20.5 million due within one year. Table 4 summarizes bonds outstanding for fiscal years 2014 and 2015.

Table 4
Outstanding Debt, at Year End
(In Millions)

	<u>2015</u>	<u>2014</u>
General Obligation Bonds Due:		
2014/2015	0.00	20.88
2015/2016	20.50	20.50
2016/2017	21.85	15.10
2017/2018	17.10	10.35
2018/2019	12.00	5.25
2019/2020	6.75	0.00
Total	<u>\$78.20</u>	<u>\$72.08</u>

On April 1, 2015, the district issued \$27 million in voted general obligation bonds for the purpose of constructing, equipping, repairing and remodeling school buildings, acquiring school furniture, fixtures and equipment, acquiring and improving school sites, and acquiring transportation equipment. The final payment is due April 1, 2020.

On April 1, 2014, the district issued \$21.0 million in voted general obligation bonds for the purpose of constructing, equipping, repairing and remodeling school buildings, acquiring school furniture, fixtures and equipment, acquiring and improving school sites, and acquiring transportation equipment. The final payment is due April 1, 2019.

On April 1, 2013, the district issued \$20.4 million in voted general obligation bonds for the purpose of constructing, equipping, repairing and remodeling school buildings, acquiring school furniture, fixtures and equipment, acquiring and improving school sites, and acquiring transportation equipment. The final payment is due April 1, 2018.

On April 1, 2012, the district issued \$19.0 million in voted general obligation bonds for the purpose of constructing, equipping, repairing and remodeling school buildings, acquiring school furniture, fixtures and equipment, acquiring and improving school sites, and acquiring transportation equipment. The final payment is due April 1, 2017.

On April 1, 2011, the district issued \$21.6 million in voted combined purpose bonds for the purpose of constructing, equipping, repairing and remodeling school buildings, acquiring school furniture, fixtures and equipment, acquiring and improving school sites, and acquiring transportation equipment. The final payment is due April 1, 2016.

Additional information on the district’s long-term debt can be found in Note E to the financial statements beginning on page 62 of this report.

Economic Factors

Fiscal year 2014-15 saw a downward trend in the Oklahoma State General Fund Revenue allocations. Despite this downward trend in revenue allocations, revenue collections topped fiscal year 2014. According to the Office of the State Treasurer, gross revenue receipts for fiscal year 2014-15 were up to \$11.98 billion, a 2.5 percent or \$287.66 million increase from the prior year. Gross production tax collections on oil and natural gas were down by \$162.26 million or 2.6 percent from the previous 12 month period. Net income taxes--a combination of corporate and personal income taxes--generated \$4.38 billion, which is up \$269.78 million or more than 12 percent higher than

Union Public Schools – Management’s Discussion and Analysis

the prior year. Motor vehicle tax collections totaled \$766.25 million, and other state revenue sources generated \$1.65 billion, up \$59.80 million or 2.54 percent from the previous fiscal year. Oklahoma’s economy has been on a downturn as the impact of oil prices negatively affects revenue collections. Despite this downturn, the district strives to maintain a conservative budget and the tradition of maintaining a strong year-end fund balance.

The district expects student growth to continue both at the elementary and secondary level, and anticipates this growth by purchasing additional land and facilities to accommodate the increase in students. This new elementary site will precipitate adding teachers and programs over the next few years as state and federal funding sources continue to improve. The county assessor provided Union with projections of growth in the district’s net assessed valuation. Actual growth was recorded at 3.28 percent in 2014-2015. The actual increase in the district’s net assessed valuation for 2015-2016 is 2.65 percent. The expected increase in student enrollment and business and residential growth in the district should provide additional future revenue.

By working to provide mutual benefit to the community and schools, Union continued its history of positive citizen support. The district’s patron base once again passed a bond issue on February 10, 2015, for \$27 million. These bond dollars provided the necessary funding for facilities, renovations, technology, textbooks, instructional equipment and uniforms. These annual bond dollars and strong patron support allow Union the opportunity and obligation to maintain facilities and to maximize the use of instructional technology and equipment. State law limits a school district’s bonding capacity to ten percent of its net assessed valuation.

Based on these factors, the Board of Education and administration are confident that with ongoing, prudent fiscal management, Union Public Schools can continue to make instruction the top budgetary priority to ensure the district keeps its academic focus and delivers its services more efficiently and effectively. Union continues to attract families who want excellent learning opportunities for their children, and also continue to attract the best in faculty and staff by providing the facilities and tools that enable them to produce a quality product.

Contacting the School District’s Financial Management

This financial report is designed to provide our citizen’s, taxpayers, investors, and creditors with a general overview of the district’s finances to show the district’s accountability for the funds it receives. If you have questions about this report or need additional financial information, contact Debra J. Jacoby, CPA, Chief Financial Officer at Union Public Schools, 8506 East 61st Street, Tulsa, Oklahoma 74133.

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Union Public Schools
Statement of Net Position
June 30, 2015

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 79,429,137	\$ 5,937,480	\$ 85,366,617
Investments	17,396,925	-	17,396,925
Receivables:			
Property taxes-delinquent	581,703	-	581,703
Property taxes-subsequent year	53,629,008	-	53,629,008
Due from other governments	2,811,148	-	2,811,148
Accrued interest	58,264	-	58,264
Other	360,882	-	360,882
Internal balance	90,000	(90,000)	-
Inventories	277,419	884,309	1,161,728
TOTAL CURRENT ASSETS	<u>154,634,486</u>	<u>6,731,789</u>	<u>161,366,275</u>
NONCURRENT ASSETS			
Land and construction-in-progress	25,633,143	108,690	25,741,833
Capital assets being depreciated, net	143,083,402	889,371	143,972,773
TOTAL NON-CURRENT ASSETS	<u>168,716,545</u>	<u>998,061</u>	<u>169,714,606</u>
TOTAL ASSETS	<u>\$ 323,351,031</u>	<u>\$ 7,729,850</u>	<u>\$ 331,080,881</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension plan outflows	\$ 6,845,812	\$ 108,248	\$ 6,954,060
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	\$ 2,058,327	\$ 212,613	\$ 2,270,940
Liability for incurred claims	890,482	-	890,482
Accrued wages payable	8,950,463	319,287	9,269,750
Accrued interest payable	311,250	-	311,250
Payable to Fiduciary Funds	-	-	-
Current portion of long-term obligations	23,283,490	-	23,283,490
TOTAL CURRENT LIABILITIES	<u>35,494,012</u>	<u>531,900</u>	<u>36,025,912</u>
NON-CURRENT LIABILITIES			
Non-current portion of long-term obligations	61,412,626	-	61,412,626
OPEB liability	5,198,906	-	5,198,906
Net pension liability	74,187,376	1,803,637	75,991,013
TOTAL NON-CURRENT LIABILITIES	<u>140,798,908</u>	<u>1,803,637</u>	<u>142,602,545</u>
TOTAL LIABILITIES	<u>\$ 176,292,920</u>	<u>\$ 2,335,537</u>	<u>\$ 178,628,457</u>
DEFERRED INFLOWS OF RESOURCES			
Property taxes-subsequent year	\$ 53,629,008	\$ -	\$ 53,629,008
Deferred pension plan inflows	19,177,438	466,240	19,643,678
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>\$ 72,806,446</u>	<u>\$ 466,240</u>	<u>\$ 73,272,686</u>
NET POSITION			
Net investment in capital assets	\$ 125,856,505	\$ 998,061	\$ 126,854,566
Restricted for debt service	11,878,271	-	11,878,271
Restricted for capital projects	1,967,958	-	1,967,958
Unrestricted	(58,605,257)	4,038,260	(54,566,997)
TOTAL NET POSITION	<u>\$ 81,097,477</u>	<u>\$ 5,036,321</u>	<u>\$ 86,133,798</u>

See notes to financial statements.

**Union Public Schools
Statement of Activities
Year Ended June 30, 2015**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business- Type Activities	Total
GOVERNMENTAL ACTIVITIES							
Instruction							
Regular instruction	\$ 45,001,242	\$ 454,638	\$ 7,779,258	\$ -	\$ (36,767,346)	\$ -	\$ (36,767,346)
Special education instruction	6,341,375	-	3,752,231	-	(2,589,144)	-	(2,589,144)
Vocational education	741,694	-	249,571	-	(492,123)	-	(492,123)
Other instruction	7,720,300	-	5,603,403	-	(2,116,897)	-	(2,116,897)
TOTAL INSTRUCTION	59,804,611	454,638	17,384,463	-	(41,965,510)	-	(41,965,510)
SUPPORT SERVICES							
Pupil services	6,523,325	-	621,875	-	(5,901,450)	-	(5,901,450)
Instructional staff services	6,080,733	-	772,666	-	(5,308,067)	-	(5,308,067)
General administration services	2,182,337	-	55,344	-	(2,126,993)	-	(2,126,993)
School administration services	8,520,623	-	577,653	-	(7,942,970)	-	(7,942,970)
Business services	8,593,167	-	496,121	-	(8,097,046)	-	(8,097,046)
Operations and maintenance services	25,747,924	349,724	1,052,275	-	(24,345,925)	-	(24,345,925)
Pupil transportation services	4,513,453	21,389	233,946	-	(4,258,118)	-	(4,258,118)
Other support services	558,314	-	564,454	-	6,140	-	6,140
Community services	4,185,837	1,893,928	2,371,898	-	79,989	-	79,989
Interest on long-term debt	1,262,827	-	-	-	(1,262,827)	-	(1,262,827)
TOTAL SUPPORT SERVICES	68,168,540	2,265,041	6,746,232	-	(59,157,267)	-	(59,157,268)
TOTAL GOVERNMENTAL ACTIVITIES	127,973,151	2,719,679	24,130,695	-	(101,122,777)	-	(101,122,778)
BUSINESS-TYPE ACTIVITIES							
Food services	8,357,658	2,163,624	6,790,766	-	-	596,732	596,732
TOTAL SCHOOL DISTRICT	\$ 136,330,809	\$ 4,883,303	\$ 30,921,461	\$ -	\$ (101,122,777)	\$ 596,732	\$ (100,526,046)

Union Public Schools
Statement of Activities - Continued
Year Ended June 30, 2015

	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business- Type Activities	Total
GENERAL REVENUES			
Taxes			
Property tax, levied for general purposes	\$ 33,969,278	\$ -	\$ 33,969,278
Property tax, levied for debt services	21,427,050	-	21,427,050
Intermediate County taxes	6,653,037	-	6,653,037
State aid not restricted to specific programs	46,103,550	99,171	46,202,721
Earnings on investments	740,150	54,612	794,762
Transfers	(24,060)	24,060	-
Other	1,866,128	-	1,866,128
TOTAL GENERAL REVENUES	<u>110,735,133</u>	<u>177,843</u>	<u>110,912,976</u>
CHANGES IN NET POSITION	9,612,356	774,575	10,386,931
NET POSITION AT BEGINNING OF YEAR	<u>163,896,215</u>	<u>6,518,196</u>	<u>170,414,411</u>
RESTATEMENT IMPLEMENTATION OF GASB 68 & 71	<u>92,411,094</u>	<u>2,256,450</u>	<u>94,667,544</u>
Beginning net position as restated	<u>71,485,121</u>	<u>4,261,746</u>	<u>75,746,867</u>
NET POSITION AT END OF YEAR	<u>\$ 81,097,477</u>	<u>\$ 5,036,321</u>	<u>\$ 86,133,798</u>

See notes to financial statements.

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Union Public Schools
Balance Sheet - Governmental Funds
June 30, 2015

	Major Funds				Total Governmental Funds
	General Fund	Building Fund	Sinking Fund	Bond Fund	
ASSETS					
Cash and cash equivalents	\$ 23,573,396	\$ 7,294,702	\$ 9,319,458	\$ 33,033,107	\$ 73,220,663
Investments	5,469,210	3,982,760	2,477,800	3,484,915	15,414,685
Due from other funds	140,000	-	-	-	140,000
Property taxes-delinquent	297,875	42,554	241,274	-	581,703
Property taxes-subsequent year	27,226,105	3,889,444	22,513,459	-	53,629,008
Due from other governments	2,717,317	13,929	79,902	-	2,811,148
Other	360,882	-	-	-	360,882
Accrued interest	53,347	1,556	1,111	1,361	57,375
Inventories	277,419	-	-	-	277,419
TOTAL ASSETS	\$ 60,115,551	\$ 15,224,945	\$ 34,633,004	\$ 36,519,383	\$ 146,492,883
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 757,324	\$ 121,580	\$ -	\$ 1,179,423	\$ 2,058,327
Accrued wages payable	8,421,413	504,864	-	-	8,926,277
Due to other funds	650,000	150,000	-	-	800,000
TOTAL LIABILITIES	9,828,737	776,444	-	1,179,423	11,784,604
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - delinquent property taxes	297,875	42,554	241,274	-	581,703
Unavailable revenue - subsequent year property taxes	27,226,105	3,889,444	22,513,459	-	53,629,008
TOTAL DEFERRED INFLOWS OF RESOURCES	27,523,980	3,931,998	22,754,733	-	54,210,711
FUND BALANCES					
Nonspendable	277,419	-	-	-	277,419
Restricted	-	10,516,503	11,878,271	35,339,960	57,734,734
Assigned	3,488,253	-	-	-	3,488,253
Unassigned	18,997,162	-	-	-	18,997,162
TOTAL FUND BALANCES	22,762,834	10,516,503	11,878,271	35,339,960	80,497,568
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 60,115,551	\$ 15,224,945	\$ 34,633,004	\$ 36,519,383	
AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION ARE DIFFERENT BECAUSE:					
Capital assets used in government activities are not financial resources and, therefore, are not reported as assets in governmental funds.					
Cost of assets				\$ 334,487,970	
Accumulated depreciation				(165,771,425)	168,716,545
Other long-term assets and deferred outflows of resources are not available to pay for current period expenditures and, therefore, are either deferred inflows of resources or not reported in the governmental funds.					
Property taxes receivable				581,703	
Pension related deferred outflows				6,845,812	7,427,515
Long-term liabilities and deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the governmental funds.					
Bonds payable				(78,200,000)	
Premium on bonds payable				(942,156)	
Accrued interest on bonds				(311,250)	
Early retirement incentive				(1,394,259)	
Net pension				(74,187,376)	
Pension related deferred inflows				(19,177,438)	
Compensated absences				(4,159,702)	
Other Post Employment Benefits				(5,198,906)	(183,571,087)
Internal service funds are used by the District to charge the costs of health insurance benefits and short-term disability benefits for the employees of the District to the individual funds. The assets and liabilities of the internal service funds are included with governmental activities.					
TOTAL NET POSITION--GOVERNMENTAL ACTIVITIES					8,026,936
					\$ 81,097,477

See notes to financial statements.

Union Public Schools
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
Year Ended June 30, 2015

	Major Funds				Total Governmental Funds
	General Fund	Building Fund	Sinking Fund	Bond Fund	
REVENUES					
Local sources	\$ 34,886,657	\$ 4,079,973	\$ 21,576,145	\$ 134,121	\$ 60,676,896
Intermediate sources	3,691,110	-	-	-	3,691,110
State sources	64,899,117	-	-	-	64,899,117
Federal sources	7,668,648	-	-	-	7,668,648
TOTAL REVENUES	<u>111,145,532</u>	<u>4,079,973</u>	<u>21,576,145</u>	<u>134,121</u>	<u>136,935,771</u>
EXPENDITURES					
Current					
Instruction	59,268,531	-	-	2,505,019	61,773,550
Student	6,823,577	-	-	55,831	6,879,408
Instructional staff	4,991,668	-	-	664,589	5,656,257
General administration	2,140,959	-	-	124,772	2,265,731
School administration	8,946,063	-	-	106,666	9,052,729
Business	7,985,650	-	-	1,049,135	9,034,785
Operations and maintenance	11,379,062	3,875,743	-	1,038,076	16,292,881
Student transportation	3,919,160	-	-	2,148,844	6,068,004
Non-instruction expenditures					
Child nutrition operations	587,591	-	-	5,499	593,090
Community service operations	4,418,069	-	-	599	4,418,668
Other	183,579	-	-	-	183,579
Capital outlay	-	1,294,651	-	14,565,744	15,860,395
Debt service					
Principal	-	-	20,875,000	-	20,875,000
Interest	-	-	1,024,000	-	1,024,000
TOTAL EXPENDITURES	<u>110,643,909</u>	<u>5,170,394</u>	<u>21,899,000</u>	<u>22,264,774</u>	<u>159,978,077</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES					
	<u>501,623</u>	<u>(1,090,421)</u>	<u>(322,855)</u>	<u>(22,130,653)</u>	<u>(23,042,306)</u>
OTHER FINANCING SOURCES (USES)					
Issuance of debt	-	-	-	27,000,000	27,000,000
Premium on issuance of debt	-	-	431,663	-	431,663
Insurance recoveries	184,602	-	-	-	184,602
Other	865,324	-	-	-	865,324
Transfers in	-	82,766	78	-	82,844
Transfers out	(40,832)	-	-	(66,072)	(106,904)
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,009,094</u>	<u>82,766</u>	<u>431,741</u>	<u>26,933,928</u>	<u>28,457,529</u>
NET CHANGE IN FUND BALANCE	1,510,717	(1,007,655)	108,886	4,803,275	5,415,223
FUND BALANCE AT BEGINNING OF YEAR					
	<u>21,252,117</u>	<u>11,524,158</u>	<u>11,769,385</u>	<u>30,536,685</u>	<u>75,082,345</u>
FUND BALANCE AT END OF YEAR	<u>\$ 22,762,834</u>	<u>\$ 10,516,503</u>	<u>\$ 11,878,271</u>	<u>\$ 35,339,960</u>	<u>\$ 80,497,568</u>

See notes to financial statements.

Union Public Schools
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balance of Governmental Funds to the Statement of Activities
Year Ended June 30, 2015

TOTAL NET CHANGE IN FUND BALANCES-GOVERNMENTAL FUNDS		\$ 5,415,223
AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES ARE DIFFERENT BECAUSE:		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities, those costs are shown in the statement of net position and are allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which depreciation is less than capital outlays in the period.		
Depreciation expense	(11,820,479)	
Capital outlays	17,085,086	
Retirements and adjustments	<u>(56,795)</u>	5,207,812
Repayment of bond principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net position and does not affect the statement of activities. Proceeds from the sale of new bonds is revenue in the governmental funds, but increases long-term liabilities in the statement of net position and does not affect the statement of activities.		
Principal payments	20,875,000	
Premium on issuance of bonds	(431,663)	
Amortization of bond premium	218,149	
Bond sale proceeds	<u>(27,000,000)</u>	(6,338,514)
Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds, instead, they are counted as deferred inflows of revenue. They are, however, recorded as revenue in the statement of activities.		
		(74,904)
Internal service funds are used by the District to charge the costs of health insurance benefits and short-term disability benefits for the employees of the District to the individual funds. The changes in net position of the internal service fund are included with governmental activities.		
		(69,109)
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and, thus, requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.		
		(55,250)
Some expenses (arbitrage, compensated absences, early retirement incentives, and other post employment benefits) reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
		<u>5,527,098</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		<u>\$ 9,612,356</u>

See notes to financial statements.

Union Public Schools
Statement of Net Position - Proprietary Funds
June 30, 2015

	Business-Type Activities Enterprise Fund: Child Nutrition Fund	Governmental Activities- Internal Service Fund: Employee Insurance Fund
	<u> </u>	<u> </u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 5,937,480	\$ 6,208,474
Investments	-	1,982,240
Due from other governments	-	-
Accrued interest receivable	-	889
Other receivables	-	-
Due from other funds	-	750,000
Inventories	<u>884,309</u>	<u>-</u>
TOTAL CURRENT ASSETS	<u>6,821,789</u>	<u>8,941,603</u>
NONCURRENT ASSETS		
Capital assets, net	<u>998,061</u>	<u>-</u>
TOTAL NONCURRENT ASSETS	<u>998,061</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 7,819,850</u>	<u>\$ 8,941,603</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions	<u>\$ 108,248</u>	<u>\$ -</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	\$ 212,613	\$ -
Liability for incurred claims	-	890,482
Accrued wages payable	319,287	24,185
Due to other funds	<u>90,000</u>	<u>-</u>
TOTAL CURRENT LIABILITIES	<u>\$ 621,900</u>	<u>\$ 914,667</u>
NONCURRENT LIABILITIES		
Net pension liability	<u>\$ 1,803,637</u>	<u>\$ -</u>
TOTAL LIABILITIES	<u>\$ 2,425,537</u>	<u>\$ 914,667</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	<u>\$ 466,240</u>	<u>\$ -</u>
NET POSITION		
Investment in capital assets	\$ 998,061	\$ -
Unrestricted	<u>4,038,260</u>	<u>8,026,936</u>
TOTAL NET POSITION	<u>\$ 5,036,321</u>	<u>\$ 8,026,936</u>

See notes to financial statements.

Union Public Schools
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Year Ended June 30, 2015

	Business-Type Activities Enterprise Fund: Child Nutrition Fund	Governmental Activities- Internal Service Fund: Employee Insurance Fund
OPERATING REVENUES		
Meals	\$ 2,163,624	\$ -
Insurance contributions	-	13,145,234
Other income	-	60,988
TOTAL OPERATING REVENUES	<u>2,163,624</u>	<u>13,206,222</u>
OPERATING EXPENSES		
Salaries and wages	3,692,395	327,541
Purchased and contracted services	458,576	-
Food suppliers	3,275,657	-
Commodities	498,837	-
Depreciation	230,289	-
Management fees	-	1,902,558
Medical claims	-	11,121,642
Other operating expenses	201,904	62
TOTAL OPERATING EXPENSES	<u>8,357,658</u>	<u>13,351,803</u>
OPERATING LOSS	<u>(6,194,034)</u>	<u>(145,581)</u>
NONOPERATING REVENUES		
Net income on investments	54,612	76,472
Federal and state grants	6,354,910	-
Transfers out	24,060	-
Donated commodities	535,027	-
TOTAL NET NONOPERATING REVENUES	<u>6,968,609</u>	<u>76,472</u>
CHANGES IN NET POSITION	774,575	(69,109)
NET POSITION AT BEGINNING OF YEAR	6,518,196	8,096,045
RESTATEMENT - IMPLEMENTATION OF GASB 68 & 71	(2,256,450)	-
Beginning net position as restated	<u>4,261,746</u>	<u>8,096,045</u>
NET POSITION AT END OF YEAR	<u>\$ 5,036,321</u>	<u>\$ 8,026,936</u>

See notes to financial statements.

Union Public Schools
Statement of Cash Flows - Proprietary Funds
Year Ended June 30, 2015

	Business-Type Activities Enterprise Fund: Child Nutrition Fund	Governmental Activities- Internal Service Fund: Employee Insurance Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from user charges	\$ 2,164,177	\$13,145,234
Interfund services provided	-	60,988
Cash payments for insurance claims	-	(10,792,095)
Cash payments to suppliers for goods and services	(3,926,980)	(1,902,749)
Cash payments to employees for services	(3,835,343)	(314,243)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>(5,598,146)</u>	<u>197,135</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Construction-in-progress	(254,667)	-
Capital assets purchased	(336,932)	-
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(591,599)</u>	<u>-</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Transfers in	24,060	-
Operating grants received	6,381,689	-
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	<u>6,405,749</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	1,952,040	450,730
Investment income	55,029	86,298
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>2,007,069</u>	<u>537,028</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,223,073	734,163
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>3,714,407</u>	<u>5,474,311</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 5,937,480</u>	<u>\$ 6,208,474</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Operating income (loss)	\$ (6,194,034)	\$ (145,581)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Depreciation	230,289	-
Loss on disposal of capital assets	2,925	-
Commodities expense	498,837	-
Change in assets, deferred outflows, liabilities, and deferred inflows:		
Inventories	(25,309)	-
Other receivables	553	-
Deferred outflows related to pensions	(251,357)	-
Accounts payable	31,538	(129)
Accrued wages payable	(48,124)	13,298
Net pension liability	(309,704)	-
Deferred inflows related to pensions	466,240	-
Liability for incurred claims	-	329,547
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ (5,598,146)</u>	<u>\$ 197,135</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES		
Commodities received from Department of Human Services	\$ 535,027	\$ -
Commodities consumed	\$ 498,837	\$ -

See notes to financial statements.

Union Public Schools
Statement of Net Position - Fiduciary Funds
Year Ended June 30, 2015

	Private- Purpose Trust Fund	Agency Fund
ASSETS		
Cash and cash equivalents	\$ 114,237	\$ 2,698,393
TOTAL ASSETS	\$ 114,237	\$ 2,698,393
 LIABILITIES		
Accounts payable	\$ -	\$ 23,461
Wages payable	-	22,620
Due to student groups	-	2,652,312
TOTAL LIABILITIES	\$ -	\$ 2,698,393
 NET POSITION		
Unrestricted	\$ 114,237	
TOTAL NET POSITION	\$ 114,237	

See notes to financial statements.

Union Public Schools
Statement of Changes in Net Position - Fiduciary Funds
Year Ended June 30, 2015

	Private- Purpose Trust Fund
ADDITIONS	
Contributions	\$ 28,695
Interest income	140
Other deductions	19,672
TOTAL DEDUCTIONS	19,672
CHANGE IN NET POSITION	9,163
NET POSITION AT BEGINNING OF YEAR	105,074
NET POSITION AT END OF YEAR	\$ 114,237

See notes to financial statements.

Union Public Schools - Notes to Financial Statements

Year Ended June 30, 2015

NOTE A--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: The financial statements of the Union Public Schools Independent District No. 9 (the "District") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to government units as promulgated by the Governmental Accounting Standards Board ("GASB"), the accepted standard-setting body for governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

Reporting Entity: The District is a corporate body for public purposes created under Title 70 of the Oklahoma statutes and, accordingly, is a separate entity for operating and financial reporting purposes. The District is part of the public school system of Oklahoma under the general direction and control of the Board of Education and is financially dependent on the state of Oklahoma for support. The general operating authority for the public school system is the Oklahoma School Code contained in Title 70, Oklahoma statutes. As required by GAAP, the basic financial statements present the reporting entity which consists of the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the District's basic financial statements to be misleading.

The District has presented the entities which comprise the reporting entity in the basic financial statements for 2015. The District has not identified any component units that should be included in the District's reporting entity.

The governing body of the District is its Board of Education composed of five elected members. The appointed superintendent is the executive officer of the District.

Basic 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. Interfund services provided and used are not eliminated. *Governmental activities*, which are normally supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Indirect expenses* of other functions are not allocated to those functions but are reported separately in the statement of activities. Depreciation expense is specifically identified by function and is included in the direct expenses to each function. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as *general revenues*.

Union Public Schools - Notes to Financial Statements

Year Ended June 30, 2015

NOTE A--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

Basic Financial Statements-Continued: 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. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Governmental Funds: Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general capital assets (capital projects funds), and the servicing of general long-term debt (debt service funds). The District reports the following major governmental funds:

General Fund

The General Fund is used to account for all financial transactions except those required to be accounted for in another fund. Major revenue sources include local property taxes and state funding under the Foundation and Incentive Aid Program. Expenditures include all costs associated with the daily operations of the schools except for programs funded for building repairs and maintenance, school construction, and debt service on bonds and other long-term debt. The General Fund also includes expenditures for workers' compensation and general insurance claims, and compensated absences incurred by the District.

Building Fund

The District's Building Fund is a special revenue fund and consists of monies derived from property taxes levied for the purpose of erecting, remodeling, or repairing buildings and for purchasing furniture and equipment.

Sinking Fund

The District's sinking fund is a debt service fund and is used to account for the accumulation of financial resources for the payment of general long-term debt principal, interest and related costs. The primary revenue sources are local property taxes levied specifically for debt service and interest earnings from temporary investments.

Bond Fund

The District's bond fund is a capital project fund and is used to account for the proceeds of bond sales to be used exclusively for acquiring school sites, constructing and equipping new school facilities, renovating existing facilities, and acquiring transportation equipment. This fund is also utilized to acquire books and other non-capitalizable items.

Union Public Schools – Notes to Financial Statements

Year Ended June 30, 2015

NOTE A--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

Proprietary Funds: Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the District (internal service funds). 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. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The District reports the following proprietary funds:

Child Nutrition Fund

The District's Child Nutrition Fund is a major enterprise fund used to account for the operations of the child nutrition programs. In addition to meal ticket sales, revenue sources include federal and state grants for free and reduced meals.

Employee Insurance Fund

The Employee Insurance Fund is an internal service fund used to account for the accumulation, recording and disbursing of District and participant contributions to the District's self-insured medical, dental, and short-term disability programs.

Fiduciary Funds: Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of employees or other funds within the District. When these assets are held under the terms of a formal trust agreement, a pension trust fund, an investment trust fund or a private-purpose trust fund is used. Currently, the District utilizes a private-purpose trust fund to account for activities of the Union School District Public Trust. Agency funds generally are used to account for assets that the District holds on behalf of others as their agent and do not involve measurement of results of operations. The District's fiduciary funds have been excluded from the government-wide financial statements. The District reports the following fiduciary funds:

Private-Purpose Trust Fund

The Union School District trust fund is a private-purpose trust fund used to account for donations received for the benefit of specified individuals associated with the District.

Agency Fund

The Agency Fund consists of the School Activities fund. The School Activities fund is used to account for monies collected principally through fundraising efforts of the students and District sponsored groups. The administration is responsible, under the authority of the Board, for collecting, disbursing and accounting for these activity funds.

Union Public Schools - Notes to Financial Statements

Year Ended June 30, 2015

NOTE A--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

Basis of Accounting and Measurement Focus: 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. The *economic resources measurement focus* is not applicable to the agency funds and therefore have no measurement focus. 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. Agency funds are reported in fiduciary fund financial statements and apply the accrual basis of accounting but do not have a measurement focus.

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 government 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 modified accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when the payment is due.

Property taxes, interest and amounts due from other governments 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. All other revenue items are considered to be measurable and available only when cash is received by the government.

Budgets and Budgetary Accounting: The District is required by state law to prepare an annual budget. A preliminary budget must be submitted to the Board of Education by December 31 for the fiscal year beginning the following July 1. If the preliminary budget requires an additional levy, the District must hold an election on the second Tuesday in February to approve the levy. If the preliminary budget does not require an additional levy, it becomes the legal budget. If an election is held and the taxes are approved, then the preliminary budget becomes the legal budget. If an election rejects the additional taxes, the District must adopt a budget within the approved tax rate.

A budget is legally adopted by the Board of Education for the General Fund and Building Fund that includes revenues and expenditures. These budgets are prepared on a cash basis for revenues and principally on the modified accrual basis for expenditures. Budgetary control is maintained by fund, function, and activity and budgeted expenditures may not exceed appropriation at the fund level. Amendments may be made to the budget without approval by the governing body at the function and activity levels. Fund level budgetary amendments require approval of the governing body.

In addition, encumbrance accounting is employed. Under this system, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. At the end of the year, encumbered appropriations for which goods and/or services have not been received lapse. At the beginning of the next year, prior year encumbrances are reviewed and some are reestablished. There were no material encumbrances which lapsed at June 30, 2015, and were reinstated during fiscal year 2016, for the General Fund and Building Fund.

Union Public Schools – Notes to Financial Statements

Year Ended June 30, 2015

NOTE A--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Net Position

Cash and Cash Equivalents: For purposes of the statement of cash flows, the District considers all cash on hand, demand deposits and highly liquid investments with an original maturity of three months or less when purchased to be cash and cash equivalents.

Investments: Investments are stated at fair value. Securities traded on a national or international exchange are valued at the last reported sales price, at current exchange rates. If quoted market prices are not available, fair value is estimated based on the estimated fair values provided by brokerage statements. A net change in fair value of investments is recognized and reported as a change in investment income in the financial statements for the year ended.

Property Tax Revenues and Receivables: The District is authorized by state law to levy property taxes which consist of ad valorem taxes on real and personal property within the District. The county assessor performs an assessment of the valuation of non-exempt real property as of January 1st, the “lien” date. The county assessor, upon receipt of the certification of tax levies from the county excise board, extends the tax levies on the tax roll for submission to the county treasurer prior to October 1. The county treasurer must commence tax collection within fifteen days of receipt of the tax rolls. The first half of taxes is due prior to January 1. The second half is due prior to April 1.

If the first payment is not made timely, the entire tax becomes due and payable on January 2. The second half of the taxes becomes delinquent on April 1 of the year following the year of assessment. If not paid by the following October 1, the property is offered for sale for the amount of taxes due. The purchaser is issued a certificate of ownership; the original owner has two years to redeem the property by paying the taxes and penalty owed. If at the end of two years the original owner has not done so, the purchaser is issued a deed to the property.

Uncollected taxes assessed on valuations made each year are recorded in the District’s governmental fund financial statements. The delinquent property taxes which are not collected within 60 days of the year end are recorded in the governmental fund financial statements as deferred inflows of resources. Uncollectible personal and real property taxes are deemed to be immaterial because the real property can be sold for the amount of taxes due. Property tax receivables that have been assessed for the subsequent fiscal year are recorded as receivable and deferred inflows of resources in both the government-wide statement of net position and governmental funds balance sheets.

Inventories: Inventories in the governmental funds are carried at cost, using the first-in, first-out method, and are recorded as expenditures when consumed on the fund financial statements and as expenses when consumed on the government-wide financial statements. Inventories include fuel, instructional, janitorial, medical, and food service supplies. Cost of donated federal surplus commodities is based on values established by the federal government at the time of donation.

Union Public Schools – Notes to Financial Statements

Year Ended June 30, 2015

NOTE A--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Net Position-Continued

Inventories-Continued: Inventories for proprietary funds are stated at the lower of cost or market on a first-in, first-out method. Inventories at June 30, 2015 consist of the following:

Governmental activities:		
Instructional	\$	43,709
Janitorial		213,217
Computer accessory		39
Transport		19,738
Medical		716
Total governmental activities		277,419
Business-type activities:		
Food service		884,309
	\$	1,161,728

Capital Assets: All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist, net of accumulated depreciation. Donated capital assets are valued at their estimated fair market value on the date received. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Depreciation of all exhaustible capital assets is charged as an expense against their operations. Depreciation has been provided using the straight-line method over the following estimated useful lives:

	Useful Life	Capitalization Threshold
Buildings and structures	10-50 years	\$ 2,500
Improvements	10-50 years	\$ 2,500
Equipment and vehicles	5-35 years	\$ 2,500
Furniture and fixtures	5-10 years	\$ 2,500

Compensated Absences: A liability for compensated absences attributable to the District's governmental funds is recorded in the government-wide financial statements. It is the District's policy that vacation is accrued in the current fiscal year to be used in the next fiscal year. If an employee separates employment, the District policy provides payment to the employee. Sick leave may also be accumulated up to 120 days. Upon retirement or severance of employment, the District policy provides payment to eligible employees for accumulated sick days. This liability is intended to accommodate these payments.

Long-Term Debt: Long-term debt is recognized as a liability of the applicable governmental activities, business-type activities or proprietary fund type in the statement of net position.

Union Public Schools - Notes to Financial Statements

Year Ended June 30, 2015

NOTE A--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Net Position--Continued

Bond Premiums and Discounts: In the governmental funds, bond premiums and discounts are treated as period costs in the year of issuance. In the government-wide financial statements, bond premiums and discounts are capitalized and amortized over the term of the bonds using the straight-line method, which is not materially different from the effective interest method. With the straight-line method, the unamortized portion of the bond premiums and discounts are presented as additions and reductions of the face amount of the bonds payable. Debt issuance costs are recorded as an expense/expenditure in the period incurred.

Interfund Receivables, Payables and Transfers: Amounts owed between funds which are due within one year are reported as due from/due to other funds. Amounts reported in the fund financial statements as due from/due to other funds are eliminated in the entity-wide governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances, as applicable. Transfers within governmental activities or within business-type activities are eliminated.

Interfund receivables and payables at June 30, 2015 represent amounts necessary to subsidize the Internal Service Fund and Early Retirement Incentive liability. The composition of interfund receivables and payables as of June 30, 2015, are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Building	\$ 100,000
General	Child Nutrition	40,000
Internal Service	General	650,000
Internal Service	Building	50,000
Internal Service	Child Nutrition	50,000
	Total	<u>\$ 890,000</u>

Interfund transfers, which represent transfers of interest earnings during the year ended June 30, 2015, were as follows:

<u>Transfer Out</u>	<u>Transfer In</u>		
	<u>Building Fund</u>	<u>Sinking Fund</u>	<u>Child Nutrition</u>
General Fund	\$ 16,772	\$ -	\$ 24,060
Bond Fund	65,994	78	-
Total	<u>\$ 82,766</u>	<u>\$ 78</u>	<u>\$ 24,060</u>

Union Public Schools - Notes to Financial Statements

Year Ended June 30, 2015

NOTE A--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Net Position-Continued

Pensions: The net pension liability, deferred inflows and outflows of resources related to pensions, pension expense, information about the fiduciary net position of the Oklahoma Teacher's Retirement System (OTRS) and additions to/deductions from OTRS's fiduciary net position have been determined on the same basis as reported by OTRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments held by OTRS are reported at fair value.

Deferred Outflows of Resources: 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. At June 30, 2015, the government-wide financial statements included deferred outflows of resources related to pensions.

Deferred Inflows of Resources: Deferred inflows of resources represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The governmental fund balance sheet includes deferred inflows of resources related to unavailable property taxes receivable; such receivables will be recognized as revenues in the governmental funds when they become available. At June 30, 2015, the government-wide financial statements reflects deferred inflows of resources related to pensions. Both the government-wide statement of net position and governmental funds balance sheet reflect deferred inflows of resources related to property taxes receivable that have been assessed but are not earned until the subsequent fiscal year.

Revenues, Expenses and Expenditures

State Revenues: Revenues from state sources for current operations are primarily governed by the state aid formula under the provisions of Article XVIII, Title 70, Oklahoma statutes. The State Board of Education administers the allocation of state aid funds to school districts based on information accumulated from the districts. After review and verification of reports and supporting documentation, the State Department of Education (the "Department") may adjust allocations of money for errors disclosed by review. Normally, such adjustments are treated as reductions or additions of revenue of the year when the adjustment was made.

The District receives revenue from the state to administer certain categorical educational programs. Board of Education rules require that revenue earmarked for these programs be expended only for the program for which the money is provided and require that the money not expended as of the close of the fiscal year be carried forward into the following year to be expended for the same categorical programs. The Department requires that categorical educational program revenues be accounted for in the General Fund.

Union Public Schools – Notes to Financial Statements

Year Ended June 30, 2015

NOTE A--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued

Net Position

In the government-wide and proprietary fund financial statements, net position is displayed in three components as follows:

- *Net investment in Capital Assets:* This consists of capital assets, net of accumulated depreciation plus deferred outflows of resources (if applicable) less the outstanding balances of any bonds, notes, other borrowings, or deferred inflows of resources (if applicable) attributable to the acquisitions, construction, or improvement of those assets.
- *Restricted Net Position:* Consists of net position that is legally restricted by outside parties or by law through constitutional provisions of enabling legislation. The District would typically use restricted net position first, as appropriate opportunities arise, but reserve the right to selectively defer the use thereof to a future project or replacement equipment acquisition.
- *Unrestricted Net Position:* This consists of net position that does not meet the definition of restricted net position or net investment in capital assets.

It is the District's policy to first use restricted net position prior to the use of unrestricted net position when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Governmental fund equity is classified as fund balance. Fund balance is further classified as nonspendable, restricted, committed, assigned, and unassigned. These classifications are defined as:

- *Nonspendable Fund Balance:* The nonspendable fund balance classification includes amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact. This would include items not expected to be converted to cash including inventories and prepaid amounts. It may also include the long-term amount of loans and receivables, as well as property acquired for resale and the corpus (principal) of a permanent fund.
- *Restricted Fund Balance:* The restricted fund balance classification should be reported when constraints placed on the use of resources are either a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation.
- *Committed Fund Balance:* The committed fund balance classification reflects specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority. Also, such constraints can only be removed or changed by the same form of formal action. For purposes of committed fund balance, the District's Board of Education is considered to be its highest level of decision making. A motion to set aside funds as committed fund balance requires the approval by the Board of Education by a majority vote of the members of the Board of Education. Such approval must take place prior to the District's fiscal year-end in order for it to be applicable to the District's fiscal year-end, although it is permitted for the specific amount of the commitment to be determined after the fiscal year-end if additional information is required in order to determine the exact amount to be committed. The Board of Education has the authority to remove or change the commitment of funds with a majority vote. The District had no committed fund balance at June 30, 2015.

Union Public Schools - Notes to Financial Statements

Year Ended June 30, 2015

NOTE A--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

Equity Classifications-Continued

- *Assigned Fund Balance:* The assigned fund balance classification reflects amounts that are constrained by the District's intent to be used for specific purposes, but meet neither the restricted or committed forms of constraint. Assigned funds cannot cause a deficit in unassigned fund balance. For purposes of assigned fund balance, the District has given authority to its Chief Financial Officer to assign funds for specific purposes as part of the District's approved ending fund balance policy 3060. Any funds that the Chief Financial Officer assigns for specific purposes must be reported to the Board of Education at its next regular meeting. The assignment of funds shall be recorded in the Board of Education's official meeting minutes.
- *Unassigned Fund Balance:* The unassigned fund balance classification is the residual classification for the General Fund only. It is also where negative residual amounts for all other governmental funds would be reported. Unassigned fund balance essentially consists of excess funds that have not been classified in the other four fund balance categories mentioned above.

It is the District's policy, Board of Education policy 3060 Ending Fund Balance, to first use restricted fund balance prior to the use of unrestricted fund balance when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance are available. The District's policy for the use of unrestricted fund balance amounts require that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

The following table shows the fund balance classifications as shown on the governmental funds balance sheet as of June 30, 2015:

	General Fund	Building Fund	Sinking Fund	Bond Fund	Arbitrage Fund	Governmental Funds
Fund Balances:						
Nonspendable - Inventories	\$ 277,419	\$ -	\$ -	\$ -	\$ -	\$ 277,419
Restricted For:						
Capital Projects	-	10,516,503	-	35,339,960	-	45,856,463
Bond Payments	-	-	11,878,271	-	-	11,878,271
	-	10,516,503	11,878,271	35,339,960	-	57,734,734
Assigned For:						
Compensated Absences	2,159,244	-	-	-	-	2,159,244
Early retirement incentive	865,324	-	-	-	-	865,324
Insurance Recovery	463,685	-	-	-	-	463,685
	3,488,253	-	-	-	-	3,488,253
Unassigned:	18,997,162	-	-	-	-	18,997,162
Total Fund Balance	<u>\$ 22,762,834</u>	<u>\$ 10,516,503</u>	<u>\$ 11,878,271</u>	<u>\$ 35,339,960</u>	<u>\$ -</u>	<u>\$ 80,497,568</u>

Union Public Schools – Notes to Financial Statements

Year Ended June 30, 2015

NOTE A--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

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 accompanying notes. Actual results could differ from those estimates.

NOTE B--CASH AND INVESTMENTS

Custodial Credit Risk: Custodial credit risk is the risk that in the event of failure of counterparty, the District will not be able to recover the value of its deposits or investments. Deposits are exposed to custodial credit risk if they are uninsured and uncollateralized. Investment securities are exposed to custodial credit risk if they are uninsured, are not registered in the name of the District, and are held by a counterparty or the counterparty's trust department but not in the name of the District.

The District's policy requires that all deposits and investments in excess of amounts covered by federal deposit insurance be fully collateralized by the entity holding the deposits or investments. As of June 30, 2015, all of the Districts deposits and investments were either covered by federal deposit insurance or were fully collateralized.

Deposits: The District had deposits at financial institutions with a cash basis carrying amount for all funds of approximately \$85,103,000 at June 30, 2015. The bank balance of these deposits at June 30, 2015 was approximately \$92,141,000. The difference in the carrying amount and the bank balance was primarily due to outstanding checks.

Credit Risk: Fixed-income securities are subject to credit risk. Credit quality rating is one method of assessing the ability of the issuer to meet its obligation. The District's investment policy requires that, except for United States Treasury securities, the District's investment portfolio will be diversified to avoid incurring undue concentration in securities of one type. The District's policy also requires that all deposits and investments in excess of amounts covered by federal deposit insurance be fully collateralized by the entity holding the deposits or investments. There is no District policy related to limitations on credit rating risk. Due to the unstable economic climate and extremely low available interest rates for investing, investments were purchased to obtain the highest possible interest rate. Therefore, the investment portfolio consisted of holdings totaling approximately \$17,500,000, with current fair value of approximately \$17,397,000 in Federal home loan with a variable coupon rate ranging from 1.00-1.25%. Federal home loan investments are considered obligations of the U.S. government and therefore carry the same credit ratings as the government. The credit ratings of the U.S. government are Moodys Aaa, Standard and Poor AA+, and Fitch AAA.

Union Public Schools - Notes to Financial Statements Year Ended June 30, 2015

NOTE B--CASH AND INVESTMENTS--Continued

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District's investment policy limits the duration of fixed-income securities to a maximum maturity from the date of purchase of sixty months, provided that sufficient liquidity is available to meet the District's major cash outlays. The District's investment committee and Board of Education monitor the District's investment performance on an ongoing basis to limit the District's interest rate risk. As of June 30, 2015, all of the District's investments were scheduled to mature within the next 6 years with callable dates within the next 6 months.

Investment maturities at June 30, 2015, for the District's governmental and proprietary funds in the aggregate, are as follows:

Security	Fair Value	Maturity	
		1-5 years	6-10 years
Federal Home Loan	\$ 17,396,925	\$ 4,955,600	\$ 12,441,325

NOTE C--RECEIVABLES

Receivables at June 30, 2015, all due within one year, for the District's governmental and proprietary funds in the aggregate, are as follows:

	General	Building Fund	Sinking Fund	Bond Fund	Nutrition Fund	Service Fund	Total
Accrued interest	\$ 53,347	\$ 1,556	\$ 1,111	\$ 1,361	\$ -	\$ 889	\$ 58,264
Due from other governments	2,717,317	13,929	79,902	-	-	-	2,811,148
Other	360,882	-	-	-	-	-	360,882
Property taxes--delinquent	297,875	42,554	241,274	-	-	-	581,703
Property taxes--subsequent year	<u>27,226,105</u>	<u>3,889,444</u>	<u>22,513,459</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,629,008</u>
	<u>\$ 30,655,526</u>	<u>\$ 3,947,483</u>	<u>\$ 22,835,746</u>	<u>\$ 1,361</u>	<u>\$ -</u>	<u>\$ 889</u>	<u>\$ 57,441,005</u>

Management expects these receivables to be collected within the next fiscal year.

Union Public Schools - Notes to Financial Statements

Year Ended June 30, 2015

NOTE D--CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2015, follows:

	Balance June 30, 2014	Additions	Deductions	Reclassifications and Adjustments	Balance June 30, 2015
Governmental activities					
Capital assets not being depreciated					
Land	\$ 14,293,205	\$ -	\$ -	\$ -	\$ 14,293,205
Construction in-progress					
General government	1,996,814	12,139,265	-	(2,796,141)	11,339,938
Total capital assets not being depreciated	<u>16,290,019</u>	<u>12,139,265</u>	<u>-</u>	<u>(2,796,141)</u>	<u>25,631,143</u>
Capital assets being depreciated					
Land improvements	11,414,434	2,970	(350,000)	664,747	11,732,151
Building and Building Improvements	246,237,930	122,224	-	2,131,394	248,491,548
Machinery, equipment and vehicles	45,894,633	4,820,627	(2,170,690)	86,558	48,631,128
Total capital assets being depreciated	<u>303,546,997</u>	<u>4,945,821</u>	<u>(2,520,690)</u>	<u>2,882,699</u>	<u>308,854,827</u>
Less accumulated depreciation for:					
Land improvements	(2,945,207)	(566,992)	-	-	(3,512,199)
Building and Building Improvements	(113,156,325)	(7,824,701)	229,771	-	(120,751,255)
Machinery, equipment and vehicles	(40,226,751)	(3,428,786)	2,147,566	-	(41,507,971)
Total accumulated depreciation	<u>(156,328,283)</u>	<u>(11,820,479)</u>	<u>2,377,337</u>	<u>-</u>	<u>(165,771,425)</u>
Total capital assets being depreciated, net	<u>147,218,714</u>	<u>(6,874,658)</u>	<u>(143,353)</u>	<u>2,882,699</u>	<u>143,083,402</u>
Governmental activities Capital assets, net	<u>\$ 163,508,733</u>	<u>\$ 5,264,607</u>	<u>\$ (143,353)</u>	<u>\$ 86,558</u>	<u>\$ 168,716,545</u>
Summary of Governmental Activities					
Capital Assets					
Total capital assets	\$ 319,837,016	\$ 17,085,086	\$ (2,520,690)	\$ 86,558	\$ 334,487,970
Less accumulated depreciation	(156,328,283)	(11,820,479)	2,377,337	-	(165,771,425)
Capital assets, net	<u>\$ 163,508,733</u>	<u>\$ 5,264,607</u>	<u>\$ (143,353)</u>	<u>\$ 86,558</u>	<u>\$ 168,716,545</u>
Business type activities					
Capital assets not being depreciated					
Construction in-progress	\$ -	\$ 254,667	\$ -	\$ (145,977)	\$ 108,690
Capital assets being depreciated					
Furniture, equipment and vehicles	2,779,165	336,932	(53,418)	145,977	3,208,656
Less accumulated depreciation for					
Furniture, equipment and vehicles	(2,139,489)	(230,289)	50,493	-	(2,319,285)
Total capital assets being depreciated, net	<u>639,676</u>	<u>106,643</u>	<u>(2,925)</u>	<u>145,977</u>	<u>889,371</u>
Capital assets, net	<u>\$ 639,676</u>	<u>\$ 361,310</u>	<u>\$ (2,925)</u>	<u>\$ -</u>	<u>\$ 998,061</u>

Union Public Schools - Notes to Financial Statements Year Ended June 30, 2015

NOTE D--CAPITAL ASSETS--Continued

Depreciation expense was charged to functions of the District as follows:

Governmental Activities		Business-Type Activities	
Instruction	\$ 3,079,887	Child nutrition fund	\$ <u>230,289</u>
Pupil services	56,887		
Instructional services	741,668		
General administration	30,792		
School administration	85,464		
Business services	338,111		
Operations and maintenance services	871,108		
Transportation services	758,566		
Community services	9,915		
Capital outlay	<u>5,848,081</u>		
	<u>\$ 11,820,479</u>		

NOTE E--LONG-TERM DEBT

State statutes prohibit the District from becoming indebted in an amount exceeding the revenue to be received for any fiscal year without approval by the District's voters. Bond issues have been approved by the voters and issued by the District for various capital improvements. State law requires these bonds be fully paid serially within 25 years from the date of issue.

Long-term debt of the District consists of bonds payable, obligations for compensated absences, a liability for the early retirement incentive plan, and a liability for other post employment benefits. Debt service requirements for bonds are payable solely from the fund balance and future revenues of the sinking fund. In prior years, the liability for compensated absences has been primarily liquidated from the fund balance of the General Fund. The OPEB liability would be primarily liquidated from the fund balance of the General Fund.

The following is a summary of long-term debt activity of the District for the year ended June 30, 2015:

	June 30, 2014	Additions	Deductions	June 30, 2015	Due Within One Year
Governmental activities					
Bonds payable	\$ 72,075,000	\$ 27,000,000	\$ (20,875,000)	\$ 78,200,000	\$ 20,500,000
Premium on debt issuance	728,641	431,663	(218,149)	942,155	263,609
Compensated absences	4,163,969	353,935	(358,202)	4,159,702	1,818,022
Early retirement incentive	1,443,420	619,988	(669,149)	1,394,259	701,859
OPEB	<u>4,780,485</u>	<u>917,764</u>	<u>(499,343)</u>	<u>5,198,906</u>	<u>-</u>
	<u>\$ 83,191,515</u>	<u>\$ 29,323,350</u>	<u>\$ (22,619,843)</u>	<u>\$ 89,895,022</u>	<u>\$ 23,283,490</u>

Union Public Schools - Notes to Financial Statements Year Ended June 30, 2015

NOTE E--LONG-TERM DEBT--Continued

A brief description of the outstanding general obligation bond issues at June 30, 2015, is set forth below:

	<u>Amount Outstanding</u>
Independent School District No. 9 Building Bonds Series 2011, original issue \$21,600,000, interest rate of 1.0% to 2.0% due in installments of \$5,400,000 annually, final payment of \$5,400,000 due April 1, 2016.	\$ 5,400,000
Independent School District No. 9 Building Bonds Series 2012, original issue \$19,000,000, interest rate of .05% to 2.0% due in installments of \$4,750,000 annually, final payment of \$4,750,000 due April 1, 2017.	9,500,000
Independent School District No. 9 Building Bonds Series 2013, original issue \$20,400,000, interest rate of 1.0% to 1.25% due in installments of \$5,100,000 annually, final payment of \$5,100,000 due April 1, 2018.	15,300,000
Independent School District No. 9 Building Bonds Series 2014, original issue \$21,000,000, interest rate of 1.0% to 2.0% due in installments of \$5,250,000 annually, final payment of \$5,250,000 due April 1, 2019.	21,000,000
Independent School District No. 9 Building Bonds Series 2015, original issue \$27,000,000, interest rate of 2.0% due in installments of \$6,750,000 annually, final payment of \$6,750,000 due April 1, 2020.	<u>27,000,000</u>
	<u>\$ 78,200,000</u>

Maturities of long-term debt are as follows:

	Principal	Interest	Total
Year ending June 30,			
2016	\$ 20,500,000	\$ 974,999	\$ 21,474,999
2017	21,850,000	986,000	22,836,000
2018	17,100,000	652,500	17,752,500
2019	12,000,000	375,000	12,375,000
2020	6,750,000	135,000	6,885,000
	<u>\$ 78,200,000</u>	<u>\$ 3,123,499</u>	<u>\$ 81,323,499</u>

Interest incurred on general long-term debt during the year ending June 30, 2015 was approximately \$1,024,000.

Union Public Schools - Notes to Financial Statements Year Ended June 30, 2015

NOTE F--EARLY RETIREMENT INCENTIVES

In 1994, the District revised its early retirement incentive plan whereby new or additional participants are paid stipends ranging from \$400 to \$1,800 per month plus health and life insurance coverage. An eligible participant is one who qualifies for service retirement benefits through the Teachers' Retirement System of Oklahoma, has completed one (1) full year at the top step of the previous year's salary schedule, has ten years experience as an employee of the District, and has received Board approval for participation in the plan. All benefits terminate in the event of death, after two or five years of receiving benefits from the plan or, if the retiree accepts employment as a certified employee with any other school district in the state of Oklahoma. As of June 30, 2015, there are 53 participants in the plan.

The District has funded this liability with available General Fund assets and has recorded the liability in the statement of net position. Amounts accrued with respect to employees electing to retire under this plan as of June 30, 2015, was approximately \$1,394,000.

NOTE G--RISK MANAGEMENT

Effective December 1, 1988, the District began a self-insured medical program for District employees and their eligible dependents. This program is administered by an independent third party and covers medical and dental expenses for employees with dependent coverage available at additional charges. In order to mitigate the risk associated with this program, the District has purchased individual "stop loss" insurance of \$150,000, with an aggregating specific "stop loss" of \$65,000 and aggregate "stop loss" insurance of approximately \$10,039,536 plus 100% of employee and District premium contributions. Monthly, the District contributes \$36 per employee for the program, which covers expected claims, stop loss coverage, cost containment provisions and administrative costs. A summary of premiums collected from the District and employees and claims paid from July 1, 2014 through June 30, 2015 is set forth below:

District and employee premiums	<u>\$13,145,234</u>
Claims and changes in estimates	\$11,121,642
Insurance and administrative costs	<u>2,230,161</u>
Total claims incurred and other costs	<u>\$13,351,803</u>

A summary of changes in the aggregate liability for claims in the current and the three prior fiscal years are set forth below:

	Liability at Beginning of Fiscal Year	Claims and Changes in Estimates	Claim Payments	Liability at End of Fiscal Year
2013	700,577	6,720,406	(6,833,592)	587,391
2014	587,391	7,020,061	(7,046,517)	560,935
2015	560,935	11,121,642	(10,792,095)	890,482

Union Public Schools - Notes to Financial Statements Year Ended June 30, 2015

NOTE G--RISK MANAGEMENT--Continued

The claims liability shown above includes the District's estimated liability for medical and dental claims incurred but not reported to the District (or the administrator) as of June 30, 2015. The activity for this program is reflected in the accompanying fund financial statements in the internal service fund. There were no significant reductions in coverage from that in prior years and settlements have not exceeded insurance coverage for each of the past three fiscal years.

The District purchases commercial insurance for all other types of risk including, but not limited to, property, casualty, workers' compensation, vehicle, and employee life. Settlements have not exceeded insurance coverage for each of the past three fiscal years.

The full amount of the claims liability at June 30, 2015 is expected to be paid during fiscal year 2015. As such, the full liability of \$890,482 has been classified as a current liability in the accompanying June 30, 2015 financial statements.

NOTE H--EMPLOYEE RETIREMENT SYSTEM

Plan description: The District as the employer, participates in the Oklahoma Teachers Retirement Plan—a cost-sharing multiple-employer defined benefit pension plan administered by the Oklahoma Teachers Retirement System (OTRS). Title 70 O. S. Sec. 17-105 defines all retirement benefits. The authority to establish and amend benefit provisions rests with the State Legislature. OTRS issues a publicly available financial report that can be obtained at www.ok.gov/OTRS.

Participation is required for all teachers, and other certified employees and is optional for all other regular employees of public educational institutions who work at least 20 hours per week. A participant's date of membership is the date of the first contribution made to the System. The System is administered by a board of trustees which acts as a fiduciary for investing the funds and governing the administration of the System. The District has no responsibility or authority for the operation and administration of the System nor does it have any funding obligations, except for the current contribution requirements.

Benefits provided: OTRS provides retirement, disability and death benefits to members of the plan.

Benefit provisions include:

Members become 100 percent vested in retirement benefits earned to date after five years of credited Oklahoma service. Members who joined the System on June 30, 1992 or prior are eligible to retire at maximum benefits when age and years of creditable service total 80. Members joining the System after June 30, 1992 are eligible for maximum benefits when their age and years of creditable service total 90. Members whose age and service do not equal the eligible limit may receive reduced benefits as early as age 55, and at age 62 receive unreduced benefits based on their years of service. The maximum retirement benefit is equal to 2 percent of final compensation for each year of credited service.

Union Public Schools – Notes to Financial Statements Year Ended June 30, 2015

NOTE H--EMPLOYEE RETIREMENT SYSTEM – Continued

Final compensation for members who joined the System prior to July 1, 1992 is defined as the average salary for the three highest years of compensation. Final compensation for members joining the System after June 30, 1992 is defined as the average of the highest five consecutive years of annual compensation in which contributions have been made. The final average compensation is limited for service credit accumulated prior to July 1, 1995 to \$40,000 or \$25,000, depending on the member's election. Monthly benefits are 1/12 of this amount. Service credits accumulated after June 30, 1995 are calculated based on each member's final average compensation, except for certain employees of the two comprehensive universities. Upon the death of a member who has not yet retired, the designated beneficiary shall receive the member's total contributions plus 100 percent of interest earned through the end of the fiscal year, with interest rates varying based on time of service. A surviving spouse of a qualified member may elect to receive, in lieu of the aforementioned benefits, the retirement benefit the member was entitled to at the time of death as provided under the Joint Survivor Benefit Option.

Upon the death of a retired member, the System will pay \$5,000 to the designated beneficiary, in addition to the benefits provided for the retirement option selected by the member.

A member is eligible for disability benefits after ten years of credited Oklahoma service. The disability benefit is equal to 2 percent of final average compensation for the applicable years of credited service. Upon separation from the System, members' contributions are refundable with interest based on certain restrictions provided in the plan, or by the IRC.

Members may elect to make additional contributions to a tax-sheltered annuity program up to the exclusion allowance provided under the IRC under Code Section 403(b).

At the election of each eligible member initiating receipt of retirement benefits, the System remits between \$100 and \$105 per month per eligible retiree to Blue Cross Blue Shield of Oklahoma, depending on the members' years of service during 2014.

Contributions: The contributions requirements of OTRS are at an established rate determined by Oklahoma Statute, amended by the Oklahoma Legislature, and are not based on actuarial calculations. Employees are required to contribute 7 percent of their annual compensation. The District's contribution rate is 9.5 percent of the employees' annual pay and an additional 8.25 percent for any employees' salaries covered by federal funds for the years ended June 30, 2015. The District's contributions to OTRS in 2015 were approximately \$5,735,000, equal to the required contributions. In addition, the State of Oklahoma also contributed 5 percent of State revenues from sales, use and individual income taxes to OTRS. The amounts contributed on-behalf of the District and recognized in the District's Statement of Revenues, Expenses and Changes in Net Position as both revenues and compensation and a component of pension expense in 2015 was approximately \$4,178,000. These on-behalf payments did not meet the criteria of a special funding situation.

Union Public Schools – Notes to Financial Statements Year Ended June 30, 2015

NOTE H--EMPLOYEE RETIREMENT SYSTEM – Continued

Pension Liabilities, Pension Expense, and Deferred Inflows and Outflows of Resources Related to Pensions: At June 30, 2015, the District reported a liability of \$75,991,013 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014. The District's proportion of the net pension liability was based on the District's contributions received by the pension plan relative to the total contributions received by pension plan for all participating employers as of June 30, 2014. Based upon this information, the District's proportion was 1.4125 percent.

For the year ended June 30, 2015, the District recognized pension expense of \$4,449,709. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 1,252,558
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	18,391,121
District contributions subsequent to the measurement date	<u>6,845,811</u>	<u>-</u>
Total	<u>\$ 6,845,811</u>	<u>\$ 19,643,679</u>

Union Public Schools - Notes to Financial Statements

Year Ended June 30, 2015

NOTE H--EMPLOYEE RETIREMENT SYSTEM--Continued

Deferred pension outflows totaling \$6,845,811 resulting from the District's contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. The deferred inflows totaling \$18,391,121 resulting from the difference between projected and actual earnings on pension plan investments will be recognized in pension expense over five years beginning in the current year. The deferred inflows totaling \$1,252,558 resulting from differences between expected and actual experience will be recognized in pension expense using the average expected remaining service life of the plan participants. The average expected remaining life of the plan participants is determined by taking the calculated total future service future service years of the Plan divided by the number of people in the Plan including retirees. The total future service years of the plan are estimated at 6.32 years at June 30, 2014 and are determined using the mortality, termination, retirement and disability assumptions associated with the Plan. Deferred inflows of resources will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	
2016	\$ 4,833,223
2017	4,833,223
2018	4,833,223
2019	4,833,224
2020	235,443
Thereafter	<u>75,343</u>
Total	<u>\$ 19,643,679</u>

Union Public Schools - Notes to Financial Statements Year Ended June 30, 2015

NOTE H--EMPLOYEE RETIREMENT SYSTEM--Continued

Actuarial Assumptions: The total pension liability as of June 30, 2014, was determined based on an actuarial valuation prepared as if June 30, 2014 using the following actuarial assumptions:

- Actuarial Cost Method—Entry Age
- Amortization Method—Level Percentage of Payroll
- Inflation—3.00 percent
- Salary Increases—Composed of 3.00 percent inflation, plus 1.00 percent productivity increase rate, plus step-rate promotional increases for members with less than 25 years of service.
- Investment Rate of Return—8.00 percent
- Retirement Age—Experience-based table of rates based on age, service, and gender. Adopted by the Board in September 2010 in conjunction with the five year experience study for the period ending June 30, 2009.
- Mortality—RP-2000 Combined Mortality Table, projected to 2016 using Scale AA, multiplied by 90 percent for males and 80 percent for females.

The actuarial assumptions used in the July 1, 2014, valuation were based on the results of an actuarial experience study for the period July 2007 to June 2011.

	Target Asset Allocation	Long-Term Expected Real Rate of Return
Domestic All Cap Equity*	7.0%	8.9%
Domestic Large Cap Equity	10.0%	8.5%
Domestic Mid Cap Equity	13.0%	9.2%
Domestic Small Cap Equity	10.0%	9.2%
International Large Cap Equity	11.5%	9.2%
International Small Cap Equity	6.0%	9.2%
Core Plus Fixed Income	17.5%	4.3%
High-Yield Fixed Income	6.0%	6.7%
Private Equity	5.0%	10.1%
Real Estate**	7.0%	7.8%
Master Limited Partnerships	7.0%	10.1%
Total	100.0%	

* The Domestic All Cap Equity total expected return is a combination of 3 rates - US Large cap, US Mid Cap and US Small Cap

** The Real Estate total expected return is a combination of US Direct Real Estate (unlevered) and US Value added Real Estate (unlevered)

Union Public Schools - Notes to Financial Statements

Year Ended June 30, 2015

NOTE H--EMPLOYEE RETIREMENT SYSTEM--Continued

Discount Rate: A single discount rate of 8.00 percent was used to measure the total pension liability as of June 30, 2013 and June 30, 2014. This single discount rate was based solely on the expected rate of return on pension plan investments of 8.00 percent. Based on the stated assumptions and the projection of cash flows, the pension plan's fiduciary net position and future contributions were projected to be available to finance all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The projection of cash flows used to determine this single discount rate assumed that plan member and employer contributions will be made at the current statutory levels and remain a level percentage of payrolls. The projection of cash flows also assumed that the State's contribution plus the matching contributions will remain a constant percent of projected member payroll based on the past five years of actual contributions.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The following presents the net pension liability of the employers calculated using the discount rate of 8 percent, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (7 percent) or 1-percentage-point higher (9 percent) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
Net Pension Liability	\$ 107,497,017	\$ 75,991,013	\$ 50,369,683

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report of the OTRS; which can be located at www.ok.gov/OTRS.

NOTE I--OTHER POST-EMPLOYMENT INSURANCE BENEFITS-HEALTH AND DENTAL INSURANCE PROGRAM

District employees have the option under a single-employer plan of continuing health, vision and dental coverage at their own expense upon retirement under the Oklahoma Teachers Retirement System if they are covered by an employment contract that provides for post-retirement benefits and who meet one of the following requirements:

- Age 55 or older with 5 years of service
- Rule of 80 if hired before July 1, 1992 (combined age and service years)
- Rule of 90 if hired after July 1, 1992 (combined age and service years)
- 10 years of service and terminating employment

Retired employees may pay the same premium as the District pays for current employees.

Funding Policy - Contribution requirements of the District are established and may be amended by the Board of Education. All contributions are made by the retirees. Benefits are funded under a "pay as you go" funding method; however expenses are recorded as benefits accumulate.

Union Public Schools - Notes to Financial Statements

Year Ended June 30, 2015

NOTE I--OTHER POST-EMPLOYMENT INSURANCE BENEFITS-HEALTH AND DENTAL INSURANCE PROGRAM--Continued

Annual OPEB cost and net OPEB obligation - The District's annual OPEB cost is calculated based on the annual required contribution of the District ("ARC"), an amount actuarially determined in accordance with GAAP. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty (30) years.

The following table shows the components of the District's net OPEB obligation for the year, the amount actually contributed, and changes in the District's net OPEB obligation:

	Year Ended <u>June 30, 2015</u>
Annual required contribution	\$ 1,003,001
Interest on net OPEB obligation	191,219
Adjustment to annual required contribution	<u>(276,456)</u>
Annual OPEB cost (expense)	917,764
Contributions made	<u>(499,343)</u>
Increase in net OPEB obligation	418,421
Net OPEB obligation at beginning of year	<u>4,780,485</u>
Net OPEB obligation at end of year	<u>\$ 5,198,906</u>

The net OPEB obligation at June 30, 2015 is included in the government-wide statement of net position as a non-current obligation. The OPEB plan does not issue a stand-alone financial report.

This obligation is currently unfunded. The annual required contribution for 2015 was determined as part of an actuarial valuation on July 1, 2013, using the projected unit credit actuarial cost method with 30 year amortization of the unfunded liability. The liability is amortized as a level dollar amount over 30 years on an open basis.

The actuarial assumptions included:

- (a) discount rate of 4% per year compounded annually,
- (b) inflation rate of 3%
- (c) salary increases of 4% per year
- (d) age-based monthly retiree medical costs
- (e) varying participation rates for active and inactive employees, with adjustments made for persons who terminate prior to retirement.
- (f) health trend rates increasing 5%-10% annually

Union Public Schools - Notes to Financial Statements Year Ended June 30, 2015

NOTE I--OTHER POST-EMPLOYMENT INSURANCE BENEFITS-HEALTH AND DENTAL INSURANCE PROGRAM--Continued

Trend Information

Annual OPEB Costs are summarized as follows:

Year Ended June 30	Net OPEB Cost	% of APC Contributed	Net OPEB Obligation
2013	\$ 872,243	61.06%	\$ 4,290,013
2014	\$ 902,542	45.70%	\$ 4,780,485
2015	\$ 917,764	54.40%	\$ 5,198,906

Funded Status and Funding Progress

The funded status of the plan as of the most recent actuarial report dated July 1, 2013 is as follows:

Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	<u>\$ 8,091,284</u>
Funded ratio (actuarial value of plan assets/AAL)	0.0%
Covered payroll (active plan members)	\$ 53,210,314
UAAL as a percentage of covered payroll	15.20%

Actuarial valuation of an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, will over time provide multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

NOTE J--COMMITMENTS AND CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute 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 believes such amounts, if any, would be immaterial.

As of June 30, 2015, the District had outstanding commitments (contracts and purchase orders) of approximately \$20,385,000, primarily for construction projects and equipment.

Union Public Schools - Notes to Financial Statements

Year Ended June 30, 2015

NOTE J--COMMITMENTS AND CONTINGENCIES

On occasion, the District is party to legal proceedings which arise in the normal course of operations. Any liability resulting from these proceedings is not believed, by management, to have a material effect on the financial statements.

NOTE K--NEW PRONOUNCEMENTS

New Accounting Pronouncements Adopted in Fiscal Year 2015: The District adopted the following new accounting pronouncements during the year ended June 30, 2015:

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, an Amendment of GASB Statement No. 27* (GASB No. 68) establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and pension expenses. GASB No. 68 also details the recognition and disclosure requirements for employers with liabilities to a defined benefit pension plan and for employers whose employees are provided with defined contribution pensions. Defined benefit pensions are further classified by GASB No. 68 as single employer plans, agent employer plans, and cost-sharing plans, and recognition and disclosure requirements are addressed for each classification. GASB No. 68 was issued in June 2012. The District recorded the cumulative effect of adopting GASB Statements No. 68 and 71, totaling \$92,411,094 for governmental activities and \$2,256,450 for business type activities, as an adjustment of net position as of July 1, 2014.

GASB Statement No. 71, *Pension transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* (GASB No. 71) amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts. The provisions of this Statement are required to be applied simultaneously with the provisions of Statement 68. The adoption of GASB No. 71 resulted in the recording of a deferred outflow of \$6,845,811 for governmental activities and \$108,248 for business type activities for contributions made after the measurement date of June 30, 2014.

Union Public Schools – Notes to Financial Statements

Year Ended June 30, 2015

NOTE K--NEW PRONOUNCEMENTS-Continued

New Accounting Pronouncements Issued Not Yet Adopted: The GASB has issued several new accounting pronouncements which will be effective to District in fiscal years ended June 30, 2016, 2017 and 2018. A description of the new accounting pronouncements are described below:

GASB Statement No. 72, *Fair Value Measurement and Application* (GASB No. 72) addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015. Earlier application is encouraged.

GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68* (GASB No. 73) was issued June 2015 and will be effective for the District beginning with its fiscal year ending June 30, 2016—except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement No. 68, which are effective for the District beginning with its fiscal year ending June 30, 2017. The Statement establishes requirements for pensions not covered by Statement Nos. 67 and 68 which are essentially the same requirements as Statement No. 68. However, the lack of a pension plan that is administered through a trust that meets specified criteria is reflected in the measurements.

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* (GASB No. 74) was issued in June 2015 will be effective for the District beginning with its fiscal year ending June 30, 2017. The Statement replaces GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and addresses the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria. The Statement follows the framework for financial reporting of defined benefit OPEB plans in Statement No. 45 by requiring a statement of fiduciary net position and a statement of changes in fiduciary net position but requires more extensive note disclosures and Required Supplementary Information related to the measurement of the OPEB liabilities for which assets have been accumulated, including information about the annual money-weighted rates of return on plan investments. The Statement also sets forth note disclosure requirements for defined contribution OPEB plans.

Union Public Schools - Notes to Financial Statements

Year Ended June 30, 2015

NOTE K--NEW PRONOUNCEMENTS-Continued

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (GASB No. 75) was issued in June 2015 and will be effective for the District beginning with its fiscal year ending June 30, 2018. The Statement replaces the requirements of GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions and requires governments to report a liability on the face of the financial statements for the OPEB they provide and outlines the reporting requirements by governments for defined benefit OPEB plans administered through a trust, cost-sharing OPEB plans administered through a trust and OPEB not provided through a trust. The Statement also requires governments to present more extensive note disclosures and required supplementary information about their OPEB liabilities. Some governments are legally responsible to make contributions directly to an OPEB plan or make benefit payments directly as OPEB comes due for employees of other governments. In certain circumstances, called special funding situations, the Statement requires these governments to recognize in their financial statements a share of the other government's net OPEB liability.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* (GASB No. 76): The objective of GASB No. 76 is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This Statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015, and should be applied retroactively. Earlier application is permitted.

GASB Statement No. 77, *Tax Abatement Disclosures* (GASB No. 77) requires governments that enter into tax abatement agreements to disclose the following information about the agreements: brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients; the gross dollar amount of taxes abated during the period; and commitments made by a government, other than to abate taxes, as part of a tax abatement agreement. Governments may disclose information for individual tax abatement agreements of other governments within the specific tax being abated. For those tax abatement agreements, a reporting government should disclose: The names of the governments that entered into the agreements; the specific taxes being abated; and the gross dollar amount of taxes abated during the period. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015. Earlier application is encouraged.

The District is currently evaluating the impact that these new standards may have on its financial statements.

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Union Public Schools
Required Supplementary Information - Unaudited
Schedule of Funding Progress for Other Post Employment Benefits
Year Ended June 30, 2015

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Employer Contributions	UAAL as a percentage of Covered Payroll (b-a)/(c)
July 1, 2014	\$ -	\$ 8,091,284	\$ 8,091,284	0.0%	\$ 53,210,314	\$ 499,343	15.20%
July 1, 2012	\$ -	\$ 7,821,245	\$ 7,821,245	0.0%	\$ 57,124,004	\$ 532,602	13.70%
July 1, 2010	\$ -	\$ 12,203,144	\$ 12,203,144	0.0%	\$ 54,455,315	\$ 588,384	22.41%

The actuarial liability is based on the projected unit credit method.

The District obtains actuarial valuation every two years, as permitted by GASB Statement No. 45.

Union Public Schools
Required Supplementary Information - Unaudited
Schedule of the District's Proportionate Share of the Net Pension Liability
Oklahoma Teachers' Retirement System (OTRS)
Year Ended June 30, 2015

Last 10 Fiscal Years*

	As of June 30, 2014
District's proportion of the net pension liability	1.4125%
District's proportionate share of the net pension liability	\$ 75,991,013
District's covered-employee payroll	\$ 56,309,115
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	134.95%
Plan fiduciary net position as a percentage of the total pension liability	72.43%

Notes to Schedule:

* Only the current fiscal year is presented because 10-year data is not yet available.

Union Public Schools
Required Supplementary Information - Unaudited
Schedule of the District's Contributions
Oklahoma Teachers' Retirement System (OTRS)
Year Ended June 30, 2015

Last 10 Fiscal Years

	2015	2014	2013	2012	2011
Contractually required contribution	\$ 6,175,126	\$ 5,740,352	\$ 5,787,711	\$ 5,323,550	\$ 5,075,923
Contributions in relation to the contractually required contribution	6,175,126	5,740,352	5,787,711	5,323,550	5,075,923
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 60,019,839	\$ 56,309,115	\$ 56,964,958	\$ 53,779,122	\$ 50,451,706
Contributions as a percentage of covered-employee payroll	10.29%	10.19%	10.16%	9.90%	10.06%
	2010	2009	2008	2007	2006
Contractually required contribution	\$ 5,375,791	\$ 4,828,299	\$ 4,262,912	\$ 3,643,034	\$ 3,417,884
Contributions in relation to the contractually required contribution	5,375,791	4,828,299	4,262,912	3,643,034	3,417,884
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 54,470,432	\$ 52,519,483	\$ 49,907,809	\$ 47,195,866	\$ 41,521,000
Contributions as a percentage of covered-employee payroll	9.87%	9.19%	8.54%	7.72%	8.23%

Union Public Schools
Required Supplementary Information - Unaudited
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
Budgeted Governmental Fund Types - General Fund
Year Ended June 30, 2015

	Original Budget	Final Budget	Non-GAAP Actual	Variance Over (Under)
REVENUES				
Local sources	\$ 32,939,658	\$ 32,939,658	\$ 34,195,902	\$ 1,256,244
Intermediate sources	3,688,000	3,688,000	3,755,931	67,931
State sources	58,468,312	59,799,391	60,128,330	328,939
Federal sources	8,239,960	8,408,881	7,596,811	(812,070)
TOTAL REVENUES	<u>103,335,930</u>	<u>104,835,930</u>	<u>105,676,974</u>	<u>841,044</u>
EXPENDITURES				
Instruction	58,122,443	59,160,871	55,924,019	(3,236,852)
Support services				
Student	6,645,242	6,569,571	6,481,129	(88,442)
Instructional staff	4,512,181	5,512,138	4,756,253	(755,885)
General administration	2,121,970	2,143,239	2,066,886	(76,353)
School administration	7,971,377	6,803,373	8,484,412	1,681,039
Business	7,775,761	8,554,111	7,623,845	(930,266)
Operation and maintenance	9,166,826	9,021,939	10,945,785	1,923,846
Student transportation	3,487,695	3,712,598	3,723,702	11,104
Non-instructional services				
Child Nutrition Operations	556,691	641,314	556,865	(84,449)
Community services operations	4,605,794	4,618,675	4,208,161	(410,514)
Other	775,230	503,381	183,577	(319,804)
TOTAL EXPENDITURES	<u>105,741,210</u>	<u>107,241,210</u>	<u>104,954,634</u>	<u>(2,286,576)</u>
EXCESS REVENUES (EXPENDITURES)	<u>(2,405,280)</u>	<u>(2,405,280)</u>	<u>722,340</u>	<u>3,127,620</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>9,596,111</u>	<u>12,194,272</u>	<u>14,050,739</u>	<u>1,856,467</u>
FUND BALANCE AT END OF YEAR	<u>\$ 7,190,831</u>	<u>\$ 9,788,992</u>	<u>\$ 14,773,079</u>	<u>\$ 4,984,087</u>
ADJUSTMENTS TO CONFORM WITH GAAP				
Receivables at end of year			\$ 3,112,588	
Inventory at end of year			277,419	
Worker's compensation			1,119,109	
Assigned Fund Balances			3,507,211	
Investments, change in fair value			(26,350)	
Other			<u>(222)</u>	
FUND BALANCE AT END OF YEAR (GAAP BASIS)			<u>\$ 22,762,834</u>	

Union Public Schools
Required Supplementary Information - Unaudited
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
Budgeted Governmental Fund Types - Building Fund
Year Ended June 30, 2015

	Original Budget	Final Budget	Non-GAAP Actual	Variance Over (Under)
REVENUES				
Local sources	\$ 3,737,410	\$ 3,772,410	\$ 3,945,540	\$ 173,130
Interest and other	202,400	202,400	146,399	(56,001)
TOTAL REVENUES	<u>3,939,810</u>	<u>3,974,810</u>	<u>4,091,939</u>	<u>117,129</u>
EXPENDITURES				
Support services				
Business	-	-	-	-
Operation and maintenance	5,872,840	5,872,840	3,875,743	(1,997,097)
Facilities acq and construction	3,101,000	3,101,000	1,294,651	(1,806,349)
TOTAL EXPENDITURES	<u>8,973,840</u>	<u>8,973,840</u>	<u>5,170,394</u>	<u>(3,803,446)</u>
EXCESS REVENUES (EXPENDITURES)	<u>(5,034,030)</u>	<u>(4,999,030)</u>	<u>(1,078,455)</u>	<u>3,920,575</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>6,211,479</u>	<u>6,627,357</u>	<u>11,596,713</u>	<u>\$ 4,969,356</u>
FUND BALANCE AT END OF YEAR	<u>\$ 1,177,449</u>	<u>\$ 1,628,327</u>	<u>\$ 10,518,258</u>	<u>\$ 8,889,931</u>
ADJUSTMENTS TO CONFORM WITH GAAP				
Receivables, end of year			\$ 15,485	
Investments, change in fair value			<u>(17,240)</u>	
FUND BALANCE AT END OF YEAR (GAAP BASIS)			<u>\$ 10,516,503</u>	

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Union Public Schools
Other Supplementary Information
Combining Statement of Changes in Assets & Liabilities - Agency Fund
Year Ended June 30, 2015

	Balance June 30, 2014	Additions	Deductions	Adjustments	Balance June 30, 2015
HIGH SCHOOL TOTAL	\$ 420,075	\$ 438,451	\$ (432,373)	\$ 119	\$ 426,272
INTERMEDIATE HIGH TOTAL	86,293	48,963	(52,016)	0	83,241
ALTERNATIVE TOTAL	2,335	4,085	(4,842)	0	1,577
EIGHTH GRADE CENTER TOTAL	85,626	38,683	(48,408)	0	75,902
SIXTH/SEVENTH GRADE CENTER TOTAL	112,651	97,393	(111,688)	0	98,356
ELEMENTARY ACTIVITY FUNDS TOTAL	302,797	334,510	(350,954)	(119)	286,234
STUDENT CLUBS TOTAL	307,883	530,209	(509,401)	5,000	333,692
ADMINISTRATIVE TOTAL	<u>1,322,024</u>	<u>241,061</u>	<u>(211,045)</u>	<u>(5,000)</u>	<u>1,347,039</u>
TOTAL FUNDS HELD FOR STUDENT ACTIVITIES	<u>\$ 2,639,684</u>	<u>\$ 1,733,355</u>	<u>\$ (1,720,728)</u>	<u>\$ -</u>	<u>\$ 2,652,312</u>
 SUMMARY-ACTIVITY FUNDS					
ASSETS					
Cash	<u>\$ 2,686,778</u>	<u>\$ 1,732,343</u>	<u>\$ (1,720,728)</u>	<u>\$ -</u>	<u>\$ 2,698,393</u>
LIABILITIES					
Accounts payable and accrued liabilities	47,094	46,081	(47,094)		46,081
Funds held for student activities	<u>2,639,684</u>	<u>1,733,355</u>	<u>(1,720,728)</u>	<u>-</u>	<u>2,652,312</u>
TOTAL LIABILITIES	<u>\$ 2,686,778</u>	<u>\$ 1,779,436</u>	<u>\$ (1,767,822)</u>	<u>\$ -</u>	<u>\$ 2,698,393</u>

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Union Public Schools - Statistical Section Year Ended June 30, 2015

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<p>Financial Trends</p> <p style="margin-left: 40px;">These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.</p>	<p>87-91</p>
<p>Revenue Capacity</p> <p style="margin-left: 40px;">These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.</p>	<p>93-96</p>
<p>Debt Capacity</p> <p style="margin-left: 40px;">These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional the District's ability to issue additional debt in the future.</p>	<p>97-100</p>
<p>Demographic and Economic Information</p> <p style="margin-left: 40px;">These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.</p>	<p>101-103</p>
<p>Operating Information</p> <p style="margin-left: 40px;">These schedules contain service and other 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.</p>	<p>105-112</p>
<p>Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year.</p>	

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Union Public Schools - Statistical Section
Year Ended June 30, 2015

Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2006	2007	2008	2009	2010 ^a	2011	2012	2013	2014	2015
Governmental activities										
Net investment in capital assets	103,285,413	106,278,216	118,532,935	121,638,825	103,038,748	108,559,632	110,391,940	115,574,019	137,345,418	125,856,505
Restricted for debt service	9,832,578	8,962,506	8,730,473	9,796,665	10,727,559	11,862,533	12,112,690	11,734,785	11,769,385	11,878,271
Restricted for capital projects	1,947,000	2,669,637	2,590,181	2,184,657	1,968,124	2,093,717	2,509,620	1,825,152	1,724,544	1,967,958
Unrestricted	8,271,458	12,659,259	2,671,407	3,439,002	22,959,925	25,544,295	26,242,856	27,537,569	13,056,868	(58,605,257)
Total governmental activities net position	123,336,449	130,569,618	132,524,996	137,059,149	138,694,356	148,060,177	151,257,106	156,671,525	163,896,215	81,097,477
Business-type activities										
Net investment in capital assets	248,538	517,708	501,205	466,530	487,377	485,629	381,775	326,076	639,676	998,061
Restricted for debt service	-	-	-	-	-	-	-	-	-	-
Restricted for capital projects	-	-	-	-	-	-	-	-	-	-
Unrestricted	1,782,505	1,991,887	1,983,593	2,516,712	3,564,542	3,906,467	4,693,700	5,448,717	5,878,520	4,038,260
Total business-type activities net position	2,031,043	2,509,595	2,484,798	2,983,242	4,051,919	4,392,096	5,075,475	5,774,793	6,518,196	5,036,321
District-wide										
Net investment in capital assets	103,533,951	106,795,924	119,034,140	122,105,355	103,526,125	109,045,261	110,773,715	115,900,095	137,985,094	126,854,566
Restricted for debt service	9,832,578	8,962,506	8,730,473	9,796,665	10,727,559	11,862,533	12,112,690	11,734,785	11,769,385	11,878,271
Restricted for capital projects	1,947,000	2,669,637	2,590,181	2,184,657	1,968,124	2,093,717	2,509,620	1,825,152	1,724,544	1,967,958
Unrestricted	10,053,963	14,651,146	4,655,000	5,955,714	26,524,467	29,450,762	30,936,556	32,986,286	18,935,388	(54,566,997)
Total district net position	125,367,492	133,079,213	135,009,794	140,042,391	142,746,275	152,452,273	156,332,581	162,446,318	170,414,411	86,133,798

^aThe District restated 2009-10 to show elimination of early retirement incentive fund as a governmental fund

Union Public Schools - Statistical Section
Year Ended June 30, 2015

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2006	2007 ^a	2008 ^b	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities										
Instruction										
Regular instruction	38,283,502	42,667,523	45,516,291	49,629,935	50,200,357	47,158,054	47,696,999	45,059,620	46,341,689	45,001,242
Special education instruction	5,593,513	6,178,927	6,793,935	7,275,708	7,842,242	8,031,835	6,849,212	6,612,412	6,233,739	6,341,375
Vocational education	615,074	633,877	703,858	793,237	870,154	791,340	950,125	945,278	670,070	741,694
Other instruction	4,642,999	5,168,656	6,134,777	6,152,120	7,668,736	8,722,066	7,747,720	7,842,671	7,374,669	7,720,300
Support Services										
Pupil services	4,440,099	5,290,042	6,518,814	6,345,355	6,613,037	6,578,671	5,936,528	6,536,348	6,140,565	6,523,325
Instructional staff services	3,541,667	3,776,075	4,165,969	4,408,668	4,658,150	4,097,654	4,669,725	5,044,827	5,311,136	6,080,733
General administration services	1,002,064	1,248,323	1,578,563	1,802,455	1,702,208	2,053,274	2,304,212	2,663,280	2,095,278	2,182,337
School administration services	6,023,236	6,869,205	7,440,213	7,688,170	7,582,320	7,603,111	7,966,078	8,244,790	8,736,047	8,520,623
Business services	5,121,989	5,970,849	6,333,400	6,937,956	6,633,048	6,699,718	7,905,967	8,659,317	9,331,982	8,593,167
Operations and maintenance services	12,288,840	13,011,254	13,113,272	13,334,079	13,497,499	14,318,058	16,300,790	20,811,570	22,950,917	25,747,924
Pupil transportation services	2,374,353	2,876,195	3,649,174	3,771,826	4,040,919	4,250,109	5,016,047	4,169,770	4,441,361	4,513,453
Central services	-	-	-	-	-	-	-	-	-	-
Other support services	582,250	297,187	252,566	367,950	390,931	421,073	502,395	541,351	525,901	558,314
Community services	646,307	789,528	974,305	2,801,866	3,116,828	3,326,706	3,190,721	3,283,904	3,763,981	4,185,837
Capital Outlay	-	-	2,085,460	513,383	-	-	-	-	-	-
Interest on long-term debt	1,882,922	2,319,704	1,970,686	1,608,283	3,028,438	1,731,793	1,843,255	1,671,458	1,526,518	1,262,827
Loss on disposal of capital assets	-	15,477	-	-	-	-	-	-	-	-
Unallocated depreciation	-	-	-	-	-	-	-	-	-	-
Total governmental activities expenses	87,038,815	97,112,822	107,231,283	113,430,991	117,844,866	115,783,462	118,879,774	122,086,596	125,443,853	127,973,151
Business-type activities										
Food service	3,697,466	3,845,046	4,504,683	4,634,620	4,933,359	5,941,196	6,350,713	7,055,054	7,485,087	8,357,658
Total business-type activities expense	3,697,466	3,845,046	4,504,683	4,634,620	4,933,359	5,941,196	6,350,713	7,055,054	7,485,087	8,357,658
Total district expenses	90,736,281	100,957,868	111,735,966	118,065,611	122,778,225	121,724,658	125,230,487	129,141,650	132,928,940	136,330,809
Program Revenues										
Governmental activities										
Charges for services										
Regular instruction	447,137	427,645	370,303	366,907	295,758	293,449	337,573	378,408	367,535	454,638
Operations and maintenance services	420,672	391,535	494,775	546,323	413,423	350,262	343,209	331,071	295,785	349,724
Pupil transportation services	50,030	49,699	49,829	60,810	86,613	96,232	109,087	116,944	165,334	21,389
Community services	699,034	890,915	995,745	1,131,972	1,272,571	1,237,404	1,606,114	1,609,596	1,656,019	1,893,928
Other support services	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	11,081,996	14,595,393	14,603,862	20,344,841	25,206,184	27,773,833	20,983,362	21,141,497	21,895,671	24,130,695
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	12,698,869	16,355,187	16,514,514	22,450,853	27,274,549	29,751,180	23,379,345	23,577,516	24,380,344	26,850,374
Business-type activities										
Charges for services										
Food service	1,670,481	1,824,667	1,846,537	2,100,244	2,245,971	2,044,359	2,124,783	2,387,764	2,395,452	2,163,624
Operating grants and contributions	1,856,414	2,423,226	2,577,540	3,019,310	3,751,621	4,214,614	4,891,927	5,409,547	5,798,335	6,790,766
Capital grants and contributions	114,762	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	3,641,657	4,247,893	4,424,077	5,119,554	5,997,592	6,258,973	7,016,710	7,797,311	8,193,787	8,954,390
Total district program revenues	16,340,526	20,603,080	20,938,591	27,570,407	33,272,141	36,010,153	30,396,055	31,374,827	32,574,131	35,804,764

Union Public Schools - Statistical Section
Year Ended June 30, 2015

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2006	2007 ^a	2008 ^b	2009	2010	2011	2012	2013	2014	2015
Net (Expense) Revenue										
Governmental activities	(74,339,946)	(80,757,635)	(90,716,769)	(90,980,138)	(90,097,141)	(86,032,282)	(95,500,429)	(98,509,080)	(101,063,509)	(101,122,777)
Business-type activities	(55,809)	402,847	(80,606)	484,934	1,064,233	317,777	665,997	742,257	708,700	596,732
Total district-wide net expense	<u>(74,395,755)</u>	<u>(80,354,788)</u>	<u>(90,797,375)</u>	<u>(90,495,204)</u>	<u>(89,506,084)</u>	<u>(85,714,505)</u>	<u>(94,834,432)</u>	<u>(97,766,823)</u>	<u>(100,354,809)</u>	<u>(100,526,045)</u>
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes										
Property tax, levied for general purposes	27,502,714	28,953,433	30,235,766	31,052,460	32,255,504	32,677,915	32,556,899	32,984,258	33,200,347	33,969,278
Property tax, levied for debt services	15,845,469	17,152,566	17,211,390	18,553,902	19,114,516	20,625,938	21,313,339	21,798,850	21,418,237	21,427,050
Other taxes	4,681,575	5,515,782	5,017,881	5,196,047	5,720,719	5,984,255	6,448,555	6,424,504	6,995,997	6,653,037
State aid not restricted to specific programs	28,956,973	31,331,687	37,301,704	39,992,313	35,329,507	35,292,922	37,521,745	43,524,092	45,156,557	46,103,550
Interest and investment earnings	2,997,624	3,203,223	2,020,465	518,461	409,487	492,089	425,529	(1,036,717)	624,641	740,150
Gain on disposal of capital assets	974,222	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	(24,060)
Other	1,466,558	1,834,113	884,941	201,108	297,535	324,984	431,291	228,512	892,420	1,866,128
Total governmental activities	<u>82,425,135</u>	<u>87,990,804</u>	<u>92,672,147</u>	<u>95,514,291</u>	<u>93,127,268</u>	<u>95,398,103</u>	<u>98,697,358</u>	<u>103,923,499</u>	<u>108,288,199</u>	<u>110,735,133</u>
Business-type activities										
State aid not restricted to specific programs	-	-	-	-	-	-	-	-	-	99,171
Interest and investment earnings	85,715	75,705	55,809	13,510	15,721	22,400	17,382	(42,939)	34,150	54,612
Loss on disposal of capital assets	-	-	-	-	(11,277)	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	24,060
Other	18,828	-	-	-	-	-	-	-	553	-
Total business-type activities	<u>104,543</u>	<u>75,705</u>	<u>55,809</u>	<u>13,510</u>	<u>4,444</u>	<u>22,400</u>	<u>17,382</u>	<u>(42,939)</u>	<u>34,703</u>	<u>177,843</u>
Total district-wide	<u>82,529,678</u>	<u>88,066,509</u>	<u>92,727,956</u>	<u>95,527,801</u>	<u>93,131,712</u>	<u>95,420,503</u>	<u>98,714,740</u>	<u>103,880,560</u>	<u>108,322,902</u>	<u>110,912,976</u>
Change in Net Position										
Governmental activities	8,085,189	7,233,169	1,955,378	4,534,153	3,030,127	9,365,821	3,196,929	5,414,419	7,224,690	9,612,356
Business-type activities	48,734	478,552	(24,797)	498,444	1,068,677	340,177	683,379	699,318	743,403	774,575
Total district	<u>8,133,923</u>	<u>7,711,721</u>	<u>1,930,581</u>	<u>5,032,597</u>	<u>3,625,628</u>	<u>9,705,998</u>	<u>3,880,308</u>	<u>6,113,737</u>	<u>7,968,093</u>	<u>10,386,931</u>

^aIn FY08, the District recorded a prior period adjustment to correct the FY07 beginning net assets.

^bThe 2005 GAAFR requires that losses on the sale of capital assets of governmental activities be reported as an expense of the general government function.

Union Public Schools - Statistical Section
Year Ended June 30, 2015

Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2006	2007 ^a	2008 ^b	2009	2010 ^c	2011 ^d	2012	2013	2014	2015
General Fund										
Reserved	335,756	246,549	350,087	217,198	243,068	-	-	-	-	-
Nonspendable	-	-	-	-	-	290,497	432,760	477,267	463,139	277,419
Assigned	-	-	-	-	-	1,612,460	1,704,276	-	2,258,024	3,488,253
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Unreserved	12,841,083	12,163,313	13,344,295	17,079,491	21,596,804	-	-	-	-	-
Unassigned	-	-	-	-	-	20,521,394	19,091,280	17,508,115	18,530,954	18,997,162
Total general fund	<u>13,176,839</u>	<u>12,409,862</u>	<u>13,694,382</u>	<u>17,296,689</u>	<u>21,839,872</u>	<u>22,424,351</u>	<u>21,228,316</u>	<u>17,985,382</u>	<u>21,252,117</u>	<u>22,762,834</u>
All Other Governmental Funds										
Reserved, reported in:										
Sinking fund - Reserved for debt service	9,055,835	8,962,506	8,730,473	10,553,135	10,727,559	-	-	-	-	-
Building fund - Reserved for capital projects	24,617,343	25,851,432	26,416,877	25,262,515	30,004,115	-	-	-	-	-
Other governmental funds - Reserved for Arbitrage	65	-	627,323	-	550,203	-	-	-	-	-
Restricted, reported in:										
Building fund - Restricted for capital projects	-	-	-	-	-	7,877,860	11,588,797	12,630,459	11,524,158	10,516,503
Sinking fund - Restricted for bond payments	-	-	-	-	-	11,862,533	12,112,690	11,734,785	11,769,385	11,878,271
Bond fund - Restricted for capital projects	-	-	-	-	-	34,426,709	27,434,270	26,772,989	30,536,685	35,339,960
Non-major governmental funds - Restricted for Arbitrage	-	-	-	-	-	287,986	16,956	16,995	-	-
Unreserved, reported in:										
Building fund	7,643,708	5,982,523	4,874,512	4,588,372	4,466,525	-	-	-	-	-
Other governmental funds										
Designated for compensated balances	-	1,031,837	1,182,901	1,305,934	-	-	-	-	-	-
Designated for incurred claims	-	102,154	110,349	118,494	-	-	-	-	-	-
Designated for early retirement incentives	-	818,344	969,504	769,561	-	-	-	-	-	-
Undesignated	-	9,181	-	-	-	-	-	-	-	-
Total all other governmental funds	<u>41,316,951</u>	<u>42,757,977</u>	<u>42,911,939</u>	<u>42,598,011</u>	<u>45,748,402</u>	<u>54,455,088</u>	<u>51,152,713</u>	<u>51,155,228</u>	<u>53,830,228</u>	<u>57,734,734</u>

^aBeginning in 2006-07, the District changed the presentation of unreserved fund balances to reflect its limitations on the use of available current financial resources. Prior to 2006-07, fund balances designated for compensated balances, incurred claims and early retirement incentives were presented as unreserved in the general fund

^bBeginning in 2007-08, the District changed the presentation of reserved fund balances. There are no unreserved fund balances in the sinking fund or building fund.

^cThe District restated 2009-10 to show elimination of early retirement incentive fund as a governmental fund and redistribution of insurance recovery and compensating balance funds to combine with assigned general fund.

^dBeginning in 2010-11, the District changed the presentation of fund balances per GASB 54, *Fund Balance Reporting and Governmental Fund Type*, which is to enhance the usefulness of fund balance information by providing clearer fund balances classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions.

Union Public Schools - Statistical Section
Year Ended June 30, 2015

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Local sources	48,356,237	49,279,313	49,545,643	52,657,909	53,565,231	55,819,462	57,486,888	56,571,935	59,025,796	60,676,896
Intermediate sources	3,349,338	3,673,503	3,163,313	3,220,869	3,412,476	3,490,550	3,577,493		3,659,812	3,691,110
State sources	39,848,938	45,955,606	50,825,886	54,220,098	49,991,955	50,418,937	53,507,688	59,834,740	62,946,211	64,899,117
Federal sources	5,255,543	5,539,771	5,776,059	8,321,948	12,622,460	15,002,604	7,592,989	7,220,193	7,005,912	7,668,648
Total revenue	96,810,056	104,448,193	109,310,901	118,420,824	119,592,122	124,731,553	122,165,058	123,626,868	132,637,731	136,935,771
Expenditures										
Current										
Instruction	43,605,503	51,985,668	53,392,683	57,705,606	56,667,802	56,686,825	53,750,567	58,431,250	58,772,568	61,773,550
Student	4,433,401	5,363,085	6,357,726	6,286,437	6,165,276	6,531,988	5,847,859	6,596,077	6,170,979	6,879,408
Instructional staff	3,476,405	3,826,101	4,059,052	4,606,186	4,356,125	3,881,562	4,547,847	5,298,211	6,544,715	5,656,257
General administration	996,004	1,255,414	1,683,588	1,761,637	1,663,542	2,002,920	2,244,938	2,668,201	2,128,754	2,265,731
School administration	6,066,017	7,206,173	7,168,559	7,508,683	7,016,599	7,496,930	7,757,815	8,285,343	8,898,604	9,052,729
Business	4,957,327	5,792,730	5,863,816	6,775,282	6,532,857	6,842,732	7,236,709	8,531,462	8,968,097	9,034,785
Operations and maintenance	12,073,913	13,188,041	13,050,900	13,714,350	13,291,631	14,026,969	14,389,090	14,980,221	16,218,961	16,292,881
Student transportation	2,385,547	4,193,488	3,169,865	4,485,709	3,260,021	4,270,365	3,694,829	5,295,306	3,961,836	6,068,004
Central	-	-	-	-	-	-	-	-	-	-
Other	27,038	158,889	247,679	-	-	-	-	-	-	-
Non-instruction expenses										
Child nutrition operations	-	-	-	364,204	385,941	415,189	435,766	545,714	531,575	593,090
Community service operations	655,580	808,090	1,025,158	2,769,678	2,964,471	3,042,496	3,221,283	3,417,743	3,786,785	4,418,668
Other	-	-	-	84,175	1,230,120	33,146	309,240	391,396	451,724	183,579
Capital outlay	15,722,696	9,885,716	14,090,638	11,651,223	12,060,833	12,279,452	21,118,826	12,665,601	11,782,058	15,860,395
Debt service										
Principal	16,100,000	15,600,000	15,300,000	15,550,000	16,150,000	17,900,000	19,725,000	20,875,000	20,775,000	20,875,000
Interest	1,582,688	1,690,750	1,907,375	2,058,875	2,088,125	1,814,062	1,599,562	1,337,375	1,108,125	1,024,000
Other	-	-	-	-	-	-	-	-	-	-
Total expenditures	112,082,119	120,954,145	127,317,039	135,322,045	133,833,343	137,224,636	145,879,331	149,318,900	150,099,781	159,978,077
Excess (deficiency) of revenues over (under) expenditures	(15,272,063)	(16,505,952)	(18,006,138)	(16,901,221)	(14,241,221)	(12,493,083)	(23,714,273)	(25,692,032)	(17,462,050)	(23,042,306)
Other financing sources (uses)										
Issuance of debt	15,200,000	17,170,000	19,444,620	20,000,000	22,500,000	21,600,000	19,000,000	20,400,000	21,000,000	27,000,000
Premiums on new issuance of debt	-	-	-	189,600	204,356	326,976	118,750	202,827	380,560	431,663
Insurance recoveries	-	-	-	-	-	-	-	-	-	184,602
Other uses	-	-	-	-	-	(142,728)	97,113	61,513	132,194	865,324
Transfers in	1,335,826	2,055,151	1,782,913	1,016,305	656,196	689,122	585,217	279,018	145,210	82,844
Transfers out	(1,335,826)	(2,045,150)	(1,782,913)	(1,016,305)	(656,196)	(689,122)	(585,217)	(279,018)	(145,210)	(106,904)
Total other financing sources (uses)	15,200,000	17,180,001	19,444,620	20,189,600	22,704,356	21,784,248	19,215,863	20,664,340	21,512,754	28,457,529
Net changes in fund balances	(72,063)	674,049	1,438,482	3,288,379	8,463,135	9,291,165	(4,498,410)	(5,027,692)	4,050,704	5,415,223
Debt service as a percentage of noncapital expenditures^a	17.89%	16.54%	15.14%	14.82%	15.30%	16.19%	17.32%	16.67%	16.11%	15.20%

^aNoncapital expenditures are total expenditures less capital outlay reported on the Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities.

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Union Public Schools - Statistical Section
Year Ended June 30, 2015

Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Real Property Assessed Value ^a	Personal Property Net Assessed Value ^a	Public Service Property Assessed Value ^b	Total Net Assessed Value	Total Estimated Actual Value ^c	Ratio of Gross Assessed Value to Total Estimated Actual Value	Total Direct Tax Rate ^d
2006	498,893,897	88,567,122	23,263,576	610,724,595	5,656,237,944	10.80%	67.65
2007	522,082,141	93,106,851	22,826,022	638,015,014	5,907,277,101	10.80%	68.36
2008	545,541,198	95,693,541	24,184,955	665,419,694	6,149,826,618	10.82%	67.36
2009	565,264,788	99,307,726	23,041,264	687,613,778	6,358,338,256	10.81%	68.66
2010	580,475,613	99,397,179	24,269,812	704,142,604	6,501,691,046	10.83%	68.66
2011	590,418,541	95,351,396	25,262,226	711,032,163	6,555,557,566	10.85%	70.28
2012	594,315,814	90,932,503	20,465,196	705,713,513	6,525,004,824	10.82%	71.65
2013	601,412,818	88,022,848	21,252,456	710,688,122	6,562,775,286	10.83%	71.90
2014	610,351,602	91,811,689	19,160,939	721,324,230	6,671,918,494	10.81%	71.06
2015	628,740,000	99,732,783	16,546,904	745,019,687	6,905,133,965	10.79%	70.19

^aAssessed value is defined as the taxable value of real or personal property and is subject to an assessment rate set by the County Assessor to calculate the amount of tax liability. The current assessment rate is 11% for real property and 10% for personal property.

^bPublic service property is centrally assessed by the Oklahoma State Board of Equalization. The assessment rates on public service property, and on airlines and railroads included in the public service category, are set at 22.85% and 11.84% respectively.

^cEstimated actual value is used in computing the gross assessed value for tax purposes. The Oklahoma Constitution provides that this value will not exceed a 5% increase over the previous year unless improvements were made to the property or if title to the property is transferred, changed, or conveyed to another person.

^dComponents of total direct tax rate are found on the Direct and Overlapping Property Tax Rate table.

Source: Tulsa County Assessor

**Union Public Schools - Statistical Section
Year Ended June 30, 2015**

**Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years**

Rates for Taxpayers in the City of Tulsa^a

Fiscal Year	Direct Rates			Total Direct Rates	Overlapping Rates				Total Overlapping Rates	Total Direct & Overlapping Rates
	General	Union School District Building	Sinking		Tulsa County	Tulsa Comm College	Tulsa VoTech	Tulsa City		
2006	36.05	5.15	26.45	67.65	22.59	7.21	13.33	9.97	53.10	120.75
2007	36.05	5.15	27.16	68.36	22.21	7.21	13.33	12.67	55.42	123.78
2008	36.05	5.15	26.16	67.36	22.21	7.21	13.33	13.48	56.23	123.59
2009	36.05	5.15	27.46	68.66	22.21	7.21	13.33	14.08	56.83	125.49
2010	36.05	5.15	27.46	68.66	22.21	7.21	13.33	14.15	56.90	125.56
2011	36.05	5.15	29.08	70.28	22.21	7.21	13.33	16.98	59.73	130.01
2012	36.05	5.15	30.45	71.65	22.24	7.21	13.33	20.01	62.79	134.44
2013	36.05	5.15	30.70	71.90	22.24	7.21	13.33	20.16	62.94	134.84
2014	36.05	5.15	29.86	71.06	22.24	7.21	13.33	20.24	63.02	134.08
2015	36.05	5.15	28.99	70.19	22.23	7.21	13.33	21.46	64.23	134.42
Ten-Year Average									128.70	

Rates for Taxpayers in the City of Broken Arrow^b

Fiscal Year	Direct Rates			Total Direct Rates	Overlapping Rates				Total Overlapping Rates	Total Direct & Overlapping Rates
	General	Union School District Building	Sinking		Tulsa County	Tulsa Comm College	Tulsa VoTech	Broken Arrow City		
2006	36.05	5.15	26.45	67.65	22.59	7.21	13.33	15.06	58.19	125.84
2007	36.05	5.15	27.16	68.36	22.21	7.21	13.33	15.74	58.49	126.85
2008	36.05	5.15	26.16	67.36	22.21	7.21	13.33	15.30	58.05	125.41
2009	36.05	5.15	27.46	68.66	22.21	7.21	13.33	15.72	58.47	127.13
2010	36.05	5.15	27.32	68.52	22.21	7.21	13.33	15.98	58.73	127.25
2011	36.05	5.15	29.08	70.28	22.21	7.21	13.33	16.44	59.19	129.47
2012	36.05	5.15	30.45	71.65	22.24	7.21	13.33	17.13	59.91	131.56
2013	36.05	5.15	30.70	71.90	22.24	7.21	13.33	16.50	59.28	131.18
2014	36.05	5.15	29.86	71.06	22.24	7.21	13.33	17.32	60.10	131.16
2015	36.05	5.15	28.99	70.19	22.23	7.21	13.33	17.14	59.91	130.10
Ten-Year Average									128.60	

^aApproximately 86% of the District lies within the City of Tulsa. The ten-year tax levy average for property owners in the City of Tulsa is 128.70 mills.

^bApproximately 14% of the District lies within the City of Broken Arrow. The ten-year tax levy average for property owners in the City of Broken Arrow is 128.60 mills.

Note: A mill is the equivalent of \$1 per \$1,000 of net assessed value. The District's millage rate levy is pursuant to provisions of the Constitution of the State of Oklahoma contained in Article X. The County Excise Board certifies the Estimate of Needs submitted by the District annually and computes the rate of mill levy necessary for general fund, building fund and sinking fund purposes. Once the levy is certified by the Excise Board, the county assessor extends said levies upon the tax rolls. Pursuant to a recent amendment to the Oklahoma Constitution enabling local school districts to seek permanent voter approval of a 5-mill emergency levy, a 5.15-mill building levy, and a 10-mill local support levy, the District submitted such permanent levies to the voters at an election held on February 13, 2001. The permanent levies were approved, and the District no longer has to submit approval of these funding sources to voters on an annual basis.

Source: Tulsa County Clerk

Union Public Schools - Statistical Section
Year Ended June 30, 2015

Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value ^a	Taxable Assessed Value	Rank	% of Total District Net Assessed Value ^b
Woodland Hills Mall	15,393,455	1	2.07%	12,357,290	1	2.02%
AHS Hillcrest Hospital (formerly SouthCrest Hospital)	6,901,340	2	0.93%	6,721,065	4	1.10%
Sir Estancia\Sonoma Grande LLC	6,570,843	3	0.88%			
Public Service Company of Oklahoma	6,536,699	4	0.88%	10,299,645	2	1.69%
QuikTrip	6,429,157	5	0.86%	3,637,849	7	0.60%
Expedition Properties, LLC	6,296,298	6	0.85%			
Wal-Mart	5,989,905	7	0.80%	5,157,289	5	0.84%
AG Equipment Co	4,305,032	8	0.58%			
American Residential Group	3,907,579	9	0.52%			
Vintage on Yale	3,398,549	10	0.46%			
Zeledyne, LLC (formerly Visteon Corp. and Ford Motor Company) ^c				8,117,097	3	1.33%
Amerisource Bergen Drug				4,417,304	6	0.72%
Merit OCC-19				3,538,855	8	0.58%
Valor Communications of Oklahoma				3,418,886	9	0.56%
Cox Communications				3,188,224	10	0.52%
Total	65,728,857		8.82%	60,853,504		9.96%

^aBased on FY 14-15 Net Assessed Valuation of 745,015,597

^bBased on FY 05-06 Net Assessed Valuation of 610,724,595

^cCeased operations in 2011

Source: Tulsa County Assessor

**Union Public Schools - Statistical Section
Year Ended June 30, 2015**

**Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Total Tax Levied for Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collected in Subsequent Years ^b		Ratio of Total Tax Collection to Levy ^c	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Levy ^c
		Current Tax Collections	Percent of Current Tax Collected	Delinquent Tax Collections	Total Tax Collection			
2006	41,313,014	40,155,225	97.20%	687,930	40,843,155	98.86%	1,593,293	3.86%
2007	43,614,225	41,923,508	96.12%	909,225	42,832,733	98.21%	1,429,130	3.28%
2008	44,822,671	43,123,100	96.21%	893,785	44,016,884	98.20%	1,152,965	2.57%
2009	47,211,562	45,842,202	97.10%	1,032,762	46,874,964	99.29%	1,401,874	2.97%
2010	48,247,851	47,128,165	97.68%	679,476	47,807,641	99.09%	1,668,851	3.46%
2011	49,971,340	48,687,849	97.43%	858,349	49,546,198	99.15%	1,981,345	3.96%
2012	50,564,373	49,356,793	97.61%	1,128,030	50,484,822	99.84%	1,825,174	3.61%
2013	51,098,476	50,136,476	98.12%	985,461	51,121,936	100.05%	1,903,829	3.73%
2014	51,257,300	50,231,293	98.00%	910,509	51,141,801	99.77%	1,889,675	3.69%
2015	52,292,932	51,034,795	97.59%	906,394	51,941,189	99.33%	1,785,109	3.41%

^aThe Tulsa County Assessor is required to file a tax roll report on or before October 1 of each year with the Tulsa County Treasurer who must begin collecting taxes by November. The first half of taxes is due and payable on or before December 31. The second half becomes due and payable on or before March 31. If the first half is not paid by December 31, the total tax becomes due and payable on January 1.

^bAd valorem taxes not paid on or before April 1 are considered delinquent. Interest accrues on delinquent taxes at the rate of one and one-half percent monthly (18 percent annually) to a maximum of 100 percent of the taxes due until such time as the delinquent taxes are paid. If not paid by the following October 1, the property is offered for sale for the amount of taxes due.

^cIn accordance with Oklahoma State Law 68 O.S. 2001 Section 3009 and Sections 26 and 28 of Article 10 of the Oklahoma Constitution, the County Excise Board assumes a delinquency rate of 10% when the Board approves the total tax levy. However, the District has a history of only 2% - 4% delinquency rate. Therefore, the "Ratio of Delinquent Taxes to Total Levy" may exceed 100%.

Source: Tulsa County Treasurer

**Union Public Schools - Statistical Section
Year Ended June 30, 2015**

**Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Total Governmental Activities General Obligation Bonds ^a	Less: Sinking Fund Balance ^a	Net General Obligation Bond Debt	Total Estimated Actual Value ^b	Ratio of Total General Debt to Estimated Actual Valuation ^b	Total Personal Income (in thousands) ^c	Ratio of Total General Debt Per Personal Income	Average Daily Membership (ADM) ^d	Ratio of Total General Debt Per Student ^d
2006	53,050,000	9,055,835.00	43,994,165	5,656,237,944	0.94%	33,722,800	0.16%	13,993	3,791
2007	54,450,000	8,962,506.00	45,487,494	5,907,277,101	0.92%	36,303,800	0.15%	14,253	3,820
2008	58,594,620	8,730,473.00	49,864,147	6,149,826,618	0.95%	38,585,000	0.15%	14,360	4,081
2009	63,225,296	9,796,665.00	53,428,631	6,358,338,256	0.99%	37,534,000	0.17%	14,566	4,341
2010	69,732,808	10,727,559.00	59,005,249	6,501,691,046	1.07%	36,564,996	0.19%	14,949	4,665
2011	73,529,341	11,862,533.00	61,666,808	6,555,557,566	1.12%	37,705,751	0.20%	14,830	4,958
2012	72,325,000	12,112,690.00	60,212,310	6,525,004,824	1.11%	40,293,868	0.18%	14,836	4,875
2013	72,678,038	11,734,785.00	60,943,253	6,562,775,286	1.11%	44,795,664	0.16%	15,190	4,785
2014	72,803,641	11,769,385.00	61,034,256	6,671,918,494	1.09%	45,641,656	0.16%	15,486	4,701
2015	79,142,155	11,878,271.00	67,263,884	6,905,133,965	1.15%	50,073,985	0.16%	15,754	5,024

^aPremiums received on issuance of debt are transferred to sinking fund, therefore, the net bonded debt outstanding is net of premiums and related discounts Per GASB Q&A 9.24.6; the amounts reflect bonded debt, net of related premiums, discounts, and adjustments. The debt and premiums can be found on Note E-Long-Term Debt of the Notes to the Financial Statements

^bEstimated actual valuation is taken from the table, *Assessed and Estimated Actual Value of Taxable Property*, which the District considers a more appropriate economic base than personal income on which to calculate the debt ratio. However, personal income ratios are included.

^cCalculation based on the 2015 Tulsa Chamber of Commerce Economic Profile MSA population projection multiplied by 2015 projected per capita income

^dSince the District lies within the boundaries of two Oklahoma cities, per capita calculations are based on the final audited average daily membership (ADM) certified by the Oklahoma State Department of Education as a more relevant indicator of the debt ratio. See *Demographic and Economic Statistics*.

Note: The District issues only general obligation bonds.

Sources: District records
Tulsa County Assessor
Oklahoma State Department of Education

**Union Public Schools - Statistical Section
Year Ended June 30, 2015**

**Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Total General Obligation Bonds	Less Sinking Fund Balance ^a	Net General Bonded Debt Outstanding	Total Estimated Actual Value ^b	Ratio of Total Debt to Estimated Actual Valuation ^b	Average Daily Membership (ADM) ^c	Ratio of Total Debt Per Student ^c
2006	53,050,000	9,055,835	43,994,165	5,656,237,944	0.94%	13,993	3,791
2007	54,450,000	8,962,506	45,487,494	5,907,277,101	0.92%	14,253	3,820
2008	58,594,620	8,730,473	49,864,147	6,149,826,618	0.95%	14,360	4,081
2009	63,225,296	9,796,665	53,428,631	6,358,338,256	0.99%	14,566	4,341
2010	69,732,808	10,727,559	59,005,249	6,501,691,046	1.07%	14,949	4,665
2011	73,529,341	11,862,533	61,666,808	6,555,557,566	1.12%	14,830	4,958
2012	72,325,000	12,112,690	60,212,310	6,525,004,824	1.11%	14,836	4,875
2013	72,678,038	11,734,785	60,943,253	6,562,775,286	1.11%	15,190	4,785
2014	72,803,641	11,769,385	61,034,256	6,671,918,494	1.09%	15,486	4,701
2015	79,142,155	11,878,271	67,263,884	6,905,133,965	1.15%	15,754	5,024

^aPremiums received on issuance of debt are transferred to sinking fund, therefore, the net bonded debt outstanding is net of premiums and related discounts Per GASB Q&A 9.24.6; the amounts reflect bonded debt, net of related premiums, discounts, and adjustments. The debt and premiums can be found on Note E-Long-Term Debt of the Notes to the Financial Statements

^bEstimated actual valuation is taken from the table, *Assessed and Estimated Actual Value of Taxable Property*, which the District considers a more appropriate economic base than personal income on which to calculate the debt ratio.

^cSince the District lies within the boundaries of two Oklahoma cities, per capita calculations are based on the final audited average daily membership (ADM) certified by the Oklahoma State Department of Education as a more relevant indicator of the debt ratio. See *Demographic and Economic Statistics*.

Note: The District issues only general obligation bonds.

Sources: District records
Tulsa County Assessor
Oklahoma State Department of Education

Union Public Schools - Statistical Section
Year Ended June 30, 2015

Direct and Overlapping Governmental Activities Debt
As of June 30, 2015

<u>Jurisdiction</u>	<u>Net Assessed Valuation^a</u>	<u>Amount Subject to Taxation in District^a</u>	<u>Estimated Percent Applicable to the District^b</u>	<u>Net General Obligation Bonded Debt Outstanding^c</u>	<u>Amount Applicable to the District</u>
As it applies to a resident of the city of Tulsa:					
Direct:					
Union Public Schools	745,019,687	745,019,687	100.00%	79,142,155	79,142,155
Overlapping:					
Tulsa County (unincorporated)	16,117,269	2,075,827	12.88%	-	-
Tulsa Technology Center #18	5,209,209,248	745,019,687	14.30%	-	-
Tulsa Community College	5,209,209,248	745,019,687	14.30%	-	-
City of Tulsa	<u>3,201,435,910</u>	<u>564,403,969</u>	17.63%	448,120,000	79,002,271
Total Overlapping	13,635,971,675	2,056,519,170		448,120,000	79,002,271
Total Direct and Overlapping				<u>527,262,155</u>	<u>158,144,426</u>
As it applies to a resident of the city of Broken Arrow:					
Direct:					
Union Public Schools	745,019,687	745,019,687	100.00%	79,142,155	79,142,155
Overlapping:					
Tulsa County (unincorporated)	16,117,269	2,075,827	12.88%	-	-
Tulsa Technology Center #18	5,209,209,248	745,019,687	14.30%	-	-
Tulsa Community College	5,209,209,248	745,019,687	14.30%	-	-
City of Broken Arrow ^d	<u>640,808,999</u>	<u>178,056,123</u>	27.79%	99,920,000	27,763,917
Total Overlapping	11,075,344,764	1,670,171,324		99,920,000	27,763,917
Total Direct and Overlapping				<u>179,062,155</u>	<u>106,906,072</u>

^a2014-15 net assessed valuations as certified by the Tulsa County Assessor.

^bEstimated percent was determined by the ratio of net assessed value of property subject to taxation in the District to the net assessed value of property in the overlapping unit.

^cNet general obligation bonded debt outstanding reflects the full amount of the liability for "bonds payable" for the governmental activities

^dThe City of Broken Arrow had judgments totaling \$867,188 as of 6/30/2015 that are reported on the tax rolls but not included as a component of net general obligation bonded debt outstanding.

Union Public Schools - Statistical Section
Year Ended June 30, 2015

Legal Debt Margin
Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2015:

10% of FY 2014-15 Net Assessed Valuation		74,501,969
Debt Applicable to Limitation	79,142,155	
Current Sinking Fund Balance	(11,878,271)	67,263,884
Legal Debt Margin		7,238,085

Fiscal Year Ended June 30,	Net Assessed Valuation ^a	Legal Debt Limit 10% of Net Assessed Valuation ^b	Outstanding GO Bonded Indebtedness	Less Sinking Fund Balance ^c	Total Net Debt Subject to Legal Limit	Legal Debt Margin ^d	Percent of Net Debt to Debt Limit
2006	610,724,595	61,072,460	53,050,000	9,055,835	43,994,165	17,078,295	72.04%
2007	638,015,014	63,801,501	54,450,000	8,962,506	45,487,494	18,314,007	71.30%
2008	665,419,694	66,541,969	58,550,000	8,730,473	49,819,527	16,722,442	74.87%
2009	687,613,778	68,761,378	63,000,000	9,796,665	53,203,335	15,558,043	77.37%
2010	704,142,604	70,414,260	69,350,000	10,727,559	58,622,441	11,791,819	83.25%
2011	711,032,163	71,103,216	73,050,000	11,862,533	61,187,467	9,915,749	86.05%
2012	705,713,513	70,571,351	72,325,000	12,112,690	60,212,310	10,359,041	85.32%
2013	710,688,122	71,068,812	71,850,000	11,734,785	60,115,215	10,953,597	84.59%
2014	721,324,230	72,132,423	72,803,641	11,769,385	61,034,256	11,098,167	84.61%
2015	745,019,687	74,501,969	79,142,155	11,878,271	67,263,884	7,238,085	90.28%

^aNet assessed valuation is taken from the table, *Assessed and Estimated Actual Value of Taxable Property*.

^bThe general obligation indebtedness of the District is limited by Oklahoma law to 10% of the net assessed value of the taxable property in the District.

^cPremiums received on issuance of debt are transferred to sinking fund, therefore, the net bonded debt outstanding is net of premiums and related discounts

^dThe legal debt margin is the additional debt incurring capacity of the District as allowed by Oklahoma law.

Note: The District has no default of record on principal and interest payments of its general obligation bonded indebtedness.

Sources: District records
Tulsa County Assessor

Union Public Schools - Statistical Section
Year Ended June 30, 2015

Demographic and Economic Statistics^a
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Official State October 1 Enrollment ^b	Average Membership Year End ^b	% Change in Average Daily Membership	Net Assessed Valuation (NAV) ^c	Per Student NAV ^d	Average Attendance Year End ^b	Student Attendance Percentage	Expenditure Appropriation Approved by County Excise Board ^e
2006	14,101	13,993	-	610,724,595	43,645	13,251	94.69%	77,620,261
2007	14,345	14,253	1.86%	638,015,014	44,765	13,450	94.37%	86,045,683
2008	14,519	15,360	7.77%	665,419,694	43,323	13,662	88.95%	93,006,429
2009	14,658	14,566	-5.17%	687,613,778	47,207	13,974	95.93%	101,447,717
2010	14,949	14,862	2.03%	704,142,604	47,378	14,136	95.11%	110,793,135
2011	14,888	14,830	-0.21%	711,032,163	47,945	14,067	94.85%	108,378,416
2012	14,990	14,836	0.04%	705,713,513	47,567	14,083	94.92%	107,941,925
2013	15,299	15,190	2.38%	710,688,122	46,787	14,405	94.83%	110,993,896
2014	15,526	15,486	1.95%	721,324,230	46,580	14,733	95.14%	115,095,294
2015	15,823	15,700	1.38%	745,019,687	47,453	14,776	94.11%	121,132,642

^aUnion Public Schools district specific demographic data

^bObtained from the Oklahoma State Department of Education

^cObtained from the Tulsa County Assessor

^dSince the District lies within the boundaries of two Oklahoma cities, per capita calculations are based on the final audited average daily membership (ADM) certified by the Oklahoma State Department of Education as a more relevant indicator of the debt ratio.

^eObtained from Estimate of Needs - General Fund

Union Public Schools - Statistical Section
Year Ended June 30, 2015

Demographic and Economic Statistics^{ab}
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Population	Total Personal Income (in thousands) ^c	Real Per Capita Personal Income	Labor Force	Unemployment Rate
2006	894,011	33,722,800	38,767	444,646	4.0%
2007	906,441	36,303,800	39,201	440,825	4.0%
2008	916,525	38,585,000	43,220	440,473	3.7%
2009	929,824	37,534,000	38,360	441,553	7.2%
2010	939,826	36,564,996	39,398	442,726	7.7%
2011	945,671	37,705,751	43,223	439,612	6.6%
2012	952,129	40,293,868	46,750	443,352	5.7%
2013	961,561	44,795,664	47,297	452,289	5.7%
2014 ^d	969,488	45,641,656	49,242	446,031	4.8%
2015 ^e	976,044	50,073,985	51,303	444,451	4.0%

^aTulsa MSA specific demographic data

^bData obtained from the Tulsa Metro Chamber 2015 Economic Profile

^cCalculation based on the 2015 Tulsa Chamber of Commerce Economic Profile MSA population projection multiplied by 2015 projected per capita income

^dEstimate based on data obtained from the Tulsa Metro Chamber

^eProjection based on data obtained from the Tulsa Metro Chamber

Note: Tulsa MSA comprises seven counties: Creek, Okmulgee, Osage, Pawnee, Rogers, Tulsa and Wagoner

Union Public Schools - Statistical Section
Year Ended June 30, 2015

Tulsa Area Principal Employers^a
Current Year and Nine Years Ago

Employer	2015			2006		
	Employees ^b	Rank	Percentage of Tulsa County Employment ^c	Employees ^d	Rank	Percentage of Tulsa County Employment ^e
Saint Francis Healthcare System	9,000	1	2.02%	6,769	2	1.52%
Wal-Mart/Sam's Club	7,500	2	1.69%			
Tulsa Public Schools	7,500	3	1.69%	6,000	3	1.35%
American Airlines Maintenance Base	7,500	4	1.69%	7,893	1	1.78%
St. John Medical Center	7,500	5	1.69%	5,000	5	1.12%
Hillcrest Healthcare System	5,000	6	1.12%	5,909	4	1.33%
City of Tulsa	4,500	7	1.01%	3,857	6	0.87%
Reasor's	3,000	8	0.67%			
Spirit AeroSystems	3,000	9	0.67%			
Tulsa County	2,500	10	0.56%			
U.S. Postal Service				2,297	7	0.52%
WorldCom Network Solutions				2,120	8	0.48%
Bank of Oklahoma NA				1,872	9	0.42%
Broken Arrow Public Schools				1,800	10	0.40%
	57,000		12.82%	43,517		9.79%

^aTulsa MSA specific demographic data

^bBased on the estimated labor force from District records

^dBased on the projected total labor force from the Tulsa Metro Chamber 2015 Economic Profile of 444,451

^bBased on the actual labor force from District records

^eBased on the total labor force count from the Tulsa Metro Chamber 2006 Economic Profile of 444,646

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Union Public Schools - Statistical Section
Year Ended June 30, 2015

Capital Assets by Function and Activity
Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities											
Instruction	176,667,150	184,824,453	196,571,020	208,486,847	221,380,013	234,964,269	245,381,216	262,949,666	275,203,336	286,362,427	298,843,743
Student	126,055	212,980	144,811	138,246	182,267	358,280	446,547	515,152	576,445	588,574	624,949
Instructional support	491,940	536,641	533,624	586,827	970,757	1,327,070	1,307,124	1,332,661	1,680,268	3,335,568	3,437,293
General administration	58,407	64,032	71,288	185,210	196,372	336,722	339,917	335,573	278,228	311,319	339,206
School administration	464,879	499,951	1,300,504	1,440,721	1,576,109	1,396,754	1,500,033	1,543,836	1,576,082	1,622,512	1,616,091
Business	794,291	1,606,011	3,144,740	3,357,220	3,787,551	3,782,928	4,432,703	5,014,475	5,741,975	6,195,641	6,379,588
Operations and maintenance	2,563,062	2,862,196	3,171,697	3,436,217	4,115,494	4,215,686	4,881,904	5,374,484	5,843,985	6,223,361	6,710,023
Transportation	7,022,334	6,941,245	8,082,169	8,071,361	9,390,560	6,582,237	7,080,336	7,003,299	8,470,900	8,375,344	9,718,552
Support services	3,049,948	2,809,449	2,809,449	2,809,449	2,719,248	3,272,656	5,093,473	-	4,856,513	4,856,513	4,856,513
Non-instructional	227,078	307,358	304,228	383,766	450,251	-	5,156	2,119	107,979	117,114	122,278
Other-unclassified	3,000,837	1,317,695	1,317,695	1,317,695	1,317,695	1,874,878	1,862,946	1,862,946	1,862,946	1,848,643	1,839,734
Total Governmental Activities	194,465,981	201,982,011	217,451,225	230,213,559	246,086,317	258,111,480	272,331,355	285,934,211	306,198,657	319,837,016	334,487,970
Business-Type Activities											
Child nutrition services	1,573,069	1,683,143	2,001,269	2,068,246	2,123,088	2,172,502	2,254,484	2,244,273	2,301,652	2,779,165	3,317,346
Total Capital Assets	196,039,050	203,665,154	219,452,494	232,281,805	248,209,405	260,283,982	274,585,839	288,178,484	308,500,309	322,616,181	337,805,316

Source: District records

Union Public Schools - Statistical Section Year Ended June 30, 2015

Employee Information Last Ten Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Certified Personnel										
Bachelor's										
Minimum Salary	28,425	31,100	31,600	31,600	31,600	31,600	31,600	31,600	31,600	32,050
Maximum Salary	44,033	47,133	48,799	48,799	49,287	49,287	49,829	50,576	51,461	52,461
Average Salary	33,608	35,941	36,514	36,301	36,186	35,980	36,106	35,812	35,754	36,152
Number of Teachers	544	579	593	635	663	629	622	617	642	674
Master's										
Minimum Salary	30,486	32,300	32,800	32,800	32,800	32,800	32,800	32,800	32,800	33,250
Maximum Salary	48,263	51,363	52,913	53,479	54,014	54,014	54,608	55,427	56,397	57,397
Average Salary	40,240	42,318	43,048	42,604	42,409	41,865	42,287	40,961	40,946	41,103
Number of Teachers	289	299	308	309	320	310	303	322	318	315
Doctor's										
Minimum Salary	32,233	33,500	34,000	34,000	34,000	34,000	34,000	34,000	34,000	34,450
Maximum Salary	49,729	52,829	55,279	55,870	56,429	56,429	57,049	57,905	58,918	59,918
Average Salary	43,183	45,986	46,640	43,612	43,871	43,681	46,822	45,857	44,678	47,407
Number of Teachers	12	13	15	16	15	14	12	10	15	15
Total Certified Personnel	845	891	916	960	998	953	936	949	975	1,004
Support Personnel										
Number of Support	617	660	712	769	785	753	784	866	855	887
Administrative Personnel										
Number of Administrators	64	72	72	71	72	71	72	72	81	80

Note: In 2009, average salary of current and prior years was re-calculated from a pay table average to a true average salary to reflect a more accurate average salary

Note: Salary ranges are per the Union Classroom Teacher's Association (UCTA) Master Contract which is negotiated annually.
Employee counts are taken from the census information that is obtained each Spring for negotiation purposes.

Source: District records

Union Public Schools - Statistical Section Year Ended June 30, 2015

Operating Statistics Last Ten Fiscal Years

Fiscal Year Ended June 30,	Average Daily Membership (ADM) ^a	Operating Expenditures ^b	Cost Per Pupil ^c	Percentage Change	Teaching Staff ^d	Pupil/ Teacher Ratio	Number of Graduates ^e
2006	13,993	90,736,281	6,484	7.43%	845	17:1	807
2007	14,253	101,794,702	7,142	10.14%	891	16:1	899
2008	14,360	111,735,966	7,781	8.95%	916	16:1	841
2009	14,566	118,065,611	8,106	4.17%	960	15:1	965
2010	14,949	122,778,225	8,213	1.33%	998	15:1	941
2011	14,830	121,724,658	8,208	-0.06%	953	16:1	962
2012	14,836	125,230,487	8,441	2.84%	936	16:1	929
2013	15,190	129,141,650	8,502	0.72%	949	16:1	967
2014	15,486	132,928,940	8,584	0.96%	975	16:1	932
2015	15,700	136,330,809	8,683	1.16%	1,004	16:1	1,075

^aFinal audited average daily membership (ADM) obtained from the Oklahoma State Department of Education.

^bOperating expenditures are the total expenses of the school district as reported in the Government-Wide Statement of Activities. The District implemented GASB 34 on June 30, 2001; therefore, only eight fiscal years of financial data are presented.

^cCost per pupil is calculated by dividing operating expenditures by the final audited average daily membership (ADM) certified by the Oklahoma State Department of Education.

^dTeaching staff includes all certified personnel whose pay is based on the Union Classroom Teacher's Association (UCTA) Master Contract.

^eNumber of graduates obtained from District records maintained by the Union High School Registrar.

Union Public Schools - Statistical Section
Year Ended June 30, 2015

Support Services Statistics
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Average Daily Membership (ADM) ^a	Child Nutrition				Transportation		
		Free and Reduced Count ^b	Free and Reduced Percentage	Number of Breakfasts Served ^b	Number of Lunches Served ^b	Number of Buses Operated ^b	Estimated Number of Miles Driven ^b	Average Daily Haul (ADH) ^{ac}
2006	13,993	4,586	32.77%	335,983	1,148,763	92	820,532	7,810
2007	14,253	5,320	37.33%	413,191	2,076,210	106	830,680	8,253
2008	14,360	5,728	39.89%	475,846	1,445,585	106	864,343	10,334
2009	14,566	6,015	41.29%	497,407	1,277,953	116	852,377	8,895
2010	14,949	7,048	47.15%	589,604	1,365,467	96	840,055	10,281
2011	14,830	7,565	51.01%	637,214	1,399,876	94	875,315	10,457
2012	14,836	8,029	54.12%	679,169	1,467,554	94	919,585	10,384
2013	15,190	8,692	57.22%	793,184	1,533,596	96	974,206	9,562
2014	15,486	9,115	58.86%	866,848	1,567,895	95	1,021,023	11,003
2015	15,700	10,323	65.75%	964,128	1,673,119	105	1,050,683	9,719

^aFinal audited average daily membership (ADM) and average daily haul (ADH) obtained from the Oklahoma State Department of Education

^bObtained from District records

^cAverage daily haul (ADH) includes both bus route and bus activity miles

Union Public Schools - Statistical Section
Year Ended June 30, 2015

School Building Information
Last Ten Fiscal Years

District Building	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Elementary:										
Andersen Elementary (1984)										
Square Feet	67,709	67,709	67,709	67,709	67,709	67,709	67,709	67,709	67,709	67,709
Capacity (students)	600	600	600	600	600	600	600	600	600	600
Enrollment	567	549	505	475	477	458	469	463	477	466
Percentage of Capacity Used	94.50%	91.50%	84.17%	79.17%	79.50%	76.33%	78.17%	77.17%	79.50%	77.67%
Boevers Elementary (1975)										
Square Feet	59,773	59,773	59,773	59,773	59,773	59,773	59,773	59,773	59,773	59,773
Capacity (students)	600	600	600	600	600	600	600	600	600	600
Enrollment	656	426	442	481	552	562	539	555	558	592
Percentage of Capacity Used	109.33%	71.00%	73.67%	80.17%	92.00%	93.67%	89.83%	92.50%	93.00%	98.67%
Briarglen Elementary (1971)										
Square Feet	61,349	61,349	61,349	61,349	61,349	61,349	61,349	61,349	61,349	61,349
Capacity (students)	600	600	600	600	600	600	600	600	600	600
Enrollment	576	576	589	538	542	541	517	525	553	600
Percentage of Capacity Used	96.00%	96.00%	98.17%	89.67%	90.33%	90.17%	86.17%	87.50%	92.17%	100.00%
Cedar Ridge Elementary (1994)										
Square Feet	82,000	82,000	82,000	82,000	82,000	82,000	82,000	82,000	82,000	82,000
Capacity (students)	600	600	600	600	600	600	600	600	600	600
Enrollment	529	545	566	591	564	551	575	548	518	504
Percentage of Capacity Used	88.17%	90.83%	94.33%	98.50%	94.00%	91.83%	95.83%	91.33%	86.33%	84.00%
Clark Elementary (1977)										
Square Feet	71,480	71,480	71,480	71,480	71,480	71,480	71,480	71,480	71,480	71,480
Capacity (students)	600	600	600	600	600	600	600	600	600	600
Enrollment	659	702	776	556	604	603	564	623	638	609
Percentage of Capacity Used	109.83%	117.00%	129.33%	92.67%	100.67%	100.50%	94.00%	103.83%	106.33%	101.50%
Darnaby Elementary (1979)										
Square Feet	73,458	73,458	73,458	73,458	73,458	73,458	73,458	73,458	73,458	73,458
Capacity (students)	600	600	600	600	600	600	600	600	600	600
Enrollment	488	564	538	571	572	533	638	667	647	622
Percentage of Capacity Used	81.33%	94.00%	89.67%	95.17%	95.33%	88.83%	106.33%	111.17%	107.83%	103.67%
Grove Elementary (1974) ^a										
Square Feet	60,777	60,777	60,777	60,777	60,777	60,777	77,028	77,028	77,028	77,028
Capacity (students)	600	600	600	600	600	600	600	600	600	600
Enrollment	600	590	621	575	628	606	582	602	611	625
Percentage of Capacity Used	100.00%	98.33%	103.50%	95.83%	104.67%	101.00%	97.00%	100.33%	101.83%	104.17%
Jarman Elementary (1991)										
Square Feet	68,592	68,592	68,592	68,592	68,592	68,592	68,592	68,592	68,592	68,592
Capacity (students)	600	600	600	600	600	600	600	600	600	600
Enrollment	607	603	606	559	520	556	584	582	601	600
Percentage of Capacity Used	101.17%	100.50%	101.00%	93.17%	86.67%	92.67%	97.33%	97.00%	100.17%	100.00%

Union Public Schools - Statistical Section
Year Ended June 30, 2015

School Building Information
Last Ten Fiscal Years

District Building	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
McAuliffe Elementary (1987)										
Square Feet	70,316	70,316	70,316	70,316	70,316	70,316	70,316	70,316	70,316	70,316
Capacity (students)	600	600	600	600	600	600	600	600	600	600
Enrollment	710	607	630	518	557	630	648	666	705	593
Percentage of Capacity Used	118.33%	101.17%	105.00%	86.33%	92.83%	105.00%	108.00%	111.00%	117.50%	98.83%
Moore Elementary (2000)										
Square Feet	74,632	74,632	74,632	74,632	74,632	74,632	74,632	74,632	74,632	74,632
Capacity (students)	600	600	600	600	600	600	600	600	600	600
Enrollment	654	578	596	470	488	506	538	488	482	588
Percentage of Capacity Used	109.00%	96.33%	99.33%	78.33%	81.33%	84.33%	89.67%	81.33%	80.33%	98.00%
Peters Elementary (1978)										
Square Feet	70,893	70,893	70,893	70,893	70,893	70,893	70,893	70,893	70,893	70,893
Capacity (students)	600	600	600	600	600	600	600	600	600	600
Enrollment	615	584	587	574	567	543	526	512	500	528
Percentage of Capacity Used	102.50%	97.33%	97.83%	95.67%	94.50%	90.50%	87.67%	85.33%	83.33%	88.00%
Rosa Parks (2006)										
Square Feet	-	-	71,300	71,300	71,300	71,300	71,300	71,300	71,300	71,300
Capacity (students)	-	-	600	600	600	600	600	600	600	600
Enrollment	-	-	479	612	621	607	631	669	709	771
Percentage of Capacity Used	-	-	79.83%	102.00%	103.50%	101.17%	105.17%	111.50%	118.17%	128.50%
Thomas Jefferson (2008)										
Square Feet	-	-	-	69,356	69,356	69,356	69,356	69,356	69,356	69,356
Capacity (students)	-	-	-	600	600	600	600	600	600	600
Enrollment	-	-	-	473	515	535	547	526	576	558
Percentage of Capacity Used	-	-	-	78.83%	85.83%	89.17%	91.17%	87.67%	96.00%	93.00%
Secondary:										
6th/7th Grade Center (1993)^a										
Square Feet	276,126	276,126	276,126	276,126	276,126	276,126	276,126	292,416	292,416	292,416
Capacity (students)	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,440	2,440	2,440
Enrollment	2,156	2,210	2,137	2,121	2,248	2,240	2,197	2,266	2,272	2,226
Percentage of Capacity Used	98.00%	100.45%	97.14%	96.41%	102.18%	101.82%	99.86%	92.87%	93.11%	91.23%
8th Grade Center (1982)^b										
Square Feet	165,620	165,620	165,620	165,620	165,620	165,620	165,620	165,620	165,620	165,620
Capacity (students)	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Enrollment	1,132	1,109	1,139	1,137	1,054	1,101	1,092	1,168	1,126	1,205
Percentage of Capacity Used	87.08%	85.31%	87.62%	87.46%	81.08%	84.69%	84.00%	89.85%	86.62%	92.69%
9th Grade Center (1987)^c										
Square Feet	432,564	432,564	432,564	432,564	458,590	458,590	458,590	458,590	458,590	458,590
Capacity (students)	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
Enrollment	2,220	2,308	2,264	2,325	2,343	2,213	2,178	1,201	1,217	1,236
Percentage of Capacity Used	100.91%	104.91%	102.91%	105.68%	106.50%	100.59%	99.00%	54.59%	55.32%	56.18%

Union Public Schools - Statistical Section
Year Ended June 30, 2015

School Building Information
Last Ten Fiscal Years

District Building	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Senior High School (1972) ^c										
Square Feet	611,119	611,119	611,119	611,119	611,119	611,119	611,119	728,119	728,119	728,119
Capacity (students)	2,200	2,200	2,200	2,200	2,200	2,200	2,200	3,490	3,490	3,490
Enrollment	1,932	1,937	2,044	2,082	2,163	2,146	2,165	3,238	3,336	3,500
Percentage of Capacity Used	87.82%	88.05%	92.91%	94.64%	98.32%	97.55%	98.41%	92.78%	95.59%	100.29%
Other:										
Education Service Center (1979)										
Square Feet	104,915	104,915	104,915	104,915	104,915	104,915	104,915	104,915	104,915	104,915
Extended Education Building (1996)										
Square Feet	12,948	12,948	12,948	12,948	12,948	12,948	12,948	12,948	12,948	12,948
Linde Building/New Education Service Center (2005)										
Square Feet	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000	63,000
Union Multipurpose Activity Center (2003)										
Square Feet	150,400	150,400	150,400	150,400	150,400	150,400	150,400	150,400	150,400	150,400
Rosa Parks Early Childhood Center (2008) ^d										
Square Feet				32,000	32,000	32,000	32,000	32,000	32,000	32,000
Union Welcome and Enrollment Center (2013) ^e										
Square Feet								2,783	2,783	2,783

Note: Enrollment is based on the annual October 1 district child count required by the Oklahoma State Department of Education. All building information was obtained from District records. Increase in capacity is only shown when the square footage added was for regular instructional classroom space. Capacity is based on an average of 30 students per classroom.

^aFine Arts wing opened in FY 2013.

^b8th Grade Center expansion project phase one completed and opened in SY 2016

^cIn FY 2013, the 10th grade moved to the High School

^dBuilding owned by Tulsa Community Action Project; operated by Union Public Schools. The facility currently houses a 3-year old program.

^eBuilding purchased and renovation in progress FY 2013.

**Union Public Schools - Statistical Section
Year Ended June 30, 2015**

**Insurance Schedule
June 30, 2015**

Effective 7/1/2014 - 6/30/2015	Coverage	Deductible
School Package Policy (1)		
Building and Contents (All Locations, Electronic Data Processing)	400,000,000	10,000
Equipment Breakdown (Boiler & Machinery)	100,000,000	Property Damage/Lightning
Wind & Hail Buy Down	75,000	25,000
All Other Perils		10,000
Flood	25,000,000	100,000
Earthquake	25,000,000	25,000
General Liability	2,000,000 General Aggregate	1,000
Employee Benefits Liability	1,000,000	1,000
Automobile Liability	1,000,000	2,000
Umbrella	5,000,000	50,000
School Leaders Professional Liability		
Includes Employment Practices Liability (2)	1,000,000	50,000
Storage Tank Pollution Liability (3)	1,000,000	5,000
Fiduciary Liability		
Includes \$50,000 for fines in connection with HIPAA law violations (4)	2,000,000	2,500
Workers' Compensation (5)	1,000,000 Each Accident 1,000,000 Policy Limit 1,000,000 Each Employee	
Effective 8/16/2007 - 6/30/2014		
Medical Professional Liability (6)	1,000,000 single occurrence 2,000,000 aggregate	10,000
Effective 7/1/2004 - 6/30/2014		
Crime (7)	5,000,000	50,000

(1) Lexington Insurance Company (Landmark American Insurance Company, Buy Down)

(2) Westchester Insurance Co. (ACE)

(3) Ace Insurance Company

(4) Chubb Insurance

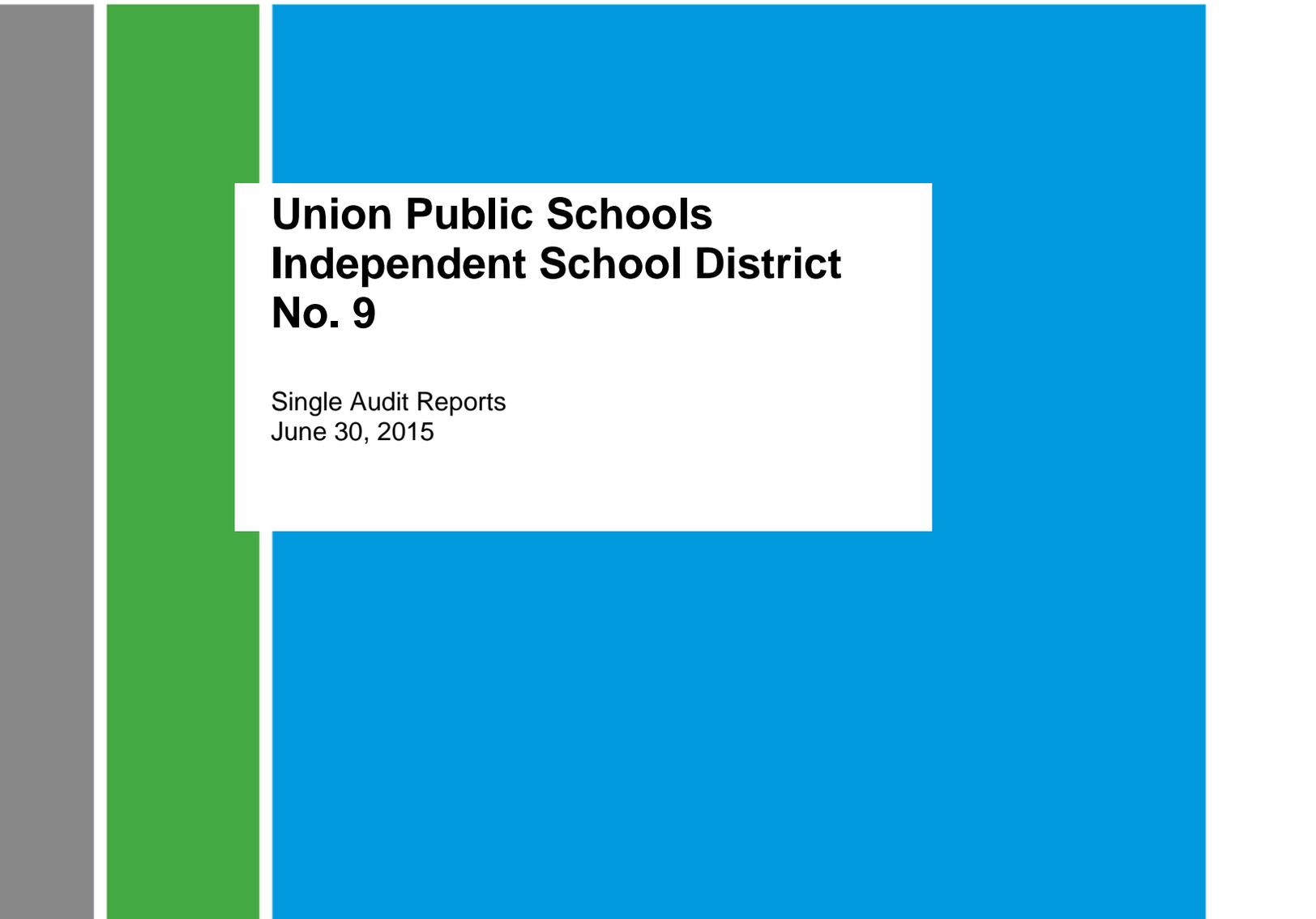
(5) CompSource Oklahoma (OSAG)

(6) Admiral Insurance Co.

(7) Chubb Insurance

Note: The District is currently self-insured for health insurance coverage. Employees were offered the choice of a PPO through Mutual Assurance Administrators (MAA) or an HMO through Community Care through June 30, 2014.

Source: International Insurance Brokers



Union Public Schools Independent School District No. 9

Single Audit Reports
June 30, 2015

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RSM US LLP

**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***

Independent Auditor's Report

To the Board of Education
Union Public Schools
Tulsa, Oklahoma

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Union Public Schools (the District) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 22, 2015. Our report includes emphasis of matter paragraphs describing the adoption of new accounting standards in fiscal year ended June 30, 2015. Our opinion was not modified with respect to this matter.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as Finding 2015-001 that we consider to be a significant deficiency.

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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

District's Response to the Finding

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected 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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RSM US LLP

Oklahoma City, Oklahoma
December 22, 2015



RSM US LLP

**Report on Compliance for Each Major Federal Program;
Report on Internal Control Over Compliance; and Report on
Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

Independent Auditor's Report

To the Board of Education
Union Public Schools
Tulsa, Oklahoma

Report on Compliance for Each Major Federal Program

We have audited Union Public School's (the District) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2015. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 22, 2015, which contained an unmodified opinion on those financial statements. Our report includes emphasis of matter paragraphs describing the adoption of new accounting standards in fiscal year ended June 30, 2015. Our opinion was not modified with respect to this matter. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

RSM US LLP

Oklahoma City, Oklahoma
February 19, 2016

**Union Public Schools
Independent School District No. 9**

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2015**

Federal Grantor

Pass Through Agency Program Title	Federal CFDA #	Grantor's Number	Program or Award Amount	Expenditures
U.S. Department of Agriculture:				
Passed through State Department of Education				
Child Nutrition Cluster				
National School Lunch Program	10.555	763	\$ 4,014,146	\$ 3,981,639
National School Breakfast Program	10.553	764	1,620,161	1,613,272
Summer Food Service Program	10.559	766	201,113	64,852
			<u>5,835,420</u>	<u>5,659,763</u>
Fresh Fruit / Vegetable Program	10.582	768	188,813	187,530
Child and Adult Care Food Program	10.558	769	189,290	174,333
Sub Total			<u>6,213,523</u>	<u>6,021,626</u>
Passed-Through Department of Human Services				
Commodities	10.555		-	367,729
			<u>-</u>	<u>367,729</u>
Total U.S. Department of Agriculture			<u>6,213,523</u>	<u>6,389,355</u>
U.S. Department of Education:				
Passed-Through State Department of Education :				
Special Education Cluster				
IDEA Flow Thru	84.027	621	2,274,994	2,432,546
IDEA Early Intervening	84.027	623	350,000	339,903
IDEA—Preschool	84.173	641	37,545	37,545
IDEA—Preschool—Private School	84.173 A	642	761	732
			<u>2,663,300</u>	<u>2,810,726</u>
Grants to Local Educational Agencies—Title I	84.010	511	2,414,531	2,539,950
Title I—School Improvement	84.010	515	98,276	10,833
			<u>2,512,807</u>	<u>2,550,783</u>
Title III Immigrant	84.365	571	-	2,158
Title III LEP	84.365	572	260,796	245,480
			<u>260,796</u>	<u>247,638</u>
Improving Teacher Quality State Grants—				
Title II, Part A	84.367	541	259,853	316,483
Title II Mini Mathematics and Science Partnership	84.366	545	20,413	20,413
Title X Part C, Homeless	84.196	596	38,570	22,159
Indian Education Grants to Local Educational Agencies—Title VII	84.060	561	271,890	271,890
Sub Total			<u>6,027,629</u>	<u>6,240,092</u>

**Union Public Schools
Independent School District No. 9**

**Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended June 30, 2015**

Federal Grantor	Federal CFDA #	Grantor's Number	Program or Award Amount	Expenditures
U.S. Department of Education (Continued):				
Passed-Through State Department of Vocational Technical Education:				
Adult Education State Grant Program—Corrections	84.002	733	26,902	26,797
Adult Education State Grant Program—English Literature / Civics	84.002	732	93,421	99,841
Adult Education State Grant Program	84.002	731	797,645	846,363
			<u>917,968</u>	<u>973,001</u>
Vocational Education Basic Grants to States—Carl Perkins—Title I	84.048	421	114,700	106,080
Sub Total			<u>1,032,668</u>	<u>1,079,081</u>
U.S. Department of Defense				
Direct:				
ROTC	12.n/a	772	-	5,498
U.S. Department of Interior				
Passed-Through Muscogee Creek Nation :				
Indian Education Assistance to Schools—Johnson O'Malley	15.130	563	53,520	54,657
U.S. Department of Interior				
Passed-Through State Department of Education :				
Medicaid Resources	93.778	698	-	129,399
Temporary Assistance for Needy Families (TANF)	93.558	735	306,000	279,840
Sub Total			<u>306,000</u>	<u>409,239</u>
Total Federal Assistance			\$ 13,633,340	\$ 14,177,922

**Union Public Schools
Independent School District No. I-9**

**Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2015**

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of I-9, Union Public Schools, and is presented on the modified accrual basis of accounting, as permitted by the Oklahoma State Department of Education. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2. Significant Accounting Policies

Expenditures of federal awards are recognized in the accounting period when the liability is incurred. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Commodities

The schedule includes federal awards in the form of noncash assistance (commodities) received during the year in the amount of \$367,729 related to USDA Commodities grants provided by the U.S. Department of Agriculture and passed through the Oklahoma Department of Human Services.

**Union Public Schools
Independent School District No. I-9**

**Schedule of Findings and Questioned Costs
Year Ended June 30, 2015**

I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness identified? Yes No
- Significant deficiency identified that are not considered to be material weakness? Yes None reported

Noncompliance material to financial statements noted?

Yes No

Federal Awards

Internal control over major programs:

- Material weakness identified? Yes No
- Significant deficiency identified that are not considered to be material weakness? Yes None reported

Type of auditor's reports issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?

Yes No

Identification of major programs:

CFDA	Name of Federal Program
84.027 & 84.173	Special Education Cluster
84.002	Adult Education Grant

Dollar threshold used to distinguish between type A and type B programs: \$414,305

Auditee qualified as low-risk auditee?

Yes No

II. Findings Required to be Reported in Accordance with *Government Auditing Standards*:

See Finding 2015-001

III. Findings Required to be Reported in Accordance with OMB Circular A-133:

No matters were reported

(Continued)

**Union Public Schools
Independent School District No. 1-9**

**Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 2015**

Finding 2015-001

Finding: The District does not record top-level financial statement “GAAP” and “GASB” journal entries in its Munis financial reporting system module. As a result there is an increased risk that errors could occur and not be detected.

Criteria: The District should implement a financial reporting process that utilizes the capabilities of its Munis financial reporting system.

Condition: The District utilizes excel spreadsheets to prepare its financial statements, including the government-wide financial statements and fund-level financial statements. These spreadsheets are complex, and contain numerous allocations of financial data and contain numerous links to other spreadsheets that are not part of the primary reporting package. Significant journal entries that are necessary to prepare the financial statements in accordance with generally accepted accounting principles are not recorded at the top level. In addition, cells that are critical for the overall financial statement preparation process are not password protected, thus increasing the risk that a misstatement could occur and not be detected.

Cause: The District has converted to its financial reporting system to Munis. However, the District does not record certain financial statement journal entries in its FRS, and instead utilizes several excel spreadsheets to compile its financial statements.

Context: Manual preparation of the financial statements is less efficient and effective in preparing annual financial statements.

Effect: A misstatement could occur as a result of the inadvertent or intentional manipulation of a single or multiple cells in the excel spreadsheets used to prepare the financial statements. Preparing topside financial statement entries without recording them in the FRS module also increases the risk of misstatement.

Recommendation: The District should explore alternatives other than Munis to achieve the goal of moving away from utilizing excel spreadsheets to prepare the financial statements.

Response and Corrective Action Plan: The District agrees that the GAAP and GASB journal entries are not recorded into the financial system, MUNIS. When we purchased the financial system a few years ago, we believed that we were able to add the GAAP entries into MUNIS period 13 and GASB entries into the CAFR Statement Builder module. During the training, we quickly discovered that the modules will not allow for those entries due to State Department of Education reporting requirements. This left no alternative except to continue the manual process for compiling the financial statements. This process requires the bulk of that work be assigned to very few individuals. During the manual preparation of the financial statements, we will ensure all formulas and placement of categories are reviewed further. The Director of Financial Reporting and Treasury has continued to discuss module changes with the MUNIS software development team but it is doubtful a change will be made. Due to that fact, we have begun a search for a new product to work for our needs.

**Union Public Schools
Independent School District No. I-9**

**Summary Schedule of Prior Audit Findings
Year Ended June 30, 2015**

Comment Number	Comment	Corrective Action Plan
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No matters were reported.

