



**State Champs
6A Football**



**State Champs
Varsity Pom**



**State Champs
Girls' Golf**



**Union Public Schools
Independent District No. 9
Tulsa, Oklahoma 74133**

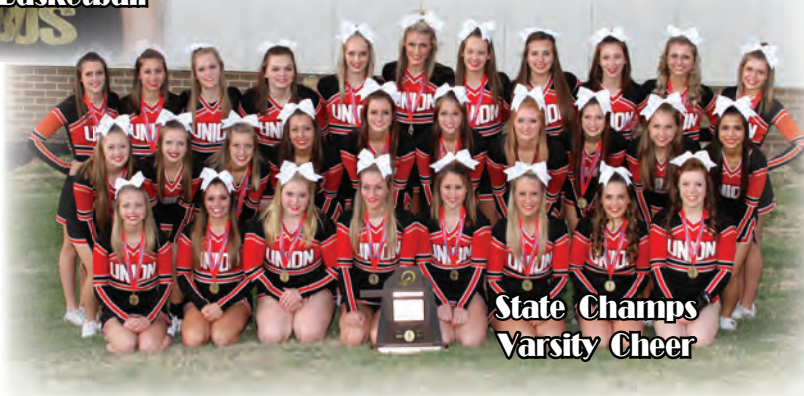
Comprehensive **A**nnual **F**inancial **R**eport



**State Champs
Boys' Basketball**



**State Champs
Dual Wrestling**



**State Champs
Varsity Cheer**



**State Champs
Girls' Softball**



**State Champs
Boys' Swimming**

**For the
fiscal
year
ended
June 30,
2012**



**Union Public Schools
Independent District #9
Tulsa, Oklahoma**

Comprehensive Annual Financial Report

For the fiscal year ended June 30, 2012

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December 7, 2012

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 ended June 30, 2012, 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 operations 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.

This 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, page 21.

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

Union Public Schools District Profile

Introduction

Union Public Schools, Independent District #9, Tulsa County, is a premiere Oklahoma school district “ahead of the curve” on college and career readiness and expanded avenues for individual student success.

Its approximately 15,000 students, Pre-K through 12th grade, reside within a 28-square-mile boundary encompassing both southeast Tulsa and a portion of Broken Arrow. The school system is the heart of the community and serves as a unifying force. It includes an early childhood center for three-year-olds; 13 elementary schools Pre-K through 5th grade; and five secondary schools—a 6th/7th Grade Center, 8th Grade Center, 9th Grade Center (formerly Union Intermediate High for 9th and 10th), High School for 10th, 11th, & 12th (formerly just 11th and 12th), and an Alternative School for grades 9-12.

Parents choose the Union district for its all-around excellence. They take great pride in its wide-ranging dynamic academic programs; award-winning activities; caring, talented teachers; highly respected elected and administrative leaders; and remarkable facilities. Union is one of the leading districts in Oklahoma in the number of teachers earning National Board Certification, and in number of Presidential Math and Science Award recipients.

Our Mission

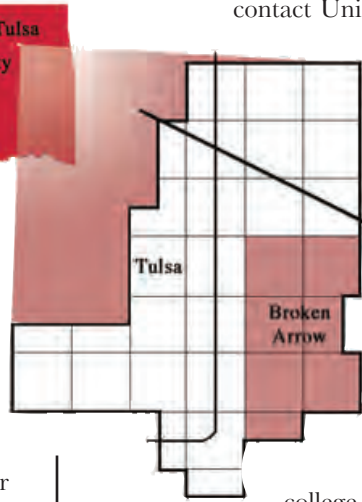
It is our Mission to provide our community of learners with educational opportunities to acquire and develop the best possible academic, vocational, recreational, social and participatory skills, enabling them to become valued, contributing members of a changing global society.

Union’s Community Schools—elementary schools complete with health clinics and services from community agencies—serve as a model to other districts nationwide. They increase academic success by forming community partnerships to provide extra supports such as early care; health and social services; out-of-school activities; family/community engagement; neighborhood development; and lifelong learning.

Our Goal - 100% Graduation, 100% College/Career Readiness through:

- Academic excellence for all students
- Preparation of students for positive citizenship
- A positive educational environment in which students, parents, community, and staff assume responsibility for their role in the learning process
- District excellence for all employees
- Expanded opportunities for learning
- Increased use of technology
- Enhanced Union pride
- Support base to include patrons, partnerships, and community resources
- Long-term plan to accommodate growth

Community partners and private foundations have been so impressed with the district’s student-centered initiatives, many contact Union to offer grants and services for our middle and high schools as well.



In addition to challenging Pre-Advanced Placement classes, Union offers a variety of AP classes which allow students to earn college credit while learning about a subject in depth and developing study and analytical skills that are important to success in college and careers. In partnership with Tulsa Community College (TCC), Union was one of the first to pilot a unique concurrent enrollment program on its High School campus, enabling qualifying students to earn both high school and

college credits at the same time—virtually tuition free! It has not been unusual for some to graduate with both a high school diploma and enough credits for an associate’s degree. Those same college courses are now offered at the Union Collegiate Academy (UCA), a specially designed and well equipped new wing of the High School, another first of its kind in the state.

UCA provides students a challenging college-like experience with TCC instructors, tiered lecture halls, advanced science labs, student lounges, and specialty food shops, along with a safety net of high school staff members there to ensure they succeed. Counselors in the UCA’s College and Career Center help students and their parents complete college entrance, financial aid, and scholarship applications or bank college credit through Tulsa Technology Center. Students love the UCA’s online courses—Union Virtual Learning Academy—because of the flexibility they provide and because teachers are always there to assist.

Each year the district has an impressive number of National Merit Scholars, and its graduating classes receive millions of dollars in scholarship offers to colleges and universities throughout the country. Approximately 93.5 percent of the 2012 graduating class pursued education after high school.

The Union community provides whatever it takes to ensure students thrive. Successful bond issues have funded state-of-the-art tools to enhance reading, language, math, science, and writing skills at every grade level. Art, music, and physical education enrich the traditional curriculum. Professionals in remedial reading, speech therapy, and special education are assigned to the schools along with library media specialists, nurses, and counselors. Courses for gifted students are offered at all levels, as are programs for English Language Learners.

When Union was founded in 1919, it combined several small, rural communities, including Boles, McCollough, Mayo and Alsuma, and had only four students in its graduating class. Today it is the eighth largest district in Oklahoma. Union’s strong sense of tradition and pride is underscored in its theme, “Working to Form a More Perfect Union.”

Union Public Schools District Profile (Continued)

Operational Statistics 2011-2012

Transportation

Nearly 10,400 students rode the bus on a regular basis last school year. Union's 94 buses covered more than 817,460 miles, which is approximately 4,647 miles—comparable to a round trip to Juneau, Alaska—each day. Activity buses transported students 102,124 miles during the year. Fuel costs totaled \$602,208.

Child Nutrition

The **Child Nutrition Department** served 679,054 breakfasts and 1,467,542 lunches. In addition, over 48,000 breakfasts and lunches were prepared for early childhood, and 170,000 after-school snacks were provided. Meals were also served during summer school - 17,474 breakfasts and 18,386 lunches.



Six Union elementary schools participated in the USDA Fresh Fruit and Vegetable Program, sampling such delicacies as dragon fruit, gold kiwi, pluots, and apriums. With a \$185,000 USDA grant, the program addressed rising obesity rates, an overabundance of over-processed foods, and the lack of availability/high costs of fresh produce.

Child Nutrition also supported Oklahoma economy and agriculture by purchasing as much local produce as possible from a farm in Stratford, Oklahoma, Peach Crest Farms. The farm fresh vegetables and whole-wheat pizza crusts made from Oklahoma were popular with Union students Pre-K through 12.

Maintenance/Facilities Services

Fourteen **Grounds Department** employees maintained 382.59 acres of green area on our campuses; cleaned the stadium, assisted with UMAC events, maintained outdoor trash cans and dumpsters, repaired asphalt, removed snow, maintained playgrounds, and served as a moving crew when needed.

The 126 employees in the **Custodial Department** maintained 20,000 square feet of building spaces. They were also responsible for set-up and clean-up for various meetings and activities around the district.

The **Maintenance Department** consisted of 15 employees as well as 24 Building Engineers who maintained equipment and ensured the smooth running of all Union facilities. The crew included locksmiths, plumbers, welders, painters, carpenters, electricians, HVAC technicians, and an electronics technician. They also supported construction projects throughout the district.

The **Purchasing and Supply Management Department** consisted of five employees at the Education Service Center and eight employees at the Distribution Center. They supported the functions of bidding, purchasing, contract review, records management, and daily intra-mail service, as well as supply receiving, warehousing, and distribution.

Union Multipurpose Activity Center

Six employees coordinated 1,184 UMAC events and facility rentals, an average of 23 per week. The UMAC also housed the U-Wear store which marketed Union spirit wear and items; the Fine Arts Department, the Athletics Department, and an in-house video production studio.

Construction/Facilities 2011-2012

The district maintains over 2.8 million square feet of facilities, and was engaged in numerous construction and improvement projects. The remodel of Grove Elementary was completed in July of 2011; the Union Collegiate Academy (UCA) and High School remodel was completed in August of 2012; and construction began on the Sixth and Seventh Grade Center Fine Arts addition in June of 2012.

The district's largest project was the High School remodel and the addition of the Union Collegiate Academy (UCA), involving 117,000 square feet of new construction as well as 8,000 square feet of renovation. The design and programming in the new facility has received national recognition for its 'college' atmosphere.



The student-focused, research-centered, three-story facility includes numerous academic highlights. The first floor houses the Catherine E. Burden College and Career Center, the Union Virtual Learning Academy, the college concurrent enrollment classrooms, a large multi-tiered lecture room which seats up to 120 people, and the large Grand Hall which seats up to 300 people in various floor arrangements and includes a serving kitchen. The second floor includes 17 traditional classrooms and two computer labs. The third floor is the science classroom wing designed to meet the ever-changing needs of the 21st Century student. The science area includes a large research classroom for Biotechnology, a technology lab for alternative energies which is connected with an outdoor demonstration lab, and other course-specific labs equipped to meet the needs of students enrolled in Chemistry, Physics, Anatomy and Physiology, Biology, Rockets and Robots, and Environmental Science.

Also included in the project was the new High School entry which encompasses the Alumni Center and a visual art display

Union Public Schools District Profile (Continued)

Construction/Facilities (Cont.)

area. Within the UCA areas, there are 12 student study areas with wireless access points and soft seating options, a new Cyber Café, and a second outdoor classroom on the third floor. The remodeled areas of the High School include the Union Street Market which offers four different ethnic food choices with a different menu each day. The Deli serves made-to-order



sub sandwiches; the Energy Bar and the Grill kiosks serve everything from Panini sandwiches to freshly made pizza. The "Caf" boasts the best salad bar on campus, along with a variety of traditional grab-and-go items. The Cyber Café sells fresh coffees, smoothies, and a variety of food items and beverages.

Several other schools had capital improvement projects: McAuliffe and Peters had new carpet and tile installed in the summer of 2011, while Briarglen and Boevers had their entire interiors painted during the summer of 2012; Clark received a new refrigerator and freezer; Darnaby had an outdoor classroom area installed in the front plaza; Andersen and the 8th Grade Center had new boilers installed; the 6th/7th Grade Center pool and locker rooms were renovated; the 9th Grade Center had several rooms remodeled to accommodate the move of Adult Basic Education to its campus, along with having its track replaced; the Alternative School completed minor remodeling to accommodate the additional influx of students.

The Union Multipurpose Activity Center had new flooring installed on the first floor, an upgrade to the arena sound system, updated finishes in the football equipment room, an expansion of the football coaches' locker room, and a new scoreboard installed at Tuttle Stadium.

Also on the High School campus, the long-awaited road and new 71st Street access point was completed. Throughout the district there were several small projects completed such as window and frame replacements, landscaping projects, and equipment replacements.

Student Statistics 2011-2012

Growth increased slightly with a 4.4% increase over the previous year. Union served 14,990 students – 7,358 at the elementary level and 7,632 in grades 6-12; 7,711 (51.4 percent) were male and 7,279 (48.6 percent) were female. In terms of racial origin, 6.1 percent were Native American, 14.7 percent were African-American, 6.8 percent were multi-racial, 0.2 percent were Pacific Islander/Hawaiian, 7.0 percent were Asian, 65.2 percent were Caucasian; and 24.1 percent were of Hispanic ethnicity.

There were 3,610 first through twelfth grade students enrolled in Union's gifted and talented program.

Ten percent, or 1,529 of our students, were enrolled in special education.

In 2011-12, approximately 3,369 students throughout

the district were bilingual or lived in a home where a language other than English was spoken, compared to 206 in 1995. The total bilingual count included 60 different languages.

More than 33.6 percent of our students reported that they lived with just one of their biological parents – 4,424 (29.5 percent) lived with their mothers and 616 (4.1 percent) with their fathers.

The total number of homeless children enrolled during the 2011-2012 school year was 825, up from 633 the previous year, and 29 students were listed as self-supporting.

There were 917 students (grades PreK-7) enrolled in Union's Extended Day Program - 407 attended the morning program, and 847 attended the afternoon program. The EDP Summer Camp was held at Moore Elementary offering weekly themes over a nine-week period. Weekly camp attendance averaged 150.

During 2011-2012, Union High School offered 21 AP courses. When 700 students enrolled in a total of 1,444 AP course hours, they earned 727 passing scores on AP tests or 2,181 potential college credit hours. At the Intermediate High and High School, 1,279 students were enrolled in 2,893 Pre-AP course hours.

More than 12,000 Union students were involved in at least one arts class, including 6,595 elementary students who took both art and music. At the secondary level (grades 6-12) 950 were in band; 625 in orchestra; 887 in vocal music; 603 in drama; 149 in competitive speech/debate; and 1,096 in a wide variety of visual arts disciplines.

More than 1,350 students in grades K thru 12 participated in the Intramural program. Additionally, more than 480 Union parents volunteered their time as coaches, volunteers, and coordinators.

Elementary summer school was held at Boevers, Briarglen, Grove, Jarman, Jefferson, McAuliffe, and Rosa Parks. Thanks to federal and state grant funds, classes were offered free of charge.



In summer school, there were 871 first and second grade students enrolled under the Reading Sufficiency Act (RSA); 461 third grade students enrolled in RSA Academy; and 2,200 first through fifth grade students under Title I. In addition, there were 100 pre-kindergarten and kindergarten students who chose to participate in Jarman tuition-paid classes offered in June.

During the regular school year, 388 first, 483 second, and 461 third graders were eligible to participate in the Reading Sufficiency Act program.

Union Public Schools District Profile (Continued)

Secondary Student Achievement (Grades 7-12) 2011-2012

Seniors **Brandon Jonely** and **James Rogers** were named 2011 National Merit finalists. Commended students were **Cody Byrd, Thomas Castell, Jordan Hoyt, Christopher Klaassen, Michael Ripley, Daniel Roderick, Stephanie Steele, Caleb Townsend, and Raymond Yang.**

Two seniors were recognized for their achievements in the National Merit program for the Hispanic and African-American communities. **Daniel Roderick** was named a College Board National Hispanic Recognition Program Scholar, and **Elijah Bell** was named a National Achievement Program Outstanding Participant after scoring in the top three percent of more than 160,000 African-American students who took the same test.

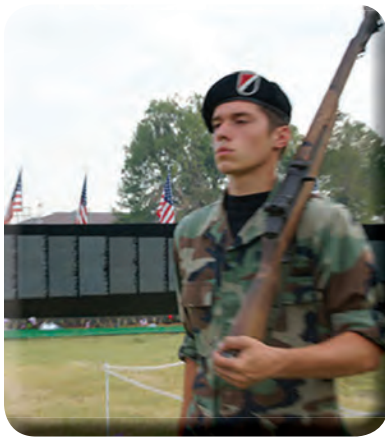
Seniors **Erika McGovern** (swimming) and **J.C. Hartzler** (basketball) were awarded the U.S. Army Reserve National Scholar/Athlete Award, presented annually by the U.S. Army Reserve to high school students who have shown outstanding ability in both academics and athletics.

The Muscogee Creek Nation Johnson-O'Malley Program awarded \$500 scholarships to seniors **Lindsay Gabler** and **Amy Gunnells** for their high academic achievements.

Seniors **J.J. Johnson** and **Mandi Gatlin** were crowned Mr. and Miss Union – the highest honor a student may receive at Union High School.

Price Buckley was named senior Mr. Highstepper and junior Mr. Highstepper was **Mohammed Affifi.**

Seniors **Blace Walser** and **Aldyn Phillips** were crowned Homecoming King and Queen.



The **Union Air Force Junior Reserve Officer Training Corps** hosted the Vietnam Traveling Memorial Wall at Central Park at Union during September as America paid tribute on the 10-year anniversary of the terrorist attacks on September 11, 2001. Vietnam veterans from all over Oklahoma joined in setting up and taking down the

wall for the “Week of Remembrance: Celebrating the American Spirit.”

Union High School was awarded a 2012 National Gold Council of Excellence Award by the National Association of Student Councils for its exemplary record of leadership, service, and activities that serve to improve the school and community.

Union’s Robotic Team won the Engineering Excellence Award at regionals. The award celebrates an elegant and advantageous machine feature including, but not limited to design, wiring methods, material selection, programming techniques, and unique machine attributes.

The Renegade Regiment took top honors at the Owasso Marching Invitational and third at the Oklahoma Bandmasters Association State Competition. They earned a second place finish among 54 competing bands at the Bands of America St. Louis Super Regional Marching Championship and placed sixth at Grand Nationals with a score of 90.8.



The Regiment was selected to perform in the 2013 Macy’s Thanksgiving Day Parade® in New York City. With more than 3.5 million live spectators and a nationwide audience of more than 50 million viewers, the Macy’s Parade is the ultimate entertainment stage for elite performers.

The **Indoor Percussion Ensemble** was named 2012 State Champions of the Winter Guard & Percussion of Oklahoma “A” Class. The students earned marks in the highest-possible levels of criteria evaluation in every category of judged performance, and swept these categories competitively as well.

Seniors **Roslyn Bailey** (tuba), **Kyle Norris** (French horn), and junior **Robert Morris** (tuba) made the Oklahoma All-State Band.

The High School String Orchestra received straight superior ratings, the highest possible score, at Oklahoma Secondary School Activities Association (OSSAA) State String Orchestra contest in Edmond.

The Orchestra traveled to Chicago to compete in the Dixie Classics National Adjudicator Invitational where they received a first-place national title.

High School Repertory Theater’s performance of “*Macbeth*” won second in the state competition. Union won first place regionally.

The all-school musical, “*The Wizard of Oz*,” featured live music, singing, and dancing from student performers and Munchkins from several elementary schools. Highlights included the Jitterbug, flying bicycles, a twister, and some of the most beloved tunes in American history.

Sophomore **Casey Cai** earned a top composite score of 36 on the ACT test. Nationally, roughly one-tenth of one percent receive a top score.

Union Public Schools District Profile (Continued)

Secondary Student Achievement (Cont.)

Sophomore **Suhas Gowda** was the only student from Oklahoma awarded a scholarship to attend the Honeywell Leadership Challenge Academy program at the U.S. Space and Rocket Center in Huntsville, Alabama. The weeklong program provided 256 high school students from 30 countries and 30 U.S. states the opportunity to learn current issues in science, technology, and engineering.

Freshman **Kara White's** design was selected for the state's Girl Scouts centennial patch design contest. The patch featured Girl Scouts of varying ages and races in different uniforms worn during the organization's history.

Eighth grader **Landon Longacre** was the first place winner of the Desk & Derrick Club essay contest. Second place went to classmates **Maureen Haynes** and **Eric Teague**.

Eighth grader **John "Trip" Newfield** travelled to Washington D.C., Philadelphia, and New York City to participate in a People to People World Leadership Forum.

Forty-nine seventh graders took the ACT/SAT as part of the Duke University Talent Identification Program (TIP) and 25 received state recognition. **Daniel Royer** received Grand Recognition with a 30 on his ACT.

Freddy Vega, a seventh-grader, was featured in *Tulsa People* for his Bike for a Life idea, a student-created and student-driven benefit bike ride. He and other Global Gardens students donated 60 percent of proceeds to the Pediatric Oncology Clinic at Saint Francis Children's Hospital.

Elementary Student Achievement 2011-2012

Peters Elementary won first place and \$600 in the "Run for your School" competition at the Tulsa Run. Darnaby took second place, Moore third, and Jefferson fourth.

Sixth grader **Madison Tryzbiak** was the overall winner of the 2012 Oklahoma Bar Association Law Day Art Contest and received a \$500 prize.



Union students won three Awards of Excellence in the Oklahoma PTA Reflections contest. Moore second grader **Juan Parra** won for Music in the Primary Division; sixth grader **Isabella Lieberman** won for Literature in the Middle/Junior Division; and sophomore **Patricia Brennan** won for Literature in the Senior Division.

Darnaby earned the Oklahoma State Department of Education's "Reward School" recognition, one of only 127 statewide. "Reward Schools" ranked in the top 10 percent of all public schools on state-mandated tests over the last three years or were in the top 10 percent of schools making the most progress in reading and math.

Union Intermediate and High School Athletic Achievement 2011-2012

Union's fast-pitch softball team had a great tournament

run to take their first Class 6A state title since 1999. The No. 2 Redskins (40-4) scored five runs in the second inning, one in the third, and four in the sixth to defeat No. 4 Owasso 10-4. Union previously won titles in 1976, 1992, and 1999.



Union (13-1) won its **seventh state football title** in 10 years and eighth overall. The second-ranked Redskins posted a 23-22 victory over Broken Arrow before an estimated crowd of 12,000 at Boone Pickens Stadium in Stillwater. Union finished its 2011 season with three consecutive one-point victories in the playoffs.

The Redskins topped Broken Arrow for the second time in nine days to capture their second **Class 6A dual state wrestling championship**. Seniors **Josh Walker** (120), **Brian Crutchmer** (132), and **Kyle Crutchmer** (170) took individual state titles. The Union wrestling team won second in the state 6A tournament.

Union was the team to beat scoring 267 points to win the **boys' state swimming championship** over favored Bartlesville. Senior **Eastman Holloway** reset his 200-freestyle record with a 1:39.66 then came back and blew away the 500-freestyle record set in 2000 with a time of 4:30.30. **Chase Davis** also won the 200-IM for Union; and in 6A girls', **Erika McGovern** won the gold in 100 breaststroke.

The Redskins **boys' basketball team** finished a perfect season, winning the gold ball by defeating defending state champion Edmond Memorial 37-36. It was the first boys' perfect season in 6A since the OSSAA added the classification in 1996, and it was the first time a school from the state's largest class had a perfect season since 1990.

Union joins Booker T. Washington (2010-2011) and Cascia Hall (2008-2009) as Tulsa-area teams during the past four seasons to sweep football and boys' basketball titles in the same school year.

The **girls' golf team** won the state championship by 25 strokes with a 606. **Anna Kim** and **Emma Allen** finished second individually with a 149.

Union Public Schools District Profile (Continued)

Union Intermediate and High School Athletic Achievement (Cont.)

The **boys' cross country team** won state runner-up.

The **Varsity Pom squad** won their eighth consecutive State Championship, their ninth overall. The JV and 8th Grade squads both brought home State Championships, placing first in their divisions. This is the second year in a row that all of the Pom squads have won State Championships.

The **Varsity Cheerleading squad** won the Class 6A State Championship, scoring 281 points to take home their third overall title and the second in five years. At the state finals they competed against 15 other teams to win the title.

The **Varsity Highsteppers** won runner-up in Kick at the state level taking second place out of six teams. The **JV Highsteppers** won second place in both Jazz and Kick divisions at state, and the **8th Grade Highsteppers** won first place in Kick for state competition as well as third in Jazz.

The **Varsity Pom squad** was awarded the Giving Spirit Award from Channel 2 and Spirit Bank for their commitment to community service. The squad collectively participated in more than 650 hours of community service.

The **boys' swimming team** and **girls' cross country team** won the OSSAA Academic Achievement Plaque for a minimum team GPA of 3.5 and ranking in the top ten percent of Class 6A. Girls' swimming, wrestling, boys' and girls' basketball, volleyball, fast-pitch softball, boys' cross country, and cheerleading earned the OSSAA Academic Achievement Certificate for a minimum team GPA of 3.25 and a ranking in the upper one-third of Class 6A.

Senior **J. C. Hartzler** was named the *Tulsa World's* State Boys' Basketball Player of the Year.

Senior **Cristian Mata** was named Oklahoma's Gatorade Boys' Soccer Player of the Year. Mata has been a two-time member of the *Tulsa World's* all-metro team.

The Wrestling Classic committee selected senior **Kyle Crutchmer** for the USA All-Star Team for the Dapper Dan Wrestling Classic, the most prestigious high school all-star wrestling meet in the United States.

Union won the Mid America National Wrestling Tournament, and brothers **Kyle** and **Brian Crutchmer** won individual titles, competing against 29 teams from three different states.

Seniors **Josh Walker** (120 lbs) and **Kyle Crutchmer** (182

lbs) both won titles at the Reno Tournament of Champions. **Crutchmer** also received the Outstanding Wrestler Award for the tournament, voted on by the coaches out of a field of over 2,000 participating wrestlers.

Senior **Nicole Brady** was honored with the Ferguson Jenkins Award, presented annually to the state's top high school baseball and softball players and coaches. The Oklahoma Coaches Association selects winners based on athletic and scholastic achievement.

At the Junior National Swim Meet at Stanford University, senior **Eastman Holloway** qualified with an Olympic Trial time in the 400M Freestyle event.

Junior **Brady Richardson** won the Oklahoma Golf Association's 2011 Junior Amateur Golf Championship in Edmond.

Union had a strong showing in All-Metro awards with **Kennedy Austin** as Girls' Track Athlete of the Year, **Nadia Majidi** Girls' Golfer of the Year, **Eastman Holloway** Boys' Swimmer of the Year, and **Kyle Crutchmer** Wrestler of the Year (second straight year).

Senior **Alex Workman** and his teammate set a world record by rowing 35 hours. Alex had to row longer than 28 hours to break the under-19 lightweight world record which now stands at 35 hours -- 7 hours better than the old record.

Union was named School of the Year by Coaches Aid. After seeing a three-year run at the top of the Coaches Aid School of the Year standings end a year ago at the hands of rival Jenks, the Redskins rebounded in massive style with one of the top all-around athletic performances ever.

Union was in contention for inclusion in MaxPreps' top 10. School programs receive points for state championships, state runner-up finishes, and inclusion in national rankings for each sport.

Teaching & Learning 2011-2012

Feedback from parents played a key role in the adoption of new school hours for the 2011-2012 school year. The district's Long-Range Planning Committee studied more than a dozen options before making a recommendation. The new hours were designed to equalize instruction time for students across the district and to prepare for the 2012-2013 opening of the High School's new Union Collegiate Academy wing, the move of tenth graders to the High School, and the conversion of the Intermediate High into a 9th Grade Center. The goal was to accommodate new bus route challenges that would accompany the secondary school restructuring without substantially raising transportation costs.

About 220 Union sixth-graders were the first in the state to participate in a nationally renowned program aimed at breaking down economic and social barriers to a quality education. The intensive prevention program was developed in 1984 by Michael Carrera to educate children at an appropriate age about



Union Public Schools District Profile (Continued)

Teaching & Learning (Cont.)

the consequences of sexual activity. It expanded to provide a full array of services, from tutors to mental health counselors and health care. In Tulsa, the pilot project was a public-private partnership between the George Kaiser Family Foundation, the Community Service Council, and Union Public Schools. Students will receive the support through 12th grade and will continue to be tracked in college. Fifteen professionals were hired to provide support services.



In its second year, the EXCELeRate program allowed high school juniors and seniors to get college credits while earning their high school diploma. EXCELeRate is a partnership of Tulsa Community College, Community Service Council of Tulsa, the Oklahoma State Regents for Higher Education, Union Public Schools, and Tulsa Public Schools. TCC offered classes at the high school campus, and students earned dual credit for both high school and college courses for only \$12.75 for a three-credit-hour class.

Union Alternative School celebrated its 1,000th graduate, more than any of the approximately 250 Alternative programs in the state.

The Extended Day Program (EDP) expanded to include pre-kindergarten as well as sixth and seventh grade students.

The Union Virtual Learning Academy (UVLA) opened with 430 students. UVLA offers core classes and interesting electives which are self-paced, interactive, and supported by highly qualified teachers who communicate with students on a regular basis. There is a virtual center for students to use at their convenience to do class assignments. The virtual center has 30 laptops and is designed to encourage collaboration and small group instruction. The center is designed to have a casual college-like feel, and instructors are located in the office inside the center.



Union began a transformation to ensure that the district is “100% Graduation/College & Career Ready.” A district

Transformation Committee comprised of staff and parents met to discuss Union’s vision and learn how far the district has come. Participants discussed social and behavior recommendations, student/parent advocacy, academic emphasis, and student/parent/community engagement.

Twenty-nine members of the High School College and Career Crew were trained in leading age-appropriate activities focusing on college and career goals for younger students across the district.

Union was one of fewer than 400 public school districts in the nation honored by the College Board with a place on the second Annual AP[®] Honor Roll, for simultaneously increasing access to Advanced Placement coursework while maintaining or increasing the percentage of students earning scores of 3 or higher on AP exams. Achieving both of these goals is the ideal scenario for a district’s Advanced Placement program, because it indicates that the district is successfully identifying motivated, academically prepared students who are likely to benefit most from AP coursework. Since 2009, Union increased the number of students participating in AP from 479 to 550, while improving the percentage of students earning AP Exam scores of 3 or higher from 66 percent in 2009 to 73 percent in 2011.

Contributions from the Community 2011-2012

In the February bond election, Union voters overwhelmingly passed two bond issues totaling \$19 million. Proposition I, for construction, equipment and other upgrades, received 78.41 percent of the vote. Proposition II, for transportation upgrades, won 79.10 percent approval.

The **Union Schools Education Foundation** raised more than \$80,000 during its annual auction and dinner with net earnings exceeding \$58,000. The theme was “The Wonderful World of Union,” and the auction showcased just how wonderful the district really is, said Foundation President Jill Bennett, as auction chairwoman Debra Searcy and her team auctioned off many great items including a dinner for eight with Dr. Burden prepared by Union Executive Chef Eli Huff and gift baskets donated by the schools. The Foundation also raised nearly \$5,000 for its “Fund the Need” cause to benefit the Testing Assistance Fund.

The **Union Schools Education Foundation** presented checks to its 2011-2012 grant recipients during Teacher Appreciation Week in May. Forty-six grants totaling \$37,289.26 were given to 54 different teachers at 14 of the district’s 19 sites. The classroom projects to be funded ranged from \$157.52 to \$2,000.

Aloft Hotel partnered with the district to showcase students’ art projects following YouthArts!

Jarman Elementary was adopted by **Central Church of the Nazarene**. The church provided test monitors, teacher desk supplies, rewards for children working on contracts to improve their character; and provided mentors when needed.

Darnaby kicked off a new mentoring program called Golden Friends. Senior citizens from **Heatheridge Assisted Living**

Union Public Schools District Profile (Continued)

Contributions from the Community (Cont.)

and **The Broadmoor Retirement Community** visited the school monthly to read with children and offer an extra layer of support.

To celebrate the opening of its new store on 71st Street, **Russell Stover Candies**, America's third largest chocolate manufacturer gave \$76,000 to the Union Schools Education Foundation to distribute \$4,000 to each of the district's 19 schools.

With the help of volunteers from the **Church at Battle-Creek**, Briarglen received a makeover as crews descended on the school for an extensive remodeling through the church's Clean Slate Project. Improvements focused on the teachers' lounge, media center, nurse's office, and a community room and included new carpet and wood flooring; new paint, shelving, and cabinets; and new appliances in the teachers' lounge.

Asbury United Methodist Church partnered with the district to sponsor Global Gardens at the 6th/7th Grade Center. The church also purchased and renovated a building at 66th and Mingo to create the Asbury-Union Learning Center used by Union's Adult Education program to enable adults to finish their GED and learn English.

Employee Statistics 2011-2012

Union employed 74 administrators – 62 certified and 12 non-certified—and 998 certified teachers. Support staff members accounted for another 797 positions, 656 full time and 141 part time. The ethnic diversity among the staff was African-American 5.46%; American Indian 6.21%, Asian 1.55%, Hispanic 8.56%, Caucasian and other 78.22%. Three hundred eighty-six were male and 1,483 female.

At the end of 2011-2012, Union had 97 National Board Certified teachers at 17 schools, and 33% of district teaching and administrative staff held graduate-level degrees – 338 had master's degrees and 16 had doctorates.

OU Physicians offered free Wellness Screenings to Union employees under the PPO plan.



Employee Achievement 2011-2012

Kristyne Salley, who taught fourth graders at Briarglen, was named the 2011-2012 District Teacher of the Year. Site honorees included **Michelle Naylor** (Andersen), **Sharon Whitaker** (Boevers), **Heather Lipe** (Cedar Ridge), **Heather**

Verner (Clark), **Kim Cipolla** (Darnaby), **Celesta Catcher** (Grove), **Dixie Tate** (Jarman), **Stacy Otto** (Jefferson), **Kim Dyer** (McAuliffe), **Virginia Soukup** (Moore), **Jan McDonald** (Peters), **Lisa LaFreniere** (Rosa Parks), **Camryn Winters** (Rosa Parks Early Childhood), **Janet Rogers** (6th Grade), **Kayla Dean** (7th Grade), **Jeremy Stevens** (8th Grade), **Patt Mical** (Alternative), **Millie Gamble** (Intermediate High), **Jennifer Cole** (High School).

Intermediate High AP history teacher **Bill Polson** was named Oklahoma Outstanding Teacher of American History by the state regents of the Daughters of the American Revolution (DAR).

Intermediate High drama teacher **Tony Schneider** received the Outstanding Young High School Teacher award presented by the Oklahoma Speech, Theater, and Communication Association (OSTCA).

Jefferson counselor **Bobbie Fields** was selected as the Oklahoma School Counselor Association's Elementary School Counselor of the Year.

High School principal **Lisa Witcher** was selected for national training in the professional development program *MAX Teaching with Reading and Writing*.

Assistant Superintendent for Teaching and Learning **Dr. Kathy Dodd** was selected as one of 24 Oklahoma education leaders for the prestigious Partnership for Assessment of Readiness for College and Careers (PARCC). The network of K-16 educators provide leadership on implementation of the Common Core State Standards. Dr. Dodd was also named as the Outstanding Educator Award recipient for 2012 by the Jeanine Rainbolt College of Education at the University of Oklahoma.

Bernice Tharps, lead financial clerk for Child Nutrition at the Education Service Center, was named the 2012 Support Employee of the Year in the summer of 2012.

High School science teacher **Becky Morales** won the Presidential Award for Excellence in Science for the state of Oklahoma. She was recognized along with 96 other teachers across the nation by President Obama in Washington, D.C.

High School teacher **Steven Moran** was selected as a Claes Nobel Educator of Distinction by the National Society of High School Scholars. Moran was nominated by a former student for outstanding dedication and commitment to excellence in the classroom.

Jackie White, Executive Director for Federal Programs, was



Union Public Schools District Profile (Continued)

Employee Achievement (Cont.)

named to the National Johnson-O'Malley Board of Directors, a nonprofit, educational organization coordinating issues affecting Native American students and families. She represents Region 3 of the Board through 2014, serving as one of two representatives for the largest of six regions covering the United States.

The city of Tulsa Mayor's Commission on the Status of Women selected Superintendent **Dr. Cathy Burden** to receive the prestigious Pinnacle Award in the category of education.

Chief Financial Officer **Debbie Jacoby** and staff were awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada for its comprehensive annual financial report. The 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.

Union also earned the Certificate of Excellence in Financial Reporting from the Association of School Business Officials International for the 19th consecutive year. The award is the highest recognition for a school district offered by ASBO, recognizing significant achievement in school system financial reporting.

Steven Blades, a paraprofessional at Moore, was named the OEA Education Support Professional for 2012, and **Vivian Brown**, food procurement manager, won the 2012 Golden Apple Award from the Oklahoma Education Association for a video presentation highlighting the monthly Support Employee Recognition honorees.

Senior Administrative Assistants **Jamie Ward** and **Michelle Clayton** achieved the distinction of being International Association of Administrative Professionals (IAAP) 2011-2012 Members of Excellence.

Boys' basketball coach **Rudy Garcia** was selected as the *Tulsa World* Coach of the Year. With player J.C. Hartzler named as player of the year, it was the first time the same school had swept those awards since 2004. Coach Garcia was also named Super 5 Coach of the Year by *The Oklahoman*.



McAuliffe teacher **Mer-ry Lahti** was featured in *Tulsa People* magazine as an Unsung Hero for her annual volunteer work with children performing as part of Tulsa Ballet's "The Nutcracker."

Food Service Purchasing Agent/Senior Financial Clerk **Bernice Tharps** was selected to participate in the Ultimate Soul Food Cook-Off pilot - a possible television program - filmed in the fall. Bernice also won three ribbons - 1st, 2nd, and 3rd place - for her culinary talent at the Tulsa State Fair, as well as first place honors in both the meat and dessert categories of the Martin Luther King Soul Food Cook-off in Muskogee.

Region 7 Coach of the Year honors presented by the Oklahoma Coaches Association went to **Kirk Fridrich** (football), **Rudy Garcia** (basketball), **Lindsay Jones** (golf), **David Lynn** (swimming), **Jerry Pease** (softball), and **Cat Weeden** (cheer). **Chuck Perry** was named Region 7 Athletic Director of the Year.

Union girls' soccer coach **Brian Elliott** was inducted into the Oklahoma Soccer Hall of Fame along with former Tulsa Roughnecks icons Charlie Mitchell and Victor Moreland.

Director of Athletics **Chuck Perry** and Associate Directors **Steve Dunlap** and **Emily Warren** were recognized by the National Interscholastic Athletic Administrators Association (NIAAA) as "Certified Athletic Administrators" becoming part of an elite group of interscholastic athletic administrators nationwide to attain this level of professionalism.

Varsity softball coach **Jerry Pease** was selected as a recipient of the Ferguson Jenkins Outstanding Softball Coach Award. During the Broken Arrow softball tournament, Coach Pease achieved his 600th career win.

The Assistance League of Tulsa's Betty Bradstreet Fund funded a project for the Briarglen music program by donating \$2,300 for musical instruments.

Clark media specialist **Angie Sanders** participated in Disney Planet Challenge, an environmental contest sponsored by Disney. Just for participating, Disney funded four of her grants through DonorsChoose totaling \$2,869.35.

Jarman teacher **Eloise Maupin** was awarded a \$518 Math grant from DonorsChoose.org for *Marvelous Math Minds*. The Higher Education Cultural Roundtable awarded a grant to Jarman teachers to purchase short plays for third and fourth grade students. **Sheri Tallman**'s classroom received a bright, new literacy rug funded by DonorsChoose for her *Read Around the Carpet* grant.

McAuliffe's **Cory Allen** received a DonorsChoose grant for *A Picture Creates 1000 Words*, and **Krystal Lee** received a \$445 grant from Dollar General.

Ninth grade teacher **Kate Dodson** was awarded a \$250 Neighbors Together for Schools grant sponsored by Dollar Thrifty Automotive Group and the Tulsa Community Foundation for her *Learning About Diversity Through Poetry* project.

The **Child Nutrition Department** received \$1,000 from the Midwest Dairy Council after submitting a story on the snack program provided for athletes. Strength training coach **Russell Dennison** said the athletes gained muscle and performed better since getting snacks, which included two fat-free chocolate milks.

Union Public Schools District Profile (Continued)

Student Community Service 2011-2012

Jarman students collected toys and other needs for the St. Francis Children's Hospital in time for holiday distribution, in honor of Kally's Cause. They also participated in the Salvation Army food drive as well as a service project for the March of Dimes where they collected \$1,600 in change.

The **Rosa Parks** fourth and fifth grade choir performed holiday music at the Tulsa Downtown Day Center for the Homeless and for the Iron Gate lunch program at Trinity Episcopal Church.

The **6th grade Purple Team** completed 14 days of love by sharing what they were doing in the community and at home. They also donated more than 100 pieces of clothing to the Klothes Kloset, wrote notes of encouragement and appreciation to current and former teachers, principals, and counselors; and raised over \$200 for a third-world country, using the money to supply those in need with clean water and \$1,100 worth of medicine.

Eighth grade students held "slipper day," where students could wear their favorite pair of slippers for a \$1 donation. The \$277 they raised went to the Union Special Olympic Teams. FOCUS students at the 8th Grade held a coat drive for the Klothes Kloset.

Members of the **Intermediate High FCCLA** (Family, Career, and Community Leaders of America) along with 18 other FCCLA chapters from the area, donated over 1,000 pounds of fresh produce to the Tulsa Food Bank and made Christmas cards to send to troops fighting overseas. They also made more than 150 care packages for patients at Children's Medical Center at Saint Francis Hospital.

Junior basketball player **Rachel Nichols** and two friends came up with the idea of holding a free basketball clinic for kids and taking contributions. Hoops for Hope raised \$1,000, part of which went to buy supplies for a women's shelter, and the rest bought gifts to put under a single mother's Christmas tree.



The **varsity baseball team** made its 12th annual holiday visit to St. Francis Children's Hospital. Once again, Campus Director Dave Stauffer donned the familiar red suit to visit children as Santa Claus while members of the baseball team came bearing gifts.

Baseball players 8th through 12th grade volunteered for more than four hours at the Toys for Tots event at the Church at Battle Creek.

Members of athletic teams volunteered for a number of com-

munity events through **Redskin Aid** including the Alzheimer's Gala, a fundraiser for the Parkinson's Foundation, and Feed the Children.

Communications 2011-2012

The Communications Department created a successful 2012 multimedia bond election information campaign, "Getting to the Heart of It." Both propositions, totaling \$19 million, passed February 14 with overwhelming approval—78.41 percent for Proposition 1 and 79.10 percent for Proposition



2. Voter turnout was up 32 percent over the 2011 bond election.

In April of 2012, the Oklahoma School Public Relations Association recognized the Communications Department with four Awards of Excellence and one Award of Merit. The awards were for Union's 2011 bond information campaign, the district's new virtual learning website, a billboard behind the stadium press box, a one-time program brochure, and for the way the district incorporates the use of social media within its traditional website.

Communications saved the district thousands of dollars in both printing and mailing costs by converting its quarterly newsletter into the *Communicator OnLine*. With up-to-date calendar information, stories and photos, the department was then able to email the publication to employees, parents, and the community monthly or as often as needed.

Technology 2011-2012

The Information Technology Department completed 13,318 work orders and many projects funded by the 2011 bond issue. Technology continued to deploy a wireless infrastructure in many of the elementary and secondary school sites that will extend the coverage of the wireless infrastructure as well as the capacity. The Technology Department upgraded four schools (Andersen, Darnaby, 6th/7th Grade, and the High School) to a VoIP phone solution. The 2011-2012 school year also saw a continuation of a multi-year project to upgrade the district's servers to a virtual farm.

Union continued to deploy SMART Interactive white boards at all sites which included a new Ultra-Short throw projector instead of the traditional projector.

Economic Condition and Outlook 2011-2012

Union Public Schools is located within the Tulsa Metropolitan Statistical Area (MSA), a seven-county area whose population

Union Public Schools District Profile (Continued)

Economic Condition and Outlook (Cont.)

exceeds 946,223 or 25 percent of the population of the state of Oklahoma. The Tulsa Metropolitan Chamber of Commerce reports Tulsa's major industries as aerospace; transportation, distribution and logistics; electrical equipment manufacturing and aviation; and health care. The Chamber estimates the value of all goods and services produced in the Tulsa MSA as \$41.9 billion, or 30.9 percent of the Oklahoma economy.

The Fiscal Times recognizes a strong job market for Tulsa, ranking the metro as the fourth best city for jobs in 2011 and second overall among 10 cities for young individuals to find a job in 2012. *Forbes* recently ranked Tulsa one of the 25 best overall cities in which to retire in 2012, attributing elements such as low unemployment, a strong business sector, low cost of living and doing business, as well as diverse neighborhoods and ample housing options.



The Chamber indicates factors that contribute to Tulsa's low cost of doing business, which is 15 percent below the national average, include low rent, energy costs, and taxes. Additional qualities that attract new growth include Tulsa's sound infrastructure and strong economy. *US News and World Report* indicates some of the elements of Tulsa's strong economy

include diversity in industries, low cost of living, and strong housing market. Many publications have praised Tulsa for strong economic rankings, including:

- #3 – “National Home Value Growth” – *Zillow.com*
- #15 – “Affordable Cities” – *Forbes*
- Top 10 – “City in Which To Retire” – *AARP*
- #54 – “Best Places for Business and Careers” – *Forbes*

The area's economy continues to remain strong in national and international financial markets. The Office of the State Treasurer maintains reports that the state ended fiscal year 2012 with higher revenues than the prior year, attributing the increase to various economic indicators such as net income tax, motor vehicle tax, and sales tax. The Tulsa housing market has not been as negatively affected by the mortgage/housing crisis as the rest of the country. In 2011, *Trulia.com* ranked Tulsa fifth best city for out-of-state house hunters.

The unemployment rate in the Tulsa MSA was 7.9 percent in 2010, and then decreased to a 2011 level of 6.5 percent, with a 2012 estimated rate of 6.5 percent, 2.7 percent below the U.S. average. The Tulsa Chamber projects the unemployment rate will continue to decrease through 2016 as economic recovery continues in Oklahoma.

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,
- Temporary Assistance for Needy Families (TANF) – provides assistance to families in need within the Union school district,
- 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 its goal of 3,000 students in 2012 by serving over 3,100 students. Due to program expansion that includes five Northeastern Oklahoma counties, the program predicts 2013 will serve approximately 3,200 students. In addition to helping many adults, the program has formed many relationships with Tulsa area programs including:

- Asbury Learning Center
- Children's Aid Society - The Carrera Program
- Community Action Project (CAP)
- Early Childhood Collaborative of Oklahoma (ECCO)
- GRACE Community Services
- Girl Scouts of Eastern Oklahoma
- Green Country Event Center
- Metropolitan Tulsa Urban League
- Northeastern State University
- South Tulsa Community House
- Tulsa Community College
- Tulsa Technology Center
- Workforce

Union Public Schools continues efforts to provide superior healthcare to the district. A collaborative effort between University of Oklahoma Bedlam Community Health Clinic and Union Public Schools produces state-of-the-art 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



Union Public Schools District Profile (Continued)

Economic Condition and Outlook (Cont.)

School. These clinics provide a convenient way for students and their families to receive a wide range of health care services, and they 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 an 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 assistant, and a licensed practical nurse. Limited pharmaceutical services are also available at the clinic.

Enrollment 2011-2012

Union has experienced significant growth in the past decade. During the 2002-2003 school year, the district recorded total enrollment of 13,517. In 2011-2012, enrollment reached 14,990. Administration projects enrollment in the 2012-2013 school year to reach approximately 15,298 students with the continuation of the four-year-old program at every elementary site and the three-year-old program together serving approximately 1,082 students. Additional enrollment details may be found in the Statistical Section of this CAFR.

Facilities 2011-2012

To accommodate growth in student population, the district maintains over 2.79 million square feet of facilities, including thirteen elementary schools (grades PreK-5), a Sixth/Seventh Grade Center, an Eighth Grade Center, an Intermediate High School (grades 9-10), a High School (grades 11-12), an Alternative School serving high school students, a Transportation/Operations/Warehouse Complex, and an Education Service Center. The district's newest construction includes a major remodel and expansion of Grove Elementary and construction of Union Collegiate Academy at the High School, which is scheduled to open school year 2013. Please refer to the Statistical Section of this CAFR for additional facility details.

Bond Funds 2011-2012

On February 14, 2012, district voters approved a \$19-million bond proposal which included funds for the addition of a fine arts wing at the 6/7th Grade Center and a competition quality tennis facility, renovation and update of the 6/7th Grade Center pool, construction of a new access road to/from the High School, and furniture and equipment for the newly constructed Union Collegiate Academy; acquisition of textbooks, media books, and instructional hardware/software; instructional, technology, and operations equipment; building repairs and renovations to sites districtwide.

Grants/Federal Programs 2011-2012

During the 2011-2012 school year, Union received more than \$13.6 million in federal grant money, of which \$2.65 million was funded by the Individuals with Disabilities Act of 2004 (IDEA). School year 2012 was also the last year Union received American Recovery and Reinvestment Act of 2009 (ARRA) money, collecting \$1.76 million in funding for education-related expenses such as technology, instructional materials, salaries, parental involvement, and professional development. ARRA provided funding for various programs designated under IDEA, Homeless, Title I, and Federal Education Jobs Act, which allocated additional funds for educational positions.



Major Initiatives 2011-2012

Major initiatives that were enacted as a result of the 2012 Oklahoma Legislative Session included:

- H.B. 3056: Flexible Benefit Allowance - Requires the State Board of Education to first fully fund the Flexible Benefit Allowance, using the same formula used by the legislature to fund FBA, from funds appropriated in the SDE Activity Account.
- S.Q. 758: Cap on Ad Valorem – Question on November 2012 ballot taking a vote to the people a measure limiting property tax increases to 3% annually.
- S.J.R. 52: Intangible Personal Property - Question on November 2012 ballot taking a vote to the people a measure eliminating intangible personal property tax for local entities.
- S.B. 1816: Amends S.B. 1975 by reallocating \$30 million in textbook funding back to districts and away from the State Department of Education.

Union Public Schools District Profile (Continued)

Major Initiatives (Cont.)

- H.B. 3090: Lindsey Nicole Henry Program – allows the SDE to prorate scholarships based on the number of days in the current school year in which a student is enrolled in a private institution.
- H.B. 2516: Remediation Formula – modifies remediation formula on a per student basis, incorporating total funds and dividing by the total number of students in need of remediation.

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. 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 Cole and Reed, LLP, was selected by the Board of Education 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 OMB Circular A-133. The auditor's report on the basic financial statements is included in the financial section of this report. The single audit of federal programs may be found in the Single Audit section of this CAFR.

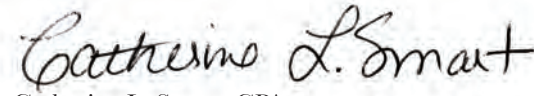
Closing


In closing, without the leadership and support of the Union Board of Education, preparation of this report would not have been possible.

Sincerely,

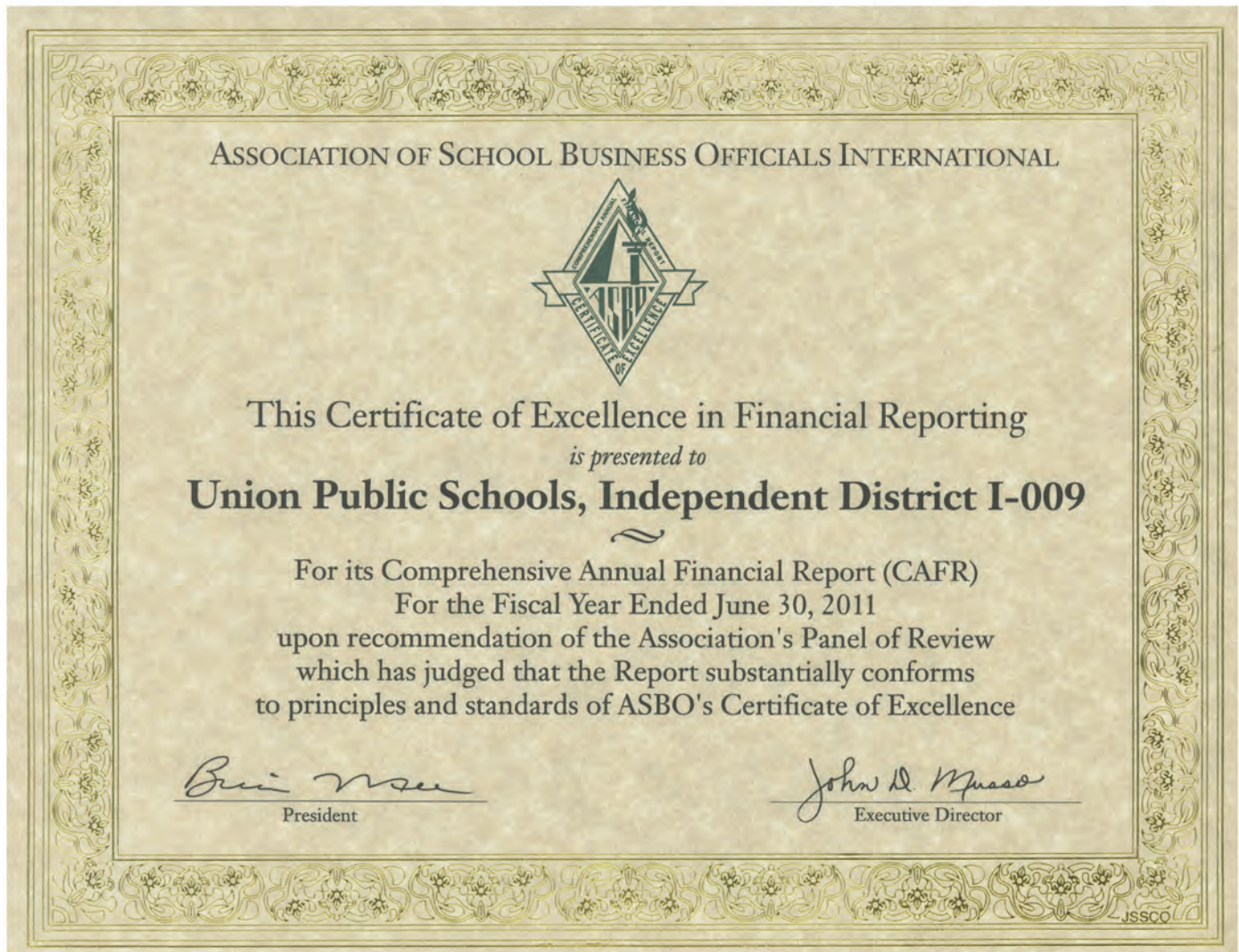

Catherine J. Burden, Ph.D.
Superintendent


Debra J. Jacoby, CPA
Chief Financial Officer/Treasurer


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


Gail Easterling, CPA
Director of Accounting

**Union Public Schools
District Profile (Continued)**



**Union Public Schools
District Profile (Continued)**

**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, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Sanison

President

Jeffrey R. Emer

Executive Director

Union Public Schools District Profile (Continued)

Board of Education 2011-12

<u>Name</u>	<u>Office</u>	<u>Seat</u>	<u>Term of Office</u>
Ed Payton	President	5	2010-2015
Heather McAdams	Vice President	3	2008-2013
Scott McDaniel	Clerk	4	2009-2014
Jeff Bennett	Member	1	2006-2011
Patrick Coyle	Member	2	2007-2012

Administration 2011-12

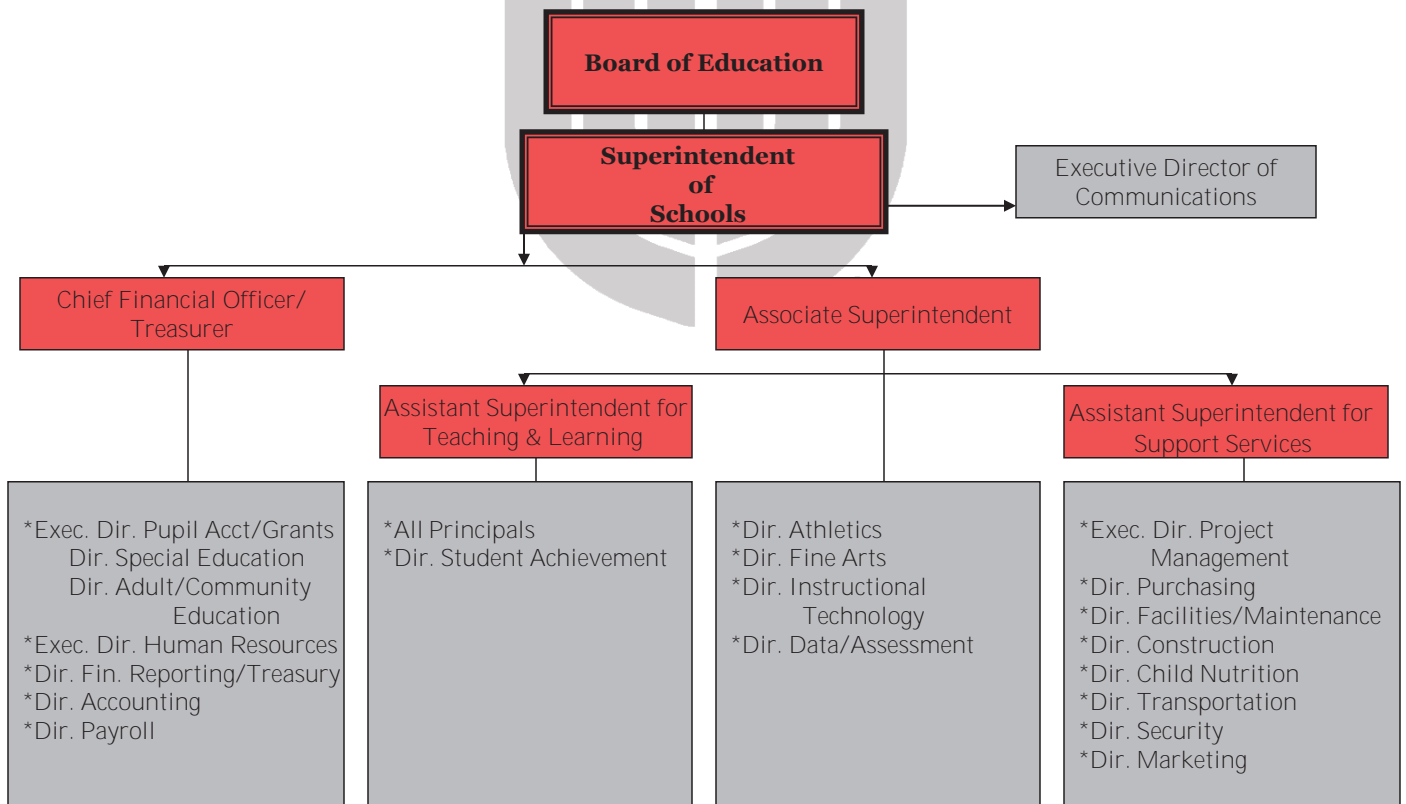
Cathy Burden, Ph.D. - Superintendent
 Debra Jacoby, CPA - Chief Financial Officer/Treasurer
 Kirt Hartzler, Ed.D. - Associate Superintendent
 Kathy Dodd, Ph.D. - Assistant Superintendent for Teaching & Learning
 Charlie Bushyhead - Assistant Superintendent for Support Services
 Gretchen Haas-Bethell - Executive Director of Communications
 Lee Snodgrass - Executive Director for Project Management
 Cynthia Solomon - Executive Director of Human Resources
 Jackie White - Executive Director of Pupil Accounting/Grants

Gary Greenhill - Director of Transportation
 Penny Kay, Ed.D. - Director of Special Education
 Chuck Perry - Director of Athletics
 Cathy Smart, CPA - Director of Financial Reporting/Treasury
 Ed Tackett - Director of Fine Arts

Todd Borland - Director of Technology
 Chuck Chapman - Director of Construction Services
 Susan Crowder - Director of Federal Programs
 Ross Ford - Director of Security
 Gail Easterling, CPA - Director of Accounting
 Lisa Griffin - Director of Child Nutrition
 JoAnna Jamison - Director of Adult & Community Education
 Sarah McBryde - Director of Marketing
 Lisa Neal, CPA - Director of Payroll
 Todd Nelson - Director of Student Achievement
 Hassan Yekzaman - Director of Operations
 David Young - Director of Purchasing & Supply Management

Union Public Schools District Profile (Continued)

Union Public Schools Administrative Organizational Chart



2011-2012

Independent Auditors' Report

To the Board of Education
Union Public Schools
Tulsa, Oklahoma

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, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2012, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report (under separate cover) dated December 6, 2012, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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, and the respective budgetary comparisons 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.

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. The combining financial statements have 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.

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 express no opinion on them.

Cole & Reed P.C.

Oklahoma City, Oklahoma
December 6, 2012

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, 2012. 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 2012 are as follows:

- » In total, net assets increased \$3.88 million. Net assets of governmental activities increased \$3.20 million which represents a 2.16 percent increase from fiscal year 2011.
- » Net assets of business-type activities increased \$683,379 or 15.56 percent from fiscal year 2011.
- » General revenues accounted for \$98.71 million in revenue or 76 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$30.40 million or 24 percent of total revenues of \$129.11 million.
- » The district had \$118.88 million in expenses related to governmental activities; only \$23.38 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 \$96.69 million in revenues, \$98.09 million in expenditures, and \$204,015 in insurance recoveries and transfers into the fund resulting in a fund balance decrease of \$1.20 million. This decrease is a result of a reduction in federal allocations. The building fund had \$3.73 million in revenues, \$500,973 in expenditures, and \$478,312 in transfers into the fund yielding a fund balance increase of \$3.71 million. Bond fund revenues totaled \$180,699 and net bond sale proceeds were \$19 million. Expenditures in the bond fund totaled \$25.97 million. The sinking fund had \$21.56 million in revenues and \$21.32 million in expenditures.
- » Net assets for the child nutrition enterprise fund increased \$683,379. This increase resulted from operating revenues of \$2.12 million and non-operating and other revenues of \$4.91 million exceeding operating expenses of \$6.35 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 Assets* presents information on all of the district’s assets and liabilities, with the difference between the two reported as net assets.

Union Public Schools – Management’s Discussion and Analysis

The *Statement of Activities* presents information showing how the district’s net assets changed during fiscal year 2012.

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 2012?” The Statement of Net Assets and the Statement of Activities answer this question. These statements include *all assets* and *liabilities* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year’s revenues and expenditures regardless of when cash is received or paid.

These two statements report the district’s net assets and changes in those assets. This change in net assets 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 Assets 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 33.

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 46 of this report.

Union Public Schools – Management’s Discussion and Analysis

The basic governmental fund financial statements begin on page 37 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 40 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 43 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 45 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 Assets provides the perspective of the district as a whole.

Table 1 provides a summary comparison of the district’s net assets for fiscal years 2012 and 2011:

Table 1
Net Assets
(In Millions)

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
<u>Assets</u>						
Current Assets	\$ 92.00	\$ 96.42	\$ 5.05	\$ 4.28	\$ 97.05	\$ 100.70
Capital Assets						
Land & CIP Assets	40.35	29.01	0.00	0.00	40.35	29.01
Capital Assets Being Depreciated, net	114.93	118.21	0.38	0.48	115.31	118.69
Total Assets	247.28	243.64	5.43	4.76	252.72	248.40
<u>Liabilities</u>						
Current Liabilities	37.28	35.06	0.36	0.37	37.64	35.43
Noncurrent Liabilities	58.75	60.52	0.00	0.00	58.75	60.52
Total Liabilities	96.03	95.58	0.36	0.37	96.39	95.95
<u>Net Assets</u>						
Invested in Capital Assets, Net of Related Debt	110.39	108.56	0.38	0.48	110.77	109.04
Restricted for Debt Service	12.11	11.86	0.00	0.00	12.11	11.86
Restricted for Capital Projects	2.51	2.09	0.00	0.00	2.51	2.09
Unrestricted	26.25	25.55	4.69	3.91	30.94	29.46
Total Net Assets	\$ 151.26	\$ 148.06	\$ 5.07	\$ 4.39	\$ 156.33	\$ 152.45

Union Public Schools – Management’s Discussion and Analysis

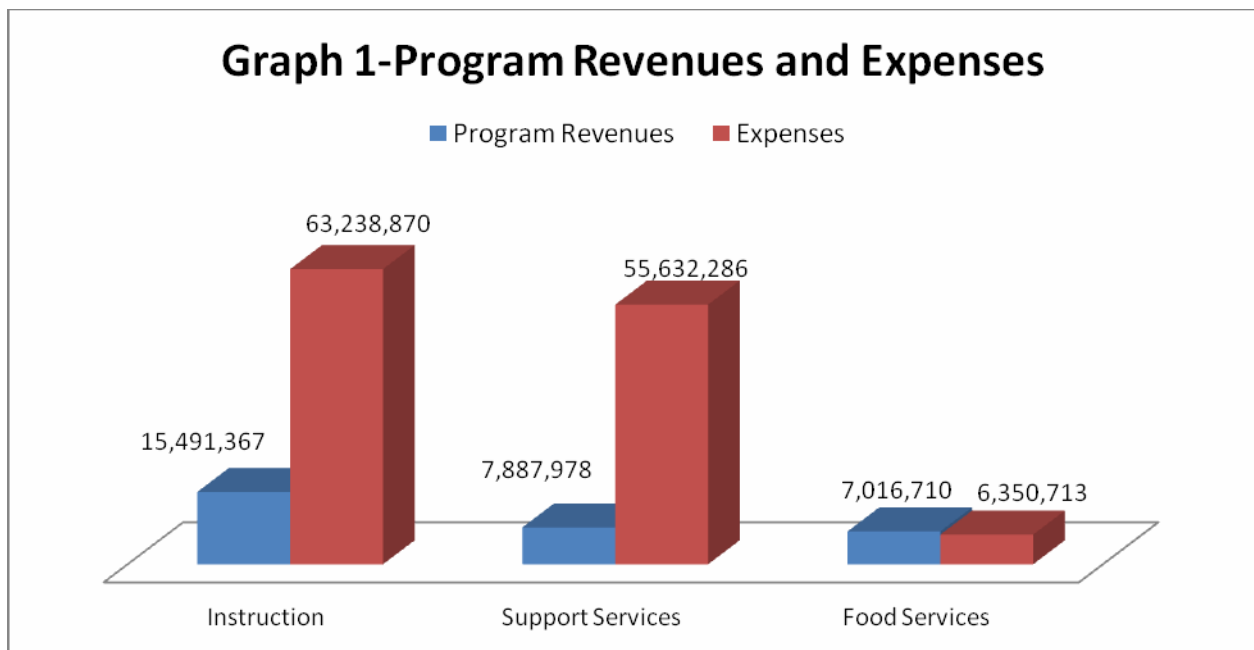
Total assets were \$252.72 million. Cash and cash equivalents were \$44.32 million. Investments totaled \$46.71 million. Capital assets net of depreciation were \$155.66 million. Taxes and other receivables were \$4.91 million.

Net assets of the district’s governmental activities increased by \$3.20 million. The majority of this increase was a result of additional property tax revenue collections, additional allocations for National Board, the new Carrera grant, as well as other small changes to grant and non-grant revenue sources, which affect the general fund, building fund and sinking fund. In addition, the October 2011 student count of 14,910 un-weighted ADM and 23,248 weighted ADM reflected district growth of 23 actual students and 337 weighted students. This growth was responsible for an increase in the mid-term State Aid and Flexible Benefit Allowance allocations. 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 slow but steady economic recovery. 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 assets of the district’s business-type activities increased by \$683,379, primarily due to an increase in local collections as a result of a meal price increase for 2011-2012. 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 34 the cost of the district’s governmental activities for the year ended June 30, 2012, was \$118.88 million. However, not all of this cost was borne by the taxpayers. Of this amount, \$2.40 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 \$20.98 million was paid through various federal and state grants and contributions. Consequently, the net cost of \$95.50 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

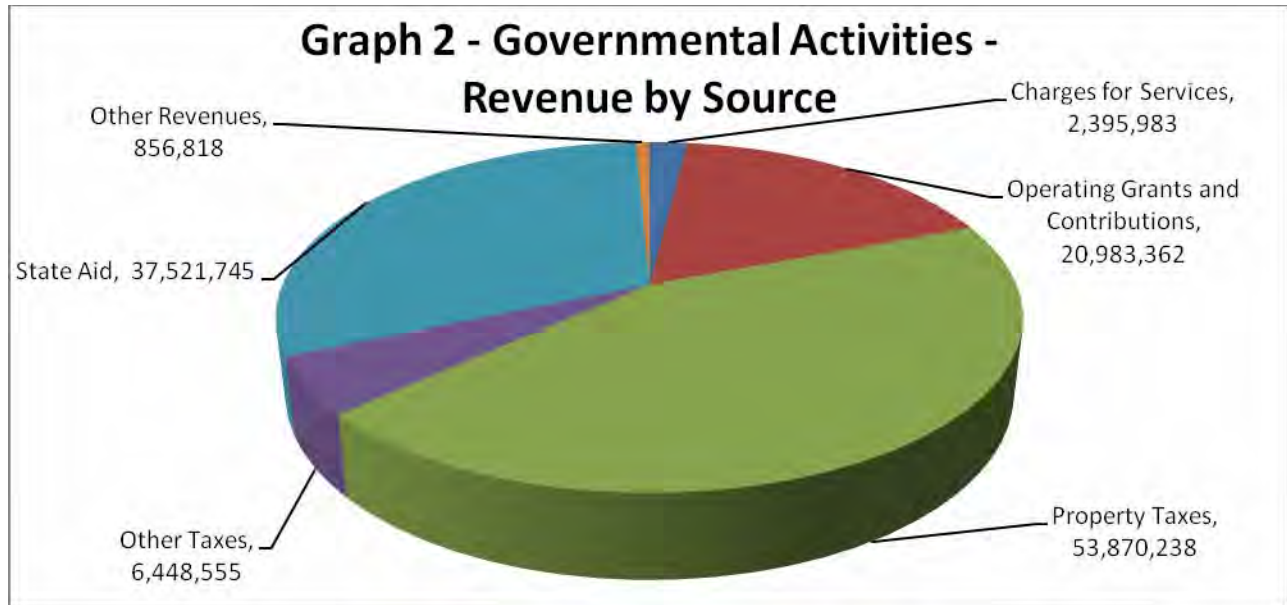
Table 2 provides a summary comparison of the district’s change in net assets for the fiscal years 2012 and 2011:

Table 2
Changes in Net Assets
(In Millions)

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
<u>Revenues</u>						
Program Revenues:						
Charges for Services	\$ 2.39	\$ 1.98	\$ 2.12	\$ 2.05	\$ 4.51	\$ 4.03
Operating Grants and Contributions	20.98	27.77	4.89	4.21	25.87	31.98
General Revenues:						
Property Taxes	53.87	53.30	0.00	0.00	53.87	53.30
Other Taxes	6.45	5.98	0.00	0.00	6.45	5.98
State Aid Not Restricted to Specific Programs	37.52	35.29	0.00	0.00	37.52	35.29
Other	0.86	0.82	0.02	0.02	0.88	0.84
Total Revenues	<u>\$ 122.07</u>	<u>\$ 125.14</u>	<u>\$ 7.03</u>	<u>\$ 6.28</u>	<u>\$ 129.10</u>	<u>\$ 131.42</u>
<u>Expenses</u>						
Instruction:						
Regular Instruction	47.69	47.16	0.00	0.00	47.69	47.16
Special Education Instruction	6.85	8.03	0.00	0.00	6.85	8.03
Vocational Education	0.95	0.79	0.00	0.00	0.95	0.79
Other Instruction	7.75	8.72	0.00	0.00	7.75	8.72
Support Services:						
Pupil Services	5.94	6.58	0.00	0.00	5.94	6.58
Instructional Staff Services	4.67	4.10	0.00	0.00	4.67	4.10
General Administration Services	2.30	2.06	0.00	0.00	2.30	2.06
School Administration Services	7.97	7.60	0.00	0.00	7.97	7.60
Business Services	7.91	6.69	0.00	0.00	7.91	6.69
Operations & Maintenance Services	16.30	14.56	0.00	0.00	16.30	14.56
Pupil Transportation Services	5.02	4.25	0.00	0.00	5.02	4.25
Other Support Services	0.50	0.42	0.00	0.00	0.50	0.42
Community Services	3.19	3.08	0.00	0.00	3.19	3.08
Interest on Long-Term Debt	1.84	1.73	0.00	0.00	1.84	1.73
Food Services	0.00	0.00	6.35	5.94	6.35	5.94
Total Expenses	<u>\$ 118.88</u>	<u>\$ 115.77</u>	<u>\$ 6.35</u>	<u>\$ 5.94</u>	<u>\$ 125.23</u>	<u>\$ 121.71</u>
Change in Net Assets	3.20	9.37	0.68	0.34	3.88	9.71
Net Assets, Beginning	148.06	138.69	4.39	4.05	152.45	142.74
Net Assets, Ending	<u>\$ 151.26</u>	<u>\$ 148.06</u>	<u>\$ 5.07</u>	<u>\$ 4.39</u>	<u>\$ 156.33</u>	<u>\$ 152.45</u>

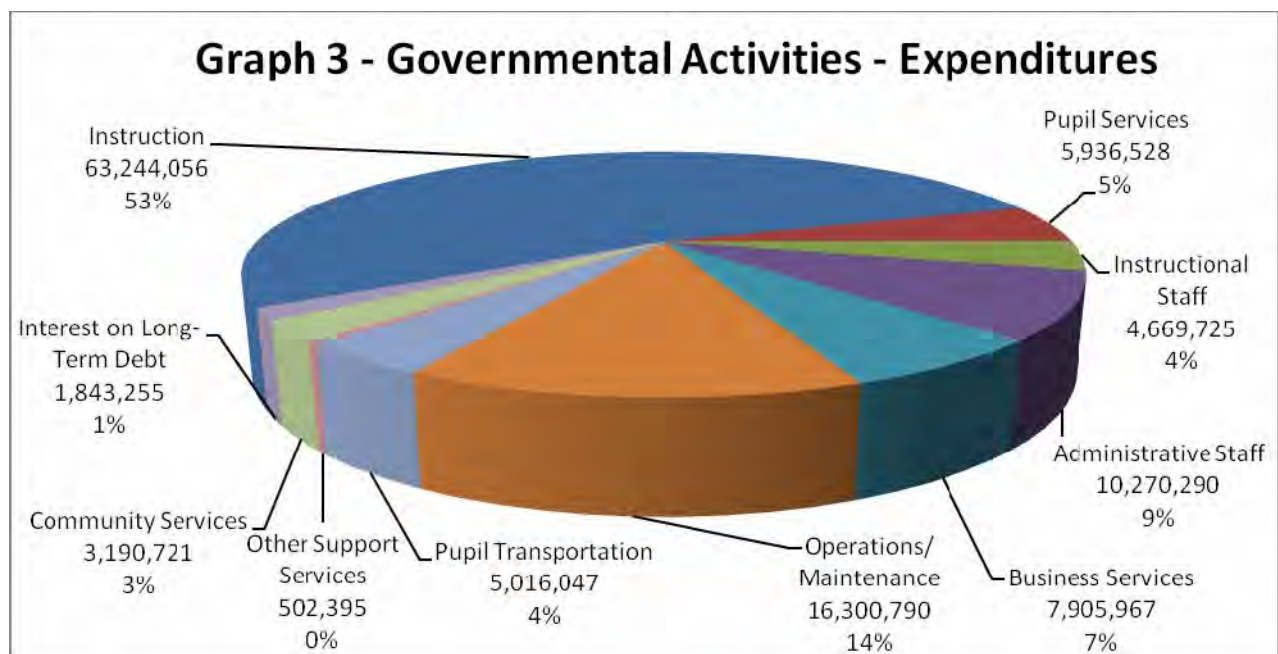
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Total governmental revenues were \$122.07 million. The major contributor to the decrease in revenue is a reduction in grant funding. Graph 2 illustrates the components of this revenue. Governmental activities increased the district’s net assets by \$3.20 million, thereby accounting for a majority of the growth in the net assets of the district.



Instruction comprised 53.0 percent of governmental program expenditures. Support services expenditures made up 47.0 percent of governmental expenditures.

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



Union Public Schools – Management’s Discussion and Analysis

The increase in student instructional services expenditures represents, in large part, the district’s multi-year plan to prioritize instructional services to address such issues as growing enrollment, class size, curriculum development, and negotiated teacher raises.

Business-Type Activities. Business-type activities consist of child nutrition services. This program had operating revenues of \$2.12 million, non-operating revenues of \$4.91 million, and expenses of \$6.35 million for fiscal year 2012.

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 problems, 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, unassigned fund balance 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 \$72.38 million, with \$432,760 of this total amount constituting non-spendable fund balance reserved for inventories. In addition, \$51.15 million is restricted for specific purposes: \$11.59 million in the building fund for uses mandated by the Oklahoma Constitution including building erection and maintenance, security, utilities, and fire/casualty premiums; \$12.11 in the sinking fund for debt service, \$27.43 million in the bond fund for capital projects, and \$16,956 in other governmental funds for arbitrage. Assigned fund balance totals \$1.70 million for compensating balances and insurance recovery. Unassigned fund balance totals \$19.09 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 \$19.09 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 19.46 percent of total general fund expenditures. The fund balance of the District’s general fund decreased by \$1.20 million from the prior year as a result of a reduction in both state aid allocations and federal allocations from the prior year due to the elimination of the one-time federal stabilization JOBS funds.

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.

Normally 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 2012 revenue and expenditure budgets were revised during the year based on increases in estimated revenue and expenditures, as well as a higher than estimated October child count. The October 2011 child count of 14,910 un-weighted ADM and 23,248 weighted ADM reflected district

Union Public Schools – Management’s Discussion and Analysis

growth of 23 actual students and 337 weighted students, but the district initially built conservative budgets based on minimal or zero student growth.

The variance in the final budget versus the actual revenues and expenditures revealed a variance in revenues of \$402,342 and a variance in expenditures of \$1.78 million. 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 \$11.59 million. The net increase in fund balance during the current year in the building fund was \$3.71 million. This planned increase in fund balance is attributed to the District’s commitment to energy efficiency by initiating measures to help reduce utility costs. 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 September 2011. The variance in the final building fund revenue budget versus the actual revenue received totaled \$93,706, due mostly to investments yielding interest below initial estimates. The variance in the building fund expenditure budget versus the actual expenditures was \$7.09 million under original estimates partly due to the shifting of expenditures to the general fund.

The sinking (debt service) fund had a total fund balance of \$12.11 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 \$250,157. 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 \$27.43 million, all of which was restricted for capital projects. The net decrease in fund balance during the current year in the bond fund was \$6.99 million. This decrease in fund balance is primarily the result of a reduced bond issue from the prior year and an increase in capital projects. On February 14, 2012, district voters approved a \$19 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. Statutory requirements dictate that bond funds be used for the voter-approved purposes of acquiring school sites, constructing and equipping new school facilities, renovating existing facilities, and acquiring transportation equipment.

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 \$11.57 million and non-operating revenues of \$4.91 million. Operating expenses were \$16.44 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 significant budgeted fund is the general fund. For the general fund, budget basis revenue was \$97.73 million with original budget estimates of \$94.24 million and final budget estimates of \$98.13 million. The majority of the revenue variance came from federal 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

Union Public Schools – Management’s Discussion and Analysis

collected during the last thirty calendar days of the fiscal year. During 2011-12, the majority of the additional spending authority was allocated to the instructional, student support, and instructional staff function areas. Although the revenue collections were lower 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 2012, the district had \$155.66 million in capital assets (net of depreciation), of which \$155.28 million was in governmental activities. Table 3 shows a comparison of fiscal years 2011 and 2012 balances.

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

	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 14.29	\$ 14.29	\$ 0.00	\$ 0.00	\$ 14.29	\$ 14.29
Construction in Progress	26.06	14.72	0.00	0.00	26.06	14.72
Buildings/Improvements	110.07	109.31	0.00	0.00	110.07	109.31
Machinery, Furniture, Equipment and Vehicles	4.86	8.90	0.38	0.49	5.24	9.39
Total	\$ 155.28	\$ 147.22	\$ 0.38	\$ 0.49	\$ 155.66	\$ 147.71

Capital assets of \$293.03 million exceeded depreciation of \$137.37 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 resides around the 15,000 mark. 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:

- *Phase II construction of Union Collegiate Academy
- *Boiler replacements
- *Carpet/flooring replacement
- *High School track renovation
- *Furniture, fixtures and equipment
- *Roof refurbishments/replacements
- *Upgrades to computer labs
- *Acquisition of textbooks and computer hardware/software
- *Acquisition of athletic, spirit and fine arts uniforms and equipment
- *Renovations and repairs to various school sites

Additional information on the district’s capital assets may be found in note D to the financial statements beginning on page 57.

Union Public Schools – Management’s Discussion and Analysis

Long-Term Debt. At June 30, 2012, the school district had \$72.33 million in bonds outstanding, \$20.88 million due within one year. Table 4 summarizes bonds outstanding for fiscal years 2012 and 2011.

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

	<u>2012</u>	<u>2011</u>
General Obligation Bonds Due:		
2011/2012	0.00	19.72
2012/2013	20.87	20.88
2013/2014	20.78	16.03
2014/2015	15.78	11.02
2015/2016	10.15	5.40
2016/2017	4.75	0.00
Total	<u>\$72.33</u>	<u>\$73.05</u>

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.

On April 1, 2010, the district issued \$22.5 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, 2015.

On April 1, 2009, the district issued \$20.0 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, 2014.

On April 1, 2008, the district issued \$19.4 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, 2013.

Additional information on the district’s long-term debt can be found in note E to the financial statements beginning on page 58 of this report.

Union Public Schools – Management’s Discussion and Analysis

Economic Factors

Fiscal year 2011-12 saw a continued resurgence from the global economic recession of fiscal years 2010 and 2011. According to the Office of the State Treasurer, collections for fiscal year 2011-12 were \$782.03 million or 7.7 percent above the prior year. Gross production tax collections on oil and natural gas were down by \$81.48 million or 8.3 percent from the previous 12 month period. Net income taxes, a combination of corporate and personal income taxes, generated \$3.86 billion, which was \$359.55 million or 10.27 percent higher than the prior year. Motor vehicle tax collections were also up from the previous 12 month period to \$690.41 million, an increase of \$52.17 million or 8.2 percent. Oklahoma continued economic improvement after fiscal year 2011 brought the State’s first positive revenue collections since the recession. Despite continued increases in State revenue collections, the district maintains a conservative budget. The district also continued the tradition of maintaining a strong year-end fund balance.

The district expects student growth to continue, particularly at the secondary level, and the district anticipates adding teachers and programs over the next few years as the economy recovers. The county assessor provided Union with projections of flat growth in the district’s net assessed valuation and actual growth was recorded at less than one percent. However, 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 has enjoyed a history of positive citizen support. The district’s patron base once again passed a bond issue on February 14, 2012, for \$19 million. These bond dollars provided the necessary funding for facilities, renovations, technology, textbooks, instructional equipment and uniforms. It is these annual bond dollars and strong patron support that 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 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.

Union Public Schools – Management’s Discussion and Analysis

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Union Public Schools
Statement of Net Assets
Year Ended June 30, 2012

	Governmental Activities	Business-Type Activities	Total
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 41,943,455	\$ 2,380,957	\$ 44,324,412
Investments	44,707,580	2,000,840	46,708,420
Receivables:			
Property taxes-delinquent	849,275	-	849,275
Due from other governments	3,785,273	73,814	3,859,087
Accrued interest	79,887	4,325	84,212
Other	118,310	-	118,310
Internal balance	85,000	(85,000)	-
Inventories	432,760	681,683	1,114,443
TOTAL CURRENT ASSETS	<u>92,001,540</u>	<u>5,056,619</u>	<u>97,058,159</u>
NONCURRENT ASSETS			
Land and construction-in-progress	40,350,318	-	40,350,318
Capital assets being depreciated, net	<u>114,932,352</u>	<u>381,775</u>	<u>115,314,127</u>
TOTAL NON-CURRENT ASSETS	<u>155,282,670</u>	<u>381,775</u>	<u>155,664,445</u>
TOTAL ASSETS	<u>247,284,210</u>	<u>5,438,394</u>	<u>252,722,604</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable	3,599,707	117,643	3,717,350
Liability for incurred claims	700,577	-	700,577
Accrued wages payable	8,497,747	245,276	8,743,023
Accrued interest payable	334,344	-	334,344
Payable to Fiduciary Funds	817,123	-	817,123
Current portion of long-term obligations	<u>23,328,188</u>	<u>-</u>	<u>23,328,188</u>
TOTAL CURRENT LIABILITIES	<u>37,277,686</u>	<u>362,919</u>	<u>37,640,605</u>
NON-CURRENT LIABILITIES			
Non-current portion of long-term obligations	54,799,046	-	54,799,046
Non-current portion of OPEB liability	<u>3,950,372</u>	<u>-</u>	<u>3,950,372</u>
TOTAL NON-CURRENT LIABILITIES	<u>58,749,418</u>	<u>-</u>	<u>58,749,418</u>
TOTAL LIABILITIES	<u>96,027,104</u>	<u>362,919</u>	<u>96,390,023</u>
NET ASSETS			
Invested in capital assets, net of related debt	110,391,940	381,775	110,773,715
Restricted for debt service	12,112,690	-	12,112,690
Restricted for capital projects	2,509,620	-	2,509,620
Unrestricted	<u>26,242,856</u>	<u>4,693,700</u>	<u>30,936,556</u>
TOTAL NET ASSETS	<u>\$ 151,257,106</u>	<u>\$ 5,075,475</u>	<u>\$ 156,332,581</u>

See notes to financial statements.

Union Public Schools
Statement of Activities
Year Ended June 30, 2012

					Net (Expense) Revenue and Changes in Net Assets		
					Primary Government		
					Business-		
					Governmental	Type	
					Activities	Activities	Total

Union Public Schools
Statement of Activities - Continued
Year Ended June 30, 2012

			Net (Expense) Revenue and Changes in Net Assets		
		Program Revenues	Primary Government		
			Governmental Activities	Business- Type Activities	Total
	Expenses	Charges for Services	Operating Grants and Contributions		
GENERAL REVENUES					
Taxes					
Property tax, levied for general purposes			\$ 32,556,899	\$ -	\$ 32,556,899
Property tax, levied for debt services			21,313,339	-	21,313,339
County taxes			6,448,555	-	6,448,555
State aid not restricted to specific programs			37,521,745	-	37,521,745
Interest and investment earnings			425,529	17,382	442,911
Other			431,291	-	431,291
TOTAL GENERAL REVENUES			<u>98,697,358</u>	<u>17,382</u>	<u>98,714,740</u>
CHANGES IN NET ASSETS			3,196,929	683,379	3,880,308
NET ASSETS AT BEGINNING OF YEAR			<u>148,060,177</u>	<u>4,392,096</u>	<u>152,452,273</u>
NET ASSETS AT END OF YEAR			<u>\$151,257,106</u>	<u>\$5,075,475</u>	<u>\$156,332,581</u>

See notes to financial statements.

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Union Public Schools
Balance Sheet - Governmental Funds
Year Ended June 30, 2012

	Major Funds				Non Major	Total
	General Fund	Building Fund	Sinking Fund	Bond Fund	Arbitrage Fund	Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 9,555,679	\$ 7,715,144	\$ 4,968,372	\$ 15,981,155	\$ 16,956	\$ 38,237,306
Investments	17,702,521	4,501,860	7,007,350	13,994,130	-	43,205,861
Due from other funds	135,000	-	-	-	-	135,000
Property taxes-delinquent	437,159	62,452	349,664	-	-	849,275
Due from other governments	3,607,521	26,020	151,732	-	-	3,785,273
Other	118,310	-	-	-	-	118,310
Accrued interest	41,707	9,790	3,662	24,354	-	79,513
Inventories	432,760	-	-	-	-	432,760
TOTAL ASSETS	\$ 32,030,657	\$ 12,315,266	\$12,480,780	\$ 29,999,639	\$ 16,956	\$ 86,843,298
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ 928,804	\$ 86,979	\$ 18,426	\$ 2,565,369	\$ -	\$ 3,599,578
Accrued wages payable	7,969,255	427,038	-	-	-	8,396,293
Due to other funds	650,000	150,000	-	-	-	800,000
Payable to Fiduciary Funds	817,123	-	-	-	-	817,123
Deferred revenues	437,159	62,452	349,664	-	-	849,275
TOTAL LIABILITIES	10,802,341	726,469	368,090	2,565,369	-	14,462,269
FUND BALANCES						
Nonspendable	432,760	-	-	-	-	432,760
Restricted	-	11,588,797	12,112,690	27,434,270	16,956	51,152,713
Assigned	1,704,276	-	-	-	-	1,704,276
Unassigned	19,091,280	-	-	-	-	19,091,280
TOTAL FUND BALANCES	21,228,316	11,588,797	12,112,690	27,434,270	16,956	72,381,029
TOTAL LIABILITIES AND FUND BALANCES	\$ 32,030,657	\$ 12,315,266	\$12,480,780	\$ 29,999,639	\$ 16,956	
AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET ASSETS 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					\$ 290,790,724	
Accumulated depreciation					(135,508,054)	155,282,670
Property taxes receivable will be collected this year, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.						
						849,275
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:						
Bonds payable					(72,325,000)	
Premium on bonds payable					(473,526)	
Accrued interest on the bonds					(334,344)	
Arbitrage					-	
Early retirement incentive					(1,403,318)	
Compensated absences					(3,925,390)	
Other Post Employment Benefits					(3,950,372)	(82,411,950)
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.						
						5,156,082
TOTAL NET ASSETS--GOVERNMENTAL ACTIVITIES						\$ 151,257,106

See notes to financial statements.

Union Public Schools
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
Year Ended June 30, 2012

	Major Funds				Non Major	Total
	General	Building	Sinking	Bond	Arbitrage	Governmental
	Fund	Fund	Fund	Fund	Fund	Funds
REVENUES						
Local sources	\$ 32,009,128	\$ 3,733,598	\$ 21,562,868	\$ 180,699	\$ 595	\$ 57,486,888
Intermediate sources	3,577,493	-	-	-	-	3,577,493
State sources	53,507,688	-	-	-	-	53,507,688
Federal sources	7,592,989	-	-	-	-	7,592,989
TOTAL REVENUES	<u>96,687,298</u>	<u>3,733,598</u>	<u>21,562,868</u>	<u>180,699</u>	<u>595</u>	<u>122,165,058</u>
EXPENDITURES						
Current						
Instruction	51,727,588	-	-	2,022,979	-	53,750,567
Student	5,785,621	-	-	62,238	-	5,847,859
Instructional staff	4,124,790	-	-	423,057	-	4,547,847
General administration	2,059,469	-	-	185,469	-	2,244,938
School administration	7,641,112	-	-	116,703	-	7,757,815
Business	5,932,638	-	-	1,304,071	-	7,236,709
Operations and maintenance	13,239,222	486,676	-	663,192	-	14,389,090
Student transportation	3,682,603	-	-	12,226	-	3,694,829
Non-instruction expenditures						
Child Nutrition Operations	435,766	-	-	-	-	435,766
Community service operations	3,145,899	-	-	75,384	-	3,221,283
Other	309,240	-	-	-	-	309,240
Capital outlay	3,400	14,297	-	21,101,129	-	21,118,826
Debt service						
Principal	-	-	19,725,000	-	-	19,725,000
Interest	-	-	1,599,562	-	-	1,599,562
TOTAL EXPENDITURES	<u>98,087,348</u>	<u>500,973</u>	<u>21,324,562</u>	<u>25,966,448</u>	<u>-</u>	<u>145,879,331</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,400,050)</u>	<u>3,232,625</u>	<u>238,306</u>	<u>(25,785,749)</u>	<u>595</u>	<u>(23,714,273)</u>
OTHER FINANCING SOURCES (USES)						
Issuance of debt	-	-	-	19,000,000	-	19,000,000
Premium on issuance of debt	-	-	118,750	-	-	118,750
Insurance recoveries	97,113	-	-	-	-	97,113
Transfers in	106,902	478,312	3	-	-	585,217
Transfers out	-	-	(106,902)	(206,690)	(271,625)	(585,217)
TOTAL OTHER FINANCING SOURCES (USES)	<u>204,015</u>	<u>478,312</u>	<u>11,851</u>	<u>18,793,310</u>	<u>(271,625)</u>	<u>19,215,863</u>
NET CHANGE IN FUND BALANCE	<u>(1,196,035)</u>	<u>3,710,937</u>	<u>250,157</u>	<u>(6,992,439)</u>	<u>(271,030)</u>	<u>(4,498,410)</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>22,424,351</u>	<u>7,877,860</u>	<u>11,862,533</u>	<u>34,426,709</u>	<u>287,986</u>	<u>76,879,439</u>
FUND BALANCE AT END OF YEAR	<u>\$ 21,228,316</u>	<u>\$ 11,588,797</u>	<u>\$ 12,112,690</u>	<u>\$ 27,434,270</u>	<u>\$ 16,956</u>	<u>\$ 72,381,029</u>

See notes to financial statements.

Union Public Schools
Reconciliation of the Statement of Revenues, Expenditures, & Changes in Fund Balance
Changes in Fund Balance of Governmental Funds to the Statement of Activities
Year Ended June 30, 2012

TOTAL NET CHANGE IN FUND BALANCES-GOVERNMENTAL FUNDS \$ (4,498,410)

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 assets 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	(14,639,271)	
Capital outlays	22,736,302	
Retirements and adjustments	<u>(33,006)</u>	8,064,025

Repayment of bond principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net assets 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 assets and does not affect the statement of activities.

Principal payments	19,725,000	
Premium on issuance of bonds	(118,750)	
Amortization of bond premium	124,565	
Bond sale proceeds, net	<u>(19,000,000)</u>	730,815

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 tax revenues. They are, however, recorded as revenue in the statement of activities.

(310,037)

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 assets of the internal service fund are included with governmental activities.

(647,195)

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.

65,547

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.

(207,816)

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES

\$ 3,196,929

Union Public Schools
Statement of Net Assets - Proprietary Funds
Year Ended June 30, 2012

	Business-Type Activities Enterprise Fund: Child Nutrition Fund	Governmental Activities- Internal Service Fund: Employee Insurance Fund
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,380,957	\$ 3,706,149
Investments	2,000,840	1,501,719
Due from other governments	73,814	-
Accrued interest receivable	4,325	374
Due from other funds	-	750,000
Inventories	681,683	-
TOTAL CURRENT ASSETS	<u>5,141,619</u>	<u>5,958,242</u>
NONCURRENT ASSETS		
Capital assets, net	381,775	-
TOTAL NONCURRENT ASSETS	<u>381,775</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 5,523,394</u>	<u>\$ 5,958,242</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	\$ 117,643	129
Liability for incurred claims	-	700,577
Accrued wages payable	245,276	101,454
Due to other funds	85,000	-
TOTAL CURRENT LIABILITIES	<u>447,919</u>	<u>802,160</u>
NET ASSETS		
Invested in capital assets	381,775	-
Unrestricted	4,693,700	5,156,082
TOTAL NET ASSETS	<u>5,075,475</u>	<u>5,156,082</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,523,394</u>	<u>\$ 5,958,242</u>

See notes to financial statements.

Union Public Schools
Statement of Revenues, Expenditures, & Changes in Fund Net Assets
Proprietary Funds
Year Ended June 30, 2012

	Business-Type Activities Enterprise Fund: Child Nutrition Fund	Governmental Activities- Internal Service Fund: Employee Insurance Fund
OPERATING REVENUES		
Meals	\$ 2,124,783	\$ -
Insurance contributions	<u>-</u>	<u>9,445,071</u>
TOTAL OPERATING REVENUES	<u>2,124,783</u>	<u>9,445,071</u>
OPERATING EXPENSES		
Salaries and wages	2,766,351	304,599
Purchased and contracted services	189,812	-
Food suppliers	2,529,989	-
Commodities	359,839	-
Depreciation	119,293	-
Management fees	-	1,156,308
Medical claims	-	8,631,677
Other operating expenses	<u>385,429</u>	<u>-</u>
TOTAL OPERATING EXPENSES	<u>6,350,713</u>	<u>10,092,584</u>
OPERATING LOSS	<u>(4,225,930)</u>	<u>(647,513)</u>
NONOPERATING REVENUES		
Interest income	17,382	318
Federal and state grants	4,470,994	-
Donated commodities	<u>420,933</u>	<u>-</u>
TOTAL NONOPERATING REVENUES	<u>4,909,309</u>	<u>318</u>
CHANGES IN NET ASSETS	683,379	(647,195)
NET ASSETS AT BEGINNING OF YEAR	<u>4,392,096</u>	<u>5,803,277</u>
NET ASSETS AT END OF YEAR	<u>\$ 5,075,475</u>	<u>\$ 5,156,082</u>

See notes to financial statements.

Union Public Schools
Statement of Cash Flows - Proprietary Funds
Year Ended June 30, 2012

	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	\$ 2,124,783	\$ 8,945,071
Cash payments for insurance claims	-	(8,529,748)
Cash payments to suppliers for goods and services	(3,173,678)	(1,156,179)
Cash payments to employees for services	(2,760,831)	(212,288)
NET CASH USED IN OPERATING ACTIVITIES	<u>(3,809,726)</u>	<u>(953,144)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Capital assets purchased	(18,056)	-
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(18,056)</u>	<u>-</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Operating grants received	4,461,372	-
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	<u>4,461,372</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	1,499,498	498,394
Purchases of investments	(2,000,000)	(1,500,000)
Investment Income	24,281	2,814
NET CASH USED IN INVESTING ACTIVITIES	<u>(476,221)</u>	<u>(998,792)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	157,369	(1,951,936)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,223,588	5,658,085
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 2,380,957</u>	<u>\$ 3,706,149</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating loss	\$ (4,225,930)	\$ (647,513)
Adjustments to reconcile operating loss to net cash used in operating activities		
Depreciation	119,293	-
Decrease in inventories	264,655	-
Increase in accounts payable	26,736	129
Increase (decrease) in accrued wages payable	(34,480)	100,927
Increase in due to other funds	40,000	-
Increase in due from other funds	-	(500,000)
Increase in liability for incurred claims	-	93,313
NET CASH USED IN OPERATING ACTIVITIES	<u>\$ (3,809,726)</u>	<u>\$ (953,144)</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES		
Commodities received from Department of Human Services	\$ 420,933	\$ -
Commodities consumed	\$ 359,839	\$ -

See notes to financial statements.

Union Public Schools
Statement of Net Assets - Fiduciary Funds
Year Ended June 30, 2012

	Early Retirement Incentive Trust Fund	Private- Purpose Trust Fund	Agency Fund
ASSETS			
Cash and cash equivalents	\$ 389,738	\$ 66,269	\$ 2,484,087
Investments	400,180	-	-
Due from General Fund	817,123	-	-
Accrued interest	841	-	-
TOTAL ASSETS	<u><u>\$ 1,607,882</u></u>	<u><u>\$ 66,269</u></u>	<u><u>\$ 2,484,087</u></u>
 LIABILITIES AND NET ASSETS			
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ 26,289
Wages payable	33,868	-	14,678
Other liabilities	332,364	-	-
Due to student groups	-	-	2,443,120
TOTAL LIABILITIES	<u><u>\$ 366,232</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,484,087</u></u>
 NET ASSETS			
Restricted - expendable for early retirement	\$ 1,241,650	\$ -	\$ -
Unrestricted	-	66,269	-
TOTAL NET ASSETS	<u><u>\$ 1,241,650</u></u>	<u><u>\$ 66,269</u></u>	<u><u>\$ -</u></u>

See notes to financial statements.

Union Public Schools
Statement of Changes in Net Assets - Fiduciary Funds
Year Ended June 30, 2012

	Early Retirement Incentive Trust Fund	Private- Purpose Trust Fund
ADDITIONS		
Contributions	\$ 817,772	\$ 6,923
Interest income	<u>2,949</u>	<u>197</u>
TOTAL ADDITIONS	<u>820,721</u>	<u>7,120</u>
DEDUCTIONS		
Other deductions	<u>806,901</u>	<u>10,022</u>
TOTAL DEDUCTIONS	<u>806,901</u>	<u>10,022</u>
CHANGE IN NET ASSETS	13,820	(2,902)
NET ASSETS AT BEGINNING OF YEAR	<u>1,227,830</u>	<u>69,171</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 1,241,650</u></u>	<u><u>\$ 66,269</u></u>

See notes to financial statements.

Union Public Schools – Notes to Financial Statements

Year Ended June 30, 2012

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 as applied to government units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. With respect to proprietary activities, the District has adopted GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*. The District has elected to apply all applicable GASB pronouncements as well as Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (ASC) unless the guidance provided in the Codification conflict with or contradict GASB pronouncements. 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 accounting principles generally accepted in the United States of America, 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 or incomplete.

The District has presented the entities which comprise the reporting entity in the basic financial statements for 2012. 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 assets 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, 2012

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 fixed 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 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.

Non-Major Governmental Funds

The District's non major governmental fund is the Arbitrage Fund. The Arbitrage Fund is used to account for any arbitrage tax liability penalties from the Internal Revenue Service on any outstanding bond fund proceeds according to arbitrage calculations performed by an outside consultant.

Union Public Schools – Notes to Financial Statements

Year Ended June 30, 2012

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 major proprietary funds:

Child Nutrition Fund

The District's Child Nutrition Fund is the only major proprietary fund. It is an 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 the Early Retirement Incentive Trust Fund, and 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.

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.

Early Retirement Incentive Trust Fund

The Early Retirement Incentive Trust Fund is used to account for payments to individuals participating in the early retirement program. The General Fund makes payments to the Early Retirement Incentive Trust fund for the full amount of expected costs over the life of the program in the year the program is approved.

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, 2012

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 and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. 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, 2012, and were reinstated during fiscal year 2013, for the General Fund and Building Fund.

Union Public Schools – Notes to Financial Statements

Year Ended June 30, 2012

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

Assets, Liabilities and Net Assets

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 consist of United States Treasury securities and agencies. Investments are reflected at fair value.

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, 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 taxes which are not collected within 60 days of the year end are recorded in the governmental fund financial statements as deferred revenue. Uncollectible personal and real property taxes are deemed to be immaterial because the real property can be sold for the amount of taxes due.

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. Inventories for proprietary funds are stated at the lower of cost or market on a first-in, first-out method.

Union Public Schools – Notes to Financial Statements

Year Ended June 30, 2012

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

Assets, Liabilities and Net Assets--Continued:

Inventories--Continued:

Inventories at June 30, 2012 consist of the following:

Governmental activities:		
Instructional	\$	130,317
Janitorial		240,452
Computer accessory		6,165
Transport		47,111
Medical		8,715
Total governmental activities		<u>432,760</u>
Business-type activities:		
Food Service		<u>681,683</u>
	<u>\$</u>	<u>1,114,443</u>

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. 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	5-40 years	\$ 2,500
Furniture and fixtures	5-10 years	\$ 2,500

Compensated Absences: 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.

Union Public Schools – Notes to Financial Statements

Year Ended June 30, 2012

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

Assets, Liabilities and Net Assets--Continued:

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 assets.

Internal Balances: Amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the entity-wide governmental and business-type activities columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances, as applicable.

Due To/From Other Funds: Amounts owed between funds which are due within one year are reported as due to other funds.

Interfund Transactions: Interfund transactions are either loans or transfers. Loans are reported as receivables and payables as appropriate and are subject to elimination. Interfund transactions are presented as transfers. Transfers within governmental activities or within business-type activities are eliminated.

Inter-fund Receivables, Payables and Transfers: The composition of interfund balances as of June 30, 2012, was as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Building	100,000
General Fund	Child Nutrition	35,000
Internal Service Fund	General	650,000
Internal Service Fund	Building	50,000
Internal Service Fund	Child Nutrition	50,000
	Total	<u>\$ 885,000</u>

These represent amounts necessary to subsidize the Internal Service Fund and Early Retirement Incentive liability. These amounts are expected to be paid within the next fiscal year.

Union Public Schools – Notes to Financial Statements

Year Ended June 30, 2012

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

Revenues, Expenses and Expenditures

Inter-fund transfers, which represent transfers of interest earnings during the year ended June 30, 2012, were as follows:

Transfer Out	Transfer In			
	General Fund	Building Fund	Sinking Fund	Arbitrage Fund
Governmental activities:				
Bond Fund	\$ -	\$ 206,687	\$ 3	\$ -
Arbitrage Fund	-	271,625	-	-
Sinking Fund	106,902	-	-	-
Total	<u>\$ 106,902</u>	<u>\$ 478,312</u>	<u>\$ 3</u>	<u>\$ -</u>

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.

Benefits Funded by the state of Oklahoma: For 2012, the state of Oklahoma contributed estimated payments benefiting District employees as follows:

Plan	Amount
Teachers’ Retirement System of Oklahoma	<u>\$ 5,803,785</u>

The District has recognized the revenues and expenditures related to this on-behalf payment in its basic financial statements.

Union Public Schools – Notes to Financial Statements

Year Ended June 30, 2012

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

Equity Classifications

The government-wide and business-type fund financial statements utilize a net asset presentation. Net assets are categorized as investment in capital assets (net of related debt), restricted and unrestricted.

Investment in Capital Assets: Investment in capital assets (net of related debt) is intended to reflect the portion of net assets which are associated with non-liquid capital assets less outstanding capital asset related debt. The net related debt is debt less the outstanding liquid assets.

Restricted Net Assets: Restricted net assets are liquid assets (generated from revenues and net bond proceeds) which have third party (statutory, bond covenant or granting agency) limitations on their use. The District would typically use restricted net assets 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 Assets: All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt. It is the District’s policy to first use restricted net assets prior to the use of unrestricted net assets when an expense is incurred for purposes for which both restricted and unrestricted net assets 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. Funds set aside by the Board of Education as committed fund balance requires the approval 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, 2012.

Union Public Schools – Notes to Financial Statements

Year Ended June 30, 2012

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. 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 to first use restricted fund balance prior to the use of unrestricted fund balance when an expense 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.

Effective July 1, 2010, the District implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions* ("GASB 54"). The following table shows the fund balance classifications as shown on the governmental funds balance sheet in accordance with GASB 54 as of June 30, 2012:

	Major Funds				Non Major	Total
	General Fund	Building Fund	Sinking Fund	Bond Fund	Arbitrage Fund	Governmental Funds
Fund Balances:						
Nonspendable	\$ 432,760	\$ -	\$ -	\$ -	\$ -	\$ 432,760
Restricted For:						
Capital Projects	-	11,588,797	-	27,434,270	-	39,023,067
Bond Payments	-	-	12,112,690	-	-	12,112,690
Other	-	-	-	-	16,956	16,956
	-	11,588,797	12,112,690	27,434,270	16,956	51,152,713
Assigned For:						
Compensated Absences	1,382,810	-	-	-	-	1,382,810
Insurance Recovery	321,466	-	-	-	-	321,466
	1,704,276	-	-	-	-	1,704,276
Unassigned:	19,091,280	-	-	-	-	19,091,280
Total Fund Balance	<u>\$ 21,228,316</u>	<u>\$ 11,588,797</u>	<u>\$ 12,112,690</u>	<u>\$ 27,434,270</u>	<u>\$ 16,956</u>	<u>\$ 72,381,029</u>

Union Public Schools – Notes to Financial Statements

Year Ended June 30, 2012

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 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, 2012, all of the District's deposits and investments were either covered by federal deposit insurance or were fully collateralized.

Deposits: The District had deposits at financial institutions with a carrying amount of approximately \$45,685,000 at June 30, 2012. The bank balance of these deposits at June 30, 2012 was approximately \$50,674,000.

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 approximately \$47,100,000 in federal home loan investments with a variable coupon rate ranging from 0.5-1.25%. 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.

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, 2012, all of the District's investments were scheduled to mature in 10 years with callable dates within the next 6 months.

Union Public Schools – Notes to Financial Statements

Year Ended June 30, 2012

NOTE C--RECEIVABLES

Receivables at June 30, 2012, all due within one year, for the District's governmental and proprietary funds in the aggregate, are as follows:

	Governmental Funds				Proprietary Funds		Total
	General	Building Fund	Sinking Fund	Bond Fund	Child Nutrition Fund	Internal Service Fund	
Receivables							
Accrued interest	\$ 41,707	\$ 9,790	\$ 3,662	\$ 24,354	\$ 4,325	\$ 374	\$ 84,212
Due from other governments	3,607,521	26,020	151,732	-	73,814	-	3,859,087
Other	118,310	-	-	-	-	-	118,310
Property taxes--delinquent	<u>437,159</u>	<u>62,452</u>	<u>349,664</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>849,275</u>
Total	<u>\$4,204,697</u>	<u>\$ 98,262</u>	<u>\$505,058</u>	<u>\$ 24,354</u>	<u>\$ 78,139</u>	<u>\$ 374</u>	<u>\$4,910,884</u>

These receivables are expected to be collected within the next fiscal year.

Union Public Schools – Notes to Financial Statements

Year Ended June 30, 2012

NOTE D--CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2012, follows:

	Balance June 30, 2011	Additions	Deductions	Reclassifications & Adjustments	Balance June 30, 2012
Governmental activities					
Capital assets not being depreciated					
Land	\$ 14,293,205	\$ -	\$ -	\$ -	\$ 14,293,205
Construction in-progress					
General government	14,715,732	19,883,629	-	(8,542,248)	26,057,113
Total capital assets not being depreciated	<u>29,008,937</u>	<u>19,883,629</u>	<u>-</u>	<u>(8,542,248)</u>	<u>40,350,318</u>
Capital assets being depreciated					
Land improvements	7,213,890	6,048	-	302,296	7,522,234
Building and Building Improvements	195,023,667	101,855	-	8,239,952	203,365,474
Machinery, equipment and vehicles	41,084,861	2,744,770	(4,276,933)	-	39,552,698
Total capital assets being depreciated	<u>243,322,418</u>	<u>2,852,673</u>	<u>(4,276,933)</u>	<u>8,542,248</u>	<u>250,440,406</u>
Less accumulated depreciation for:					
Land improvements	(1,803,688)	(391,655)	-	-	(2,195,343)
Building and Building Improvements	(91,121,085)	(7,499,680)	-	-	(98,620,765)
Machinery, equipment and vehicles	(32,187,937)	(6,747,936)	4,243,927	-	(34,691,946)
Total accumulated depreciation	<u>(125,112,710)</u>	<u>(14,639,271)</u>	<u>4,243,927</u>	<u>-</u>	<u>(135,508,054)</u>
Total capital assets being depreciated, net	<u>118,209,708</u>	<u>(11,786,598)</u>	<u>(33,006)</u>	<u>8,542,248</u>	<u>114,932,352</u>
Governmental activities					
Capital assets, net	<u>\$ 147,218,645</u>	<u>\$ 8,097,031</u>	<u>\$ (33,006)</u>	<u>\$ -</u>	<u>\$ 155,282,670</u>
Summary of Governmental Activities					
Capital Assets					
Total capital assets	\$ 272,331,355	\$ 22,736,302	\$ (4,276,933)	\$ -	\$ 290,790,724
Less accumulated depreciation	(125,112,710)	(14,639,271)	4,243,927	-	(135,508,054)
Capital assets, net	<u>\$ 147,218,645</u>	<u>\$ 8,097,031</u>	<u>\$ (33,006)</u>	<u>\$ -</u>	<u>\$ 155,282,670</u>
Business type activities					
Capital assets being depreciated					
Furniture, equipment and vehicles	\$ 2,254,484	\$ 18,056	\$ (28,267)	\$ -	\$ 2,244,273
Less accumulated depreciation for					
Furniture, equipment and vehicles	(1,768,855)	(119,293)	25,650	-	(1,862,498)
Total capital assets being depreciated, net	<u>\$ 485,629</u>	<u>\$ (101,237)</u>	<u>\$ (2,617)</u>	<u>\$ -</u>	<u>\$ 381,775</u>

Union Public Schools – Notes to Financial Statements

Year Ended June 30, 2012

NOTE D--CAPITAL ASSETS--Continued

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

<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
Instruction	\$ 10,120,036	Child nutrition fund	<u>\$ 119,293</u>
Pupil services	118,483		
Instructional services	301,501		
General administration	78,053		
School administration	220,294		
Business services	1,302,374		
Operations and maintenance services	1,147,571		
Transportation services	1,336,592		
Community services	<u>14,367</u>		
	<u>\$ 14,639,271</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, 2012:

	<u>2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>2012</u>	<u>Due in One Year</u>
Governmental activities					
Bonds payable	\$ 73,050,000	\$ 19,000,000	\$ (19,725,000)	\$ 72,325,000	\$ 20,875,000
Premium on debt issuance	479,341	118,750	(124,565)	473,526	148,315
Compensated absences	4,059,752	308,070	(442,432)	3,925,390	1,471,246
Early retirement incentive	1,345,063	817,123	(758,868)	1,403,318	833,627
OPEB	<u>3,666,449</u>	<u>865,843</u>	<u>(581,920)</u>	<u>3,950,372</u>	<u>-</u>
	<u>\$ 82,600,605</u>	<u>\$ 21,109,786</u>	<u>\$ (21,632,785)</u>	<u>\$ 82,077,606</u>	<u>\$ 23,328,188</u>

Union Public Schools – Notes to Financial Statements

Year Ended June 30, 2012

NOTE E--LONG-TERM DEBT--Continued

A brief description of the outstanding general obligation bond issues at June 30, 2011, is set forth below:

	<u>Amount Outstanding</u>
Independent School District No. 9 Building Bonds Series 2008, original issue \$19,400,000, interest rate of 3% to 3.25%, due in installments of \$4,850,000 annually, final payment of \$4,850,000 due April 1, 2013.	\$ 4,850,000
Independent School District No. 9 Building Bonds Series 2009, original issue \$20,000,000, interest rate of 2.5% to 3.0% due in installments of \$5,000,000 annually, final payment of \$5,000,000 due April 1, 2014.	10,000,000
Independent School District No. 9 Building Bonds Series 2010, original issue \$22,500,000, interest rate of .25% to 2.0% due in installments of \$5,625,000 annually, final payment of \$5,625,000 due April 1, 2015.	16,875,000
Independent School District No. 9 Building Bonds Series 2011, original issue \$21,600,000, interest rate of 1% to 2.0% due in installments of \$5,400,000 annually, final payment of \$5,400,000 due April 1, 2016.	21,600,000
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.	<u>19,000,000</u>
	<u>\$ 72,325,000</u>

Maturities of long-term debt are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Years ending June 30,			
2013	\$ 20,875,000	\$ 1,337,375	\$ 22,212,375
2014	20,775,000	891,375	21,666,375
2015	15,775,000	518,500	16,293,500
2016	10,150,000	250,500	10,400,500
2017	4,750,000	95,000	4,845,000
	<u>\$ 72,325,000</u>	<u>\$ 3,092,750</u>	<u>\$ 75,417,750</u>

Interest on general long-term debt incurred during the year ending June 30, 2012 was approximately \$1,600,000.

Union Public Schools – Notes to Financial Statements

Year Ended June 30, 2012

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 \$1,000 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, 2012, there are 96 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 assets. Amounts accrued with respect to employees electing to retire under this plan as of June 30, 2012 was approximately \$1,403,318.

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 and aggregate "stop loss" insurance of approximately \$10,239,000 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, 2011 through June 30, 2012 is set forth below:

District and employee premiums	<u>\$ 9,082,906</u>
Claims and changes in estimates	\$ 8,406,334
Insurance and administrative costs	<u>1,460,907</u>
Total claims incurred and other costs	<u>\$ 9,867,241</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	Current Year Claims and Changes in Estimates	Claim Payments	Liability at End of Fiscal Year
2009	\$ 357,074	\$ 6,382,242	\$ (6,206,222)	\$ 533,094
2010	533,094	7,018,408	(6,953,404)	598,098
2011	598,098	7,218,762	(7,209,596)	607,264
2012	607,264	8,406,334	(8,313,021)	700,577

Union Public Schools – Notes to Financial Statements

Year Ended June 30, 2012

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, 2012. 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, 2012 is expected to be paid during fiscal year 2013. As such, the full liability of \$700,577 has been classified as a current liability in the accompanying June 30, 2012 financial statements.

NOTE H--EMPLOYEE RETIREMENT SYSTEM

The District participates in the state-administered Teachers' Retirement System of Oklahoma (the "System"), which is a cost-sharing, multiple-employer public employee retirement system ("PERS"). Under the System, contributions are made by the District, the state of Oklahoma, and the participating employees. 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 has it any liability, except for the current contribution requirements.

The System provides defined retirement benefits based on members' final compensation, age, and term of service. In addition, the retirement program provides for benefits upon disability and to survivors upon the death of eligible members. Title 70 O. S. Sec. 17-105 defines all retirement benefits. The authority to establish and amend benefit provisions rests with the legislature of the state of Oklahoma.

The contribution rates for the District, which are not actuarially determined, and its employees are established by state statute and applied to the employee's earnings plus employer-paid fringe benefits. The District was required to contribute 9.5% for the period July 2011 through June 2012 of applicable compensation for the year ended June 30, 2012. Participating members are required to contribute 7.0% of regular annual compensation not to exceed members' maximum contribution.

The compensation for employees covered by the System for the year ended June 30, 2012 was approximately \$53,779,000; the District's total compensation was approximately \$88,112,000. Total contributions by the District made during the year ended June 30, 2012 amounted to approximately \$5,965,000. These contributions represented approximately 11% of covered compensation and represent approximately 7% of total contributions to the System. The District has contributed its required contribution to the System.

Union Public Schools – Notes to Financial Statements

Year Ended June 30, 2012

NOTE H--EMPLOYEE RETIREMENT SYSTEM--Continued

Trend information for the District's annual required contributions is as follows:

Fiscal year	<u>Contribution</u>	<u>Contributed</u>
2010	\$ 5,947,033	100%
2011	\$ 5,625,273	100%
2012	\$ 5,965,111	100%

Separately issued financial statements of the System can be obtained by contacting the Teachers' Retirement System of Oklahoma at P.O. Box 53524, Oklahoma City, Oklahoma 73152, by calling (405) 521-2387, or at the TRS website at www.trs.state.ok.us. These stand-alone financial statements can be useful in assessing the System's accumulation of sufficient assets to pay pension benefits as they become due and in reviewing historical trend information.

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

District employees have the option 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.

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 the parameters of GASB Statement 45. 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.

Union Public Schools – Notes to Financial Statements

Year Ended June 30, 2012

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

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 June 30, 2012
Annual required contribution	\$ 931,216
Interest on net OPEB obligation	146,658
Adjustment to annual required contribution	<u>(212,031)</u>
Annual OPEB cost (expense)	865,843
Contributions made	<u>(581,920)</u>
Increase in net OPEB obligation	283,923
Net OPEB obligation at beginning of year	<u>3,666,449</u>
Net OPEB obligation at end of year	<u><u>\$ 3,950,372</u></u>

The net OPEB obligation at June 30, 2012 is included in the government-wide Statement of Net Assets as a non-current obligation.

This obligation is currently unfunded. The annual required contribution for 2012 was determined as part of an actuarial valuation on July 1, 2011, 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

Trend Information

GASB 45 was implemented in the 2008 fiscal year; therefore, five years of trend information is available and presented as follows:

Year Ended June 30	Net OPEB Cost	% of APC Contributed	Net OPEB Obligation
2008	\$ 1,450,744	29.06%	\$ 1,029,175
2009	\$ 1,450,744	37.19%	\$ 1,940,431
2010	\$ 1,314,948	35.12%	\$ 2,793,545
2011	\$ 1,461,288	40.26%	\$ 3,666,449
2012	\$ 865,843	67.21%	\$ 3,950,372

Union Public Schools – Notes to Financial Statements

Year Ended June 30, 2012

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

Funded Status and Funding Progress

The funded status of the plan as of the most recent actuarial report dated July 1, 2011 is as follows:

Actuarial accrued liability (AAL)	\$ 7,821,245
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 7,821,245</u>
Funded ratio (actuarial value of plan assets/AAL)	0.0%
Covered payroll (active plan members)	\$ 57,124,004
UAAL as a percentage of covered payroll	13.70%

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, 2012, the District had outstanding commitments (contracts and purchase orders) of approximately \$16,867,000, primarily for construction projects and equipment.

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.

Union Public Schools – Notes to Financial Statements

Year Ended June 30, 2012

NOTE K--NEW PRONOUNCEMENTS

The GASB has issued several new accounting pronouncements, which will be effective to the District in subsequent years. A description of the new accounting pronouncements, the fiscal year in which they are effective, and the District's consideration of the impact of these pronouncements are described below:

Fiscal Year Ended June 30, 2013

- Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements* -

GASB No. 60 addresses issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. This Statement applies only to those arrangements in which specific criteria determining whether a transferor has control over the facility are met. The District will only be required to adopt the provisions of GASB No. 60 if it enters into an SCA, and it currently has not entered into any such arrangements.

- Statement No. 61, *The Financial Reporting Entity: Omnibus – An Amendment of GASB Statements No. 14 and No. 34*.

GASB No. 61 modifies certain requirements for inclusion of component units in the financial reporting entity and also amends the criteria for reporting component units as if they were part of the primary government (that is, blending) in certain circumstances. Earlier application is encouraged. The District does not believe that the adoption of GASB No. 61 will have a significant impact on its financial statement presentation.

- Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.

GASB No. 62 is intended to enhance the usefulness of its Codification by incorporating guidance that previously could only be found in certain FASB and AICPA pronouncements. The District does not believe that the adoption GASB No. 62 will have a significant impact on its financial position, activities or cash flows, or its financial statement presentation.

- Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.

GASB No. 63 provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. Adoption of this statement will require the District to make changes in its financial statement presentation.

Fiscal Year Ended June 30, 2014

- Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

GASB No. 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources (expenses) or inflows of resources (revenues), certain items that were previously recognized as assets and liabilities. The District has not quantified the effects of adoption of GASB No. 65 on its net position.

Union Public Schools – Notes to Financial Statements

Year Ended June 30, 2012

NOTE K--NEW PRONOUNCEMENTS--Continued

Fiscal Year Ended June 30, 2015

- 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, and the District is in the process of determining what impact the implementation of GASB No. 68 will have on its net position.

Union Public Schools
Required Supplementary Information - Unaudited
Schedule of Funding Progress for Other Post Employment Benefits
Year Ended June 30, 2012

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, 2011	\$ -	\$ 7,821,245	\$ 7,821,245	0.0%	\$ 57,124,004	\$ 581,920	13.70%
July 1, 2010	\$ -	\$ 12,203,144	\$ 12,203,144	0.0%	\$ 54,455,315	\$ 588,384	22.41%
July 1, 2009	\$ -	\$ 12,203,144	\$ 12,203,144	0.0%	\$ 54,455,315	\$ 1,461,288	22.41%
July 1, 2007	\$ -	\$ 13,072,990	\$ 13,072,990	0.0%	\$ 42,509,871	\$ 421,569	35.75%

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

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, 2012

	Original Budget	Final Budget	Non-GAAP Actual	Variance Over (Under)
REVENUES				
Local sources	\$ 30,681,568	\$ 31,573,167	\$ 31,496,382	\$ (76,785)
Intermediate sources	3,520,554	3,525,554	3,481,979	(43,575)
State sources	50,119,738	53,337,985	53,455,551	117,566
Federal sources	9,922,305	9,691,461	9,291,913	(399,548)
TOTAL REVENUES	<u>94,244,165</u>	<u>98,128,167</u>	<u>97,725,825</u>	<u>(402,342)</u>
EXPENDITURES				
Instruction	56,099,831	55,012,995	51,626,281	(3,386,713)
Support services				
Student	6,206,449	6,213,329	5,768,439	(444,890)
Instructional staff	3,959,555	4,787,757	4,106,393	(681,364)
General administration	1,662,142	1,957,501	2,057,617	100,116
School administration	7,012,712	7,411,945	7,567,560	155,615
Business	5,928,843	7,219,386	5,864,384	(1,355,002)
Operation and maintenance	8,493,489	8,578,802	13,218,054	4,639,252
Student transportation	3,437,326	3,905,788	3,669,566	(236,222)
Non-instructional services				
Child Nutrition Operations	365,677	392,075	428,400	36,325
Community services operations	3,391,251	3,636,035	3,366,471	(269,564)
Other	381,118	422,778	88,450	(334,328)
TOTAL EXPENDITURES	<u>96,938,391</u>	<u>99,538,391</u>	<u>97,761,615</u>	<u>(1,776,776)</u>
EXCESS REVENUES (EXPENDITURES)	<u>(2,694,226)</u>	<u>(1,410,224)</u>	<u>(35,790)</u>	<u>1,374,434</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>13,697,758</u>	<u>13,697,758</u>	<u>13,697,758</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 11,003,532</u>	<u>\$ 12,287,534</u>	<u>\$ 13,661,968</u>	<u>\$ 1,374,434</u>
ADJUSTMENTS TO CONFORM WITH GAAP				
Receivables at end of year			3,767,538	
Inventory at end of year			432,760	
Worker's compensation			1,663,486	
Assigned Fund Balances			1,704,276	
Investments, change in market value			2,209	
Other			(3,921)	
FUND BALANCE AT END OF YEAR (GAAP BASIS)			<u>\$ 21,228,316</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, 2012

	Original Budget	Final Budget	Non-GAAP Actual	Variance Over (Under)
REVENUES				
Local sources	\$ 3,670,103	\$ 3,686,673	\$ 3,723,085	\$ 36,412
Interest and Other	625,000	608,430	478,312	(130,118)
TOTAL REVENUES	<u>4,295,103</u>	<u>4,295,103</u>	<u>4,201,397</u>	<u>(93,706)</u>
EXPENDITURES				
Support services				
Operation and maintenance	5,187,389	5,404,945	486,676	(4,918,269)
Other	2,199,451	2,181,895	14,297	(2,167,598)
TOTAL EXPENDITURES	<u>7,386,840</u>	<u>7,586,840</u>	<u>500,973</u>	<u>(7,085,867)</u>
EXCESS REVENUES (EXPENDITURES)	<u>(3,091,737)</u>	<u>(3,291,737)</u>	<u>3,700,424</u>	<u>6,992,161</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>7,850,704</u>	<u>7,850,703</u>	<u>7,850,703</u>	<u>0</u>
FUND BALANCE AT END OF YEAR	<u>\$ 4,758,967</u>	<u>\$ 4,558,966</u>	<u>\$ 11,551,127</u>	<u>\$ 6,992,161</u>
ADJUSTMENTS TO CONFORM WITH GAAP				
Receivables, end of year			35,810	
Investments, change in market value			<u>1,860</u>	
FUND BALANCE AT END OF YEAR (GAAP BASIS)			<u>\$ 11,588,797</u>	

Union Public Schools
Other Supplementary Information
Combining Statement of Changes in Assets & Liabilities - Agency Fund
Year Ended June 30, 2012

	Balance June 30, 2011	Additions	Deductions	Adjustments	Balance June 30, 2012
HIGH SCHOOL TOTAL	\$ 396,224	\$ 436,269	\$ (397,754)	\$ (46,784)	\$ 387,955
INTERMEDIATE HIGH TOTAL	113,906	78,789	(79,634)	(7,383)	105,678
ALTERNATIVE TOTAL	4,707	4,056	(5,585)	0	3,178
EIGHTH GRADE CENTER TOTAL	105,301	59,617	(58,951)	(109)	105,858
SIXTH/SEVENTH GRADE CENTER TOTAL	136,917	118,871	(126,501)	0	129,287
ELEMENTARY ACTIVITY FUNDS TOTAL	313,646	351,961	(375,627)	0	289,980
STUDENT CLUBS TOTAL	335,766	475,119	(560,144)	9,178	259,919
ADMINISTRATIVE TOTAL	<u>975,174</u>	<u>337,678</u>	<u>(196,685)</u>	<u>45,098</u>	<u>1,161,265</u>
TOTAL FUNDS HELD FOR STUDENT ACTIVITIES	<u>\$ 2,381,641</u>	<u>\$ 1,862,360</u>	<u>\$ (1,800,881)</u>	<u>\$ 0</u>	<u>\$ 2,443,120</u>
SUMMARY-ACTIVITY FUNDS					
ASSETS					
Cash	<u>\$ 2,393,957</u>	<u>\$ 1,891,011</u>	<u>\$ (1,800,881)</u>	<u>\$ 0</u>	<u>\$ 2,484,087</u>
LIABILITIES					
Accounts payable and accrued liabilities	12,316	40,967	(12,316)		40,967
Funds held for student activities	<u>2,381,641</u>	<u>1,862,360</u>	<u>(1,800,881)</u>	<u>0</u>	<u>2,443,120</u>
TOTAL LIABILITIES	<u>\$ 2,393,957</u>	<u>\$ 1,903,327</u>	<u>\$ (1,813,197)</u>	<u>\$ 0</u>	<u>\$ 2,484,087</u>

Union Public Schools - Statistical Section

Year Ended June 30, 2012

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These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	
Revenue Capacity	81-84
These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	
Debt Capacity	85-88
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.	
Demographic and Economic Information	89-91
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	
Operating Information	93-100
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.	
Sources:	Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The District implemented GASB Statement 34 in the fiscal year ended June 30, 2001. Schedules presenting districtwide information include information beginning in that year.

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Union Public Schools - Statistical Section
Year Ended June 30, 2012

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

	2003	2004	2005	2006	2007	2008	2009	2010 ^a	2011	2012
Governmental activities										
Invested in capital assets, net of related debt	64,878,194	71,024,348	97,454,343	103,285,413	106,278,216	118,532,935	121,638,825	103,038,748	108,559,632	110,391,940
Restricted for debt service	9,223,955	10,422,859	10,892,944	9,832,578	8,962,506	8,730,473	9,796,665	10,727,559	11,862,533	12,112,690
Restricted for capital projects	2,389,243	1,845,081	1,827,460	1,947,000	2,669,637	2,590,181	2,184,657	1,968,124	2,093,717	2,509,620
Unrestricted	14,849,104	21,233,659	5,076,513	8,271,458	12,659,259	2,671,407	3,439,002	22,959,925	25,544,295	26,242,856
Total governmental activities net assets	<u>91,340,496</u>	<u>104,525,947</u>	<u>115,251,260</u>	<u>123,336,449</u>	<u>130,569,618</u>	<u>132,524,996</u>	<u>137,059,149</u>	<u>138,694,356</u>	<u>148,060,177</u>	<u>151,257,106</u>
Business-type activities										
Invested in capital assets, net of related debt	44,817	136,747	165,884	248,538	517,708	501,205	466,530	487,377	485,629	381,775
Restricted for debt service	-	-	-	-	-	-	-	-	-	-
Restricted for capital projects	-	-	-	-	-	-	-	-	-	-
Unrestricted	1,330,385	1,564,776	1,816,424	1,782,505	1,991,887	1,983,593	2,516,712	3,564,542	3,906,467	4,693,700
Total business-type activities net assets	<u>1,375,202</u>	<u>1,701,523</u>	<u>1,982,309</u>	<u>2,031,043</u>	<u>2,509,595</u>	<u>2,484,798</u>	<u>2,983,242</u>	<u>4,051,919</u>	<u>4,392,096</u>	<u>5,075,475</u>
District-wide										
Invested in capital assets, net of related debt	64,923,011	71,161,095	97,620,227	103,533,951	106,795,924	119,034,140	122,105,355	103,526,125	109,045,261	110,773,715
Restricted for debt service	9,223,955	10,422,859	10,892,944	9,832,578	8,962,506	8,730,473	9,796,665	10,727,559	11,862,533	12,112,690
Restricted for capital projects	2,389,243	1,845,081	1,827,460	1,947,000	2,669,637	2,590,181	2,184,657	1,968,124	2,093,717	2,509,620
Unrestricted	16,179,489	22,798,435	6,892,937	10,053,963	14,651,146	4,655,000	5,955,714	26,524,467	29,450,762	30,936,556
Total district net assets	<u>92,715,698</u>	<u>106,227,470</u>	<u>117,233,569</u>	<u>125,367,492</u>	<u>133,079,213</u>	<u>135,009,794</u>	<u>140,042,391</u>	<u>142,746,275</u>	<u>152,452,273</u>	<u>156,332,581</u>

^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, 2012

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

	2003	2004	2005	2006	2007 ^a	2008 ^b	2009	2010	2011	2012
Expenses										
Governmental activities										
Instruction										
Regular instruction	36,889,541	30,298,793	37,806,776	38,283,502	42,667,523	45,516,291	49,629,935	50,200,357	47,158,054	47,696,999
Special education instruction	3,545,854	4,688,315	4,665,926	5,593,513	6,178,927	6,793,935	7,275,708	7,842,242	8,031,835	6,849,212
Vocational education	506,460	500,456	461,209	615,074	633,877	703,858	793,237	870,154	791,340	950,125
Other instruction	2,123,421	4,076,391	3,683,358	4,642,999	5,168,656	6,134,777	6,152,120	7,668,736	8,722,066	7,747,720
Support Services										
Pupil services	4,178,773	4,508,084	4,185,963	4,440,099	5,290,042	6,518,814	6,345,355	6,613,037	6,578,671	5,936,528
Instructional staff services	2,623,839	2,696,354	2,915,880	3,541,667	3,776,075	4,165,969	4,408,668	4,658,150	4,097,654	4,669,725
General administration services	892,275	697,079	1,095,275	1,002,064	1,248,323	1,578,563	1,802,455	1,702,208	2,053,274	2,304,212
School administration services	3,996,982	4,896,862	5,139,160	6,023,236	6,869,205	7,440,213	7,688,170	7,582,320	7,603,111	7,966,078
Business services	1,573,293	4,268,201	4,225,520	5,121,989	5,970,849	6,333,400	6,937,956	6,633,048	6,699,718	7,905,967
Operations and maintenance services	8,893,176	9,269,540	10,975,680	12,288,840	13,011,254	13,113,272	13,334,079	13,497,499	14,318,058	16,300,790
Pupil transportation services	2,439,055	2,570,888	2,584,087	2,374,353	2,876,195	3,649,174	3,771,826	4,040,919	4,250,109	5,016,047
Central services	2,027,362	-	-	-	-	-	-	-	-	-
Other support services	192,854	31,801	7,410	582,250	297,187	252,566	367,950	390,931	421,073	502,395
Community services	780,448	877,860	803,775	646,307	789,528	974,305	2,801,866	3,116,828	3,326,706	3,190,721
Capital Outlay	-	-	-	-	-	2,085,460	513,383	-	-	-
Interest on long-term debt	2,404,350	1,898,043	1,848,492	1,882,922	2,319,704	1,970,686	1,608,283	3,028,438	1,731,793	1,843,255
Loss on disposal of capital assets	69,424	29,319	85,140	-	15,477	-	-	-	-	-
Unallocated depreciation	-	-	-	-	-	-	-	-	-	-
Total governmental activities expenses	<u>73,137,107</u>	<u>71,307,986</u>	<u>80,483,651</u>	<u>87,038,815</u>	<u>97,112,822</u>	<u>107,231,283</u>	<u>113,430,991</u>	<u>117,844,866</u>	<u>115,783,462</u>	<u>118,879,774</u>
Business-type activities										
Food service	2,595,990	2,720,792	3,030,259	3,697,466	3,845,046	4,504,683	4,634,620	4,933,359	5,941,196	6,350,713
Total business-type activities expense	<u>2,595,990</u>	<u>2,720,792</u>	<u>3,030,259</u>	<u>3,697,466</u>	<u>3,845,046</u>	<u>4,504,683</u>	<u>4,634,620</u>	<u>4,933,359</u>	<u>5,941,196</u>	<u>6,350,713</u>
Total district expenses	<u>75,733,097</u>	<u>74,028,778</u>	<u>83,513,910</u>	<u>90,736,281</u>	<u>100,957,868</u>	<u>111,735,966</u>	<u>118,065,611</u>	<u>122,778,225</u>	<u>121,724,658</u>	<u>125,230,487</u>
Program Revenues										
Governmental activities										
Charges for services										
Regular instruction	387,926	502,743	375,770	447,137	427,645	370,303	366,907	295,758	293,449	337,573
Operations and maintenance services	266,539	272,044	486,644	420,672	391,535	494,775	546,323	413,423	350,262	343,209
Pupil transportation services	49,942	49,941	46,846	50,030	49,699	49,829	60,810	86,613	96,232	109,087
Community services	677,983	699,611	625,746	699,034	890,915	995,745	1,131,972	1,272,571	1,237,404	1,606,114
Other support services	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	9,288,866	10,365,374	12,961,205	11,081,996	14,595,393	14,603,862	20,344,841	25,206,184	27,773,833	20,983,362
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	<u>10,671,256</u>	<u>11,889,713</u>	<u>14,496,211</u>	<u>12,698,869</u>	<u>16,355,187</u>	<u>16,514,514</u>	<u>22,450,853</u>	<u>27,274,549</u>	<u>29,751,180</u>	<u>23,379,345</u>
Business-type activities										
Charges for services										
Food service	1,545,665	1,627,587	1,633,670	1,670,481	1,824,667	1,846,537	2,100,244	2,245,971	2,044,359	2,124,783
Operating grants and contributions	1,122,390	1,265,653	1,590,718	1,856,414	2,423,226	2,577,540	3,019,310	3,751,621	4,214,614	4,891,927
Capital grants and contributions	30,834	111,519	45,600	114,762	-	-	-	-	-	-
Total business-type activities program revenues	<u>2,698,889</u>	<u>3,004,759</u>	<u>3,269,988</u>	<u>3,641,657</u>	<u>4,247,893</u>	<u>4,424,077</u>	<u>5,119,554</u>	<u>5,997,592</u>	<u>6,258,973</u>	<u>7,016,710</u>
Total district program revenues	<u>13,370,145</u>	<u>14,894,472</u>	<u>17,766,199</u>	<u>16,340,526</u>	<u>20,603,080</u>	<u>20,938,591</u>	<u>27,570,407</u>	<u>33,272,141</u>	<u>36,010,153</u>	<u>30,396,055</u>

Union Public Schools - Statistical Section
Year Ended June 30, 2012

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

	2003	2004	2005	2006	2007 ^a	2008 ^b	2009	2010	2011	2012
Net (Expense) Revenue										
Governmental activities	(62,465,851)	(59,418,273)	(65,987,440)	(74,339,946)	(80,757,635)	(90,716,769)	(90,980,138)	(90,097,141)	(86,032,282)	(95,500,429)
Business-type activities	102,899	283,967	239,729	(55,809)	402,847	(80,606)	484,934	1,064,233	317,777	665,997
Total district-wide net expense	<u>(62,362,952)</u>	<u>(59,134,306)</u>	<u>(65,747,711)</u>	<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>
General Revenues and Other Changes in Net Assets										
Governmental activities										
Taxes										
Property tax, levied for general purposes	24,923,646	25,744,557	26,954,190	27,502,714	28,953,433	30,235,766	31,052,460	32,255,504	32,677,915	32,556,899
Property tax, levied for debt services	17,597,219	18,094,314	18,530,671	15,845,469	17,152,566	17,211,390	18,553,902	19,114,516	20,625,938	21,313,339
Other taxes	4,840,896	3,789,472	4,647,151	4,681,575	5,515,782	5,017,881	5,196,047	5,720,719	5,984,255	6,448,555
State aid not restricted to specific programs	21,472,043	23,539,518	24,193,082	28,956,973	31,331,687	37,301,704	39,992,313	35,329,507	35,292,922	37,521,745
Interest and investment earnings	1,393,318	1,169,353	1,735,761	2,997,624	3,203,223	2,020,465	518,461	409,487	492,089	425,529
Gain on disposal of capital assets	-	-	-	974,222	-	-	-	-	-	-
Other	330,044	266,510	651,898	1,466,558	1,834,113	884,941	201,108	297,535	324,984	431,291
Total governmental activities	<u>70,557,166</u>	<u>72,603,724</u>	<u>76,712,753</u>	<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>
Business-type activities										
Interest and investment earnings	13,550	14,217	27,233	85,715	75,705	55,809	13,510	15,721	22,400	17,382
Loss on disposal of capital assets	-	-	-	-	-	-	-	(11,277)	-	-
Other	27,699	28,137	13,823	18,828	-	-	-	-	-	-
Total business-type activities	<u>41,249</u>	<u>42,354</u>	<u>41,056</u>	<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>
Total district-wide	<u>70,598,415</u>	<u>72,646,078</u>	<u>76,753,809</u>	<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>
Change in Net Assets										
Governmental activities	8,091,315	13,185,451	10,725,313	8,085,189	7,233,169	1,955,378	4,534,153	3,030,127	9,365,821	3,196,929
Business-type activities	144,148	326,321	280,785	48,734	478,552	(24,797)	498,444	1,068,677	340,177	683,379
Total district	<u>8,235,463</u>	<u>13,511,772</u>	<u>11,006,098</u>	<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>

^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, 2012

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

	2003	2004	2005	2006	2007 ^a	2008 ^b	2009	2010 ^c	2011 ^d	2012
General Fund										
Reserved	198,839	170,777	193,805	335,756	246,549	350,087	217,198	243,068		
Nonspendable									290,497	432,760
Assigned									1,612,460	1,704,276
Restricted									-	-
Unreserved	8,575,849	9,426,794	9,628,949	12,841,083	12,163,313	13,344,295	17,079,491	21,596,804		
Unassigned									20,521,394	19,091,280
Total general fund	<u>8,774,688</u>	<u>9,597,571</u>	<u>9,822,754</u>	<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>
All Other Governmental Funds										
Reserved, reported in:										
Sinking fund - Reserved for debt service	8,755,925	9,960,387	10,331,474	9,055,835	8,962,506	8,730,473	10,553,135	10,727,559		
Building fund - Reserved for capital projects	29,660,255	31,537,675	27,767,164	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
Sinking fund - Restricted for bond payments									11,862,533	12,112,690
Bond fund - Restricted for capital projects									34,426,709	27,434,270
Non-major governmental funds - Restricted for Arbitrage									287,986	16,956
Unreserved, reported in:										
Building fund	6,474,917	7,129,302	6,644,461	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>44,891,097</u>	<u>48,627,364</u>	<u>44,743,099</u>	<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>

^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, 2012

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Local sources	43,183,608	44,547,574	46,984,892	48,356,237	49,279,313	49,545,643	52,657,909	53,565,231	55,819,462	57,486,888
Intermediate sources	2,658,519	2,587,262	2,977,543	3,349,338	3,673,503	3,163,313	3,220,869	3,412,476	3,490,550	3,577,493
State sources	32,624,511	32,396,897	37,575,503	39,848,938	45,955,606	50,825,886	54,220,098	49,991,955	50,418,937	53,507,688
Federal sources	2,899,913	3,550,246	4,364,670	5,255,543	5,539,771	5,776,059	8,321,948	12,622,460	15,002,604	7,592,989
Total revenue	81,366,551	83,081,979	91,902,608	96,810,056	104,448,193	109,310,901	118,420,824	119,592,122	124,731,553	122,165,058
Expenditures										
Current										
Instruction	40,110,968	36,122,022	41,859,274	43,605,503	51,985,668	53,392,683	57,705,606	56,667,802	56,686,825	53,750,567
Student	4,235,888	4,547,220	4,356,364	4,433,401	5,363,085	6,357,726	6,286,437	6,165,276	6,531,988	5,847,859
Instructional staff	2,744,151	2,709,605	3,066,857	3,476,405	3,826,101	4,059,052	4,606,186	4,356,125	3,881,562	4,547,847
General administration	875,004	695,250	1,103,302	996,004	1,255,414	1,683,588	1,761,637	1,663,542	2,002,920	2,244,938
School administration	4,158,621	5,033,251	5,365,227	6,066,017	7,206,173	7,168,559	7,508,683	7,016,599	7,496,930	7,757,815
Business	1,587,130	3,891,683	4,495,703	4,957,327	5,792,730	5,863,816	6,775,282	6,532,857	6,842,732	7,236,709
Operations and maintenance	8,871,212	10,007,104	12,006,385	12,073,913	13,188,041	13,050,900	13,714,350	13,291,631	14,026,969	14,389,090
Student transportation	3,620,184	2,276,095	2,487,555	2,385,547	4,193,488	3,169,865	4,485,709	3,260,021	4,270,365	3,694,829
Central	1,909,347	-	-	-	-	-	-	-	-	-
Other	75,131	19,249	4,236	27,038	158,889	247,679	-	-	-	-
Non-instruction expenses										
Child nutrition operations							364,204	385,941	415,189	435,766
Community service operations	854,681	908,868	770,730	655,580	808,090	1,025,158	2,769,678	2,964,471	3,042,496	3,221,283
Other							84,175	1,230,120	33,146	309,240
Capital outlay	12,759,344	12,107,888	15,060,578	15,722,696	9,885,716	14,090,638	11,651,223	12,060,833	12,279,452	21,118,826
Debt service										
Principal	14,750,000	15,100,000	16,350,000	16,100,000	15,600,000	15,300,000	15,550,000	16,150,000	17,900,000	19,725,000
Interest	2,416,625	2,104,594	1,760,594	1,582,688	1,690,750	1,907,375	2,058,875	2,088,125	1,814,062	1,599,562
Other	-	-	-	-	-	-	-	-	-	-
Total expenditures	98,968,286	95,522,829	108,686,805	112,082,119	120,954,145	127,317,039	135,322,045	133,833,343	137,224,636	145,879,331
Excess (deficiency) of revenues over (under) expenditures	(17,601,735)	(12,440,850)	(16,784,197)	(15,272,063)	(16,505,952)	(18,006,138)	(16,901,221)	(14,241,221)	(12,493,083)	(23,714,273)
Other financing sources (uses)										
Issuance of debt	17,500,000	17,000,000	13,125,115	15,200,000	17,170,000	19,444,620	20,000,000	22,500,000	21,600,000	19,000,000
Premiums on new issuance of debt							189,600	204,356	326,976	118,750
Other uses									(142,728)	97,113
Transfers in	1,669,494	1,164,149	733,503	1,335,826	2,055,151	1,782,913	1,016,305	656,196	689,122	585,217
Transfers out	(1,669,494)	(1,164,149)	(733,503)	(1,335,826)	(2,045,150)	(1,782,913)	(1,016,305)	(656,196)	(689,122)	(585,217)
Total other financing sources (uses)	17,500,000	17,000,000	13,125,115	15,200,000	17,180,001	19,444,620	20,189,600	22,704,356	21,784,248	19,215,863
Net changes in fund balances	(101,735)	4,559,150	(3,659,082)	(72,063)	674,049	1,438,482	3,288,379	8,463,135	9,291,165	(4,498,410)
Debt service as a percentage of noncapital expenditures^a	21.10%	21.60%	19.34%	17.89%	16.54%	15.14%	14.82%	15.30%	16.19%	17.32%

^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, 2012

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 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
2003	430,349,607	86,604,080	32,039,107	548,992,794	5,041,470,268	10.89%	73.89
2004	453,625,924	89,567,334	27,685,707	570,878,965	5,274,344,635	10.82%	73.30
2005	474,661,676	86,929,063	24,321,011	585,911,750	5,424,552,706	10.80%	72.59
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

^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, 2012

Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Rates for Taxpayers in the City of Tulsa^a

Fiscal Year	Direct Rates				Overlapping Rates				Total Overlapping Rates	Total Direct & Overlapping Rates
	General	Union School District Building	Sinking	Total Direct Rates	Tulsa County	Tulsa Comm College	Tulsa VoTech	Tulsa City		
2003	36.05	5.15	32.69	73.89	23.83	8.31	13.33	11.23	56.70	130.59
2004	36.05	5.15	32.10	73.30	22.89	8.28	13.33	11.16	55.66	128.96
2005	36.05	5.15	31.39	72.59	22.61	7.21	13.33	10.11	53.26	125.85
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
Ten-Year Average										126.90

Rates for Taxpayers in the City of Broken Arrow^b

Fiscal Year	Direct Rates				Overlapping Rates				Total Overlapping Rates	Total Direct & Overlapping Rates
	General	Union School District Building	Sinking	Total Direct Rates	Tulsa County	Tulsa Comm College	Tulsa VoTech	Broken Arrow City		
2003	36.05	5.15	32.69	73.89	23.83	8.31	13.33	16.48	61.95	135.84
2004	36.05	5.15	32.10	73.30	22.89	8.28	13.33	12.89	57.39	130.69
2005	36.05	5.15	31.39	72.59	22.61	7.21	13.33	15.08	58.23	130.82
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
Ten-Year Average										129.09

^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 126.90 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 129.09 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, 2012

Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2012			2003		
	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	15,608,358	1	2.21%	12,312,794	2	2.24%
SouthCrest Hospital	6,949,411	2	0.98%	6,558,957	5	1.19%
Public Service Company of Oklahoma	6,481,014	3	0.92%	10,012,707	3	1.82%
Wal-Mart	6,065,463	4	0.86%	3,725,970	9	0.68%
QuikTrip	5,300,303	5	0.75%			
Expedition Properties, LLC	4,682,579	6	0.66%			
Zeledyne, LLC (formerly Visteon Corp. and Ford Motor Company)	4,116,605	7	0.58%	13,418,804	1	2.44%
AT&T Companies/Services	3,881,075	8	0.55%			
Tech Ridge Properties, LLC	3,379,533	9	0.48%			
Oklahoma Natural Gas	3,327,002	10	0.47%			
MCI/LDDS				7,630,426	4	1.39%
Valor Communications of Oklahoma				5,698,536	6	1.04%
Hilti Corporation				4,924,406	7	0.90%
Merit OCC-19				4,039,069	8	0.74%
Bergen Brunswick Drug				3,521,620	10	0.64%
Total	59,791,343		8.47%	71,843,289		13.09%

^aBased on FY11-12 Net Assessed Valuation of 705,713,513

^bBased on FY02-03 Net Assessed Valuation of 548,992,794

Source: Tulsa County Assessor

Union Public Schools - Statistical Section
Year Ended June 30, 2012

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			
2003	40,564,693	39,275,161	96.82%	629,746	39,904,907	98.37%	1,058,312	2.61%
2004	41,845,428	40,611,805	97.05%	706,084	41,317,889	98.74%	1,536,139	3.67%
2005	42,531,334	41,626,700	97.87%	993,048	42,619,748	100.21%	1,453,586	3.42%
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%

^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, 2012

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Governmental Activities General Obligation Bonds	Business-Type Activities General Obligation Bonds	Total District	Total Estimated Actual Value ^a	Ratio of Outstanding Debt to Estimated Actual Valuation ^a	Total Personal Income (in thousands)	Ratio of Outstanding Debt Per Personal Income	Average Daily Membership (ADM) ^b	Ratio of Outstanding Debt Per Student ^b
2003	55,400,000	-	55,400,000	5,041,470,268	1.10%	26,728,700	0.21%	13,389	4,138
2004	57,300,000	-	57,300,000	5,274,344,635	1.09%	28,762,800	0.20%	13,719	4,177
2005	53,950,000	-	53,950,000	5,424,552,706	0.99%	30,723,200	0.18%	13,836	3,899
2006	53,050,000	-	53,050,000	5,656,237,944	0.94%	33,722,800	0.16%	13,993	3,791
2007	54,450,000	-	54,450,000	5,907,277,101	0.92%	36,303,800	0.15%	14,253	3,820
2008	58,550,000	-	58,550,000	6,149,826,618	0.95%	38,585,000	0.15%	14,360	4,077
2009	63,000,000	-	63,000,000	6,358,338,256	0.99%	37,534,000	0.17%	14,566	4,325
2010	69,350,000	-	69,350,000	6,501,691,046	1.07%	36,564,996	0.19%	14,949	4,639
2011	73,050,000	-	73,050,000	6,555,557,566	1.11%	37,705,751	0.19%	14,830	4,926
2012	72,325,000	-	72,325,000	6,525,004,824	1.11%	40,293,868	0.18%	14,836	4,875

^aEstimated 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.

^bSince 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, 2012

Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended June 30,	General Obligation Bonds	Less Sinking Fund Balance	Net General Bonded Debt Outstanding	Total Estimated Actual Value ^a	Ratio of Net Debt to Estimated Actual Valuation ^a	Average Daily Membership (ADM) ^b	Ratio of Net Debt Per Student ^b
2003	55,400,000	8,755,925	46,644,075	5,041,470,268	0.93%	13,389	3,484
2004	57,300,000	9,960,387	47,339,613	5,274,344,635	0.90%	13,719	3,451
2005	53,950,000	10,331,474	43,618,526	5,424,552,706	0.80%	13,836	3,152
2006	53,050,000	9,055,835	43,994,165	5,656,237,944	0.78%	13,993	3,144
2007	54,450,000	8,962,506	45,487,494	5,907,277,101	0.77%	14,253	3,192
2008	58,550,000	8,730,473	49,819,527	6,149,826,618	0.81%	14,360	3,469
2009	63,000,000	9,796,665	53,203,335	6,358,338,256	0.84%	14,566	3,653
2010	69,350,000	10,727,559	58,622,441	6,501,691,046	0.90%	14,949	3,922
2011	73,050,000	11,862,533	61,187,467	6,555,557,566	0.93%	14,830	4,126
2012	72,325,000	12,112,690	60,212,310	6,525,004,824	0.92%	14,836	4,058

^aEstimated 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.

^bSince 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, 2012

Direct and Overlapping Governmental Activities Debt
As of June 30, 2012

Jurisdiction	Net Assessed Valuation^a	Amount Subject to Taxation in District^a	Estimated Percent Applicable to the District^b	General Obligation Bonded Debt Outstanding^c	Amount Applicable to the District
As it applies to a resident of the city of Tulsa:					
Direct:					
Union Public Schools	705,713,513	705,713,513	100.00%	72,325,000	72,325,000
Overlapping:					
Tulsa County (unincorporated)	12,011,531	1,731,002	14.41%	-	-
Tulsa Technology Center #18	4,901,110,109	705,713,513	14.40%	-	-
Tulsa Community College	4,901,110,109	705,713,513	14.40%	-	-
City of Tulsa	3,084,424,848	536,122,331	17.38%	426,270,000	74,092,538
Total Overlapping	12,898,656,597	1,949,280,359		426,270,000	74,092,538
Total Direct and Overlapping				498,595,000	146,417,538
As it applies to a resident of the city of Broken Arrow:					
Direct:					
Union Public Schools	705,713,513	705,713,513	100.00%	72,325,000	72,325,000
Overlapping:					
Tulsa County (unincorporated)	12,011,531	1,731,002	14.41%	-	-
Tulsa Technology Center #18	4,901,110,109	705,713,513	14.40%	-	-
Tulsa Community College	4,901,110,109	705,713,513	14.40%	-	-
City of Broken Arrow ^d	595,848,888	167,584,949	28.13%	88,695,000	24,945,833
Total Overlapping	10,410,080,637	1,580,742,977		88,695,000	24,945,833
Total Direct and Overlapping				161,020,000	97,270,833

^a2011-12 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.

^cGeneral 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 \$2,406,075 as of 6/30/2012 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, 2012

Legal Debt Margin Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2011:

10% of FY 2010-11 Net Assessed Valuation		71,103,216
Debt Applicable to Limitation	72,325,000	
Current Sinking Fund Balance	(12,112,690)	60,212,310
Legal Debt Margin		<u><u>10,890,906</u></u>

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	Total Net Debt Subject to Legal Limit	Legal Debt Margin ^c	Percent of Net Debt to Debt Limit
2003	548,992,794	54,899,279	55,400,000	8,755,925	46,644,075	8,255,204	84.96%
2004	570,878,965	57,087,897	57,300,000	9,960,387	47,339,613	9,748,284	82.92%
2005	585,911,750	58,591,175	53,950,000	10,331,474	43,618,526	14,972,649	74.45%
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%

^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.

^cThe 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, 2012

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
2003	13,517	13,389	1.13%	548,992,794	41,004	12,722	95.02%	64,476,447
2004	13,819	13,719	2.47%	570,878,965	41,613	13,041	95.06%	66,316,809
2005	13,969	13,836	0.86%	585,911,750	42,346	13,143	94.99%	72,702,329
2006	14,101	13,993	1.13%	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

^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, 2012

Demographic and Economic Statistics^{ab}

Last Ten Fiscal Years

Fiscal Year Ended June 30,	Population	Total Personal Income (in thousands)	Real Per Capita Personal Income	Labor Force	Unemployment Rate
2003	877,577	26,728,700	30,237	442,728	6.1%
2004	878,004	28,762,800	32,590	438,047	5.1%
2005	882,861	30,723,200	34,812	443,336	4.4%
2006	894,011	33,722,800	38,470	444,648	4.0%
2007	906,441	36,303,800	39,466	441,227	3.9%
2008	916,525	38,585,000	42,100	439,926	3.7%
2009	929,824	37,534,000	40,367	438,646	7.1%
2010	940,027	36,564,996	40,793	438,490	7.9%
2011 ^c	946,223	37,705,751	42,861	430,135	6.5%
2012 ^d	956,454	40,293,868	44,716	428,706	6.5%

^aTulsa MSA specific demographic data

^bData obtained from the Tulsa Metro Chamber 2012 Economic Profile

^cEstimation based on data obtained from the Tulsa Metro Chamber

^dProjection 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, 2012

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

Employer	2012			2003		
	Employees	Rank	Percentage of Tulsa County Employment ^b	Employees	Rank	Percentage of Tulsa County Employment ^c
Wal-Mart/Sam's Club	7,500	1	1.75%			
Tulsa Public Schools	7,000	2	1.63%	6,063	3	1.37%
American Airlines Maintenance Base	6,500	3	1.52%	9,200	1	2.08%
Saint Francis Healthcare System	6,500	4	1.52%	6,956	2	1.57%
St. John Medical Center	6,500	5	1.52%	4,900	5	1.11%
Hillcrest Healthcare System	4,500	6	1.05%	6,000	4	1.36%
City of Tulsa	4,000	7	0.93%	4,008	6	0.91%
Spirit AeroSystems	3,000	8	0.70%			
Tulsa Community College	3,000	9	0.70%			
Cherokee Hard Rock Hotel and Casino	3,000	10	0.70%			
Williams Companies				3,119	7	0.70%
WorldCom Network Solutions				2,700	8	0.61%
Williams Communications				2,300	9	0.52%
U.S. Postal Service				2,200	10	0.50%
	<u>51,500</u>		<u>12.01%</u>	<u>47,446</u>		<u>10.72%</u>

^aTulsa MSA specific demographic data

^bBased on the projected total labor force from the Tulsa Metro Chamber 2012 Economic Profile of 428,706

^cBased on the total labor force count from the Tulsa Metro Chamber 2012 Economic Profile of 442,728

Sources: Tulsa Metro Chamber

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Union Public Schools - Statistical Section
Year Ended June 30, 2012

Capital Assets by Function and Activity
Last Ten Fiscal Years

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental Activities										
Instruction	148,238,260	164,886,634	176,667,150	184,824,453	196,571,020	208,486,847	221,380,013	234,964,269	245,381,216	262,949,666
Student	90,398	123,660	126,055	212,980	144,811	138,246	182,267	358,280	446,547	515,152
Instructional support	834,676	919,716	491,940	536,641	533,624	586,827	970,757	1,327,070	1,307,124	1,332,661
General administration	219,940	220,655	58,407	64,032	71,288	185,210	196,372	336,722	339,917	335,573
School administration	291,110	456,290	464,879	499,951	1,300,504	1,440,721	1,576,109	1,396,754	1,500,033	1,543,836
Business	360,277	678,973	794,291	1,606,011	3,144,740	3,357,220	3,787,551	3,782,928	4,432,703	5,014,475
Operations and maintenance	2,012,259	2,416,201	2,563,062	2,862,196	3,171,697	3,436,217	4,115,494	4,215,686	4,881,904	5,374,484
Transportation	6,871,328	6,893,177	7,022,334	6,941,245	8,082,169	8,071,361	9,390,560	6,582,237	7,080,336	7,003,299
Support services	5,803,563	3,649,529	3,049,948	2,809,449	2,809,449	2,809,449	2,719,248	3,272,656	5,093,473	4,856,513
Non-instructional	482,345	489,760	227,078	307,358	304,228	383,766	450,251	-	5,156	2,119
Other-unclassified	3,027,953	3,000,837	3,000,837	1,317,695	1,317,695	1,317,695	1,317,695	1,874,878	1,862,946	1,862,946
Total Governmental Activities	<u>168,232,109</u>	<u>183,735,432</u>	<u>194,465,981</u>	<u>201,982,011</u>	<u>217,451,225</u>	<u>230,213,559</u>	<u>246,086,317</u>	<u>258,111,480</u>	<u>272,331,355</u>	<u>290,790,724</u>
Business-Type Activities										
Child nutrition services	1,428,722	1,537,471	1,573,069	1,683,143	2,001,269	2,068,246	2,123,088	2,172,502	2,254,484	2,244,273
Total Capital Assets	<u>169,660,831</u>	<u>185,272,903</u>	<u>196,039,050</u>	<u>203,665,154</u>	<u>219,452,494</u>	<u>232,281,805</u>	<u>248,209,405</u>	<u>260,283,982</u>	<u>274,585,839</u>	<u>293,034,997</u>

Source: District records

Union Public Schools - Statistical Section
Year Ended June 30, 2012

Employee Information
Last Ten Fiscal Years

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Certified Personnel										
Bachelor's										
Minimum Salary	26,041	26,041	26,041	28,425	31,100	31,600	31,600	31,600	31,600	31,600
Maximum Salary	40,080	40,080	41,282	44,033	47,133	48,799	48,799	49,287	49,287	49,829
Average Salary	31,469	31,156	32,675	33,608	35,941	36,514	36,301	36,186	35,980	36,106
Number of Teachers	489	474	512	544	579	593	635	663	629	622
Master's										
Minimum Salary	29,286	29,286	29,286	30,486	32,300	32,800	32,800	32,800	32,800	32,800
Maximum Salary	44,042	44,042	45,363	48,263	51,363	52,913	53,479	54,014	54,014	54,608
Average Salary	38,402	37,920	39,689	40,240	42,318	43,048	42,604	42,409	41,865	42,287
Number of Teachers	280	271	289	289	299	308	309	320	310	303
Doctor's										
Minimum Salary	32,033	32,033	32,033	32,233	33,500	34,000	34,000	34,000	34,000	34,000
Maximum Salary	45,416	45,416	46,778	49,729	52,829	55,279	55,870	56,429	56,429	57,049
Average Salary	39,795	39,712	42,596	43,183	45,986	46,640	43,612	43,871	43,681	46,822
Number of Teachers	13	14	12	12	13	15	16	15	14	12
Total Certified Personnel	782	759	813	845	891	916	960	998	953	936
Support Personnel										
Number of Support	583	591	602	617	660	712	769	785	753	784
Administrative Personnel										
Number of Administrators	57	49	64	64	72	72	71	72	71	72

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 ne

Source: District records

Union Public Schools - Statistical Section

Year Ended June 30, 2012

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
2003	13,389	75,733,097	5,656	0.48%	782	17:1	759
2004	13,719	74,028,778	5,396	-4.60%	759	18:1	870
2005	13,836	83,513,910	6,036	11.86%	813	17:1	809
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

^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, 2012

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) ^a
2003	13,389	2,687	20.07%	143,985	1,912,943	92	735,000	8,386
2004	13,719	3,528	25.72%	185,204	1,333,299	92	826,113	8,283
2005	13,836	4,101	29.64%	263,750	1,294,764	92	831,682	7,891
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

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

^bObtained from District records

Union Public Schools - Statistical Section
Year Ended June 30, 2012

School Building Information
Last Ten Fiscal Years

District Building	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	519	531	530	567	549	505	475	477	458	469
Percentage of Capacity Used	86.50%	88.50%	88.33%	94.50%	91.50%	84.17%	79.17%	79.50%	76.33%	78.17%
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	604	659	682	656	426	442	481	552	562	539
Percentage of Capacity Used	100.67%	109.83%	113.67%	109.33%	71.00%	73.67%	80.17%	92.00%	93.67%	89.83%
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	579	625	615	576	576	589	538	542	541	517
Percentage of Capacity Used	96.50%	104.17%	102.50%	96.00%	96.00%	98.17%	89.67%	90.33%	90.17%	86.17%
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	600	580	554	529	545	566	591	564	551	575
Percentage of Capacity Used	100.00%	96.67%	92.33%	88.17%	90.83%	94.33%	98.50%	94.00%	91.83%	95.83%
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	645	557	615	659	702	776	556	604	603	564
Percentage of Capacity Used	107.50%	92.83%	102.50%	109.83%	117.00%	129.33%	92.67%	100.67%	100.50%	94.00%
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	514	490	538	488	564	538	571	572	533	638
Percentage of Capacity Used	85.67%	81.67%	89.67%	81.33%	94.00%	89.67%	95.17%	95.33%	88.83%	106.33%
Grove Elementary (1974) ^a										
Square Feet	60,777	60,777	60,777	60,777	60,777	60,777	60,777	60,777	60,777	77,028
Capacity (students)	600	600	600	600	600	600	600	600	600	600
Enrollment	575	612	615	600	590	621	575	628	606	582
Percentage of Capacity Used	95.83%	102.00%	102.50%	100.00%	98.33%	103.50%	95.83%	104.67%	101.00%	97.00%

Union Public Schools - Statistical Section
Year Ended June 30, 2012

School Building Information
Last Ten Fiscal Years

District Building	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	590	608	639	607	603	606	559	520	556	584
Percentage of Capacity Used	98.33%	101.33%	106.50%	101.17%	100.50%	101.00%	93.17%	86.67%	92.67%	97.33%
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	656	754	634	710	607	630	518	557	630	648
Percentage of Capacity Used	109.33%	125.67%	105.67%	118.33%	101.17%	105.00%	86.33%	92.83%	105.00%	108.00%
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	626	649	652	654	578	596	470	488	506	538
Percentage of Capacity Used	104.33%	108.17%	108.67%	109.00%	96.33%	99.33%	78.33%	81.33%	84.33%	89.67%
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	659	577	602	615	584	587	574	567	543	526
Percentage of Capacity Used	109.83%	96.17%	100.33%	102.50%	97.33%	97.83%	95.67%	94.50%	90.50%	87.67%
Rosa Parks (2006)										
Square Feet	-	-	-	-	-	71,300	71,300	71,300	71,300	71,300
Capacity (students)	-	-	-	-	-	600	600	600	600	600
Enrollment	-	-	-	-	-	479	612	621	607	631
Percentage of Capacity Used	-	-	-	-	-	79.83%	102.00%	103.50%	101.17%	105.17%
Thomas Jefferson (2008)										
Square Feet	-	-	-	-	-	-	69,356	69,356	69,356	69,356
Capacity (students)	-	-	-	-	-	-	600	600	600	600
Enrollment	-	-	-	-	-	-	473	515	535	547
Percentage of Capacity Used	-	-	-	-	-	-	78.83%	85.83%	89.17%	91.17%
Secondary:										
6th/7th Grade Center (1993)										
Square Feet	276,126	276,126	276,126	276,126	276,126	276,126	276,126	276,126	276,126	276,126
Capacity (students)	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
Enrollment	2,103	2,152	2,194	2,156	2,210	2,137	2,121	2,248	2,240	2,197
Percentage of Capacity Used	95.59%	97.82%	99.73%	98.00%	100.45%	97.14%	96.41%	102.18%	101.82%	99.86%

Union Public Schools - Statistical Section
Year Ended June 30, 2012

School Building Information
Last Ten Fiscal Years

District Building	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
8th Grade Center (1982)										
Square Feet	139,845	139,845	139,845	165,620	165,620	165,620	165,620	165,620	165,620	165,620
Capacity (students)	1,100	1,100	1,100	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Enrollment	1,018	1,059	1,091	1,132	1,109	1,139	1,137	1,054	1,101	1,092
Percentage of Capacity Used	92.55%	96.27%	99.18%	87.08%	85.31%	87.62%	87.46%	81.08%	84.69%	84.00%
Intermediate High School (1987)										
Square Feet	432,564	432,564	432,564	432,564	432,564	432,564	432,564	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	2,007	2,108	2,156	2,220	2,308	2,264	2,325	2,343	2,213	2,178
Percentage of Capacity Used	91.23%	95.82%	98.00%	100.91%	104.91%	102.91%	105.68%	106.50%	100.59%	99.00%
Senior High School (1972) ^a										
Square Feet	473,149	473,149	473,149	611,119	611,119	611,119	611,119	611,119	611,119	611,119
Capacity (students)	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200
Enrollment	1,822	1,858	1,852	1,932	1,937	2,044	2,082	2,163	2,146	2,165
Percentage of Capacity Used	82.82%	84.45%	84.18%	87.82%	88.05%	92.91%	94.64%	98.32%	97.55%	98.41%
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
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
Rosa Parks Early Childhood Center (2008) ^b										
Square Feet							32,000	32,000	32,000	32,000

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

^aUnion Collegiate Academy addition in progress as of June 30, 2012

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

Union Public Schools - Statistical Section
Year Ended June 30, 2012

Insurance Schedule
June 30, 2012

Effective 7/1/2011 - 6/30/2012	Coverage	Deductible
School Package Policy (1)		
Building and Contents (All Locations, Electronic Data Processing)	400,000,000	300,500
Equipment Breakdown (Boiler & Machinery)	100,000,000	Property Damage/Lightning
Wind & Hail Buy Down	475,000	25,000
All Other Perils		25,000
Flood/Earthquake	10,000,000	100,000
General Liability	1,000,000	-
Employee Benefits Liability	1,000,000	1,000
Automobile Liability	1,000,000	1,000
Umbrella	5,000,000	-
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 - 6/30/2012		
Medical Professional Liability (6)	1,000,000 single occurrence 2,000,000 aggregate	10,000
Effective 7/1/2004 - 6/30/2012		
Crime (7)	5,000,000	15,000
(1) Continental Casualty (Lloyds of London, Buy Down and American Safety Insurance Company)		
(2) Westchester Insurance Co. (ACE)		
(3) Zurich North America		
(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, 2012.

Source: International Insurance Brokers

UNION PUBLIC SCHOOLS

Single Audit Reports

June 30, 2012

UNION PUBLIC SCHOOLS

June 30, 2012

SINGLE AUDIT REPORTS

Independent Auditors' Report on Compliance and Other Matters and on Internal Control Over Financial Reporting Based on an Audit of the Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	1
Independent Auditors' Report on Compliance with Requirements that Could have a Direct and Material Effect on Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133 and the Schedule of Expenditures of Federal Awards	3
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Independent Auditors' Report on
Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance With Government Auditing Standards

To the Board of Education
Union Public Schools
Tulsa, Oklahoma

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Union Public Schools (the "District") which collectively comprise the District's basic financial statements as of and for the year ended June 30, 2012, and have issued our report thereon dated December 6, 2012. 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.

Internal Control Over Financial Reporting

Management of the District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be considered deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with 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*.

We noted certain matters that we reported to management of the District in a separate letter dated December 6, 2012.

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

Cole & Reed P.C.

Oklahoma City, Oklahoma
December 6, 2012

Independent Auditors' Report on Compliance
with Requirements That Could Have and Material Effect on Each
Major Program and on Internal Control Over Compliance in Accordance
With OMB Circular A-133 and on the Schedule of Expenditures of Federal Awards

To the Board of Education
Union Public Schools
Tulsa, Oklahoma

Compliance

We have audited the compliance of the Union Public Schools (the "District") with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. The District's major federal programs are identified in the summary of auditors' results section of the accompanying *Schedule of Findings and Questioned Costs*. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs are the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States 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. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the 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, 2012.

Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance 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 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.

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 the internal control that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the District as of and for the year ended June 30, 2012, and have issued our report thereon dated December 6, 2012, which contained an unqualified opinion on those financial statements. Our audit was conducted for the purpose of forming our 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 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 financial statements or to the 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.

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

Cole & Reed P.C.

Oklahoma City, Oklahoma
February 5, 2013

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

UNION PUBLIC SCHOOLS - INDEPENDENT SCHOOL DISTRICT NO. 9

For The Year Ended June 30, 2012

	Federal CFDA #	Grantor's Number	Program or Award Amount	Expenditures
Child Nutrition Cluster				
National School Lunch program	10.555	763	\$ 3,036,096.00	\$ 3,036,096.00
National School breakfast program	10.553	764	1,059,779.00	1,059,779.00
Fresh Fruit/Vegetable Program	10.582	768	185,613.00	185,564.00
Summer Food Service Program	10.559	766	73,814.00	73,814.00
Total Child Nutrition Cluster			4,355,302.00	4,355,253.00
Special Education Cluster				
Project ECCO	84.027	615	9,000.00	2,398.00
IDEA Flow Thru	84.027	621	2,543,239.00	2,592,059.00
IDEA Flow Thru - ARRA 2010	84.391A	622	122,703.00	122,703.00
IDEA Flow Thru - ARRA RTI	84.391A	624	6,463.00	6,463.00
Early Intervening - Private School	84.027	625	8,353.00	8,353.00
IDEA - Preschool	84.173	641	50,075.00	73,097.00
IDEA - Preschool -ARRA 2009	84.392	643	19,173.00	19,172.00
Total Special Education Cluster			2,759,006.00	2,824,245.00
Grants to Local Educational Agencies - Title I	84.010	511	1,844,906.00	1,848,672.00
Title I - School Improvement	84.010	515	104,674.00	97,951.00
Title I - ARRA	84.389A	516	89,518.00	89,518.00
Improving Teacher Quality State Grants - Title II, Part A	84.367	541	289,523.00	411,271.00
Education Technology Grants to States - Title II, Part D	84.318	546	-	3,609.00
Education Technology Grants to States - Title II, Part D 25%				
Professional Development	84.318	548	-	1,854.00
Title III Immigrant	84.365	572	186,972.00	208,766.00
Indian Education Assistance to Schools - Johnson O'Malley	15.130	563	31,250.00	45,642.00
Indian Education Grants to Local Educational Agencies - Title VII	84.060	561	268,703.00	327,064.00
Title X Part C, Homeless ARRA	84.387A	597	41,400.00	41,400.00
Adult Education State Grant Program - English Literature/Civics				
Professional Development	84.002	734	33,000.00	13,383.00
Adult Education State Grant Program - Corrections	84.002	733	28,417.00	41,916.00
Adult Education State Grant Program - English Literature/Civics	84.002	732	64,000.00	66,539.00
Adult Education State Grant Program	84.002	731	675,048.00	731,902.00
Education JOBS Fund	84.410	790	-	163,296.00
Total Other Cluster			3,657,411.00	4,092,783.00
Total Passed thorough State Department of Education			10,771,719.00	11,272,281.00
Vocational Education Basic Grants to States - Carl Perkins - Title I	84.048	421	124,187.00	124,187.00
Temporary Assistance for Needy Families (TANF)	93.558	735	357,000.00	325,533.00
			\$ 11,252,906.00	\$ 11,722,001.00

See notes to schedule of expenditures of federal awards.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

UNION PUBLIC SCHOOLS

Year Ended June 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Schedule of Expenditures of Federal Awards presents the activity of all Federal programs of Union Public Schools Independent District No. 9 (the "District"). The District's reporting entity is defined in the Comprehensive Annual Financial Report ("CAFR") in Note 1 to the financial statements. Federal awards received directly from respective agencies and federal awards passed through other government agencies are included in the schedule.

2. BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented on the same basis of accounting as the related fund which reports the grant activity in the financial statements. This includes modified accrual for governmental funds and accrual for proprietary funds; these basis are more fully described in the CAFR in Note 1 to the financial statements.

3. AWARDS PROVIDED TO SUBRECIPIENTS

During the year ended June 30, 2012, the District did not provide any Federal awards to subrecipients.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

UNION PUBLIC SCHOOLS

Year Ended June 30, 2012

Section I--Summary of Auditors' Results

Financial statements

Type of auditors' report issued:

Unqualified

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 auditors' report issued on compliance for major programs:

Unqualified

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:

Special Education Cluster	84.027, 84.173, 84.391A, 84.392
Adult Education	84.002
Education JOBS Fund	84.410
Title II	84.367, 84.318
Title III	84.365
Title VII	84.060

Dollar threshold used to distinguish between type A and type B programs: \$351,660

Auditee qualified as low-risk auditee? ☒ yes ☐ no

SCHEDULE OF FINDINGS AND QUESTIONED COSTS--Continued

UNION PUBLIC SCHOOLS

Year Ended June 30, 2012

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

None to report for the period ended June 30, 2012.

Section III--Finding Required to be Reported in Accordance with OMB Circular A-133:

None to report for the period ended June 30, 2012.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

UNION PUBLIC SCHOOLS

Year Ended June 30, 2012

None to report.

UNION PUBLIC SCHOOLS

Reports to Management and Other Information

June 30, 2012

UNION PUBLIC SCHOOLS

June 30, 2012

REPORTS TO MANAGEMENT AND OTHER INFORMATION

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Ms. Debra Jacoby
Chief Financial Officer
Union Public Schools
Tulsa, Oklahoma

In connection with our audit of the financial statements of Union Public Schools (the “District”) as of and for the year ended June 30, 2012, performed in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in the *Governmental Auditing Standards*, issued by the Comptroller General of the United States, we issued our report (under separate cover) on the District’s compliance and other matters and on internal control over financial reporting based on an audit of the financial statements performed in accordance with *Government Auditing Standards*.

We identified an immaterial instance of non-compliance, which is described as follows:

Activity Fund Deposits

Criteria: A sample of 23 receipts from Activity Funds was tested to ensure deposits exceeding \$100 were deposited within 24 hours, as required by state law.

Condition: During our testing we noted 5 instances of deposits exceeding \$100 which were not deposited within the required timeframe.

Cause: There does not appear to be a procedure in place which operates effectively and that requires sites to confirm whether or not they received funds during the day. As such, various sites are able to accumulate, and hold onto funds for more than 24 hours prior to submitting them for deposit.

Effect or Potential Effect: The District does not appear to be consistently in compliance with State Law in regard to the deposit of all activity funds received at Sites within the District.

Recommendation: The District may consider using additional oversight of employees responsible for depositing cash received daily, and consider additional training for employees responsible for the collection and submission of funds received for deposit. The District may also consider a policy which includes immediate follow up and documentation provided to site supervisors when a deposit is received later than the required timeframe.

Response: The District agrees that some deposits from the sites are not received on a timely basis. In accordance with state law, deposits over \$100 must be deposited by the next business day. Any deposit totaling less than \$100 must be deposited at the end of each business week. Union Public Schools administration had previously developed a system generated e-mail to remind site secretaries and principals of this law and they must confirm if they have a deposit for the day. Using this system, the Treasury department is able to track each site's daily activity deposits and should have more accurate records. Unfortunately we do not know if someone has a deposit that is not on the list or if they choose to not respond. To try to mitigate this, we will add all activity fund sponsors in addition to the secretaries and principals. The Treasury department will confirm individuals on the email list and will also be training site personnel on the usage of the night depository and giving out security codes for them to begin using.

We also identified two deficiencies in internal control that we believe did not constitute material weaknesses or significant deficiencies, which is described below:

Manual Preparation of Financial Statements

Criteria: Financial Statements were reviewed in detail to determine that balances recorded agreed to supporting schedules. This includes the classification of revenue, expense, and net assets by appropriate classification.

Condition: During our review of the financial statements we noted an instance of incorrect classification relating to net assets. This resulted in a reclassification of approximately \$12,540,000 to net assets on the government-wide financial statements. The reclassification did not affect total net assets.

Cause: The use of spreadsheet based calculations and software requires significant manual reconciliation and preparation, and increases the risk that errors will go undetected. The secondary review prior to completion of the financial statements, which is designed to detect material misclassifications or misstatements due to human error by someone other than the preparer, should be enhanced, or include re-calculation of the figured used in calculating balances presented.

Effect or Potential Effect: The District could report material mis-classifications or errors in the financial statements due to human error in the calculation or grouping of certain balances.

Recommendation: Union Public Schools may consider an additional review of all formulas and calculations for significant balances to ensure accurate calculation of balances. We believe the current levels of review continue to assign an inappropriate amount of reliance on one person. Based on the volume of information to be compiled, and the manual nature of much of the compilation, it is possible that errors will occur and not be detected by Union Public Schools. Additional layers of review which include re-calculation may mitigate the risk of mis-classifications that result from such errors.

Response: The District agrees that the process for compiling the financial statements is manual and requires the bulk of that work be assigned to one individual. 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 reorganized the department to add an additional layer of internal review by giving audit preparation duties to additional accountants in the department. Due to staff turnover, the accountants in this department have reduced years of experience. In addition to newer staff, the implementation of a new financial system is heavily impacting the workload of the accountants. If further review is necessary, the District might need to hire additional staff. Union Public Schools had previously added an additional secondary level of review by an external auditor and will continue that process. That auditor will be required in the future to allot additional time for a more in-depth review. The District has also recently purchased a new financial system that includes a CAFR module, which when fully implemented, should reduce the manual processes which will then allow for more review of the financial statements.

Controls over Tracking and Recording of Child Nutrition Inventory

Criteria: Detailed reports are reviewed to support the commodities and food inventory recorded in the Proprietary Fund Financial Statements.

Condition: During our review of the supporting details, and information provided by independent third parties, we noted instances of inventory excluded from the balance reported, and mis-classification of expenses incurred to convert donated commodities into a form which can be utilized by the District. This resulted in a decrease in revenue for donated commodities recorded of approximately \$180,000, and an increase in inventory reported of approximately \$83,000.

Cause: There does not appear to be an adequate process and review in place to track all commodities and food inventory received, and accurately record and report all the such items in the related financial statements.

Effect or Potential Effect: The District could report errors in inventory and revenue balances in the Proprietary Fund financial statements, and related Government-wide financial statement balances.

Recommendation: Union Public Schools may consider additional steps to track all inventory as it is received, and the source of the items received, either purchased or donated. The District may also benefit from additional counts performed on all inventory held at year-end, and additional review of final calculations to ensure that all inventory held is included in balances reported.

Response: The District agrees that the process for recording the Child Nutrition inventory and commodities are a manual process that is highly dependent on data received from the Child Nutrition department. The reports received from Child Nutrition contained incorrect data based on information received from non-accounting employees. This led to a miscommunication of reporting incorrect data. Once accountants reviewed all of the data, a new system of recording the expenditures and revenues was obtained. Also the Director of Financial Reporting and Treasury has reorganized the department to add an additional accountant to review all of Child Nutrition information so that this error could be avoided in the future.

This letter is intended solely for the information and use of the District's Board of Education, Business Sub-Committee, management, and the Oklahoma State Department of Education, and is not intended to be, and should not be used by anyone other than these specified parties. We appreciate the opportunity to serve the District and would be happy to assist you in addressing and implementing any of the suggestions outlined in this letter.

Cole & Reed P.C.

Oklahoma City, Oklahoma
December 6, 2012

Union Public Schools, Independent School District No. 9
Tulsa County, Oklahoma

Statement of Statutory, fidelity, and Honesty Bonds
For the Year Ending June 30, 2012

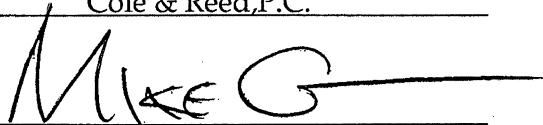
Bond Type	Bonding Company	Position	Bond Number	Bond Amount	Effective Dates
Education Legal Liability	ACE Westchester Fire Insurance Co	All Employees	G23613803 006	1,000,000.00	07/01/12 - 07/01/13
Employment Practices	ACE Westchester Fire Insurance Co	All Employees	G23613803 006	1,000,000.00	07/01/12 - 07/01/13
Umbrella	Starr Indemnity & Liability Insurance Company	All Employees	SISCEPEL 00004211	5,000,000.00	07/01/12 - 07/01/13
Surety	Travelers Casualty & Surety Co of America	Superintendent	105375575	100,000.00	07/01/12 - 07/01/13
Surety	Travelers Casualty & Surety Co of America	Chief Financial Officer	105375575	100,000.00	07/01/12 - 07/01/13
Surety	Travelers Casualty & Surety Co of America	Director of Financial Reporting & Treasury	105375575	100,000.00	07/01/12 - 07/01/13
Surety	Travelers Casualty & Surety Co of America	Financial Analyst/ Assistant Treasurer	105375575	100,000.00	07/01/12 - 07/01/13
Surety	Travelers Casualty & Surety Co of America	Director of Accounting	105375575	100,000.00	07/01/12 - 07/01/13
Surety	Travelers Casualty & Surety Co of America	Director of Payroll	105375575	100,000.00	07/01/12 - 07/01/13
Surety	Travelers Casualty & Surety Co of America	Executive Director of Human Resources	105375575	100,000.00	07/01/12 - 07/01/13
Surety	Travelers Casualty & Surety Co of America	I-5 Specialist	105375575	100,000.00	07/01/12 - 07/01/13
Surety	Travelers Casualty & Surety Co of America	I-5 Specialist	105375575	100,000.00	07/01/12 - 07/01/13
Surety	Travelers Casualty & Surety Co of America	I-5 Specialist	105375575	100,000.00	07/01/12 - 07/01/13
Surety	Travelers Casualty & Surety Co of America	Associate Director of HR	105375575	100,000.00	07/01/12 - 07/01/13
Surety	Travelers Casualty & Surety Co of America	Executive Director of Federal Projects	105375575	100,000.00	07/01/12 - 07/01/13
Surety	Travelers Casualty & Surety Co of America	Financial Reporting Manager	105375575	100,000.00	07/01/12 - 07/01/13

UNION PUBLIC SCHOOLS INDEPENDENT SCHOOL DISTRICT NO. I-9
TULSA COUNTY, OKLAHOMA
SCHEDULE OF ACCOUNTANTS' PROFESSIONAL
LIABILITY INSURANCE AFFIDAVIT
Year Ended June 30, 2012

STATE OF OKLAHOMA
COUNTY OF OKLAHOMA

The undersigned auditing firm of lawful age, being first duly sworn on oath, says that that said firm did have, in full force and effect, Accountant's Professional Liability Insurance, in accordance with the "Oklahoma Public School Audit Law" at the time of the audit contract and during the entire audit engagement with Union Public Schools Independent School District No. I-9 for the audit year ended June 30, 2012.

Cole & Reed, P.C.



Signature of Authorized Agent

Michael J. Gibson

Printed Name of Authorized Agent

Subscribed and sworn to before me on this

26th Day of November, 2012


NOTARY PUBLIC



My commission expires on:

14th Day of March, 2015

Commission No. #11002274