

# Comprehensive Annual Financial Report

For the fiscal year ended  
June 30, 2011



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

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

# **Comprehensive Annual Financial Report**

**For the fiscal year ended June 30, 2011**

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December 7, 2011

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, 2011, 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, Intermediate High for grades 9 & 10, High School for 11th & 12th, and an Alternative School.

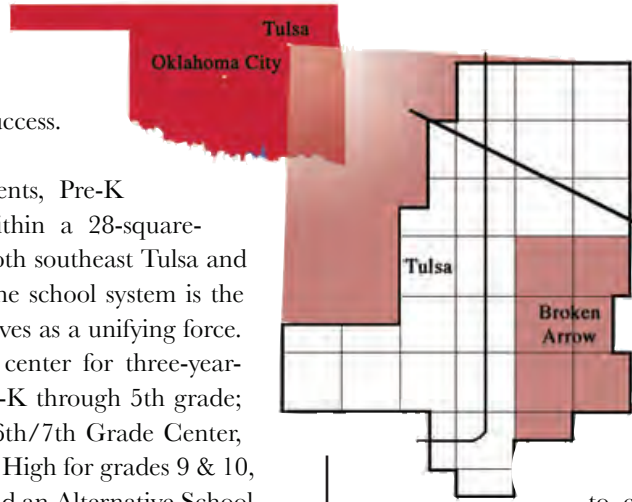
### Our Mission

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.

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 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 certification, and in number of Presidential Math and Science award recipients.

### Our Goals

- 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



Union’s Community 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.

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 89.5 percent of the 2011 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.

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 greater depth and developing study and analytical skills that are important to success in college. In partnership with Tulsa Community College, 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! The Union Collegiate Academy also provides students exposure to college and career opportunities through a partnership with Tulsa Community College.

When Union was founded in 1919, it combined four small, rural communities - 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

### **Transportation**

Approximately 8,935 students were eligible for transportation each day on the district's 94 buses. Union's buses drove more than 875,315 miles in 2010-2011, approximately 4,836 miles per school day -- comparable to a round trip to Juneau, Alaska. The district's total cost for fuel was \$465,190. Activity buses transported students 77,352 miles during the year.

### **Child Nutrition**

The child nutrition department served 578,109 breakfasts and 1,442,672 lunches during the 2010-2011 school year. In addition, 39,992 breakfasts and 39,142 lunches were prepared for early childhood and 166,232 after-school snacks were provided. Meals were also served during the summer months for summer school. There were 13,979 breakfasts and 18,646 lunches provided during summer to needy children. Lunch participation increased 7% and breakfast increased 14% over the previous year.



Six Union elementary schools participated in the USDA Fresh Fruit and Vegetable Program, sampling such delicacies as dragon fruit, gold kiwi, sundrop tomatoes, pluots, and apriums. Daily snacks included blackberries, blueberries, strawberries, raspberries, pineapple, grape tomatoes, and asparagus. The program addressed issues such as rising obesity rates in children, overabundance

of over-processed foods, lack of availability, and high costs of fresh produce.

A \$175,000 grant from the USDA provided funding for the program. In addition to the food samplings, monthly nutrition education classes and daily 'sound bite' announcements were offered to teach students about the relevance of fresh produce to their health.

### **Maintenance/Facilities Services**

Union Public Schools' 382.59 acres were maintained by 12 employees in the **Grounds Department**. Not only did they take care of the grounds but they also cleaned the stadium, assisted with UMAC events, maintained 177 outdoor trash cans, repaired asphalt, removed snow, maintained playgrounds, and served as a moving crew.

The **Custodial Department** operated seven days a week with some schedules beginning as early as 5:15 a.m. while others ended as late as 1:30 a.m. Each of the 118 employees maintained 35,000 square feet of space. They were also responsible for set-up and clean-up for various meetings and activities around the district. Each member of the custodial staff regularly received hands-on training to clean and protect our schools.

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

The **Purchasing and Supply Management Department**, within the **Support Services Division**, consisted of the Director of Purchasing & Supply Management and three full-time employees at the Education Service Center. These three supported the functions of bidding, purchasing, and contract review.

The district's **Distribution Center** served as the central receiving point, supply distribution hub, daily intra-district mail service, and records management for the district. The Distribution Center had nine employees who provided daily mail service, child nutrition food and supply warehousing and delivery, and general receiving and distribution.

### **Union Multipurpose Activity Center**

Three employees at the Union Multipurpose Activity Center coordinated UMAC events and facility rental. The number of events held at the UMAC during 2010-2011 totaled 1,031 with an average of 20 per week. The UMAC also houses 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

The district maintained over 2.7 million square feet of facilities, including thirteen elementary schools (pre-kindergarten through fifth grade), an Early Childhood Education Center (three-year-olds), a Sixth/Seventh Grade Center, an Eighth Grade Center, an Intermediate High School (ninth and tenth grades), an Alternative School serving ninth through twelfth grades, a High School (eleventh and twelfth grades), the Union Multipurpose Activity Center, the district Operations buildings (housing the transportation, maintenance, grounds, and distribution center departments), and an Education Service Center.

During the 2010-2011 school year the district was engaged in several construction and improvement projects. The remodel of Grove Elementary was completed in July of 2011. Additional classrooms and offices were constructed at the site along with the remodel and expansion of the existing classrooms.



The cafeteria and kitchen, media center, science lab, art room, music room, and computer lab were also remodeled. The existing gym was expanded providing the school

# Union Public Schools - District Profile (Continued)

## Construction/Facilities (Cont.)

with approximately two times the previous amount of gym floor space. As a result of the addition and remodel, the new landscaping, parking, and playground area renovation, Grove Elementary is a beautiful new center for our students.

Several elementary schools had capital improvement projects occurring onsite. Peters received new carpet and tile in the classrooms. McAuliffe received new carpet in the classrooms, was painted throughout the interior of the building, and had new landscaping installed. Improvements were made to the Andersen plaza area where classes meet and students wait for parents under shelter.

The secondary schools also received some upgrades and improvements during the 2010-2011 school year. The Sixth/Seventh Grade Center had a cooling tower replaced in an effort to improve temperature control and air quality in the sixth grade classroom area. The High School roofing replacement project was finished with the completion of Phase IV of the roofing project.

The district's largest project, approximately 125,000 square



feet, continues at the High School campus with the completion of Phase I of the Union Collegiate Academy

and the seamless transition into Phase II of the project. Included in the work over the past year has been the construction of a new kitchen where students will be offered four different ethnic food choices and a



serving and preparation area for sub-sandwiches called *The Deli*. Areas have been remodeled for additional offices and storage along with classroom modifications in the existing High School. The floors have been poured, steel erected, and the building is being closed in to move on to the finish work. The building is projected to be completed by the end of July 2012 and ready for the approximately 3,300 students who will occupy the school in 2012-2013.

Other district projects over the past year have been the construction of a 10,000-square-foot storage building at the distribution center, new emergency generators installed at the Education Service Center and the distribution center, remodeling of the Alternative Education office areas, stadium upgrades, and other minor renovations and repairs throughout the district.

## Student Statistics

Growth evened out during 2010-2011, with a 0.6% decrease over the previous year. Union served 14,931 students – 7,231 at the elementary level and 7,700 in grades 6-12; 7,681 were male and 7,240 were female. In terms of race, 6.9 percent were Native American, 14.4 percent were African American, 7.1 percent were Asian, 0.2 percent were Pacific Islander, 5.1 percent were multi-racial, and 66.3 percent were white. Just over 22 percent were of Hispanic ethnicity.

There were 4,886 first through twelfth grade students enrolled in Union's gifted and talented program.

Ten percent or 1,533 of our students were enrolled in special education.

In 2010-2011, approximately 3,074 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 43 different languages.



During the regular school year, 387 first, 483 second, and 458 third graders were eligible to participate in the Reading Sufficiency Act program.

There were 782 students (grades K-5) enrolled in Union's Extended Day Program - 189 attended the morning program, 191 attended the afternoon program, and 402 students attended both. EDP Summer Camp was held at Moore Elementary offering weekly themes and field trips over a nine-week period. Weekly camp attendance averaged 150.

During 2010-2011, High School and Intermediate High students earned 1,884 high school credit hours in Advanced Placement (AP) courses and 1,524 in Pre-AP courses.

Elementary summer school was held at Boevers, Briarglen, Cedar Ridge, Clark, Jefferson, and Rosa Parks. Thanks to federal and state grant funds, classes were offered free of charge. There were 1,550 kindergarten through 5<sup>th</sup> grade students who attended these free summer school programs. In addition, 54 pre-kindergarten and 50 kindergarten students chose to participate in Cedar Ridge tuition-paid classes offered in June.



# Union Public Schools - District Profile (Continued)

## Student Statistics (Cont.)

More than 12,000 Union students were involved in at least one arts class during the 2010-2011 school year. At the secondary level (grades 7-12) 834 were in band; 601 in orchestra; 945 in vocal music; 624 in drama; 20 in competitive speech; and 2,028 in a wide variety of visual arts disciplines.

During 2010-2011, 1,548 students in grades K-12 participated on 151 teams in the Intramural sports program. Additionally, over 418 Union parents participated as coaches, volunteers and coordinators, volunteering more than 11,350 hours. More than 2,400 practices and 604 games were scheduled in Union facilities.

## Secondary Achievement (Grades 7-12)

National Merit Finalists were seniors **Andrea Boss, Sam Carr, Amy Chevrier, Kathryn Chevrier, Sarah Daggett, Morgan Hillin, Caleb Nelson, Shelby Stillwell,** and **Whitney Thompson. Joshua Maddox** and **Andrew Royer** were semifinalists.

Commended Students included **Jennifer Davis, Aaron Fowler, Leah Gray, Susan Liu, David Mahaffey, Christopher McDowell, Aneesh Shukla, Mark Street,** and **Jimmy Tran.**



Seniors **Mark Street** and **Laura Feller** were named Mr. and Miss Union, the highest honor a Union student may receive in the district.

Through the Union Collegiate Academy, Union's Junior Achievement company won third place in the North American JA Company of the Year Competition. The

12-person company, F.A.B. (Future Associates of Business), produced and sold 1,405 hair bows. Their net profit was \$1551.13, and \$1,241 of that was donated to the Autism Center of Tulsa. Each stockholder received 20% of the net profit.

**Alexander Bell** and **Anthony Gonzalez**, who graduated in 2010, were named AP National Scholars based on their performance during spring Advanced Placement exams. In addition, 75 students were named AP Scholars, 22 were named AP Scholars with Honor, and 28 were named AP Scholars with Distinction.

Union Repertory Theatre won first place in the state One-Act Play contest with their performance of *The Insanity of Mary Girard*. **Emily Elkins, Nathan Robertson, Mariah Shaw,** and **Allison Ward** were named All-State cast members. Union also won Best Tech.

Seniors **Sarah Daggett** and **Page Reiter** made the 2011 Oklahoma All-State Academic list.

Senior **Lacey Baumer** was named a semifinalist for the 2011 Class of the Coca-Cola Scholars Program. Baumer ranked with about 2,100 seniors in the running for \$3 million in college scholarships from the Coca-Cola Scholars Foundation.

The class of 2011 set a new scholarship offer record... \$11,144,996.00 which is \$50,028.00 more than the previous year's record total.

Sophomore **Samantha Hardgraves** won first place in pottery at the Five Civilized Tribes art show and her work was displayed at the Five Civilized Tribes Museum Art Gallery in Muskogee.

The Renegade Regiment ranked third in regional competition and earned the Outstanding Visual Performance caption award at the Bands of America Super Regional Competition in St. Louis. The Regiment went on to place as a finalist at the 2010 Bands of America Grand Nationals.

All three Winter Guards earned the gold medal and state title for the 2011 season in the Winter Guard and Percussion Championships of Oklahoma. The 8th Grade and the JV teams competed in classifications with all High School Varsity level teams, still earning the honor of first place in their division.

Seventh grader **Taya Tumpkin** was awarded Grand Recognition for exceptional scores in Duke University's Talent Identification Program. Since its inception in 1980, more than 2 million students have participated in a Duke TIP Talent Search.



The Air Force Junior Reserve Officer Training Corps Unit at Union High School was selected as one of 182 units to receive the 2010-2011 Air Force Junior ROTC Distinguished Unit Award with Merit, this for the fifth year in a row. The award recognizes Air Force Junior ROTC units that have performed

above and beyond normal expectations and have distinguished themselves through outstanding service to their school and community while meeting the Air Force Junior ROTC mission of producing better citizens for America.

Union's cadets took up the task to commemorate the 10th anniversary of 9/11 by bringing the Moving Vietnam Wall to the district during 2011. Their request was approved for the entire week preceding 9/11, and they set about the year-long job of raising the needed funds.

## Union Public Schools - District Profile (Continued)

### Secondary Achievement (Grades 7-12) (Cont.)

Seniors **Lindsey Willis** and **Sheyda Zakerion** successfully completed the National Association of Student Councils' Student Leaders Program, earning national certification as student leaders. They joined approximately 100 students in the nation to achieve this recognition.

### Elementary Achievement

Darnaby was approved to be a participating A+ School. A+ Schools is a program that supports academic excellence and enhances the way students learn using the arts while working through A+ Essentials—arts, curriculum, experiential learning, multiple intelligences, enriched assessments, collaboration throughout the school, having infrastructure in place, and a climate that allows the students to do their very best.

Recognized as a model of community schools, Roy Clark Elementary was featured in the national publication of *Scholastic Magazine*. The article focused on how Clark is taking steps to not just improve the quality of education but students' very lives by connecting students and their families with resources to provide emotional support and access to needed services like energy assistance and health care.

Clark was named a 2011 National Community School, one of only three in the country to be honored by the national Coalition for Community Schools in Washington, D.C. The Coalition for Community Schools established the national awards program to highlight the effectiveness and efficiency of schools, such as Clark Elementary, which has been a community school since 2005.



Five Clark fifth graders got the chance to meet singer Roy Clark and be in a commercial with him



for the Oklahoma Music Hall of Fame in Muskogee. Not only did the students get to be in the commercial, but they got to play music with the legend and get some guitar pointers.

Rosa Parks Early Childhood Education Center in partnership with Community Action Project (CAP) completed the prestigious National Association for the Education of Young Children (NAEYC) accreditation which recognizes only the highest standard in early childhood practices and results.

### Union Intermediate and High School Athletic Achievement

Union won the 6A State Football Championship, beating Jenks in a phenomenal renewal of the country's best high school football rivalries. For a remarkable 15 consecutive seasons, Jenks or Union has captured the 6A title. For the first time in school history, the Redskins savored a third consecutive state championship.



The boys' cross country team finished first in state 6A competition. Union's point total of 107 was seven higher than second-place finisher Norman. Union's top finishers in the 5K meet were **Erik Alnes**, **Tyler Helt**, **Alex Monaghan**, **Bryan Corbaz**, **Zade Nabils**, **Levi Garrett**, and **Chase Costner**.

The girls' golf team won the first state championship in school history by 23 strokes. Freshman **Emma Allen** finished second individually with a 155.

Senior **Paige Brown** was named to the All-State Volleyball Team.

Senior **Erik Alnes** (cross country) was Union's nominee for the Wendy's Heisman Award.

Union's two-sport standout, **Stephon Weaver**, was voted the Oklahoma Coaches Association's Region 7 Male Athlete of the Year. Weaver was a receiver for the state champion Redskins football team and a starter for the state semi-finalist basketball team who finished the season with a record of 21-4.

Senior **Sarah Daggett**, cross country and track athlete, won the large school girls' Scholar Athlete Award for the 35th Annual March of Dimes Sports Headliner banquet. Sarah was the defending state champion in the 1600- and 3200-meter run.

Juniors **Kyle Crutchmer** and **Kyle Ash** earned hard-fought wins in the 160-pound and 152-pound weight divisions to take state wrestling championships.

Five weeks after winning the state championship, Crutchmer became a national champion by winning the National High School Coaches Association Junior Nationals 160-pound weight division in Virginia Beach, Virginia.

The OSSAA recognized a number of Union's athletic programs for their outstanding academic work in the classroom. Winning the Distinguished Academic Award with a minimum team GPA of 3.5 and rank in the upper 10 percent of class 6A were boys' swim, girls' swim, cheer, volleyball, and baseball. Earning Academic Achievement



# Union Public Schools - District Profile (Continued)

## Union Intermediate and High School Athletic Achievement (Cont.)

Awards with a minimum team GPA of 3.25 and rank in the top 1/3 of Class 6A were boys' and girls' cross country, boys' and girls' golf, girls' soccer, and girls' basketball.

Named as OCA Region 7 Female and Male Scholar Athletes of the Year were seniors **Sarah Daggett** (track & cross country) and **Jacob Allbritton** (tennis).

Senior swimmer **Megan Myers** and junior **Erika McGovern** took individual state championships in the 500-Yard Freestyle and 100-Yard Breaststroke, respectively. The girls' swim team finished runner-up to state champion Edmond North. Megan also is the repeat honoree as the *Tulsa World's* girls' All-Metro Swimmer of the Year.

Junior swimmer **Eastman Holloway** set a new state record in the 200-Yard Freestyle event with a time of 1:39.97, breaking the record of Union alumnus, **Dylan Lynn**, who had held the state best time of 1:40.15 since 2006. Eastman also was state champion in the 500-Yard Freestyle. The boys' swim team finished 4th at state.

The Varsity Pom team won a State Championship for the 7th Year in a row and 8th total. They were crowned co-champions along with the Jenks Trojans. In addition, the 8th, 9th, and JV teams all won State Championships in their respective divisions. This is the first time that every team has won state in the same year.



Varsity Pom was named the national winner of the 2010 American Spirit Award by the Universal Dance Association – the highest honor bestowed by the organization. The American School Spirit Award is given to

teams that excel both on and off the dance floor, focusing on competitive success, academic excellence, school spirit, and community service. The UDA also commended the squad for its academic achievements with a team GPA of an unweighted 3.6, and 16 girls were named to the Academic All-State Team.

Seniors **Adrienne Allan** and **Dea Pennington** represented Union on the All-State cheerleading squad comprised of the top 16 cheerleaders from the East side of the state.

The Varsity Cheerleaders placed third in nationals and were also recognized for their community service project at Rosa Parks Elementary.

The Highsteppers Dance Teams competed in the Oklahoma State Team Directors Association (OSDTDA) State Competition. 8th grade brought home a state cham-

pionship in Kick and third in Jazz; 9th grade were state champs in Kick and second in Jazz, plus State Academic Championship winners. Varsity Highsteppers earned second place in Kick and fourth in Jazz.

The Varsity Highsteppers traveled to Orlando, Florida, to compete at the Contest of Champions National Championship. They placed second in Kick, sixth in Lyrical, sixth in Modern, and eleventh in Jazz.

## Teaching & Learning

The Board of Education voted unanimously to start elementary school classes earlier, seventh- and eighth-grade classes later, and ninth- through 12th-grade classes about the same time to accommodate before- and after-school classes.

Schools began the day 25 minutes later on Fridays to give teachers collaboration time during the week. The schedule allowed all Union teachers to engage in a 45-minute embedded collaboration time with their peers to have an ongoing discussion of best practices in the classroom.



The Board also approved a new redistricting plan in an attempt to ease crowding and more evenly distribute student enrollment numbers. Approximately 200 students, or three percent of the district's 7,200 elementary students, were affected.

The national Coalition for Community Schools, along with the Tulsa Area Community Schools Initiative and the Linkages group, hosted their fall networking meeting in Tulsa celebrating the Tulsa connection between early care and learning with community schools. Both Rosa Parks and the Early Childhood Education Center hosted a study tour showcasing community initiatives and collaborations as well as the linkages between the two sites.

Tulsa Community College and the P-20 Council received a grant to continue their work in ensuring more Oklahomans have access to higher education through a pilot program—EXCElerate which enabled Tulsa and Union juniors and seniors, and limited sophomores, the opportunity to earn college credits on their high school campuses. The cost to students for a three-credit hour class was \$12.75.

Three hundred seventy-three students participated in concurrent enrollment for college credit on the Union campus and 18 students earned college hours at Tulsa Tech. During 2010-2011, Union students earned 3,813 hours of college credit while in high school.

Even with concurrent enrollment, Union's AP program was bigger than ever. More AP tests than ever were given, and 62% of the scores earned college credit.

## Union Public Schools - District Profile (Continued)

### Teaching & Learning (Cont.)

Union was named the Exemplary School of the Year by the Muscogee Creek Nation in recognition of Union's Native American Johnson O'Malley program. Union was cited for an "impressive program" that offered tutoring and counseling for eligible students in grades 8-12 that helped them plan and prepare for college or career training.

Union's Adult Education program became the largest in the state, and staff members helped 371 adults obtain their GEDs as well as teaching many adults English and job skills.

The district began working toward implementation of the Union Virtual Learning Academy which will provide a unique opportunity for High School students to have a challenging educational experience in a supportive online environment. Students will have access to classes across the curriculum any time, any place. The Academy (UVLA) will offer core classes, and interesting electives. Courses are self-paced, interactive, and supported as students communicate with highly qualified teachers.



### Contributions from the Community

The George Kaiser Family Foundation generously supported Union's FOCUS program with a donation of \$25,000. The Williams Companies Foundation gave \$20,000 in matching funds as did the Union Schools Education Foundation (USEF) with \$5,000. Union's FOCUS program serves students in grades 7-9, providing them with more instructional time in math and English plus the support and skills to achieve academic success.

Partnerships with area churches, civic organizations, colleges, businesses, and community agencies have provided everything from dictionaries and school supplies to mentors and health clinic services.

### Employee Statistics

During 2010--2011, Union employed 69 administrators—53 certified and 16 non-certified and 966 certified teachers. Support staff members accounted for another 799 positions, 642 full time and 157 part time. The ethnic diversity among the staff was African-American 4.9%; American Indian 5.2%, Asian 1.9%, Hispanic 7.5%, Caucasian and other 80.5%. Three hundred seventy-seven were male and 1,457 female.

At the end of 2010-2011, Union had 96 Nationally Board Certified teachers at 19 schools, and 36% of district teaching and administrative staff held graduate-level degrees — 348 had master's degrees and 19 had doctorates.

### Employee Achievement

**Dawn Poyndexter**, who teaches first and second grade at Cedar Ridge, was named the 2010-2011 Union Teacher of the Year and one of 12 finalists for state Teacher of the Year. The Site Teachers of the Year were **Ione Stowell** (Andersen), **Joan Meyer** (Boevers), **Teresa Bowker** (Briarglen), **Kent Jones** (Clark), **Verna Pollack** (Darnaby), **Becky Hines** (Grove), **Kim Wolfe** (Jarman), **Karen Duncan** (Jefferson), **Angie Briggs** (McAuliffe), **LeeAnna Weaver** (Moore), **Athena Reich** (Peters), **Jean Thomason** (Rosa Parks), **Julie Brungardt** (6th Grade Center), **Frances Turney** (7th Grade Center), **Karie Anderson** (8th Grade Center), **Trent Spencer** (Alternative School), **Lt. Col. Ron McCool** (Intermediate), and **Ami Reynolds** (High School).



The Certificate of Achievement for Excellence in Financial Reporting was awarded to Union 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 18th consecutive year. The award is the highest recognition for a school district offered by ASBO, recognizing significant achievement in school system financial reporting.



Jarman teachers **Paige Bergin** and **Denise Thomas** received the Presidential Award for Excellence in Mathematics and Science Teaching from President Barack Obama. Bergin was honored in math and Thomas in science. Nationally 85 mathematics and science teachers were selected for the honor. They received an expense-paid trip to Washington, D.C., for an awards ceremony and related events.

After implementing a concussion management program, head athletic trainer **Dan Newman** has become a regional authority on concussion prevention. Union hosted a brain injury conference for area athletic directors, coaches, and parents as part of a national public awareness cam-



## Union Public Schools - District Profile (Continued)

### Employee Achievement (Cont.)

paigned by The Sarah Jane Brain Foundation, a national nonprofit group.

District patron **Patrick Coyle** was tapped to fill the District #2 seat on the Union Board of Education left vacant when member **Ross Ford** resigned to become Union's Director of Security.

Union raised \$175,198 for the Tulsa Area United Way campaign, with 94 people named Key Club donors – contributing \$500 or more. The Intermediate High, the 6th/7th Grade Center, and Moore Elementary raised the most money for the United Way. Peters, Grove, and the 8th Grade Center increased their giving the most while Moore, the Alternative School, and Cedar Ridge gave the “highest per capita” from the school sites.

High School math teachers **Cindy Johnson** and **Elizabeth Sonnenfeld** were selected as participants in the State Superintendent's Master Teacher Project. Johnson and Sonnenfeld organized study groups for the district and served on a regional curriculum conference planning committee.

**Sgt. Dan Snow** was honored as one of the top 10% of the country's Junior ROTC instructors.



**Robbie Lee**, certified desk specialist in the Human Resources department, was named the 2010-2011 Support Employee of the Year. Robbie was described as an employee who raises the bar for work ethic and commitment to high professional standards.

**JoAnna Jamison**, director of the Adult/Community Education program, was named the 2011 Workforce Oklahoma Employment and Training Association (WOETA) Alumni Award Business Leader of the Year for the service area in Oklahoma by the Tulsa Area Workforce Investment Board.

High School teacher **Christi Johnson**, coordinator of Union's Collegiate Academy, won the “Educator of the Year” award from Junior Achievement at their Business Excellence banquet.

Head football coach **Kirk Fridrich** was given a Sports Headliner Honoree Award at the 35th Annual March of Dimes Sports Headliner banquet for the success of the 2010 State Champion Union Redskins.

Named as Oklahoma Coaches Association Region 7 Coaches of the Year were **Kirk Fridrich** (football), **Kevin Gannon** (tennis), **Lindsay Jones** (golf), **Chadd McKee** (volleyball), and **Steve Randall** (softball).

**Mike Stanton** (cross country/track) was voted Region 7 Coach of the Year as well as Frontier Valley Conference Coach of the Year.

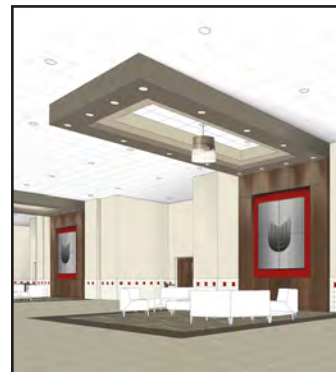
### Parent Support

The Union Schools Education Foundation presented checks to its 2010-2011 grant recipients during Teacher Appreciation Week in May. Forty-eight grants totaling \$37,292.29 were given to 48 different teachers at 15 of the district's 18 sites. The classroom projects to be funded ranged from \$64.80 to \$1,999.02.

The Union Schools Education Foundation raised \$80,759 during its annual November dinner and auction at the Radisson Hotel. The amount raised represents the second highest amount on record with net income of approximately \$63,000. With the theme, “Focusing on the Future,” auction chairwoman DeAnn Magness and her team collected great items to auction including a 14K diamond pendant necklace and use of the Flintco Suite at the BOK Center along with gift baskets made by the schools. They also raised \$5,200 for the “Fund the Need” cause to benefit Union's “I Care Holiday Project.”

The PTA Klothes Kloset collected and distributed clothes for hundreds of Union children and their families.

Union voters overwhelmingly approved a \$21.6-million February bond issue to expand the district's efforts to better prepare students for college, giving the go-ahead to complete the \$16.3-million Union Collegiate Academy by fall 2012. The remainder of bond funds were to be used to convert the Intermediate High to a Ninth Grade Center, and to purchase textbooks and make other capital improvements throughout the district.



ments throughout the district.

Voter turnout was strong despite hazardous weather conditions left over from the previous week's blizzard. Election offi-

cials consolidated all 36 Union precincts at the Union Multipurpose Activity Center for voter and precinct worker safety. The proposal passed with 84.23 percent of the vote.



Incumbent **Jeff Bennett** retained his seat on Union's school board, with 58 percent of the votes.

### Student Community Service

Students in the Extended Day Program at Union's 13 elementary schools decorated cards to be delivered to area Meals on Wheels recipients and other homebound people through the Kenzie's Cause project. Seventh grader **Ken-**

# Union Public Schools - District Profile (Continued)

## Student Community Service (Cont.)

**zie Chabino** came up with the idea of sending the cards and said that within the first six weeks of the project, about 30,000 cards had been made. Schools and classes outside Oklahoma have started similar card-making projects after learning about Kenzie's Cause.

Union High School was named the winner of The Salvation Army's High School Bell Ringing Challenge, bringing in \$996.54 for the campaign which raised \$3,770 area-wide. The funds helped support some 3,000 needy families during the holidays.



Union students were involved in giving back to the community throughout the year through food drives, coat collections, and coin drives. Redskin AID (Athletes Impacting the District) members mentored elementary students and volunteered at the Alzheimer's Memory Walk, area nursing homes, the John 3:16

Family & Youth Center, the Feed My Starving Children food drive, and many more.

## Communications

The Communications Department created a successful 2011 bond election information campaign for a \$21.6-million proposal to complete the Union Collegiate Academy wing at Union High School and to fund needed improvements throughout the district. The "Union – Ahead of the Curve" campaign culminated in strong voter turnout and a record-breaking 84.23 percent approval rating for passage on election day despite last-minute precinct changes and icy roads left over from the worst blizzard in Tulsa's history.

Throughout the fiscal year, the Communications Department decreased expenditures 10 percent by reducing the number of publications it produced and increasing its use of the district's automated telephone notification system, its website, [www.unionps.org](http://www.unionps.org), and the social networks Twitter and Facebook to communicate with its publics. The department also opened a YouTube channel to provide another venue for student performances and information videos.

## Technology

During 2010-2011, the Information Technology department completed 14,131 work orders and many projects funded by the 2010 bond issue. The Technology department continued to deploy a wireless infrastructure in many of the elementary schools and secondary school sites. Only a limited number of computers were upgraded during the year, but a virtual desktop pilot program was launched. The 2010-2011 school year also saw the first installation 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. Over the summer, the hard drives on all student computers (3,100) were erased and re-imaged. The computers were then re-named and re-joined to the network.

## Economic Condition and Outlook

Union Public Schools is located within the Tulsa Metropolitan Statistical Area (MSA), a seven-county area whose population exceeds 937,478 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 and logistics; electrical equipment manufacturing and services; health care; IT and telecommunications; petroleum and natural gas; architectural and structural metal manufacturing. The Chamber estimates the value of all goods and services produced in the Tulsa MSA as \$35.2 billion, or 32.5 percent of the Oklahoma economy.



*Forbes Magazine* recognized a strong job market for Tulsa, ranking the metro as the fourth best city for jobs in winter 2011. *Relocate America* ranked Tulsa sixth in overall cities for 2010, attributing elements such as a strong economy, low unemployment, and a robust business presence. Tulsa offers a low cost of doing business at 11 percent under the U.S. average due to low rent, energy costs and taxes. Other qualities that attract new growth are Tulsa's sound infrastructure and low cost of living. *Business Facilities* named Tulsa metro first for cost of living in 2010. Many publications have praised Tulsa for strong economic rankings, including:

- #1 "Affordable City in the U.S." – *Relocate America*
- #5 "Strongest Economy for Families" – *Parenting Magazine*
- #1 "City Likely to Escape Commercial Real Estate Slump" – *U.S. News and World Reports*
- #6 "Affordable College Town" – *Coldwell Banker*

The area's economy continues to rebound from past turmoil in the national and international financial markets. The Office of the State Treasurer reported that the state ended its fiscal year with revenues above projections due to higher than anticipated collections from gross production taxes on oil and natural gas and net income taxes. Oil and gas prices rose from the previous year, which helped contribute to additional state revenues in the current year as the state's economy continues to improve. The Tulsa housing market has not been as negatively affected by the mortgage/housing crisis compared to the rest of the

# Union Public Schools - District Profile (Continued)

## Economic Condition and Outlook (Cont.)

country. An October 2010 article in *The Wall Street Journal* ranked Tulsa first for best markets for conservative real estate investors in cities with more than 200,000 residents. This high ranking was due to a positive three-year home price forecast, stable employment market, and small share of volatile jobs. Tulsa also is a top 38 best performing city for 2010 according to the Milken Institute.

The unemployment rate in the Tulsa MSA was 6.9 percent in 2009, and then increased to a 2010 level of 7.4 percent, with a 2011 rate of 7.3 percent, 2.3 percent below the U.S. average. The Tulsa Chamber projects that rate will decrease through 2015 as the economy improves 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,
- \* Workplace Education – links education goals to the employer's desire for high performance work and product quality,
- \* G.E.D. Preparation – instruction to prepare adults to take the Tests of General Educational Development (G.E.D.),
- \* English as a Second Language – instruction to non-English speaking adults to help them be productive citizens of our community.

The Adult Education program has continued to grow, serving 2,263 students in 2011. Due to program expansion that includes five Northeastern Oklahoma counties, the program predicts 2012 will serve over 3,500 students. In addition to helping many adults, the program has formed many relationships with Tulsa area programs including:

- \* Asbury Learning Center
- \* Catholic Charities
- \* South Tulsa Community House
- \* Green Country Event Center
- \* Community Action Project (CAP)
- \* Workforce
- \* Educare
- \* TRiO - Education Opportunity Center (EOC)
- \* Tulsa Technology Center

Union Public Schools continues efforts to provide superior healthcare to the district. A joint effort between University of Oklahoma Bedlam Community Health Clinic and Union Public Schools produces cutting-edge services for the Union community. The Union Public Schools Bedlam School-Based Health Clinic operates at both Roy Clark

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

In addition to student healthcare, 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 healthcare while controlling escalating healthcare 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

Union has experienced significant growth in the past decade. During the 2001-2002 school year, the district recorded total enrollment of 13,315. In 2010-2011, enrollment reached 14,931. Administration projects enrollment in the 2011-2012 school year to reach approximately 14,911 students with the continuation of the four-year-old program to every elementary site and the three-year-old program serving approximately 760 students. Additional enrollment details may be found in the Statistical Section of this CAFR.

## Facilities

To accommodate this growth in student population the district maintains over 2.7 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), an Alternative School serving both middle school and high school students, a High School (grades 11-12), and an Education Service Center. The district's newest construction includes the remodel and expansion of Grove Elementary, which will be complete in July 2011, and construction on Union Collegiate Academy at the High School, scheduled to open in school year 2012. Please refer to the Statistical Section of this CAFR for additional facility details.

## Bond Funds

On February 8, 2011, district voters approved a \$21.6-million bond proposal which included funds for Phase II of the Union Collegiate Academy and a larger cafeteria at the



# Union Public Schools - District Profile (Continued)

## **Bond Funds (Cont.)**

High School; acquisition of textbooks, media books and instructional hardware/software; and building repairs and renovations to sites districtwide. Other equally crucial items on the ballot included classroom materials, instructional equipment, technology, and operations equipment.

## **Grants/Federal Programs**

During the 2010-2011 school year, Union received more than \$16.98 million in federal grant money, of which \$7.34 million was funded by The American Recovery and Reinvestment Act of 2009 (ARRA). ARRA provided fund-



ing for various programs designated under the Individuals with Disabilities Education Act (IDEA), Homeless, Title I, and Federal Education Jobs Act, which allocated additional funds for educational positions. Union uti-

lized ARRA funds for education-related expenses such as technology, instructional materials, salaries, parental involvement, and professional development.

## **Major Initiatives**

Major initiatives that were enacted as a result of the 2011 Oklahoma Legislative Session included:

- S.B. 141: Amendments to virtual weights of students by modifying the calculation date.
- S.B. 536: Establishment of “Task Force on Creating Administrative Efficiencies” to examine administrative costs and ways to reduce and the associated impact of the reductions on the school district operations and student education.
- S.B. 664: Lowers the percentage of funds for administrative costs relating to school administration.
- H.B. 1744: Special Education Vouchers – Modification to the Lindsey Nicole Henry Scholarships for Students with Disabilities Program.
- H.B. 2139: State Board of Education – Separate duties by indicating the State Board administers public schools and the State Superintendent administers the Department.
- H.J.R. 1002: Cap on Ad Valorem – Sends to a vote of the people a measure limiting property tax increases to 3% annually.

## **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

## Union Public Schools - District Profile (Continued)

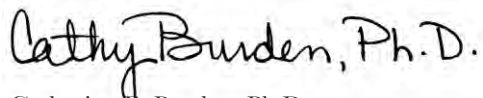
### Independent Audit (Cont.)

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.

### Closing

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

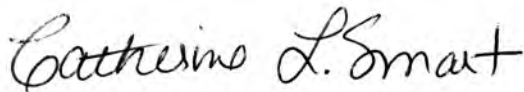
Sincerely,



Catherine E. Burden, Ph.D.  
Superintendent



Debra J. Jacoby, CPA  
Chief Financial Officer/Treasurer



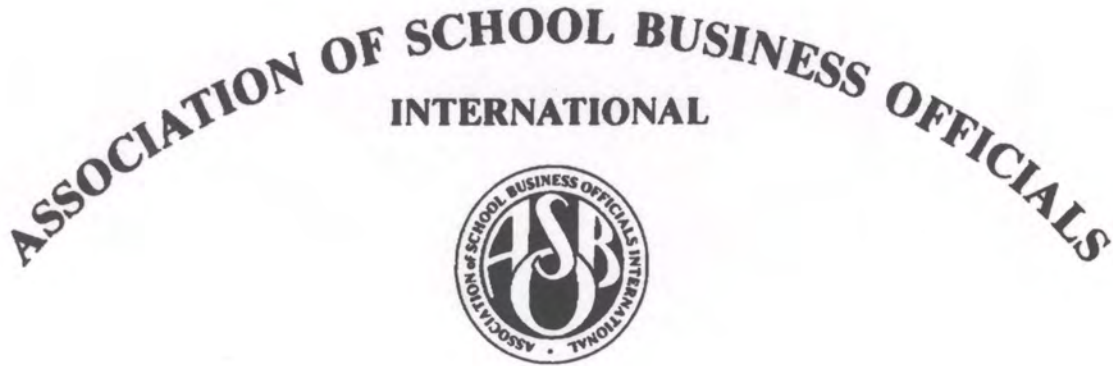
Catherine L. Smart, CPA  
Director of Financial Reporting/Treasury



Gail Easterling, CPA  
Director of Accounting

# Union Public Schools - District Profile (Continued)

## Awards



This Certificate of Excellence in Financial Reporting is presented to

**UNION PUBLIC SCHOOLS, INDEPENDENT DISTRICT I-009**

**For its Comprehensive Annual Financial Report (CAFR)**

For the Fiscal Year Ended June 30, 2010

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

President

Executive Director



# Union Public Schools - District Profile (Continued)

## Awards

### 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, 2010

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. Danison*

President

*Jeffrey R. Emer*

Executive Director

# Union Public Schools - District Profile (Continued)

## Administration

### Board of Education 2010-11

<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 2010-2011

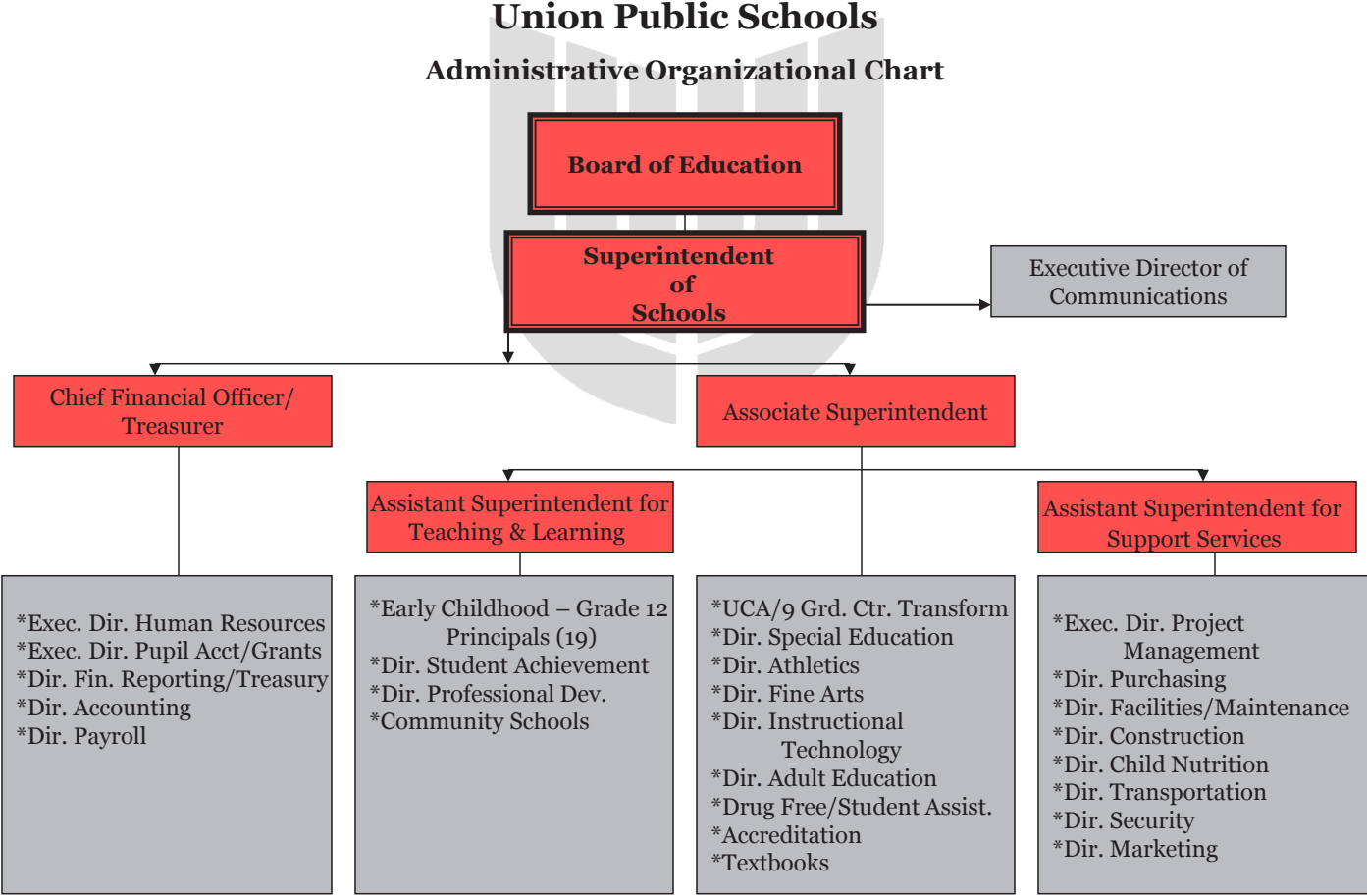
Cathy Burden, Ph.D. - Superintendent  
Debra Jacoby, CPA - Chief Financial Officer/Treasurer  
Kirt Hartzler, Ed.D. - Associate Superintendent  
Kathy Dodd, Ph.D. - Assistant Superintendent for Teaching & Learning  
Charlie Bushyhead - Assistant Superintendent for Support Services  
Gretchen Haas-Bethell - 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)

## Administrative Organizational Chart



2010-2011

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## 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, 2011, 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, 2011, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and the Building Fund, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

As reflected in the balance sheet of the governmental funds and in the notes to the financial statements, the District has implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report (under separate cover) dated December 6, 2011, 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.

Management's Discussion and Analysis and the Schedule of Funding Progress for Other Post Employment Benefits, as listed in the Table of Contents, are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying other supplementary information, as listed in the Table of Contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the basic financial statements taken as a whole.

The accompanying Introductory and Statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. These sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Cole & Reed P.C.

Oklahoma City, Oklahoma  
December 6, 2011



# 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, 2011. 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 2011 are as follows:

- » In total, net assets increased \$9.71 million. Net assets of governmental activities increased \$9.37 million which represents a 6.7 percent increase from fiscal year 2010.
- » Net assets of business-type activities increased \$340,177 or 8.4 percent from fiscal year 2010.
- » General revenues accounted for \$95.42 million in revenue or 73 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$36.01 million or 27 percent of total revenues of \$131.43 million.
- » The district had \$115.78 million in expenses related to governmental activities; only \$29.75 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 \$100.29 million in revenues, \$99.77 million in expenditures, and \$61,360 in transfers into the fund resulting in a fund balance increase of \$584,479. The building fund had \$3.70 million in revenues, \$917,346 in expenditures, and \$627,762 in transfers into the fund yielding a fund balance increase of \$3.41 million. Bond fund revenues totaled \$145,995 and net bond sale proceeds were \$21.60 million. Expenditures in the bond fund totaled \$16.81 million. The sinking fund had \$20.59 million in revenues and \$19.72 million in expenditures.
- » Net assets for the child nutrition enterprise fund increased \$340,177. This increase resulted from operating revenues of \$2.04 million and non-operating revenues of \$4.24 million exceeding operating expenses of \$5.94 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.

The *Statement of Activities* presents information showing how the district’s net assets changed during fiscal year 2011.

## Union Public Schools – Management’s Discussion and Analysis

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 2011?” 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 48 of this report.

The basic governmental fund financial statements begin on page 37 of this report.

# Union Public Schools – Management’s Discussion and Analysis

**Proprietary Funds.** Proprietary funds use the same basis of accounting as business-type activities. The basic proprietary fund financial statements begin on page 42 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 45 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 47 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 2011 and 2010:

Table 1  
Net Assets  
(In Millions)

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
<b><u>Assets</u></b>						
Current Assets	\$ 96.42	\$ 81.04	\$ 4.28	\$ 3.69	\$ 100.70	\$ 84.73
Noncurrent Assets						
Land & CIP Assets	29.01	18.79	0.00	0.00	29.01	18.79
Capital Assets Being Depreciated, net	118.21	123.66	0.48	0.49	118.69	124.15
<b>Total Assets</b>	<b>243.64</b>	<b>223.49</b>	<b>4.76</b>	<b>4.18</b>	<b>248.40</b>	<b>227.67</b>
<b><u>Liabilities</u></b>						
Current Liabilities	35.06	25.85	0.37	0.13	35.43	25.98
Noncurrent Liabilities	60.52	58.02	0.00	0.00	60.52	58.02
<b>Total Liabilities</b>	<b>95.58</b>	<b>83.87</b>	<b>0.37</b>	<b>0.13</b>	<b>95.95</b>	<b>84.00</b>
<b><u>Net Assets</u></b>						
Invested in Capital Assets, Net of Related Debt	108.56	119.32	0.48	0.49	109.04	119.81
Restricted for Debt Service	11.86	10.73	0.00	0.00	11.86	10.73
Restricted for Capital Projects	2.09	1.97	0.00	0.00	2.09	1.97
Unrestricted	25.55	7.60	3.91	3.56	29.46	11.16
<b>Total Net Assets</b>	<b>\$ 148.06</b>	<b>\$ 139.62</b>	<b>\$ 4.39</b>	<b>\$ 4.05</b>	<b>\$ 152.45</b>	<b>\$ 143.67</b>

Total assets were \$248.41 million. Cash and cash equivalents were \$28.93 million. Investments totaled \$64.33 million. Capital assets net of depreciation were \$118.70 million. Taxes and other receivables were \$6.63 million.

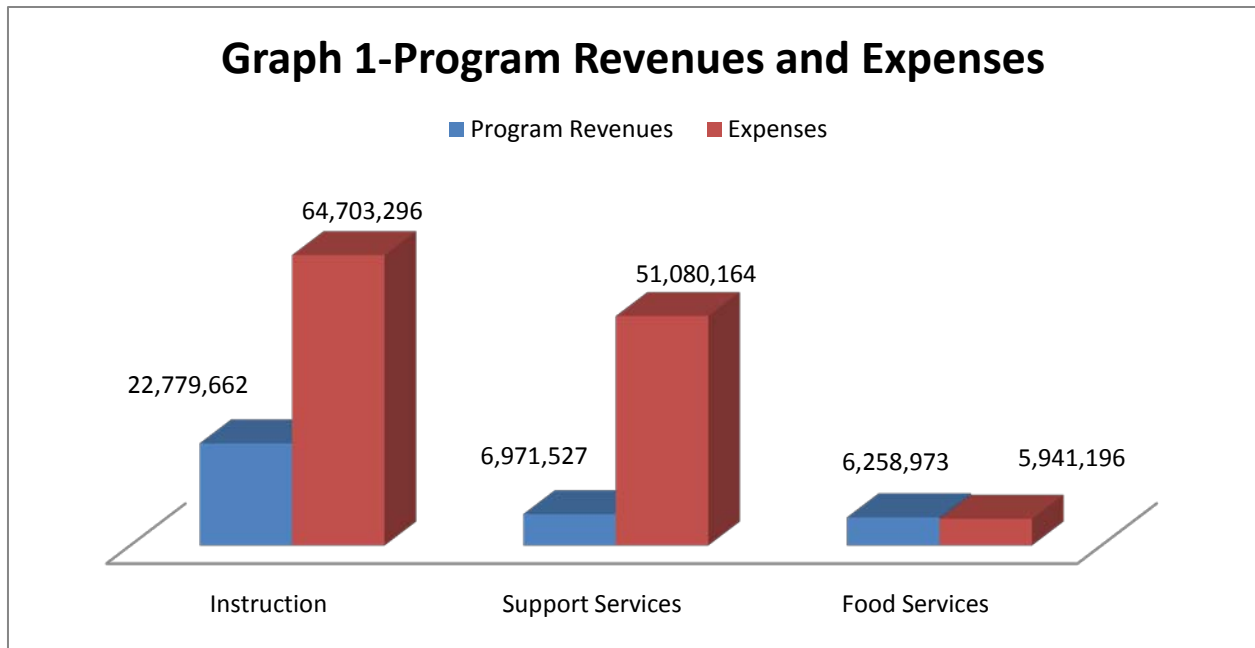
# Union Public Schools – Management’s Discussion and Analysis

Net assets of the district’s governmental activities increased by \$9.37 million. The majority of this increase was a result of a one-time ARRA Federal Stimulus Jobs grant. In addition, the October 2010 student count of 14,888 unweighted ADM and 22,911.11 weighted ADM reflected district growth of 26 actual students and 452.77 weighted students. This growth was responsible for an increase in the mid-term State Aid and Flexible Benefit Allowance allocations. The district also received a one-time increase in the state School Land Earnings allocation, as well as other small changes to grant and non-grant revenue sources, which affect the general fund, building fund and sinking fund. The district was able to increase its ending fund balance percentage in the general fund to 13.99 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 \$340,177, primarily due to an increase in federal grant revenue as a result of more students on free and reduced lunch status. 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, 2011, was \$115.78 million. However, not all of this cost was borne by the taxpayers. Of this amount, \$1.98 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 \$27.77 million was paid through various federal and state grants and contributions. Consequently, the net cost of \$86.03 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

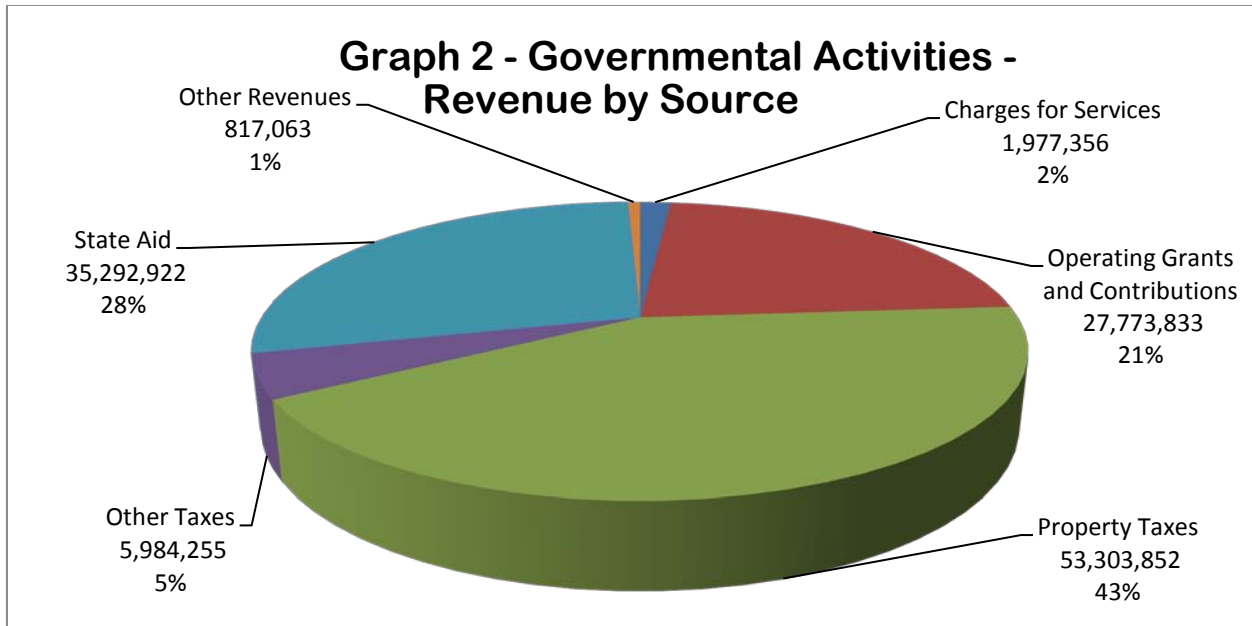
Table 2 provides a summary comparison of the district’s change in net assets for the fiscal years 2011 and 2010:

**Table 2**  
**Changes in Net Assets**  
**(In Millions)**

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
<b><u>Revenues</u></b>						
Program Revenues:						
Charges for Services	\$ 1.98	\$ 2.06	\$ 2.05	\$ 2.25	\$ 4.03	\$ 4.32
Operating Grants and Contributions	27.77	24.58	4.21	3.75	31.98	28.33
Capital Grants and Contributions	0.00	0.00	0.00	0.00	0.00	0.00
General Revenues:						
Property Taxes	53.30	51.37	0.00	0.00	53.30	51.37
Other Taxes	5.98	5.72	0.00	0.00	5.98	5.72
State Aid Not Restricted to Specific Programs	35.29	35.33	0.00	0.00	35.29	35.33
Other	.82	0.71	0.02	0.004	0.84	0.71
Total Revenues	\$ <u>125.14</u>	\$ <u>119.78</u>	\$ <u>6.28</u>	\$ <u>6.00</u>	\$ <u>131.42</u>	\$ <u>125.78</u>
<b><u>Expenses</u></b>						
Instruction:						
Regular Instruction	47.16	49.96	0.00	0.00	47.16	49.96
Special Education Instruction	8.03	7.82	0.00	0.00	8.03	7.82
Vocational Education	0.79	0.86	0.00	0.00	0.79	0.86
Other Instruction	8.72	7.64	0.00	0.00	8.72	7.64
Support Services:						
Pupil Services	6.58	6.52	0.00	0.00	6.58	6.52
Instructional Staff Services	4.10	4.64	0.00	0.00	4.10	4.64
General Administration Services	2.06	1.70	0.00	0.00	2.06	1.70
School Administration Services	7.60	7.52	0.00	0.00	7.60	7.52
Business Services	6.69	6.63	0.00	0.00	6.69	6.63
Operations & Maintenance Services	14.56	13.12	0.00	0.00	14.56	13.12
Pupil Transportation Services	4.25	4.04	0.00	0.00	4.25	4.04
Other Support Services	0.42	0.39	0.00	0.00	0.42	0.39
Community Services	3.08	3.49	0.00	0.00	3.08	3.49
Capital Outlay	0.00	0.00	0.00	0.00	0.00	0.00
Interest on Long-Term Debt	1.73	3.04	0.00	0.00	1.73	3.04
Food Services	0.00	0.00	5.94	4.93	5.94	4.93
Total Expenses	\$ <u>115.77</u>	\$ <u>117.37</u>	\$ <u>5.94</u>	\$ <u>4.93</u>	\$ <u>121.71</u>	\$ <u>122.30</u>
Change in Net Assets	9.37	2.41	0.34	1.07	9.71	3.48
Net Assets, Beginning	<u>138.69</u>	<u>136.29</u>	<u>4.05</u>	<u>2.98</u>	<u>142.74</u>	<u>139.27</u>
Net Assets, Ending	\$ <u>148.06</u>	\$ <u>138.70</u>	\$ <u>4.39</u>	\$ <u>4.05</u>	\$ <u>152.45</u>	\$ <u>142.75</u>

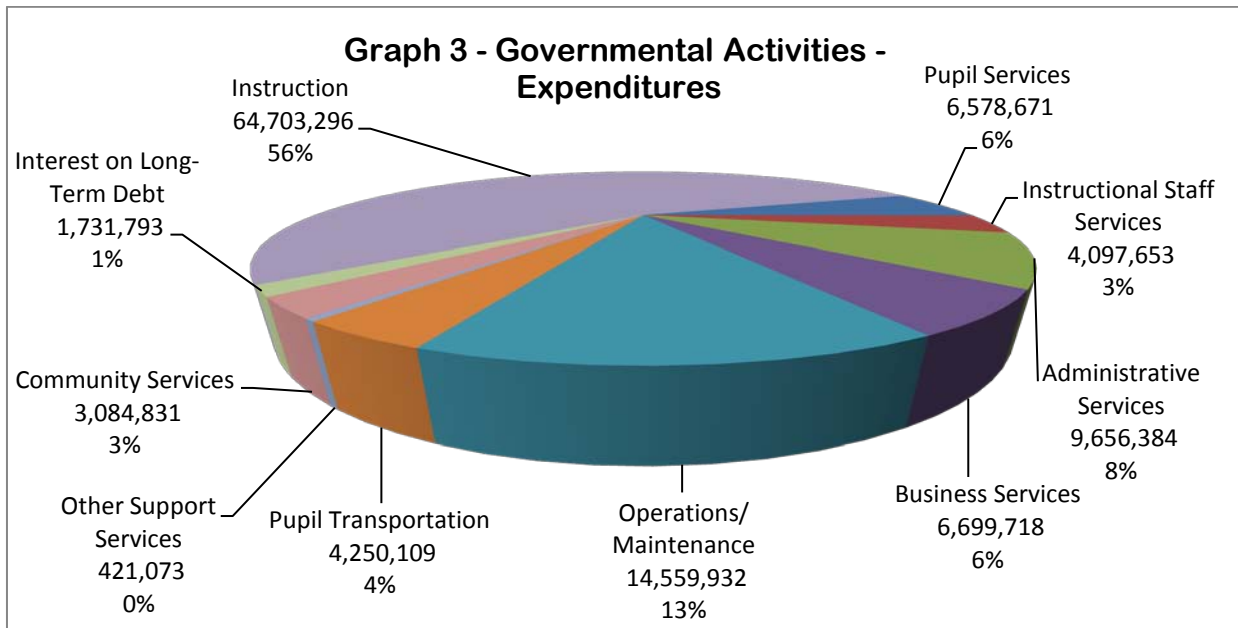
# Union Public Schools - Management's Discussion and Analysis

Total governmental revenues were \$125.14 million. Graph 2 illustrates the components of this revenue. Governmental activities increased the district's net assets by \$9.37 million, thereby accounting for a majority of the growth in the net assets of the district.



Instruction comprised 56.0 percent of governmental program expenditures. Support services expenditures made up 44.0 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 \$2.04 million, non-operating revenues of \$4.24 million, and expenses of \$5.94 million for fiscal year 2011.

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, unreserved 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 \$76.88 million. Approximately \$290,000 of this total amount constitutes non-spendable fund balance reserved for inventories. \$54.46 million is restricted for specific purposes: \$7.88 million in the building fund for uses mandated by the Oklahoma Constitution including building erection and maintenance, security, utilities, and fire/casualty premiums; \$11.86 in the sinking fund for debt service, \$34.43 million in the bond fund for capital projects, and \$287,986 in other governmental funds for arbitrage. Assigned fund balance totals \$1.61 million for compensating balances and insurance recovery. Unassigned fund balance totals \$20.52 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 \$20.52 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 20.7 percent of total general fund expenditures.

The fund balance of the district’s general fund increased by \$584,479. During 2010-11 the state reduced state aid then supplemented the reduction with one-time federal stabilization funds. The American Recovery and Reinvestment Act of 2009 (ARRA) appropriated additional funding for programs under the Individuals with Disabilities Education Act (IDEA) and under Title I for the second year. This funding was utilized for salaries and benefits of positions that would have been cut had federal funds not been available. The overall goal of the ARRA funds was to stimulate the economy in the short-term by investing in education and other essential public services to ensure the long-term economic health of our nation. Other increases in revenue occurred in local sources and intermediate sources of revenue.

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.

## Union Public Schools – Management’s Discussion and Analysis

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. However, neither the general fund revenue budget nor the general fund expenditure budget was revised during the year from the original budgets approved by the Board in September of 2010. The official October 2010 child count of 14,888 unweighted ADM and 22,911.11 weighted ADM reflected district growth of 26 actual students and 452.77 weighted students, but the district initially built conservative budgets based on a zero student growth.

The variance in the final budget versus the actual revenues and expenditures revealed a variance in revenues of \$114,357 and a variance in expenditures of \$1.74 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 \$7.88 million. The net increase in fund balance during the current year in the building fund was \$3.41 million. This planned increase in fund balance is attributed to the \$1.4 million allocated to fund a portion of the Union Multipurpose Activity Center (UMAC) operating and utility expenses. 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 not revised from the original budget approved by the Board on September 2010. The variance in the final building fund revenue budget versus the actual revenue received totaled \$392,231, due mostly to investments yielding interest above initial estimates. The variance in the building fund expenditure budget versus the actual expenditures was \$4.39 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 \$11.86 million, all of which was reserved for the payment of debt service. The net increase in fund balance during the current year in the debt service fund was \$1.13 million. 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 \$34.43 million, all of which was reserved for capital projects. The net increase in fund balance during the current year in the bond fund was \$4.42 million. This increase in fund balance is primarily the result of a new issuance of debt. On February 8, 2011, district voters approved a \$21.6 million bond proposal which included funds for expansion of the High School to accommodate phase II construction of the Union Collegiate Academy at the High School and a larger cafeteria; 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 \$11.20 million and non-operating revenues of \$4.27 million. Operating expenses were \$15.01 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.

# Union Public Schools – Management’s Discussion and Analysis

For the general fund, budget basis revenue was \$97.94 million with original budget estimates of \$93.16 million and final budget estimates of \$98.06 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 collected during the last thirty calendar days of the fiscal year. During 2010-11, 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 13.99 percent.

## Capital Assets and Debt Administration

**Capital Assets.** At the end of fiscal year 2011, the district had \$147.70 million in property, plant and equipment (net of depreciation), of which \$147.22 million was in governmental activities. Table 3 shows a comparison of fiscal years 2010 and 2011 balances.

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

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 14.29	\$ 14.29	\$ 0.00	\$ 0.00	\$ 14.29	\$ 14.29
Construction in Progress	14.72	4.50	0.00	0.00	14.72	4.50
Buildings/Improvements	109.31	114.01	0.00	0.00	109.31	114.01
Machinery, Equipment and Vehicles	<u>8.90</u>	<u>9.65</u>	<u>0.49</u>	<u>0.49</u>	<u>9.39</u>	<u>10.14</u>
Total	<u>\$ 147.22</u>	<u>\$ 142.45</u>	<u>\$ 0.49</u>	<u>\$ 0.49</u>	<u>\$ 147.71</u>	<u>\$ 142.94</u>

Capital assets of \$245.58 million exceeded depreciation of \$126.88 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 I construction of Union Collegiate Academy
- \*Remodel Grove Elementary
- \*Phase II addition to the softball/baseball complex
- \*Performing Arts Center renovation
- \*Furniture, fixtures and equipment
- \*Roof refurbishments/replacements
- \*Remodel science labs and media center at high school
- \*Acquisition of textbooks and computer hardware/software
- \*Acquisition of athletic, spirit and fine arts uniforms and equipment
- \*Renovations and repairs to various school sites

# Union Public Schools – Management’s Discussion and Analysis

Additional information on the district’s capital assets may be found in note D to the financial statements beginning on page 59.

**Long-Term Debt.** At June 30, 2011, the school district had \$73.05 million in bonds outstanding, \$19.72 million due within one year. Table 4 summarizes bonds outstanding for fiscal years 2011 and 2010.

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

	<u>2011</u>	<u>2010</u>
General Obligation Bonds Due:		
2010/2011	0.00	17.90
2011/2012	19.72	19.72
2012/2013	20.88	15.48
2013/2014	16.03	10.62
2014/2015	11.02	5.63
2015/2016	5.40	0.00
Total	<u>73.05</u>	<u>\$69.35</u>

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.

On April 1, 2007, the district issued \$17.0 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, 2012.

Additional information on the district’s long-term debt can be found in note E to the financial statements beginning on page 60 of this report.

# **Union Public Schools – Management’s Discussion and Analysis**

## **Economic Factors**

Fiscal year 2010-11 saw a slight rebound from the global economic recession of fiscal year 2009-10. According to the Office of the State Treasurer, those collections were \$510 million or 11 percent above the prior year. Gross production tax collections on oil and natural gas were up by \$109.04 million or 12.5 percent from the previous 12 month period. Net income taxes, a combination of corporate and personal income taxes, generated \$3.50 billion, which was \$230.09 million or 7 percent higher than the prior year. Motor vehicle tax collections were also up from the previous 12 month period to \$638.24 million, an increase of \$57.57 or 9.9 percent. After a year of shortfalls and mandated budget cuts for most state agencies, including schools, fiscal year 2011 brought Oklahoma closer to revenue collections stability. As a result of faster than estimated economic recovery, Forbes names Tulsa No. 4 for cities with jobs in winter 2011. Despite better than expected 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 8, 2011, for \$21.6 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 61<sup>st</sup> 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, 2011**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 26,702,490	\$ 2,223,588	\$ 28,926,078
Investments	62,826,182	1,500,338	64,326,520
Receivables:			
Property taxes-delinquent	1,159,312	-	1,159,312
Due from other governments	5,218,587	64,192	5,282,779
Accrued interest	165,381	8,607	173,988
Other	17,890	-	17,890
Internal balance	45,000	(45,000)	-
Inventories	290,497	525,405	815,902
TOTAL CURRENT ASSETS	<u>96,425,339</u>	<u>4,277,130</u>	<u>100,702,469</u>
<b>NONCURRENT ASSETS</b>			
Land and construction-in-progress	29,008,937	-	29,008,937
Capital assets being depreciated, net	118,209,708	485,629	118,695,337
TOTAL NON-CURRENT ASSETS	<u>147,218,645</u>	<u>485,629</u>	<u>147,704,274</u>
TOTAL ASSETS	<u>243,643,984</u>	<u>4,762,759</u>	<u>248,406,743</u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	2,200,248	90,907	2,291,155
Liability for incurred claims	607,264	-	607,264
Accrued wages payable	8,924,692	279,756	9,204,448
Accrued interest payable	399,891	-	399,891
Payable to Fiduciary Funds	851,107	-	851,107
Current portion of long-term obligations	22,076,144	-	22,076,144
TOTAL CURRENT LIABILITIES	<u>35,059,346</u>	<u>370,663</u>	<u>35,430,009</u>
<b>NON-CURRENT LIABILITIES</b>			
Non-current portion of long-term obligations	56,858,012	-	56,858,012
Non-current portion of OPEB liability	3,666,449	-	3,666,449
TOTAL NON-CURRENT LIABILITIES	<u>60,524,461</u>	<u>-</u>	<u>60,524,461</u>
TOTAL LIABILITIES	<u>95,583,807</u>	<u>370,663</u>	<u>95,954,470</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	108,559,632	485,629	109,045,261
Restricted for debt service	11,862,533	-	11,862,533
Restricted for capital projects	2,093,717	-	2,093,717
Unrestricted	25,544,295	3,906,467	29,450,762
TOTAL NET ASSETS	<u>\$ 148,060,177</u>	<u>\$ 4,392,096</u>	<u>\$ 152,452,273</u>

See notes to financial statements.



**Union Public Schools  
Statement of Activities  
Year Ended June 30, 2011**

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business- Type Activities	Total
<b>GOVERNMENTAL ACTIVITIES</b>							
Instruction							
Regular instruction	\$ 47,158,054	\$ 293,458	\$ 12,198,098	\$ -	\$ (34,666,498)	\$ -	\$ (34,666,498)
Special education instruction	8,031,835	-	4,975,725	-	(3,056,110)	-	(3,056,110)
Vocational education	791,341	-	273,686	-	(517,655)	-	(517,655)
Other instruction	8,722,066	-	5,038,695	-	(3,683,371)	-	(3,683,371)
<b>TOTAL INSTRUCTION</b>	<u>64,703,296</u>	<u>293,458</u>	<u>22,486,204</u>	<u>-</u>	<u>(41,923,634)</u>	<u>-</u>	<u>(41,923,634)</u>
<b>SUPPORT SERVICES</b>							
Pupil services	6,578,671	-	1,070,337	-	(5,508,334)	-	(5,508,334)
Instructional staff services	4,097,653	-	573,866	-	(3,523,787)	-	(3,523,787)
General administration services	2,053,273	-	47,281	-	(2,005,992)	-	(2,005,992)
School administration services	7,603,111	-	442,218	-	(7,160,893)	-	(7,160,893)
Business services	6,699,718	-	307,385	-	(6,392,333)	-	(6,392,333)
Operations and maintenance services	14,559,932	350,262	638,972	-	(13,570,698)	-	(13,570,698)
Pupil transportation services	4,250,109	96,232	139,202	-	(4,014,675)	-	(4,014,675)
Other support services	421,073	-	215,999	-	(205,074)	-	(205,074)
Community services	3,084,831	1,237,404	1,852,369	-	4,942	-	4,942
Interest on long-term debt	1,731,793	-	-	-	(1,731,793)	-	(1,731,793)
<b>TOTAL SUPPORT SERVICES</b>	<u>51,080,164</u>	<u>1,683,898</u>	<u>5,287,629</u>	<u>-</u>	<u>(44,108,637)</u>	<u>-</u>	<u>(44,108,637)</u>
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<u>115,783,460</u>	<u>1,977,356</u>	<u>27,773,833</u>	<u>-</u>	<u>(86,032,271)</u>	<u>-</u>	<u>(86,032,271)</u>
<b>BUSINESS-TYPE ACTIVITIES</b>							
Food services	5,941,196	2,044,359	4,214,614	-	-	317,777	317,777
<b>TOTAL SCHOOL DISTRICT</b>	<u>\$ 121,724,656</u>	<u>\$ 4,021,715</u>	<u>\$ 31,988,447</u>	<u>\$ -</u>	<u>\$ (86,032,271)</u>	<u>\$ 317,777</u>	<u>\$ (85,714,494)</u>



**Union Public Schools**  
**Statement of Activities - Continued**  
**Year Ended June 30, 2011**

	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges	Operating	Primary Government	
		for	Grants and	Governmental	Business-
	Services	Contributions	Activities	Type Activities	
<b>GENERAL REVENUES</b>					
Taxes					
Property tax, levied for general purposes			\$ 32,677,913	\$ -	\$ 32,677,913
Property tax, levied for debt services			20,625,939	-	20,625,939
County taxes			5,984,255	-	5,984,255
State aid not restricted to specific programs			35,292,922	-	35,292,922
Interest and investment earnings			492,087	22,400	514,487
Other			324,976	-	324,976
TOTAL GENERAL REVENUES			95,398,092	22,400	95,420,492
CHANGES IN NET ASSETS			9,365,821	340,177	9,705,998
NET ASSETS AT BEGINNING OF YEAR			138,694,356	4,051,919	142,746,275
NET ASSETS AT END OF YEAR			\$148,060,177	\$4,392,096	\$152,452,273

See notes to financial statements.

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**Union Public Schools**  
**Balance Sheet - Governmental Funds**  
**Year Ended June 30, 2011**

	Major Funds				Non Major Arbitrage Fund	Total Governmental Funds
	General Fund	Building Fund	Sinking Fund	Bond Fund		
<b>ASSETS</b>						
Cash and cash equivalents	\$ 3,714,294	\$ 5,965,761	\$ 1,780,803	\$ 9,295,561	\$ 287,986	\$ 21,044,405
Investments	23,367,914	2,500,668	9,972,140	26,485,347	-	62,326,069
Due from other funds	100,000	-	-	-	-	100,000
Property taxes-delinquent	599,601	85,658	474,053	-	-	1,159,312
Due from other governments	5,101,108	17,779	99,700	-	-	5,218,587
Other	17,890	-	-	-	-	17,890
Accrued interest	53,947	10,746	47,654	50,164	-	162,511
Inventories	290,497	-	-	-	-	290,497
<b>TOTAL ASSETS</b>	<u>\$ 33,245,251</u>	<u>\$ 8,580,612</u>	<u>\$12,374,350</u>	<u>\$ 35,831,072</u>	<u>\$ 287,986</u>	<u>\$ 90,319,271</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ 688,026	\$ 70,095	\$ 37,764	\$ 1,404,363	\$ -	\$ 2,200,248
Accrued wages payable	8,472,166	451,999	-	-	-	8,924,165
Due to other funds	210,000	95,000	-	-	-	305,000
Payable to Fiduciary Funds	851,107	-	-	-	-	851,107
Deferred revenues	599,601	85,658	474,053	-	-	1,159,312
<b>TOTAL LIABILITIES</b>	<u>10,820,900</u>	<u>702,752</u>	<u>511,817</u>	<u>1,404,363</u>	<u>-</u>	<u>13,439,832</u>
<b>FUND BALANCES</b>						
Nonspendable	290,497	-	-	-	-	290,497
Restricted	-	7,877,860	11,862,533	34,426,709	287,986	54,455,088
Assigned	1,612,460	-	-	-	-	1,612,460
Unassigned	20,521,394	-	-	-	-	20,521,394
<b>TOTAL FUND BALANCES</b>	<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>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 33,245,251</u>	<u>\$ 8,580,612</u>	<u>\$12,374,350</u>	<u>\$ 35,831,072</u>	<u>\$ 287,986</u>	

**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	\$ 272,331,355	
Accumulated depreciation	(125,112,710)	147,218,645

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.

1,159,312

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	(73,050,000)	
Premium on bonds payable	(479,341)	
Accrued interest on the bonds	(399,891)	
Arbitrage	-	
Early retirement incentive	(1,345,063)	
Compensated absences	(4,059,752)	
Other Post Employment Benefits	<u>(3,666,449)</u>	<u>(83,000,496)</u>

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.

5,803,277

**TOTAL NET ASSETS--GOVERNMENTAL ACTIVITIES**

\$ 148,060,177

See notes to financial statements.

**Union Public Schools**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**Year Ended June 30, 2011**

	Major Funds				Non Major	Total
	General Fund	Building Fund	Sinking Fund	Bond Fund	Arbitrage Fund	Governmental Funds
<b>REVENUES</b>						
Local sources	\$ 31,381,799	\$ 3,700,919	\$ 20,588,749	\$ 145,995	\$ 2,000	\$ 55,819,462
Intermediate sources	3,490,550	-	-	-	-	3,490,550
State sources	50,418,937	-	-	-	-	50,418,937
Federal sources	15,002,604	-	-	-	-	15,002,604
<b>TOTAL REVENUES</b>	<u>100,293,890</u>	<u>3,700,919</u>	<u>20,588,749</u>	<u>145,995</u>	<u>2,000</u>	<u>124,731,553</u>
<b>EXPENDITURES</b>						
Current						
Instruction	55,149,163	-	-	1,537,662	-	56,686,825
Student	6,496,615	-	-	35,373	-	6,531,988
Instructional staff	3,550,777	-	-	330,785	-	3,881,562
General administration	1,975,254	-	-	19,667	7,999	2,002,920
School administration	7,399,763	-	-	97,167	-	7,496,930
Business	6,222,353	-	-	620,379	-	6,842,732
Operations and maintenance	12,155,695	917,346	-	953,928	-	14,026,969
Student transportation	3,312,172	-	5,329	952,864	-	4,270,365
Non-instruction expenditures						
Child Nutrition Operations	393,211	-	-	21,978	-	415,189
Community service operations	3,040,227	-	-	2,269	-	3,042,496
Other	33,146	-	-	-	-	33,146
Capital outlay	42,395	-	-	12,237,057	-	12,279,452
Debt service						
Principal	-	-	17,900,000	-	-	17,900,000
Interest	-	-	1,814,062	-	-	1,814,062
<b>TOTAL EXPENDITURES</b>	<u>99,770,771</u>	<u>917,346</u>	<u>19,719,391</u>	<u>16,809,129</u>	<u>7,999</u>	<u>137,224,636</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>523,119</u>	<u>2,783,573</u>	<u>869,358</u>	<u>(16,663,134)</u>	<u>(5,999)</u>	<u>(12,493,083)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Issuance of debt	-	-	-	21,600,000	-	21,600,000
Premium on issuance of debt	-	-	326,976	-	-	326,976
Other uses	-	-	-	(142,728)	-	(142,728)
Transfers in	61,360	627,762	-	-	-	689,122
Transfers out	-	-	(61,360)	(371,544)	(256,218)	(689,122)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>61,360</u>	<u>627,762</u>	<u>265,616</u>	<u>21,085,728</u>	<u>(256,218)</u>	<u>21,784,248</u>
<b>NET CHANGE IN FUND BALANCE</b>	584,479	3,411,335	1,134,974	4,422,594	(262,217)	9,291,165
<b>FUND BALANCE AT BEGINNING OF YEAR</b>						
	<u>21,839,872</u>	<u>4,466,525</u>	<u>10,727,559</u>	<u>30,004,115</u>	<u>550,203</u>	<u>67,588,274</u>
<b>FUND BALANCE AT END OF YEAR</b>	<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>

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, 2011**

TOTAL NET CHANGE IN FUND BALANCES-GOVERNMENTAL FUNDS		\$ 9,291,165
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	(10,697,318)	
Capital outlays	15,492,107	
Retirements and adjustments	<u>(30,353)</u>	4,764,436
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	17,900,000	
Premium on issuance of bonds	(326,976)	
Amortization of bond premium	87,715	
Bond sale proceeds, net	<u>(21,457,272)</u>	(3,796,533)
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.		
		330,014
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.		
		125,259
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.		
		53,625
Some expenses (arbitrage, compensated absences, early retirement incentives, and other post employment benefits) reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		
		<u>(1,402,145)</u>
<b>CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES</b>		<b><u>\$ 9,365,821</u></b>

See notes to financial statements.

**Union Public Schools**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual (Budgetary Basis)**  
**Budgeted Governmental Fund Types - General Fund**  
**Year Ended June 30, 2011**

	Original Budget	Final Budget	Non-GAAP Actual	Variance Over (Under)
<b>REVENUES</b>				
Local sources	\$ 29,616,251	\$ 30,226,002	\$ 30,958,700	\$ 732,698
Intermediate sources	3,462,054	3,462,054	3,524,184	62,130
State sources	48,925,291	50,833,557	50,418,498	(415,059)
Federal sources	11,151,816	13,533,528	13,039,402	(494,126)
TOTAL REVENUES	<u>93,155,412</u>	<u>98,055,141</u>	<u>97,940,784</u>	<u>(114,357)</u>
<b>EXPENDITURES</b>				
Instruction	54,876,763	58,973,852	55,120,061	(3,853,791)
Support services				
Student	6,678,204	7,000,482	6,444,925	(555,557)
Instructional staff	4,144,133	4,166,929	3,511,936	(654,993)
General administration	1,490,850	1,670,037	1,977,360	307,323
School administration	7,071,676	7,415,445	7,357,262	(58,183)
Business	5,784,209	5,978,239	6,216,141	237,902
Operation and maintenance	8,121,353	8,582,798	12,098,881	3,516,083
Student transportation	3,248,942	3,527,489	3,271,031	(256,458)
Non-instructional services				
Child Nutrition Operations	199,942	331,218	330,582	(636)
Community services operations	3,115,571	3,060,754	3,088,305	27,551
Other	655,144	503,189	49,546	(453,643)
TOTAL EXPENDITURES	<u>95,386,787</u>	<u>101,210,432</u>	<u>99,466,030</u>	<u>(1,744,402)</u>
<b>EXCESS REVENUES (EXPENDITURES)</b>	<u>(2,231,375)</u>	<u>(3,155,291)</u>	<u>(1,525,246)</u>	<u>1,630,045</u>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>15,223,004</u>	<u>15,223,004</u>	<u>15,223,004</u>	<u>-</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 12,991,629</u>	<u>\$ 12,067,713</u>	\$ 13,697,758	<u>\$ 1,630,045</u>
<b>ADJUSTMENTS TO CONFORM WITH GAAP</b>				
Receivables at end of year			5,172,945	
Inventory at end of year			290,497	
Worker's compensation			1,635,378	
Assigned Fund Balances			1,612,460	
Investments, change in market value			17,851	
Other			<u>(2,538)</u>	
<b>FUND BALANCE AT END OF YEAR (GAAP BASIS)</b>			<u>\$ 22,424,351</u>	

See notes to financial statements.

**Union Public Schools**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget and Actual (Budgetary Basis)**  
**Budgeted Governmental Fund Types - Building Fund**  
**Year Ended June 30, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Non-GAAP Actual</u>	<u>Variance Over (Under)</u>
<b>REVENUES</b>				
Local sources	\$ 3,611,228	\$ 3,611,228	\$ 3,725,697	\$ 114,469
Interest and Other	<u>350,000</u>	<u>350,000</u>	<u>627,762</u>	<u>277,762</u>
TOTAL REVENUES	<u>3,961,228</u>	<u>3,961,228</u>	<u>4,353,459</u>	<u>392,231</u>
<b>EXPENDITURES</b>				
Support services				
Operation and maintenance	5,093,789	5,093,789	917,346	(4,176,443)
Other	<u>211,557</u>	<u>211,557</u>	<u>-</u>	<u>(211,557)</u>
TOTAL EXPENDITURES	<u>5,305,346</u>	<u>5,305,346</u>	<u>917,346</u>	<u>(4,388,000)</u>
EXCESS REVENUES (EXPENDITURES)	<u>(1,344,118)</u>	<u>(1,344,118)</u>	<u>3,436,113</u>	<u>4,780,231</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>4,414,590</u>	<u>4,414,590</u>	<u>4,414,590</u>	<u>-</u>
FUND BALANCE AT END OF YEAR	<u>\$ 3,070,472</u>	<u>\$ 3,070,472</u>	\$ 7,850,703	<u>\$ 4,780,231</u>
<b>ADJUSTMENTS TO CONFORM WITH GAAP</b>				
Receivables, end of year			26,489	
Investments, change in market value			<u>668</u>	
FUND BALANCE AT END OF YEAR (GAAP BASIS)			<u>\$ 7,877,860</u>	

See notes to financial statements.



**Union Public Schools**  
**Statement of Net Assets - Proprietary Funds**  
**Year Ended June 30, 2011**

	<u>Business-Type Activities Enterprise Fund: Child Nutrition Fund</u>	<u>Governmental Activities- Internal Service Fund: Employee Insurance Fund</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 2,223,588	\$ 5,658,085
Investments	1,500,338	500,113
Due from other governments	64,192	-
Accrued interest receivable	8,607	2,870
Due from other funds	-	250,000
Inventories	<u>525,405</u>	<u>-</u>
<b>TOTAL CURRENT ASSETS</b>	<u><b>4,322,130</b></u>	<u><b>6,411,068</b></u>
<b>NONCURRENT ASSETS</b>		
Capital assets, net	<u>485,629</u>	<u>-</u>
<b>TOTAL NONCURRENT ASSETS</b>	<u><b>485,629</b></u>	<u><b>-</b></u>
<b>TOTAL ASSETS</b>	<u><b>\$ 4,807,759</b></u>	<u><b>\$ 6,411,068</b></u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 90,907	\$ -
Liability for incurred claims	-	607,264
Accrued wages payable	279,756	527
Due to other funds	<u>45,000</u>	<u>-</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u><b>415,663</b></u>	<u><b>607,791</b></u>
<b>NET ASSETS</b>		
Invested in capital assets	485,629	-
Unrestricted	<u>3,906,467</u>	<u>5,803,277</u>
<b>TOTAL NET ASSETS</b>	<u><b>4,392,096</b></u>	<u><b>5,803,277</b></u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><b>\$ 4,807,759</b></u>	<u><b>\$ 6,411,068</b></u>

See notes to financial statements.

**Union Public Schools**  
**Statement of Revenues, Expenditures, & Changes in Fund Net Assets**  
**Proprietary Funds**  
**Year Ended June 30, 2011**

	Business-Type Activities Enterprise Fund: Child Nutrition Fund	Governmental Activities- Internal Service Fund: Employee Insurance Fund
OPERATING REVENUES		
Meals	\$ 2,044,359	\$ -
Insurance contributions	-	9,155,436
TOTAL OPERATING REVENUES	<u>2,044,359</u>	<u>9,155,436</u>
OPERATING EXPENSES		
Salaries and wages	2,673,042	292,902
Purchased and contracted services	82,082	-
Food suppliers	2,606,162	-
Commodities	219,134	-
Depreciation	83,730	-
Management fees	-	1,139,491
Medical claims	-	7,605,534
Other operating expenses	<u>277,046</u>	<u>26,170</u>
TOTAL OPERATING EXPENSES	<u>5,941,196</u>	<u>9,064,097</u>
OPERATING INCOME (LOSS)	<u>(3,896,837)</u>	<u>91,339</u>
NONOPERATING REVENUES		
Interest income	22,400	33,920
Federal and state grants	4,004,790	-
Donated commodities	<u>209,824</u>	<u>-</u>
TOTAL NONOPERATING REVENUES	<u>4,237,014</u>	<u>33,920</u>
CHANGES IN NET ASSETS	340,177	125,259
NET ASSETS AT BEGINNING OF YEAR	<u>4,051,919</u>	<u>5,678,018</u>
NET ASSETS AT END OF YEAR	<u>\$ 4,392,096</u>	<u>\$ 5,803,277</u>

See notes to financial statements.

**Union Public Schools**  
**Statement of Cash Flows - Proprietary Funds**  
**Year Ended June 30, 2011**

	Business-Type Activities Enterprise Fund: Child Nutrition Fund	Governmental Activities- Internal Service Fund: Employee Insurance Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from user charges	\$ 2,044,359	\$ 9,155,436
Cash payments for insurance claims	-	(7,846,368)
Cash payments to suppliers for goods and services	(2,556,639)	(1,165,661)
Cash payments to employees for services	<u>(2,462,247)</u>	<u>(292,869)</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>(2,974,527)</u>	<u>(149,462)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Capital assets purchased	<u>(81,982)</u>	-
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(81,982)</u>	-
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Operating grants received	<u>4,026,362</u>	-
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	<u>4,026,362</u>	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sales and maturities of investments	506,447	(113)
Purchases of investments	(1,500,000)	(500,000)
Investment Income	<u>16,682</u>	<u>31,050</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(976,871)</u>	<u>(469,063)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(7,018)	(618,525)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>2,230,606</u>	<u>6,276,610</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 2,223,588</u>	<u>\$ 5,658,085</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN)</b>		
<b>OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ (3,896,837)	\$ 91,339
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities		
Depreciation	83,730	-
Decrease in inventories	600,400	-
Increase in accounts payable	27,385	-
Increase (decrease) in accrued wages payable	215,795	33
Decrease in due to other funds	(5,000)	-
Increase in due from other funds	-	(250,000)
Increase in liability for incurred claims	<u>-</u>	<u>9,166</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>\$ (2,974,527)</u>	<u>\$ (149,462)</u>
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITIES</b>		
Commodities received from Department of Human Services	\$ 209,824	\$ -
Commodities consumed	\$ 219,134	\$ -

See notes to financial statements.

**Union Public Schools**  
**Statement of Net Assets - Fiduciary Funds**  
**Year Ended June 30, 2011**

	Early Retirement Incentive Trust Fund	Private- Purpose Trust Fund	Agency Fund
<b>ASSETS</b>			
Cash and cash equivalents	\$ 582,289	\$ 69,171	\$ 2,393,957
Investments	150,050	-	-
Due from General Fund	851,107	-	-
Accrued interest	321	-	-
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 1,583,767</b>	<b>\$ 69,171</b>	<b>\$ 2,393,957</b>
 <b>LIABILITIES AND NET ASSETS</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ -	\$ 4,956
Wages payable	23,573	-	7,360
Other Liabilities	332,364	-	-
Due to student groups	-	-	2,381,641
<b>TOTAL LIABILITIES</b>	<b>\$ 355,937</b>	<b>\$ -</b>	<b>\$ 2,393,957</b>
 <b>NET ASSETS</b>			
Unrestricted/undesignated	<b>\$ 1,227,830</b>	<b>\$ 69,171</b>	<b>\$ -</b>

See notes to financial statements.

**Union Public Schools**  
**Statement of Changes in Net Assets - Fiduciary Funds**  
**Year Ended June 30, 2011**

	Early Retirement Incentive Trust Fund	Private- Purpose Trust Fund
ADDITIONS		
Contributions	\$ 846,641	\$ 5,517
Interest income	6,221	294
TOTAL ADDITIONS	<u>852,862</u>	<u>5,811</u>
DEDUCTIONS		
Other deductions	552,788	12,985
TOTAL DEDUCTIONS	<u>552,788</u>	<u>12,985</u>
CHANGE IN NET ASSETS	300,074	(7,174)
NET ASSETS AT BEGINNING OF YEAR	<u>927,756</u>	<u>76,345</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,227,830</u>	<u>\$ 69,171</u>

See notes to financial statements.

# Union Public Schools - Notes to Financial Statements

## Year Ended June 30, 2011

### 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 2011. 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. *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, 2011

### 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, 2011

### 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, 2011

### 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, 2011, and were reinstated during fiscal year 2011, for the General Fund and Building Fund.

# Union Public Schools - Notes to Financial Statements

## Year Ended June 30, 2011

### 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 certificates of deposit with maturities greater than three months when purchased and 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, 2011

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

#### Assets, Liabilities and Net Assets--Continued:

##### *Inventories--Continued:*

Inventories at June 30, 2011 consist of the following:

Governmental activities:		
Instructional	\$	49,242
Janitorial		208,189
Computer accessory		1,281
Transport		30,205
Medical		<u>1,580</u>
Total governmental activities		<u>290,497</u>
Business-type activities:		
Food Service		<u>525,405</u>
	\$	<u>815,902</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, 2011

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 statements 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.

*Fund Equity:* In the fund financial statements, reserves represent those portions of fund balance not appropriable for expenditure or legally segregated for a specific future use. Designations of fund balance represent tentative management plans that are subject to change.

*Inter-fund Receivables, Payables and Transfers:* The composition of interfund balances as of June 30, 2011, was as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Building	75,000
General Fund	Child Nutrition	25,000
Internal Service Fund	General	210,000
Internal Service Fund	Building	20,000
Internal Service Fund	Child Nutrition	20,000
Total		<u>\$ 350,000</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, 2011

### 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, 2011, were as follows:

Transfer Out	Transfer In			
	General Fund	Building Fund	Sinking Fund	Arbitrage Fund
Governmental activities:				
Bond Fund	\$ -	\$ 371,544	\$ -	\$ -
Arbitrage Fund	-	256,218	-	-
Sinking Fund	61,360	-	-	-
Total	\$ 61,360	\$ 627,762	\$ -	\$ -

*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 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 2011, the state of Oklahoma contributed estimated payments benefiting District employees as follows:

Plan	Amount
Teachers' Retirement System of Oklahoma	\$ 5,983,000

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, 2011

### 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."

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.

# Union Public Schools - Notes to Financial Statements

## Year Ended June 30, 2011

### 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, 2011:

	Major Funds				Non Major	Total
	General Fund	Building Fund	Sinking Fund	Bond Fund	Arbitrage Fund	Governmental Funds
Fund Balances:						
Nonspendable	\$ 290,497	\$ -	\$ -	\$ -	\$ -	\$ 290,497
Restricted For:						
Capital Projects	-	7,877,860	-	34,426,709	-	42,304,569
Bond Payments	-	-	11,862,533	-	-	11,862,533
Other	-	-	-	-	287,986	287,986
	-	7,877,860	11,862,533	34,426,709	287,986	54,455,088
Assigned For:						
Compensated Absences	1,335,094	-	-	-	-	1,335,094
Insurance Recovery	277,366	-	-	-	-	277,366
	1,612,460	-	-	-	-	1,612,460
Unassigned:	20,521,394	-	-	-	-	20,521,394
Total Fund Balance	<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>

# Union Public Schools - Notes to Financial Statements

## Year Ended June 30, 2011

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

#### **Equity Classifications—Continued**

In connection with the implementation of GASB Statement No. 54, the District determined that the Early Retirement Incentive Trust Fund did not meet the definition of a Special Revenue Fund, and was more appropriately classified as a Fiduciary Fund type. In addition, the District determined that two funds previously presented as Special Revenue Funds should be reported within the General Fund for external financial reporting purposes.

As a result of these changes, the General Fund's fund balance as of July 1, 2010 was increased by \$2,184,736. The total Fund Balance of Governmental Funds and Net Assets of Governmental Activities was reduced by \$927,756 as a result of reclassifying the Early Retirement Incentive Trust Fund to Fiduciary Fund types.

### 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, 2011, 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 \$30,520,000 at June 30, 2011. The bank balance of these deposits at June 30, 2011 was approximately \$35,496,000.

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. 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 \$64,500,000 in federal home loan investments with a variable coupon rate ranging from 0.5-1.5%.

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

## Union Public Schools – Notes to Financial Statements Year Ended June 30, 2011

### NOTE B--CASH AND INVESTMENTS—Continued

Education monitor the District’s investment performance on an ongoing basis to limit the District’s interest rate risk. As of June 30, 2011, all of the District’s investments were scheduled to mature in 5 years with callable dates within the next 18 months. In light of the recent economic downfall, the District expects all investments to be called.

### NOTE C--RECEIVABLES

Receivables at June 30, 2011, all due within one year, for the government’s individual major funds, internal service and fiduciary funds in the aggregate, are as follows:

	General	Building Fund	Sinking Fund	Bond Fund	Child Nutrition Fund	Internal Service Fund	Total
Receivables							
Interest	\$ 53,947	\$ 10,746	\$ 47,654	\$ 50,164	\$ 8,607	\$ 2,870	\$ 173,988
Due from other governments	5,101,108	17,779	99,700	-	64,192	-	5,282,779
Other	17,890	-	-	-	-	-	17,890
Property taxes--delinquent	<u>599,601</u>	<u>85,658</u>	<u>474,053</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,159,312</u>
Total	<u>\$ 5,772,546</u>	<u>\$ 114,183</u>	<u>\$ 621,407</u>	<u>\$ 50,164</u>	<u>\$ 72,799</u>	<u>\$ 2,870</u>	<u>\$ 6,633,969</u>

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



# Union Public Schools - Notes to Financial Statements

## Year Ended June 30, 2011

### NOTE D--CAPITAL ASSETS

A summary of changes in capital assets for the year ended June 30, 2011, follows:

	Balance June 30, 2010	Additions	Deductions	Reclassifications & Adjustments	Balance June 30, 2011
<b>Governmental activities</b>					
Capital assets not being depreciated					
Land	\$ 14,293,205	\$ -	\$ -	\$ -	\$ 14,293,205
Construction in-progress					
General government	4,498,972	11,995,201	-	(1,778,441)	14,715,732
<b>Total capital assets not being depreciated</b>	<u>18,792,177</u>	<u>11,995,201</u>	<u>-</u>	<u>(1,778,441)</u>	<u>29,008,937</u>
Capital assets being depreciated					
Land improvements	7,143,534	9,151	-	61,205	7,213,890
Buildings	193,009,736	296,695	-	1,717,236	195,023,667
Machinery, equipment and vehicles	39,166,033	3,191,060	(1,272,232)	-	41,084,861
<b>Total capital assets being depreciated</b>	<u>239,319,303</u>	<u>3,496,906</u>	<u>(1,272,232)</u>	<u>1,778,441</u>	<u>243,322,418</u>
Less accumulated depreciation for:					
Land improvements	(1,443,546)	(360,142)	-	-	(1,803,688)
Buildings	(84,700,502)	(6,420,583)	-	-	(91,121,085)
Machinery, equipment and vehicles	(29,513,223)	(3,916,593)	1,241,879	-	(32,187,937)
<b>Total accumulated depreciation</b>	<u>(115,657,271)</u>	<u>(10,697,318)</u>	<u>1,241,879</u>	<u>-</u>	<u>(125,112,710)</u>
<b>Total capital assets being depreciated, net</b>	<u>123,662,032</u>	<u>(7,200,412)</u>	<u>(30,353)</u>	<u>1,778,441</u>	<u>118,209,708</u>
<b>Governmental activities Capital assets, net</b>	<u>\$ 142,454,209</u>	<u>\$ 4,794,789</u>	<u>\$ (30,353)</u>	<u>\$ -</u>	<u>\$ 147,218,645</u>
<b>Summary of Governmental Activities</b>					
<b>Capital Assets</b>					
Total capital assets	\$ 258,111,480	\$ 15,492,107	\$ (1,272,232)	\$ -	\$ 272,331,355
Less accumulated depreciation	(115,657,271)	(10,697,318)	1,241,879	-	(125,112,710)
Capital assets, net	<u>\$ 142,454,209</u>	<u>\$ 4,794,789</u>	<u>\$ (30,353)</u>	<u>\$ -</u>	<u>\$ 147,218,645</u>
<b>Business type activities</b>					
Capital assets being depreciated					
Machinery, equipment and vehicles	\$ 2,172,502	\$ 81,982	\$ -	\$ -	\$ 2,254,484
Less accumulated depreciation for					
Machinery, equipment and vehicles	(1,685,125)	(83,730)	-	-	(1,768,855)
<b>Total capital assets being depreciated, net</b>	<u>\$ 487,377</u>	<u>\$ (1,748)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 485,629</u>

## Union Public Schools – Notes to Financial Statements Year Ended June 30, 2011

### 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	\$ 7,924,125	Child nutrition fund	<u>\$ 83,730</u>
Pupil services	52,933		
Instructional services	181,311		
General administration	53,553		
School administration	123,969		
Business services	659,134		
Operations and maintenance services	857,463		
Transportation services	832,960		
Community services	11,870		
	<u>\$ 10,697,318</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 arbitrage earnings on outstanding bond issues. 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 following is a summary of long-term debt activity of the District for the year ended June 30, 2011:

	<u>2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>2011</u>	<u>Due in One Year</u>
Governmental activities					
Bonds payable	\$ 69,350,000	\$ 21,600,000	\$ (17,900,000)	\$ 73,050,000	\$ 19,725,000
Premium on debt issuance	382,808	326,976	(230,443)	479,341	124,565
Compensated absences	4,219,601	273,749	(433,598)	4,059,752	1,458,029
Early retirement incentive	926,545	851,107	(432,589)	1,345,063	768,550
Arbitrage rebate	61,791	-	(61,791)	-	-
OPEB	2,793,545	1,461,288	(588,384)	3,666,449	-
	<u>\$ 77,734,290</u>	<u>\$ 24,513,120</u>	<u>\$ (19,646,805)</u>	<u>\$ 82,600,605</u>	<u>\$ 22,076,144</u>

## Union Public Schools - Notes to Financial Statements Year Ended June 30, 2011

### 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 2007, original issue \$17,000,000, interest rate of 4%, due in installments of \$4,250,000 annually, final payment of \$4,250,000 due April 1, 2012.	4,250,000
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.	9,700,000
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.	15,000,000
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.	22,500,000
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.	<u>21,600,000</u>
	<u>\$73,050,000</u>

Maturities of long-term debt are as follows:

	Principal	Interest	Total
Years ending June 30,			
2012	\$ 19,725,000	\$ 1,599,563	\$ 21,324,563
2013	20,875,000	1,145,000	22,020,000
2014	16,025,000	699,000	16,724,000
2015	11,025,000	328,500	11,353,500
2016	5,400,000	108,000	5,508,000
	<u>\$ 73,050,000</u>	<u>\$ 3,880,063</u>	<u>\$ 76,930,063</u>

Interest on general long-term debt incurred during the current year was approximately \$1,814,000.

## Union Public Schools - Notes to Financial Statements Year Ended June 30, 2011

### 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 \$300 to \$700 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, 2011, there are 78 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, 2011 was approximately \$1,345,000.

### NOTE G--RISK MANAGEMENT

Effective December 1, 1988, the District began a self-insured medical program for District employees and their eligible dependents. This program is administered by an independent third party and covers medical and dental expenses for employees with dependent coverage available at additional charges. In order to mitigate the risk associated with this program, the District has purchased individual "stop loss" insurance of \$150,000 and aggregate "stop loss" insurance of approximately \$10,239,000 plus 100% of employee and District premium contributions. Monthly, the District contributes \$26 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, 2010 through June 30, 2011 is set forth below:

District and employee premiums	<u>\$ 8,630,606</u>
Claims and changes in estimates	\$ 7,218,762
Insurance and administrative costs	<u>1,399,509</u>
Total claims incurred and other costs	<u>\$ 8,618,271</u>

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

	Beginning of Fiscal Year	Changes in Estimates	Claim Payments	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

## **Union Public Schools - Notes to Financial Statements**

### **Year Ended June 30, 2011**

#### 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, 2011. 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, 2011 is expected to be paid during fiscal year 2012. As such, the full liability of \$607,264 has been classified as a current liability in the accompanying June 30, 2011 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 2010 through June 2011 of applicable compensation for the year ended June 30, 2011. 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, 2011 was approximately \$50,452,000; the District's total compensation was approximately \$88,657,000. Total contributions by the District made during the year ended June 30, 2011 amounted to approximately \$5,625,000. These contributions represented approximately 12% 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, 2011

### NOTE H--EMPLOYEE RETIREMENT SYSTEM--Continued

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

Fiscal year	Required Contribution	Percentage Contributed
2009	\$ 5,389,432	100%
2010	\$ 5,947,033	100%
2011	\$ 5,625,273	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](http://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 if they are covered by an employment contract that provides for post-retirement benefits and who meets one of the following requirements:

- Age 55 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

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, 2011

### 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:

	<u>Year Ended June 30, 2011</u>
Annual required contribution	\$ 1,511,097
Interest on net OPEB obligation	111,742
Adjustment to annual required contribution	<u>(161,551)</u>
Annual OPEB cost (expense)	1,461,288
Contributions made	<u>(588,384)</u>
Increase in net OPEB obligation	872,904
Net OPEB obligation at beginning of year	<u>2,793,545</u>
Net OPEB obligation at end of year	<u>\$ 3,666,449</u>

The net OPEB obligation at June 30, 2011 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 2011 was determined as part of an actuarial valuation on July 1, 2009, using the projected unit credit actuarial cost method with 30-year amortization of the unfunded liability.

The actuarial assumptions included:

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

#### *Trend Information*

GASB 45 was not implemented until the 2008 fiscal year; therefore, only three years of trend information is available.

<u>Year Ended June 30</u>	<u>Net OPEB Cost</u>	<u>% of APC Contributed</u>	<u>Net OPEB Obligation</u>
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

# Union Public Schools - Notes to Financial Statements

## Year Ended June 30, 2011

### 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, 2009 is as follows:

Actuarial accrued liability (AAL)	\$	12,203,144
Actuarial value of plan assets		-
Unfunded actuarial accrued liability (UAAL)	\$	12,203,144
Funded ratio (actuarial value of plan assets/AAL)		0.0%
Covered payroll (active plan members)	\$	54,455,315
UAAL as a percentage of covered payroll		22.41%

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, 2011, the District had outstanding commitments (contracts and purchase orders) of approximately \$20,327,000, 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, 2011

### NOTE K--NEW PRONOUNCEMENTS

In November of 2010, GASB issued Statement No. 61, *The Financial Reporting Entity: Omnibus and amendment of GASB statements No. 14 and No. 34* ("GASB 61"). GASB 61 modifies certain requirements for inclusion of component units in the financial reporting entity. For organizations that were previously required to be included as component units by meeting the fiscal dependency criterion, a financial benefit or burden relationship also needs to be present between the primary government and that organization for it to be included in the reporting entity as a component unit. Further, for organizations that do not meet the financial accountability criteria for inclusion as component units but that, nevertheless, should be included because the primary government's management determines that it would be misleading to exclude them, GASB 61 clarifies the manner in which that determination should be made and the types of relationships that generally should be considered in making the determination.

GASB 61 amends the criteria for reporting component units as if they were part of the primary government (that is, blending) in certain circumstances. For component units that currently are blended based on the "substantively the same governing body" criterion, it additionally requires that (1) the primary government and the component unit have a financial benefit or burden relationship or (2) management (below the level of the elected officials) of the primary government have operational responsibility for the activities of the component unit.

Under GASB 61, the blending provisions were amended to clarify that funds of a blended component unit have the same financial reporting requirements as a fund of the primary government.

In December 2010, GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989, FASB and AICPA Pronouncements* ("GASB 62"). The objective of GASB 62 is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements.

- (a) Financial Accounting Standards Board Statements and Interpretations.
- (b) Accounting Principles Board Opinions.
- (c) Accounting Research Bulletins of the American Institute of Certified Public Accountants' ("AICPA") Committee on Accounting Procedures.

The requirements in GASB 62 will improve financial reporting by contributing to GASB's efforts to codify all sources of generally accepted accounting principles for state and local governments so that they derive from a single source. GASB 62 is effective for financial statements for periods beginning after December 15, 2011, with earlier application encouraged. The provisions of GASB 62 are required to be applied retroactively for all periods presented.

## **Union Public Schools – Notes to Financial Statements** **Year Ended June 30, 2011**

### NOTE K--NEW PRONOUNCEMENTS--Continued

In June 2011, the GASB issued 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. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011. Earlier application is encouraged.

In June 2011, GASB issued Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions – An Amendment of GASB Statement No. 53*. GASB No. 64 clarifies whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. This Statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2011. Earlier application is encouraged.

The District's management is in the process of determining what, if any, impact the above pronouncements will have on the District's financial reporting process.

**Union Public Schools**  
**Required Supplementary Information - Unaudited**  
**Schedule of Funding Progress for Other Post Employment Benefits**  
**Year Ended June 30, 2011**

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)	UAAL as a percentage of Covered Payroll (b-a)/(c)
July 1, 2010	\$ 12,203,144	\$ -	\$ 12,203,144	0.0%	\$ 54,455,315	22.41%
July 1, 2009	\$ 12,203,144	\$ -	\$ 12,203,144	0.0%	\$ 54,455,315	22.41%
July 1, 2007	\$ 13,072,990	\$ -	\$ 13,072,990	0.0%	\$ 42,509,871	35.75%

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

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**Union Public Schools**  
**Combining Statement of Changes in Assets & Liabilities - Agency Funds**  
**Year Ended June 30, 2011**

	Balance June 30, 2010	Additions	Deductions	Adjustments	Balance June 30, 2011
HIGH SCHOOL TOTAL	\$ 385,924	\$ 425,561	\$ (455,163)	\$ 39,902	\$ 396,224
INTERMEDIATE HIGH TOTAL	86,589	84,594	(65,358)	8,081	113,906
ALTERNATIVE TOTAL	4,245	2,810	(2,919)	571	4,707
EIGHTH GRADE CENTER TOTAL	100,604	64,939	(61,374)	1,132	105,301
SIXTH/SEVENTH GRADE CENTER TOTAL	131,583	140,931	(138,750)	3,153	136,917
ELEMENTARY ACTIVITY FUNDS TOTAL	298,377	369,776	(358,104)	3,597	313,646
STUDENT CLUBS TOTAL	379,306	456,363	(504,941)	5,038	335,766
ADMINISTRATIVE TOTAL	<u>994,383</u>	<u>301,615</u>	<u>(259,350)</u>	<u>(61,474)</u>	<u>975,174</u>
TOTAL FUNDS HELD FOR STUDENT ACTIVITIES	<u>\$ 2,381,011</u>	<u>\$ 1,846,589</u>	<u>\$ (1,845,959)</u>	<u>\$ -</u>	<u>\$ 2,381,641</u>
 SUMMARY-ACTIVITY FUNDS					
ASSETS					
Cash	<u>\$ 2,387,091</u>	<u>\$ 1,852,825</u>	<u>\$ (1,845,959)</u>	<u>\$ -</u>	<u>\$ 2,393,957</u>
LIABILITIES					
Accounts payable and accrued liabilities	6,080	12,316	(6,080)		12,316
Funds held for student activities	<u>2,381,011</u>	<u>1,846,589</u>	<u>(1,845,959)</u>	<u>-</u>	<u>2,381,641</u>
TOTAL LIABILITIES	<u>\$ 2,387,091</u>	<u>\$ 1,858,905</u>	<u>\$ (1,852,039)</u>	<u>\$ -</u>	<u>\$ 2,393,957</u>

See independent auditors' report

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# Union Public Schools - Statistical Section Year Ended June 30, 2011

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<p><b>Financial Trends</b> .....</p> <p style="padding-left: 40px;">These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.</p>	<p><b>75-79</b></p>
<p><b>Revenue Capacity</b> .....</p> <p style="padding-left: 40px;">These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.</p>	<p><b>81-84</b></p>
<p><b>Debt Capacity</b> .....</p> <p style="padding-left: 40px;">These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional the District's ability to issue additional debt in the future.</p>	<p><b>85-88</b></p>
<p><b>Demographic and Economic Information</b> .....</p> <p style="padding-left: 40px;">These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.</p>	<p><b>89-91</b></p>
<p><b>Operating Information</b> .....</p> <p style="padding-left: 40px;">These schedules contain service and other data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.</p>	<p><b>93-100</b></p>

**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, 2011**

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	67,930,581	64,878,194	71,024,348	97,454,343	103,285,413	106,278,216	118,532,935	121,638,825	119,327,836	108,559,632
Restricted for debt service	8,558,294	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
Restricted for capital projects	2,267,467	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
Unrestricted	4,492,839	14,849,104	21,233,659	5,076,513	8,271,458	12,659,259	2,671,407	3,439,002	7,598,593	25,544,295
<b>Total governmental activities net assets</b>	<b>83,249,181</b>	<b>91,340,496</b>	<b>104,525,947</b>	<b>115,251,260</b>	<b>123,336,449</b>	<b>130,569,618</b>	<b>132,524,996</b>	<b>137,059,149</b>	<b>139,622,112</b>	<b>148,060,177</b>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	60,354	44,817	136,747	165,884	248,538	517,708	501,205	466,530	487,377	485,629
Restricted for debt service	-	-	-	-	-	-	-	-	-	-
Restricted for capital projects	-	-	-	-	-	-	-	-	-	-
Unrestricted	1,170,700	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
<b>Total business-type activities net assets</b>	<b>1,231,054</b>	<b>1,375,202</b>	<b>1,701,523</b>	<b>1,982,309</b>	<b>2,031,043</b>	<b>2,509,595</b>	<b>2,484,798</b>	<b>2,983,242</b>	<b>4,051,919</b>	<b>4,392,096</b>
<b>District-wide</b>										
Invested in capital assets, net of related debt	67,990,935	64,923,011	71,161,095	97,620,227	103,533,951	106,795,924	119,034,140	122,105,355	119,815,213	109,045,261
Restricted for debt service	8,558,294	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
Restricted for capital projects	2,267,467	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
Unrestricted	5,663,539	16,179,489	22,798,435	6,892,937	10,053,963	14,651,146	4,655,000	5,955,714	11,163,135	29,450,762
<b>Total district net assets</b>	<b>84,480,235</b>	<b>92,715,698</b>	<b>106,227,470</b>	<b>117,233,569</b>	<b>125,367,492</b>	<b>133,079,213</b>	<b>135,009,794</b>	<b>140,042,391</b>	<b>143,674,031</b>	<b>152,452,273</b>

**Union Public Schools - Statistical Section**  
**Year Ended June 30, 2011**

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

	2002	2003	2004	2005	2006	2007 <sup>a</sup>	2008 <sup>b</sup>	2009	2010	2011
<b>Expenses</b>										
Governmental activities										
Instruction										
Regular instruction	35,457,130	36,889,541	30,298,793	37,806,776	38,283,502	42,667,523	45,516,291	49,629,935	49,956,948	47,158,054
Special education instruction	3,629,908	3,545,854	4,688,315	4,665,926	5,593,513	6,178,927	6,793,935	7,275,708	7,818,113	8,031,835
Vocational education	499,598	506,460	500,456	461,209	615,074	633,877	703,858	793,237	857,688	791,341
Other instruction	2,119,542	2,123,421	4,076,391	3,683,358	4,642,999	5,168,656	6,134,777	6,152,120	7,643,864	8,722,066
Support Services										
Pupil services	3,859,569	4,178,773	4,508,084	4,185,963	4,440,099	5,290,042	6,518,814	6,345,355	6,523,652	6,578,671
Instructional staff services	2,407,173	2,623,839	2,696,354	2,915,880	3,541,667	3,776,075	4,165,969	4,408,668	4,641,677	4,097,653
General administration services	857,008	892,275	697,079	1,095,275	1,002,064	1,248,323	1,578,563	1,802,455	1,702,207	2,053,273
School administration services	4,217,173	3,996,982	4,896,862	5,139,160	6,023,236	6,869,205	7,440,213	7,688,170	7,519,873	7,603,111
Business services	1,731,372	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
Operations and maintenance services	8,513,675	8,893,176	9,269,540	10,975,680	12,288,840	13,011,254	13,113,272	13,334,079	13,121,769	14,559,932
Pupil transportation services	2,144,481	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
Central services	2,724,745	2,027,362	-	-	-	-	-	-	-	-
Other support services	473,063	192,854	31,801	7,410	582,250	297,187	252,566	367,950	390,931	421,073
Community services	867,033	780,448	877,860	803,775	646,307	789,528	974,305	2,801,866	3,492,563	3,084,831
Capital Outlay							2,085,460	513,383	-	-
Interest on long-term debt	2,357,464	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
Loss on disposal of capital assets	24,744	69,424	29,319	85,140	-	15,477	-	-	-	-
Unallocated depreciation	-	-	-	-	-	-	-	-	-	-
Total governmental activities expenses	71,883,678	73,137,107	71,307,986	80,483,651	87,038,815	97,112,822	107,231,283	113,430,991	117,371,690	115,783,460
Business-type activities										
Food service	2,644,997	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
Total business-type activities expense	2,644,997	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
Total district expenses	74,528,675	75,733,097	74,028,778	83,513,910	90,736,281	100,957,868	111,735,966	118,065,611	122,305,049	121,724,656
<b>Program Revenues</b>										
Governmental activities										
Charges for services										
Regular instruction	332,549	387,926	502,743	375,770	447,137	427,645	370,303	366,907	295,758	293,458
Operations and maintenance services	354,810	266,539	272,044	486,644	420,672	391,535	494,775	546,323	413,423	350,262
Pupil transportation services	49,942	49,942	49,941	46,846	50,030	49,699	49,829	60,810	86,613	96,232
Community services	694,879	677,983	699,611	625,746	699,034	890,915	995,745	1,131,972	1,272,571	1,237,404
Other support services	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	8,534,234	9,288,866	10,365,374	12,961,205	11,081,996	14,595,393	14,603,862	20,344,841	24,580,826	27,773,833
Capital grants and contributions	3,768	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	9,970,182	10,671,256	11,889,713	14,496,211	12,698,869	16,355,187	16,514,514	22,450,853	26,649,191	29,751,189
Business-type activities										
Charges for services										
Food service	1,607,549	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
Operating grants and contributions	962,505	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
Capital grants and contributions	1,552	30,834	111,519	45,600	114,762	-	-	-	-	-
Total business-type activities program revenues	2,571,606	2,698,889	3,004,759	3,269,988	3,641,657	4,247,893	4,424,077	5,119,554	5,997,592	6,258,973
Total district program revenues	12,541,788	13,370,145	14,894,472	17,766,199	16,340,526	20,603,080	20,938,591	27,570,407	32,646,783	36,010,162



**Union Public Schools - Statistical Section**  
**Year Ended June 30, 2011**

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

	2002	2003	2004	2005	2006	2007 <sup>a</sup>	2008 <sup>b</sup>	2009	2010	2011
<b>Net (Expense) Revenue</b>										
Governmental activities	(61,913,496)	(62,465,851)	(59,418,273)	(65,987,440)	(74,339,946)	(80,757,635)	(90,716,769)	(90,980,138)	(90,722,499)	(86,032,271)
Business-type activities	(73,391)	102,899	283,967	239,729	(55,809)	402,847	(80,606)	484,934	1,064,233	317,777
Total district-wide net expense	<u>(61,986,887)</u>	<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>(89,658,266)</u>	<u>(85,714,494)</u>
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental activities										
Taxes										
Property tax, levied for general purposes	23,315,922	24,923,646	25,744,557	26,954,190	27,502,714	28,953,433	30,235,766	31,052,460	32,255,504	32,677,913
Property tax, levied for debt services	16,528,839	17,597,219	18,094,314	18,530,671	15,845,469	17,152,566	17,211,390	18,553,902	19,114,516	20,625,939
Other taxes	4,708,663	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
State aid not restricted to specific programs	22,287,289	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
Interest and investment earnings	1,707,867	1,393,318	1,169,353	1,735,761	2,997,624	3,203,223	2,020,465	518,461	406,034	492,087
Gain on disposal of capital assets	-	-	-	-	974,222	-	-	-	-	-
Other	502,538	330,044	266,510	651,898	1,466,558	1,834,113	884,941	201,108	300,987	324,976
Total governmental activities	<u>69,051,118</u>	<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>93,127,267</u>	<u>95,398,092</u>
Business-type activities										
Interest and investment earnings	19,659	13,550	14,217	27,233	85,715	75,705	55,809	13,510	15,721	22,400
Loss on disposal of capital assets	-	-	-	-	-	-	-	-	(11,277)	-
Other	22,506	27,699	28,137	13,823	18,828	-	-	-	-	-
Total business-type activities	<u>42,165</u>	<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>
Total district-wide	<u>69,093,283</u>	<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>93,131,711</u>	<u>95,420,492</u>
<b>Change in Net Assets</b>										
Governmental activities	7,137,622	8,091,315	13,185,451	10,725,313	8,085,189	7,233,169	1,955,378	4,534,153	2,404,768	9,365,821
Business-type activities	(31,226)	144,148	326,321	280,785	48,734	478,552	(24,797)	498,444	1,068,677	340,177
Total district	<u>7,106,396</u>	<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>3,473,445</u>	<u>9,705,998</u>

<sup>a</sup>In FY08, the District recorded a prior period adjustment to correct the FY07 beginning net assets.

<sup>b</sup>The 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, 2011**

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

	2002	2003	2004	2005	2006	2007 <sup>a</sup>	2008 <sup>b</sup>	2009	2010 <sup>c</sup>	2011 <sup>d</sup>
General Fund										
Reserved	104,801	198,839	170,777	193,805	335,756	246,549	350,087	217,198	243,068	
Nonspendable										290,497
Assigned										1,612,460
Restricted										-
Unreserved	7,833,648	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
Total general fund	<u>7,938,449</u>	<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>
All Other Governmental Funds										
Reserved for debt service (Sinking fund)	8,031,880	8,755,925	9,960,387	10,331,474	9,055,835	8,962,506	8,730,473	10,553,135	10,727,559	
Reserved for capital projects (Bond fund)	32,281,623	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										7,877,860
Sinking fund										11,862,533
Bond fund										34,426,709
Non-major governmental funds										
Restricted for arbitrage										287,986
Unreserved, reported in:										
Building fund	5,515,568	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>45,829,071</u>	<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>

<sup>a</sup>Beginning 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.

<sup>b</sup>Beginning 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.

**Union Public Schools - Statistical Section**  
**Year Ended June 30, 2011**

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Revenues</b>										
Local sources	41,070,796	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
Intermediate sources	2,295,337	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
State sources	32,834,832	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
Federal sources	2,686,639	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
<b>Total revenue</b>	<b>78,887,604</b>	<b>81,366,551</b>	<b>83,081,979</b>	<b>91,902,608</b>	<b>96,810,056</b>	<b>104,448,193</b>	<b>109,310,901</b>	<b>118,420,824</b>	<b>119,592,122</b>	<b>124,731,553</b>
<b>Expenditures</b>										
<b>Current</b>										
Instruction	38,425,797	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
Student	3,839,720	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
Instructional staff	2,229,909	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
General administration	808,195	875,004	695,250	1,103,302	996,004	1,255,414	1,683,588	1,761,637	1,663,542	2,002,920
School administration	4,165,611	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
Business	1,725,059	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
Operations and maintenance	8,442,121	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
Student transportation	1,978,011	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
Central	2,146,769	1,909,347	-	-	-	-	-	-	-	-
Other	343,017	75,131	19,249	4,236	27,038	158,889	247,679	-	-	-
Non-instruction expenses										
Child nutrition operations								364,204	385,941	415,189
Community service operations	867,130	854,681	908,868	770,730	655,580	808,090	1,025,158	2,769,678	2,964,471	3,042,496
Other								84,175	1,230,120	33,146
Capital outlay	9,415,528	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
Debt service										
Principal	15,225,000	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
Interest	2,496,875	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
Other	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>92,108,742</b>	<b>98,968,286</b>	<b>95,522,829</b>	<b>108,686,805</b>	<b>112,082,119</b>	<b>120,954,145</b>	<b>127,317,039</b>	<b>135,322,045</b>	<b>133,833,343</b>	<b>137,224,636</b>
Excess (deficiency) of revenues over (under) expenditures	(13,221,138)	(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)
<b>Other financing sources (uses)</b>										
Issuance of debt	16,400,000	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
Premiums on new issuance of debt								189,600	204,356	326,976
Other uses										(142,728)
Transfers in	1,483,089	1,669,494	1,164,149	733,503	1,335,826	2,055,151	1,782,913	1,016,305	656,196	689,122
Transfers out	(1,450,588)	(1,669,494)	(1,164,149)	(733,503)	(1,335,826)	(2,045,150)	(1,782,913)	(1,016,305)	(656,196)	(689,122)
<b>Total other financing sources (uses)</b>	<b>16,432,501</b>	<b>17,500,000</b>	<b>17,000,000</b>	<b>13,125,115</b>	<b>15,200,000</b>	<b>17,180,001</b>	<b>19,444,620</b>	<b>20,189,600</b>	<b>22,704,356</b>	<b>21,784,248</b>
<b>Net changes in fund balances</b>	<b>3,211,363</b>	<b>(101,735)</b>	<b>4,559,150</b>	<b>(3,659,082)</b>	<b>(72,063)</b>	<b>674,049</b>	<b>1,438,482</b>	<b>3,288,379</b>	<b>8,463,135</b>	<b>9,291,165</b>
<b>Debt service as a percentage of noncapital expenditures<sup>a</sup></b>	<b>21.68%</b>	<b>21.10%</b>	<b>21.60%</b>	<b>19.34%</b>	<b>17.89%</b>	<b>16.54%</b>	<b>15.14%</b>	<b>14.82%</b>	<b>15.30%</b>	<b>16.19%</b>

<sup>a</sup>Noncapital 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, 2011**

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

Fiscal Year Ended June 30,	Real Property Assessed Value <sup>a</sup>	Personal Property Net Assessed Value <sup>a</sup>	Public Service Property Assessed Value <sup>b</sup>	Total Net Assessed Value	Total Estimated Actual Value <sup>c</sup>	Ratio of Gross Assessed Value to Total Estimated Actual Value	Total Direct Tax Rate <sup>d</sup>
2002	405,315,585	85,742,414	20,719,080	511,777,079	4,803,652,759	10.65%	73.63
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

<sup>a</sup>Assessed 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.

<sup>b</sup>Public 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.

<sup>c</sup>Estimated 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.

<sup>d</sup>Components 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, 2011**

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

**Rates for Taxpayers in the City of Tulsa<sup>a</sup>**

Fiscal Year	Direct Rates			Total Direct Rates	Overlapping Rates				Total Overlapping Rates	Total Direct & Overlapping Rates
	General	Union School District Building	Sinking		Tulsa County	Tulsa Comm College	Tulsa VoTech	Tulsa City		
2002	36.05	5.15	32.43	73.63	24.31	8.39	13.33	11.53	57.56	131.19
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
<b>Ten-Year Average</b>										<b>126.58</b>

**Rates for Taxpayers in the City of Broken Arrow<sup>b</sup>**

Fiscal Year	Direct Rates			Total Direct Rates	Overlapping Rates				Total Overlapping Rates	Total Direct & Overlapping Rates
	General	Union School District Building	Sinking		Tulsa County	Tulsa Comm College	Tulsa VoTech	Broken Arrow City		
2002	36.05	5.15	32.43	73.63	24.31	8.39	13.33	16.30	62.33	135.96
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
<b>Ten-Year Average</b>										<b>129.53</b>

<sup>a</sup>Approximately 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 126.54 mills.

<sup>b</sup>Approximately 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 129.83 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, 2011**

**Principal Property Taxpayers**  
**Current Year and Nine Years Ago**

Taxpayer	2011			2002		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value <sup>a</sup>	Taxable Assessed Value	Rank	% of Total District Net Assessed Value <sup>b</sup>
Woodland Hills Mall	15,175,484	1	2.13%	12,305,168	1	2.40%
Public Service Company of Oklahoma	12,123,616	2	1.71%	4,864,613	6	0.95%
SouthCrest Hospital	7,198,066	3	1.01%	6,631,689	3	1.30%
Wal-Mart	5,937,346	4	0.84%			
Expedition Properties, LLC	4,682,579	5	0.66%			
Zeledyne, LLC (formerly Visteon Corp. and Ford Motor Company)	4,489,912	6	0.63%	11,044,816	2	2.16%
QuickTrip	4,411,474	7	0.62%			
Tech Ridge Properties, LLC	3,946,686	8	0.56%			
AT&T Companies/Services	3,528,351	9	0.50%			
AG Equipment Co.	3,368,833	10	0.47%			
Valor Communications of Oklahoma				5,698,536	4	1.11%
MCI				5,042,801	5	0.99%
Hilti Corporation				4,760,384	7	0.93%
Merit OCC-19				3,944,264	8	0.77%
Dillards Department Stores				3,644,532	9	0.71%
State Farm Mutual				3,384,498	10	0.66%
Total	64,862,347		9.12%	61,321,301		11.98%

<sup>a</sup>Based on FY10-11 Net Assessed Valuation of 711,032,163

<sup>b</sup>Based on FY01-02 Net Assessed Valuation of 511,777,079

Source: Tulsa County Assessor

**Union Public Schools - Statistical Section  
Year Ended June 30, 2011**

**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 <sup>a</sup>		Collected in Subsequent Years <sup>b</sup>		Ratio of Total Tax Collection to Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Levy
		Current Tax Collections	Percent of Current Tax Collected	Delinquent Tax Collections	Total Tax Collection			
2002	37,681,583	37,047,430	98.32%	401,090	37,448,520	99.38%	1,196,441	3.18%
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%

<sup>a</sup>The 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.

<sup>b</sup>Ad 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.

Source: Tulsa County Treasurer

**Union Public Schools - Statistical Section**  
**Year Ended June 30, 2011**

**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 <sup>a</sup>	Ratio of Outstanding Debt to Estimated Actual Valuation <sup>a</sup>	Total Personal Income (in thousands)	Ratio of Outstanding Debt Per Personal Income	Average Daily Membership (ADM) <sup>b</sup>	Ratio of Outstanding Debt Per Student <sup>b</sup>
2002	52,650,000	-	52,650,000	4,803,652,759	1.10%	26,574,100	0.20%	13,239	3,977
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%	38,347,000	0.19%	14,949	4,639
2011	73,050,000	-	73,050,000	6,555,557,566	1.11%	39,190,634	0.27%	14,830	4,926

<sup>a</sup>Estimated 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.

<sup>b</sup>Since 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, 2011**

**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 <sup>a</sup>	Ratio of Net Debt to Estimated Actual Valuation <sup>a</sup>	Average Daily Membership (ADM) <sup>b</sup>	Ratio of Net Debt Per Student <sup>b</sup>
2002	52,650,000	8,031,880	44,618,120	4,803,652,759	0.93%	13,239	3,370
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

<sup>a</sup>Estimated 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.

<sup>b</sup>Since 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, 2011**

**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2011**

<u>Jurisdiction</u>	<u>Net Assessed Valuation<sup>a</sup></u>	<u>Amount Subject to Taxation in District<sup>a</sup></u>	<u>Estimated Percent Applicable to the District<sup>b</sup></u>	<u>Net General Obligation Bonded Debt Outstanding<sup>c</sup></u>	<u>Amount Applicable to the District</u>
As it applies to a resident of the city of Tulsa:					
Direct:					
Union Public Schools	711,032,163	711,032,163	100.00%	61,187,467	61,187,467
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%	419,160,000	72,856,707
Total Overlapping	<u>12,898,656,597</u>	<u>1,949,280,359</u>		<u>419,160,000</u>	<u>72,856,707</u>
Total Direct and Overlapping				<u><u>480,347,467</u></u>	<u><u>134,044,174</u></u>
As it applies to a resident of the city of Broken Arrow:					
Direct:					
Union Public Schools	711,032,163	711,032,163	100.00%	61,187,467	61,187,467
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 <sup>d</sup>	595,848,888	167,584,949	28.13%	80,360,000	22,601,580
Total Overlapping	<u>10,410,080,637</u>	<u>1,580,742,977</u>		<u>80,360,000</u>	<u>22,601,580</u>
Total Direct and Overlapping				<u><u>141,547,467</u></u>	<u><u>83,789,047</u></u>

<sup>a</sup>2010-11 net assessed valuations as certified by the Tulsa County Assessor.

<sup>b</sup>Estimated 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.

<sup>c</sup>Net general obligation bonded debt outstanding as reported by the overlapping unit.

<sup>d</sup>The City of Broken Arrow had judgments totaling \$1,237,868.04 as of 6/30/2011 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, 2011

### 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	73,050,000	
Current Sinking Fund Balance	(11,862,533)	61,187,467
Legal Debt Margin		9,915,749

Fiscal Year Ended June 30,	Net Assessed Valuation <sup>a</sup>	Legal Debt Limit 10% of Net Assessed Valuation <sup>b</sup>	Outstanding GO Bonded Indebtedness	Less Sinking Fund Balance	Total Net Debt Subject to Legal Limit	Legal Debt Margin <sup>c</sup>	Percent of Net Debt to Debt Limit
2002	511,777,079	51,177,708	52,650,000	8,031,880	44,618,120	6,559,588	87.18%
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	11,862,533	57,487,467	12,926,793	81.64%
2011	711,032,163	71,103,216	73,050,000	61,187,467	11,862,533	59,240,683	16.68%

<sup>a</sup>Net assessed valuation is taken from the table, *Assessed and Estimated Actual Value of Taxable Property*.

<sup>b</sup>The 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.

<sup>c</sup>The 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, 2011**

**Demographic and Economic Statistics<sup>a</sup>**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Official State October 1 Enrollment <sup>b</sup>	Average Membership Year End <sup>b</sup>	% Change in Average Daily Membership	Net Assessed Valuation (NAV) <sup>c</sup>	Per Student NAV <sup>d</sup>	Average Attendance Year End <sup>b</sup>	Student Attendance Percentage	Expenditure Appropriation Approved by County Excise Board <sup>e</sup>
2002	13,315	13,239	-10.73%	511,777,079	38,656	12,660	95.63%	64,784,028
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

<sup>a</sup>Union Public Schools district specific demographic data

<sup>b</sup>Obtained from the Oklahoma State Department of Education

<sup>c</sup>Obtained from the Tulsa County Assessor

<sup>d</sup>Since 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.

<sup>e</sup>Obtained from Estimate of Needs - General Fund

## Union Public Schools - Statistical Section Year Ended June 30, 2011

### Demographic and Economic Statistics<sup>ab</sup> Last Ten Fiscal Years

Fiscal Year Ended June 30,	Population	Total Personal Income (in thousands)	Real Per Capita Personal Income	Labor Force	Unemployment Rate
2002	874,815	26,574,100	30,061	445,821	5.0%
2003	876,919	26,728,700	30,260	442,729	6.1%
2004	877,172	28,762,800	32,621	438,049	5.1%
2005	881,652	30,723,200	34,860	443,335	4.4%
2006	892,635	33,722,800	38,529	445,721	4.0%
2007	905,678	36,303,800	39,524	443,078	3.9%
2008	916,037	38,585,000	40,981	442,994	3.7%
2009	929,015	37,534,000	39,442	444,581	6.9%
2010 <sup>c</sup>	937,478	38,347,000	40,014	443,804	7.4%
2011 <sup>d</sup>	952,294	39,190,634	41,679	444,410	7.3%

<sup>a</sup>Tulsa MSA specific demographic data

<sup>b</sup>Data obtained from the Tulsa Metro Chamber 2010 Economic Profile

<sup>c</sup>Estimation based on data obtained from the Tulsa Metro Chamber

<sup>d</sup>Projection 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, 2011**

**Tulsa Area Principal Employers<sup>a</sup>**  
**Current Year and Nine Years Ago**

Employer	2011			2002		
	Employees	Rank	Percentage of Tulsa County Employment <sup>b</sup>	Employees	Rank	Percentage of Tulsa County Employment <sup>c</sup>
Wal-Mart/Sam's Club	7,300	1	0.77%			
Tulsa Public Schools	7,100	2	0.75%	6,743	2	0.77%
American Airlines	6,700	3	0.70%	9,766	1	1.12%
St. John Medical Center	6,000	4	0.63%	4,800	5	0.55%
Saint Francis Healthcare System	5,900	5	0.62%	6,250	3	0.71%
City of Tulsa	3,500	6	0.37%	3,920	7	0.45%
Hillcrest Healthcare System	3,500	7	0.37%	5,500	4	0.63%
Cherokee Hard Rock Hotel and Casino	2,500	8	0.26%	1,500		0.17%
Reasor's	2,500	9	0.26%	1,226		0.14%
Bank of Oklahoma Financial	2,100	10	0.22%	3,315	10	0.38%
Williams Communications				4,400	6	0.50%
ONEOK Inc.				3,600	8	0.41%
WorldCom Network Solutions				3,600	9	0.41%
	47,100		4.95%	54,620		6.24%

<sup>a</sup>Tulsa MSA specific demographic data

<sup>b</sup>Based on the estimated population count from the Tulsa Metro Chamber 2011 Economic Profile of 952,294

<sup>c</sup>Based on the labor force population count from the Tulsa Metro Chamber 2011 Economic Profile of 874,815

Sources: Tulsa Metro Chamber

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**Union Public Schools - Statistical Section**  
**Year Ended June 30, 2011**

**Capital Assets by Function and Activity**  
**Last Ten Fiscal Years**

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Governmental Activities</b>										
Instruction	133,908,078	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
Student	19,264	90,398	123,660	126,055	212,980	144,811	138,246	182,267	358,280	446,547
Instructional support	714,773	834,676	919,716	491,940	536,641	533,624	586,827	970,757	1,327,070	1,307,124
General administration	219,337	219,940	220,655	58,407	64,032	71,288	185,210	196,372	336,722	339,917
School administration	83,842	291,110	456,290	464,879	499,951	1,300,504	1,440,721	1,576,109	1,396,754	1,500,033
Business	306,506	360,277	678,973	794,291	1,606,011	3,144,740	3,357,220	3,787,551	3,782,928	4,432,703
Operations and maintenance	1,849,580	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
Transportation	5,421,243	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
Support services	5,421,225	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
Non-instructional	426,223	482,345	489,760	227,078	307,358	304,228	383,766	450,251	-	5,156
Other-unclassified	3,800,191	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
<b>Total Governmental Activities</b>	<b>152,170,262</b>	<b>168,232,109</b>	<b>183,735,432</b>	<b>194,465,981</b>	<b>201,982,011</b>	<b>217,451,225</b>	<b>230,213,559</b>	<b>246,086,317</b>	<b>258,111,480</b>	<b>272,331,355</b>
<b>Business-Type Activities</b>										
Child nutrition services	1,439,702	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
<b>Total Capital Assets</b>	<b>153,609,964</b>	<b>169,660,831</b>	<b>185,272,903</b>	<b>196,039,050</b>	<b>203,665,154</b>	<b>219,452,494</b>	<b>232,281,805</b>	<b>248,209,405</b>	<b>260,283,982</b>	<b>274,585,839</b>

Source: District records

## Union Public Schools - Statistical Section Year Ended June 30, 2011

### Employee Information Last Ten Fiscal Years

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Certified Personnel</b>										
Bachelor's										
Minimum Salary	26,041	26,041	26,041	26,041	28,425	31,100	31,600	31,600	31,600	31,600
Maximum Salary	39,980	40,080	40,080	41,282	44,033	47,133	48,799	48,799	49,287	49,287
Average Salary	31,714	31,469	31,156	32,675	33,608	35,941	36,514	36,301	36,186	35,980
Number of Teachers	504	489	474	512	544	579	593	635	663	629
Master's										
Minimum Salary	29,286	29,286	29,286	29,286	30,486	32,300	32,800	32,800	32,800	32,800
Maximum Salary	43,942	44,042	44,042	45,363	48,263	51,363	52,913	53,479	54,014	54,014
Average Salary	38,817	38,402	37,920	39,689	40,240	42,318	43,048	42,604	42,409	41,865
Number of Teachers	294	280	271	289	289	299	308	309	320	310
Doctor's										
Minimum Salary	32,033	32,033	32,033	32,033	32,233	33,500	34,000	34,000	34,000	34,000
Maximum Salary	45,316	45,416	45,416	46,778	49,729	52,829	55,279	55,870	56,429	56,429
Average Salary	40,376	39,795	39,712	42,596	43,183	45,986	46,640	43,612	43,871	43,681
Number of Teachers	14	13	14	12	12	13	15	16	15	14
<b>Total Certified Personnel</b>	<b>812</b>	<b>782</b>	<b>759</b>	<b>813</b>	<b>845</b>	<b>891</b>	<b>916</b>	<b>960</b>	<b>998</b>	<b>953</b>
<b>Support Personnel</b>										
Number of Support	575	583	591	602	617	660	712	769	785	753
<b>Administrative Personnel</b>										
Number of Administrators	53	57	49	64	64	72	72	71	72	71

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

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

Source: District records



## Union Public Schools - Statistical Section Year Ended June 30, 2011

### Operating Statistics Last Ten Fiscal Years

Fiscal Year Ended June 30,	Average Daily Membership (ADM) <sup>a</sup>	Operating Expenditures <sup>b</sup>	Cost Per Pupil <sup>c</sup>	Percentage Change	Teaching Staff <sup>d</sup>	Pupil/ Teacher Ratio	Number of Graduates <sup>e</sup>
2002	13,239	74,528,675	5,629	N/A	812	16:1	751
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

<sup>a</sup>Final audited average daily membership (ADM) obtained from the Oklahoma State Department of Education.

<sup>b</sup>Operating 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.

<sup>c</sup>Cost per pupil is calculated by dividing operating expenditures by the final audited average daily membership (ADM) certified by the Oklahoma State Department of Education.

<sup>d</sup>Teaching staff includes all certified personnel whose pay is based on the Union Classroom Teacher's Association (UCTA) Master Contract.

<sup>e</sup>Number of graduates obtained from District records maintained by the Union High School Registrar.

**Union Public Schools - Statistical Section**  
**Year Ended June 30, 2011**

**Support Services Statistics**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Average Daily Membership (ADM) <sup>a</sup>	Child Nutrition				Transportation		
		Free and Reduced Count <sup>b</sup>	Free and Reduced Percentage	Number of Breakfasts Served <sup>b</sup>	Number of Lunches Served <sup>b</sup>	Number of Buses Operated <sup>b</sup>	Estimated Number of Miles Driven <sup>b</sup>	Average Daily Haul (ADH) <sup>a</sup>
2002	13,239	2,368	17.89%	129,832	1,886,765	94	838,816	8,034
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

<sup>a</sup>Final audited average daily membership (ADM) and average daily haul (ADH) obtained from the Oklahoma State Department of Education

<sup>b</sup>Obtained from District records

**Union Public Schools - Statistical Section**  
**Year Ended June 30, 2011**

**School Building Information**  
**Last Ten Fiscal Years**

District Building	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	517	519	531	530	567	549	505	475	477	458
Percentage of Capacity Used	86.17%	86.50%	88.50%	88.33%	94.50%	91.50%	84.17%	79.17%	79.50%	76.33%
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	599	604	659	682	656	426	442	481	552	562
Percentage of Capacity Used	99.83%	100.67%	109.83%	113.67%	109.33%	71.00%	73.67%	80.17%	92.00%	93.67%
Briarglen Elementary (1971)										
Square Feet	61,349	61,349	61,349	61,349	61,349	61,349	61,349	61,349	61,349	61,349
Capacity (students)	600	600	600	600	600	600	600	600	600	600
Enrollment	596	579	625	615	576	576	589	538	542	541
Percentage of Capacity Used	99.33%	96.50%	104.17%	102.50%	96.00%	96.00%	98.17%	89.67%	90.33%	90.17%
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	598	600	580	554	529	545	566	591	564	551
Percentage of Capacity Used	99.67%	100.00%	96.67%	92.33%	88.17%	90.83%	94.33%	98.50%	94.00%	91.83%
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	590	645	557	615	659	702	776	556	604	603
Percentage of Capacity Used	98.33%	107.50%	92.83%	102.50%	109.83%	117.00%	129.33%	92.67%	100.67%	100.50%
Darnaby Elementary (1979)										
Square Feet	73,458	73,458	73,458	73,458	73,458	73,458	73,458	73,458	73,458	73,458
Capacity (students)	600	600	600	600	600	600	600	600	600	600
Enrollment	543	514	490	538	488	564	538	571	572	533
Percentage of Capacity Used	90.50%	85.67%	81.67%	89.67%	81.33%	94.00%	89.67%	95.17%	95.33%	88.83%
Grove Elementary (1974) <sup>a</sup>										
Square Feet	60,777	60,777	60,777	60,777	60,777	60,777	60,777	60,777	60,777	60,777
Capacity (students)	600	600	600	600	600	600	600	600	600	600
Enrollment	563	575	612	615	600	590	621	575	628	606
Percentage of Capacity Used	93.83%	95.83%	102.00%	102.50%	100.00%	98.33%	103.50%	95.83%	104.67%	101.00%

**Union Public Schools - Statistical Section**  
**Year Ended June 30, 2011**

**School Building Information**  
**Last Ten Fiscal Years**

District Building	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Jarman Elementary (1991)										
Square Feet	68,592	68,592	68,592	68,592	68,592	68,592	68,592	68,592	68,592	68,592
Capacity (students)	600	600	600	600	600	600	600	600	600	600
Enrollment	607	590	608	639	607	603	606	559	520	556
Percentage of Capacity Used	101.17%	98.33%	101.33%	106.50%	101.17%	100.50%	101.00%	93.17%	86.67%	92.67%
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	654	656	754	634	710	607	630	518	557	630
Percentage of Capacity Used	109.00%	109.33%	125.67%	105.67%	118.33%	101.17%	105.00%	86.33%	92.83%	105.00%
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	576	626	649	652	654	578	596	470	488	506
Percentage of Capacity Used	96.00%	104.33%	108.17%	108.67%	109.00%	96.33%	99.33%	78.33%	81.33%	84.33%
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	626	659	577	602	615	584	587	574	567	543
Percentage of Capacity Used	104.33%	109.83%	96.17%	100.33%	102.50%	97.33%	97.83%	95.67%	94.50%	90.50%
Rosa Parks (2006)										
Square Feet	-	-	-	-	-	-	71,300	71,300	71,300	71,300
Capacity (students)	-	-	-	-	-	-	600	600	600	600
Enrollment	-	-	-	-	-	-	479	612	621	607
Percentage of Capacity Used	-	-	-	-	-	-	79.83%	102.00%	103.50%	101.17%
Thomas Jefferson (2008) <sup>b</sup>										
Square Feet	-	-	-	-	-	-	72,000	69,356	69,356	69,356
Capacity (students)	-	-	-	-	-	-	600	600	600	600
Enrollment	-	-	-	-	-	-	-	473	515	535
Percentage of Capacity Used	-	-	-	-	-	-	0.00%	78.83%	85.83%	89.17%
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	2,099	2,103	2,152	2,194	2,156	2,210	2,137	2,121	2,248	2,240
Percentage of Capacity Used	95.41%	95.59%	97.82%	99.73%	98.00%	100.45%	97.14%	96.41%	102.18%	101.82%

## Union Public Schools - Statistical Section Year Ended June 30, 2011

### School Building Information Last Ten Fiscal Years

District Building	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>8th Grade Center (1982)</b>										
Square Feet	139,845	139,845	139,845	139,845	165,620	165,620	165,620	165,620	165,620	165,620
Capacity (students)	1,100	1,100	1,100	1,100	1,300	1,300	1,300	1,300	1,300	1,300
Enrollment	1,009	1,018	1,059	1,091	1,132	1,109	1,139	1,137	1,054	1,101
Percentage of Capacity Used	91.73%	92.55%	96.27%	99.18%	87.08%	85.31%	87.62%	87.46%	81.08%	84.69%
<b>Intermediate High School (1987)<sup>c</sup></b>										
Square Feet	432,564	432,564	432,564	432,564	432,564	432,564	432,564	432,564	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	2,011	2,007	2,108	2,156	2,220	2,308	2,264	2,325	2,343	2,213
Percentage of Capacity Used	91.41%	91.23%	95.82%	98.00%	100.91%	104.91%	102.91%	105.68%	106.50%	100.59%
<b>Senior High School (1972)</b>										
Square Feet	473,149	473,149	473,149	473,149	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	1,727	1,822	1,858	1,852	1,932	1,937	2,044	2,082	2,163	2,146
Percentage of Capacity Used	78.50%	82.82%	84.45%	84.18%	87.82%	88.05%	92.91%	94.64%	98.32%	97.55%
<b>Other:</b>										
<b>Education Service Center (1979)</b>										
Square Feet	104,915	104,915	104,915	104,915	104,915	104,915	104,915	104,915	104,915	104,915
<b>Extended Education Building (1996)</b>										
Square Feet	12,948	12,948	12,948	12,948	12,948	12,948	12,948	12,948	12,948	12,948
<b>Linde Building/New Education Service Center (2005)</b>										
Square Feet					63,000	63,000	63,000	63,000	63,000	63,000
<b>Union Multipurpose Activity Center (2003)</b>										
Square Feet			150,400	150,400	150,400	150,400	150,400	150,400	150,400	150,400
<b>Rosa Parks Early Childhood Center (2008)<sup>d</sup></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 classroom space.

<sup>a</sup>Grove remodel in progress as of June 30, 2011

<sup>b</sup>Construction in progress as of June 30, 2008; actual square footage noted in 2009

<sup>c</sup>Baseball/Softball complex opened in Spring 2010

<sup>d</sup>Building 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, 2011**

**Insurance Schedule  
June 30, 2011**

Effective 7/1/2010 - 6/30/2011	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	
<b>Effective 8/16/2007 - 6/30/2011</b>		
Medical Professional Liability (6)	1,000,000 single occurrence 2,000,000 aggregate	10,000
<b>Effective 7/1/2004 - 6/30/2011</b>		
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, 2010.

Source: International Insurance Brokers

# UNION PUBLIC SCHOOLS

## Single Audit Reports

June 30, 2011



UNION PUBLIC SCHOOLS

June 30, 2011

SINGLE AUDIT REPORTS

Independent Auditors’ Report on Compliance and Other Matters and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*..... 1

Independent Auditors’ Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on 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 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

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") as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 6, 2011. Our report contained an explanatory paragraph describing the District's adoption of GASB Statement No. 54 in the year ended June 30, 2011. 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be considered deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control 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 compliance with certain provisions of laws, regulations, contracts, and grants, 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*.

However, the results of our procedures identified certain immaterial instances of noncompliance that we have reported to the management of the District in a separate letter.

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, 2011

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

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 are applicable to its major federal programs for the year ended June 30, 2011. 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 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 each 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, 2011.

### Internal Control Over Compliance

The 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 the 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 the 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, business-type activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2011, and have issued our report thereon dated December 6, 2011. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. 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 has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

UNION PUBLIC SCHOOLS - INDEPENDENT SCHOOL DISTRICT NO. 9

For The Year Ended June 30, 2011

	<u>Federal CFDA#</u>	<u>Grantor's Number</u>	<u>Program or Award Amount</u>	<u>Expenditures</u>
Passed through State Department of Education				
Child Nutrition Cluster				
National School Lunch program	10.555	385	\$ 2,710,333	\$ 2,710,333
National School breakfast program	10.553	385	969,828	969,828
Summer Food Service Program	10.559	766	64,192	64,192
Child & Adult Care Food Program	10.558	769	1,546	1,546
Fresh Fruit/Vegetable Program	10.582	768	176,637	169,945
Total Child Nutrition Cluster			3,922,536	3,915,844
Special Education Cluster				
Project ECCO	84.027	615	2,500	749
IDEA Flow Thru	84.027	621	2,559,338	2,279,135
IDEA Flow Thru - ARRA 2010	84.391A	622	1,569,180	1,446,478
IDEA Flow Thru - ARRA RTI	84.391A	624	339,400	332,937
Early Intervening - Private School	84.027A	625	3,372	3,372
IDEA - Preschool	84.173	641	49,998	36,097
IDEA - Preschool -ARRA 2009	84.393	643	70,566	51,393
Total Special Education Cluster			4,594,354	4,150,161
Grants to Local Educational Agencies - Title I	84.010	511	1,863,404	1,857,976
Title I - Excess Carryover	84.010	512	316,555	316,555
Title I - School Improvement	84.010	515	83,647	149,244
Title I - ARRA	84.389A	516	634,433	544,916
Improving Teacher Quality State Grants - Title II, Part A	84.367	541	385,239	286,633
Education Technology Grants to States - Title II, Part D	84.318	546	4,655	7,639

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS--Continued  
 UNION PUBLIC SCHOOLS - INDEPENDENT SCHOOL DISTRICT NO. 9  
 For The Year Ended June 30, 2011

	<u>CFDA#</u>	<u>Number</u>	<u>Award Amount</u>	<u>Expenditures</u>
	Federal CFDA#	Grantor's Number	Program or Award Amount	Expenditures
Education Technology Grants to States - Title II, Part D 25% Professional Development	84.318	548	1,552	3,745
Title III Immigrant	84.365	572	178,190	160,137
Title X Part C, Homeless	84.196	596	-	21,832
Indian Education Assistance to Schools - Johnson O'Malley	15.130	563	38,000	20,563
Indian Education Grants to Local Educational Agencies - Title VII	84.060	561	295,838	307,601
Title X Part C, Homeless ARRA	84.387A	597	120,460	79,060
State Personnel Development	84.323A	651	19,164	15,660
Early Head Start	93.600	691	381,486	378,748
Adult Education State Grant Program - English Literature/Civics	84.002	732	150,000	181,764
Adult Education State Grant Program	84.002	731	324,542	330,682
Foundation and Salary Incentive Aid - ARRA	84.394	782	3,129,658	3,129,658
ARRA, Textbook	84.397	787	271,214	271,214
Education JOBS Fund	84.410	790	2,618,643	2,455,347
Total Other Cluster			<u>10,816,680</u>	<u>10,518,974</u>
Total Passed through State Department of Education			<u>19,333,570</u>	<u>18,584,979</u>
Passed through State Department of Vocational Education				
Vocational Education Basic Grants to States - Carl Perkins - Title I	84.048	421	115,691	115,691
Passed through State Department of Human Services				
Temporary Assistance for Needy Families (TANF)	93.558	735	357,000	360,182
<b>TOTAL FEDERAL ASSISTANCE</b>			<u>\$ 19,806,261</u>	<u>\$ 19,060,852</u>



## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

### UNION PUBLIC SCHOOLS

Year Ended June 30, 2011

#### 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, 2011, the District did not provide any Federal awards to subrecipients.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

UNION PUBLIC SCHOOLS

Year Ended June 30, 2011

**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, 84.027A, 84.173, 84.391A, 84.393
Grants to Local Educational Agencies - Title I	84.010, 84.389A
Early Head Start	96.600
Education JOBS Fund	84.410
Stabilization Funds	84.394, 84.397
Title X Part C, Cluster	84.196, 84.387A

Dollar threshold used to distinguish between type A and type B programs: \$571,826

Auditee qualified as low-risk auditee?  yes  no

SCHEDULE OF FINDINGS AND QUESTIONED COSTS--Continued

UNION PUBLIC SCHOOLS

Year Ended June 30, 2011

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

None to report for the period ended June 30, 2011.

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

None to report for the period ended June 30, 2011.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

UNION PUBLIC SCHOOLS

Year Ended June 30, 2011

None to report.