

**CLARK PUBLIC
SCHOOL DISTRICT**

**Clark Public School District
Clark, New Jersey**

**Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2013**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

Clark Public School District

Clark, New Jersey

For The Fiscal Year Ended June 30, 2013

Prepared by

**Clark Public School District
Finance Department**

**CLARK PUBLIC SCHOOL DISTRICT
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INTRODUCTORY SECTION



Clark Public Schools

365 Westfield Avenue • Clark, New Jersey 07066

David A. Oliveira
Business Administrator/Board Secretary

Tel: (732)574-9600 x3354
Fax: (732)574-1456
Email: doliveira@clarkschools.org

September 24, 2013

Honorable President and
Members of the Board of Education
Clark Board of Education
County of Union, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Clark School District (“District”) for the fiscal year ended June 30, 2013 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Clark Board of Education (“Board”). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operation of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District’s financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District’s organizational chart, a roster of principal officials and a list of consultants and advisors. The financial section includes the district-wide and fund financial statements and schedules, as well as the auditor’s report and the Management’s Discussion and Analysis. The statistical section includes selected financial statements and schedules as well as information generally presented on a multi-year basis.

The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, the U.S. Office of Management and Budget (“OMB”) Circular A-133, Audits of States, Local Governments and non-Profit Organizations, and the State Treasury OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid Payments. Information related to this single audit, including the auditor’s report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

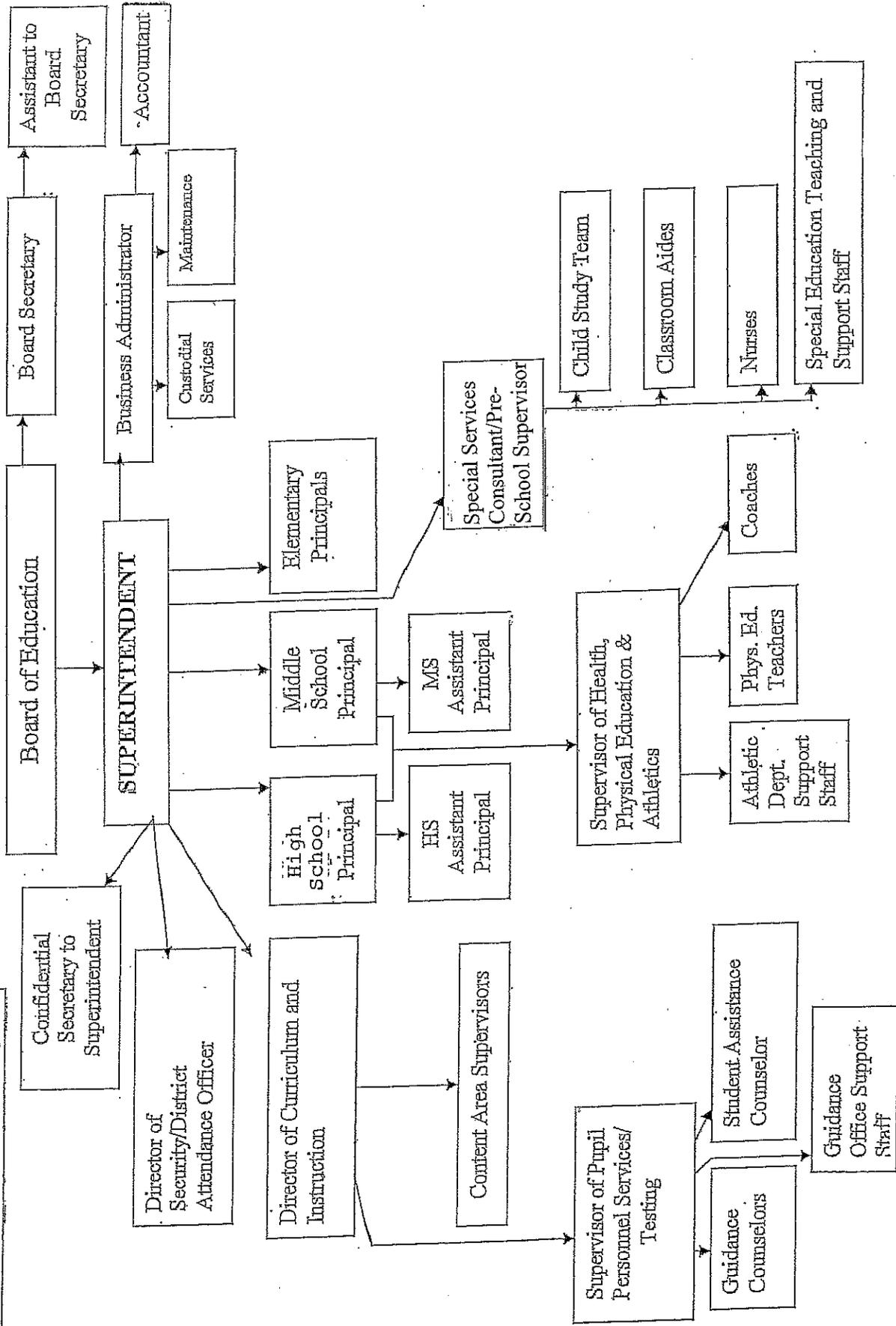
Respectfully submitted,

Kenneth J. Knops
Superintendent of Schools

David A. Oliveira
Business Administrator/Board Secretary

CLARK PUBLIC SCHOOLS
Clark, New Jersey

Organizational Chart-2012-2013 School Year



Approved: June 30, 2010
Effective: June 30, 2010

**CLARK BOARD OF EDUCATION
ROSTER OF OFFICIALS
JUNE 30, 2013**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Lorraine j. Aklonis, President	2013
Michael Bonaccorso	2014
Carmen Brocato	2014
Laura Caliguire	2014
Jill Curran	2015
Christine Guerriero, Garwood Representative	2014
Thomas Lewis, Vice President	2013
Sheri Sandler	2013
Robert Smorol	2015
Henry R. Varriano	2015

Other Officials

Kenneth J. Knops, Superintendent of Schools

David A. Oliveira, Business Administrator/Board Secretary

Edward Grande, Director of Curriculum & Instruction

Marie Sarosy, Special Services Consultant

Thomas M. Angelo, Treasurer of School Monies

fm: 8/26/13

**CLARK PUBLIC SCHOOL DISTRICT
CONSULTANTS AND ADVISORS**

Audit Firm

Lerch, Vinci & Higgins, LLP
17-17 Route 208
Fair Lawn, NJ 07410

Attorney

Weiner Lesniak, LLP
Attorneys at Law
629 Parsippany Road
PO Box 0438
Parsippany, NJ 07054

Official Depositories

Columbia Bank
1100 Raritan Road
Clark, NJ 07066

Heath Insurance Broker

Brown & Brown Benefit Advisors
1129 Broad Street, Suite 101
Shrewsbury, NJ 07702

Risk Insurance Broker

The Barclay Group
202 Broad Street
PO Box 244
Riverton, NJ 08077

Architect

James P. Nicholas AIA, LEED AP
28 Mason Drive
Princeton, NJ 08540

FINANCIAL SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
DONNA L. JAPHET, CPA, PSA
JULIUS B. CONSONI, CPA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ANDREW PARENTE, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, PSA
DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
EDWARD N. KERE, CPA
LORI T. MANUKIAN, CPA, PSA
MARK SACO, CPA

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Clark Public School District
Clark, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Clark Public School District as of and for the fiscal year ended June 30, 2013 and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to previously 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 Clark Public School District as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clark Public School District's basic financial statements. The introductory section, combining fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards as required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Clark Public School District.

The combining fund financial statements, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements, schedules of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated September 24, 2013 on our consideration of the Clark Public School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Clark Public School District's internal control over financial reporting and compliance.

LERCH, VINCI & HIGGINS, LLP

LERCH, VINCI & HIGGINS, LLP

Certified Public Accountants

Public School Accountants



Jeffrey C. Bliss

Public School Accountant

PSA Number CS00932

Fair Lawn, New Jersey
September 24, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

CLARK PUBLIC SCHOOL DISTRICT

Management Discussion and Analysis

Fiscal Year Ended June 30, 2013

This section of the Clark Public School District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2013. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. Certain comparative information between the current year (2012-2013) and the prior year (2011-2012) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2012-2013 fiscal year include the following:

- The assets and deferred outflows of resources of the Clark Public School District exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$20,712,803 (Net Position).
- Overall District revenues were \$38,442,810 and were \$37,397 more than overall District expenses of \$38,405,413. General revenues accounted for \$29,222,240 or 76% of all revenues. Program specific revenues in the form of charges for services, grants and contributions account for \$9,220,570 or 24% of total revenues.
- The School District had \$37,435,516 in expenses for governmental activities; only \$8,169,074 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$29,222,240 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$2,602,656. Of that amount, \$441,671(17%) is available for spending at the District's discretion (unassigned fund balance).
- The General Fund unassigned fund balance was \$441,671 at June 30, 2013, a decrease of \$33,654 when compared with the beginning unassigned fund balance at July 1, 2012 of \$475,325.
- The General Fund unassigned budgetary basis fund balance at June 30, 2013 was \$627,985, which represents an increase of \$11,419 compared to the ending budgetary basis fund balance at June 30, 2012 of \$616,566.

CLARK PUBLIC SCHOOL DISTRICT

Management Discussion and Analysis

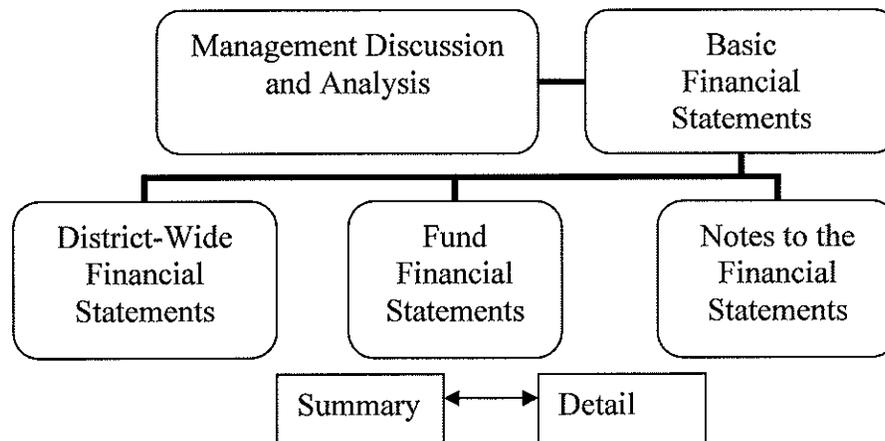
Fiscal Year Ended June 30, 2013

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts – Independent Auditor’s Report, required supplementary information which includes the management’s discussion and analysis (this section), the basic financial statements, and supplemental information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *district wide financial statements* that provide both *short-term* and *long-term* information about the District’s *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual* parts of the District, reporting the District’s operations in *more detail* than the district-wide statements.
- The *governmental funds statements* tell how basic services were financed in the *short term* as well as what remains for future spending
- *Proprietary funds statements* offer *short-term* and *long-term* financial information about the activities the district operated like *businesses*.
- *Fiduciary funds statements* provide information about the financial relationships in which the District acts solely as a *trustee* or *agent* for the benefit of others to whom the resources belong.

The financial statements also include *notes* that explain some of the information in the statements and provide more detailed data. The Figure below shows how the various parts of this annual report are arranged and related to one another.



CLARK PUBLIC SCHOOL DISTRICT

Management Discussion and Analysis

Fiscal Year Ended June 30, 2013

The following table summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as instruction; building maintenance, transportation, and administration.	Activities the district operates similar to private businesses; food service.	Instances in which the district administers resources on behalf of someone else, such as scholarship, donations, student activities, and payroll deductions.
Required Financial Statements	Statements of Net Position Statement of Activities	Balance Sheet Statement of Revenue Expenditures and changes in Fund Balances	Statement of Net Position Statement of Revenues, Expenses and changes in Fund Net Position Statement of Cash Flows	Statements of Fiduciary Net Position Statement of changes in Fiduciary Net Position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets, liabilities and deferred outflows/inflows of resources, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, liabilities and deferred outflows/inflows of resources, both financial and capital, short-term and long-term	All assets and liabilities both short and long-term funds do not currently contain capital assets although they can
Type of Inflow/Outflow Information	All revenues and expenses during the year, regardless of when cash is received and the related liability is due and payable	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.	All additions and dedications during the year, regardless of when cash is received or paid.

CLARK PUBLIC SCHOOL DISTRICT

Management Discussion and Analysis

Fiscal Year Ended June 30, 2013

District-wide Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes *all* of the district's assets, liabilities and deferred outflows/inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the Districts *net position* and how they have changed. Net position – the difference between the District's assets/deferred outflows and liabilities/deferred inflows – is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position is an indicator of whether its financial condition is improving or deteriorating, respectively.
- To assess the overall health of the District you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the District-wide financial statement's the District's activities are shown in two categories:

- *Governmental activities* – Most of the District's basic services are included here, such as regular and special education, transportation, administration, and community education. Property taxes and State and Federal aids finance most of these activities.
- *Business-type activities* – The District charges fees to customers to help it cover the costs of certain services it provides. The District's Food Service and Before and After School child care programs are included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's *funds* – focusing on its most significant or “major” funds – not the district as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The District uses other funds, established in accordance with the State of New Jersey Uniform Chart of Accounts, to control and manage money for particular purposes (e.g. repaying its long-term debts) or to show that it is properly using certain revenues (e.g. Federal funds).

CLARK PUBLIC SCHOOL DISTRICT

Management Discussion and Analysis

Fiscal Year Ended June 30, 2013

The District has three kinds of funds:

- *Governmental funds* – Most of the District’s basic services are included in governmental funds, which generally focus on (1) how *cash and other financial resources* that can readily be converted to cash, flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District’s programs. Because this information does not encompass the additional long-term focus of the District-wide statements, we provide additional information at the bottom of the governmental funds statements that explain the relationship (or differences) between them.
- *Proprietary funds* – Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide statements.
 - *Enterprise Funds* – These funds are established to account for operations that are financed and operated in a manner similar to private business enterprises. The state intent is that costs of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges. The District currently has two enterprise funds for its food service operations and its before and after school child care programs.
- *Fiduciary funds* – The District is the trustee, or *fiduciary*, for assets that belong to others such as scholarship funds, donations for a science observatory, contributions for various organizations, payroll agency funds, and student activity funds. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District’s fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the District’s government-wide financial statements because the District cannot use these assets to finance its operations.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found following the financial statements.

CLARK PUBLIC SCHOOL DISTRICT

Management Discussion and Analysis

Fiscal Year Ended June 30, 2013

Other Information

In addition to the financial statements and accompanying notes, which together comprise the basic financial statements, this report also presents certain *required supplementary information* concerning the District's budget process. The District adopts an annual expenditure budget for the general, special revenue and debt service funds. Budgetary comparison statements have been provided for the general and special revenue funds as required supplementary information. The required supplementary information can be found following the notes to the financial statements.

Combining statements and schedules are presented immediately following the major budgetary comparisons.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The district's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

The following provides a summary of the school district's net position for 2013 and 2012.

Net Position. The District's *combined* net position were \$20,712,803 on June 30, 2013 and \$20,675,406 on June 30, 2012.

CLARK PUBLIC SCHOOL DISTRICT

Management Discussion and Analysis

Fiscal Year Ended June 30, 2013

Net Position as of June 30, 2013 and 2012

	Governmental Types		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Assets						
Current and other assets	\$ 3,502,114	\$ 2,763,498	\$ 176,180	\$ 71,816	\$ 3,678,294	\$ 2,835,314
Capital assets, net	<u>34,557,063</u>	<u>35,680,066</u>	<u>9,368</u>	<u>10,365</u>	<u>34,566,431</u>	<u>35,690,431</u>
Total Assets	<u>38,059,177</u>	<u>38,443,564</u>	<u>185,548</u>	<u>82,181</u>	<u>38,244,725</u>	<u>38,525,745</u>
Deferred Outflows of Resources	<u>1,227,117</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,227,117</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>39,286,294</u>	<u>38,443,564</u>	<u>185,548</u>	<u>82,181</u>	<u>39,471,842</u>	<u>38,525,745</u>
Liabilities						
Non-Current liabilities	17,922,972	17,002,300			17,922,972	17,002,300
Other liabilities	<u>821,541</u>	<u>815,281</u>	<u>14,508</u>	<u>31,803</u>	<u>836,049</u>	<u>847,084</u>
Total Liabilities	<u>18,744,513</u>	<u>17,817,581</u>	<u>14,508</u>	<u>31,803</u>	<u>18,759,021</u>	<u>17,849,384</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>18</u>	<u>955</u>	<u>18</u>	<u>955</u>
Total Liabilities and Deferred Inflows of Resources	<u>18,744,513</u>	<u>17,817,581</u>	<u>14,526</u>	<u>32,758</u>	<u>18,759,039</u>	<u>17,850,339</u>
Net Position						
Net Investment in capital assets	18,535,021	19,589,306	9,368	10,365	18,544,389	19,599,671
Restricted	382,500	362,010			382,500	362,010
Unrestricted	<u>1,624,260</u>	<u>674,667</u>	<u>161,654</u>	<u>39,058</u>	<u>1,785,914</u>	<u>713,725</u>
Total Net Position	<u>\$ 20,541,781</u>	<u>\$ 20,625,983</u>	<u>\$ 171,022</u>	<u>\$ 49,423</u>	<u>\$ 20,712,803</u>	<u>\$ 20,675,406</u>

CLARK PUBLIC SCHOOL DISTRICT

Management Discussion and Analysis

Fiscal Year Ended June 30, 2013

By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment); less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following shows changes in net position for fiscal years 2013 and 2012.

Change in Net Position For the Fiscal Years Ended June 30, 2013 and 2012

	Governmental Types		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues						
Program Revenues						
Charges for Services	\$ 2,713,463	\$ 2,505,052	\$ 939,611	\$ 855,286	\$ 3,653,074	\$ 3,360,338
Operating Grants and Contributions	5,455,611	4,690,598	111,885	137,181	5,567,496	4,827,779
Capital Grants and Contributions		31,545			-	31,545
General Revenues						
Property Taxes	29,027,849	28,809,044			29,027,849	28,809,044
State and Federal Aid	27,796	28,630			27,796	28,630
Other	166,595	107,991	-	-	166,595	107,991
Total Revenues	37,391,314	36,172,860	1,051,496	992,467	38,442,810	37,165,327
Program Expenses						
Instruction						
Regular	17,902,025	17,411,882			17,902,025	17,411,882
Special Education	4,647,130	4,204,766			4,647,130	4,204,766
Other Instruction	752,665	655,131			752,665	655,131
School Sponsored Activities and Athletics	865,920	965,481			865,920	965,481
Support Services						
Student and Instruction Related	5,218,949	5,394,922			5,218,949	5,394,922
General Administration	947,143	1,155,219			947,143	1,155,219
School Administration	1,969,532	1,653,477			1,969,532	1,653,477
Central and Other Support Services	629,245	573,788			629,245	573,788
Plant Operations and Maintenance	2,918,305	3,160,128			2,918,305	3,160,128
Pupil Transportation	942,558	859,168			942,558	859,168
Interest on Debt	642,044	697,192			642,044	697,192
Food Service			649,233	658,295	649,233	658,295
Before and After School Program	-	-	320,664	274,635	320,664	274,635
Total Expenses	37,435,516	36,731,154	969,897	932,930	38,405,413	37,664,084
Change in Net Position before Transfers	(44,202)	(558,294)	81,599	59,537	37,397	(498,757)
Transfers	(40,000)	(26,000)	40,000	26,000	-	-
Change in Net Position	(84,202)	(584,294)	121,599	85,537	37,397	(498,757)
Net Position, Beginning of Year	20,625,983	21,210,277	49,423	(36,114)	20,675,406	21,174,163
Net Position, End of Year	\$ 20,541,781	\$ 20,625,983	\$ 171,022	\$ 49,423	\$ 20,712,803	\$ 20,675,406

CLARK PUBLIC SCHOOL DISTRICT

Management Discussion and Analysis

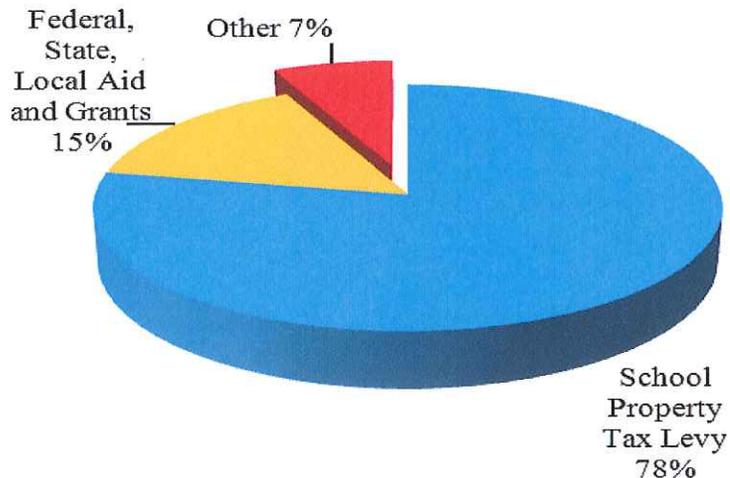
Fiscal Year Ended June 30, 2013

Governmental Activities. The District's total governmental activities' revenues, which includes State and Federal grants, were \$37,391,314 for the year ended June 30, 2013, property taxes of \$29,027,849 represented 78% of revenues. Another significant portion of revenues came from State aid; total State, Federal and Local Aid and Grants were \$5,483,407 and represented 15% of revenues. In addition, revenue in the amount of \$2,880,058 (7%) was earned from tuition, transportation fees and miscellaneous income which includes items such as interest, prior year refunds and other miscellaneous items.

The total cost of all governmental activities programs and services was \$37,435,516. The district's expenses are predominantly related to educating and caring for students. Instruction totaled \$24,167,740 (65%) of total expenses. Support services, total \$12,625,732 (34%) of total expenses. The remaining expenses were for interest costs on long-term debt outstanding in the amount of \$642,044 (1%).

Total governmental activities expenses and transfers exceeded revenues, decreasing net position by \$84,202 from the previous year.

Revenues by Type – Governmental Activities
For Fiscal Year 2013

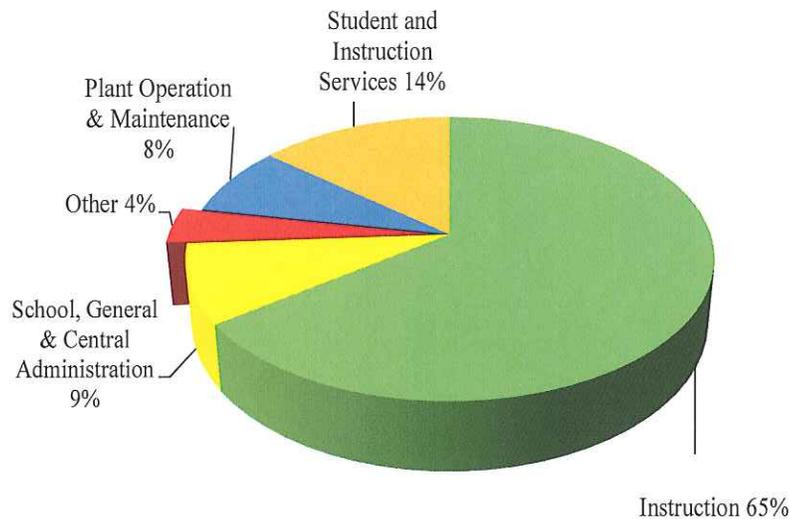


CLARK PUBLIC SCHOOL DISTRICT

Management Discussion and Analysis

Fiscal Year Ended June 30, 2013

Expenditures by Type – Governmental Activities For Fiscal Year 2013



Net Cost of Governmental Activities. The District's total cost of services was \$37,435,516. After applying program revenues, derived from operating grants and contributions of \$5,455,611 and charges for services of \$2,713,463, the net cost of services of the District is \$29,266,442.

	Total Cost of Services		Net Cost of Services	
	2013	2012	2013	2012
Instruction				
Regular	\$ 17,902,025	\$ 17,411,882	\$ 13,476,013	\$ 13,499,299
Special Education	4,647,130	4,204,766	2,513,879	2,323,215
Other Instruction	752,665	655,131	569,956	509,155
School Sponsored Activities and Athletics	865,920	965,481	865,920	937,809
Support services				
Student and Instruction Related	5,218,949	5,394,922	4,296,161	4,452,502
General Administration	947,143	1,155,219	947,143	1,155,219
School Administration	1,969,532	1,653,477	1,779,520	1,513,721
Central and Other Support Services	629,245	573,788	629,245	573,788
Plant Operations and Maintenance	2,918,305	3,160,128	2,887,794	3,160,128
Pupil Transportation	942,558	859,168	676,356	705,088
Interest on debt	642,044	697,192	624,455	674,035
Total Expenses	\$ 37,435,516	\$ 36,731,154	\$ 29,266,442	\$ 29,503,959

CLARK PUBLIC SCHOOL DISTRICT

Management Discussion and Analysis

Fiscal Year Ended June 30, 2013

Business-Type Activities

The cost of Business-Type Activities for the fiscal year ended June 30, 2013 was \$969,897. Food service costs were \$649,233 (67%) and before and after school child care costs were \$320,664 (33%). These costs were funded by revenue from charges for services of \$939,611 (89%) and operating grants of \$111,885 (11%), as detailed in the change in net position schedule. Revenues from food service charges for services were \$498,124 (53%) and before and after school child care charges for services were \$441,487 (47%).

Total business-type activities revenues and transfers surpassed expenses, increasing net position by \$121,599 over the previous year. The net position of the Food Service Enterprise Fund was \$75 and the net position of the Before and After School child care Enterprise Fund was \$170,947.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a *combined* fund balance of \$2,602,656 at June 30, 2013 compared to a combined fund balance of \$1,709,846 at June 30, 2012.

Revenues for the District's governmental funds were \$37,394,314, while total expenditures were \$38,582,553.

GENERAL FUND

The General fund includes the primary operations of the District in providing educational services to students from Pre-Kindergarten through Grade 12 including pupil transportation, extra-curricular activities and capital outlay projects.

The following schedule presents a summary of General Fund Revenues for the fiscal years ended June 30, 2013 and 2012.

<u>Revenue</u>	<u>Amount</u>		<u>Amount of Increase (Decrease)</u>	<u>Percent Change</u>
	<u>2013</u>	<u>2012</u>		
Local Sources				
Property Tax Levy	\$ 27,490,840	\$ 27,283,102	\$ 207,738	1%
Miscellaneous	2,883,058	2,479,331	403,727	16%
State Sources	4,307,372	3,443,918	863,454	25%
Federal Sources	-	58,595	(58,595)	-100%
Total	<u>\$ 34,681,270</u>	<u>\$ 33,264,946</u>	<u>\$ 1,416,324</u>	4%

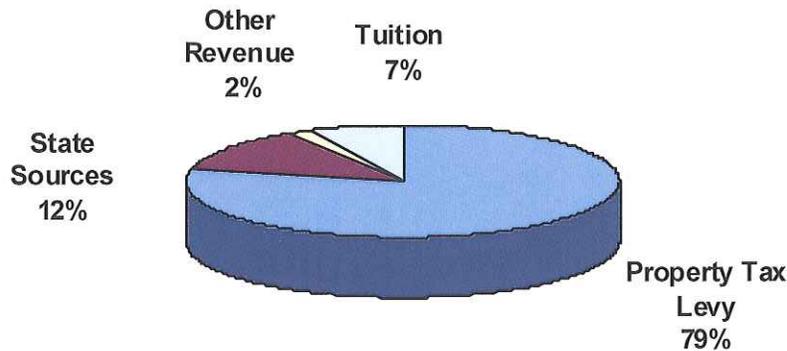
CLARK PUBLIC SCHOOL DISTRICT

Management Discussion and Analysis

Fiscal Year Ended June 30, 2013

The majority of revenues come from property taxes which accounted for 79% of total revenue while state sources represented 12% of total revenue for the 2013 fiscal year. Miscellaneous revenues primarily tuition received from Garwood represented 9% of the total revenue for the 2013 fiscal year.

General Fund Revenues by Source For Fiscal Year 2013



The following schedule presents a summary of General Fund expenditures for the fiscal years ended June 30, 2013 and 2012.

<u>Expenditures</u>	<u>Amount</u>		<u>Amount of Increase (Decrease)</u>	<u>Percent Change</u>
	<u>2013</u>	<u>2012</u>		
Current:				
Instruction	\$ 21,660,784	\$ 20,504,558	\$ 1,156,226	6%
Support Services	11,771,729	12,038,036	(266,307)	-2%
Debt Service	140,137		140,137	100%
Capital Outlay	886,103	167,050	719,053	430%
Total	<u>\$ 34,458,753</u>	<u>\$ 32,709,644</u>	<u>\$ 1,749,109</u>	5%

Total General Fund expenditures increased \$1,749,109 or 5% from the previous year. Instruction represented 63% of total expenditures while support services accounted for 34% and capital outlay accounted for less than 3% of total expenditures for the 2013 fiscal year.

CLARK PUBLIC SCHOOL DISTRICT

Management Discussion and Analysis

Fiscal Year Ended June 30, 2013

For the 2012-2013 school year General Fund revenues and other financing sources exceeded expenditures and other financing uses by \$872,320. After adjusting for restricted, committed and assigned fund balances, the unassigned fund balance decreased from \$475,325 at June 30, 2012 to \$441,671 at June 30, 2013. In addition, the district ended the year with \$1,257,002 of excess surplus of which \$342,846 was designated for the subsequent year's budget (2013/2014). The remaining excess surplus balance of \$914,156 will be appropriated in the 2014/2015 school year budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At the end of fiscal years 2013 and 2012, the school district had invested in land, buildings, furniture, machinery and equipment as follows:

Capital Assets As of June 30, 2013 and 2012

	Governmental		Business-Type		Total	
	Activities		Activities			
	2013	2012	2013	2012	2013	2012
Land	\$ 1,808,965	\$ 1,808,965			\$ 1,808,965	\$ 1,808,965
Construction In Progress	22,739				22,739	-
Land Improvements	2,434,113	2,288,161			2,434,113	2,288,161
Buildings and Improvements	45,090,824	45,236,776			45,090,824	45,236,776
Machinery and Equipment	2,397,445	1,534,081	\$ 242,101	\$ 242,101	2,639,546	1,776,182
	51,754,086	50,867,983	242,101	242,101	51,996,187	51,110,084
Less Depreciation	(17,197,023)	(15,025,677)	(232,733)	(231,736)	(17,429,756)	(15,257,413)
Total Capital Assets, Net of Depreciation	\$ 34,557,063	\$ 35,842,306	\$ 9,368	\$ 10,365	\$ 34,566,431	\$ 35,852,671

Additional information on the District's capital assets is presented in Note 3 of this report.

CLARK PUBLIC SCHOOL DISTRICT

Management Discussion and Analysis

Fiscal Year Ended June 30, 2013

Debt Administration. As of June 30, 2013 and 2012 the school district had long-term debt and outstanding long-term liabilities in the amount of \$17,053,120 and \$17,002,300, respectively as follows:

Outstanding Long-Term Liabilities As of June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Serial Bonds Payable	\$ 15,820,000	\$ 16,253,000
Capital Leases Payable	559,307	
Compensated Absences Payable	<u>673,813</u>	<u>749,300</u>
	<u>\$ 17,053,120</u>	<u>\$ 17,002,300</u>

Additional information on the District's long-term liabilities is presented in Note 3 of this report.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised the annual operating budget several times. These budget amendments fall into two categories:

- Reinstating prior year purchase orders being carried over.
- Appropriation of additional State and Federal Aid.

Revisions in the budget were made through budget transfers and to appropriate additional State and Federal Aid allotted to the District during the school year.

General Fund budgetary basis revenues and other financing sources exceeded budgetary basis expenditures and other financing uses, increasing budgetary basis fund balance by \$917,393 from the previous year. After deducting restricted, committed and assigned fund balances, the unassigned budgetary fund balance increased \$11,419 from \$616,566 at June 30, 2012 to \$627,985 at June 30, 2013. In addition, the District ended the year with excess surplus of \$1,257,002. Of this amount, \$342,846 was the excess resulting from the 2011/2012 school year and the remaining \$914,156 was the excess resulting from the current 2012/2013 school year. In accordance with State regulations, the District appropriated the \$342,846 of excess surplus for use in 2013/2014 school year budget as required. The District also established a Maintenance Reserve in the amount of \$200,000 at June 30, 2013.

CLARK PUBLIC SCHOOL DISTRICT

Management Discussion and Analysis

Fiscal Year Ended June 30, 2013

ECONOMIC FACTORS AND NEXT YAER'S BUDGET

While many factors influence the District's future, the availability of State funding, special education needs, capital improvements, student enrollment and the economy will have the most impact on educational and fiscal decisions in the future.

Many factors were considered by the District's administration during the process of developing the fiscal year 2013-2014 budget. The primary factors were the District's projected student population, anticipated state and federal aid, contractual salary and related benefit cost increases, as well as, increased special education tuition costs.

These indicators were considered when adopting the budget for fiscal year 2013-2014. Budgeted expenditures in the General Fund increased approximately 2.2% to \$32,215,594 for fiscal year 2013-2014.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information contact the Business Office, Clark Public School District, Administrative Offices (ALJ High School), 365 Westfield Avenue, Clark New Jersey 07066

DISTRICT-WIDE FINANCIAL STATEMENTS

**CLARK PUBLIC SCHOOL DISTRICT
STATEMENT OF NET POSITION
AS OF JUNE 30, 2013**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash	\$ 748,827	\$ 514,454	\$ 1,263,281
Receivables, Net:			
Receivables from Other Governments	2,406,429	5,808	2,412,237
Other	776	300	1,076
Internal Balances	346,082	(346,082)	
Inventories		1,700	1,700
Capital Assets Not Being Depreciated	1,831,704		1,831,704
Capital Assets, Being Depreciation	<u>32,725,359</u>	<u>9,368</u>	<u>32,734,727</u>
Total Assets	<u>38,059,177</u>	<u>185,548</u>	<u>38,244,725</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charges on Refunding of Debt	<u>1,227,117</u>	-	<u>1,227,117</u>
Total Deferred Outflows of Resources	<u>1,227,117</u>	-	<u>1,227,117</u>
Total Assets and Deferred Outflows of Resources	<u>39,286,294</u>	<u>185,548</u>	<u>39,471,842</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	444,404	5,421	449,825
Accrued Interest Payable	52,795		52,795
Unearned Revenue	324,342	9,087	333,429
Noncurrent Liabilities :			
Due Within One Year	1,088,858		1,088,858
Due Beyond One Year	<u>16,834,114</u>	-	<u>16,834,114</u>
Total Liabilities	<u>18,744,513</u>	<u>14,508</u>	<u>18,759,021</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Commodities Revenue	-	<u>18</u>	<u>18</u>
Total Deferred Inflows of Resources	-	<u>18</u>	<u>18</u>
Total Liabilities and Deferred Inflows of Resources	<u>18,744,513</u>	<u>14,526</u>	<u>18,759,039</u>
NET POSITION			
Net Investment in Capital Assets	18,535,021	9,368	18,544,389
Restricted for:			
Capital Projects	162,009		162,009
Other Purposes	220,491		220,491
Unrestricted	<u>1,624,260</u>	<u>161,654</u>	<u>1,785,914</u>
Total Net Position	<u>\$ 20,541,781</u>	<u>\$ 171,022</u>	<u>\$ 20,712,803</u>

The accompanying Notes to the Financial Statements are an integral part of this statement.

**CLARK PUBLIC SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Instruction:							
Regular	\$ 17,902,025	\$ 2,173,040	\$ 2,252,972		\$ (13,476,013)		\$ (13,476,013)
Special Education	4,647,130	338,690	1,794,561		(2,513,879)		(2,513,879)
Other Instruction	752,665		182,709		(569,956)		(569,956)
School Sponsored Activities and Athletics	865,920				(865,920)		(865,920)
Support Services							
Student and Instruction Related Services	5,218,949		922,788		(4,296,161)		(4,296,161)
General Administrative Services	947,143				(947,143)		(947,143)
School Administrative Services	1,969,532		190,012		(1,779,520)		(1,779,520)
Central and Other Support Services	629,245				(629,245)		(629,245)
Plant Operations and Maintenance	2,918,305		30,511		(2,887,794)		(2,887,794)
Pupil Transportation	942,558	201,733	64,469		(676,356)		(676,356)
Interest on Debt	642,044	-	17,589		(624,455)		(624,455)
Total Governmental Activities	37,435,516	2,713,463	5,455,611	-	(29,266,442)	-	(29,266,442)
Business-Type Activities							
Food Service	649,233	498,124	111,885			\$ (39,224)	\$ (39,224)
Before and After School Program	320,664	441,487	-			120,823	120,823
Total Business-Type Activities	969,897	939,611	111,885	-	-	81,599	81,599
Total Primary Government	\$ 38,405,413	\$ 3,653,074	\$ 5,567,496	\$ -	(29,266,442)	81,599	(29,184,843)

The accompanying Notes to the Financial Statements are an integral part of this statement.

CLARK PUBLIC SCHOOL DISTRICT
 STATEMENT OF ACTIVITIES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
General Revenues:			
Property Taxes:			
Levied for General Purposes	\$ 27,490,840	\$	27,490,840
Levied for Debt Service	1,537,009		1,537,009
State Aid, Unrestricted	27,796		27,796
Miscellaneous Income	166,595		166,595
Transfers	<u>(40,000)</u>	<u>\$ 40,000</u>	<u>-</u>
Total General Revenues and Transfers	<u>29,182,240</u>	<u>40,000</u>	<u>29,222,240</u>
Change in Net Position	(84,202)	121,599	37,397
Net Position, Beginning of Year (Restated)	<u>20,625,983</u>	<u>49,423</u>	<u>20,675,406</u>
Net Position, End of Year	<u>\$ 20,541,781</u>	<u>\$ 171,022</u>	<u>\$ 20,712,803</u>

FUND FINANCIAL STATEMENTS

**CLARK PUBLIC SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2013**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 658,656		\$ 69,680	\$ 20,491	\$ 748,827
Receivables, Net					
Receivables from Other Governments	1,794,139	\$ 155,290	457,000		2,406,429
Due from Other Funds	<u>422,294</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>422,294</u>
Total Assets	<u>\$ 2,875,089</u>	<u>\$ 155,290</u>	<u>\$ 526,680</u>	<u>\$ 20,491</u>	<u>\$ 3,577,550</u>
LIABILITIES					
Liabilities					
Accounts Payable	\$ 305,311	\$ 112,026			\$ 417,337
Payable to Federal Government		2,426			2,426
Payable to State Government		19,505			19,505
Unearned Revenue	18,910	2,857	\$ 302,575		324,342
Other Liabilities		5,136			5,136
Due to Other Funds	<u>-</u>	<u>13,340</u>	<u>62,096</u>	<u>-</u>	<u>75,436</u>
Total Liabilities	<u>324,221</u>	<u>155,290</u>	<u>364,671</u>	<u>-</u>	<u>844,182</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Tuition	<u>130,712</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>130,712</u>
Total Deferred Inflows of Resources	<u>130,712</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>130,712</u>
FUND BALANCES					
Restricted Fund Balance					
Reserved Excess Surplus	914,156				914,156
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	342,846				342,846
Maintenance Reserve	200,000				200,000
Capital Projects			162,009		162,009
Debt Service				20,491	20,491
Committed Fund Balance					
Year End Encumbrances	231,590				231,590
Assigned Fund Balance					
Year End Encumbrances	289,893				289,893
Unassigned Fund Balance	<u>441,671</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>441,671</u>
Total Fund Balances	<u>2,420,156</u>	<u>-</u>	<u>162,009</u>	<u>20,491</u>	<u>2,602,656</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 2,875,089</u>	<u>\$ 155,290</u>	<u>\$ 526,680</u>	<u>\$ 20,491</u>	

Amounts reported for *governmental activities* in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$51,754,086 and the accumulated depreciation is \$17,197,023. 34,557,063

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds. 130,712

Amounts resulting from the refunding of debt are reported as deferred outflows of resources on the statement of net position and amortized over the life of the debt. 1,227,117

The District has financed capital assets through the issuance of serial bonds, long-term lease obligations, and notes. The interest accrual at year end is: (52,795)

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

General Obligation Bonds	\$ 16,689,852	
Capital Leases Payable	559,307	
Compensated Absences	<u>673,813</u>	
		<u>(17,922,972)</u>

Net Position of Governmental Activities \$ 20,541,781

CLARK PUBLIC SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 27,490,840			\$ 1,537,009	\$ 29,027,849
Tuition	2,173,040				2,173,040
Tuition - Special Education	341,690				341,690
Transportation Fees	201,733				201,733
Interest	10,436				10,436
Miscellaneous Revenues	156,159	\$ 17,496	-	-	173,655
Total - Local Sources	30,373,898	17,496	-	1,537,009	31,928,403
State Sources	4,307,372	400,548		43,973	4,751,893
Federal Sources	-	714,018	-	-	714,018
Total Revenues	34,681,270	1,132,062	-	1,580,982	37,394,314
EXPENDITURES					
Instruction					
Regular	15,834,220	58,761			15,892,981
Special Education	4,277,142	379,268			4,656,410
Other Instruction	681,602	73,027			754,629
School-Sponsored Activities and Athletics	867,820				867,820
Support Services					
Student and Instruction Related Services	4,607,784	621,006			5,228,790
General Administrative Services	815,196				815,196
School Administrative Services	1,885,112				1,885,112
Central and Other Support Services	630,646				630,646
Plant Operations and Maintenance	2,889,938				2,889,938
Pupil Transportation	943,053				943,053
Debt Service					
Principal	130,496			944,000	1,074,496
Interest and Other Charges	9,641			616,492	626,133
Cost of Issuance				133,038	133,038
Advanced Refunding Escrow				1,298,208	1,298,208
Capital Outlay	886,103	-	-	-	886,103
Total Expenditures	34,458,753	1,132,062	-	2,991,738	38,582,553
Excess (Deficiency) of Revenues Over (Under) Expenditures	222,517	-	-	(1,410,756)	(1,188,239)
OTHER FINANCING SOURCES (USES)					
Transfers Out	(40,000)				(40,000)
Capital Lease Proceeds	689,803				689,803
Refunding Bond Proceeds				14,145,000	14,145,000
Premium on Refunding				920,246	920,246
Payment to Refunding Bond Escrow Agent	-	-	-	(13,634,000)	(13,634,000)
Total Other Financing Sources and Uses	649,803	-	-	1,431,246	2,081,049
Net Change in Fund Balances	872,320	-	-	20,490	892,810
Fund Balance, Beginning of Year	1,547,836	-	\$ 162,009	1	1,709,846
Fund Balance, End of Year	\$ 2,420,156	\$ -	\$ 162,009	\$ 20,491	\$ 2,602,656

The accompanying Notes to the Financial Statements are an integral part of this statement

**CLARK PUBLIC SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE DISTRICT-WIDE STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) **\$ 892,810**

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, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeds capital outlay in the current period.

Capital Outlay	\$ 886,103	
Depreciation Expense	<u>(2,171,346)</u>	(1,285,243)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue but are deferred in the funds (3,000)

In the statement of activities, certain operating expenses - compensated absences - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for compensated absences are measured by the amount of financial resources used (paid):

Decrease in Compensated Absences	75,487
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The issuance of long-term debt provides current financial resources to the governmental funds, while the repayment of long-term debt uses those current financial resources of governmental funds. Neither transactions, however, has any effect on net position. Also, governmental funds report the effect of premiums and other such items related to the refunding bonds when they are issued, whereas these amounts are expensed and or deferred and amortized in the statement of activities.

Debt Issued:		
Capital Leases	\$ (689,803)	
Refunding Bonds	(14,145,000)	
Premium on Refunding	(920,246)	
Principal Repayments:		
Serial Bonds	944,000	
Capital Leases Payable	130,496	
Payments to Escrow Agent For Refunding	14,932,208	
Amortization of Deferred Amounts on Refunding	(71,091)	
Amortization of Bond Premium	<u>50,394</u>	230,958

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.

Decrease in Accrued Interest	<u>4,786</u>
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Change in Net Position of Governmental Activities **\$ (84,202)**

The accompanying Notes to the Financial Statements are an integral part of this statement.

**CLARK PUBLIC SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2013**

	<u>Business-Type Activities - Enterprise Fund</u>		
	<u>Food Service</u>	<u>Before and After School Program</u>	<u>Totals</u>
ASSETS			
Current Assets			
Cash	\$ 343,507	\$ 170,947	\$ 514,454
Intergovernmental Receivable			
State	551		551
Federal	5,257		5,257
Other Accounts Receivable	300		300
Inventories	1,700	-	1,700
Total Current Assets	<u>351,315</u>	<u>170,947</u>	<u>522,262</u>
Capital Assets			
Equipment	242,101		242,101
Less: Accumulated Depreciation	<u>(232,733)</u>	<u>-</u>	<u>(232,733)</u>
Total Capital Assets, Net	<u>9,368</u>	<u>-</u>	<u>9,368</u>
Total Assets	<u>360,683</u>	<u>170,947</u>	<u>531,630</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	5,421		5,421
Due to Other Funds	346,082		346,082
Unearned Revenue	<u>9,087</u>	<u>-</u>	<u>9,087</u>
Total Current Liabilities	<u>360,590</u>	<u>-</u>	<u>360,590</u>
DEFERRED INFLOW OF RESOURCES			
Deferred Commodities Revenue	<u>18</u>	<u>-</u>	<u>18</u>
Total Liabilities and Deferred Inflow of Resources	<u>360,608</u>	<u>-</u>	<u>360,608</u>
NET POSITION			
Net Investment in Capital Assets	9,368		9,368
Unrestricted (Deficit)	<u>(9,293)</u>	<u>170,947</u>	<u>161,654</u>
Total Net Position	<u>\$ 75</u>	<u>\$ 170,947</u>	<u>\$ 171,022</u>

The accompanying Notes to the Financial Statements are an integral part of this statement

**CLARK PUBLIC SCHOOL DISTRICT
 PROPRIETARY FUND
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN FUND NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Business-Type Activities - Enterprise Fund</u>		
	<u>Food Service</u>	<u>Before and After School Program</u>	<u>Totals</u>
OPERATING REVENUES			
Charges for Services			
Daily Sales	\$ 498,124		\$ 498,124
Program Fees	-	\$ 441,487	441,487
	<u>498,124</u>	<u>441,487</u>	<u>939,611</u>
Total Operating Revenues			
OPERATING EXPENSES			
Cost of Sales	245,969		245,969
Salaries and Employee Benefits	280,362	294,596	574,958
Administrative and Management Fees	45,750		45,750
Supplies and Materials	17,082	11,000	28,082
Repairs and Maintenance	15,582		15,582
Miscellaneous Expenses	43,491	15,068	58,559
Depreciation Expense	997	-	997
	<u>649,233</u>	<u>320,664</u>	<u>969,897</u>
Total Operating Expenses			
Operating Income/(Loss)	<u>(151,109)</u>	<u>120,823</u>	<u>(30,286)</u>
NONOPERATING REVENUES			
State Sources			
School Lunch Program	4,462		4,462
Federal Sources			
National School Lunch Program	<u>107,423</u>	<u>-</u>	<u>107,423</u>
	<u>111,885</u>	<u>-</u>	<u>111,885</u>
Total Nonoperating Revenues			
Income Before Transfers	(39,224)	120,823	81,599
Transfers In	<u>40,000</u>	<u>-</u>	<u>40,000</u>
Change in Net Position	776	120,823	121,599
Total Net Position, Beginning of Year	<u>(701)</u>	<u>50,124</u>	<u>49,423</u>
Total Net Position, End of Year	<u>\$ 75</u>	<u>\$ 170,947</u>	<u>\$ 171,022</u>

The accompanying Notes to the Financial Statements are an integral part of this statement

**CLARK PUBLIC SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Business-Type Activities - Enterprise Fund</u>		
	<u>Food Service</u>	<u>Before and After School Program</u>	<u>Totals</u>
Cash Flows from Operating Activities			
Cash Received from Customers	\$ 499,335	\$ 439,637	\$ 938,972
Cash Payments for Employees' Salaries and Benefits	(280,362)	(294,596)	(574,958)
Cash Payments to Suppliers for Goods and Services	<u>(355,139)</u>	<u>(26,068)</u>	<u>(381,207)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(136,166)</u>	<u>118,973</u>	<u>(17,193)</u>
Cash Flows from Noncapital Financing Activities			
Cash Received from (Paid to) Other Funds	316,795		316,795
Cash Received from State and Federal Subsidy Reimbursements	<u>82,553</u>	<u>-</u>	<u>82,553</u>
Net Cash Provided by Noncapital Financing Activities	<u>399,348</u>	<u>-</u>	<u>399,348</u>
Net Increase in Cash and Cash Equivalents	263,182	118,973	382,155
Cash, Beginning of Year	<u>80,325</u>	<u>51,974</u>	<u>132,299</u>
Cash, End of Year	<u>\$ 343,507</u>	<u>\$ 170,947</u>	<u>\$ 514,454</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Operating Income (Loss)	\$ (151,109)	\$ 120,823	(30,286)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Non-Cash Federal Assistance-Food Distribution Program	29,190		29,190
Depreciation Expense	997		997
Change in Assets, Liabilities and Deferred Inflows			
(Increase)/Decrease in Accounts Receivable	398		398
(Increase)/Decrease in Inventory	740		740
Increase/(Decrease) in Accounts Payable	(16,258)		(16,258)
Increase/(Decrease) in Unearned Revenue	813	(1,850)	(1,037)
Increase/(Decrease) in Deferred Commodities Revenue	<u>(937)</u>	<u>-</u>	<u>(937)</u>
Total Adjustments	<u>14,943</u>	<u>(1,850)</u>	<u>13,093</u>
Net Cash Provided by (Used) for Operating Activities	<u>\$ (136,166)</u>	<u>\$ 118,973</u>	<u>\$ (17,193)</u>
Non-Cash Investing, Capital and Financing Activities			
Value Received - Food Distribution Program	\$ 28,253		

The accompanying Notes to the Financial Statements are an integral part of this statement

**CLARK PUBLIC SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2013**

	<u>Private Purpose Trust Funds</u>			
	<u>Scholarship Fund</u>	<u>Kelemen Science Observatory Fund</u>	<u>Donations Fund</u>	<u>Agency Fund</u>
ASSETS				
Cash	\$ 2,000	\$ 11,914	\$ 24,769	\$ 340,584
Total Assets	<u>2,000</u>	<u>11,914</u>	<u>24,769</u>	<u>\$ 340,584</u>
LIABILITIES				
Scholarships Payable	2,000			
Due to Other Funds				\$ 776
Due to Student Groups				132,151
Employee Deposits Payable				204,907
Payroll Deductions Payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,750</u>
Total Liabilities	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>\$ 340,584</u>
NET POSITION				
Net Position Held in Trust for Scholarships and Other Purposes	<u>\$ -</u>	<u>\$ 11,914</u>	<u>\$ 24,769</u>	

**CLARK PUBLIC SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Private Purpose Trust Funds</u>		
	<u>Scholarship Fund</u>	<u>Kelemen Science Observatory Fund</u>	<u>Donations Fund</u>
ADDITIONS			
Contributions			
Private Donations			\$ 5,740
Scholarships	\$ 1,545		
Investment Earnings			
Interest	-	\$ 27	52
	<hr/>	<hr/>	<hr/>
Total Additions	1,545	27	5,792
DEDUCTIONS			
Scholarships Awarded	2,000		
Miscellaneous Expenses	-	-	4,428
	<hr/>	<hr/>	<hr/>
Total Deductions	2,000	-	4,428
Change in Net Position	(455)	27	1,364
Net Position, Beginning of Year	455	11,887	23,405
	<hr/>	<hr/>	<hr/>
Net Position, End of Year	\$ -	\$ 11,914	\$ 24,769
	<hr/>	<hr/>	<hr/>

The accompanying Notes to the Basic Financial Statements are an integral part of this statement

NOTES TO THE FINANCIAL STATEMENTS

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Clark Public School District Board of Education (the "Board" or the "District") is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of nine elected officials from Clark Township and one representative from Garwood Borough (Sending District) and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the Clark Public School District this includes general operations, food service, before and after school child care and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Based on the foregoing criteria, the District has no component units. Furthermore, the District is not includable in any other reporting entity as a component unit.

B. New Accounting Standards

During fiscal year 2013, the District adopted the following GASB statements:

- GASB 62, *Codification of Accounting and Financial reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The objective of this statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements.
- GASB 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The objective of this Statement is to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effect on a government's net position. It alleviates uncertainty about reporting those financial statement elements by providing guidance where none previously existed.
- GASB 65, *Items Previously Reported as Assets and Liabilities*, although not required to be implemented until next year, the District elected to apply the statement to the current year financial statements. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

Other accounting standards that the District is currently reviewing for applicability and potential impact on the financial statements include:

- GASB 66, *Technical Corrections – 2012, an Amendment of GASB Statements 10 and 62*, will be effective beginning with the year ending June 30, 2014. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, Fund Balance Reporting and Governmental Fund Type Definitions and No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.
- GASB 67, *Financial Reporting for Pension Plans, an Amendment of GASB 25*, will be effective beginning with the year ending June 30, 2014. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria. The District does not expect this Statement to impact its financial statements.
- GASB 68, *Accounting and Financial Reporting for Pensions*, will be effective beginning with the year ending June 30, 2015. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The District does not expect this Statement to impact its financial statements.

C. Basis of Presentation - Financial Statements

The basic financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the District's enterprise funds.

District-Wide Financial Statements

The district-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the School District. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. In the statement of net position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) reflect on a full accrual economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are 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 other governmental entities, including other school districts, who purchase, use, or directly benefit from goods or services 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. Property taxes, unrestricted state aid, and other items not properly included among program revenues are reported instead as general revenues.

As a general rule the effect of interfund activity has been eliminated from the district-wide financial statements. Exceptions to this general rule are charges between the Board's proprietary and fiduciary funds since elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

Separate fund financial statements are provided for governmental, proprietary, and fiduciary activities, even though the latter are excluded from the district-wide financial statements. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each reported as separate columns in the fund financial statements. The District considers all of its governmental and enterprise funds to be major funds.

The District reports the following major governmental funds:

The *general fund* is the School District's primary operating fund. It accounts for all financial resources of the District, except those to be accounted for in another fund.

The *special revenue fund* accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. This fund accounts for federal, state and local financial programs, with the exception of grants for major capital projects and the child nutrition programs.

The *capital projects fund* accounts for the proceeds from the sale of bonds, lease purchases and other revenues used for the acquisition or construction of capital facilities and other capital assets, other than those financed by the proprietary funds.

The *debt service fund* accounts for the accumulation of resources for and the payment of principal and interest on long-term general obligation debt of governmental funds.

The District reports the following major proprietary funds which are organized to be self-supporting through user charges:

The *food service fund* accounts for the activities of the school cafeteria, which provides food service to students as well as a la carte and catering services for teachers and special events.

The *before and after school fund* accounts for the activities of the District's extended before and after school programs which provides child care for elementary school students of the District.

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (continued)

Additionally, the government reports the following fund type:

The *fiduciary trust fund* is used to account for resources legally held in trust, for private donations for scholarship awards, private donations for science observatory, contributions for various organizations, payroll related activities and student related activities which are supported and controlled by student organizations and clubs. All resources of the fund, including any earnings on invested resources, may be used to support the intended purpose. There is no requirement that any portion of these resources be preserved as capital.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the district-wide financial statements as "internal balances".

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The district-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 with the exception of the agency fund which does not have a measurement focus. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations (with the exception of the fiduciary funds) are included on the Statement of Net Position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e. when 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 Board considers revenues to be available if they are collected within 60 days after year-end. Expenditures are recorded when a liability is incurred, as under accrual basis of accounting, with the exception of debt service expenditures as well as expenditures related to compensated absences and claims and judgments which are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Property taxes, tuition, unrestricted state aid, 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. Entitlements (formula-type grants and aid) are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source. Expenditure-driven grants and similar awards (reimbursement-type grants and awards) are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements imposed by the grantor or provider have been met, and the amount is received during the period or within the availability period for this revenue source. All other revenue items are considered to be measurable and available only when cash is received by the District.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the district-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Board has elected not to follow private-sector guidance issued subsequent to December 1, 1989.

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

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. *Cash, Cash Equivalents and Investments*

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value and are limited by N.J.S.A. 18A:20-37.

2. *Receivables*

All receivables are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

3. *Inventories*

The cost of inventories of the governmental fund types are recorded as expenditures at the time individual inventory items are purchased.

Food Service Fund inventories, exclusive of the federal commodities, are valued at cost, using the first-in first-out (FIFO) method and consist of food and expendable supplies. The cost of such inventories is recorded as expenses when consumed rather than when purchased. The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by the USDA. It is valued at estimated market prices by the USDA. The amount of unused commodities at year-end is reported as deferred revenue.

**CLARK PUBLIC SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

4. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Land and construction in progress are not depreciated. The other property, plant, and equipment of the District is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land Improvements	15-20
Buildings	50
Building Improvements	15-50
Office Equipment and Furniture	7-10
Computer Equipment	5-10
Vehicles	5-10

5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding of debt which results from the loss on a debt refunding reported in the district-wide statement of net position. A deferred charge on debt refunding results from the loss on the transaction when the debt's reacquisition price is greater than the carrying value of the refunded debt. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

5. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has two types of items, one of which arises only under the accrual basis of accounting and one which arises only under a modified accrual basis of accounting that qualify for reporting in this category. Accordingly, one item, *deferred commodities revenue*, is reported in both the district-wide and the proprietary funds statements of net position. The deferred commodities revenue represents the estimated market value of the donated and unused Federal commodities at year end. This amount is deferred and recognized as an inflow of resources in the period the commodities are consumed. The other item that qualifies for reporting in this category, *unavailable revenue*, is reported only in the governmental funds balance sheet for tuition. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available.

6. Compensated Absences

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused sick leave benefits. A long-term liability of accumulated sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. Proprietary Funds accrue accumulated sick leave and salary related payments in the period that they are earned. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

7. Long-Term Obligations

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Gains resulting from debt refundings are classified as deferred inflows of resources and losses are reported as deferred outflows or resources. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the effective interest method. Gains and losses resulting from debt refundings are also deferred and amortized over the life of the refunded bonds or new bonds whichever is less using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

8. *Net Position/Fund Balance*

District-Wide Statements

In the district-wide statements, there are three classes of net position:

- **Net investment in capital assets** – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources attributable to the acquisition, construction or improvement of those assets or related debt also should be included.
- **Restricted net position** – reports net position when constraints placed on the residual amount of noncapital assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted net position** – any portion of net position not already classified as either net investment in capital assets or net position – restricted is classified as net position – unrestricted.

Governmental Fund Statements

Fund balance categories are designed to make the nature and extent of the constraints placed on the District's fund balance more transparent. These categories are comprised of a hierarchy based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

Restricted Fund Balance – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Reserved Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2013 audited excess surplus that is required to be appropriated in the 2014/2015 original budget certified for taxes.

Reserved Excess Surplus – Designated for Subsequent Year's Expenditures - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2012 audited excess surplus that was appropriated in the 2013/2014 original budget certified for taxes.

Maintenance Reserve – This restriction was created by the Board in accordance with NJAC 6A:23A-14.2 to accumulate funds for the required maintenance of school facilities in accordance with the EFCA (NJSA 18A:7G-9) for a thorough and efficient education.

Capital Projects – Represents fund balance restricted specifically for capital acquisitions and improvements in the Capital Projects Fund.

Debt Service – Represents fund balance restricted specifically for the repayment of long-term debt principal and interest in the Debt Service Fund.

CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

8. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

Committed Fund Balance – Amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

Year-End Encumbrances – Represents outstanding purchase orders at year end for contracts awarded by formal action of the Board of Trustee's for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

Assigned Fund Balance – Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Year-End Encumbrances – Represent outstanding purchase orders for goods or services approved by management for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

Unassigned Fund Balance – Represents fund balance that has not been restricted, committed or assigned to specific purposes within the governmental funds.

9. Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

F. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as program revenues in the district-wide statement of activities include 1) charges to customers or applicants for goods or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, unrestricted state aid, investment earnings and miscellaneous revenues.

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

2. *Property Taxes*

Property taxes are levied pursuant to law and are collected by the municipality and are transferred to the District as requested. Property tax revenue is recognized in the year they are levied and become available. Property taxes collected in advance of the year-end for which they are levied and transferred to the District are reported as deferred inflows of resources. The tax bills are mailed annually in June by the municipal tax collector and are levied and due in four quarterly installments on August 1, November 1, February 1 and May 1 of the fiscal year. When unpaid, taxes or any other municipal lien, or part thereof, on real property, remains in arrears on April 1st in the year following the calendar year levy when the same became in arrears, the tax collector of the municipality shall, subject to the provisions of New Jersey Statute, enforce the lien by placing the property on a tax sale. The municipality may institute annual “in rem” tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property.

3. *Tuition Revenues and Expenditures*

Tuition Revenues - Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs are determined and certified by the State Department of Education.

Tuition Expenditures - Tuition charges for the fiscal years 2011-2012 and 2012-2013 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

4. *Proprietary Funds, Operating and Non-Operating Revenues and Expenses*

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the food service enterprise fund and of the before and after school enterprise fund are charges to customers for sales and services. 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 nonoperating revenues and expenses. Federal and State subsidies for the food service operation are considered nonoperating revenues.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

In accordance with the requirements of the New Jersey Department of Education (“the Department”), the District annually prepares its operating budget for the forthcoming year. The budget, except for the general fund and special revenue fund, which is more fully explained below and in the notes to the required supplementary information, is prepared in accordance with accounting principles generally accepted in the United States of America and serves as a formal plan for expenditures and the proposed means for financing them. Capital lease transactions are accounted for on the GAAP basis.

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Prior to the 2012/2013 budget year, the annual budget was required to be voted upon at the annual school election held on the third Tuesday in April. On January 17, 2012, Chapter 202 of the Laws of P.L. 2011 was approved which established procedures for moving the date of a school district's annual school election from April to the general election in November. Under the new law, districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval beginning with the 2012/2013 budget year. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. The Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2012/2013. During 2012/2013 the Board increased the original budget by \$775,788. The increase was funded by additional grant awards and the reappropriation of prior year general fund encumbrances.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described in the Notes to Required Supplementary Information (RSI). Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

B. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Reserved Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2013 is \$1,257,002. Of this amount, \$342,846 was designated and appropriated in the 2013/2014 original budget certified for taxes and the remaining amount of \$914,156 will be appropriated in the 2014/2015 original budget certified for taxes.

**CLARK PUBLIC SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC.

Bank balances for interest bearing accounts are insured up to \$250,000 in the aggregate by the FDIC for each bank. Under the Dodd-Frank Wall Street Reform and Consumer Protection Act, temporary unlimited deposit insurance coverage was provided for non-interest bearing accounts from December 31, 2010 through December 31, 2012. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2013, the book value of the Board's deposits were \$1,642,548 and bank and brokerage firm balances of the Board's deposits amounted to \$3,125,244. The Board's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ <u>3,125,244</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2013 none of the Board's bank balances were exposed to custodial credit risk.

Investments

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located, Local Government investment pools, and agreements or the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2013, the Board had no outstanding investments.

Interest Rate Risk – The Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – State law limits investments as noted above (N.J.S.A. 18A:20-37). The District does not have an investment policy that would further limit its investment choices.

Concentration of Credit Risk – The Board places no limit in the amount the District may invest in any one issuer.

Investment and interest earnings in the Capital Projects Fund are assigned to the General Fund in accordance with Board policy.

**CLARK PUBLIC SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of June 30, 2013 for the district's individual major funds, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Food</u> <u>Service</u> <u>Fund</u>	<u>Total</u>
Receivables:					
Intergovernmental:					
Local	\$ 1,098,903				\$ 1,098,903
State	695,236	\$ 4,894	\$ 457,000	\$ 551	1,157,681
Federal		150,396		5,257	155,653
Other	-	-	-	300	300
	<u>1,794,139</u>	<u>155,290</u>	<u>457,000</u>	<u>6,108</u>	<u>2,412,537</u>
Gross Receivables					
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 1,794,139</u>	<u>\$ 155,290</u>	<u>\$ 457,000</u>	<u>\$ 6,108</u>	<u>\$ 2,412,537</u>

C. Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds were as follows:

	<u>Total</u>
General Fund	
Prepaid Tuition Fees	\$ 18,910
Special Revenue Fund	
Unencumbered Grant Draw Downs	1,721
Grant Draw Downs Reserved for Encumbrances	1,136
Capital Projects Fund	
Unrealized School Facilities Grants	<u>302,575</u>
 Total Deferred Revenue for Governmental Funds	 <u>\$ 324,342</u>

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2013 was as follows:

	Beginning Balance	Increases	Decreases	Adjustment	Ending Balance
Governmental Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 1,808,965				\$ 1,808,965
Construction in Progress	-	\$ 22,739	\$ -	-	22,739
Total Capital Assets, Not Being Depreciated	<u>1,808,965</u>	<u>22,739</u>	<u>-</u>	<u>-</u>	<u>1,831,704</u>
Capital Assets, Being Depreciated:					
Site Improvements	2,288,161			\$ 145,952	2,434,113
Buildings and Improvements	45,236,776			(145,952)	45,090,824
Machinery and Equipment	1,534,081	863,364	-	-	2,397,445
Total Capital Assets Being Depreciated	<u>49,059,018</u>	<u>863,364</u>	<u>-</u>	<u>-</u>	<u>49,922,382</u>
Less Accumulated Depreciation for:					
Site Improvements	(792,634)	(146,612)			(939,246)
Buildings and Improvements	(13,348,603)	(1,822,870)			(15,171,473)
Machinery and Equipment	(884,440)	(201,864)	-	-	(1,086,304)
Total Accumulated Depreciation	<u>(15,025,677)</u>	<u>(2,171,346)</u>	<u>-</u>	<u>-</u>	<u>(17,197,023)</u>
Total Capital Assets, Being Depreciated, Net	<u>34,033,341</u>	<u>(1,307,982)</u>	<u>-</u>	<u>-</u>	<u>32,725,359</u>
Government Activities Capital Assets, Net	<u>\$ 35,842,306</u>	<u>\$ (1,285,243)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,557,063</u>
Business-Type Activities:					
Capital Assets, Being Depreciated:					
Machinery and Equipment	\$ 242,101	-	-	-	\$ 242,101
Total Capital Assets Being Depreciated	<u>242,101</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>242,101</u>
Less Accumulated Depreciation for:					
Machinery and Equipment	(231,736)	\$ (997)	-	-	(232,733)
Total Accumulated Depreciation	<u>(231,736)</u>	<u>(997)</u>	<u>-</u>	<u>-</u>	<u>(232,733)</u>
Total Capital Assets, Being Depreciated, Net	<u>10,365</u>	<u>(997)</u>	<u>-</u>	<u>-</u>	<u>9,368</u>
Business-Type Activities Capital Assets, Net	<u>\$ 10,365</u>	<u>\$ (997)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,368</u>

**CLARK PUBLIC SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

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

Governmental Activities:

Instruction	
Regular	\$ 2,048,735
Total Instruction	<u>2,048,735</u>
Support Services	
Student and Instruction Related Services	1,863
School Administration	89,577
Operation and Maintenance of Plant Services	<u>31,171</u>
Total Support Services	<u>122,611</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,171,346</u>

Business-Type Activities:

Food Service Fund	<u>\$ 997</u>
Total Depreciation Expense-Business-Type Activities	<u>\$ 997</u>

Construction and Other Significant Commitments

The District has the following active construction projects as of June 30, 2013:

<u>Project</u>	<u>Remaining Commitment</u>
Bleacher Replacement Project	<u>\$ 231,590</u>

**CLARK PUBLIC SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2013, is as follows:

Due to/from other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 13,340
General Fund	Capital Projects Fund	62,096
General Fund	Food Service Enterprise Fund	346,082
General Fund	Payroll Agency Fund	<u>776</u>
Total		<u>\$ 422,294</u>

The above balances are the result of revenues earned in one fund which are due to another fund and/or expenditures paid by one fund on behalf of another fund.

The District expects all interfund balances to be liquidated within one year.

Interfund transfers

	<u>Transfer In</u>
	Food Service Enterprise Fund
Transfer Out:	
General Fund	<u>\$ 40,000</u>
	<u>\$ 40,000</u>

The above transfers are the result of revenues earned in one fund to finance expenditures in another fund.

F. Leases

Capital Leases

The District is leasing telecommunication equipment, copiers, digital mailing equipment and a lift and trailer unit totaling \$689,803 under capital leases. The leases are for terms of 4 to 5 years.

**CLARK PUBLIC SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases (Continued)

Capital Leases (Continued)

The capital assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>
Machinery and Equipment	\$ 689,803
Total	<u>\$ 689,803</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2013 were as follows:

<u>Fiscal Year Ending June 30</u>	<u>Governmental Activities</u>
2014	\$ 152,452
2015	152,452
2016	148,070
2017	140,989
2018	<u>17,268</u>
Total minimum lease payments	611,231
Less: amount representing interest	<u>(51,924)</u>
Present value of minimum lease payments	<u>\$ 559,307</u>

G. Long-Term Debt

General Obligation Bonds

The Board issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities and other capital assets. The full faith and credit of the Board are irrevocably pledged for the payment of the principal of the bonds and the interest thereon.

Bonds payable at June 30, 2013 are comprised of the following issues:

\$19,834,000, 2005 Bonds, due in annual installments of \$835,000 to \$870,000 through June 1, 2015, interest at 4.00%	\$ 1,705,000
\$14,145,000, 2012 Bonds, due in annual installments of \$55,000 to \$1,755,000 through June 1, 2026, interest at 2.00% to 4.00%	<u>14,115,000</u>
	<u>\$15,820,000</u>

**CLARK PUBLIC SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt (Continued)

The Board's schedule of principal and interest for long-term debt issued and outstanding is as follows:

Governmental Activities:

Year Ending June 30,	Serial Bonds		Total
	Principal	Interest	
2014	\$ 890,000	\$ 536,281	\$ 1,426,281
2015	925,000	501,781	1,426,781
2016	945,000	465,881	1,410,881
2017	950,000	437,531	1,387,531
2018	975,000	399,531	1,374,531
2019-2023	5,965,000	1,489,556	7,454,556
2024-2026	<u>5,170,000</u>	<u>296,756</u>	<u>5,466,756</u>
	<u>\$ 15,820,000</u>	<u>\$ 4,127,317</u>	<u>\$ 19,947,317</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2013 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 99,524,920
Less: Net Debt	<u>15,820,000</u>
Remaining Borrowing Power	<u>\$ 83,704,920</u>

Advance and Current Refundings of Debt

On December 4, 2012, the District issued \$14,145,000 in School District Refunding Bonds having an interest rate of 2.00% to 4.00%. These bonds were issued in order to advance refund certain principal maturities and certain interest payments of various School District Bonds of the District. The total bond principal defeased was \$13,634,000 and the total interest payments defeased was \$1,404,624. The net proceeds of \$14,932,208 (after payment of underwriting fees, insurance and other issuance costs) were used to purchase U.S. Government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments. As a result, the advance refunding met the requirements of an in-substance debt defeasance and the refunded bond liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$1,298,208. This amount has been reported as a Deferred Outflow of Resources on the financial statements and amortized over the remaining life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the current and next 13 years by \$524,247 and resulted in an economic gain of \$447,687.

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt (Continued)

Changes in Long-Term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2013, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds Payable	\$ 16,253,000	\$ 14,145,000	\$ 14,578,000	\$ 15,820,000	\$ 890,000
Deferred Amounts:					
Add: Original Issue Premium	-	920,246	50,394	869,852	-
Total Bonds Payable	16,253,000	15,065,246	14,628,394	16,689,852	890,000
Capital Leases Payable		689,803	130,496	559,307	131,858
Compensated Absences	749,300	-	75,487	673,813	67,000
Governmental Activity Long-Term Liabilities	<u>\$ 17,002,300</u>	<u>\$ 15,755,049</u>	<u>\$ 14,834,377</u>	<u>\$ 17,922,972</u>	<u>\$ 1,088,858</u>

NOTE 4 OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to property, general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; student accident; termination of employees and natural disasters. The Board has obtained commercial insurance coverage to guard against these events to minimize the exposure to the District should they occur. A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report.

The District is a member of the New Jersey School Boards Association Insurance Group (NJSBAIG or the "Group"). The Group is a risk sharing public entity pool, established for the purpose of insuring against various types of claims.

The relationship between the Board and the Group is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Board is contractually obligated to make all annual and supplementary contributions to the Group, to report claims on a timely basis, cooperate with the management of the Group, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the Group. Members have a contractual obligation to fund any deficit of the Group attributable to a membership year during which they were a member.

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

NJSBAIG provides its members with risk management services, including the defense of and settlement of claims and to establish reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the NJSBAIG are on file with the School's Business Administrator.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage's in any of the prior three years.

B. Contingent Liabilities

The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. In the opinion of the Board's Attorney the potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2013, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2013, the District has not estimated its arbitrage earnings due to the IRS, if any.

D. Employee Retirement Systems and Pension Plans

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all eligible Board employees:

Public Employees' Retirement System (PERS) – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement health care, to substantially all full time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage.

Teachers' Pension and Annuity Fund (TPAF) – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage.

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Board employees who are eligible for pension coverage.

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership.

Other Pension Funds

The State established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local government employers do not appropriate funds to SACT.

The cost of living increase for PERS and TPAF, are funded directly by each of the respective systems and are considered in the annual actuarial calculation of the required State contribution for the system.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

Basis of Accounting

The financial statements of the retirement systems are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the retirement systems. Benefits or refunds are recognized when due and payable in accordance with the terms of the retirement systems.

Significant Legislation

P.L. 2011, c.78, effective June 28, 2011, made various changes to the manner in which TPAF and PERS operate and to the benefit provisions of those systems.

The legislation's provisions impacting employee pension and health benefits include:

- For new members of TPAF and PERS hired on or after June 28, 2011 (Tier 5 members), the years of creditable service needed for early retirement benefits increased from 25 to 30 years and the early retirement age increased from 55 to 65.
- The eligibility age to qualify for a service retirement in the TPAF and PERS increased from age 62 to 65 for Tier 5 members.

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Significant Legislation (Continued)

- The annual benefit under special retirement for new PFRS members enrolled after June 28, 2011 (Tier 3 members) decreased from 65 percent of final compensation to 60 percent of final compensation after 25 years of service and from 70 percent of final compensation to 65 percent of final compensation after 30 or more years of service.
- It increased the TPAF and PERS active member rates from 5.5 percent of annual compensation to 6.5 percent plus an additional 1 percent phased-in over 7 years for members hired or reappointed on or after June 28, 2011. For Fiscal Year 2012, the member contribution rates increased in October 2011. The phase-in of the additional incremental member contributions for TPAF and PERS members takes place in July of each subsequent fiscal year.
- The payment of automatic cost-of-living adjustment (COLA) additional increases to current and future retirees and beneficiaries was suspended. COLA increases may be reactivated at a future date as permitted by this law.
- It changed the method for amortizing the pension system's unfunded accrued liability (from a level percent of pay method to a level dollar of pay method).

Investment Valuation

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

The State of New Jersey, Department of the Treasury, Division of Investment, issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund, Common Pension Fund A, Common Pension Fund B, Common Pension Fund D and Common Pension Fund E. The financial reports may be obtained in writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290.

Funding Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems including TPAF and PERS, is 67.5 percent with an unfunded actuarial accrued liability of \$41.7 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 60.8 percent and \$30.1 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and Police and Firemen's Retirement System ("PFRS") is 77.5 percent and \$11.6 billion.

The funded status and funding progress of the retirement systems is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the retirement systems in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at that point in time. The projection of benefits for financing reporting purposes does not explicitly incorporate the potential effects of legal or contractual limitations on the pattern of cost sharing between the employer and members in the future.

**CLARK PUBLIC SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Actuarial Methods and Assumptions

In the July 1, 2011 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (a) a revised investment rate of return for all retirement systems from 8.25 percent to 7.95 percent and (b) revised projected salary increases of 4.52 percent for the PERS and 3.90 percent for TPAF.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 6.5% for PERS, 6.5% for TPAF and 5.50% for DCRP of the employee's annual compensation.

Annual Pension Costs (APC)

Per the requirements of GASB Statement No. 27 for the year ended June 30, 2013 for TPAF, which is a cost sharing plan with special funding situations, the annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

During the years ended June 30, 2013, 2012 and 2011 the Board was required to contribute for PERS and DCRP and the State of New Jersey was required to contribute for TPAF for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2013	\$ 293,164	\$ 983,277	\$ 11,093
2012	292,059	495,982	7,699
2011	263,744	47,065	5,582

The State contributed \$983,277 and \$495,982 during 2012/2013 and 2011/2012, respectively for normal cost pension, accrued liability and the NCGI premium. For fiscal year 2010/2011, the State did not contribute to the TPAF for normal cost and accrued liability; however, the State contributed \$47,065 for the NCGI premium only.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,135,909 during the year ended June 30, 2013 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount, along with the on-behalf TPAF pension contribution, has been included in the district-wide financial statements and the fund financial statements as a revenue and expenditure in accordance with GASB No. 24.

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits

The State of New Jersey sponsors and administers the post-retirement health benefit program plans for school districts. The Plans are cost sharing multiple employer defined benefit plans.

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and TPAF are combined and reported as Pension and Other employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, PDP-State, and the PRM of the PERS are combined and reported as a Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF are combined and reported as Health Benefits Program Fund –Local Government classified as a cost-sharing multiple-employer plan in the State's CAFR. The post-retirement benefit programs had a total of 566 state and local participating employers and contributing entities for Fiscal Year 2012.

The State of New Jersey sponsors and administers the following health benefit programs covering certain state and local government employees, including those Board employees and retirees eligible for coverage.

Health Benefits Program Fund (HBP) – Local Education (including Prescription Drug Program Fund) – The State of New Jersey provides free coverage to members of the Teachers' Pension and Annuity Fund who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of P.L. 1992, c.126, the State also provides free coverage to members of the Public Employees' Retirement System and Alternate Benefits Program who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare parts A and B by paying the cost of the insurance for themselves and their covered dependents. Also, education employees are eligible for the PDP coverage after 60 days of employment.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the above Fund. The financial reports may be accessed via the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

Basis of Accounting

The financial statements of the health benefit programs are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the health benefit programs. Benefits or refunds are recognized when due and payable in accordance with the terms of the health benefit programs.

Significant Legislation

P.L. 2011, c.78, effective October 2011, sets new employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to this new legislation's effective date with a minimum contribution required to be at least 1.5% of salary.

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair values.

Funded Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the State had a \$48.9 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$18.0 billion for state active and retired members and \$30.9 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

The funded status and funding progress of the OPEB is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events in the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the OPEB in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at the point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

Actuarial Methods and Assumptions

In the July 1, 2011, actuarial valuation, the projected unit credit was used as the actuarial cost method. The actuarial assumptions included an assumed investment rate of return of 4.50 percent.

Post-Retirement Medical Benefits Contributions

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively to fund post-retirement medical benefits for those State employees and education employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2012, there were 97,661, retirees receiving post-retirement medical benefits and the State contributed \$958.9 million on their behalf. The cost of these benefits is funded through contributions by the State and in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education with 25 years of service. The State paid \$146.6 million toward Chapter 126 benefits for 16,618 eligible retired members in Fiscal Year 2012.

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits Contributions (Continued)

The State sets the contribution rate based on a pay as you go basis and not on the annual required contribution of the employers (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 (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the years ended June 30, 2013, 2012 and 2011 were \$1,111,838, \$997,054 and \$999,659, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

J. Hurricane Sandy

On October 29, 2012 Hurricane Sandy, the largest Atlantic hurricane on record made landfall in New Jersey and resulted in severe damage in numerous communities and a federal disaster was declared throughout the State. The District has incurred significant costs in the clean up and recovery from this federal disaster. The Federal Emergency Management Agency ("FEMA") provides emergency grant assistance (voluntary nonexchange transaction) to help government's cope with losses. Although the District has applied for reimbursement from FEMA, the total amount to be received in conjunction with this event is not considered to be measurable with sufficient reliability and therefore has not been recognized in the financial statements as of June 30, 2013. As of June 30, 2013, the District has not received any FEMA reimbursements relating to Hurricane Sandy.

NOTE 5 RESTATEMENT

On July 1, 2012, the Clark Public School District implemented GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position" and GASB Statement No. 65, "Items Previously Reported in Assets and Liabilities". The Clark Public School District has determined that the effect of implementing these accounting changes on the financial statements previously reported as of and for the year ended June 30, 2012 was to eliminate in the District-wide statement of net position the deferred charge related to debt issuance costs in the amount of \$162,240 with a corresponding reduction in the net investment in capital assets component of net position. The result of this restatement is to reduce total net position of Governmental Activities at June 30, 2012 from \$20,788,223 as originally reported to \$20,625,983 as adjusted for the effects of the change in accounting principle.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGETARY COMPARISON SCHEDULES

**CLARK PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

EXHIBIT C-1

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 27,490,840		\$ 27,490,840	\$ 27,490,840	
Tuition	2,202,604		2,202,604	2,173,040	\$ (29,564)
Tuition - Special Education	284,284		284,284	341,690	57,406
Transportation Fees from Other LEAs	173,134		173,134	201,733	28,599
Interest	15,000		15,000	10,436	(4,564)
Miscellaneous Revenues	25,000	-	25,000	156,159	131,159
Total Local Sources	<u>30,190,862</u>	<u>-</u>	<u>30,190,862</u>	<u>30,373,898</u>	<u>183,036</u>
State Sources					
Extraordinary Aid	148,543		148,543	100,828	(47,715)
Special Education Aid	916,828		916,828	916,828	-
Equalization Aid	1,543		1,543	1,543	-
Security Aid	33,353		33,353	33,353	-
Transportation	51,643		51,643	51,643	-
Additional Nonpublic Transportation Aid	-		-	17,226	17,226
TPAF Pension Benefit Contribution - (Non-Budget)				934,129	934,129
TPAF Pension NCGI Premium - (Non-Budget)				49,148	49,148
TPAF Post Retirement Medical Contribution (Non-Budget)				1,111,838	1,111,838
TPAF Social Security Contributions (Non-Budget)	-	-	-	1,135,909	1,135,909
Total State Sources	<u>1,151,910</u>	<u>-</u>	<u>1,151,910</u>	<u>4,352,445</u>	<u>3,200,535</u>
Total Revenues	<u>31,342,772</u>	<u>-</u>	<u>31,342,772</u>	<u>34,726,343</u>	<u>3,383,571</u>
EXPENDITURES					
CURRENT					
Instruction - Regular Programs					
Salaries of Teachers					
Preschool	107,212	19,915	127,127	126,982	145
Kindergarten	445,480	5,020	450,500	439,227	11,273
Grades 1-5	2,944,273	453,727	3,398,000	3,385,670	12,330
Grades 6-8	2,203,293	(111,000)	2,092,293	2,076,567	15,726
Grades 9-12	3,931,439	99,293	4,030,732	4,026,554	4,178
Regular Programs - Home Instruction					
Salaries of Teachers	25,000	(4,600)	20,400	14,485	5,915
Purchased Professional/Educational Services		11,300	11,300	10,732	568
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	163,000	(55,000)	108,000	102,234	5,766
Purchased Professional/Educational Services	55,000	74,200	129,200	129,035	165
Purchased Technical Services	180,000	(180,000)	-	-	-
Other Purchased Services	143,200	(31,303)	111,897	71,296	40,601
General Supplies	318,684	(25,368)	293,316	268,842	24,474
Textbooks	132,230	(75,000)	57,230	50,201	7,029
Other Objects	176,310	(16,032)	160,278	144,419	15,859
Total Regular Programs	<u>10,825,121</u>	<u>165,152</u>	<u>10,990,273</u>	<u>10,846,244</u>	<u>144,029</u>

**CLARK PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

EXHIBIT C-1

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
EXPENDITURES					
CURRENT (Continued)					
Learning and/or Language Disabilities					
Salaries of Teachers	\$ 236,061	\$ 13,577	\$ 249,638	\$ 248,138	\$ 1,500
Other Salaries for Instruction		59,100	59,100	58,782	318
Purchased Professional/Educational Services	30,000	(9,500)	20,500	6,924	13,576
General Supplies	3,000	-	3,000	2,891	109
Textbooks	1,000	-	1,000	1,000	-
Total Learning and/or Language Disabilities	270,061	63,177	333,238	317,735	15,503
Multiple Disabilities					
Salaries of Teachers	-	50,881	50,881	50,881	-
Total Multiple Disabilities	-	50,881	50,881	50,881	-
Resource Room/Resource Center					
Salaries of Teachers	1,686,013	(96,013)	1,590,000	1,588,979	1,021
Other Salaries for Instruction	70,000	235,933	305,933	304,579	1,354
Purchased Professional/Educational Services	25,000	(6,000)	19,000	16,208	2,792
General Supplies	8,000	2,175	10,175	10,167	8
Textbooks	6,000	(1,000)	5,000	4,767	233
Total Resource Room/Resource Center	1,795,013	135,095	1,930,108	1,924,700	5,408
Preschool Disabilities - Part-Time					
Salaries of Teachers	71,160	(17,602)	53,558	53,558	
Other Salaries for Instruction		8,000	8,000	5,388	2,612
General Supplies	4,000	(1,960)	2,040	1,990	50
Total Preschool Disabilities - Part-Time	75,160	(11,562)	63,598	60,936	2,662
Preschool Disabilities - Full-time					
Salaries of Teachers	50,678	1	50,679	50,678	1
Other Salaries for Instruction		11,500	11,500	10,710	790
General Supplies	-	1,000	1,000	726	274
Total Preschool Disabilities - Full-time	50,678	12,501	63,179	62,114	1,065
Total Special Education	2,190,912	250,092	2,441,004	2,416,366	24,638
Basic Skills/Remedial					
Salaries of Teachers	350,990	14,753	365,743	361,370	4,373
Total Basic Skills/Remedial	350,990	14,753	365,743	361,370	4,373
Bilingual Education					
Salaries of Teachers	103,940	-	103,940	102,940	1,000
General Supplies	1,000	(1,000)	-	-	-
Total Bilingual Education	104,940	(1,000)	103,940	102,940	1,000
School Sponsored Co-Curricular Activities					
Salaries	125,000	60,000	185,000	176,328	8,672
Total School Sponsored Co-Curricular Activities	125,000	60,000	185,000	176,328	8,672

**CLARK PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

EXHIBIT C-1

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
EXPENDITURES					
CURRENT (Continued)					
School Sponsored Athletics					
Salaries	\$ 344,740	\$ (23,890)	\$ 320,850	\$ 309,165	\$ 11,685
Purchased Services	99,580	(9,580)	90,000	84,303	5,697
Supplies and Materials	145,400	(54,374)	91,026	87,613	3,413
Other Objects	30,100	(3,000)	27,100	24,593	2,507
Total School Sponsored Athletics	619,820	(90,844)	528,976	505,674	23,302
Total Instruction	14,216,783	398,153	14,614,936	14,408,922	206,014
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs w/i State - Special	88,466	146,000	234,466	233,784	682
Tuition to County Voc. School Dist.-Regular	512,500	(65,000)	447,500	445,650	1,850
Tuition to County Voc. School Dist.- Special	60,000	(28,000)	32,000	32,000	-
Tuition to Priv. Sch. Disabled & Other LEAs- Within State	653,308	(67,000)	586,308	553,215	33,093
Tuition to State Facilities	31,365	-	31,365	31,365	-
Total Undistributed Expenditures - Instruction	1,345,639	(14,000)	1,331,639	1,296,014	35,625
Attendance and Social Work					
Salaries	94,965	-	94,965	92,057	2,908
Total Attendance and Social Work	94,965	-	94,965	92,057	2,908
Undistributed Expenditures (Continued)					
Health Services					
Salaries	407,163	3,880	411,043	410,568	475
Other Purchased Services	6,000	(1,000)	5,000	3,563	1,437
Supplies and Materials	7,500	-	7,500	7,483	17
Other Objects	3,000	-	3,000	1,741	1,259
Total Health Services	423,663	2,880	426,543	423,355	3,188
Other Support Serv. Students - Speech, OT, PT & Related Serv.					
Salaries	207,259	145,916	353,175	342,227	10,948
Purchased Professional/Educational Services	99,322	543	99,865	99,865	-
Supplies and Materials	3,000	2,000	5,000	4,995	5
Total Other Supp.Serv. Student - Speech, OT, PT, & Related Serv. Speech, OT, PT, & Related Serv.	309,581	148,459	458,040	447,087	10,953
Other Support Services - Students - Extra Serv.					
Salaries	530,000	(195,025)	334,975	328,190	6,785
Total Other Supp.Serv. Student - Extra Serv.	530,000	(195,025)	334,975	328,190	6,785
Other Support Services - Students - Guidance					
Salaries of Other Professional Staff	635,832	30,476	666,308	666,308	-
Salaries of Secretarial & Clerical Assistants	113,930	-	113,930	111,930	2,000
Other Salaries	99,809	(99,809)	-	-	-
Other Purchased Services	55,350	(6,808)	48,542	48,423	119
Supplies and Materials	19,000	(5,000)	14,000	8,182	5,818
Other Objects	4,000	-	4,000	2,474	1,526
Total Other Support Services - Students - Guidance	927,921	(81,141)	846,780	837,317	9,463

**CLARK PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

EXHIBIT C-1

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
EXPENDITURES					
CURRENT (Continued)					
Other Support Services - Students - Child Study Team					
Salaries of Other Professional Staff	\$ 556,073	\$ 12,927	\$ 569,000	\$ 554,415	\$ 14,585
Salaries of Secretarial & Clerical Assistants	55,965	55,965	111,930	111,930	-
Other Salaries	37,500	(37,500)			
Purchased Professional-Educational Services	2,000	(2,000)			-
Other Purchased Professional and Technical Svcs.	56,550	20,000	76,550	72,394	4,156
Miscellaneous Purchased Services	10,000	(3,508)	6,492	3,644	2,848
Supplies and Materials	-	2,000	2,000	1,989	11
Total Other Support Services - Students - Child Study Team	718,088	47,884	765,972	744,372	21,600
Improvement of Instructional Services					
Salaries of Supervisors of Instruction	347,950	(147,950)	200,000	157,224	42,776
Salaries of Other Professional Staff	30,000	(20,000)	10,000	3,100	6,900
Salaries of Secretarial & Clerical Assistants	115,965	(28,965)	87,000	79,451	7,549
Supplies and Materials	4,000	-	4,000	291	3,709
Other Objects	50,000	-	50,000	45,306	4,694
Total Improvement of Instructional Services	547,915	(196,915)	351,000	285,372	65,628
Educational Media/School Library					
Salaries	136,063	-	136,063	133,863	2,200
Supplies and Materials	71,825	-	71,825	64,545	7,280
Other Objects	10,000	-	10,000	8,501	1,499
Total Educational Media/School Library	217,888	-	217,888	206,909	10,979
Instructional Staff Training Services					
Purchased Professional-Educational Services	40,000	(23,800)	16,200	9,708	6,492
Total Instructional Staff Training Services	40,000	(23,800)	16,200	9,708	6,492
Support Services General Administration					
Salaries	358,295	(41,899)	316,396	278,759	37,637
Legal Services	90,000	17,150	107,150	82,125	25,025
Audit Fees	30,000	39,325	69,325	33,196	36,129
Other Purchased Professional Services	5,000	(5,000)			
Purchased Technical Services	45,000	(17,000)	28,000	15,856	12,144
Communications/Telephone	186,965	8,610	195,575	134,646	60,929
Miscellaneous Purchased Services	80,000	2,000	82,000	45,627	36,373
General Supplies	5,000	-	5,000	3,986	1,014
Judgments Against the School District	50,000	35,000	85,000	50,000	35,000
Miscellaneous Expenditures	10,000	-	10,000	6,868	3,132
BOE Membership Dues and Fees	20,000	-	20,000	18,970	1,030
Total Support Services General Administration	880,260	38,186	918,446	670,033	248,413
Support Services School Administration					
Salaries of Principals/Asst. Principals/Prog Director	670,342	-	670,342	669,187	1,155
Salaries of Other Professional Staff	108,417	92,051	200,468	200,365	103
Salaries of Secretarial and Clerical Assistants	427,587	23,991	451,578	448,507	3,071
Supplies and Materials	15,000	(8,000)	7,000	820	6,180
Other Objects	10,000	(5,000)	5,000	1,945	3,055
Total Support Services School Administration	1,231,346	103,042	1,334,388	1,320,824	13,564

**CLARK PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

EXHIBIT C-1

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
EXPENDITURES					
CURRENT (Continued)					
Undistributed Expenditures - Central Services					
Salaries	\$ 361,368	\$ (1,368)	\$ 360,000	\$ 358,207	\$ 1,793
Purchased Professional Services	25,000	-	25,000	16,500	8,500
Misc. Purchased Services	30,000	(3,355)	26,645	17,582	9,063
Supplies and Materials	20,000	(2,958)	17,042	9,007	8,035
Miscellaneous Expenditures	4,000	-	4,000	3,091	909
Total Undistributed Expenditures - Central Services	440,368	(7,681)	432,687	404,387	28,300
Admin. Info. Technology					
Purchased Technology Services	-	91,800	91,800	91,800	-
Total Admin. Info. Technology	-	91,800	91,800	91,800	-
Required Maintenance for School Facilities					
Salaries	470,374	81,010	551,384	528,070	23,314
Cleaning, Repair and Maintenance Services	150,000	(4,319)	145,681	101,524	44,157
General Supplies	91,500	(12,106)	79,394	71,694	7,700
Other Objects	5,000	(1,384)	3,616	-	3,616
Total Required Maintenance for School Facilities	716,874	63,201	780,075	701,288	78,787
Custodial Services					
Salaries		10,215	10,215	10,166	49
Salaries of Non-Instructional Aides	50,000	39,785	89,785	89,785	-
Purchased Professional-Technical Services	175,000	(128,325)	46,675	40,238	6,437
Cleaning, Repair and Maintenance Services	995,000	(141,156)	853,844	806,643	47,201
Other Purchased Property Services	85,000	11,139	96,139	92,399	3,740
Insurance	211,956	2,709	214,665	214,665	-
General Supplies	60,000	(23,832)	36,168	28,089	8,079
Energy (Electricity)	450,000	531	450,531	397,754	52,777
Energy (Natural Gas)	280,000	(116,000)	164,000	147,211	16,789
Total Custodial Services	2,306,956	(344,934)	1,962,022	1,826,950	135,072
Care and Upkeep of Grounds					
Cleaning, Repair and Maintenance Services	-	20,000	20,000	-	20,000
Total Care and Upkeep of Grounds	-	20,000	20,000	-	20,000
Security					
Salaries	126,500	(36,500)	90,000	88,514	1,486
Total Security	126,500	(36,500)	90,000	88,514	1,486
Student Transportation Services					
Salaries of Non-Instructional Aides	25,000	-	25,000	24,215	785
Salaries for Pupil Trans. (Bet Home & School) - Spe Ed	128,000	(25,797)	102,203	102,203	-
Contracted Services (Between Home and School) - Vendo	260,100	(19,964)	240,136	240,135	1
Contracted Services (Other Than Between Home and Schc	210,160	(55,160)	155,000	141,559	13,441
Contracted Services (Special Ed Students) - Vendors	300,000	(55,000)	245,000	242,857	2,143
Contracted Services - Aid in Lieu of Payments-Nonpublic	80,000	7,761	87,761	86,632	1,129
Misc. Purchased Services-Transportation	10,000	11,000	21,000	19,597	1,403
General Supplies	20,000	25,000	45,000	36,884	8,116
Total Student Transportation Services	1,033,260	(112,160)	921,100	894,082	27,018

**CLARK PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

EXHIBIT C-1

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
EXPENDITURES					
CURRENT (Continued)					
Unallocated Benefits- Employee Benefits					
Social Security Contributions	\$ 375,000	\$ (24,900)	\$ 350,100	\$ 340,921	\$ 9,179
Other Retirement Contributions - PERS	300,000	(4,000)	296,000	293,164	2,836
Unemployment Compensation	60,000	24,900	84,900	82,006	2,894
Workmen's Compensation	181,169	9,428	190,597	190,472	125
Health Benefits	4,354,164	(113,428)	4,240,736	4,168,469	72,267
Tuition Reimbursement	2,000	(2,000)	-	-	-
Other Employee Benefits	15,000	90,000	105,000	72,235	32,765
Total Unallocated Benefits	5,287,333	(20,000)	5,267,333	5,147,267	120,066
On-Behalf (Non-Budget)					
TPAF Pension Benefit Contribution - (Non-Budget)	-	-	-	934,129	(934,129)
TPAF Pension - NCGI Premium (Non-Budget)	-	-	-	49,148	(49,148)
TPAF Post Retirement Medical Contribution (Non-Budget)	-	-	-	1,111,838	(1,111,838)
TPAF Social Security Contributions (Non-Budget)	-	-	-	1,135,909	(1,135,909)
Total On-Behalf	-	-	-	3,231,024	(3,231,024)
Total Undistributed Expenditures	17,178,557	(516,704)	16,661,853	19,046,550	(2,384,697)
Total Current Expenditures	31,395,340	(118,551)	31,276,789	33,455,472	(2,178,683)
CAPITAL OUTLAY					
Equipment					
Grades 1 - 5	-	3,567	3,567	3,567	-
Grades 6-8	-	36,688	36,688	36,688	-
Grades 9-12	-	26,976	26,976	26,976	-
School Admin.	-	104,836	104,836	104,836	-
Care and Upkeep of Grounds	-	266,402	266,402	24,233	242,169
Total Equipment	-	438,469	438,469	196,300	242,169
Facilities Acquisition and Construction Services					
Assessment for Debt Service on SDA Funding	117,178	-	117,178	117,178	-
Total Facilities Acquisition and Construction Services	117,178	-	117,178	117,178	-
Assets Acquired Under Capital Leases (Non-Budgeted)					
Equipment					
School Administration	-	-	-	669,383	(669,383)
Plant Operation and Maintenance	-	-	-	20,420	(20,420)
Total Assets Acquired Under Capital Leases (Non-Budg)	-	-	-	689,803	(689,803)
Total Capital Outlay	117,178	438,469	555,647	1,003,281	(447,634)
Total General Fund	31,512,518	319,918	31,832,436	34,458,753	(2,626,317)
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(169,746)	(319,918)	(489,664)	267,590	757,254
Other Financing Sources (Uses)					
Transfer Out - Food Service Fund	-	(40,000)	(40,000)	(40,000)	-
Capital Leases	-	-	-	689,803	689,803
Total Other Financing Sources (Uses)	-	(40,000)	(40,000)	649,803	689,803

CLARK PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Sources (Uses)	\$ (169,746)	\$ (359,918)	\$ (529,664)	\$ 917,393	\$ 1,447,057
Fund Balance, Beginning of Year	1,689,077	-	1,689,077	1,689,077	-
Fund Balance, End of Year	\$ 1,519,331	\$ (359,918)	\$ 1,159,413	\$ 2,606,470	\$ 1,447,057
Recapitulation:					
Restricted Fund Balance					
Reserved Excess Surplus				\$ 914,156	
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures				342,846	
Maintenance Reserve				200,000	
Committed Fund Balance					
Year End Encumbrances				231,590	
Assigned Fund Balance					
Year End Encumbrances				289,893	
Unassigned Fund Balance				627,985	
Fund Balance- Budgetary Basis				2,606,470	
Less: State Aid Revenue not recognized on GAAP basis				(186,314)	
Fund Balance per Governmental Funds Statements (GAAP)				\$ 2,420,156	

**CLARK PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Intergovernmental					
State	\$ 340,000	\$ 79,801	\$ 419,801	\$ 400,296	\$ (19,505)
Federal	485,000	317,050	802,050	706,475	(95,575)
Local	-	19,019	19,019	17,496	(1,523)
Total Revenues	<u>825,000</u>	<u>415,870</u>	<u>1,240,870</u>	<u>1,124,267</u>	<u>(116,603)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers		37,627	37,627	37,627	-
Purchased Professional/Technical Services		381	381	381	-
Purchased Professional/Educational Services		-			-
Tuition	385,000	16,002	401,002	363,565	37,437
General Supplies	100,000	(35,586)	64,414	41,079	23,335
Textbooks	63,000	(15,920)	47,080	45,658	1,422
Total Instruction	<u>548,000</u>	<u>2,504</u>	<u>550,504</u>	<u>488,310</u>	<u>62,194</u>
Support Services					
Salaries		54,241	54,241	50,579	3,662
Purchased Professional/Technical Services		190,690	190,690	168,729	21,961
Purchased Professional/Educational Services	277,000	95,722	372,722	354,638	18,084
Other Purchased Services		37,820	37,820	29,478	8,342
Supplies and Materials	-	17,911	17,911	17,236	675
Other Objects	-	98	98	94	4
Total Support Services	<u>277,000</u>	<u>396,482</u>	<u>673,482</u>	<u>620,754</u>	<u>52,728</u>
Unallocated Benefits					
Employee Benefits	-	16,884	16,884	15,203	1,681
Capital Outlay					
Instructional Equipment		-			-
Noninstructional Equipment	-	-	-	-	-
Total Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>825,000</u>	<u>415,870</u>	<u>1,240,870</u>	<u>1,124,267</u>	<u>116,603</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures					
Fund Balances, Beginning of Year	-	-	-	-	-
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CLARK PUBLIC SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULES
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

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

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

The following presents a reconciliation of the General and Special Revenue Funds from the budgetary basis of accounting as presented in the Budgetary Comparison Schedule - General Fund and Special Revenue Fund to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedule	\$ 34,726,343	\$ 1,124,267
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances June 30, 2012		8,931
Encumbrances June 30, 2013		(1,136)
State Aid payment not recognized for budgetary purposes, recognized for GAAP statements. 2011/2012 State Aid	141,241	
State Aid payment recognized for budgetary purposes, not recognized for GAAP statements. 2012/2013 State Aid	<u>(186,314)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 34,681,270</u>	<u>\$ 1,132,062</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 34,458,753	\$ 1,124,267
Differences - Budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for financial reporting purposes.		
Encumbrances June 30, 2012		8,931
Encumbrances June 30, 2013	<u>-</u>	<u>(1,136)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 34,458,753</u>	<u>\$ 1,132,062</u>

SCHOOL LEVEL SCHEDULES

NOT APPLICABLE

SPECIAL REVENUE FUND

**CLARK PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Ch. 192 Svcs.					Ch. 193 Svcs.			Grand Total 2013		
	Nonpublic Nursing	Nonpublic Textbooks	Nonpublic Technology	Nonpublic Compensatory Education	Nonpublic ESL	Nonpublic Transport	Home Instruction	Nonpublic Supplemental Instruction		Nonpublic Exam./Classification	Nonpublic Corrective Speech
REVENUES											
Intergovernmental											
State	\$ 63,741	\$ 45,658	\$ 17,311	\$ 108,188	\$ 5,968	\$ 14,474	\$ 2,644	\$ 49,193	\$ 54,460	\$ 38,659	\$ 400,296
Federal											706,475
Local Sources											17,496
Total Revenues	\$ 63,741	\$ 45,658	\$ 17,311	\$ 108,188	\$ 5,968	\$ 14,474	\$ 2,644	\$ 49,193	\$ 54,460	\$ 38,659	\$ 1,124,267
EXPENDITURES											
Instruction											
Salaries of Teachers											\$ 37,627
Purchased Professional & Technical Services											381
Purchased Professional/Educational Services											363,565
Tuition											41,079
General Supplies											45,658
Textbooks		\$ 45,658									
Total Instruction		45,658									442,652
Support Services											
Salaries											50,579
Personal Services Employee-Benefits											15,203
Purchased Professional & Technical Services											168,729
Purchased Professional/Educational Services	\$ 63,741	\$ 17,311	\$ 108,188	\$ 5,968	\$ 14,474	\$ 2,644	\$ 49,193	\$ 54,460	\$ 38,659		354,638
Other Purchased Services											29,478
Supplies and Materials											17,236
Other Objects											94
Total Support Services	63,741	17,311	108,188	5,968	14,474	2,644	49,193	54,460	38,659	281,319	635,957
Facilities Acquisition and Construction											
Instructional Equipment											
Noninstructional Equipment											
Total Facilities Acquisition and Construction											
Total Expenditures	\$ 63,741	\$ 45,658	\$ 17,311	\$ 108,188	\$ 5,968	\$ 14,474	\$ 2,644	\$ 49,193	\$ 54,460	\$ 38,659	\$ 1,124,267

**CLARK PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Title I		Title III		IDEA Part B		IDEA Preschool	Workforce Investment	Other Local	Total Page 2
	2012/13	2011/12	2012/13	2011/12	2012/13	2011/12				
REVENUES										
Intergovernmental										
State										
Federal										
Local Sources	\$ 76,496	\$ 2,035	\$ 37,482	\$ 97	\$ 4,038	\$ 971	\$ 531,898	\$ 9,417	\$ 21,061	\$ 706,475
										\$ 17,496
Total Revenues	\$ 76,496	\$ 2,035	\$ 37,482	\$ 97	\$ 4,038	\$ 971	\$ 531,898	\$ 9,417	\$ 21,061	\$ 723,971
EXPENDITURES										
Instruction										
Salaries of Teachers	\$ 35,592	\$ 2,035	\$ 381							\$ 37,627
Purchased Professional & Technical Services										381
Purchased Professional/ Educational Services										
Tuition	27,742		6,400	72	4,002	971	357,563	6,002		363,565
General Supplies							500			41,079
Textbooks										
Total Instruction	63,334	2,035	6,781	72	4,002	971	358,063	6,002		442,652
Support Services										
Salaries	13,162						6,764		21,061	50,579
Personal Services Employee-Benefits										15,203
Purchased Professional & Technical Services			2,251				165,104	2,041		168,729
Purchased Professional/ Educational Services										
Other Purchased Services			28,450	25	36		967			29,478
Supplies and Materials							1,000			17,236
Other Objects										94
Total Support Services	13,162		30,701	25	36		173,835	3,415	21,061	281,319
Facilities Acquisition and Construction										
Instructional Equipment										
Noninstructional Equipment										
Total Facilities Acquisition and Construction										
Total Expenditures	\$ 76,496	\$ 2,035	\$ 37,482	\$ 97	\$ 4,038	\$ 971	\$ 531,898	\$ 9,417	\$ 21,061	\$ 723,971

**CLARK PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOT APPLICABLE

CAPITAL PROJECTS FUND

**CLARK PUBLIC SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

<u>Issue/Project Title</u>	<u>Project #</u>	<u>Modified Appropriation</u>	<u>Expenditures to Date</u>		<u>Balance June 30, 2013</u>
			<u>Prior Years</u>	<u>Current Year</u>	
Carl H. Kumpf Middle School - Boiler Replacement	1004	\$ 495,000	\$ 207,311		\$ 287,689
Frank K. Henly Elementary School - Boiler Replacement	1006	495,000	192,510		302,490
ALJ High School - Window Replacements	1007	18,000			18,000
ALJ High School - Site Improvements	1008	<u>134,500</u>	<u>-</u>	<u>-</u>	<u>134,500</u>
		<u>\$ 1,142,500</u>	<u>\$ 399,821</u>	<u>\$ -</u>	<u>\$ 742,679</u>
		<u>Reconciliation to GAAP</u>			
					Project Balances, June 30, 2013 \$ 742,679
					Less:
					Unearned Revenue - SDA Grants (302,575)
					Unrealized Local Contribution <u>(278,095)</u>
					Fund Balance, June 30, 2013 \$ <u>162,009</u>
					<u>Recapitulation of Fund Balance</u>
					Restricted for Capital Projects
					Available for Capital Projects \$ <u>162,009</u>
					Total Fund Balance - Restricted for Capital Projects \$ <u>162,009</u>

**CLARK PUBLIC SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Revenues and Other Financing Sources	
State Sources - SDA Grant	-
	<hr/>
Total Revenues	-
	<hr/>
Expenditures and Other Financing Uses	
Construction Services	
Transfers to Debt Service Fund	-
	<hr/>
Total Expenditures and Other Financing Uses	-
	<hr/>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	-
	<hr/>
Fund Balance- Beginning of Year	\$ 464,584
	<hr/>
Fund Balance- Ending of Year	\$ 464,584
	<hr/> <hr/>
<u>Reconciliation to GAAP Basis</u>	
Fund Balance, June 30, 2013 - Budgetary Basis	\$ 464,584
Less: Deferred Revenue (Unearned SDA Grants)	<hr/> (302,575)
Fund Balance, June 30, 2013-GAAP Basis	\$ 162,009
	<hr/> <hr/>

**CLARK PUBLIC SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
CARL H. KUMPF MIDDLE SCHOOL - BOILER REPLACEMENTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources- SDA Grant	\$ 198,000	\$ -	\$ 198,000	\$ 198,000
Local Contribution	160,953	-	160,953	297,000
Total Revenues and Other Financing Sources	<u>358,953</u>	<u>-</u>	<u>358,953</u>	<u>495,000</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	207,311	-	207,311	495,000
Construction Services	-	-	-	-
Total Expenditures and Other Financing Uses	<u>207,311</u>	<u>-</u>	<u>207,311</u>	<u>495,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 151,642</u>	<u>\$ -</u>	<u>\$ 151,642</u>	<u>\$ -</u>

Additional Project Information:

Project Number	39-0850--035-09-1004
Grant Date	August 20, 2009
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorization Cost	495,000
Additional Authorization Cost/(Cancellation)	-
Revised Authorization Cost	495,000

Percentage Increase over Original

Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	September 1, 2010
Revised Target Completion Date	December 1, 2010

CLARK PUBLIC SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
 FRANK K.HENLY ELEMENTARY SCHOOL - BOILER REPLACEMENTS
 FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources- SDA Grant	\$ 198,000	\$ -	\$ 198,000	\$ 198,000
Local Contribution	154,952	-	154,952	297,000
Total Revenues and Other Financing Sources	<u>352,952</u>	<u>-</u>	<u>352,952</u>	<u>495,000</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	192,510	-	192,510	495,000
Construction Services				
Total Expenditures and Other Financing Uses	<u>192,510</u>	<u>-</u>	<u>192,510</u>	<u>495,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 160,442</u>	<u>\$ -</u>	<u>\$ 160,442</u>	<u>\$ -</u>
Additional Project Information:				
Project Number	39-0850--035-09-1006			
Grant Date	August 20, 2009			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorization Cost	495,000			
Additional Authorization Cost/(Cancellation)	-			
Revised Authorization Cost	495,000			
Percentage Increase over Original Authorized Cost	0.00%			
Percentage Completion	100%			
Original Target Completion Date	September 1, 2010			
Revised Target Completion Date	December 1, 2010			

CLARK PUBLIC SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
 ALJ HIGH SCHOOL - WINDOW REPLACEMENTS
 FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources- SDA Grant	\$ 7,200	\$ -	\$ 7,200	\$ 7,200
Local Contribution	10,800	-	10,800	10,800
Total Revenues and Other Financing Sources	<u>18,000</u>	<u>-</u>	<u>18,000</u>	<u>18,000</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	-	-	-	18,000
Construction Services	-	-	-	-
Total Expenditures and Other Financing Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 18,000</u>	<u>\$ -</u>	<u>\$ 18,000</u>	<u>\$ -</u>

Additional Project Information:

Project Number	39-0850-035-09-1007
Grant Date	August 20, 2009
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorization Cost	18,000
Additional Authorization Cost/(Cancellation)	-
Revised Authorization Cost	18,000

Percentage Increase over Original Authorized Cost	0.00%
Percentage Completion	0%
Original Target Completion Date	September 1, 2010
Revised Target Completion Date	Unknown

**CLARK PUBLIC SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
ALJ HIGH SCHOOL - SITE IMPROVEMENTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources- SDA Grant	\$ 53,800	\$ -	\$ 53,800	\$ 53,800
Local Contribution	80,700	-	80,700	80,700
Total Revenues and Other Financing Sources	<u>134,500</u>	<u>-</u>	<u>134,500</u>	<u>134,500</u>
Expenditures and Other Financing Uses				
Purchased Professional and Technical Services	-	-	-	-
Construction Services	-	-	-	134,500
Total Expenditures and Other Financing Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>134,500</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 134,500</u>	<u>\$ -</u>	<u>\$ 134,500</u>	<u>\$ -</u>

Additional Project Information:

Project Number	39-0850-035-09-1008
Grant Date	August 20, 2009
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorization Cost	134,500
Additional Authorization Cost/(Cancellation)	-
Revised Authorization Cost	134,500

Percentage Increase over Original

Authorized Cost	0.00%
Percentage Completion	0%
Original Target Completion Date	September 1, 2010
Revised Target Completion Date	Unknown

PROPRIETARY FUNDS

**CLARK PUBLIC SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
AS JUNE 30, 2013**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

FIDUCIARY FUNDS

AGENCY FUNDS

**CLARK PUBLIC SCHOOL DISTRICT
AGENCY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2013**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
ASSETS			
Cash	\$ 132,151	\$ 208,433	\$ 340,584
Total Assets	<u>\$ 132,151</u>	<u>\$ 208,433</u>	<u>\$ 340,584</u>
LIABILITIES			
Due to Other Funds		\$ 776	\$ 776
Due to Student Groups	\$ 132,151		132,151
Employee Deposits Payable		204,907	204,907
Payroll Deductions Payable	<u>-</u>	<u>2,750</u>	<u>2,750</u>
Total Liabilities	<u>\$ 132,151</u>	<u>\$ 208,433</u>	<u>\$ 340,584</u>

**CLARK PUBLIC SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-8

**CLARK PUBLIC SCHOOL DISTRICT
AGENCY FUNDS
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Balance, July 1, <u>2012</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2013</u>
ELEMENTARY SCHOOLS				
Valley Road	\$ 15,121	\$ 10,912	\$ 14,602	\$ 11,431
Frank K. Hehnly	12,736	21,305	21,398	12,643
MIDDLE SCHOOL				
Carl H. Kumpf	46,460	70,302	82,244	34,518
HIGH SCHOOL				
Arthur L. Johnson	<u>74,751</u>	<u>116,289</u>	<u>117,481</u>	<u>73,559</u>
Total All Schools	<u>\$ 149,068</u>	<u>\$ 218,808</u>	<u>\$ 235,725</u>	<u>\$ 132,151</u>

EXHIBIT H-4

**PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

	Balance, July 1, <u>2012</u>	<u>Additions</u>	<u>Deletions</u>	Balance, June 30, <u>2013</u>
Due to Other Funds	\$ 28,559	\$ 254,097	\$ 281,880	\$ 776
Employee Deposits Payable	208,450	209,129	212,672	204,907
Accrued Salaries and Wages		12,749,198	12,749,198	-
Payroll Deductions and Withholdings Payable	<u>149,127</u>	<u>8,999,617</u>	<u>9,145,994</u>	<u>2,750</u>
Total Liabilities	<u>\$ 386,136</u>	<u>\$ 22,212,041</u>	<u>\$ 22,389,744</u>	<u>\$ 208,433</u>

LONG-TERM DEBT

EXHIBIT I-1

CLARK PUBLIC SCHOOL DISTRICT
 LONG-TERM DEBT
 SCHEDULE OF SERIAL BONDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2012</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2013</u>
School Bond	07/12/05	\$ 19,834,000	06/01/14	\$ 835,000	4.00%	\$ 16,129,000		\$ 14,424,000	\$ 1,705,000
School Bond	07/12/06	\$ 684,000				124,000		124,000	-
Refunding School Bonds	12/4/12	\$ 14,145,000	6/01/14	55,000	2.00%				
			6/01/15	55,000	2.00%				
			6/01/16	945,000	3.00%				
			6/01/17	950,000	4.00%				
			6/01/18	975,000	2.00%				
			6/01/19	975,000	4.00%				
			6/01/20	1,010,000	4.00%				
			6/01/21	1,095,000	3.73%				
			6/01/22	1,295,000	4.00%				
			6/01/23	1,590,000	4.00%				
			6/01/24	1,705,000	2.63%				
			6/01/25	1,710,000	2.75%				
			6/01/26	1,755,000	3.00%		\$ 14,145,000	30,000	14,115,000
						\$ 16,253,000	\$ 14,145,000	\$ 14,578,000	\$ 15,820,000
							Refunded	\$ 13,634,000	
							Paid	944,000	
								\$ 14,578,000	

EXHIBIT I-2

LONG-TERM DEBT
 SCHEDULE OF CAPITAL LEASE PURCHASE AGREEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

<u>Purpose</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance, June 30, 2012</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance, June 30, 2013</u>
Telecommunication System	\$ 336,519	4.000%		\$ 336,519	\$ 80,000	\$ 256,519
Lift & Trailer Unit	20,420	0.005%		20,420	3,744	16,676
10 Savin Copiers	311,792	0.004%		311,792	42,801	268,991
Digital Mailing Systems	21,072	-		21,072	3,951	17,121
				<u>\$ 689,803</u>	<u>\$ 130,496</u>	<u>\$ 559,307</u>

CLARK PUBLIC SCHOOL DISTRICT
 DEBT SERVICE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Original Budget	Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources					
Local Tax Levy	\$ 1,537,009	\$ -	\$ 1,537,009	\$ 1,537,009	
State Sources	43,973	-	43,973	43,973	-
Debt Service Aid					
Total Revenues	<u>1,580,982</u>	<u>-</u>	<u>1,580,982</u>	<u>1,580,982</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Principal	914,000	\$ 30,295	944,295	944,000	295
Interest on Bonds	666,983	(30,295)	636,688	616,492	20,196
Cost of Issuance	-	-	-	133,038	(133,038)
Advance Refunding Escrow	-	-	-	1,298,208	(1,298,208)
Total Expenditures	<u>1,580,983</u>	<u>-</u>	<u>1,580,983</u>	<u>2,991,738</u>	<u>(1,410,755)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1)</u>	<u>-</u>	<u>(1)</u>	<u>(1,410,756)</u>	<u>(1,410,755)</u>
OTHER FINANCING SOURCES (USES)					
Refunding Bond Proceeds				14,145,000	14,145,000
Premium on Refunding				920,246	920,246
Payment to Refunding Bond Escrow Agent				(13,634,000)	(13,634,000)
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,431,246</u>	<u>1,431,246</u>
Net Change in Fund Balances	(1)	-	(1)	20,490	20,491
Fund Balance, Beginning of Year	1	-	1	1	-
Fund Balance, End of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,491</u>	<u>\$ 20,491</u>
Recapitulation of Fund Balance					
Restricted for Debt Service				\$ 20,491	
Designated for Subsequent Year's Budget					
Total Fund Balance Restricted for Debt Service				<u>\$ 20,491</u>	

STATISTICAL SECTION

This part of the Clark Public School District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents

Exhibits

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

J-1 to J-5

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

J-6 to J-9

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

J-10 to J-13

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

J-14 and J-15

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

J-16 to J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CLARK PUBLIC SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST NINE FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental Activities									
Net Investment In Capital Assets	\$ 4,494,174	\$ 7,141,649	\$ 12,477,524	\$ 15,538,485	\$ 19,318,718	\$ 21,130,888	\$ 20,693,647	\$ 19,589,306	\$ 18,535,021
Restricted	1,953,454	2,739,256	3,885,729	2,822,253	2,052,788	889,081	162,010	362,010	382,500
Unrestricted	(2,490,658)	(1,079,624)	(560,348)	8,360	109,679	(97,354)	354,620	674,667	1,624,260
Total Governmental Activities Net Position	\$ 3,956,970	\$ 8,801,281	\$ 15,802,905	\$ 18,369,098	\$ 21,481,185	\$ 21,922,615	\$ 21,210,277	\$ 20,625,983	\$ 20,541,781
Business-Type Activities									
Net Investment In Capital Assets	\$ 4,107	\$ 3,065	\$ 8,160	\$ 8,822	\$ 19,279	\$ 141,417	\$ 11,361	\$ 10,365	\$ 9,368
Unrestricted	16,345	4,917	36,356	51,164	(8,613)	(73,310)	(47,475)	39,058	161,654
Total Business-Type Activities Net Position	\$ 20,452	\$ 7,982	\$ 44,516	\$ 59,986	\$ 10,666	\$ 68,107	\$ (36,114)	\$ 49,423	\$ 171,022
District-Wide									
Net Investment In Capital Assets	\$ 4,498,281	\$ 7,144,714	\$ 12,485,684	\$ 15,547,307	\$ 19,337,997	\$ 21,272,305	\$ 20,705,008	\$ 19,599,671	\$ 18,544,389
Restricted	1,953,454	2,739,256	3,885,729	2,822,253	2,052,788	889,081	162,010	362,010	382,500
Unrestricted	(2,474,313)	(1,074,707)	(523,992)	59,524	101,066	(170,665)	307,145	713,725	1,785,914
Total District Net Position	\$ 3,977,422	\$ 8,809,263	\$ 15,847,421	\$ 18,429,084	\$ 21,491,851	\$ 21,990,721	\$ 21,174,163	\$ 20,675,406	\$ 20,712,803

Note:

GASB requires that ten years of statistical data be presented. However, since the District implemented the new reporting model contained in GASB No. 34 in fiscal year 2003 only nine years of information are available. Each year thereafter, an additional year's data will be included until ten years of data is present.

Note 1 - Net Position at June 30, 2011 is restated to reflect the implementation of GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position" and GASB Statement No. 65, "Items Previously Reported in Assets and Liabilities".

CLARK PUBLIC SCHOOL DISTRICT
 CHANGES IN NET POSITION
 LAST NINE FISCAL YEARS
 (Unaudited)
 (accrual basis of accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses									
Governmental Activities									
Instruction	\$ 17,229,864	\$ 20,820,638	\$ 20,463,273	\$ 21,576,876	\$ 19,852,074	\$ 20,965,188	\$ 16,401,047	\$ 17,411,882	\$ 17,902,025
Regular Instruction	4,394,113	4,635,672	5,483,004	5,422,458	5,442,793	5,953,039	5,678,385	5,394,922	5,218,949
Special Education Instruction	1,211,512	824,053	790,173	854,921	881,988	845,029	993,837	1,155,219	947,143
Other Instruction	2,130,252	1,276,404	1,244,650	1,334,929	1,129,255	1,232,782	1,568,620	1,653,477	1,969,532
School Sponsored Activities and Athletics		614,325	596,693	603,682	437,769	432,399	691,176	573,788	629,245
Support Services:		3,367,945	3,358,152	3,752,956	3,421,375	3,148,845	3,198,335	3,160,128	2,918,305
Tuition	2,027,865	989,472	966,307	1,068,602	1,014,507	775,049	789,990	859,168	942,558
Student and Instruction Related Services	4,394,113	140,071	820,924	828,700	801,873	773,494	730,798	697,192	642,044
General Administration Services	1,211,512	579,748							
School Administrative Services	2,130,252								
Central and Other Support Services	3,211,407								
Plant Operations and Maintenance	976,623								
Pupil Transportation Services	30,718								
Capital Outlay	357,858								
Interest On Long-Term Debt									
Unallocated Depreciation and Amortization									
Total Governmental Activities Expenses	\$ 31,570,212	\$ 33,248,328	\$ 33,723,176	\$ 35,443,124	\$ 34,791,424	\$ 35,785,317	\$ 35,945,950	\$ 36,731,154	\$ 37,433,516
Business-Type Activities:									
Food Service	692,987	715,214	671,050	665,732	652,721	650,372	572,364	658,295	649,233
Before and After School Program	692,987	715,214	671,050	665,732	652,721	650,372	572,364	274,635	320,664
Total Business-Type Activities Expense	\$ 372,663,199	\$ 33,963,542	\$ 34,394,226	\$ 36,108,856	\$ 35,444,145	\$ 36,435,689	\$ 36,518,314	\$ 37,664,084	\$ 38,403,413
Total District Expenses	\$ 1,424,940	\$ 1,466,928	\$ 1,485,749	\$ 1,552,608	\$ 1,622,475	\$ 1,943,873	\$ 2,097,387	\$ 2,365,732	\$ 2,511,730
Program Revenues									
Governmental Activities:									
Charges For Services:									
Instruction	401,076	1,038,307	1,093,412	1,114,230	292,513	348,927	3,622,331	4,690,598	5,455,611
Pupil Transportation		3,388,051	5,088,592	2,584,538	3,508,060	268,431	157,877	31,545	
Operating Grants And Contributions		5,893,286	7,667,755	5,251,376	5,423,048	2,561,231	5,985,487	7,227,195	8,169,074
Capital Grants And Contributions									
Total Governmental Activities Program Revenues	\$ 1,826,016	\$ 1,466,928	\$ 1,485,749	\$ 1,552,608	\$ 1,622,475	\$ 1,943,873	\$ 2,097,387	\$ 2,365,732	\$ 2,511,730
Business-Type Activities:									
Charges For Services									
Food Service	612,707	620,599	639,755	610,158	512,886	464,543	483,801	530,527	498,124
Before and After School Program	64,304	82,145	67,829	71,044	74,150	82,976	113,018	324,759	441,487
Operating Grants And Contributions								137,181	111,885
Capital Grants And Contributions									
Total Business-Type Activities Program Revenues	\$ 677,011	\$ 702,744	\$ 707,584	\$ 681,202	\$ 587,036	\$ 707,519	\$ 596,819	\$ 992,467	\$ 1,051,496
Total District Program Revenues	\$ 2,503,027	\$ 6,596,030	\$ 8,375,337	\$ 5,932,378	\$ 6,010,084	\$ 3,268,750	\$ 6,582,306	\$ 8,219,662	\$ 9,220,570
Net (Expense)/Revenue									
Governmental Activities	\$ (29,744,196)	\$ (27,355,042)	\$ (26,055,423)	\$ (30,191,748)	\$ (29,368,376)	\$ (33,224,086)	\$ (29,960,463)	\$ (29,503,959)	\$ (29,266,442)
Business-Type Activities	(15,976)	(12,470)	36,534	15,470	(65,685)	57,147	24,455	59,537	81,599
Total District-Wide Net Expense	\$ (29,760,172)	\$ (27,367,512)	\$ (26,018,889)	\$ (30,176,278)	\$ (29,434,061)	\$ (33,166,939)	\$ (29,936,008)	\$ (29,444,422)	\$ (29,184,843)

CLARK PUBLIC SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST NINE FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Revenues And Other Changes In Net Position									
Governmental Activities:									
Property Taxes Levied For General Purposes	\$ 25,008,819	\$ 25,562,809	\$ 25,981,824	\$ 26,197,299	\$ 26,415,699	\$ 26,790,200	\$ 27,058,102	\$ 27,283,102	\$ 27,490,840
Property Taxes Levied For Debt Service		1,162,500	889,712	718,543	863,709	863,709	1,463,709	1,525,942	1,537,009
State Aid, Unrestricted	5,642,518	4,364,292	5,240,005	5,383,104	4,969,522	5,387,583	30,400	28,630	27,796
Investment Earnings	87,516	880,575	800,139	403,380	72,175	39,387	19,712	11,161	10,436
Miscellaneous Income	249,127	229,177	145,367	55,615	174,339	584,635	643,374	96,830	156,159
Transfers	-	-	-	-	(15,000)	-	-	(26,000)	(40,000)
Total Governmental Activities	30,987,980	32,199,353	33,057,047	32,757,941	32,480,444	33,665,514	29,215,297	28,919,665	29,182,240
Business-Type Activities:									
Investment Earnings	-	-	-	-	1,365	\$ 295	-	26,000	40,000
Transfers	-	-	-	-	15,000	-	-	26,000	40,000
Total Business-Type Activities	\$ 30,987,980	\$ 32,199,353	\$ 33,057,047	\$ 32,757,941	\$ 32,496,809	\$ 33,665,809	\$ 29,215,297	\$ 28,945,665	\$ 29,222,240
Change In Net Position									
Governmental Activities	\$ 1,243,784	\$ 4,844,311	\$ 7,001,624	\$ 2,566,193	\$ 3,112,068	\$ 441,428	\$ (745,166)	\$ (584,294)	\$ (84,202)
Business-Type Activities	(15,976)	(12,470)	36,534	15,470	(49,320)	57,442	24,455	85,537	121,599
Total District	\$ 1,227,808	\$ 4,831,841	\$ 7,038,158	\$ 2,581,663	\$ 3,062,748	\$ 498,870	\$ (720,711)	\$ (498,757)	\$ 37,397

Note:
GASB requires that ten years of statistical data be presented. However, since the District implemented the new reporting model contained in GASB No. 34 in fiscal year 2003 only nine years of information are available. Each year thereafter, an additional year's data will be included until ten years of data is present.

**CLARK PUBLIC SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
LAST NINE FISCAL YEARS**
(Unaudited)
(modified accrual basis of accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund									
Reserved	\$ 817,057	\$ 1,681,254	\$ 2,780,862	\$ 2,565,372	\$ 1,178,996	\$ 982,473			
Unreserved	1,614,140	649,802	603,724	712,787	1,054,452	475,786			
Restricted							\$ 418,855	\$ 712,592	\$ 1,457,002
Committed							120,163	359,919	231,590
Assigned							479,516	475,325	289,893
Unassigned							\$ 1,018,534	\$ 1,547,836	\$ 441,671
Total General Fund	\$ 2,431,197	\$ 2,331,056	\$ 3,384,586	\$ 3,278,159	\$ 2,233,448	\$ 1,458,259			\$ 2,420,156
All Other Governmental Funds									
Unreserved, Reported In									
Capital Projects Fund	\$ (1,569,734)	\$ 13,195,457	\$ 5,675,342	\$ 1,798,536	\$ 298,273	\$ 582,121			
Debt Service Fund		1,111,798	1,255,902	56,424	1	(607,942)			
Restricted							\$ 162,010	\$ 162,010	\$ 182,500
Total All Other Governmental Funds	\$ (1,569,734)	\$ 14,307,255	\$ 6,931,244	\$ 1,854,960	\$ 298,274	\$ (25,821)	\$ 162,010	\$ 162,010	\$ 182,500

Note:
GASB requires that ten years of statistical data be presented. However, since the District implemented the new reporting model contained in GASB No. 34 in fiscal year 2003 nine years of information are available. Each year thereafter, an additional year's data will be included until ten years of data is present.

Beginning with Fiscal Year 2011, the District implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". The Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. This Statement established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Reclassification of prior year fund balance amounts to comply with Statement No. 54 is not required.

CLARK PUBLIC SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)

(modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Property Tax Levy	\$ 22,137,866	\$ 22,622,163	\$ 25,008,819	\$ 26,725,309	\$ 26,871,536	\$ 26,915,842	\$ 27,279,408	\$ 28,521,811	\$ 28,809,044	\$ 29,027,849
Tuition Charges	1,294,679	1,408,369	1,424,940	1,466,928	1,485,749	1,552,608	1,622,475	2,097,387	2,232,020	2,514,730
Transportation Fees	37,990	17,449	87,516	880,575	800,139	403,380	72,175	19,712	139,320	201,733
Interest Earnings	497,285	83,654	110,101	229,177	165,812	88,138	174,539	662,652	113,945	173,655
Miscellaneous	27,250	23,245	1,926							10,436
Intermediate Sources	3,468,426	4,234,328	5,577,762	8,255,805	10,841,004	8,443,824	8,120,637	3,025,295	3,895,265	4,751,893
State Sources	350,674	425,965	465,832	534,845	569,560	605,525	649,458	766,035	810,721	714,018
Federal Sources	27,814,170	28,813,173	32,676,896	38,092,639	40,724,800	38,009,317	37,918,492	35,200,784	36,011,476	37,394,314
Total Revenue	11,812,305	12,061,317	12,993,218	13,816,769	13,576,875	14,327,170	14,846,264	14,309,636	15,198,171	15,892,981
Expenditures										
Instruction	1,485,647	1,869,687	2,027,865	2,133,460	1,580,062	1,734,030	1,809,790	5,668,952	5,366,085	5,228,790
Regular Instruction	2,915,078	3,184,354	3,368,527	3,389,945	3,922,512	3,912,440	4,452,102	993,380	1,152,338	815,196
Special Education Instruction	805,774	873,364	865,198	1,114,713	1,045,377	1,118,951	963,949	1,552,544	1,633,925	1,885,112
Other Instruction	1,399,882	1,445,580	1,690,715	910,043	866,046	935,565	859,405	690,573	570,854	630,646
School Sponsored Activities and Athletics	2,798,367	2,851,171	2,971,887	3,100,723	3,039,441	3,463,839	3,294,828	3,174,865	3,127,457	2,889,938
Support Services	727,440	999,962	976,623	975,567	949,367	1,056,708	1,002,165	789,795	858,139	943,653
Tuition	4,775,192	5,520,010	6,104,678	4,149,294	4,117,807	4,100,329	4,427,129	2,109,055	2,109,055	
Student and Instruction Related Services	779,530	159,124	2,569,757	8,798,478	13,348,368	6,509,889	5,331,065	727,930	170,923	886,103
General Administration Services										
School Administrative Services										
Central and Other Support Services										
Plant Operations And Maintenance										
Student Transportation Services										
Employee Benefits										
On-Behalf TPAF and Pension Contributions										
Capital Outlay										
Debt Service:										
Principal										
Interest And Other Charges										
Cost of Issuance										
Advanced Refunding Escrow										
Total Expenditures	27,499,215	29,564,569	33,568,468	42,385,427	47,731,281	42,684,210	41,012,707	35,352,678	35,456,174	38,582,553
Excess (Deficiency) Of Revenues Over (Under) Expenditures	314,955	(749,396)	(891,572)	(4,292,788)	(7,006,481)	(4,674,893)	(3,094,215)	(151,894)	555,302	(1,188,239)
Other Financing Sources (Uses)										
Capital Lease Proceeds										
Bond Proceeds										
Premium on Refunding										
Interest Expense										
Payment to Refunding Bond Escrow Agent										
Transfers In										
Transfers Out										
Total Other Financing Sources (Uses)										
Net Change In Fund Balances	\$ 314,955	\$ (758,265)	\$ (892,521)	\$ 15,776,848	\$ (6,322,481)	\$ (4,674,893)	\$ (3,109,215)	\$ (151,894)	\$ 529,302	\$ 892,810
Debt Service As A Percentage Of Noncapital Expenditures	0.00%	0.00%	0.00%	2.21%	3.73%	4.02%	4.16%	4.49%	4.47%	8.31%

* Noncapital expenditures are total expenditures less capital outlay.

**CLARK PUBLIC SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN YEARS
(Unaudited)**

<u>Fiscal Year Ended June 30,</u>	<u>Tuition</u>	<u>Transportation Fees</u>	<u>Interest on Investments</u>	<u>Preschool/Before After School Program Fees</u>	<u>Rentals</u>	<u>E-Rate</u>	<u>Gate Receipts</u>	<u>Reimbursements</u>	<u>Miscellaneous</u>	<u>Total</u>
2004	\$ 1,408,369		\$ 17,449					\$	83,654	\$ 1,509,472
2005	1,424,940		68,096						110,101	1,603,137
2006	1,466,928		207,386						229,177	1,903,491
2007	1,485,749		261,707						145,367	1,892,823
2008	1,552,608		207,739						55,615	1,815,962
2009	1,622,475		71,229						152,623	1,846,327
2010	1,943,873		39,387						443,402	2,426,662
2011	2,097,387	\$ 107,892	19,712	\$ 460,940	\$ 9,577	\$ 21,528	\$ 8,599	\$ 35,321	107,409	2,868,365
2012	2,232,020	139,320	11,161		39,219	240	9,648	3,899	43,824	2,479,331
2013	2,514,730	201,733	10,436		16,750	-	9,054	1,387	128,968	2,883,058

CLARK PUBLIC SCHOOL DISTRICT
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS
 (Unaudited)

Year Ended December 31,	Total Assessed Value							Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate ^a	
	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment					
2004	7,533,200	558,895,000			91,799,500	34,650,200	18,727,200	711,605,100	638,886	712,243,986	1,963,506,980	3.334
2005	7,509,900	561,410,500			90,024,200	34,650,200	18,727,200	712,322,000	562,989	712,884,989	2,109,540,967	3.711
2006	8,582,500	561,273,600			88,889,500	34,450,200	18,302,200	711,498,000	463,561	711,961,561	2,292,397,763	3.745
2007	11,266,600	568,202,500			89,218,600	31,597,100	18,302,200	718,587,000	417,044	719,004,044	2,520,125,679	3.728
2008	10,410,600	574,882,600			90,705,400	31,597,100	18,302,200	725,897,900	397,545	726,295,445	2,831,210,547	3.741
2009	9,672,500	579,961,600			88,025,300	30,747,100	18,177,200	726,583,700	418,750	727,002,450	2,837,350,265	3.779
2010	8,652,100	582,437,000			87,990,500	30,747,100	18,177,200	728,003,900	443,172	728,447,072	2,658,376,917	3.810
2011	5,038,100	583,838,100			91,706,600	29,996,800	18,177,200	728,776,800	406,766	729,183,566	2,553,865,130	3.857
2012	5,198,000	585,885,700			91,504,900	29,996,800	16,357,700	728,943,100	403,287	729,346,387	2,555,136,809	3.962
2013	8,244,500	586,452,800			89,972,000	27,317,700	16,357,700	728,344,700	383,409	728,728,109	2,434,456,344	3.997

Source: County Abstract of Ratables

^a Tax rates are per \$100

**CLARK PUBLIC SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Unaudited)
(rate per \$100 of assessed value)**

Assessment Year	<u>Direct Rate</u>	<u>Overlapping Rates</u>		Total Direct and Overlapping Tax Rate
	Clark School District	Clark Township	County	
2004	3.344	1.520	1.111	5.975
2005	3.711	1.644	1.123	6.478
2006	3.745	1.672	1.142	6.559
2007	3.728	1.703	1.224	6.655
2008	3.741	1.764	1.340	6.845
2009	3.779	1.848	1.375	7.002
2010	3.810	1.939	1.399	7.148
2011	3.857	2.026	1.494	7.377
2012	3.962	2.046	1.605	7.613
2013	3.997	2.086	1.664	7.747

Source: Municipal Tax Assessor

**CLARK PUBLIC SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)**

Taxpayer	2013		2004	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Villa Contracting			\$ 13,215,000	1.86%
C.W. Association	\$ 8,000,000	1.10%	9,157,100	1.29%
Villa Construction Co.-Shopping Center			6,000,000	0.84%
Feil	6,000,000	0.82%		
Target Corp.	4,505,800	0.62%	5,600,000	0.79%
Lexington Village	4,707,800	0.65%	8,909,200	1.25%
Crown Plaza Hotel				
Lane Hotel-Holiday Inn			4,521,800	0.63%
Feil	4,573,400	0.63%		
Largo Clark	4,656,800	0.64%		
HBA Management			4,374,800	0.61%
General Motors	4,473,000	0.61%		
U.S. Gypsum Co.	3,917,800	0.54%	3,917,800	0.55%
Halsted Realty, LLC	3,500,000	0.48%		
Villa Construction Co.-Fitness Center			3,339,200	0.47%
Clark Developers	3,450,000	0.47%		
Hillcrest Association			6,950,000	0.98%
	<u>\$ 47,784,600</u>	<u>6.56%</u>	<u>\$ 65,984,900</u>	<u>9.26%</u>

Source: District CAFR & Municipal Tax Assessor

**CLARK PUBLIC SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST NINE FISCAL YEARS
(Unaudited)**

Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2005	\$ 25,008,819	\$ 25,008,819	100.00%	-
2006	26,725,309	26,725,309	100.00%	-
2007	26,871,536	26,871,536	100.00%	-
2008	26,915,842	26,915,842	100.00%	-
2009	27,279,408	27,279,408	100.00%	-
2010	27,653,909	27,653,909	100.00%	-
2011	28,521,811	28,521,811	100.00%	-
2012	28,809,044	28,809,044	100.00%	-
2013	29,027,849	29,027,849	100.00%	-

Source: School District's Financial Statements

**CLARK PUBLIC SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST NINE FISCAL YEARS
(UNAUDITED)**

Fiscal Year Ended June 30,	Governmental Activities		Total District	Population	Per Capita
	General Obligation Bonds	Capital Leases			
2005		\$ 534,068	\$ 534,068	14,368	\$ 37
2006	\$ 19,834,000	364,767	20,198,767	14,345	1,408
2007	20,018,000	208,286	20,226,286	14,271	1,417
2008	19,398,000	55,932	19,453,932	14,313	1,359
2009	18,708,000		18,708,000	14,430	1,296
2010	17,948,000		17,948,000	14,782	1,214
2011	17,128,000		17,128,000	14,840	1,154
2012	16,253,000		16,253,000	14,947	1,087
2013	15,820,000	559,307	16,379,307	14,947 E	1,096

Source: District Records

Note:

GASB requires that ten years of statistical data be presented. As a result of the implementation of GASB No. 44 in fiscal year 2006 only nine years of information is available. Each year thereafter, an additional year's data will be included until ten years of data is present

(E) - Estimate

**CLARK PUBLIC SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(UNAUDITED)**

General Bonded Debt Outstanding

Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
2004	-	-	-	-	-
2005	-	-	-	-	-
2006	\$ 19,834,000	-	\$ 19,834,000	2.79%	\$ 1,383
2007	20,018,000	-	20,018,000	2.78%	1,403
2008	19,398,000	-	19,398,000	2.67%	1,355
2009	18,708,000	-	18,708,000	2.57%	1,296
2010	17,948,000	-	17,948,000	2.46%	1,214
2011	17,128,000	-	17,128,000	2.35%	1,154
2012	16,253,000	-	16,253,000	2.23%	1,087
2013	15,820,000	-	15,820,000	2.18%	1,058

Source: District Records

**CLARK PUBLIC SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2012
(UNAUDITED)**

<u>MUNICIPAL DEBT</u>	<u>Total Debt</u>
Clark Public School District (As of June 30, 2013)	\$ 15,820,000
Township of Clark (1)	<u>20,083,000</u>
	<u>35,903,000</u>
 OVERLAPPING DEBT APPORTIONED TO THE MUNICIPALITY	
Union County:	
County of Union (A)	20,932,575
Rahway Valley Sewerage (B)	<u>27,374,403</u>
	<u>48,306,978</u>
Total Direct and Overlapping Outstanding Debt	<u><u>\$ 84,209,978</u></u>

(A) The debt for this entity was apportioned by dividing the Municipality's 2012 equalized value by the total 2012 equalized value for Union County

(B) Overlapping Debt was computed based upon municipal flow to the Authority

Sources:

- (1) Township of Clark 2012 Annual Debt Statement
- (2) Union County 2012 Annual Debt Statement

CLARK PUBLIC SCHOOL DISTRICT
 LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for the Fiscal Year 2013

Equalized valuation basis	
2012	\$ 2,410,526,127
2011	2,527,841,831
2010	2,526,001,040
	<u>\$ 7,464,368,998</u>
	<u>\$ 2,488,122,999</u>
	\$ 99,524,920
	15,820,000
	<u>\$ 83,704,920</u>

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt limit	\$ 63,655,444	\$ 71,183,593	\$ 79,335,453	\$ 88,114,330	\$ 99,026,828	\$ 107,253,325	\$ 109,258,808	\$ 105,960,204	\$ 102,295,500	\$ 99,524,920
Total net debt applicable to limit	-	-	19,834,000	20,018,000	19,398,000	18,708,000	17,948,000	17,128,000	16,253,000	15,820,000
Legal debt margin	<u>\$ 63,655,444</u>	<u>\$ 71,183,593</u>	<u>\$ 59,501,453</u>	<u>\$ 68,096,330</u>	<u>\$ 79,628,828</u>	<u>\$ 88,545,325</u>	<u>\$ 91,310,808</u>	<u>\$ 88,832,204</u>	<u>\$ 86,042,500</u>	<u>\$ 83,704,920</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	25.00%	22.72%	19.59%	17.44%	16.43%	16.16%	15.89%	15.90%

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation

**CLARK PUBLIC SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)**

<u>Year Ended December 31,</u>	<u>Population</u>	<u>County Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2004	14,475	\$ 42,775	3.9%
2005	14,368	44,243	3.3%
2006	14,345	48,636	3.3%
2007	14,271	50,752	1.9%
2008	14,313	52,307	3.9%
2009	14,430	48,723	4.4%
2010	14,782	50,448	4.5%
2011	14,840	51,860	4.5%
2012	14,947	N/A	4.5%
2013	14,947 E	N/A	N/A

Source:

United States Bureau of Census, Population Division estimates
Revisions to historical data, per capita income: US Bureau of Economic Analysis

E - Estimate
N/A - Not Available

CLARK PUBLIC SCHOOL DISTRICT
 PRINCIPAL EMPLOYERS
 CURRENT YEAR AND NINE YEARS AGO
 (UNAUDITED)

Employer	2013		2004	
	Employees	% of Total Municipal Employment	Employees	% of Total Municipal Employment

INFORMATION IS NOT AVAILABLE

**CLARK PUBLIC SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

<u>Function/Program</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Instruction										
Regular	175	177	175	175	179	182	184	184	162	164
Special education	30	33	34	34	44	42	51	51	51	53
Support Services:										
Student & instruction related services	18	19	19	19	19	18	24	24	52	68
General administrative services	2	2	2	1	1	1	3	3	3	3
School administrative services	13	13	11	11	14	14	14	14	16	16
Business administrative services	8	8	7	7	6	5	5	5	6	5
Plant operations and maintenance	9	9	9	8	8	8	6	6	11	11
Total	<u>255</u>	<u>261</u>	<u>257</u>	<u>255</u>	<u>271</u>	<u>270</u>	<u>287</u>	<u>287</u>	<u>301</u>	<u>320</u>

Source: District Records

CLARK PUBLIC SCHOOL DISTRICT
 OPERATING STATISTICS
 LAST TEN FISCAL YEARS
 (UNAUDITED)

Pupil/Teacher Ratio

Fiscal Year	Enrollment a	Operating Expenditures b	Cost Per Pupil c	Percentage Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	Percentage Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2004	2,518	\$ 29,405,445	\$ 11,678	8.00%	168.0	1:23	1:24	N/A	2,088	1,973	5.72%	94.49%
2005	2,334	30,998,711	13,281	13.73%	167.0	1:23	1:24	N/A	2,189	2,046	4.84%	93.47%
2006	2,554	32,844,587	12,860	-3.17%	167.0	1:23	1:24	N/A	2,300	2,285	5.07%	99.35%
2007	2,346	33,098,873	14,109	9.71%	175.0	1:23	1:24	N/A	2,301	2,207	0.04%	95.91%
2008	2,353	34,720,353	14,756	4.59%	179.0	1:23	1:24	N/A	2,358	2,266	2.52%	96.10%
2009	2,330	34,975,099	15,011	1.73%	182.0	1:23	1:24	N/A	2,308	2,212	0.30%	95.84%
2010	2,354	34,628,590	14,711	-2.00%	199.0	1:23	1:24	N/A	2,334	2,240	0.11%	95.97%
2011	2,359	33,069,171	14,018	-4.71%	206.0	1:23	1:24	N/A	2,333	2,234	0.00%	95.76%
2012	2,299	33,707,849	14,662	4.59%	185.0	1:14	1:11	1:12	2,324	2,237	-0.39%	96.26%
2013	2,270	34,564,575	15,227	3.85%	186.0	1:13	1:12	1:12	2,307	2,210	-0.73%	95.80%

Source: District records

Note:

- a Enrollment based on annual October district count
- b Operating expenditures equal total expenditures less debt service and capital outlay
- c Cost per pupil represents operating expenditures divided by enrollment

CLARK PUBLIC SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<u>District Building</u>										
<u>Elementary</u>										
Valley Road Elementary School	40,612	40,612	40,612	40,612	40,612	40,612	40,612	40,612	40,612	40,612
Square Feet	N/A	N/A	446	460	440	425	426	427	436	410
Enrollment										
Frank K. Hehly Elementary School	45,497	45,497	45,497	45,497	45,497	45,497	45,497	45,497	45,497	45,497
Square Feet	N/A	N/A	496	496	506	514	505	520	501	505
Enrollment										
<u>Middle School</u>										
Carl H. Kumpf	74,812	74,812	74,812	74,812	74,812	74,812	74,812	74,812	74,812	74,812
Square Feet	N/A	N/A	547	547	551	550	539	533	531	536
Enrollment										
<u>High School</u>										
Arthur L. Johnson	192,825	192,825	192,825	192,825	192,825	192,825	192,825	192,825	192,825	192,825
Square Feet	N/A	N/A	843	843	856	841	831	815	809	816
Enrollment										

Number of Schools at June 30, 2013

Elementary = 2

Middle School = 1

High School = 1

Source: District records

CLARK PUBLIC SCHOOL DISTRICT
 GENERAL FUND
 SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
 LAST TEN YEARS
 (UNAUDITED)

Undistributed Expenditures - Required
 Maintenance for School Facilities
 11-000-261-XXXX

School Facilities	Project # (s)	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Frank K. Hehmy Elementary	N/A	\$ 55,280	\$ 184,670	\$ 161,525	\$ 102,972	\$ 127,272	\$ 91,209	\$ 20,570	\$ 98,671	\$ 174,656	\$ 90,196
Valley Road Elementary	N/A	99,003	110,923	88,989	114,494	113,459	89,083	9,738	88,076	151,550	80,512
Carl H. Kumpf M.S.	N/A	118,418	83,165	81,107	154,224	208,173	200,545	37,871	162,247	149,313	148,312
Arthur L. Johnson H.S.	N/A	497,721	454,706	458,220	461,558	537,698	528,545	249,228	418,187	366,724	382,268
Other Facilities	N/A	-	-	-	-	-	-	650,299	-	-	-
Total School Facilities		\$ 770,422	\$ 833,464	\$ 789,841	\$ 833,248	\$ 986,602	\$ 909,382	\$ 967,706	\$ 767,181	\$ 842,243	\$ 701,288

**CLARK PUBLIC SCHOOL DISTRICT
INSURANCE SCHEDULE
AS OF JUNE 30, 2013
(Unaudited)**

<u>Company</u>	<u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
School Package Policy:			
	Property		
	Blanket Building & Contents	\$ 69,516,564	5,000
	Blanket Extra Expense	50,000,000	5,000
	Blanket Papers and Records	10,000,000	5,000
	Blanket Electronic Hardware and Software	1,900,000	1,000
	Comprehensive General Liability		
	Bodily Injury and Property Damage	31,000,000	
	Terrorism	1,000,000	
	Employee Benefits Liability	31,000,000	1,000
	Automobile Liability	31,000,000	-
	Medical Payments - Private Passenger	10,000	
	Medical Payments - Commercial Vehicles	5,000	
	Uninsured Motorist - Private Passenger	1,000,000	
	Uninsured Motorist - All Other Vehicles	15,000/30,000/5,000	
	Comprehensive & Collision	Actual Cash Value	1,000
	Educator's Legal Liability - NJSBAIG	31,000,000	10,000
	Workers Compensation	31,000,000	
	Workers Compensation Supplemental - NJSBAIG	Included	
	Student Accident - Market		
	High School Football	5,000,000	
	Catastrophic Student Accident	1,000,000	
	Public Employee Dishonesty with Faithful Performance	250,000	1,000
Surety Bonds:			
	Treasurer	250,000	1,000
	Board Secretary/Business Administrator	250,000	1,000

Source: District Records

SINGLE AUDIT SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
DONNA L. JAPHET, CPA, PSA
JULIUS B. CONSONI, CPA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ANDREW PARENTE, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, PSA
DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
EDWARD N. KERE, CPA
LORI T. MANUKIAN, CPA, PSA
MARK SACO, CPA

**REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Clark Public School District
Clark, New Jersey

We have audited, in accordance with the 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 audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Clark Public School District as of and for the fiscal year ended June 30, 2013 and the related notes to the financial statements, which collectively comprise the Clark Public School District's basic financial statements and have issued our report thereon dated September 24, 2013.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Clark Public School District’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

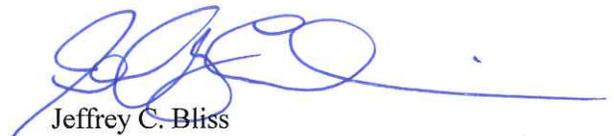
We noted certain matters that we reported to management of the Clark Public School District in a separate report entitled, “Auditor’s Management Report on Administrative Findings – Financial, Compliance and Performance” dated September 24, 2013.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Clark Public School District’s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Clark Public School District’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lerch, Vinci & Higgins, LLP

LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Public School Accountants



Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
September 24, 2013



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
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GARY W. HIGGINS, CPA, RMA, PSA
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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY
U.S. OMB CIRCULAR A-133 AND SCHEDULE OF EXPENDITURES OF STATE FINANCIAL
ASSISTANCE AS REQUIRED BY NEW JERSEY OMB CIRCULAR 04-04**

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Clark Public School District
Clark, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Clark Public School District's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the New Jersey OMB Circular 04-04 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Clark Public School District's major federal and state programs for the fiscal year ended June 30, 2013. The Clark Public School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Clark Public School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; U.S. OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and Circulars require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Clark Public School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the Clark Public School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2013.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with U.S. OMB Circular A-133 and New Jersey OMB Circular 04-04 which is described in the accompanying schedule of findings and questioned costs as item 2013-1. Our opinion on each major federal and state program is not modified with respect to these matters.

The Clark Public School District's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Clark Public School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the Clark Public School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Clark Public School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with U.S. OMB Circular A-133 and New Jersey OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Clark Public School 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 or state 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 or state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

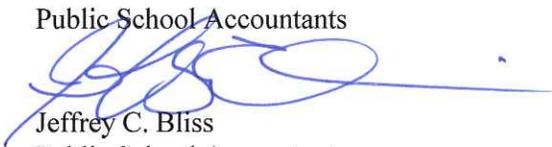
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of U.S. OMB Circular A-133 and New Jersey OMB Circular 04-04. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by U.S. OMB Circular A-133 and Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 04-04

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Clark Public School District as of and for the fiscal year ended June 30, 2013 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We issued our report thereon dated September 24, 2013, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by U.S. OMB Circular A-133 and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 04-04 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

Lerch, Vinci & Higgins, LLP

LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Public School Accountants


Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
September 24, 2013

CLARK PUBLIC SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Accounts Receivable		Unearned Revenue Amount	Cash Received	Budgetary Expenditures	Adjustment	Refund of Prior Years' Balances	Balance, June 30, 2013		MEMO GAAP Receivable
				(Accounts Receivable)	Due to Grantor						(Account Receivable)	Unearned Revenue Due to Grantor	
	10.555	N/A	\$ 78,233	\$ (5,324)	\$ 72,976	\$ 78,233	\$ (5,257)				\$ (5,257)	\$ (5,257)	
		7/1/12-6/30/13	92,161		5,324								
		7/1/12-6/30/13	28,253		28,253							\$ 18	
		7/1/11-6/30/12	39,412		955								
				(5,324)	955	106,553	107,423				(5,257)	18	(5,257)
Total U.S. Department of Agriculture													
U.S. Department of Education													
Passed-through State Department of Education													
Special Revenue Fund													
NCLB													
			62,341		35,943	76,496	(41,731)				1,178		(40,553)
		9/1/12-8/31/13	49,679	(26,818)	17,368	2,035							
		9/1/11-8/31/12	31,946	(39,786)	14,468	37,482	(23,854)				13,790		(10,064)
		9/1/12-8/31/13	36,409	(97)	97	97		8,583					
		9/1/11-8/31/12	10,187	(29,164)	9,588	4,038	(18,560)				14,766		(3,794)
		9/1/12-8/31/13	31,308			971							
		7/1/12-6/30/13	25,500	(2,795)	1,336	22,980					450		
		7/1/11-6/30/12	24,000			1,459							
		09/1/09-8/31/11	676,427		\$ 179						\$ 179		
		09/1/09-8/31/11	24,475		2,247						2,247		
			554,625			531,898	(151,223)				55,974		(95,249)
		9/1/12-8/31/13	552,081	(155,446)	42,664	9,417		9,675					
		9/1/11-8/31/12	22,337	(22,752)	2,468	21,061	(4,480)				3,744		(736)
		9/1/12-8/31/13	22,310										
		9/1/11-8/31/12				20,284							
				(276,858)	87,989	706,475	(239,848)	18,258			89,902		(150,396)
				\$ (282,182)	\$ 88,944	\$ 813,898	\$ (245,105)	\$ 18,258			\$ 89,920		\$ (155,653)
Total U.S. Department of Education													
Total Federal Awards													

See the Accompanying Notes to the Schedule of Expenditures of Federal Awards.

CLARK PUBLIC SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2012		Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Adjustments	Balance, June 30, 2013		GAAP Receivable	Cumulative Total Expenditures
				(Accounts Receivable)	Unearned Revenue					(Accounts Receivable)	Unearned Revenue		
State Department of Education													
General Fund:													
Special Education Aid	13-495-034-5120-089	7/1/12-6/30/13	\$ 916,828	\$ 838,715	\$ 916,828	\$ 48,672	\$ (78,113)	-	-	\$ (78,113)	-	\$ 916,828	-
Special Education Aid	12-495-034-5120-089	7/1/11-6/30/12	739,908	\$ (48,672)	1,412	1,543	(131)	-	-	(131)	-	1,543	1,543
Equalization Aid	13-495-034-5120-078	7/1/12-6/30/13	1,543	1,412	47,243	33,353	(4,400)	-	-	(2,842)	-	33,353	51,643
Transportation Aid	13-495-034-5120-014	7/1/12-6/30/13	33,353	30,511	100,828	92,569	(100,828)	-	-	-	-	100,828	100,828
Security Aid	13-495-034-5120-084	7/1/12-6/30/13	100,828	92,569	17,226	17,226	(17,226)	-	-	(17,226)	-	17,226	17,226
Extraordinary Aid	12-100-034-5120-473	7/1/11-6/30/12	17,226	(14,442)	14,442	1,135,909	(678,010)	-	-	(678,010)	-	1,135,909	1,135,909
Nonpublic School Transportation Aid	N/A	7/1/11-6/30/12	14,442	934,129	934,129	49,148	-	-	-	-	-	49,148	934,129
Nonpublic School Transportation Aid	13-495-034-5095-002	7/1/12-6/30/13	1,135,909	49,148	1,111,838	1,111,838	-	-	-	-	-	1,111,838	1,111,838
Reimbursed TPAF Social Security Contribution	13-495-034-5095-006	7/1/12-6/30/13	934,129	-	-	-	-	-	-	-	-	-	934,129
On-Behalf TPAF Pension Benefit Contribution	13-495-034-5095-007	7/1/12-6/30/13	49,148	-	-	-	-	-	-	-	-	-	49,148
On-Behalf TPAF Pension NCGI Premium	13-495-034-5095-001	7/1/12-6/30/13	1,111,838	-	-	-	-	-	-	-	-	-	1,111,838
On-Behalf TPAF Post Retirement Medical Contribution													
Total General Fund				(155,683)	3,626,578	4,352,445	(881,550)	-	-	(695,236)	-	4,352,445	4,352,445
Special Revenue Fund													
New Jersey Non-Public Aid	13-100-034-5120-064	7/1/12-6/30/13	47,080	\$ 936	47,080	45,658	\$ 1,422	-	-	1,422	-	45,658	45,658
Textbook Aid	12-100-034-5120-064	7/1/11-6/30/12	45,556	-	65,346	63,741	1,605	-	-	1,605	-	63,741	63,741
Textbook Aid	13-100-034-5120-070	7/1/12-6/30/13	65,346	-	17,376	17,311	65	-	-	65	-	17,311	17,311
Nursing Services	13-100-034-5120-373	7/1/12-6/30/13	17,376	-	108,188	108,188	-	-	-	-	-	108,188	108,188
Technology Aid	13-100-034-5120-067	7/1/12-6/30/13	108,188	9,379	9,379	5,968	3,411	-	-	3,411	-	5,968	5,968
Auxiliary Services	13-101-034-5120-067	7/1/12-6/30/13	9,379	862	14,474	14,474	-	-	-	-	-	14,474	14,474
Compensatory Education	12-101-034-5120-067	7/1/11-6/30/12	12,069	-	14,474	2,644	-	-	-	(2,644)	-	2,644	2,644
English as a Second Language	13-100-034-5120-068	7/1/12-6/30/13	14,474	-	1,114	1,114	-	-	-	(2,250)	-	1,114	1,114
English as a Second Language	13-100-034-5120-068	7/1/12-6/30/13	2,644	-	60,030	54,460	-	-	-	-	-	54,460	54,460
Home Instruction	12-100-034-5120-068	7/1/11-6/30/12	1,114	5,407	46,091	38,659	7,432	-	-	7,432	-	38,659	38,659
Home Instruction	10-100-034-5120-068	7/1/09-6/30/10	60,030	-	49,193	49,193	-	-	-	-	-	49,193	49,193
Handicapped Services	13-100-034-5120-066	7/1/12-6/30/13	60,030	-	418,271	400,296	-	-	-	(4,894)	-	400,296	400,296
Examination and Classification	13-100-034-5120-066	7/1/12-6/30/13	46,091	7,205	46,091	38,659	-	-	-	-	-	38,659	38,659
Corrective Speech	12-100-034-5120-066	7/1/11-6/30/12	46,285	-	49,193	49,193	-	-	-	-	-	49,193	49,193
Corrective Speech	13-100-034-5120-066	7/1/12-6/30/13	49,193	-	-	-	-	-	-	-	-	-	-
Supplementary Instruction													
Total Special Revenue Fund				(3,364)	7,205	400,296	(4,894)	7,205	-	(4,894)	19,505	(4,894)	400,296

CLARK PUBLIC SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2012		Carryover Amount	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Adjustments	Balance, June 30, 2013		Memo Cumulative Total Expenditures
				(Accounts Receivable)	Unearned Revenue						(Accounts Receivable)	Unearned Revenue	
Capital Projects Fund													
NJSDA - Kumpf MS Boiler Replacement	39-0850-005-09-1004	7/1/09-6/30/11	\$ 198,000	\$ (198,000)	\$ 120,578		\$ 41,581				\$ (198,000)	\$ 77,422	
NJSDA - Henly ES Site Improvements	39-0850-005-09-1005	7/1/09-6/30/11	41,581	(41,581)								41,581	
NJSDA - Henly ES - Boiler Replacement	39-0850-005-09-1006	7/1/09-6/30/11	198,000	(198,000)	120,997						(198,000)	77,003	
NJSDA - All Window Replacement	39-0850-005-09-1007	7/1/09-6/30/11	7,200	(7,200)	7,200						(7,200)	-	
NJSDA - ALJ HS Site Improvements	39-0850-005-09-1008	7/1/09-6/30/11	53,800	(53,800)	53,800						(53,800)	-	
NJSDA - Valley Road ES - Site Improvements	39-0850-005-09-1009	7/1/09-6/30/11	16,800	(16,800)		16,800						16,800	
Total Capital Projects Fund				<u>(515,381)</u>	<u>302,575</u>		<u>58,381</u>				<u>(457,000)</u>	<u>302,575</u>	<u>212,806</u>
Debt Service Fund													
Debt Service Fund	13-495-034-5120-125	7/1/12-6/30/13	43,973				43,973						43,973
Enterprise Fund													
National School Lunch (State Share)	13-100-010-3350-023	7/1/12-6/30/13	4,462				3,911	4,462			(551)		4,462
National School Lunch (State Share)	12-100-010-3350-023	7/1/11-6/30/12	6,003	(342)			342						
Total Enterprise Fund				<u>(342)</u>			<u>4,253</u>	<u>4,462</u>			<u>(551)</u>		<u>4,462</u>
Total State Financial Assistance				<u>(674,770)</u>	<u>302,575</u>	<u>7,205</u>	<u>4,151,456</u>	<u>4,801,176</u>	<u>7,205</u>		<u>(1,343,995)</u>	<u>302,575</u>	<u>5,013,982</u>
State Financial Assistance													
Not Subject to Single Audit Determination													
General Fund													
On-Behalf TPAF Pension Benefit Contribution	13-495-034-5095-006	7/1/12-6/30/13	934,129				(934,129)	(934,129)					(447,915)
On-Behalf TPAF Pension NCGI Premium	13-495-034-5095-007	7/1/12-6/30/13	49,148				(49,148)	(49,148)					(49,148)
On-Behalf TPAF Post Retirement Medical Contribution	13-495-034-5095-001	7/1/12-6/30/13	1,111,838				(1,111,838)	(1,111,838)					(1,111,838)
Total State Financial Assistance							<u>\$ 2,056,341</u>	<u>\$ 2,706,061</u>	<u>\$ 7,205</u>		<u>\$ (1,343,995)</u>	<u>\$ 302,575</u>	<u>\$ 3,405,081</u>
Subject to Single Audit Determination													

See the Accompanying Notes to the Schedule of Expenditures of State Financial Assistance.

**CLARK PUBLIC SCHOOL DISTRICT
 NOTES TO THE SCHEDULES OF EXPENDITURES OF
 FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 1 GENERAL

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

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedules are prepared and presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1(C) to the Board's basic financial statements. The information in these schedules is presented in accordance with requirements of U.S. OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations" and New Jersey OMB Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3 RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$45,073 for the general fund and an increase of \$7,795 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 4,307,372	\$ 4,307,372
Special Revenue Fund	\$ 714,018	400,548	1,114,566
Debt Service Fund		43,973	43,973
Food Service Fund	<u>107,423</u>	<u>4,462</u>	<u>111,885</u>
 Total Financial Assistance	 <u>\$ 821,441</u>	 <u>\$ 4,756,355</u>	 <u>\$ 5,577,796</u>

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the District's fiscal year and grant program years.

NOTE 5 OTHER INFORMATION

Revenues and expenditures reported under the National School Lunch Program as non-cash assistance represent current year value received and current year distributions, respectively of the Federal Food Distribution Program. TPAF Social Security contributions in the amount of \$1,135,909 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2013. The amount reported as TPAF Pension System Contributions in the amount of \$983,277 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,111,838 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2013.

NOTE 6 ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's basic financial statements and the amount subject to State single audit and major program determination.

**CLARK PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Part I – Summary of Auditor’s Results

Financial Statement Section

Type of auditors' report issued on financial statements Unmodified

Internal control over financial reporting:

1) Were material weakness(es) identified? yes X no

2) Significant deficiencies identified that are not considered to be material weakness(es)? yes X none reported

Noncompliance material to the basic financial statements noted? yes X no

Federal Awards Section

Internal Control over major programs:

(1) Material weakness(es) identified? yes X no

2) Significant deficiencies identified that are not considered to be material weakness(es)? yes X none reported

Type of auditor's report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? yes X no

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027</u>	<u>IDEA Part B, Basic</u>
<u>84.173</u>	<u>IDEA Preschool</u>

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? yes X no

**CLARK PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Part 2 – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements in accordance with Government Auditing Standards.

THERE ARE NONE.

**CLARK PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs (Cont'd)

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 04-04.

CURRENT YEAR FEDERAL AWARDS

There are none.

**CLARK PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 04-04.

CURRENT YEAR STATE AWARDS

Finding 2013-1

Our audit revealed the semi-monthly TPAF reimbursements were not requested in a timely manner.

State Program Information

Reimbursed TPAF Social Security Contributions 495-034-5095-002

Criteria or Specific Requirement

N.J.S.A. 18A:66-66

Condition

The semi-monthly TPAF reimbursement vouchers were not prepared and submitted to the State within a reasonable time period.

Questioned Costs

None

Context

The semi-monthly TPAF reimbursement vouchers were completed and submitted to the State on three (3) occasions during the year for multiple payroll periods. The amount due at June 30, 2013 was \$678,010 compared to zero at June 30, 2012 and represented the payroll periods ending January 15, 2013 to June 30, 2013.

Effect

Amounts due may not be reimbursed by State due to late filings.

Recommendation

Semi-monthly TPAF reimbursement requests be submitted on a weekly basis.

View of Responsible Officials and Planned Corrective Action

Management has reviewed this finding and has indicated it will review and revise its procedures to ensure corrective action is taken.

**CLARK PUBLIC SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 (section .315(a)(b)) and New Jersey OMB's Circular 04-04.

STATUS OF PRIOR YEAR FINDINGS

Finding 2012-1

Condition:

Purchases of various goods and services were made which were not in accordance with the procedures specified in the Public School Contracts Law.

Current Status

Corrective action has been taken.