

**CLARK PUBLIC  
SCHOOL DISTRICT**

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

**Comprehensive Annual Financial Report  
For The Fiscal Year Ended June 30, 2016**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**of the**

**Clark Public School District**

**Clark, New Jersey**

**For The Fiscal Year Ended June 30, 2016**

**Prepared by**

**Clark Public School District  
Finance Department**

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**INTRODUCTORY SECTION**



## Clark Public Schools

365 Westfield Ave • Clark, NJ 07066  
(732)574-9600 • Fax (732)574-1456

**Edward Grande**  
*Superintendent of Schools*

**R. Paul Vizzuso**  
*Business Admin./Board Secretary*

October 19, 2016

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, 2016 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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance) and the State Treasury OMB Circular 15-08, 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,

Handwritten signature of Edward Grande in cursive.

Edward Grande  
Superintendent of Schools

Handwritten signature of R. Paul Vizzuso in cursive.

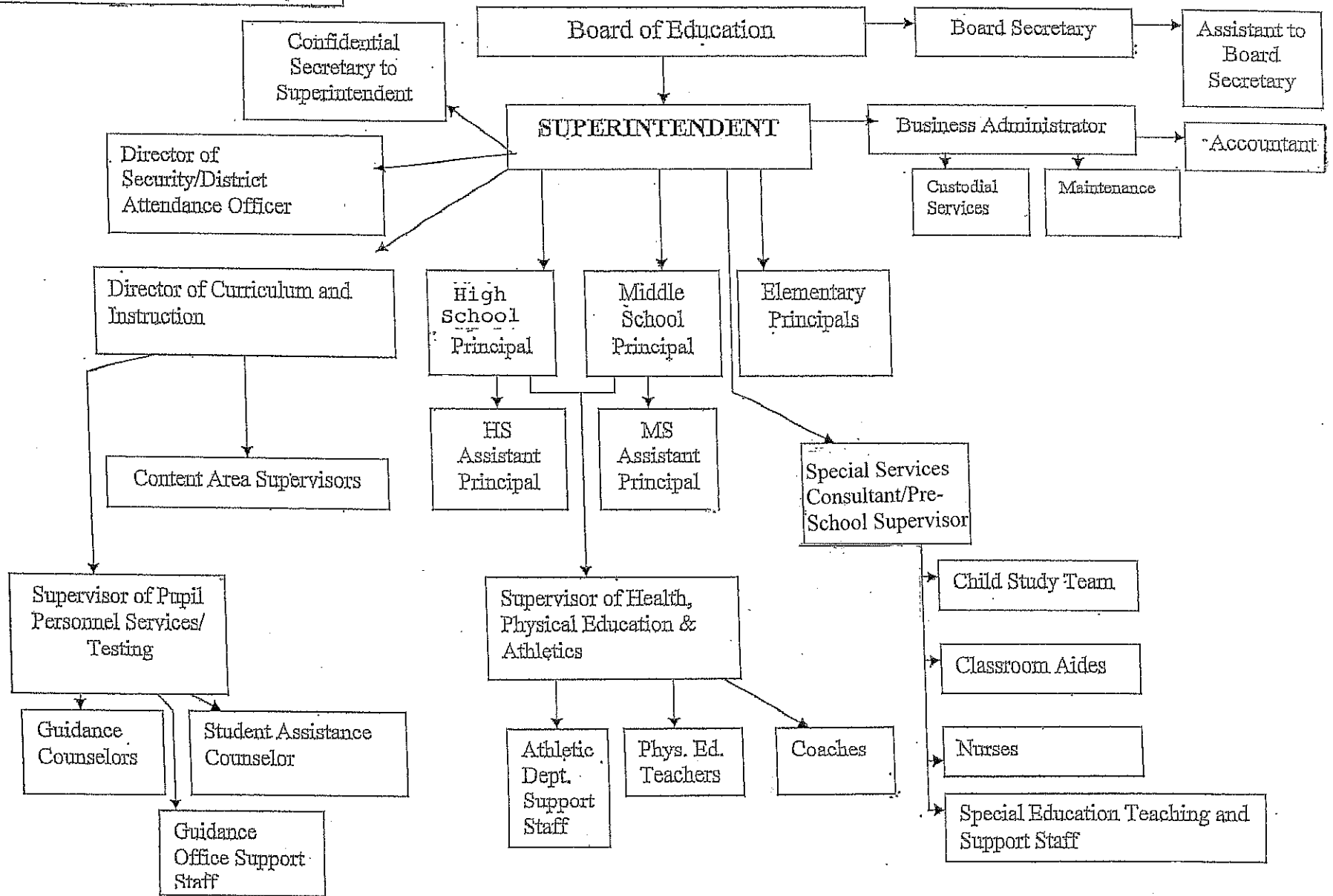
R. Paul Vizzuso  
Business Administrator/Board Secretary





**CLARK PUBLIC SCHOOLS**  
Clark, New Jersey

Organizational Chart



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

CLARK PUBLIC SCHOOL DISTRICT  
CLARK, NEW JERSEY

ROSTER OF OFFICIALS  
JUNE 30, 2016

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Lorraine J. Aklonis	2016
Scott Bohm	2018
Carmen Brocato, President	2017
Laura Caliguire	2017
Jill Curran, Vice President	2018
Steven Donkersloot	2017
Christine Guerriero, Garwood Representative	2017
Thomas Lewis	2016
Sheri Sandler	2016
Robert Smorol	2018

Other Officials

Edward Grande, Superintendent of Schools  
R. Paul Vizzuso, Business Administrator/Board Secretary  
Doreen Babis, Supervisor of Special Services  
Thomas M. Angelo, Treasurer of School Monies

**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**

Parette Somjen Architects  
439 Route 46 East  
Rockaway, NJ 07866

**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  
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, 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  
MARK SACO, CPA  
SHERYL M. NICOLosi, CPA  
ROBERT AMPONSAH, 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, 2016 and the related notes to the financial statements, which collectively comprise the Clark Public 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 above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Clark Public School District as of June 30, 2016, 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, budgetary comparison information and pension 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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, 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.

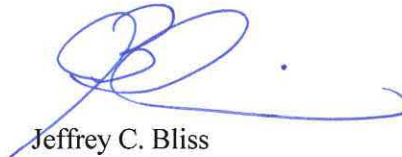
The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated October 19, 2016 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  
October 19, 2016

**MANAGEMENT'S DISCUSSION AND ANALYSIS**



# CLARK PUBLIC SCHOOL DISTRICT

## Management Discussion and Analysis

### Fiscal Year Ended June 30, 2016

As management of the Clark Public School District (the Board or District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the Clark Public School District for the fiscal year ended June 30, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

### FINANCIAL HIGHLIGHTS

Key financial highlights for the 2015-2016 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 \$10,596,140 (Net Position).
- Overall District revenues were \$44,337,049 and were \$1,700,451 less than overall District expenses of \$46,037,500. General revenues accounted for \$30,295,498 or 68% of all revenues. Program specific revenues in the form of charges for services, grants and contributions account for \$14,041,551 or 32% of total revenues.
- The School District had \$45,053,344 in expenses for governmental activities; only \$12,757,406 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$30,295,136 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 \$3,152,660. Of that amount, \$381,794 (12%) is available for spending at the District's discretion (unassigned fund balance).
- The General Fund unassigned fund balance was \$381,794 at June 30, 2016, a decrease of \$170,587 when compared with the beginning unassigned fund balance at July 1, 2015 of \$552,381.
- The General Fund unassigned budgetary basis fund balance at June 30, 2016 was \$564,791, which represents a decrease of \$145,911 compared to the ending unassigned budgetary basis fund balance at June 30, 2015 of \$710,702.
- The District's total outstanding long-term liabilities decreased by \$10,254 during the current fiscal year.

# CLARK PUBLIC SCHOOL DISTRICT

## Management Discussion and Analysis

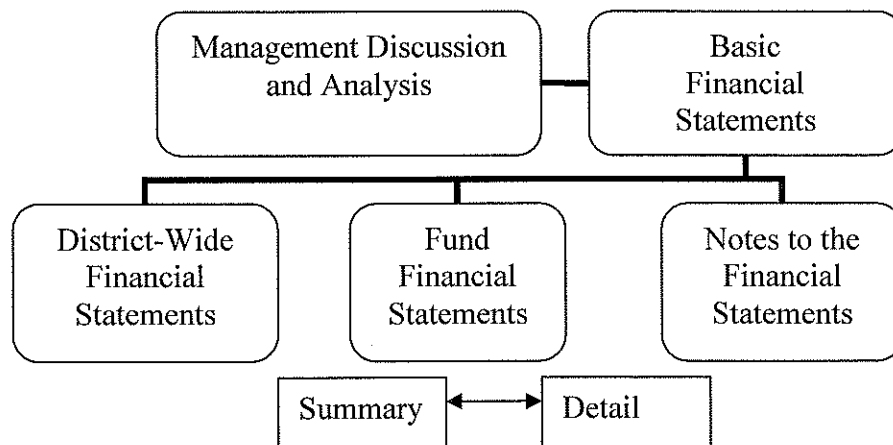
Fiscal Year Ended June 30, 2016

### 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 basic 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, 2016

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
<b>Scope</b>	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.
<b>Required Financial Statements</b>	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
<b>Accounting Basis and Measurement Focus</b>	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
<b>Type of Asset, Liabilities and Deferred Inflows/outflows Information</b>	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
<b>Type of Inflow/Outflow Information</b>	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, 2016

### 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 District's *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, 2016

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, 2016

### 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 revenue and expenditure budget for the general, special revenue and debt service funds. Budgetary comparison schedules have been provided for the general and special revenue funds as required supplementary information. Information regarding the District's employee retirement systems and pension plans has also been provided 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 and pension information.

### 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 2016 and 2015.

**Net Position.** The District's *combined* net position was \$10,596,140 on June 30, 2016 and \$12,296,591 on June 30, 2015.

# CLARK PUBLIC SCHOOL DISTRICT

## Management Discussion and Analysis

Fiscal Year Ended June 30, 2016

### Net Position as of June 30, 2016 and 2015

	Governmental Types		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
<b>Assets</b>						
Current and other assets	\$ 3,787,519	\$ 5,032,647	\$ 874,487	\$ 594,133	\$ 4,662,006	\$ 5,626,780
Capital assets, net	27,249,022	28,713,129	173,146	154,392	27,422,168	28,867,521
Total Assets	31,036,541	33,745,776	1,047,633	748,525	32,084,174	34,494,301
<b>Deferred Outflows of Resources</b>	1,794,620	1,146,787	-	-	1,794,620	1,146,787
Total Assets and Deferred Outflows of Resources	32,831,161	34,892,563	1,047,633	748,525	33,878,794	35,641,088
<b>Liabilities</b>						
Non-Current liabilities	22,128,791	22,139,045			22,128,791	22,139,045
Other liabilities	673,623	404,475	41,040	44,467	714,663	448,942
Total Liabilities	22,802,414	22,543,520	41,040	44,467	22,843,454	22,587,987
<b>Deferred Inflows of Resources</b>	436,776	756,270	2,424	240	439,200	756,510
Total Liabilities and Deferred Inflows of Resources	23,239,190	23,299,790	43,464	44,707	23,282,654	23,344,497
<b>Net Position</b>						
Net Investment in capital assets	14,261,400	14,679,357	173,146	154,392	14,434,546	14,833,749
Restricted	1,697,976	2,009,330			1,697,976	2,009,330
Unrestricted	(6,367,405)	(5,095,914)	831,023	549,426	(5,536,382)	(4,546,488)
Total Net Position	\$ 9,591,971	\$ 11,592,773	\$ 1,004,169	\$ 703,818	\$ 10,596,140	\$ 12,296,591

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. Restricted net position represents amounts reserved for specific purposes by outside parties or state laws and regulations. Unrestricted net position represents amounts available to the government that are neither restricted nor invested in capital assets.

# CLARK PUBLIC SCHOOL DISTRICT

## Management Discussion and Analysis

### Fiscal Year Ended June 30, 2016

The District's total net position of \$10,596,140 at June 30, 2016 represents a \$1,700,451 or 14%, decrease from the prior year. The following shows changes in net position for fiscal years 2016 and 2015.

**Change in Net Position**  
For the Fiscal Years Ended June 30, 2016 and 2015

	Governmental		Business-Type		Total	
	<u>Types</u>		<u>Activities</u>			
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>Revenues</b>						
<b>Program Revenues</b>						
Charges for Services	\$ 1,867,557	\$ 2,409,329	\$ 1,158,506	\$ 1,079,719	\$ 3,026,063	\$ 3,489,048
Operating Grants and Contributions	10,685,784	8,925,719	125,639	121,130	10,811,423	9,046,849
Capital Grants and Contributions	204,065	65,133			204,065	65,133
<b>General Revenues</b>						
Property Taxes	30,181,816	29,633,582			30,181,816	29,633,582
State and Federal Aid	2,257	2,268			2,257	2,268
Other	111,063	175,862	362	-	111,425	175,862
<b>Total Revenues</b>	<u>43,052,542</u>	<u>41,211,893</u>	<u>1,284,507</u>	<u>1,200,849</u>	<u>44,337,049</u>	<u>42,412,742</u>
<b>Program Expenses</b>						
<b>Instruction</b>						
Regular	21,756,514	20,404,457			21,756,514	20,404,457
Special Education	6,842,631	6,003,305			6,842,631	6,003,305
Other Instruction	832,791	709,751			832,791	709,751
School Sponsored Activities and Athletics	932,447	953,377			932,447	953,377
<b>Support Services</b>						
Student and Instruction Related	5,603,858	5,440,909			5,603,858	5,440,909
General Administration	643,497	781,746			643,497	781,746
School Administration	2,211,194	2,233,308			2,211,194	2,233,308
Central and Other Support Services	844,452	720,876			844,452	720,876
Plant Operations and Maintenance	3,405,988	3,100,548			3,405,988	3,100,548
Pupil Transportation	1,468,123	1,037,189			1,468,123	1,037,189
Interest on Debt	511,849	552,422			511,849	552,422
Food Service			664,892	628,176	664,892	628,176
Before and After School Program	-	-	319,264	272,655	319,264	272,655
<b>Total Expenses</b>	<u>45,053,344</u>	<u>41,937,888</u>	<u>984,156</u>	<u>900,831</u>	<u>46,037,500</u>	<u>42,838,719</u>
<b>Change in Net Position</b>	(2,000,802)	(725,995)	300,351	300,018	(1,700,451)	(425,977)
<b>Net Position, Beginning of Year</b>	11,592,773	14,212,074	703,818	265,140	12,296,591	14,477,214
<b>Prior Period Adjustment</b>	-	(1,893,306)	-	138,660	-	(1,754,646)
<b>Net Position, End of Year</b>	<u>\$ 9,591,971</u>	<u>\$ 11,592,773</u>	<u>\$ 1,004,169</u>	<u>\$ 703,818</u>	<u>\$ 10,596,140</u>	<u>\$ 12,296,591</u>



# CLARK PUBLIC SCHOOL DISTRICT

## Management Discussion and Analysis

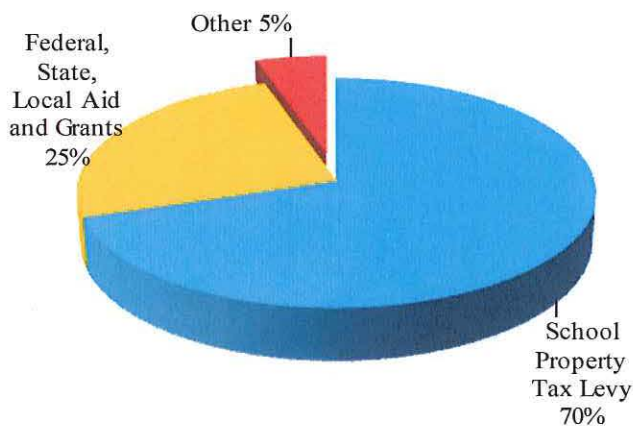
### Fiscal Year Ended June 30, 2016

**Governmental Activities.** The District's total governmental activities' revenues, which includes State and Federal grants, were \$43,052,542 for the year ended June 30, 2016, property taxes of \$30,181,816 represented 70% of revenues. Another significant portion of revenues came from State aid; total State, Federal and Local Aid and Grants were \$10,892,106 and represented 25% of revenues. In addition, revenue in the amount of \$1,978,620 (5%) was earned from tuition, transportation fees and miscellaneous income which includes items such as interest, prior year refunds and other miscellaneous items.

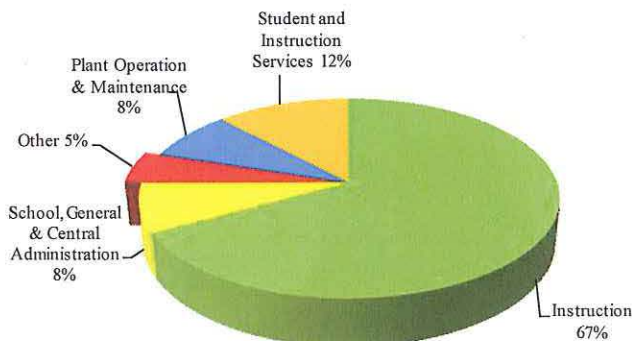
The total cost of all governmental activities programs and services was \$45,053,344. The district's expenses are predominantly related to educating and caring for students. Instruction totaled \$30,364,383 (67%) of total expenses. Support services, total \$14,177,112 (32%) of total expenses. The remaining expenses were for interest costs on long-term debt outstanding in the amount of \$511,849 (1%).

Total governmental activities expenses exceeded revenues, decreasing net position by \$2,000,802 from the previous year.

**Revenues by Type – Governmental Activities  
For Fiscal Year 2016**



**Expenses by Type – Governmental Activities  
For Fiscal Year 2016**



# CLARK PUBLIC SCHOOL DISTRICT

## Management Discussion and Analysis

Fiscal Year Ended June 30, 2016

**Total and Net Cost of Governmental Activities.** The District's total cost of services was \$45,053,344. After applying program revenues, derived from operating grants and contributions of \$10,685,784, capital grants and contributions of \$204,065 and charges for services of \$1,867,557 the net cost of services of the District is \$32,298,938.

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Instruction				
Regular	\$ 21,756,514	\$ 20,404,457	\$ 14,481,924	\$ 14,025,512
Special Education	6,842,631	6,003,305	3,901,350	3,104,266
Other Instruction	832,791	709,751	489,578	480,836
School Sponsored Activities and Athletics	932,447	953,377	932,447	953,377
Support services				
Student and Instruction Related	5,603,858	5,440,909	4,366,798	4,342,015
General Administration	643,497	781,746	643,497	781,746
School Administration	2,211,194	2,233,308	1,675,584	1,822,109
Central and Other Support Services	844,452	720,876	844,452	720,876
Plant Operations and Maintenance	3,405,988	3,100,548	3,166,118	2,999,435
Pupil Transportation	1,468,123	1,037,189	1,282,341	755,113
Interest on debt	511,849	552,422	511,849	552,422
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Expenses	<u>\$ 45,053,344</u>	<u>\$ 41,937,888</u>	<u>\$ 32,295,938</u>	<u>\$ 30,537,707</u>

# CLARK PUBLIC SCHOOL DISTRICT

## Management Discussion and Analysis

Fiscal Year Ended June 30, 2016

### Business-Type Activities

The cost of Business-Type Activities for the fiscal year ended June 30, 2016 was \$984,156. Food service costs were \$664,892 (68%) and before and after school child care costs were \$319,264 (32%). These costs were funded by revenue from charges for services of \$1,158,506 (90%) and operating grants of \$125,639 (10%), as detailed in the change in net position schedule. Revenues from food service charges for services were \$563,073 (49%) and before and after school child care charges for services were \$595,433 (51%).

Total business-type activities revenues surpassed expenses, increasing net position by \$300,351 over the previous year. At June 30, 2016 the net position balance of the Food Service Program was \$197,356 and of the Before and After School Child Care Program Fund was \$806,813.

### 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 \$3,152,660 at June 30, 2016 compared to a combined fund balance of \$4,671,512 at June 30, 2015.

Revenues for the District's governmental funds were \$38,352,386 while total expenditures were \$39,871,238.

### 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, 2016 and 2015.

<u>Revenue</u>	<u>2016</u>	<u>Amount</u> <u>2015</u>	<u>Amount of</u> <u>Increase</u> <u>(Decrease)</u>	<u>Percent</u> <u>Change</u>
Local Sources				
Property Tax Levy	\$ 28,770,935	\$ 28,206,800	\$ 564,135	2%
Miscellaneous	1,978,620	2,715,903	(737,283)	-27%
State Sources	4,873,709	4,367,046	506,663	12%
Federal Sources	5,041	-	5,041	100%
Total	<u>\$ 35,628,305</u>	<u>\$ 35,289,749</u>	<u>\$ 338,556</u>	1%

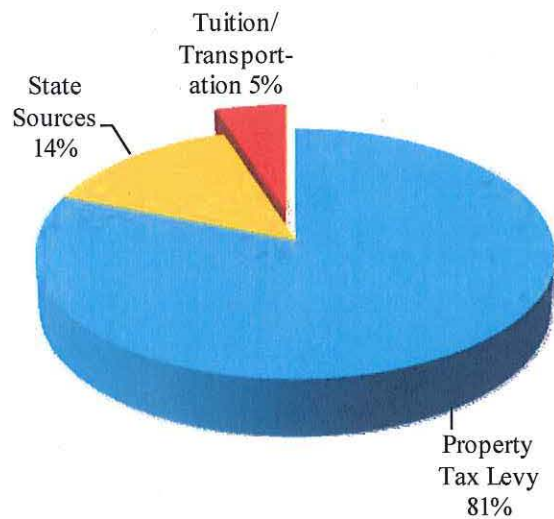
# CLARK PUBLIC SCHOOL DISTRICT

## Management Discussion and Analysis

### Fiscal Year Ended June 30, 2016

The majority of revenues come from property taxes which accounted for 81% of total revenue while state sources represented 14% of total revenue for the 2016 fiscal year. Miscellaneous revenues primarily tuition and transportation fees received from Garwood represented 5% of the total revenue for the 2016 fiscal year.

**General Fund  
Revenues by Source  
For Fiscal Year 2016**



The following schedule presents a summary of General Fund expenditures for the fiscal years ended June 30, 2016 and 2015.

<u>Expenditures</u>	<u>Amount</u>		<u>Amount of Increase (Decrease)</u>	<u>Percent Change</u>
	<u>2016</u>	<u>2015</u>		
Current:				
Instruction	\$ 23,410,486	\$ 22,385,337	\$ 1,025,149	5%
Support Services	12,824,702	12,225,870	598,832	5%
Debt Service	261,464	153,056	108,408	71%
Capital Outlay	339,151	94,600	244,551	259%
Total	<u>\$ 36,835,803</u>	<u>\$ 34,858,863</u>	<u>\$ 1,976,940</u>	6%

Total General Fund expenditures increased \$1,976,940 or 6% from the previous year. Instruction represented 63% of total expenditures while support services accounted for 35% and debt service and capital outlay accounted for 2% of total expenditures for the 2016 fiscal year.

# CLARK PUBLIC SCHOOL DISTRICT

## Management Discussion and Analysis

### Fiscal Year Ended June 30, 2016

For the 2015-2016 school year General Fund expenditures and other financing uses exceeded revenue by \$1,878,905. After adjusting for restricted, committed and assigned fund balances, the unassigned fund balance decreased from \$552,381 at June 30, 2015 to \$381,794 at June 30, 2016. In addition, the District ended the year with \$884,050 of excess surplus which was designated for the subsequent year's budget (2016/2017). In addition, the District had restricted fund balances of \$585,663 in capital reserve and \$750,000 in maintenance reserve at June 30, 2016.

#### CAPITAL ASSETS AND DEBT ADMINISTRATION

**Capital Assets.** At the end of fiscal years 2016 and 2015, the District had invested in land, buildings, furniture, machinery and equipment for both governmental and business-type activities. Depreciation charges for fiscal year 2015-2016 amounted to \$2,318,677 for governmental activities and \$14,376 for business-type activities. The following is a comparison of the June 30, 2016 and 2015 balances.

#### Capital Assets As of June 30, 2016 and 2015

	Governmental		Business-Type		Total	
	Activities		Activities			
	2016	2015	2016	2015	2016	2015
		(Restated)	(Restated)		(Restated)	
Land	\$ 1,808,965	\$ 1,808,965			\$ 1,808,965	\$ 1,808,965
Construction In Progress	65,375	187,132			65,375	187,132
Land Improvements	2,077,484	2,077,484			2,077,484	2,077,484
Buildings and Improvements	45,422,576	44,785,400			45,422,576	44,785,400
Machinery and Equipment	4,268,456	3,929,305	\$ 396,430	\$ 374,950	4,664,886	4,304,255
	53,642,856	52,788,286	396,430	374,950	54,039,286	53,163,236
Less Depreciation	(26,393,834)	(24,075,157)	(234,351)	(220,558)	(26,628,185)	(24,295,715)
Total Capital Assets, Net of Depreciation	\$ 27,249,022	\$ 28,713,129	\$ 162,079	\$ 154,392	\$ 27,411,101	\$ 28,867,521

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, 2016

**Debt Administration.** As of June 30, 2016 the District had long-term debt and outstanding long-term liabilities in the amount of \$22,128,791. For fiscal year 2015-2016 total outstanding long-term liabilities decreased by \$10,254. The following is a comparison of the June 30, 2016 and 2015 balances.

#### Outstanding Long-Term Liabilities As of June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Serial Bonds (including unamortized premium)	\$ 13,639,734	\$ 14,680,777
Capital Leases and Lease Purchase Agreements	385,270	635,637
Net Pension Liability	7,386,520	6,152,107
Compensated Absences	<u>717,267</u>	<u>670,524</u>
Total	<u>\$ 22,128,791</u>	<u>\$ 22,139,045</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 three categories:

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

General Fund budgetary basis expenditures and other financing uses exceeded budgetary basis revenues decreasing budgetary basis fund balance by \$1,854,229 from the previous year. After deducting restricted and assigned fund balances, the unassigned budgetary fund balance decreased \$145,911 from \$710,702 at June 30, 2015 to \$564,791 at June 30, 2016. In addition, the District ended the year with excess surplus of \$884,050. In accordance with State regulations, the District appropriated the whole \$884,050 of excess surplus for use in 2016/2017 school year budget as required. The District has retained a Capital Reserve balance in the amount of \$585,663 at June 30, 2016. In addition, the District has a Maintenance Reserve balance of \$750,000 at June 30, 2016.

# **CLARK PUBLIC SCHOOL DISTRICT**

## **Management Discussion and Analysis**

**Fiscal Year Ended June 30, 2016**

### **ECONOMIC FACTORS AND NEXT YEAR'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 2016-2017 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 2016-2017. Budgeted expenditures in the General Fund increased approximately 3% to \$34,303,630 for fiscal year 2016-2017.

### **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, 2016**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash	\$ 2,588,915	\$ 861,410	\$ 3,450,325
Receivables, Net:			
Receivables from Other Governments	927,268	6,616	933,884
Other	271,336	-	271,336
Inventories		6,461	6,461
Capital Assets Not Being Depreciated	1,874,340		1,874,340
Capital Assets, Being Depreciation	<u>25,374,682</u>	<u>173,146</u>	<u>25,547,828</u>
 Total Assets	 <u>31,036,541</u>	 <u>1,047,633</u>	 <u>32,084,174</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amounts on Refunding of Debt	817,842	-	817,842
Deferred Amounts on Net Pension Liability	<u>976,778</u>	<u>-</u>	<u>976,778</u>
 Total Deferred Outflows of Resources	 <u>1,794,620</u>	 <u>-</u>	 <u>1,794,620</u>
 Total Assets and Deferred Outflows of Resources	 <u>32,831,161</u>	 <u>1,047,633</u>	 <u>33,878,794</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	340,251	26,588	366,839
Accrued Interest Payable	38,764		38,764
Unearned Revenue	294,608	14,452	309,060
Noncurrent Liabilities :			
Due Within One Year	1,198,832		1,198,832
Due Beyond One Year	<u>20,929,959</u>	<u>-</u>	<u>20,929,959</u>
 Total Liabilities	 <u>22,802,414</u>	 <u>41,040</u>	 <u>22,843,454</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	436,776	-	436,776
Deferred Commodities Revenue	<u>-</u>	<u>2,424</u>	<u>2,424</u>
 Total Deferred Inflows of Resources	 <u>436,776</u>	 <u>2,424</u>	 <u>439,200</u>
 Total Liabilities and Deferred Inflows of Resources	 <u>23,239,190</u>	 <u>43,464</u>	 <u>23,282,654</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	14,261,400	173,146	14,434,546
Restricted for:			
Capital Projects	947,976		947,976
Facility Maintenance	750,000		750,000
Unrestricted	<u>(6,367,405)</u>	<u>831,023</u>	<u>(5,536,382)</u>
 Total Net Position	 <u>\$ 9,591,971</u>	 <u>\$ 1,004,169</u>	 <u>\$ 10,596,140</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, 2016**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Governmental Activities							
Instruction:							
Regular	\$ 21,756,514	\$ 1,456,327	\$ 5,818,263		\$ (14,481,924)		\$ (14,481,924)
Special Education	6,842,631	292,164	2,649,117		(3,901,350)		(3,901,350)
Other Instruction	832,791		343,213		(489,578)		(489,578)
School Sponsored Activities and Athletics	932,447				(932,447)		(932,447)
Support Services							
Student and Instruction Related Services	5,603,858		1,237,060		(4,366,798)		(4,366,798)
General Administrative Services	643,497				(643,497)		(643,497)
School Administrative Services	2,211,194		535,610		(1,675,584)		(1,675,584)
Central and Other Support Services	844,452				(844,452)		(844,452)
Plant Operations and Maintenance	3,405,988		35,805	\$ 204,065	(3,166,118)		(3,166,118)
Pupil Transportation	1,468,123	119,066	66,716		(1,282,341)		(1,282,341)
Interest on Debt	511,849	-	-	-	(511,849)	-	(511,849)
Total Governmental Activities	<u>45,053,344</u>	<u>1,867,557</u>	<u>10,685,784</u>	<u>204,065</u>	<u>(32,295,938)</u>	<u>-</u>	<u>(32,295,938)</u>
Business-Type Activities							
Food Service	664,892	563,073	125,639			\$ 23,820	23,820
Before and After School Program	319,264	595,433	-	-	-	276,169	276,169
Total Business-Type Activities	<u>984,156</u>	<u>1,158,506</u>	<u>125,639</u>	<u>-</u>	<u>-</u>	<u>299,989</u>	<u>299,989</u>
Total Primary Government	<u>\$ 46,037,500</u>	<u>\$ 3,026,063</u>	<u>\$ 10,811,423</u>	<u>\$ 204,065</u>	<u>(32,295,938)</u>	<u>299,989</u>	<u>(31,995,949)</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, 2016**

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
General Revenues:			
Property Taxes:			
Levied for General Purposes	\$ 28,770,935		\$ 28,770,935
Levied for Debt Service	1,410,881		1,410,881
State Aid, Unrestricted	2,257		2,257
Miscellaneous Income	111,063	\$ 362	111,425
 Total General Revenues	 30,295,136	 362	 30,295,498
 Change in Net Position	 (2,000,802)	 300,351	 (1,700,451)
Net Position, Beginning of Year (Restated)	11,592,773	703,818	12,296,591
Net Position, End of Year	\$ 9,591,971	\$ 1,004,169	\$ 10,596,140

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

**FUND FINANCIAL STATEMENTS**

**CLARK PUBLIC SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
AS OF JUNE 30, 2016**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash	\$ 2,405,405	\$ 57,615	\$ 125,895		\$ 2,588,915
Receivables, Net					
Receivables from Other Governments	298,438	111,267	517,563		927,268
Due from Other Funds	<u>271,336</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>271,336</u>
Total Assets	<u>\$ 2,975,179</u>	<u>\$ 168,882</u>	<u>\$ 643,458</u>	<u>-</u>	<u>\$ 3,787,519</u>
<b>LIABILITIES</b>					
Liabilities					
Accounts Payable	\$ 180,282	\$ 56,175	\$ 36,100		\$ 272,557
Payable to Federal Government		262			262
Payable State Government		62,296			62,296
Due to Other Funds	-	-	-	-	-
Other Liabilities		5,136			5,136
Unearned Revenue	<u>4,550</u>	<u>45,013</u>	<u>245,045</u>	<u>-</u>	<u>294,608</u>
Total Liabilities	<u>184,832</u>	<u>168,882</u>	<u>281,145</u>	<u>-</u>	<u>634,859</u>
<b>FUND BALANCES</b>					
Restricted Fund Balance					
Excess Surplus - Designated					
for Subsequent Year's Expenditures	884,050				884,050
Capital Reserve	585,663				585,663
Maintenance Reserve	750,000				750,000
Capital Projects			362,313		362,313
Assigned Fund Balance					
Year End Encumbrances	143,430				143,430
Designated for Subsequent Year's Expenditures	45,410				45,410
Unassigned Fund Balance	<u>381,794</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>381,794</u>
Total Fund Balances	<u>2,790,347</u>	<u>-</u>	<u>362,313</u>	<u>-</u>	<u>3,152,660</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 2,975,179</u>	<u>\$ 168,882</u>	<u>\$ 643,458</u>	<u>\$ -</u>	<u>\$ 3,787,519</u>

**CLARK PUBLIC SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2016**

<b>Total Fund Balances - Governmental Funds (Exhibit B-1)</b>		<b>\$ 3,152,660</b>
<p>Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because:</p>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$53,642,856 and the accumulated depreciation is \$26,393,834.		27,249,022
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.		817,842
Certain amounts resulting from the measurement of the net pension liability are reported as either deferred outflows of resources or deferred inflows of resources on the statement of net position and deferred over future years.		
Deferred Outflows of Resources	\$ 976,778	
Deferred Inflows of Resources	<u>(436,776)</u>	540,002
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:		(38,764)
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		
Serial Bonds Payable (including unamortized premium)	\$ 13,639,734	
Capital Leases	165,730	
Lease Purchase Agreements	219,540	
Compensated Absences	717,267	
Net Pension Liability	<u>7,386,520</u>	<u>(22,128,791)</u>
<b>Total Net Position of Governmental Activities (Exhibit A-1)</b>		<b><u>\$ 9,591,971</u></b>

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

**CLARK PUBLIC SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Local Sources					
Property Tax Levy	\$ 28,770,935			\$ 1,410,881	\$ 30,181,816
Tuition	1,748,491				1,748,491
Transportation Fees	119,066				119,066
Interest	6,362				6,362
Miscellaneous Revenues	104,701	\$ 4,927	-	-	109,628
<b>Total - Local Sources</b>	<b>30,749,555</b>	<b>4,927</b>	<b>-</b>	<b>1,410,881</b>	<b>32,165,363</b>
State Sources	4,873,709	399,683	\$ 204,065	-	5,477,457
Federal Sources	5,041	704,525	-	-	709,566
<b>Total Revenues</b>	<b>35,628,305</b>	<b>1,109,135</b>	<b>204,065</b>	<b>1,410,881</b>	<b>38,352,386</b>
<b>EXPENDITURES</b>					
Instruction					
Regular	16,523,718	59,258			16,582,976
Special Education	5,365,818	549,878			5,915,696
Other Instruction	603,423	100,398			703,821
School-Sponsored Activities and Athletics	917,527				917,527
Support Services					
Student and Instruction Related Services	4,662,470	399,601			5,062,071
General Administrative Services	638,992				638,992
School Administrative Services	1,909,819				1,909,819
Central and Other Support Services	832,222				832,222
Plant Operations and Maintenance	3,346,062				3,346,062
Pupil Transportation	1,435,137				1,435,137
Debt Service					
Principal	250,367			945,000	1,195,367
Interest and Other Charges	11,097			465,881	476,978
Capital Outlay	339,151	-	515,419	-	854,570
<b>Total Expenditures</b>	<b>36,835,803</b>	<b>1,109,135</b>	<b>515,419</b>	<b>1,410,881</b>	<b>39,871,238</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,207,498)	-	(311,354)	-	(1,518,852)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In		-	671,407	-	671,407
Transfer Out	(671,407)	-	-	-	(671,407)
<b>Total Other Financing Sources and Uses</b>	<b>(671,407)</b>	<b>-</b>	<b>671,407</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	(1,878,905)	-	360,053	-	(1,518,852)
Fund Balance, Beginning of Year	4,669,252	-	2,260	-	4,671,512
Fund Balance, End of Year	\$ 2,790,347	\$ -	\$ 362,313	\$ -	\$ 3,152,660

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 STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Total net change in fund balances - governmental funds (Exhibit B-2)** **\$ (1,518,852)**

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement and allocated over their estimated useful lives as annual depreciation expense. This is the amount by which depreciation exceeds capital outlay in the current period.

Capital Outlay	\$ 854,570	
Depreciation Expense	<u>(2,318,677)</u>	
		(1,464,107)

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

Increase in Compensated Absences	(46,743)	
Increase in Pension Expense	<u>(131,596)</u>	
		(178,339)

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.

Principal Repayments:		
Serial Bonds	945,000	
Lease Purchase Payable	109,770	
Capital Lease Payable	140,597	
Amortization of Deferred Amounts on Refunding	(135,490)	
Amortization of Bond Premium	<u>96,043</u>	
		1,155,920

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>4,576</u>
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**Change in net position of governmental activities (Exhibit A-2)** **\$ (2,000,802)**



**CLARK PUBLIC SCHOOL DISTRICT  
PROPRIETARY FUNDS  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2016**

**Business-Type Activities - Enterprise Fund**

	<b><u>Food Service</u></b>	<b><u>Before and After School Program</u></b>	<b><u>Totals</u></b>
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**ASSETS**

Current Assets			
Cash	\$ 65,664	\$ 795,746	\$ 861,410
Intergovernmental Receivable	5,635		5,635
Other Accounts Receivable	981		981
Inventories	<u>6,461</u>	<u>-</u>	<u>6,461</u>
Total Current Assets	<u>78,741</u>	<u>795,746</u>	<u>874,487</u>
Capital Assets			
Equipment	396,430	11,650	408,080
Less: Accumulated Depreciation	<u>(234,351)</u>	<u>(583)</u>	<u>(234,934)</u>
Total Capital Assets, Net	<u>162,079</u>	<u>11,067</u>	<u>173,146</u>
Total Assets	<u>240,820</u>	<u>806,813</u>	<u>1,047,633</u>

**LIABILITIES**

Current Liabilities			
Accounts Payable	26,588	-	26,588
Unearned Revenue	<u>14,452</u>	<u>-</u>	<u>14,452</u>
Total Current Liabilities	<u>41,040</u>	<u>-</u>	<u>41,040</u>

**DEFERRED INFLOW OF RESOURCES**

Deferred Commodities Revenue	<u>2,424</u>	<u>-</u>	<u>2,424</u>
Total Liabilities and Deferred Inflow of Resources	<u>43,464</u>	<u>-</u>	<u>43,464</u>

**NET POSITION**

Investment in Capital Assets	162,079	11,067	173,146
Unrestricted	<u>35,277</u>	<u>795,746</u>	<u>831,023</u>
Total Net Position	<u>\$ 197,356</u>	<u>\$ 806,813</u>	<u>\$ 1,004,169</u>

**CLARK PUBLIC SCHOOL DISTRICT  
PROPRIETARY FUND  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Business-Type Activities - Enterprise Fund</u>		
	<u>Food Service</u>	<u>Before and After School Program</u>	<u>Totals</u>
<b>OPERATING REVENUES</b>			
Charges for Services			
Daily Sales - Reimbursable Programs	\$ 300,006		\$ 300,006
Daily Sales - Non reimbursable Programs	263,067		263,067
Program Fees	-	\$ 595,433	595,433
	<hr/>	<hr/>	<hr/>
Total Operating Revenues	563,073	595,433	1,158,506
<b>OPERATING EXPENSES</b>			
Cost of Sales Reimbursable Programs	199,723		199,723
Cost of Sales Non reimbursable Programs	110,884		110,884
Salaries and Employee Benefits	259,276	305,675	564,951
Purchased Management Services	25,000		25,000
Supplies and Materials	8,371	12,623	20,994
Repairs and Maintenance	12,468		12,468
Miscellaneous Expenses	35,377	383	35,760
Depreciation Expense	13,793	583	14,376
	<hr/>	<hr/>	<hr/>
Total Operating Expenses	664,892	319,264	984,156
Operating Income/(Loss)	<hr/> (101,819)	<hr/> 276,169	<hr/> 174,350
<b>NONOPERATING REVENUES</b>			
Interest		362	362
State Sources			
School Lunch Program	5,029		5,029
Federal Sources			
National School Lunch Program	85,531	-	85,531
Food Distribution Program	35,079	-	35,079
	<hr/>	<hr/>	<hr/>
Total Nonoperating Revenues	125,639	362	126,001
Change in Net Position	23,820	276,531	300,351
Total Net Position, Beginning of Year (Restated)	<hr/> 173,536	<hr/> 530,282	<hr/> 703,818
Total Net Position, End of Year	<hr/> \$ 197,356	<hr/> \$ 806,813	<hr/> \$ 1,004,169

**CLARK PUBLIC SCHOOL DISTRICT  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Business-Type Activities - Enterprise Fund</u>		
	<u>Food Service</u>	<u>Before and After School Program</u>	<u>Totals</u>
<b>Cash Flows from Operating Activities</b>			
Cash Received from Customers	\$ 564,236	\$ 595,433	\$ 1,159,669
Cash Payments for Employees' Salaries and Benefits	(259,276)	(305,675)	(564,951)
Cash Payments to Suppliers for Goods and Services	(359,166)	(13,022)	(372,188)
Net Cash Provided by (Used for) Operating Activities	<u>(54,206)</u>	<u>276,736</u>	<u>222,530</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
Cash Received from State and Federal Subsidy Reimbursement	<u>92,089</u>	<u>-</u>	<u>92,089</u>
Net Cash Provided by Noncapital Financing Activities	<u>92,089</u>	<u>-</u>	<u>92,089</u>
<b>Cash Flows from Investing Activities</b>			
Interest Earnings	<u>-</u>	<u>362</u>	<u>362</u>
Net Cash Provided by Investing Activities	<u>-</u>	<u>362</u>	<u>362</u>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Purchases of Capital Assets	<u>(21,480)</u>	<u>(11,650)</u>	<u>(33,130)</u>
Net Cash (Used for) Capital and Related Financing Activities	<u>(21,480)</u>	<u>(11,650)</u>	<u>(33,130)</u>
Net Increase in Cash and Cash Equivalents	16,403	265,448	248,721
Cash, Beginning of Year	<u>49,261</u>	<u>530,298</u>	<u>579,559</u>
Cash, End of Year	<u>\$ 65,664</u>	<u>\$ 795,746</u>	<u>\$ 861,410</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</b>			
Operating Income ( Loss)	<u>\$ (101,819)</u>	<u>\$ 276,169</u>	<u>\$ 174,350</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Non-Cash Federal Assistance-Food Distribution Program	35,079		35,079
Depreciation Expense	13,793	583	14,376
Change in Assets, Liabilities and Deferred Inflows			
(Increase)/Decrease in Accounts Receivable	(236)		(236)
(Increase)/Decrease in Inventory	204		204
Increase/(Decrease) in Accounts Payable	(4,810)	(16)	(4,826)
Increase/(Decrease) in Unearned Revenue	1,399	-	1,399
Increase/(Decrease) in Deferred Commodities Revenue	2,184	-	2,184
Total Adjustments	<u>47,613</u>	<u>567</u>	<u>48,180</u>
Net Cash Provided by (Used) for Operating Activities	<u>\$ (54,206)</u>	<u>\$ 276,736</u>	<u>\$ 222,530</u>
<b>Non-Cash Investing, Capital and Financing Activities</b>			
Value Received - Food Distribution Program	\$ 37,263		

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, 2016**

	<u>Private Purpose Trust Funds</u>		
	<u>Kelemen Science Observatory Fund</u>	<u>Donations Fund</u>	<u>Agency Fund</u>
<b>ASSETS</b>			
Cash	\$ 11,950	\$ 15,729	\$ 607,671
Intergovernmental Receivable	<u>-</u>	<u>-</u>	<u>31,591</u>
Total Assets	<u>11,950</u>	<u>15,729</u>	<u>639,262</u>
<b>LIABILITIES</b>			
Due to Other Funds			271,336
Due to Student Groups			148,616
Employee Deposits Payable - Summer Payroll			212,808
Accrued Salaries and Wages			1,636
Payroll Deductions and Withholding Payable			(635)
Flexible Spending Deposits	<u>-</u>	<u>-</u>	<u>5,501</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>\$ 639,262</u>
<b>NET POSITION</b>			
Net Position Held in Trust for Scholarships and Other Purposes	<u>\$ 11,950</u>	<u>\$ 15,729</u>	

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

**CLARK PUBLIC SCHOOL DISTRICT  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Private Purpose Trust Funds</u>	
	Kelemen Science Observatory <u>Fund</u>	Donations <u>Fund</u>
<b>ADDITIONS</b>		
Investment Earnings		
Interest	\$ 12	\$ 16
	<u>12</u>	<u>16</u>
Total Additions	<u>12</u>	<u>16</u>
<b>DEDUCTIONS</b>		
Miscellaneous Expenses	<u>-</u>	<u>-</u>
Total Deductions	<u>-</u>	<u>-</u>
Change in Net Position	12	16
Net Position, Beginning of Year	<u>11,938</u>	<u>15,713</u>
Net Position, End of Year	<u>\$ 11,950</u>	<u>\$ 15,729</u>

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, 2016**

**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 2016, the District adopted the following GASB statements:

- GASB No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement applies to donated capital assets, donated works of art, donated historical treasures, and also to similar assets and capital assets received in a service concession arrangement. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.
- GASB No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

**CLARK PUBLIC SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**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 No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability.
- GASB No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.
- GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, will be effective beginning with the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.
- GASB No. 77, *Tax Abatement Disclosures*, will be effective beginning with the fiscal year ending June 30, 2017. The requirements of this Statement will improve financial reporting by providing disclosure of information about the nature and magnitude of tax abatements that will make these transactions more transparent to financial statement users. As a result, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition.
- GASB No. 82, *Pension Issues – An Amendment of GASB Statements No.67, No.68, and No.73*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pension*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

**C. Basis of Presentation - Financial Statements**

The 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. Fiduciary funds are excluded from the district-wide financial statements.



**CLARK PUBLIC SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation - Financial Statements (Continued)**

**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.

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. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. 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 that are restricted, committed or assigned for the payment of principal and interest on long-term general obligation debt of governmental funds.

**CLARK PUBLIC SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Basis of Presentation - Financial Statements (Continued)**

**Fund Financial Statements (Continued)**

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 program 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.

Additionally, the government reports the following fund types:

The *fiduciary trust fund* is used to account for resources legally held in trust for private donations for a science observatory, contributions for various organizations, private donations for scholarship awards, 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".

**Reclassifications**

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

**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.

**CLARK PUBLIC SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Measurement Focus and Basis of Accounting (Continued)**

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.

Property taxes, tuition, transportation fees, 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.

When both restricted and unrestricted resources are available for use, it is the Board'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 inflows of resources.

**CLARK PUBLIC SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**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, as well as the component units, is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land Improvements	20
Buildings	40
Building Improvements	20
Heavy Equipment	5-15
Office Equipment and Furniture	5-15
Computer Equipment	5-6

**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 a future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Board has two items which arise only under the accrual basis of accounting that qualify for reporting in this category. One item is the deferred amounts on refunding of debt which results from the loss on a debt refunding reported in the district-wide statement of net position. Deferred amounts on debt refunding result from the loss on the transaction when the debt's reacquisition price is greater than the carrying value of the refunded debt. These amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.

**CLARK PUBLIC SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**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 a future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Board has two types of items, which arise only under the modified accrual basis of accounting, that qualify for reporting in this category. Accordingly one item that qualifies for reporting in this category are the deferred amounts on net pension liability.

Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years. The other item is the deferred commodities revenue, 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.

***6. Compensated Absences***

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused vacation and sick leave benefits. A long-term liability of accumulated vacation and 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 vacation and 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. Pensions***

In the district-wide financial statements, for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the retirement systems sponsored and administered by the State of New Jersey and additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they are reported by the retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

In the governmental fund financial statements, net pension liabilities represent amounts normally expected to be liquidated with expendable available financial resources for required pension contributions that are due and payable at year end. Pension expenditures are recognized based on contractual pension contributions that are required to be made to the pension plan during the fiscal year.

***8. 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. Losses resulting from debt refundings are classified as deferred outflows of resources. Bond premiums are deferred and amortized over the life of the bonds using the effective interest method. 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 gross of the applicable bond premium. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

CLARK PUBLIC SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

8. *Long-Term Obligations (Continued)*

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.

9. *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.

*Excess Surplus – Designated for Subsequent Year's Expenditures* - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2015 audited excess surplus that was appropriated in the 2016/2017 original budget certified for taxes.

*Capital Reserve* – This restriction was created by the District in accordance with NJAC 6A:23A-14.1 to fund future capital expenditures (See Note 2C).

*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 (See Note 2D).

**CLARK PUBLIC SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

**9. *Net Position/Fund Balance (Continued)***

**Governmental Fund Statements (Continued)**

**Restricted Fund Balance (Continued)**

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

**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.

*Designated for Subsequent Year's Expenditures* – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2016/2017 District budget certified for taxes.

*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.

**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.

**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 revenues are 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 1<sup>st</sup> 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.

**CLARK PUBLIC SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F. Revenues and Expenditures/Expenses (Continued)**

**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 2014-2015 and 2015-2016 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 Nonoperating 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 program enterprise fund are charges to customers for sales and services. Operating expenses for enterprise 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.

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 2015/2016. Also, during 2015/2016 the Board increased the original budget by \$1,063,171. The increase was funded by additional surplus appropriated, grant awards and the reappropriation of prior year general fund encumbrances. During the fiscal year the Board authorized and approved additional fund balance appropriations of \$315,019 and \$356,388 from the general fund were made on December 8, 2015 and April 5, 2016, respectively.



**CLARK PUBLIC SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**A. Budgetary Information (Continued)**

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and 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. Excess Expenditures Over Appropriations**

The following is a summary of expenditures in excess of available appropriations. The overexpended appropriations resulted in unfavorable variances.

	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund			
Undistributed Expenses			
Instruction			
Tuition to County Spec. Service District		\$4,232	\$4,232
Support Services – General Administration			
Architectural/Engineering Services	\$ 32,020	36,970	4,950
Facilities Acquisition and Construction			
Services			
Assessment for Debt Service – SDA	44,442	119,442	75,000

The above variances were offset with other available resources.

**C. Capital Reserve**

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

Funds placed in the capital reserve are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-14.1(g), the balance in the reserve cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

**CLARK PUBLIC SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**C. Capital Reserve (Continued)**

The activity of the capital reserve for the fiscal year ended June 30, 2016 is as follows:

Balance, July 1, 2015	\$ 1,257,070
Decreased by	
Withdrawal Approved by Board Resolution	<u>671,407</u>
Balance, June 30, 2016	<u>\$ 585,663</u>

**D. Maintenance Reserve**

A maintenance reserve account was established by the District. The accumulation of funds will be used for required maintenance of school facilities expenditures in subsequent fiscal years. The maintenance reserve is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the maintenance reserve are restricted to required maintenance activities for a school facility as reported in the comprehensive maintenance plan. A District may appropriate funds into the maintenance reserve in the annual General Fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts or both. Pursuant to N.J.A.C. 6A:23A-14.2(g), the balance in the reserve cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

The activity of the maintenance reserve for the fiscal year ended June 30, 2016 is as follows:

Balance, July 1, 2015	<u>\$ 750,000</u>
Balance, June 30, 2016	<u>\$ 750,000</u>

**E. Calculation of Excess Surplus**

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for 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 restrict 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, 2016 is \$884,050. Of this amount, \$884,050 was designated and appropriated in the 2016/2017 original budget certified for taxes.

**CLARK PUBLIC SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**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 are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2016, the book value of the Board's deposits were \$4,085,675 and bank and brokerage firm balances of the Board's deposits amounted to \$5,774,386. 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>5,774,386</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, 2016 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, 2016, 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, 2016**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**B. Receivables**

Receivables as of June 30, 2016 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 Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Food Service Fund</u>	<u>Agency Fund</u>	<u>Total</u>
Receivables:						
Intergovernmental:						
Local	\$ 229,163					\$ 229,163
State	69,275	\$ 3,248	\$ 517,563	\$ 318	\$ 31,591	621,995
Federal		108,019		5,317		113,336
Other	-	-	-	981	-	981
Gross Receivables	<u>298,438</u>	<u>111,267</u>	<u>517,563</u>	<u>6,616</u>	<u>31,591</u>	<u>965,475</u>
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 298,438</u>	<u>\$ 111,267</u>	<u>\$ 517,563</u>	<u>\$ 6,616</u>	<u>\$ 31,591</u>	<u>\$ 965,475</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:

General Fund	
Prepaid Tuition Fees	\$ 4,550
Special Revenue Fund	
Unencumbered Grant Draw Downs	45,013
Capital Projects Fund	
Unrealized School Facilities Grants	<u>245,045</u>
 Total Deferred Revenue for Governmental Funds	 <u>\$ 294,608</u>

**CLARK PUBLIC SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2016 was as follows:

	Balance July 1, 2015 (Restated)	Increases	Decreases	Adjustments	Balance June 30, 2016
<b>Governmental Activities:</b>					
Capital Assets, Not Being Depreciated:					
Land	\$ 1,808,965				\$ 1,808,965
Construction in Progress	187,132	\$ 65,375	-	\$ (187,132)	65,375
Total Capital Assets, Not Being Depreciated	<u>1,996,097</u>	<u>65,375</u>	<u>-</u>	<u>(187,132)</u>	<u>1,874,340</u>
Capital Assets, Being Depreciated:					
Site Improvements	2,077,484				2,077,484
Buildings and Improvements	44,785,400	450,044		187,132	45,422,576
Machinery and Equipment	3,929,305	339,151	-	-	4,268,456
Total Capital Assets Being Depreciated	<u>50,792,189</u>	<u>789,195</u>	<u>-</u>	<u>187,132</u>	<u>51,768,516</u>
Less Accumulated Depreciation for:					
Site Improvements	(1,199,803)	(103,543)			(1,303,346)
Buildings and Improvements	(20,569,458)	(1,771,677)			(22,341,135)
Machinery and Equipment	(2,305,896)	(443,457)	-	-	(2,749,353)
Total Accumulated Depreciation	<u>(24,075,157)</u>	<u>(2,318,677)</u>	<u>-</u>	<u>-</u>	<u>(26,393,834)</u>
Total Capital Assets, Being Depreciated, Net	<u>26,717,032</u>	<u>(1,529,482)</u>	<u>-</u>	<u>187,132</u>	<u>25,374,682</u>
Government Activities Capital Assets, Net	<u>\$ 28,713,129</u>	<u>\$ (1,464,107)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,249,022</u>
<b>Business-Type Activities:</b>					
Capital Assets, Being Depreciated:					
Machinery and Equipment	\$ 374,950	\$ 33,130	-	-	\$ 408,080
Total Capital Assets Being Depreciated	<u>374,950</u>	<u>33,130</u>	<u>-</u>	<u>-</u>	<u>408,080</u>
Less Accumulated Depreciation for:					
Machinery and Equipment	(220,558)	(14,376)	-	-	(234,934)
Total Accumulated Depreciation	<u>(220,558)</u>	<u>(14,376)</u>	<u>-</u>	<u>-</u>	<u>(234,934)</u>
Total Capital Assets, Being Depreciated, Net	<u>154,392</u>	<u>18,754</u>	<u>-</u>	<u>-</u>	<u>173,146</u>
Business-Type Activities Capital Assets, Net	<u>\$ 154,392</u>	<u>\$ 18,754</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 173,146</u>

**CLARK PUBLIC SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**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	\$ 2,003,651
Special Education	248,194
Other Instruction	<u>485</u>
Total Instruction	<u>2,252,330</u>
Support Services	
Plant Operations and Maintenance	35,549
Pupil Transportation	<u>30,798</u>
Total Support Services	<u>66,347</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,318,677</u>

**Business-Type Activities:**

Food Service Fund	\$ 13,793
Before and After School Program Fund	<u>583</u>
Total Depreciation Expense-Business-Type Activities	<u>\$ 14,376</u>

**Construction and Other Significant Commitments**

The District has the following active construction projects as of June 30, 2016:

<u>Project</u>	<u>Remaining Commitment</u>
Window Replacements - Valley Road Elementary School	<u>\$ 542,725</u>
Total	<u>\$ 542,725</u>

**CLARK PUBLIC SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**E. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2016, is as follows:

**Due to/from Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Payroll Agency Fund	<u>\$ 271,336</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>	
	<u>Capital Projects Fund</u>	<u>Total</u>
Transfer Out: General Fund	<u>\$ 671,407</u>	<u>671,407</u>
	<u>\$ 671,407</u>	<u>\$ 671,407</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 \$705,697 under capital leases. The leases are for terms of 3 to 5 years. In addition, the District is leasing computers (supplies) totaling \$329,310 under a lease purchase agreement for a term of 3 years.

The capital assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>
Machinery and Equipment	<u>\$ 705,697</u>
Total	<u>\$ 705,697</u>

**CLARK PUBLIC SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**F. Leases (Continued)**

**Capital Leases (Continued)**

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2016 were as follows:

Fiscal Year Ending June 30	Governmental Activities		Total
	Capital Leases	Lease Purchase Agreements	
2017	\$ 144,613	\$ 109,770	\$ 254,383
2018	20,892	109,770	130,662
2019	3,624		3,624
2020	3,020	-	3,020
Total minimum lease payments	172,149	219,540	391,689
Less: amount representing interest	(6,419)	-	(6,419)
Present value of minimum lease payments	<u>\$ 165,730</u>	<u>\$ 219,540</u>	<u>\$ 385,270</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, 2016 are comprised of the following issues:

\$14,145,000, 2012 Refunding Bonds, due in annual installments of \$950,000 to \$1,755,000 through June 1, 2026 interest at 2.63% to 4.00%	<u>\$13,060,000</u>
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**CLARK PUBLIC SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**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 <u>June 30,</u>	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2017	\$ 950,000	\$ 437,531	\$ 1,387,531
2018	975,000	399,531	1,374,531
2019	975,000	380,031	1,355,031
2020	1,010,000	341,031	1,351,031
2021	1,095,000	300,631	1,395,631
2022-2026	<u>8,055,000</u>	<u>764,618</u>	<u>8,819,618</u>
	<u>\$ 13,060,000</u>	<u>\$ 2,623,373</u>	<u>\$ 15,683,373</u>

**Statutory Borrowing Power**

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2016 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 95,913,079
Less: Net Debt	<u>13,060,000</u>
Remaining Borrowing Power	<u>\$ 82,853,079</u>

**CLARK PUBLIC SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**H. Other Long-Term Liabilities**

**Changes in Long-Term Liabilities**

Long-term liability activity for the fiscal year ended June 30, 2016, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
Bonds Payable	\$ 14,005,000		\$ 945,000	\$ 13,060,000	\$ 950,000
Deferred Amounts:					
Add: Original Issue Premium	<u>675,777</u>	<u>-</u>	<u>96,043</u>	<u>579,734</u>	<u>-</u>
Total Bonds Payable	14,680,777	-	1,041,043	13,639,734	950,000
Capital Leases Payable	306,327		140,597	165,730	139,062
Lease Purchase Agreement	329,310		109,770	219,540	109,770
Compensated Absences	670,524	\$ 46,743	-	717,267	-
Net Pension Liability	<u>6,152,107</u>	<u>1,517,308</u>	<u>282,895</u>	<u>7,386,520</u>	<u>-</u>
Governmental Activity Long-Term Liabilities	<u>\$ 22,139,045</u>	<u>\$ 1,564,051</u>	<u>\$ 1,574,305</u>	<u>\$ 22,128,791</u>	<u>\$ 1,198,832</u>

For the governmental activities, the liabilities for compensated absences and net pension liability are generally liquidated by the general fund.

**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.

**CLARK PUBLIC SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

**A. Risk Management (Continued)**

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, 2016, 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, 2016, 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. PERS is a cost sharing multi-employer defined benefit pension plan.

**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. TPAF is a cost sharing plan with special funding situations.

**CLARK PUBLIC SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**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, certain appointed officials, and certain Board employees not eligible for enrollment in PERS or TPAF. Effective July 1, 2007 membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

**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 but are currently suspended as a result of reform legislation.

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](http://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.

**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. 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 or at [www.state.nj.us/treasury/doinvest](http://www.state.nj.us/treasury/doinvest).

**CLARK PUBLIC SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Funding Status and Funding Progress**

As of July 1, 2014, the most recent actuarial valuation date, the aggregate funded ratio for the State administered TPAF and local PERS retirement systems, is 35 percent with an unfunded actuarial accrued liability of \$86 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded TPAF system is 28.71 percent and \$63.6 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS is 47.93 percent and \$22.4 billion, respectively.

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 funding limitations on the pattern of cost sharing between the employer and members in the future.

**Actuarial Methods and Assumptions**

In the July 1, 2014 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) an investment rate of return for the retirement systems of 7.90 percent and (b) projected salary increases of 2.60-9.48 percent based on age for the PERS and varying percentages based on experience 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 6.92% for PERS, 6.92% 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 *Accounting for Pensions by State and Local Government Employees*, for the fiscal year ended June 30, 2016 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.

**CLARK PUBLIC SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Annual Pension Costs (APC) (Continued)**

During the fiscal years ended June 30, 2016, 2015 and 2014 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>
2016	\$ 282,895	\$ 1,210,400	\$ 17,906
2015	270,885	828,014	38,533
2014	265,771	641,033	30,549

For fiscal years 2015/2016 and 2014/2015, the state contributed \$1,210,400 and \$828,014, respectively for normal cost pension, accrued liability and the NCGI premium. For fiscal year 2013/2014 the State did not contribute to the TPAF for accrued liability but did contribute \$641,033 for normal cost pension and NCGI premium.

The PERS contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure. The on-behalf TPAF contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 24. The DCRP contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure, as well as, the district-wide financial statements (accrual basis) as an expense.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,092,749 during the fiscal year ended June 30, 2016 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as a revenue and expense/expenditure in accordance with GASB No. 24.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

**Public Employees Retirement System (PERS)**

At June 30, 2016, the District reported in the statement of net position (accrual basis) a liability of \$7,386,520 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2015, the District's proportionate share was .03291 percent, which was an increase of .00005 percent from its proportionate share measured as of June 30, 2014 of .03286 percent.

**CLARK PUBLIC SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Public Employees Retirement System (PERS) (Continued)**

For the fiscal year ended June 30, 2016, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$414,491 for PERS. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>2015</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 176,216	
Changes of Assumptions	793,253	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		\$ 118,761
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>7,309</u>	<u>318,015</u>
Total	<u>\$ 976,778</u>	<u>\$ 436,776</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense as follows:

Fiscal Year Ending <u>June 30,</u>	
2017	\$ 47,491
2018	47,491
2019	47,491
2020	139,149
2021	<u>258,380</u>
	<u>\$ 540,002</u>

**CLARK PUBLIC SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources  
 Related to Pensions (Continued)**

**Public Employees Retirement System (PERS) (Continued)**

*Actuarial Assumptions*

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>PERS</u>
Inflation Rate	3.04%
Salary Increases:	
2012-2021	2.15-4.40%
Thereafter	Based on Age 3.15-5.40%
Investment Rate of Return	Based on Age 7.90%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	July 1, 2008 -
Study Upon Which Actuarial	June 30, 2011
Assumptions were Based	

Assumptions for mortality improvements are based on Society of Actuaries Scale AA.



**CLARK PUBLIC SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Public Employees Retirement System (PERS) (Continued)**

***Long-Term Expected Rate of Return***

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad US Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex US	3.50%	-0.40%
REIT	4.25%	5.12%

***Discount Rate***

The discount rate used to measure the total pension liabilities of the PERS plan was as follows:

<u>Plan</u>	<u>Discount Rate</u>
PERS	4.90%



**CLARK PUBLIC SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Teachers Pension and Annuity Fund (TPAF)**

In accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the District is not required to recognize a net pension liability for TPAF. The State of New Jersey is the only entity that has a legal obligation to make employer contributions to TPAF on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 68 is zero percent and the State's proportionate share is 100% of the net pension liability attributable to the District for TPAF. Therefore, in addition, the District does not recognize any portion of the TPAF collective deferred outflows of resources and deferred inflows of resources.

For the fiscal year ended June 30, 2016, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$5,910,556 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 24.

At June 30, 2016 the State's proportionate share of the net pension liability attributable to the District is \$96,800,736. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer towards the actuarially determined contribution amount adjusted by locations who participated in the State early retirement incentives to total contributions to TPAF during the year ended June 30, 2015. At June 30, 2015, the state's share of the net pension liability attributable to the District was .15316 percent, which was an increase of .00163 percent from its proportionate share measured as of June 30, 2014 of .15153 percent.

**Actuarial Assumptions**

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>TPAF</u>
Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.90%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	July 1, 2009 -
Study Upon Which Actuarial	June 30, 2012
Assumptions were Based	

Assumptions for mortality improvements are based on Society of Actuaries Scale AA.

**CLARK PUBLIC SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources  
Related to Pensions (Continued)**

**Teachers Pension and Annuity Fund (TPAF) (Continued)**

**Long-Term Expected Rate of Return**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Cash	5.00%	0.53%
US Government Bonds	1.75%	1.39%
US Credit Bonds	13.50%	2.72%
US Mortgages	2.10%	2.54%
US Inflation-Indexed Bonds	1.50%	1.47%
US High Yield Bonds	2.00%	4.57%
US Equity Market	27.25%	5.63%
Foreign-Developed Equity	12.00%	6.22%
Emerging Markets Equity	6.40%	8.46%
Private Real Estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmland	1.00%	4.61%
Private Equity	9.25%	9.15%
Commodities	1.00%	3.58%
Hedge Funds - MultiStrategy	4.00%	4.59%
Hedge Funds - Equity Hedge	4.00%	5.68%
Hedge Funds - Distressed	4.00%	4.30%

**CLARK PUBLIC SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Teachers Pension and Annuity Fund (TPAF) (Continued)**

***Discount Rate***

The discount rate used to measure the total pension liabilities of the TPAF plan was as follows:

<u>Plan</u>	<u>Discount Rate</u>
TPAF	4.13%

The following table represents the crossover period, if applicable, for the TPAF defined benefit plan:

Period of Projected Benefit	
Payments for which the Following	
Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2027
Municipal Bond Rate *	From July 1, 2027 and Thereafter

\* The municipal bond return rate used is 3.80%. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

***Sensitivity of Net Pension Liability***

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 4.13%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (3.13 percent) or 1-percentage-point higher (5.13 percent) than the current rate:

	<b>1% Decrease (3.13%)</b>	<b>Current Discount Rate (4.13%)</b>	<b>1% Increase (5.13%)</b>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 115,044,056</u>	<u>\$ 96,800,736</u>	<u>\$ 81,083,024</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2015. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2015 was not provided by the pension system.

**CLARK PUBLIC SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)**

**Teachers Pension and Annuity Fund (TPAF) (Continued)**

***Pension Plan Fiduciary Net Position***

Detailed information about the TPAF pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**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 classified as either single employer plans or cost sharing multiple employer defined benefit plans depending on the plan the eligible employee is covered under.

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, 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-Local 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 590 state and local participating employers and contributing entities for Fiscal Year 2015.

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 (HBPF) – Local Education** (including Prescription Drug Program Fund) – The State of New Jersey provides paid 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 paid 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 state 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](http://www.state.nj.us/treasury/pensions).

**CLARK PUBLIC SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 5 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**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.

**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, 2014, the most recent actuarial valuation date, the State had a \$65.0 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$24.4 billion for state active and retired members and \$40.6 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 includes 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 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 or 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, 2014, OPEB 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.

**CLARK PUBLIC SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**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, 2015, there were 107,314, retirees receiving post-retirement medical benefits and the State contributed \$1.25 billion 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 employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SEHBP. That report may be obtained from the Treasury website at: <http://www.nj.gov/treasury/pensions/pdf/financial/2015divisioncombined.pdf>.

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 fiscal years ended June 30, 2016, 2015 and 2014 were \$1,441,253, \$1,314,473 and \$1,051,052, 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.

**NOTE 5 RESTATEMENT**

The governmental activities financial statements for June 30, 2015 have been restated to reflect an updated inventory of the District's capital assets as provided by an independent consultant. The effect of this restatement results in a net decrease of \$1,893,306 in governmental activities capital assets with a corresponding decrease in the net investment in capital assets component of net position at June 30, 2015.

The business activities financial statements for June 30, 2015 have also been restated to reflect an updated inventory of the District's capital assets as provided by an independent consultant. The effect of this restatement results in a net increase of \$138,660 in business activities capital assets with a corresponding increase in the net investment in capital assets component of net position at June 30, 2015.



**CLARK PUBLIC SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**NOTE 5 RESTATEMENT (Continued)**

The results of these restatements is to reduce total net position of Governmental Activities as of June 30, 2015 from \$13,486,079, as originally reported to \$11,592,773. In addition, the results of these restatements is to increase total net position of business activities as of June 30, 2015 from \$565,158, as originally reported to \$703,818. The effects of these restatements are as follows:

	<u>Beginning Balance Prior to Restatement</u>	<u>Restatement</u>	<u>Beginning Balance Restated</u>
<b><u>Governmental Activities:</u></b>			
<b>ASSETS</b>			
Capital Assets, Being Depreciated, Accumulated Depreciation	\$ 50,296,500 (21,686,162)	\$ 495,689 (2,388,995)	\$ 50,792,189 (24,075,157)
Total Capital Assets, Net	30,606,435	(1,893,306)	28,713,129
Total Assets	35,639,082	(1,893,306)	33,745,776
Total Assets and Deferred Outflows of Resources	36,785,869	(1,893,306)	34,892,563
<b>NET POSITION</b>			
Net Investment in Capital Assets	16,572,663	(1,893,306)	14,679,357
Total Net Position	\$ 13,486,079	\$ (1,893,306)	\$ 11,592,773
<b><u>Business Activities:</u></b>			
<b>ASSETS</b>			
Capital Assets, Being Depreciated Accumulated Depreciation	\$ 250,746 (235,014)	\$ 124,204 14,456	\$ 374,950 (220,558)
Total Capital Assets, Net	15,732	138,660	154,392
Total Assets	609,865	138,660	748,525
<b>NET POSITION</b>			
Net Investment in Capital Assets	15,732	138,660	154,392
Total Net Position	\$ 565,158	\$ 138,660	\$ 703,818

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**BUDGET COMPARISON SCHEDULES**

**CLARK PUBLIC SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
<b>REVENUES</b>					
Local Sources					
Property Tax Levy	\$ 28,770,935		\$ 28,770,935	\$ 28,770,935	
Tuition	2,268,744		2,268,744	1,748,491	\$ (520,253)
Transportation Fees from Other LEAs	208,519		208,519	119,066	(89,453)
Interest	10,000		10,000	6,362	(3,638)
Miscellaneous Revenues	45,000	-	45,000	104,701	59,701
<b>Total Local Sources</b>	<b>31,303,198</b>	<b>-</b>	<b>31,303,198</b>	<b>30,749,555</b>	<b>(553,643)</b>
State Sources					
Special Education Aid	915,831		915,831	915,831	-
Security Aid	35,913		35,913	35,913	-
Transportation Aid	51,623		51,623	51,623	-
Under Adequacy Aid	2,264		2,264	2,264	-
PARCC Readiness Aid	21,890		21,890	21,890	-
Per Pupil Growth Aid	21,890		21,890	21,890	-
Extraordinary Aid				89,324	89,324
Additional Nonpublic Transportation Aid				15,248	15,248
TPAF Pension Benefit Contribution - (Non-Budget)				1,152,967	1,152,967
TPAF Pension NCGI Premium - (Non-Budget)				57,433	57,433
TPAF Post Retirement Medical Contribution (Non-Budget)				1,441,253	1,441,253
TPAF Social Security Contributions (Non-Budget)	-	-	-	1,092,749	1,092,749
<b>Total State Sources</b>	<b>1,049,411</b>	<b>-</b>	<b>1,049,411</b>	<b>4,898,385</b>	<b>3,848,974</b>
Federal Sources					
Medicaid Reimbursement	16,103	-	16,103	5,041	(11,062)
<b>Total Federal Sources</b>	<b>16,103</b>	<b>-</b>	<b>16,103</b>	<b>5,041</b>	<b>(11,062)</b>
<b>Total Revenues</b>	<b>32,368,712</b>	<b>-</b>	<b>32,368,712</b>	<b>35,652,981</b>	<b>3,284,269</b>
<b>EXPENDITURES</b>					
CURRENT					
Instruction - Regular Programs					
Salaries of Teachers					
Preschool	117,807	\$ 45,918	163,725	163,725	-
Kindergarten	467,325	(14,784)	452,541	440,920	11,621
Grades 1-5	3,179,600	10,825	3,190,425	3,189,354	1,071
Grades 6-8	2,093,555	39,880	2,133,435	2,131,177	2,258
Grades 9-12	4,212,945	21,171	4,234,116	4,234,116	-
Regular Programs - Home Instruction					
Salaries of Teachers	25,000	3,739	28,739	28,739	-
Purchased Professional/Educational Services	20,000	33,043	53,043	53,043	-
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	200,516	33,613	234,129	231,917	2,212
Purchased Professional/Educational Services	223,331	(76,862)	146,469	146,469	-
Other Purchased Services	77,000	(9,687)	67,313	67,303	10
General Supplies	581,226	(57,111)	524,115	517,915	6,200
Textbooks	88,100	(41,632)	46,468	42,641	3,827
Other Objects	151,727	16,283	168,010	136,764	31,246
<b>Total Regular Programs</b>	<b>11,438,132</b>	<b>4,396</b>	<b>11,442,528</b>	<b>11,384,083</b>	<b>58,445</b>

**CLARK PUBLIC SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

EXHIBIT C-1

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>EXPENDITURES</b>					
CURRENT (Continued)					
Learning and/or Language Disabilities					
Salaries of Teachers	\$ 232,700	\$ (53,701)	\$ 178,999	\$ 178,579	\$ 420
Other Salaries for Instruction	73,948	(17,194)	56,754	56,646	108
Purchased Professional/Educational Services	10,000	3,756	13,756	10,344	3,412
General Supplies	5,000	908	5,908	2,315	3,593
Textbooks	1,000	224	1,224	498	726
<b>Total Learning and/or Language Disabilities</b>	<b>322,648</b>	<b>(66,007)</b>	<b>256,641</b>	<b>248,382</b>	<b>8,259</b>
Multiple Disabilities					
Salaries of Teachers	55,960	5,717	61,677	58,577	3,100
General Supplies	5,000	-	5,000	1,430	3,570
<b>Total Multiple Disabilities</b>	<b>60,960</b>	<b>5,717</b>	<b>66,677</b>	<b>60,007</b>	<b>6,670</b>
Resource Room/Resource Center					
Salaries of Teachers	1,707,460	(237,114)	1,470,346	1,460,346	10,000
Other Salaries for Instruction	423,809	146,222	570,031	561,631	8,400
Purchased Professional/Educational Services	20,000	412	20,412	20,412	-
General Supplies	10,000	169	10,169	2,338	7,831
Textbooks	28,000	(16,913)	11,087	10,202	885
<b>Total Resource Room/Resource Center</b>	<b>2,189,269</b>	<b>(107,224)</b>	<b>2,082,045</b>	<b>2,054,929</b>	<b>27,116</b>
Preschool Disabilities - Part-Time					
Salaries of Teachers	55,750	(4,743)	51,007	50,175	832
Other Salaries for Instruction	35,802	-	35,802	35,802	-
General Supplies	5,000	-	5,000	451	4,549
<b>Total Preschool Disabilities - Part-Time</b>	<b>96,552</b>	<b>(4,743)</b>	<b>91,809</b>	<b>86,428</b>	<b>5,381</b>
Preschool Disabilities - Full-time					
Salaries of Teachers	60,338	(59,919)	419	419	-
Other Salaries for Instruction	16,775	(15,936)	839	839	-
General Supplies	2,000	-	2,000	674	1,326
<b>Total Preschool Disabilities - Full-time</b>	<b>79,113</b>	<b>(75,855)</b>	<b>3,258</b>	<b>1,932</b>	<b>1,326</b>
<b>Total Special Education</b>	<b>2,748,542</b>	<b>(248,112)</b>	<b>2,500,430</b>	<b>2,451,678</b>	<b>48,752</b>
Basic Skills/Remedial					
Salaries of Teachers	347,520	-	347,520	347,520	-
<b>Total Basic Skills/Remedial</b>	<b>347,520</b>	<b>-</b>	<b>347,520</b>	<b>347,520</b>	<b>-</b>
Bilingual Education					
Salaries of Teachers	51,740	4,259	55,999	55,999	-
<b>Total Bilingual Education</b>	<b>51,740</b>	<b>4,259</b>	<b>55,999</b>	<b>55,999</b>	<b>-</b>
School Sponsored Co-Curricular Activities					
Salaries	193,800	(17,171)	176,629	150,145	26,484
Supplies & Materials	59,300	(2,600)	56,700	34,489	22,211
Other Objects	29,500	3,545	33,045	30,329	2,716
<b>Total School Sponsored Co-Curricular Activities</b>	<b>282,600</b>	<b>(16,226)</b>	<b>266,374</b>	<b>214,963</b>	<b>51,411</b>

**CLARK PUBLIC SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
<b>EXPENDITURES</b>					
CURRENT (Continued)					
School Sponsored Athletics					
Salaries	\$ 325,000	\$ 6,262	\$ 331,262	\$ 331,262	
Purchased Services	100,000	1,184	101,184	82,520	\$ 18,664
Supplies and Materials	135,000	6,246	141,246	92,266	48,980
Other Objects	35,000	-	35,000	25,073	9,927
<b>Total School Sponsored Athletics</b>	<u>595,000</u>	<u>13,692</u>	<u>608,692</u>	<u>531,121</u>	<u>77,571</u>
<b>Total Instruction</b>	<u>15,463,534</u>	<u>(241,991)</u>	<u>15,221,543</u>	<u>14,985,364</u>	<u>236,179</u>
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs w/i State - Special	590,000	126,461	716,461	710,270	6,191
Tuition to County Voc. School Dist.-Regular	471,500	44,950	516,450	516,450	-
Tuition to County Voc. School Dist.- Special	52,000	(16,000)	36,000	36,000	-
Tuition to County Special Services District				4,232	(4,232)
Tuition to Priv. Sch. For the Disabled - Within State	700,000	425,121	1,125,121	1,113,329	11,792
<b>Total Undistributed Expenditures - Instruction</b>	<u>1,813,500</u>	<u>580,532</u>	<u>2,394,032</u>	<u>2,380,281</u>	<u>13,751</u>
Attendance and Social Work					
Salaries	60,391	53,773	114,164	114,164	-
Supplies and Materials	1,000	(1,000)	-	-	-
<b>Total Attendance and Social Work</b>	<u>61,391</u>	<u>52,773</u>	<u>114,164</u>	<u>114,164</u>	<u>-</u>
Health Services					
Salaries	362,305	(39,119)	323,186	323,186	-
Purchased Professional and Technical Services	25,000	847	25,847	25,847	-
Supplies and Materials	8,500	(160)	8,340	6,908	1,432
Other Objects	3,000	(2,520)	480	480	-
<b>Total Health Services</b>	<u>398,805</u>	<u>(40,952)</u>	<u>357,853</u>	<u>356,421</u>	<u>1,432</u>
Other Support Serv. Students - Speech, OT, PT & Related Serv.					
Salaries	419,154	22,537	441,691	441,691	-
Purchased Professional/Educational Services	120,000	18,290	138,290	123,693	14,597
Supplies and Materials	6,000	1,201	7,201	6,687	514
<b>Total Other Supp.Serv. Student - Speech, OT, PT, &amp; Related Serv.</b>	<u>545,154</u>	<u>42,028</u>	<u>587,182</u>	<u>572,071</u>	<u>15,111</u>
Other Support Services - Students - Extra Serv.					
Salaries	315,456	36,348	351,804	351,721	83
<b>Total Other Supp.Serv. Student - Extra Serv.</b>	<u>315,456</u>	<u>36,348</u>	<u>351,804</u>	<u>351,721</u>	<u>83</u>
Other Support Services - Students - Guidance					
Salaries of Other Professional Staff	609,920	(150,807)	459,113	455,816	3,297
Salaries of Secretarial & Clerical Assistants	118,782	-	118,782	118,782	-
Other Purchased Services	50,000	2,500	52,500	52,339	161
Supplies and Materials	10,000	(2,186)	7,814	5,019	2,795
Other Objects	2,000	-	2,000	1,034	966
<b>Total Other Support Services - Students - Guidance</b>	<u>790,702</u>	<u>(150,493)</u>	<u>640,209</u>	<u>632,990</u>	<u>7,219</u>

**CLARK PUBLIC SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
<b>EXPENDITURES</b>					
CURRENT (Continued)					
Other Support Services - Students - Child Study Team					
Salaries of Other Professional Staff	\$ 510,465	\$ 101,718	\$ 612,183	\$ 612,183	
Salaries of Secretarial & Clerical Assistants	118,782	-	118,782	118,782	
Purchased Professional-Educational Services	20,858	9,785	30,643	30,643	
Other Purchased Prof. and Tech. Services		13,317	13,317	13,317	
Miscellaneous Purchased Services	6,000	(84)	5,916	5,827	\$ 89
Supplies and Materials	7,000	-	7,000	7,000	-
<b>Total Other Support Services - Students - Child Study Team</b>	<b>663,105</b>	<b>124,736</b>	<b>787,841</b>	<b>787,752</b>	<b>89</b>
Improvement of Instructional Services					
Salaries of Supervisors of Instruction	336,081	(58,852)	277,229	277,229	-
Salaries of Other Professional Staff	47,300	(30,000)	17,300	15,862	1,438
Salaries of Secretarial & Clerical Assistants	104,017	-	104,017	102,373	1,644
Supplies and Materials	3,530	(1,182)	2,348	1,086	1,262
Other Objects	20,000	12,966	32,966	32,966	-
<b>Total Improvement of Instructional Services</b>	<b>510,928</b>	<b>(77,068)</b>	<b>433,860</b>	<b>429,516</b>	<b>4,344</b>
Educational Media/School Library					
Salaries	148,400	(35,228)	113,172	113,172	-
Supplies and Materials	88,770	(30,969)	57,801	54,540	3,261
Other Objects	10,000	(1,840)	8,160	8,160	-
<b>Total Educational Media/School Library</b>	<b>247,170</b>	<b>(68,037)</b>	<b>179,133</b>	<b>175,872</b>	<b>3,261</b>
Instructional Staff Training Services					
Purchased Professional-Educational Services	17,770	(5,746)	12,024	11,899	125
Other Objects	39,180	(36,210)	2,970	2,970	-
<b>Total Instructional Staff Training Services</b>	<b>56,950</b>	<b>(41,956)</b>	<b>14,994</b>	<b>14,869</b>	<b>125</b>
Support Services General Administration					
Salaries	199,750	(93,528)	106,222	106,222	-
Legal Services	107,700	(4,544)	103,156	86,241	16,915
Audit Fees	60,000	(17,340)	42,660	39,498	3,162
Architectural/Engineering Services	20,000	12,020	32,020	36,970	(4,950)
Purchased Technical Services	10,000	(7,400)	2,600	2,600	-
Communications/Telephone	229,000	(58,443)	170,557	154,411	16,146
Miscellaneous Purchased Services	68,580	(6,576)	62,004	58,564	3,440
General Supplies	10,000	(5,018)	4,982	3,497	1,485
Judgments Against the School District	50,000	(25,000)	25,000	24,597	403
Miscellaneous Expenditures	15,000	1,928	16,928	16,735	193
BOE Membership Dues and Fees	25,000	200	25,200	22,324	2,876
<b>Total Support Services General Administration</b>	<b>795,030</b>	<b>(203,701)</b>	<b>591,329</b>	<b>551,659</b>	<b>39,670</b>
Support Services School Administration					
Salaries of Principals/Asst. Principals/Prog Director	700,489	78,809	779,298	779,298	-
Salaries of Other Professional Staff	200,441	6,547	206,988	206,988	-
Salaries of Secretarial and Clerical Assistants	458,002	(118,309)	339,693	339,693	-
Purchased Professional and Technical Services	96,120	(93,005)	3,115	3,115	-
Supplies and Materials	5,000	(3,616)	1,384	1,384	-
Other Objects	5,000	(3,408)	1,592	1,211	381
<b>Total Support Services School Administration</b>	<b>1,465,052</b>	<b>(132,982)</b>	<b>1,332,070</b>	<b>1,331,689</b>	<b>381</b>

**CLARK PUBLIC SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
<b>EXPENDITURES</b>					
CURRENT (Continued)					
Undistributed Expenditures - Central Services					
Salaries	\$ 497,913	\$ (47,874)	\$ 450,039	\$ 450,039	
Misc. Purchased Services	35,000	(16,039)	18,961	14,867	\$ 4,094
Supplies and Materials	20,000	(5,889)	14,111	14,073	38
Miscellaneous Expenditures	5,000	(2,500)	2,500	2,042	458
<b>Total Undistributed Expenditures - Central Services</b>	<b>557,913</b>	<b>(72,302)</b>	<b>485,611</b>	<b>481,021</b>	<b>4,590</b>
Admin. Info. Technology					
Purchased Professional Services		18,000	18,000	17,834	166
Purchased Technical Services	150,000	9,674	159,674	159,674	-
Supplies and Materials	30,000	(13,695)	16,305	16,305	-
<b>Total Admin. Info. Technology</b>	<b>180,000</b>	<b>13,979</b>	<b>193,979</b>	<b>193,813</b>	<b>166</b>
Required Maintenance for School Facilities					
Salaries	510,334	43,048	553,382	553,382	-
Cleaning, Repair and Maintenance Services	195,000	42,925	237,925	236,865	1,060
General Supplies	100,000	(5,986)	94,014	94,013	1
Other Objects	5,000	(4,799)	201	120	81
<b>Total Required Maintenance for School Facilities</b>	<b>810,334</b>	<b>75,188</b>	<b>885,522</b>	<b>884,380</b>	<b>1,142</b>
Custodial Services					
Salaries	49,472	22,423	71,895	71,895	-
Salaries of Non-Instructional Aides	89,528	22,958	112,486	112,486	-
Purchased Professional-Technical Services	60,000	(31,455)	28,545	26,938	1,607
Cleaning, Repair and Maintenance Services	823,535	100,917	924,452	919,104	5,348
Other Purchased Property Services	110,000	185	110,185	105,180	5,005
Insurance	240,360	(36,000)	204,360	204,046	314
General Supplies	30,000	10,004	40,004	39,755	249
Energy (Natural Gas)	176,862	363	177,225	140,069	37,156
Energy (Electricity)	480,000	(7,879)	472,121	382,015	90,106
<b>Total Custodial Services</b>	<b>2,059,757</b>	<b>81,516</b>	<b>2,141,273</b>	<b>2,001,488</b>	<b>139,785</b>
Care and Upkeep of Grounds					
Cleaning, Repair and Maintenance Services	80,000	(22,718)	57,282	56,866	416
General Supplies	20,000	(10,500)	9,500	9,420	80
<b>Total Care and Upkeep of Grounds</b>	<b>100,000</b>	<b>(33,218)</b>	<b>66,782</b>	<b>66,286</b>	<b>496</b>
Security					
Salaries	90,287	525	90,812	90,812	-
Purchased Professional and Technical Services		2,000	2,000	996	1,004
General Supplies	12,000	(2,000)	10,000	4,988	5,012
<b>Total Security</b>	<b>102,287</b>	<b>525</b>	<b>102,812</b>	<b>96,796</b>	<b>6,016</b>
Student Transportation Services					
Salaries of Non-Instructional Aides	26,010	106	26,116	25,416	700
Salaries for Pupil Trans. (Bet Home & School) - Spe Ed	44,848	5,223	50,071	50,071	-
Contracted Services - Aid in Lieu of Payments-Nonpublic Schools	65,000	7,709	72,709	69,615	3,094
Contracted Services (Between Home and School) - Vendors	270,000	122,161	392,161	371,999	20,162
Contracted Services (Other Than Between Home and School) - Vendo	171,660	73,450	245,110	245,110	-
Contracted Services (Special Ed Students) - Vendors	365,000	258,316	623,316	606,891	16,425
Contracted Services - (Regular Students) - ESCs & CTAS	25,000	(10,000)	15,000	8,866	6,134
Misc. Purchased Services-Transportation	25,000	(10,878)	14,122	14,122	-
General Supplies	15,000	694	15,694	15,694	-
<b>Total Student Transportation Services</b>	<b>1,007,518</b>	<b>446,781</b>	<b>1,454,299</b>	<b>1,407,784</b>	<b>46,515</b>

**CLARK PUBLIC SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

EXHIBIT C-1

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>EXPENDITURES</b>					
CURRENT (Continued)					
Unallocated Benefits- Employee Benefits					
Social Security Contributions	\$ 385,000	\$ (3,246)	\$ 381,754	\$ 381,754	
Other Retirement Contributions - PERS	331,500	(30,699)	300,801	300,801	
Unemployment Compensation	15,000	65,924	80,924	80,924	
Workmen's Compensation	235,500	(136,557)	98,943	98,943	
Health Benefits	4,155,694	(250,754)	3,904,940	3,888,960	\$ 15,980
Other Employee Benefits	30,000	35,489	65,489	65,489	-
<b>Total Unallocated Benefits</b>	<b>5,152,694</b>	<b>(319,843)</b>	<b>4,832,851</b>	<b>4,816,871</b>	<b>15,980</b>
On-Behalf (Non-Budget)					
TPAF Pension Benefit Contribution - (Non-Budget)				1,152,967	(1,152,967)
TPAF Pension - NCGI Premium (Non-Budget)				57,433	(57,433)
TPAF Post Retirement Medical Contribution (Non-Budget)				1,441,253	(1,441,253)
TPAF Social Security Contributions (Non-Budget)	-	-	-	1,092,749	(1,092,749)
<b>Total On-Behalf</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,744,402</b>	<b>(3,744,402)</b>
<b>Total Undistributed Expenditures</b>	<b>17,633,746</b>	<b>313,854</b>	<b>17,947,600</b>	<b>21,391,846</b>	<b>(3,444,246)</b>
<b>Total Current Expenditures</b>	<b>33,097,280</b>	<b>71,863</b>	<b>33,169,143</b>	<b>36,377,210</b>	<b>(3,208,067)</b>
CAPITAL OUTLAY					
Equipment					
Grades 1 - 5	4,000	-	4,000	-	4,000
Grades 6-8	10,000	-	10,000	5,867	4,133
Grades 9-12	-	120,083	120,083	120,083	-
Custodial Services	-	99,906	99,906	85,362	14,544
Care and Upkeep of Grounds	50,000	96,889	146,889	127,839	19,050
<b>Total Equipment</b>	<b>64,000</b>	<b>316,878</b>	<b>380,878</b>	<b>339,151</b>	<b>41,727</b>
Facilities Acquisition and Construction Services					
Assessment for Debt Service on SDA Funding	119,442	(75,000)	44,442	119,442	(75,000)
<b>Total Facilities Acquisition and Construction Services</b>	<b>119,442</b>	<b>(75,000)</b>	<b>44,442</b>	<b>119,442</b>	<b>(75,000)</b>
Assets Acquired Under Capital Leases (Non-Budgeted)					
Equipment					
School Administration	-	-	-	-	-
<b>Total Assets Acquired Under Capital Leases (Non-Budgeted)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Outlay</b>	<b>183,442</b>	<b>241,878</b>	<b>425,320</b>	<b>458,593</b>	<b>(33,273)</b>
<b>Total General Fund</b>	<b>33,280,722</b>	<b>313,741</b>	<b>33,594,463</b>	<b>36,835,803</b>	<b>(3,241,340)</b>



**CLARK PUBLIC SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
Excess (Deficiency) of Revenues Over/(Under) Expenditures	\$ (912,010)	\$ (313,741)	\$ (1,225,751)	\$ (1,182,822)	\$ 42,929
Other Financing Sources (Uses)					
Capital Lease Proceeds				-	-
Transfers Out - Capital Projects Fund	-	(671,407)	(671,407)	(671,407)	-
Total Other Financing Sources (Uses)	-	(671,407)	(671,407)	(671,407)	-
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Sources (Uses)	(912,010)	(985,148)	(1,897,158)	(1,854,229)	42,929
Fund Balance, Beginning of Year	4,827,573	-	4,827,573	4,827,573	-
Fund Balance, End of Year	<u>\$ 3,915,563</u>	<u>\$ (985,148)</u>	<u>\$ 2,930,415</u>	<u>\$ 2,973,344</u>	<u>\$ 42,929</u>
<b>Recapitulation:</b>					
Restricted Fund Balance					
Excess Surplus - Designated for Subsequent Year's Expenditures				\$ 884,050	
Capital Reserve				585,663	
Maintenance Reserve				750,000	
Assigned Fund Balance					
Year End Encumbrances				143,430	
Designated for Subsequent Year's Expenditures				45,410	
Unassigned Fund Balance				<u>564,791</u>	
Fund Balance- Budgetary Basis				2,973,344	
Less: State Aid Revenue not recognized on GAAP basis				<u>(182,997)</u>	
Fund Balance per Governmental Funds Statements (GAAP)				<u>\$ 2,790,347</u>	

**CLARK PUBLIC SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Intergovernmental					
State	\$ 458,731	\$ 6,964	\$ 465,695	\$ 399,683	\$ (66,012)
Federal	816,978	66,131	883,109	689,461	(193,648)
Local	-	4,927	4,927	-	(4,927)
	<u>1,275,709</u>	<u>78,022</u>	<u>1,353,731</u>	<u>1,089,144</u>	<u>(264,587)</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries of Teachers	104,778	6,658	111,436	77,061	34,375
Purchased Professional/Technical Services	125,492	41,863	167,355	113,454	53,901
Purchased Professional/Educational Services	47,515	-	47,515	18,993	28,522
Tuition	403,389	-	403,389	403,389	-
General Supplies	56,119	8,497	64,616	41,285	23,331
Textbooks	40,598	-	40,598	39,646	952
	<u>777,891</u>	<u>57,018</u>	<u>834,909</u>	<u>693,828</u>	<u>141,081</u>
Support Services					
Salaries	25,000	2,547	27,547	25,730	1,817
Personal Services Employee-Benefits	13,612	-	13,612	13,612	-
Purchased Professional/Educational Services	400,358	3,325	403,683	342,298	61,385
Other Purchased Services	56,348	9,106	65,454	13,506	51,948
Supplies and Materials	2,500	6,027	8,527	170	8,357
	<u>497,818</u>	<u>21,005</u>	<u>518,823</u>	<u>395,316</u>	<u>123,507</u>
Unallocated Benefits					
Employee Benefits	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Capital Outlay	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>1,275,709</u>	<u>78,023</u>	<u>1,353,732</u>	<u>1,089,144</u>	<u>264,588</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>

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**CLARK PUBLIC SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULES  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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.

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedule	\$ 35,652,981	\$ 1,089,144
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, 2015		19,991
Encumbrances June 30, 2016		-
State Aid payment not recognized for budgetary purposes, recognized for GAAP statements. 2014/2015 State Aid	158,321	
State Aid payment recognized for budgetary purposes, not recognized for GAAP statements. 2015/2016 State Aid	<u>(182,997)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 35,628,305</u>	<u>\$ 1,109,135</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 36,835,803	\$ 1,089,144
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, 2015		19,991
Encumbrances June 30, 2016	<u>-</u>	<u>-</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 36,835,803</u>	<u>\$ 1,109,135</u>

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

**PENSION INFORMATION**

**CLARK PUBLIC SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY  
Public Employees Retirement System**

**Last Three Fiscal Years\***

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.03291%	0.03286%	0.03527
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 7,386,520	\$ 6,152,107	\$ 6,741,273
District's Covered-Employee Payroll	\$ 2,050,030	\$ 2,201,638	\$ 2,186,439
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	360.31%	279.43%	308.32%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	52.08%	48.72%

\* The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

This schedule is presented to illustrate the requirements to show information for 10 years in accordance with GASB Statemetn No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**CLARK PUBLIC SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT CONTRIBUTIONS**

**Public Employees Retirement System**

**Last Three Fiscal Years**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 282,895	\$ 270,885	\$ 265,771
Contributions in Relation to the Contractually Required Contribution	<u>282,895</u>	<u>270,885</u>	<u>265,771</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 2,050,030	\$ 2,201,638	\$ 2,186,439
Contributions as a Percentage of Covered-Employee Payroll	13.80%	12.30%	12.16%

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 69. However, until the full 10-year trend is compiled, the District will only present information for those years which information is available.

**CLARK PUBLIC SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE  
OF THE NET PENSION LIABILITY**

**Teachers Pension and Annuity Fund**

**Last Three Fiscal Years\***

	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$0	\$0	\$0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 96,800,736</u>	<u>\$ 80,987,570</u>	<u>\$ 76,907,380</u>
Total	<u>\$ 96,800,736</u>	<u>\$ 80,987,570</u>	<u>\$ 76,907,380</u>
District's Covered-Employee Payroll	\$ 14,472,063	\$ 14,879,359	\$ 15,053,374
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	28.71%	33.64%	33.76%

\* The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 69. However, until the full 10-year trend is compiled, the District will only present information for those years which information is available.



**CLARK PUBLIC SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
AND SCHEDULE OF DISTRICT CONTRIBUTIONS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Change of Benefit Terms:**           None.

**Change of Assumptions:**           Assumptions used in calculating the net pension liability and statutorily required employer contribution are presented in Note 5.

**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, 2016**

	Ch. 192 Svcs.							Ch. 193 Svcs.			Total Page 2	Grand Total 2016
	Nonpublic Nursing	Nonpublic Textbooks	Nonpublic Technology	Nonpublic Security	Nonpublic Compensatory Education	Nonpublic Transport	Home Instruction	Nonpublic Supplemental Instruction	Nonpublic Exam./ Classification	Nonpublic Corrective Speech		
<b>REVENUES</b>												
Intergovernmental												
State	\$ 63,417	\$ 39,646	\$ 18,052	\$ 17,739	\$ 145,258	\$ 12,973	\$ 3,248	\$ 43,888	\$ 40,235	\$ 15,227	-	\$ 399,683
Federal	-	-	-	-	-	-	-	-	-	-	\$ 689,461	689,461
<b>Total Revenues</b>	<b>\$ 63,417</b>	<b>\$ 39,646</b>	<b>\$ 18,052</b>	<b>\$ 17,739</b>	<b>\$ 145,258</b>	<b>\$ 12,973</b>	<b>\$ 3,248</b>	<b>\$ 43,888</b>	<b>\$ 40,235</b>	<b>\$ 15,227</b>	<b>\$ 689,461</b>	<b>\$ 1,089,144</b>
<b>EXPENDITURES</b>												
Instruction												
Salaries of Teachers											\$ 77,061	\$ 77,061
Purchased Professional & Technical Services											113,454	113,454
Purchased Professional/ Educational Services				\$ 17,739							1,254	18,993
Tuition											403,389	403,389
General Supplies											41,285	41,285
Textbooks	-	\$ 39,646	-	-	-	-	-	-	-	-	-	39,646
<b>Total Instruction</b>	<b>-</b>	<b>39,646</b>	<b>-</b>	<b>17,739</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>636,443</b>	<b>693,828</b>
Support Services												
Salaries											25,730	25,730
Personal Services Employee-Benefits											13,612	13,612
Purchased Professional/ Educational Services	\$ 63,417		\$ 18,052		\$ 145,258	\$ 12,973	\$ 3,248	\$ 43,888	\$ 40,235	\$ 15,227	-	342,298
Other Purchased Services											13,506	13,506
Supplies and Materials	-	-	-	-	-	-	-	-	-	-	170	170
<b>Total Support Services</b>	<b>63,417</b>	<b>-</b>	<b>18,052</b>	<b>-</b>	<b>145,258</b>	<b>12,973</b>	<b>3,248</b>	<b>43,888</b>	<b>40,235</b>	<b>15,227</b>	<b>53,018</b>	<b>395,316</b>
<b>Total Expenditures</b>	<b>\$ 63,417</b>	<b>\$ 39,646</b>	<b>\$ 18,052</b>	<b>\$ 17,739</b>	<b>\$ 145,258</b>	<b>\$ 12,973</b>	<b>\$ 3,248</b>	<b>\$ 43,888</b>	<b>\$ 40,235</b>	<b>\$ 15,227</b>	<b>\$ 689,461</b>	<b>\$ 1,089,144</b>

**CLARK PUBLIC SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

<b>REVENUES</b>	<b>Title I 2015/16</b>	<b>Title IIA 2015/16</b>	<b>Title III 2015/16</b>	<b>IDEA Part B</b>	<b>IDEA Preschool</b>	<b>Workforce Investment 2015/16</b>	<b>Total Page 2</b>
Intergovernmental							
State							
Federal	\$ 101,725	\$ 15,379	\$ 935	\$ 528,097	\$ 17,425	\$ 25,900	\$ 689,461
Total Revenues	<u>\$ 101,725</u>	<u>\$ 15,379</u>	<u>\$ 935</u>	<u>\$ 528,097</u>	<u>\$ 17,425</u>	<u>\$ 25,900</u>	<u>\$ 689,461</u>
<b>EXPENDITURES</b>							
Instruction							
Salaries of Teachers	\$ 52,353			\$ 10,000	\$ 14,708		\$ 77,061
Purchased Professional & Technical Services				113,454			113,454
Purchased Professional/ Educational Services				1,254			1,254
Tuition				403,389			403,389
General Supplies	35,760	\$ 1,873	\$ 935		2,717		41,285
Textbooks	-	-	-	-	-	-	-
Total Instruction	<u>88,113</u>	<u>1,873</u>	<u>935</u>	<u>528,097</u>	<u>17,425</u>	<u>-</u>	<u>636,443</u>
Support Services							
Salaries						\$ 25,730	25,730
Personal Services Employee-Benefits	13,612						13,612
Purchased Professional/ Educational Services							-
Other Purchased Services		13,506		-			13,506
Supplies and Materials	-	-	-	-	-	170	170
Total Support Services	<u>13,612</u>	<u>13,506</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,900</u>	<u>53,018</u>
Total Expenditures	<u>\$ 101,725</u>	<u>\$ 15,379</u>	<u>\$ 935</u>	<u>\$ 528,097</u>	<u>\$ 17,425</u>	<u>\$ 25,900</u>	<u>\$ 689,461</u>

**CLARK PUBLIC SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
PRESCHOOL EDUCATION AID  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

NOT APPLICABLE

**CAPITAL PROJECTS FUND**

**CLARK PUBLIC SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY STATEMENT OF PROJECT EXPENDITURES - BUDGETARY BASIS  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

<u>Issue/Project Title</u>	<u>Modified Appropriation</u>	<u>Expenditures to Date Prior Years</u>	<u>Current Year</u>	<u>Balance June 30, 2016</u>
ALJ High School - Restroom ADA Upgrades	\$ 174,898	\$ 171,132	\$ -	\$ 3,766
Valley Road Elementary School - Restroom ADA Upgrades	212,871		176,700	36,171
Karl H. Kumpf Middle School - Restroom ADA Upgrades	168,550		173,806	(5,256)
Frank K. Henly Elementary School - Restroom ADA Upgrades	143,610		99,538	44,072
Valley Road Elementary School - Window Replacements	593,980		65,375	528,605
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,293,909</u>	<u>\$ 171,132</u>	<u>\$ 515,419</u>	<u>\$ 607,358</u>

**Reconciliation to GAAP**

Project Balances, June 30, 2016	\$ 607,358
Less:	
Unearned Revenue - SDA Grants	<u>(245,045)</u>
Fund Balance, June 30, 2016	<u>\$ 362,313</u>

**Recapitulation of Fund Balance**

Restricted for Capital Projects	
Year End Encumbrances	\$ 542,725
Available for Capital Projects	64,633
Unearned SDA Grant Revenue	<u>(245,045)</u>
Total Fund Balance - Restricted for Capital Projects	<u>\$ 362,313</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, 2016**

<b>Revenues and Other Financing Sources</b>	
State Sources - SDA Grant	\$ 447,604
Transfer from General Fund - Capital Reserve	<u>671,407</u>
Total Revenues	<u>1,119,011</u>
<b>Expenditures and Other Financing Uses</b>	
Expenditures:	
Architect/Engineering Services	\$ 29,275
Construction Services	<u>486,144</u>
Total Expenditures and Other Financing Uses	<u>515,419</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	603,592
Fund Balance- Beginning of Year	\$ <u>3,766</u>
Fund Balance- Ending of Year	<u>\$ 607,358</u>
<b><u>Reconciliation to GAAP Basis</u></b>	
Fund Balance, June 30, 2016 - Budgetary Basis	\$ 607,358
Less: Unearned Revenue (SDA Grants)	<u>(245,045)</u>
Fund Balance, June 30, 2016-GAAP Basis	<u>\$ 362,313</u>

**CLARK PUBLIC SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
ALJ HIGH SCHOOL - RESTROOM ADA UPGRADES  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources- SDA Grant	\$ 69,959		\$ 69,959	\$ 69,959
Local Contribution - Transfer From Capital Reserve	104,939	-	104,939	104,939
	<u>174,898</u>	<u>-</u>	<u>174,898</u>	<u>174,898</u>
<b>Expenditures and Other Financing Uses</b>				
Architect/Engineering Services	8,300	-	8,300	11,398
Construction Services	162,832	\$ -	162,832	163,500
	<u>171,132</u>	<u>-</u>	<u>171,132</u>	<u>174,898</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 3,766</u>	<u>\$ -</u>	<u>\$ 3,766</u>	<u>\$ -</u>
<b>Additional Project Information:</b>				
DOE Project Number	0850-005-14-1001			
SDA Project Number	0850-005.14-G2RB			
Grant Number	G5-5865			
Grant Date	May 29, 2014			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorization Cost	174,898			
Additional Authorization Cost/(Cancellation)	-			
Revised Authorization Cost	174,898			
<b>Percentage Increase over Original</b>				
Authorized Cost	0.00%			
Percentage Completion	97.85%			
Original Target Completion Date	December 31, 2014			
Revised Target Completion Date	July 31, 2015			

**CLARK PUBLIC SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
VALLEY ROAD ELEMENTARY SCHOOL - RESTROOM ADA UPGRADES  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Preliminary Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources- SDA Grant		\$ 85,148	85,148	\$ 85,148
Local Contribution - Transfer From Capital Reserve	-	127,723	127,723	127,723
	-	212,871	212,871	212,871
<b>Expenditures and Other Financing Uses</b>				
Architect/Engineering Services			-	-
Construction Services	-	176,700	176,700	212,871
	-	176,700	176,700	212,871
<b>Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</b>				
	\$ -	\$ 36,171	\$ 36,171	\$ -
<b>Additional Project Information:</b>				
DOE Project Number	0850-040-14-1004			
SDA Project Number	0850-040-14-G2RE			
Grant Number	G5-5868			
Grant Date	3/18/16			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorization Cost	212,871			
Additional Authorization Cost/(Cancellation)	-			
Revised Authorization Cost	212,871			
<b>Percentage Increase over Original</b>				
Authorized Cost	0.00%			
Percentage Completion	83.01%			
Original Target Completion Date	June 30, 2016			
Revised Target Completion Date	June 30, 2016			

**CLARK PUBLIC SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
KARL H. KUMPF MIDDLE SCHOOL - RESTROOM ADA UPGRADES  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Preliminary Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources- SDA Grant		\$ 67,420	\$ 67,420	\$ 67,420
Local Contribution - Transfer From Capital Reserve	-	101,130	101,130	101,130
Total Revenues and Other Financing Sources	-	168,550	168,550	168,550
<b>Expenditures and Other Financing Uses</b>				
Architect/Engineering Services			-	-
Construction Services	-	173,806	173,806	173,806
Total Expenditures and Other Financing Uses	-	173,806	173,806	173,806
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ -	\$ (5,256)	\$ (5,256)	\$ (5,256)
<b>Additional Project Information:</b>				
DOE Project Number	0850-035-14-1003			
SDA Project Number	0850-035-14-G2RD			
Grant Number	G5-5867			
Grant Date	3/18/16			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorization Cost	168,550			
Additional Authorization Cost/(Cancellation)	-			
Revised Authorization Cost	168,550			
Percentage Increase over Original				
Authorized Cost	0.00%			
Percentage Completion	100.00%			
Original Target Completion Date	June 30, 2016			
Revised Target Completion Date	June 30, 2016			

**CLARK PUBLIC SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
FRANK K. HEHNLY ELEMENTARY SCHOOL - RESTROOM ADA UPGRADES  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Preliminary Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources- SDA Grant		\$ 57,444	57,444	\$ 57,444
Local Contribution - Transfer From Capital Reserve	-	86,166	86,166	86,166
<b>Total Revenues and Other Financing Sources</b>	-	143,610	143,610	143,610
<b>Expenditures and Other Financing Uses</b>				
Architect/Engineering Services			-	-
Construction Services	-	99,538	99,538	143,610
<b>Total Expenditures and Other Financing Uses</b>	-	99,538	99,538	143,610
<b>Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</b>	\$ -	\$ 44,072	\$ 44,072	\$ -
<b>Additional Project Information:</b>				
DOE Project Number	0850-030-14-1002			
SDA Project Number	0850-030-14-G2RC			
Grant Number	G5-5866			
Grant Date	3/18/2016			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorization Cost	143,610			
Additional Authorization Cost/(Cancellation)	-			
Revised Authorization Cost	143,610			
<b>Percentage Increase over Original</b>				
Authorized Cost	0.00%			
Percentage Completion	69.31%			
Original Target Completion Date	June 30, 2016			
Revised Target Completion Date	June 30, 2016			

**CLARK PUBLIC SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS  
VALLEY ELEMENTARY SCHOOL - WINDOW REPLACEMENT PROJECT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Preliminary Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources- SDA Grant		\$ 237,592	237,592	\$ 237,592
Local Contribution - Transfer From Capital Reserve	-	356,388	356,388	356,388
Total Revenues and Other Financing Sources	-	593,980	593,980	593,980
<b>Expenditures and Other Financing Uses</b>				
Architect/Engineering Services		29,275	29,275	41,000
Construction Services	-	36,100	36,100	552,980
Total Expenditures and Other Financing Uses	-	65,375	65,375	593,980
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ -	\$ 528,605	\$ 528,605	\$ -
<b>Additional Project Information:</b>				
DOE Project Number	0850-040-14-1005			
SDA Project Number	0850-040-14-G2RF			
Grant Number	G5-5869			
Grant Date	6/2/2016			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorization Cost	593,980			
Additional Authorization Cost/(Cancellation)	-			
Revised Authorization Cost	593,980			
<b>Percentage Increase over Original</b>				
Authorized Cost	0.00%			
Percentage Completion	11.84%			
Original Target Completion Date	June 30, 2017			
Revised Target Completion Date	June 30, 2017			

**PROPRIETARY FUNDS**

**CLARK PUBLIC SCHOOL DISTRICT  
PROPRIETARY FUNDS  
STATEMENT OF NET POSITION  
AS JUNE 30, 2016**

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, 2016**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6



**FIDUCIARY FUNDS**

**AGENCY FUNDS**

**CLARK PUBLIC SCHOOL DISTRICT  
AGENCY FUNDS  
COMBINING STATEMENT OF AGENCY ASSETS AND LIABILITIES  
AS OF JUNE 30, 2016**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
<b>ASSETS</b>			
Cash	\$ 148,616	\$ 459,055	\$ 607,671
Intergovernmental Receivable	<u>-</u>	<u>31,591</u>	<u>31,591</u>
Total Assets	<u>\$ 148,616</u>	<u>\$ 490,646</u>	<u>\$ 639,262</u>
<b>LIABILITIES</b>			
Due to Other Funds		\$ 271,336	\$ 271,336
Due to Student Groups	\$ 148,616		148,616
Employee Deposits Payable-Summer Payroll		212,808	212,808
Accrued Salaries and Wages		1,636	1,636
Payroll Deductions and Withholding Payables		(635)	(635)
Flexible Spending Deposits	<u>-</u>	<u>5,501</u>	<u>5,501</u>
Total Liabilities	<u>\$ 148,616</u>	<u>\$ 490,646</u>	<u>\$ 639,262</u>

**CLARK PUBLIC SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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, 2016**

	<b>Balance, July 1, <u>2015</u></b>	<b>Cash <u>Receipts</u></b>	<b>Cash <u>Disbursements</u></b>	<b>Balance, June 30, <u>2016</u></b>
<b>ELEMENTARY SCHOOLS</b>				
Valley Road	\$ 14,392	\$ 16,530	\$ 16,703	\$ 14,219
Frank K. Hehnly	15,899	16,046	16,370	15,575
<b>MIDDLE SCHOOL</b>				
Carl H. Kumpf	44,321	79,262	76,969	46,614
<b>HIGH SCHOOL</b>				
Athletic Account		50		50
Arthur L. Johnson	<u>63,283</u>	<u>108,210</u>	<u>99,335</u>	<u>72,158</u>
Total All Schools	<u>\$ 137,895</u>	<u>\$ 220,098</u>	<u>\$ 209,377</u>	<u>\$ 148,616</u>

## EXHIBIT H-4

**PAYROLL AGENCY FUND  
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<b>Balance, July 1, <u>2015</u></b>	<b><u>Additions</u></b>	<b><u>Deletions</u></b>	<b>Balance, June 30, <u>2016</u></b>
<b>ASSETS</b>				
Cash	\$ 203,455	\$ 22,775,062	\$ 22,519,462	\$ 459,055
Intergovernmental Receivable	<u>43,285</u>	<u>-</u>	<u>11,694</u>	<u>31,591</u>
Total Assets	<u>\$ 246,740</u>	<u>\$ 22,775,062</u>	<u>\$ 22,531,156</u>	<u>\$ 490,646</u>
<b>LIABILITIES</b>				
Due to Other Funds	\$ 44,005	\$ 231,419	\$ 4,088	\$ 271,336
Employee Deposits Payable - Summer Payroll	198,340	212,808	198,340	212,808
Flexible Spending Deposits	4,395	6,006	4,900	5,501
Accrued Salaries and Wages		12,640,061	12,638,425	1,636
Payroll Deductions and Withholdings Payable	<u>-</u>	<u>9,684,768</u>	<u>9,685,403</u>	<u>(635)</u>
Total Liabilities	<u>\$ 246,740</u>	<u>\$ 22,775,062</u>	<u>\$ 22,531,156</u>	<u>\$ 490,646</u>

**LONG-TERM DEBT**



**CLARK PUBLIC SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF CAPITAL LEASES AND LEASE PURCHASE AGREEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

<u>Purpose</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance, June 30,2015</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance, June 30,2016</u>
Capital Leases						
Telecommunication System	\$ 336,519	4.00%	\$ 133,016		\$ 65,180	\$ 67,836
Lift & Trailer Unit	20,420	6.00%	3,077		3,077	-
10 Savin Copiers	311,792	4.80%	148,220		64,194	84,026
Digital Mailing Systems	21,072	0.00%	6,585		5,268	1,317
Digital Copier	15,894	3.00%	<u>15,429</u>	<u>\$ -</u>	<u>2,878</u>	<u>12,551</u>
			306,327	-	140,597	165,730
Lease-Purchase Agreements						
Apple Computers	329,310	0.00%	<u>329,310</u>	<u>-</u>	<u>109,770</u>	<u>219,540</u>
			<u>\$ 635,637</u>	<u>\$ -</u>	<u>\$ 250,367</u>	<u>\$ 385,270</u>

**CLARK PUBLIC SCHOOL DISTRICT  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Local Sources					
Local Tax Levy	\$ 1,410,881	-	\$ 1,410,881	\$ 1,410,881	-
Total Revenues	<u>1,410,881</u>	<u>-</u>	<u>1,410,881</u>	<u>1,410,881</u>	<u>-</u>
<b>EXPENDITURES</b>					
Regular Debt Service					
Principal	945,000		945,000	945,000	
Interest on Bonds	<u>465,881</u>	<u>-</u>	<u>465,881</u>	<u>465,881</u>	<u>-</u>
Total Expenditures	<u>1,410,881</u>	<u>-</u>	<u>1,410,881</u>	<u>1,410,881</u>	<u>-</u>
Net Change in Fund Balances	-	-	-	-	-
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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 TEN FISCAL YEARS**  
**(Unaudited)**  
*(accrual basis of accounting)*

	2007	2008	2009	2010	2011 (1)	2012	2013	2014	2015	2016
<b>Governmental Activities</b>										
Net Investment In Capital Assets	\$ 12,477,524	\$ 15,538,485	\$ 19,318,718	\$ 21,130,888	\$ 20,693,647	\$ 19,589,306	\$ 18,535,021	\$ 17,548,040	\$ 16,572,663	\$ 14,261,400
Restricted	3,885,729	2,822,253	2,052,788	889,081	162,011	362,011	382,501	1,357,029	2,009,330	1,697,976
Unrestricted	(560,348)	8,360	109,679	(97,354)	354,620	674,667	1,624,260	(4,692,995)	(5,095,914)	(6,367,405)
<b>Total Governmental Activities Net Position</b>	<b>\$ 15,802,905</b>	<b>\$ 18,369,098</b>	<b>\$ 21,481,185</b>	<b>\$ 21,922,615</b>	<b>\$ 21,210,278</b>	<b>\$ 20,625,984</b>	<b>\$ 20,541,782</b>	<b>\$ 14,212,074</b>	<b>\$ 13,486,079</b>	<b>\$ 9,591,971</b>
<b>Business-Type Activities</b>										
Net Investment In Capital Assets	\$ 8,160	\$ 8,822	\$ 19,279	\$ 141,417	\$ 11,361	\$ 10,365	\$ 9,368	\$ 8,372	\$ 15,732	\$ 173,146
Unrestricted	36,356	51,164	(8,613)	(73,310)	(47,475)	39,058	161,654	256,768	549,426	831,023
<b>Total Business-Type Activities Net Position</b>	<b>\$ 44,516</b>	<b>\$ 59,986</b>	<b>\$ 10,666</b>	<b>\$ 68,107</b>	<b>\$ (36,114)</b>	<b>\$ 49,423</b>	<b>\$ 171,022</b>	<b>\$ 265,140</b>	<b>\$ 565,158</b>	<b>\$ 1,004,169</b>
<b>District-Wide</b>										
Net Investment In Capital Assets	\$ 12,485,684	\$ 15,547,307	\$ 19,337,997	\$ 21,272,305	\$ 20,705,008	\$ 19,599,671	\$ 18,544,389	\$ 17,556,412	\$ 16,588,395	\$ 14,434,546
Restricted	3,885,729	2,822,253	2,052,788	889,081	162,011	362,011	382,501	1,357,029	2,009,330	1,697,976
Unrestricted	(523,992)	59,524	101,066	(170,665)	307,145	713,725	1,785,914	(4,436,227)	(4,546,488)	(5,536,382)
<b>Total District Net Position</b>	<b>\$ 15,847,421</b>	<b>\$ 18,429,084</b>	<b>\$ 21,491,851</b>	<b>\$ 21,990,721</b>	<b>\$ 21,174,164</b>	<b>\$ 20,675,407</b>	<b>\$ 20,712,804</b>	<b>\$ 14,477,214</b>	<b>\$ 14,051,237</b>	<b>\$ 10,596,140</b>

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".

Note 2 - Net Position at June 30, 2014 is restated to reflect the implementation of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions."

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Expenses</b>										
<b>Governmental Activities</b>										
Instruction	\$ 20,463,273	\$ 21,576,876	\$ 19,852,074	\$ 20,965,188						
Regular Instruction					\$ 16,401,047	\$ 17,411,882	\$ 17,902,025	\$ 17,581,785	\$ 20,404,457	\$ 21,756,514
Special Education Instruction					4,254,388	4,204,766	4,647,130	4,504,738	6,003,305	6,842,631
Other Instruction					786,089	655,131	752,665	641,301	709,751	832,791
School Sponsored Activities and Athletics					853,285	965,481	865,920	902,524	953,377	932,447
Support Services:										
Tuition			1,809,790	1,659,492						
Student and Instruction Related Services	5,483,004	5,422,458	5,442,793	5,953,039	5,678,385	5,394,922	5,218,949	5,350,090	5,440,909	5,603,858
General Administration Services	790,173	854,921	881,988	845,029	993,837	1,155,219	947,143	816,658	781,746	643,497
School Administrative Services	1,244,650	1,334,929	1,129,255	1,232,782	1,568,620	1,653,477	1,969,532	1,987,484	2,233,308	2,211,194
Central and Other Support Services	596,693	603,682	437,769	432,399	691,176	573,788	629,245	628,734	720,876	844,452
Plant Operations and Maintenance	3,358,152	3,752,956	3,421,375	3,148,845	3,198,335	3,160,128	2,918,305	3,022,501	3,100,548	3,405,988
Pupil Transportation Services	966,307	1,068,602	1,014,507	775,049	789,990	859,168	942,558	866,858	1,037,189	1,468,123
Capital Outlay										
Interest On Long-Term Debt	820,924	828,700	801,873	773,494	730,798	697,192	642,044	592,530	552,422	511,849
Unallocated Depreciation and Amortization										
<b>Total Governmental Activities Expenses</b>	<u>33,723,176</u>	<u>35,443,124</u>	<u>34,791,424</u>	<u>35,785,317</u>	<u>35,945,950</u>	<u>36,731,154</u>	<u>37,435,516</u>	<u>36,895,203</u>	<u>41,937,888</u>	<u>45,053,344</u>
<b>Business-Type Activities:</b>										
Food Service	671,050	665,732	652,721	650,372	572,364	658,295	649,233	631,893	628,176	664,892
Before and After School Program						274,635	320,664	411,722	272,655	319,264
<b>Total Business-Type Activities Expense</b>	<u>671,050</u>	<u>665,732</u>	<u>652,721</u>	<u>650,372</u>	<u>572,364</u>	<u>932,930</u>	<u>969,897</u>	<u>1,043,615</u>	<u>900,831</u>	<u>984,156</u>
<b>Total District Expenses</b>	<u>\$ 34,394,226</u>	<u>\$ 36,108,856</u>	<u>\$ 35,444,145</u>	<u>\$ 36,435,689</u>	<u>\$ 36,518,314</u>	<u>\$ 37,664,084</u>	<u>\$ 38,405,413</u>	<u>\$ 37,938,818</u>	<u>\$ 42,838,719</u>	<u>\$ 46,037,500</u>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
Charges For Services:										
Instruction	\$ 1,485,749	\$ 1,552,608	\$ 1,622,475	\$ 1,943,873	\$ 2,097,387	\$ 2,365,732	\$ 2,511,730	\$ 2,738,802	\$ 2,196,195	\$ 1,748,491
Pupil Transportation					107,892	139,320	201,733	136,081	213,134	119,066
Operating Grants And Contributions	1,093,412	1,114,230	292,513	348,927	3,622,331	4,690,598	5,455,611	4,981,443	8,925,719	10,685,784
Capital Grants And Contributions	5,088,592	2,584,538	3,508,060	268,431	157,877	31,545		3,320	65,133	204,065
<b>Total Governmental Activities Program Revenues</b>	<u>7,667,753</u>	<u>5,251,376</u>	<u>5,423,048</u>	<u>2,561,231</u>	<u>5,985,487</u>	<u>7,227,195</u>	<u>8,169,074</u>	<u>7,859,646</u>	<u>11,400,181</u>	<u>12,757,406</u>
<b>Business-Type Activities:</b>										
Charges For Services										
Food Service	\$ 639,755	\$ 610,158	\$ 512,886	\$ 464,543	\$ 483,801	\$ 530,527	\$ 498,124	\$ 526,372	\$ 532,264	\$ 563,073
Before and After School Program						324,759	441,487	496,257	547,455	595,433
Operating Grants And Contributions	67,829	71,044	74,150	82,976	113,018	137,181	111,885	115,104	121,130	125,639
Capital Grants And Contributions				160,000						
<b>Total Business Type Activities Program Revenues</b>	<u>707,584</u>	<u>681,202</u>	<u>587,036</u>	<u>707,519</u>	<u>596,819</u>	<u>992,467</u>	<u>1,051,496</u>	<u>1,137,733</u>	<u>1,200,849</u>	<u>1,284,145</u>
<b>Total District Program Revenues</b>	<u>\$ 8,375,337</u>	<u>\$ 5,932,578</u>	<u>\$ 6,010,084</u>	<u>\$ 3,268,750</u>	<u>\$ 6,582,306</u>	<u>\$ 8,219,662</u>	<u>\$ 9,220,570</u>	<u>\$ 8,997,379</u>	<u>\$ 12,601,030</u>	<u>\$ 14,041,551</u>
<b>Net (Expense)/Revenue</b>										
<b>Governmental Activities</b>	\$ (26,055,423)	\$ (30,191,748)	\$ (29,368,376)	\$ (33,224,086)	\$ (29,960,463)	\$ (29,503,959)	\$ (29,266,442)	\$ (29,035,557)	\$ (30,537,707)	\$ (32,295,938)
<b>Business-Type Activities</b>	36,534	15,470	(65,685)	57,147	24,455	59,537	81,599	94,118	300,018	299,989
<b>Total District-Wide Net Expense</b>	<u>\$ (26,018,889)</u>	<u>\$ (30,176,278)</u>	<u>\$ (29,434,061)</u>	<u>\$ (33,166,939)</u>	<u>\$ (29,936,008)</u>	<u>\$ (29,444,422)</u>	<u>\$ (29,184,843)</u>	<u>\$ (28,941,439)</u>	<u>\$ (30,237,689)</u>	<u>\$ (31,995,949)</u>

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>General Revenues And Other Changes In Net Position</b>										
Governmental Activities:										
Property Taxes Levied For General Purposes	\$ 25,981,824	\$ 26,197,299	\$ 26,415,699	\$ 26,790,200	\$ 27,058,102	\$ 27,283,102	\$ 27,490,840	\$ 27,816,331	\$ 28,206,800	\$ 28,770,935
Property Taxes Levied For Debt Service	889,712	718,543	863,709	863,709	1,463,709	1,525,942	1,537,009	1,405,790	1,426,782	1,410,881
State Aid, Unrestricted	5,240,005	5,383,104	4,969,522	5,387,583	30,400	28,630	27,796	2,196	2,268	2,257
Investment Earnings	800,139	403,380	72,175	39,387	19,712	11,161	10,436	5,859	7,121	6,362
Miscellaneous Income	145,367	55,615	174,339	584,635	643,374	96,830	156,159	216,947	168,741	104,701
Transfers	-	-	(15,000)	-	-	(26,000)	(40,000)	-	-	-
<b>Total Governmental Activities</b>	<b>33,057,047</b>	<b>32,757,941</b>	<b>32,480,444</b>	<b>33,665,514</b>	<b>29,215,297</b>	<b>28,919,665</b>	<b>29,182,240</b>	<b>29,447,123</b>	<b>29,811,712</b>	<b>30,295,136</b>
Business-Type Activities:										
Investment Earnings	-	-	\$ 1,365	\$ 295	-	-	-	-	-	\$ 362
Transfers	-	-	15,000	-	-	26,000	40,000	-	-	-
<b>Total Business-Type Activities</b>	<b>-</b>	<b>-</b>	<b>16,365</b>	<b>295</b>	<b>-</b>	<b>26,000</b>	<b>40,000</b>	<b>-</b>	<b>-</b>	<b>362</b>
<b>Total District-Wide</b>	<b>\$ 33,057,047</b>	<b>\$ 32,757,941</b>	<b>\$ 32,496,809</b>	<b>\$ 33,665,809</b>	<b>\$ 29,215,297</b>	<b>\$ 28,945,665</b>	<b>\$ 29,222,240</b>	<b>\$ 29,447,123</b>	<b>\$ 29,811,712</b>	<b>\$ 30,295,498</b>
<b>Change In Net Position</b>										
Governmental Activities	\$ 7,001,624	\$ 2,566,193	\$ 3,112,068	\$ 441,428	\$ (745,166)	\$ (584,294)	\$ (84,202)	\$ 411,566	\$ (725,995)	\$ (2,000,802)
Business-Type Activities	36,534	15,470	(49,320)	57,442	24,455	85,537	121,599	94,118	300,018	300,351
<b>Total District</b>	<b>\$ 7,038,158</b>	<b>\$ 2,581,663</b>	<b>\$ 3,062,748</b>	<b>\$ 498,870</b>	<b>\$ (720,711)</b>	<b>\$ (498,757)</b>	<b>\$ 37,397</b>	<b>\$ 505,684</b>	<b>\$ (425,977)</b>	<b>\$ (1,700,451)</b>

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>General Fund</b>										
Reserved	\$ 2,780,862	\$ 2,565,372	\$ 1,178,996	\$ 982,473						
Unreserved	603,724	712,787	1,054,452	475,786						
Restricted					\$ 418,855	\$ 712,592	\$ 1,457,002	\$ 1,171,226	\$ 3,794,969	\$ 2,219,713
Committed							231,590	55,313	65,388	-
Assigned					120,163	359,919	289,893	261,068	256,514	188,840
Unassigned					479,516	475,325	441,671	2,405,555	552,381	381,794
<b>Total General Fund</b>	<u>\$ 3,384,586</u>	<u>\$ 3,278,159</u>	<u>\$ 2,233,448</u>	<u>\$ 1,458,259</u>	<u>\$ 1,018,534</u>	<u>\$ 1,547,836</u>	<u>\$ 2,420,156</u>	<u>\$ 3,893,162</u>	<u>\$ 4,669,252</u>	<u>\$ 2,790,347</u>
<b>All Other Governmental Funds</b>										
Unreserved, Reported In										
Capital Projects Fund	\$ 5,675,342	\$ 1,798,536	\$ 298,273	\$ 582,121						
Debt Service Fund	1,255,902	56,424	1	(607,942)						
Restricted					\$ 162,011	\$ 162,011	\$ 182,501	\$ 99,959	\$ 2,260	\$ 362,313
<b>Total All Other Governmental Funds</b>	<u>\$ 6,931,244</u>	<u>\$ 1,854,960</u>	<u>\$ 298,274</u>	<u>\$ (25,821)</u>	<u>\$ 162,011</u>	<u>\$ 162,011</u>	<u>\$ 182,501</u>	<u>\$ 99,959</u>	<u>\$ 2,260</u>	<u>\$ 362,313</u>

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,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Revenues</b>										
Property Tax Levy	\$ 26,725,309	\$ 26,871,536	\$ 26,915,842	\$ 27,279,408	\$ 28,521,811	\$ 28,809,044	\$ 29,027,849	\$ 29,222,121	\$ 29,633,582	\$ 30,181,816
Tuition Charges	1,466,928	1,485,749	1,552,608	1,622,475	2,097,387	2,232,020	2,514,730	2,738,802	2,326,907	1,748,491
Transportation Fees					107,892	139,320	201,733	136,081	213,134	119,066
Interest Earnings	880,575	800,159	403,380	72,175	19,712	11,161	10,436	5,859	7,121	6,362
Miscellaneous	229,177	165,812	88,138	174,339	662,652	113,945	173,655	226,878	186,177	109,628
Intermediate Sources										
State Sources	8,255,805	10,841,004	8,443,824	8,120,637	3,025,295	3,895,265	4,751,893	4,345,993	4,807,241	5,477,457
Federal Sources	534,845	560,560	605,525	649,458	766,035	810,721	714,018	631,035	638,565	709,566
<b>Total Revenue</b>	<b>38,092,639</b>	<b>40,724,800</b>	<b>38,009,317</b>	<b>37,918,492</b>	<b>35,200,784</b>	<b>36,011,476</b>	<b>37,394,314</b>	<b>37,306,769</b>	<b>37,812,727</b>	<b>38,352,386</b>
<b>Expenditures</b>										
Instruction	13,816,769	13,576,875	14,327,170	14,846,264						
Regular Instruction					14,309,636	15,198,171	15,892,981	15,463,533	15,937,309	16,582,976
Special Education Instruction					4,251,339	4,188,235	4,656,410	4,505,192	5,509,495	5,915,696
Other Instruction					785,569	651,649	754,629	641,390	614,062	703,821
School Sponsored Activities and Athletics					852,518	960,996	867,820	902,620	956,124	917,527
Support Services										
Tuition	2,133,460	1,580,062	1,734,030	1,809,790						
Student and Instruction Related Services	3,389,945	3,922,512	3,912,440	4,452,102	5,668,952	5,366,085	5,228,790	5,348,851	5,083,662	5,062,071
General Administration Services	1,114,713	1,045,377	1,118,951	963,949	993,380	1,152,338	815,196	816,702	782,594	638,992
School Administrative Services	910,043	866,046	935,565	859,405	1,552,544	1,633,925	1,885,112	1,891,765	1,925,942	1,909,819
Central and Other Support Services	450,929	422,306	447,389	432,733	690,573	570,854	630,646	628,807	723,102	832,222
Plant Operations And Maintenance	3,100,723	3,039,441	3,463,839	3,294,828	3,174,865	3,127,457	2,889,938	2,990,753	3,072,391	3,346,062
Student Transportation Services	975,567	949,367	1,056,708	1,002,165	789,795	858,139	943,053	866,879	1,037,589	1,435,137
Employee Benefits	4,149,294	4,117,807	4,100,329	4,427,129						
On-Behalf TPAF and Pension Contributions	2,559,781	3,579,080	3,623,932	2,109,055						
Cost of Issuance	243,363									
Capital Outlay	8,798,478	13,348,368	6,509,889	5,331,065	727,930	170,923	886,103	281,079	257,432	854,570
Debt Service:										
Principal		500,000	620,000	690,000	820,000	875,000	1,074,496	1,021,858	1,062,016	1,195,367
Interest And Other Charges	742,362	784,040	833,968	794,222	735,577	702,402	626,133	556,875	517,822	476,978
Cost of Issuance							133,038	-	-	-
Advanced Refunding Escrow				-			1,298,208	-	-	-
<b>Total Expenditures</b>	<b>42,385,427</b>	<b>47,731,281</b>	<b>42,684,210</b>	<b>41,012,707</b>	<b>35,352,678</b>	<b>35,456,174</b>	<b>38,582,553</b>	<b>35,916,304</b>	<b>37,479,540</b>	<b>39,871,238</b>
<b>Excess (Deficiency) Of Revenues</b>										
Over (Under) Expenditures	(4,292,788)	(7,006,481)	(4,674,893)	(3,094,215)	(151,894)	555,302	(1,188,239)	1,390,465	333,187	(1,518,852)
<b>Other Financing Sources (Uses)</b>										
Capital Lease/Lease Purchase Proceeds							689,803	-	345,204	-
Bond Proceeds	20,077,363	684,000					14,145,000	-		
Premium on Refunding							920,246	-		
Interest Expense	(7,727)									
Payment to Refunding Bond Escrow Agent							(13,634,000)	-		
Transfers In	691,660	538,432	195,641	946	651,624			266,948		
Transfers Out	(691,660)	(538,432)	(195,641)	(15,946)	(651,624)	(26,000)	(40,000)	(266,948)		
<b>Total Other Financing Sources (Uses)</b>	<b>20,069,636</b>	<b>684,000</b>	<b>-</b>	<b>(15,000)</b>	<b>-</b>	<b>(26,000)</b>	<b>2,081,049</b>	<b>-</b>	<b>345,204</b>	<b>-</b>
<b>Net Change In Fund Balances</b>	<b>\$ 15,776,848</b>	<b>\$ (6,322,481)</b>	<b>\$ (4,674,893)</b>	<b>\$ (3,109,215)</b>	<b>\$ (151,894)</b>	<b>\$ 529,302</b>	<b>\$ 892,810</b>	<b>\$ 1,390,465</b>	<b>\$ 678,391</b>	<b>\$ (1,518,852)</b>
<b>Debt Service As A Percentage Of</b>										
Noncapital Expenditures	2.21%	3.73%	4.02%	4.16%	4.49%	4.47%	8.31%	4.43%	4.24%	4.29%

\* 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>
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
2014	2,738,802	136,081	5,859		38,950	-	7,259	144,553	26,185	3,097,689
2015	2,326,907	213,134	7,121		35,952	4,975	17,003		110,811	2,715,903
2016	1,748,491	119,066	6,362		40,175	-	6,843		57,683	1,978,620

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

Year Ended December 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate a
2007	\$ 11,266,600	\$ 568,202,500			\$ 89,218,600	\$ 31,597,100	\$ 18,302,200	\$ 718,587,000	\$ 417,044	\$ 719,004,044	\$ 2,520,135,679	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	583,858,100			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
2014	13,999,600	587,465,700			89,165,200	22,526,500	16,357,700	729,514,700	285,698	729,800,398	2,378,232,819	4.029
2015	11,044,900	587,334,700			89,071,000	22,526,500	26,407,700	736,384,800	300,902	736,685,702	2,411,074,575	4.123
2016	5,402,800	591,176,900			115,793,400	22,574,700	16,357,700	751,305,500	287,491	751,592,991	2,528,913,159	4.109

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	Direct Rate		Overlapping Rates		Total Direct and Overlapping Tax Rate
	Clark School District	Clark Township	County		
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
2014	4.029	2.124	1.702		7.855
2015	4.123	2.145	1.756		8.024
2016	4.109	2.175	1.822		8.106

Source: Municipal Tax Assessor

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

Taxpayer	2016		2007	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Clark Commons	\$ 14,719,000	1.96%		
Villa Contracting			\$ 13,215,000	1.84%
Clark Developers LLC	12,450,000	1.66%		
C.W. Association	8,000,000	1.06%	9,517,100	1.32%
Hillcrest Apartments			6,950,000	0.97%
Villa Construction Co.-Shopping Center			6,000,000	0.83%
Clark 1709 LLC	5,647,500	0.75%		
Target Corp.	5,443,200	0.72%	5,090,600	0.71%
Lexington Village	4,707,800	0.63%	8,909,200	1.24%
Lane Hotel-Holiday Inn	4,656,800	0.62%	-	
Largo Clark SPE LLC			4,521,800	0.63%
Racer Properties LLC	4,473,000	0.60%		
HBA Management			4,374,800	0.61%
U.S. Gypsum Co.			3,917,800	0.54%
Halsted Realty, LLC	3,828,100	0.51%		
Mastertaste Inc.	3,698,200	0.49%		
Villa Construction Co.-Fitness Center			2,711,900	0.38%
	<u>\$ 67,623,600</u>	<u>9.00%</u>	<u>\$ 65,208,200</u>	<u>9.07%</u>

Source: District CAFR & Municipal Tax Assessor

**CLARK PUBLIC SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN 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	
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%	-
2014	29,222,121	29,222,121	100.00%	-
2015	29,633,582	29,633,582	100.00%	-
2016	30,181,816	30,181,816	100.00%	-

Source: School District's Financial Statements

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

Fiscal Year Ended June 30,	Governmental Activities		Total District	Population	Per Capita
	General Obligation Bonds	Capital Leases/Lease Purchases			
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	14,787	1,214
2011	17,128,000		17,128,000	14,852	1,153
2012	16,253,000		16,253,000	14,944	1,088
2013	15,820,000	559,307	16,379,307	15,065	1,087
2014	14,930,000	427,449	15,357,449	15,278	1,005
2015	14,005,000	635,637	14,640,637	15,535	942
2016	13,060,000	385,270	13,445,270	15,535 E	865

Source: District Records

(E) - Estimate

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions			
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	2.17%	1,042
2014	14,930,000	-	14,930,000	2.05%	983
2015	14,005,000	-	14,005,000	1.90%	922
2016	13,060,000	-	13,060,000	1.74%	860

Source: District Records

**CLARK PUBLIC SCHOOL DISTRICT  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2015  
(UNAUDITED)**

<b>MUNICIPAL DEBT</b>	<u>Total Debt</u>
Clark Public School District (As of June 30, 2016)	\$ 13,060,000
Township of Clark - Utility (1)	125,000
Township of Clark (1)	<u>18,345,000</u>
Total Direct Debt	<u>31,530,000</u>
 <b>OVERLAPPING DEBT APPORTIONED TO THE MUNICIPALITY</b>	
Union County:	
County of Union (A)	21,039,767
Rahway Valley Sewerage (B)	<u>18,151,499</u>
Total Overlapping Debt	<u>39,191,266</u>
Total Direct and Overlapping Outstanding Debt	<u><u>\$ 70,721,266</u></u>

- (A) The debt for this entity was apportioned by dividing the Municipality's 2015 equalized value by the total 2015 equalized value for Union County
- (B) Overlapping Debt was computed based upon municipal flow to the Authority

**Sources:**

- (1) Township of Clark 2015 Annual Debt Statement
- (2) Union County 2015 Annual Debt Statement

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

Equalized valuation basis

2015	\$ 2,477,741,588
2014	2,365,482,166
2013	<u>2,350,257,180</u>
	<u>\$ 7,193,480,934</u>
	 <u>\$ 2,397,826,978</u>
	 \$ 95,913,079
	<u>13,060,000</u>
	<u>\$ 82,853,079</u>

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Debt limit	\$ 88,114,330	\$ 99,026,828	\$ 107,253,325	\$ 109,258,808	\$ 105,960,204	\$ 102,295,500	\$ 99,524,920	\$ 97,181,669	\$ 95,016,873	\$ 95,913,079
Total net debt applicable to limit	<u>20,018,000</u>	<u>19,398,000</u>	<u>18,708,000</u>	<u>17,948,000</u>	<u>17,128,000</u>	<u>16,253,000</u>	<u>15,820,000</u>	<u>14,930,000</u>	<u>14,005,000</u>	<u>13,060,000</u>
Legal debt margin	<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>	<u>\$ 82,251,669</u>	<u>\$ 81,011,873</u>	<u>\$ 82,853,079</u>
Total net debt applicable to the limit as a percentage of debt limit	22.72%	19.59%	17.44%	16.43%	16.16%	15.89%	15.90%	15.36%	14.74%	13.62%

**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>
2007	14,271	\$ 51,393	1.9%
2008	14,313	52,871	3.9%
2009	14,430	50,238	4.4%
2010	14,787	51,388	4.5%
2011	14,852	53,506	4.5%
2012	14,944	56,649	6.1%
2013	15,065	54,889	5.5%
2014	15,278	57,306	4.8%
2015	15,535	N/A	N/A
2016	15,535 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	2016		2007	
	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>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Instruction										
Regular	175	179	182	184	184	162	164	156	155	156
Special education	34	44	42	51	51	51	53	53	44	45
Support Services:										
Student & instruction related services	19	19	18	24	24	52	68	64	78	75
General administrative services	1	1	1	3	3	3	3	2	3	4
School administrative services	11	14	14	14	14	16	16	16	14	14
Business administrative services	7	6	5	5	5	6	5	6	6	6
Plant operations and maintenance	8	8	8	6	6	11	11	10	9	10
Total	<u>255</u>	<u>271</u>	<u>270</u>	<u>287</u>	<u>287</u>	<u>301</u>	<u>320</u>	<u>307</u>	<u>309</u>	<u>310</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	Elementary	Middle School	Senior High School	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	Percentage Change in Average Daily Enrollment	Student Attendance Percentage
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%
2014	2,311	34,056,492	14,737	-3.22%	175.0	1:15	1:12	1:12	2,334	2,241	1.17%	96.02%
2015	2,348	35,642,270	15,180	-0.31%	199.0	1:15	1:12	1:12	2,336	2,242	1.26%	95.98%
2016	2,258	37,344,323	16,539	12.23%	201.0	1:13	1:11	1:12	2,230	2,145	-4.46%	96.19%

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**

<u>District Building</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b><u>Elementary</u></b>										
Valley Road Elementary School										
Square Feet	40,612	40,612	40,612	40,612	40,612	40,612	40,612	40,612	40,612	40,612
Enrollment	460	440	425	426	427	436	410	446	440	445
Frank K. Hehnly Elementary School										
Square Feet	45,497	45,497	45,497	45,497	45,497	45,497	45,497	45,497	45,497	45,497
Enrollment	496	506	514	505	520	501	505	526	533	540
<b><u>Middle School</u></b>										
Carl H. Kumpf										
Square Feet	74,812	74,812	74,812	74,812	74,812	74,812	74,812	74,812	74,812	74,812
Enrollment	547	551	550	539	533	531	536	527	513	499
<b><u>High School</u></b>										
Arthur L. Johnson										
Square Feet	192,825	192,825	192,825	192,825	192,825	192,825	192,825	192,825	192,825	192,825
Enrollment	843	856	841	831	815	809	816	798	795	774

Number of Schools at June 30, 2016  
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-XXX

<u>School Facilities</u>	<u>Project # (s)</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Frank K. Hehny Elementary	N/A	\$ 102,972	\$ 127,272	\$ 91,209	\$ 20,570	\$ 98,671	\$ 174,656	\$ 90,196	\$ 116,835	\$ 101,436	\$ 113,744
Valley Road Elementary	N/A	114,494	113,459	89,083	9,738	88,076	151,550	80,512	121,642	90,545	101,532
Carl H. Kumpf M.S.	N/A	154,224	208,173	200,545	37,871	162,247	149,313	148,312	121,471	166,795	187,033
Arthur L. Johnson H.S.	N/A	461,558	537,698	528,545	249,228	418,187	366,724	382,268	298,960	429,908	482,071
Other Facilities	N/A	-	-	-	650,299	-	-	-	-	-	-
Total School Facilities		<u>\$ 833,248</u>	<u>\$ 986,602</u>	<u>\$ 909,382</u>	<u>\$ 967,706</u>	<u>\$ 767,181</u>	<u>\$ 842,243</u>	<u>\$ 701,288</u>	<u>\$ 658,908</u>	<u>\$ 788,684</u>	<u>\$ 884,380</u>

**CLARK PUBLIC SCHOOL DISTRICT  
INSURANCE SCHEDULE  
AS OF JUNE 30, 2016  
(Unaudited)**

<u>Company</u>	<u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
School Package Policy:			
	Property		
	Blanket Building & Contents	\$ 71,163,808	5,000
	Blanket Extra Expense	5,000,000	
	Comprehensive General Liability		
	Bodily Injury and Property Damage	1,000,000	
	Employee Benefits Liability	1,000,000	
	Automobile Liability		
	Bodily Injury and Property Damage	1,000,000	
	Uninsured Motorist - Private Passenger	1,000,000	
	School Leaders Errors and Omission Liability - NJSIG	1,000,000	10,000
	Workers Compensation	2,000,000	Each Accident/ Each Employee
	Student Accident - Market		
	High School Football	5,000,000	
	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**



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  
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DEBRA GOLLE, CPA  
CINDY JANACEK, CPA, RMA  
MARK SACO, CPA  
SHERYL M. NICOLosi, CPA  
ROBERT AMPONSAH, 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, 2016 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 October 19, 2016.

**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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses or significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2016-003 to be a material weakness.



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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2016-001, 2016-002 and 2016-004 to be significant deficiencies.

### **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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and which are described in the accompanying schedule of findings and questioned costs as items 2016-001 through 2016-004.

We also noted certain matters that are not required to be reported under Government Auditing Standards 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 October 19, 2016.

### **Clark Public School District's Responses to Findings**

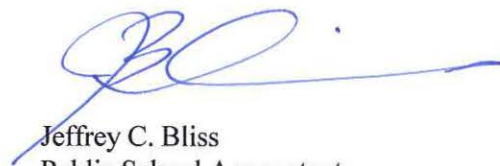
The Clark Public School District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Clark Public School District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

### **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  
October 19, 2016



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
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MARK SACO, CPA  
SHERYL M. NICOLOSI, CPA  
ROBERT AMPONSAH, CPA

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE  
OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE U.S. UNIFORM GUIDANCE AND  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE REQUIRED BY NEW JERSEY OMB  
CIRCULAR 15-08**

**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) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/ Grant Compliance Supplement that could have a direct and material effect on each of Clark Public School District's major federal and state programs for the fiscal year ended June 30, 2016. 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 federal and state statutes, regulations, and the terms and conditions of its federal awards and state financial assistance 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; Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, U.S. Uniform Guidance and New Jersey Circular 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, 2016.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the U.S. Uniform Guidance and New Jersey OMB Circular 15-08 and which are described in the accompanying schedule of findings and questioned costs as items 2016-005 through 2016-006. Our opinion on each major federal and state program is not modified with respect to these matters.

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

### **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 the U.S. Uniform Guidance and New Jersey OMB Circular 15-08, 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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2016-005 and 2016-006 that we consider to be significant deficiencies.

The Clark Public School District's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Clark Public School District's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

**Report on Schedules of Expenditures of Federal Awards Required by the U.S. Uniform Guidance and Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08**

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, 2016 and the related notes to the financial statements, which collectively comprise the Clark Public School District's basic financial statements. We issued our report thereon dated October 19, 2016, 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 the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 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  
October 19, 2016

CLARK PUBLIC SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2015			Accounts Receivable Carryover Amount	Unearned Revenue Carryover Amount	Cash Received	Budgetary Expenditures	Accounts Receivable Adjustment	Deferred Revenue Adjustment	Cancelled Encumbrance	Refund of Prior Years' Balances	Balance, June 30, 2016			MEMO GAAP Receivable	
						(Accounts Receivable	Unearned Revenue	Due to Grantor									(Account Receivable)	Unearned Revenue	Due to Grantor		
U.S. Department of Agriculture																					
Passed-through State Department of Education																					
National School Lunch Program																					
Cash Assistance	10.555	16161NJ304N1099	N/A	7/1/15-6/30/16	\$ 85,530					\$ 80,213	\$ 85,530							\$ (5,317)		\$ (5,317)	
Cash Assistance	10.555		N/A	7/1/14-6/30/15	86,049	\$ (6,620)				6,620											
Non-Cash Assistance (Food Distribution)	10.555	16161NJ304N1099	N/A	7/1/15-6/30/16	37,263					37,263	34,839							\$ 2,424			
Non-Cash Assistance (Food Distribution)	10.555		N/A	7/1/14-6/30/15	30,029		\$ 240				240										
Total U.S. Department of Agriculture/Child Nutrition Cluster						(6,620)	240				124,096	120,609						(5,317)	2,424		(5,317)
U.S. Department of Education																					
Passed-through State Department of Education																					
Special Revenue Fund																					
IDEA Part B, Basic Regular	84.027	H027A150100	FT--16	7/1/15-6/30/16	567,881					567,881	528,097								39,784		
IDEA Part B, Basic Regular	84.027	H027A150100	FT--15	7/1/14-6/30/15	554,214	(155,491)	48,970			155,491			\$ (48,970)								
IDEA Preschool	84.173	H173A150114	PS--16	7/1/15-6/30/16	21,448					13,405	17,425							(8,043)	4,023		(4,020)
Subtotal Special Education Cluster(IDEA)						(155,491)	48,970				736,777	545,522						(8,043)	43,807		(4,020)
NCLB																					
Title I	84.010A	S010A150030	NCLB--16	7/1/15-6/30/16	60,315			\$ (44,110)	\$ 44,110	1,731	101,725							(102,694)	2,700		(99,994)
Title I	84.010A		NCLB--15	7/1/14-6/30/15	47,917	(46,398)	46,359		44,110	2,288				(2,249)							
Title I	84.010A		NCLB--14	7/1/13-6/30/14	49,587			\$ 207												\$ 207	
Title II A	84.367A	S367A150029	NCLB--16	7/1/15-6/30/16	31,174			(28,853)	28,853	12,309	15,379	\$ 2,774	(2,774)					(44,944)	41,874		(3,070)
Title II A	84.367A		NCLB--15	7/1/14-6/30/15	32,188	(43,620)	28,300		28,853	13,141			1,626	553							
Title II A	84.367A		NCLB--14	7/1/13-6/30/14	31,418															38	
Title III	84.365A	S365A150030	NCLB--16	7/1/15-6/30/16	3,324			(4,656)	4,656		935							(7,980)	7,045		(935)
Title III	84.365A		NCLB--15	7/1/14-6/30/15	5,438	(5,438)	5,438		4,656	782				(782)							
Title III	84.365A		NCLB--14	7/1/13-6/30/14	4,886															17	
Workforce Investment - WIA										27,887	25,900							(2,113)	4,100		
Workforce Investment - WIA																			2,456		
Race to the Top Phase 3										3,864											
Total U.S. Department of Education						(254,811)	131,523	262			798,779	689,461	4,400	(54,222)				(165,774)	101,982	262	(108,019)
Total Federal Awards						\$ (261,431)	\$ 131,763	\$ 262	\$ -	\$ -	\$ 922,875	\$ 810,070	\$ 4,400	\$ (54,222)	\$ -	\$ -	\$ -	\$ (171,091)	\$ 104,406	\$ 262	\$ (113,336)

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, 2016**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2015			Carryover Amount	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Balance, June 30, 2016			Memo	
				(Accounts Receivable)	Unearned Revenue	Due to Grantor					(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
<b>State Department of Education</b>															
<b>General Fund:</b>															
Special Education Aid	16-495-034-5120-089	7/1/15-6/30/16	\$ 915,831					\$ 834,082	\$ 915,831		\$ (81,749)			*	\$ 915,831
Special Education Aid	15-495-034-5120-089	7/1/14-6/30/15	915,831	\$ (78,992)				78,992			-			*	-
Under Adequacy Aid	16-495-034-5120-096	7/1/15-6/30/16	2,264					2,062	2,264		(202)			*	2,264
Under Adequacy Aid	15-495-034-5120-096	7/1/14-6/30/15	2,264	(195)				195			-			*	-
Security Aid	16-495-034-5120-084	7/1/15-6/30/16	35,913					32,707	35,913		(3,206)			*	35,913
Security Aid	15-495-034-5120-084	7/1/14-6/30/15	35,913	(3,098)				3,098			-			*	-
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15-6/30/16	21,890					19,936	21,890		(1,954)			*	21,890
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	21,890	(1,888)				1,888			-			*	-
PARCC Readiness	16-495-034-5120-098	7/1/15-6/30/16	21,890					19,936	21,890		(1,954)			*	21,890
PARCC Readiness	15-495-034-5120-098	7/1/14-6/30/15	21,890	(1,888)	-	-	-	1,888			-	-	-	*	-
Total State Aid Public Cluster				(86,061)	-	-	-	994,784	997,788	-	(89,065)	-	-	*	997,788
Extraordinary Aid	16-495-034-5120-044	7/1/15-6/30/16	89,324						89,324		(89,324)			*	89,324
Extraordinary Aid	15-495-034-5120-044	7/1/14-6/30/15	67,807	(67,807)				67,807			-			*	-
Transportation Aid	16-495-034-5120-014	7/1/15-6/30/16	51,623					47,015	51,623		(4,608)			*	51,623
Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	51,623	(4,453)				4,453			-			*	-
Nonpublic School Transportation Aid	N/A	7/1/15-6/30/16	15,248						15,248		(15,248)			*	\$ (15,248)
Nonpublic School Transportation Aid	N/A	7/1/14-6/30/15	17,222	(17,222)				17,222			-			*	-
Reimbursed TPAF Social Security Contribution	16-495-034-5094-003	7/1/15-6/30/16	1,038,722					1,038,722	1,092,749		(54,027)			*	1,092,749
Reimbursed TPAF Social Security Contribution	15-495-034-5094-003	7/1/14-6/30/15	1,087,518	(53,639)				53,639			-			*	-
On-Behalf TPAF Pension Benefit Contribution	16-495-034-5094-002	7/1/15-6/30/16	1,152,967					1,152,967	1,152,967		-			*	1,152,967
On-Behalf TPAF Pension NCGI Premium	16-495-034-5094-004	7/1/15-6/30/16	57,433					57,433	57,433		-			*	57,433
On-Behalf TPAF Post Retirement Medical Contribution	16-495-034-5094-001	7/1/15-6/30/16	1,441,253					1,441,253	1,441,253		-			*	-
														*	1,441,253
Total General Fund				(229,182)	-	-	-	4,875,295	4,898,385	-	(252,272)	-	-	*	(69,275)
<b>Special Revenue Fund</b>															
<b>New Jersey Non-Public Aid</b>															
<b>Auxiliary Services</b>															
Compensatory Education	16-100-034-5120-067	7/1/15-6/30/16	148,901					148,901	145,258				\$ 3,643	*	145,258
Compensatory Education	15-100-034-5120-067	7/1/14-6/30/15	119,141			\$ 24,012				\$ 24,012				*	-
English as a Second Language	16-101-034-5120-067	7/1/15-6/30/16	3,451					3,451					3,451	*	-
English as a Second Language	15-101-034-5120-067	7/1/14-6/30/15	6,395			5,609				5,609				*	-
Transportation	16-100-034-5120-068	7/1/15-6/30/16	12,973					12,973	12,973					*	12,973
Transportation	15-100-034-5120-068	7/1/14-6/30/15	14,484			1,448				1,448				*	-
Home Instruction	16-100-034-5120-067	7/1/15-6/30/16	3,248					3,248			(3,248)			*	(3,248)
Home Instruction	15-100-034-5120-067	7/1/14-6/30/15	1,796	(1,796)	-	-	-	1,796			-	-	-	*	-
Total Non Public Aux. Serv. Aid (Chap. 192) Cluster				(1,796)	-	31,069	-	167,121	161,479	31,069	(3,248)	-	7,094	*	(3,248)
<b>Handicapped Services</b>															
Examination and Classification	16-100-034-5120-066	7/1/15-6/30/16	57,101					57,101	40,235				16,866	*	40,235
Examination and Classification	15-100-034-5120-066	7/1/14-6/30/15	68,967			5,039				5,039				*	-
Corrective Speech	16-100-034-5120-066	7/1/15-6/30/16	43,476					43,476	15,227				28,249	*	15,227
Corrective Speech	15-100-034-5120-066	7/1/14-6/30/15	38,874			15,638				15,638				*	-
Supplementary Instruction	16-100-034-5120-066	7/1/15-6/30/16	51,980					51,980	43,888				8,092	*	43,888
Supplementary Instruction	15-100-034-5120-066	7/1/14-6/30/15	52,575			14,347				14,347				*	-
Total Non Public Hand. Serv. Aid (Chap. 193) Cluster						35,024		152,557	99,350	35,024			53,207	*	99,350
<b>Textbook Aid</b>															
Textbook Aid	16-100-034-5120-064	7/1/15-6/30/16	40,598					40,598	39,646				952	*	39,646
Textbook Aid	15-100-034-5120-064	7/1/14-6/30/15	46,652			3,948				3,948				*	-
Nursing Services	16-100-034-5120-070	7/1/15-6/30/16	63,990					63,990	63,417				573	*	63,417
Nursing Services	15-100-034-5120-070	7/1/14-6/30/15	74,268			2,614				2,614				*	-
Technology Aid	16-100-034-5120-373	7/1/15-6/30/16	18,486					18,486	18,052				434	*	18,052
Technology Aid	15-100-034-5120-373	7/1/14-6/30/15	25,056			491				491				*	-
Security	16-100-034-5120-509	7/1/15-6/30/16	17,775					17,775	17,739				36	*	17,739
Total Special Revenue Fund				(1,796)	-	73,146	-	460,527	399,683	73,146	(3,248)	-	62,296	*	(3,248)

**CLARK PUBLIC SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2015			Carryover Amount	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Balance, June 30, 2016			Memo		
				(Accounts Receivable	Unearned Revenue	Due to Grantor					(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures	
<b>Capital Projects Fund</b>																
NJSDA - Valley Window Improvements	0850-040-14-1005	6/2/16-6/30/16	237,592					\$ 26,150		\$ (237,592)	\$ 211,442			* \$ (237,592)	\$ 26,150	
NJSDA - Hehnly Restroom ADA Upgrades	0850-030-14-1002	3/18/16-6/30/16	57,444					39,815		(57,444)	17,629			* (57,444)	39,815	
NJSDA - Kumpf Restroom ADA Upgrades	0850-035-14-1003	3/18/16-6/30/16	67,420					67,420		(67,420)	-			* (67,420)	67,420	
NJSDA - Valley Restroom ADA Upgrades	0850-040-14-1004	3/18/16-6/30/16	85,148					70,680		(85,148)	14,468			* (85,148)	70,680	
NJSDA - ALJ Restroom ADA Upgrades	0850-005-14-1001	5/29/14-6/30/15	69,959	\$ (69,959)	\$ 1,506	-	-	-	-	(69,959)	1,506	-	-	* (69,959)	-	
<b>Total Capital Projects Fund/SDA Cluster</b>				<u>(69,959)</u>	<u>1,506</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>204,065</u>	<u>-</u>	<u>(517,563)</u>	<u>245,045</u>	<u>-</u>	<u>*</u>	<u>(517,563)</u>	<u>204,065</u>
<b>Enterprise Fund</b>																
National School Lunch (State Share)	16-100-010-3350-023	7/1/15-6/30/16	5,029					\$ 4,711	5,029		(318)			* (318)	5,029	
National School Lunch (State Share)	15-100-010-3350-023	7/1/14-6/30/15	5,226	(544)	-	-	-	544	-	-	-	-	-	* -	-	
<b>Total Enterprise Fund</b>				<u>(544)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,255</u>	<u>5,029</u>	<u>-</u>	<u>(318)</u>	<u>-</u>	<u>-</u>	<u>*</u>	<u>(318)</u>	<u>5,029</u>
<b>Total State Financial Assistance Subject to Single Audit Determination</b>				<u>(301,481)</u>	<u>1,506</u>	<u>\$ 73,146</u>	<u>-</u>	<u>5,341,077</u>	<u>5,507,162</u>	<u>\$ 73,146</u>	<u>(773,401)</u>	<u>245,045</u>	<u>62,296</u>	<u>*</u>	<u>(590,404)</u>	<u>5,507,162</u>
<b>State Financial Assistance Not Subject to Single Audit Determination</b>																
<b>General Fund</b>																
On-Behalf TPAF Pension Benefit Contribution	16-495-034-5094-006	7/1/15-6/30/16	1,152,967					(1,152,967)	(1,152,967)							(1,152,967)
On-Behalf TPAF Pension NCGI Premium	16-495-034-5094-007	7/1/15-6/30/16	57,433					(57,433)	(57,433)							(57,433)
On-Behalf TPAF Post Retirement Medical Contribution	16-495-034-5094-001	7/1/15-6/30/16	1,441,253	-	-	-	-	(1,441,253)	(1,441,253)	-	-	-	-			(1,441,253)
<b>Total State Financial Assistance Utilized for Calculation to Determine Major Programs</b>				<u>\$ (301,481)</u>	<u>\$ 1,506</u>	<u>\$ 73,146</u>	<u>\$ -</u>	<u>\$ 2,689,424</u>	<u>\$ 2,855,509</u>	<u>\$ 73,146</u>	<u>\$ (773,401)</u>	<u>\$ 245,045</u>	<u>\$ 62,296</u>	<u>\$</u>	<u>(590,404)</u>	<u>\$ 2,855,509</u>

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, 2016**

**NOTE 1 GENERAL**

The accompanying schedules present the activity of all federal and state financial assistance programs of the Clark Public School District Board of Education . The Board of Education is defined in Note 1(A) to the Board's 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 basis of accounting are described in Notes 1(C) to the Board's financial statements. The information in these schedules is presented in accordance with the requirements of 2 CFR 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (U.S. Uniform Guidance) and New Jersey OMB Circular 15-08, “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 financial statements.

**NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS**

The 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 \$24,676 for the general fund and an increase of \$19,991 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 financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 5,041	\$ 4,873,709	\$ 4,878,750
Special Revenue Fund	704,525	399,683	1,104,208
Capital Projects Fund		204,065	204,065
Food Service Fund	<u>120,610</u>	<u>5,029</u>	<u>125,639</u>
Total Financial Assistance	<u>\$ 830,176</u>	<u>\$ 5,482,486</u>	<u>\$ 6,312,662</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, 2016**

**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 Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$1,092,749 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, 2016. The amount reported as TPAF Pension System Contributions in the amount of \$1,210,400 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,441,253 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2016.

**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 financial statements and the amount subject to State single audit and major program determination.

**NOTE 7 DE MINIMIS INDIRECT COST RATE**

The District has not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**CLARK PUBLIC SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

*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?  X  yes   no

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

Noncompliance material to the basic financial statements noted?  X  yes   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)?  X  yes   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 15-08?   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>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

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, 2016

*Part I – Summary of Auditor’s Results*

State Awards Section

Auditee qualified as low-risk auditee?        yes   X   no

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 N.J. Circular Letter 15-08?        yes   X   no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
<u>16-495-034-5120-089</u>	<u>Special Education Aid</u>
<u>16-495-034-5120-096</u>	<u>Under Adequacy Aid</u>
<u>16-495-034-5120-084</u>	<u>Security Aid</u>
<u>16-495-034-5120-097</u>	<u>Per Pupil Growth Aid</u>
<u>16-495-034-5120-098</u>	<u>PARCC Readiness Aid</u>
<u>16-495-034-5044-003</u>	<u>Reimbursed TPAF FICA</u>

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

**CLARK PUBLIC SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

*Part 2 – Schedule of Financial Statement Findings*

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards*.

**Finding 2016-001**

With respect to year end encumbrances and accounts payable:

- Our audit of year end open purchase orders in the General, Special Revenue, Food Service and Before and After School Funds revealed certain encumbrances should have been classified as accounts payable and certain encumbrances were deemed overstated at June 30, 2016.
- A contract awarded in the Capital Projects Fund in the amount of \$567,100 was not recorded in the District accounting records at year end.

**Criteria or specific requirement:**

Internal controls over year end closing procedures of open orders and contract awards.

**Condition**

Certain encumbrances were determined to not have been classified properly, or were overstated and deemed invalid at year end. In addition, a contract award for the Valley Road School window replacement project was not recorded in the District records as of June 30, 2016.

**Context**

- Six (6) purchase orders in the General Fund classified as reserve for encumbrances should have been classified as accounts payable or cancelled in the amounts of \$135,730 and \$141,797, respectively.
- Six (6) purchase orders in the Special Revenue Fund classified as reserve for encumbrances should have been classified as accounts payable or cancelled in the amounts of \$38,355 and \$84,105, respectively.
- One (1) purchase order in the Food Service Enterprise Fund classified as a reserve for encumbrance in the amount of \$26,588 should have been classified as accounts payable.
- One (1) purchase order in the Before and After Care Enterprise Fund classified as reserve for encumbrance in the amount of \$35,247 should have been cancelled.
- A contract award for the Valley Road window project was not recorded in the District records and not properly classified as account payable or encumbrances payable at year end.

**Effect**

Financial statements do not properly reflect liabilities, expenditures and fund balance at year end.

**Cause**

Unknown.

**Recommendation**

- Procedures be reviewed and revised to ensure open purchase orders are reviewed at year end for proper classification as accounts payable or encumbrances and invalid balances be cancelled at year end. In addition each contract award be recorded in the District's accounting records at June 30.

**View of Responsible Officials and Planned Corrective Action**

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

**CLARK PUBLIC SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

*Part 2 – Schedule of Financial Statement Findings*

This section identifies reportable conditions, material weaknesses, and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards*.

**Finding 2016-002**

Our audit revealed that the tuition revenues were not accurately accrued in accordance with the respective tuition amounts billed.

**Criteria or specific requirement**

GAAP Technical Systems Manual; Internal controls over Tuition.

**Condition**

Tuition revenue was accrued at the budgeted amounts rather than the actual tuition to be earned. As a result, the tuition amounts due at year end were not accurately accounted for and reported in the District records.

**Context**

The general ledger control account balance for tuition receivables exceeded the actual amount due at year end by \$573,800.

**Effect**

Financial statements do not properly reflect tuition receivable balances and accrued tuition revenue at year end.

**Cause**

Unknown.

**Recommendation**

Tuition revenue be accrued in actual amounts earned rather than amounts anticipated in the budget.

**View of Responsible Officials and Planned Corrective Action**

Management has reviewed this finding and has indicated that corrective action will be taken.

**CLARK PUBLIC SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

*Part 2 – Schedule of Financial Statement Findings*

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards*.

**Finding 2016-003**

Our audit of the Capital Projects Fund revealed the following:

- Projects budgets were no entered into the accounting system in accordance with prior year available balances and current year approved project agreements.
- Expenditures and contract awards exceeded the available balances for two (2) School Development Authority Projects (SDA).

**Criteria or specific requirement**

Internal Controls Over Financial Reporting in the Capital Projects Fund.

**Condition**

Prior year available SDA project balances were not entered into the accounting system accurately. In addition amounts charged for expenditures and contracts awarded exceeded the available project balances for two (2) SDA projects.

**Context**

- Available project balances for four (4) prior year approved SDA projects were not accurately entered into the District's accounting records.
- The available project balance for one (1) approved SDA project in 2015/2016 was entered as \$47,000, rather than \$593,980.
- Total expenditures and contract awards for Valley Road window replacement and Kumpf M.S. restroom improvements exceeded the approved project balances by \$20,120 and \$5,256, respectively.

**Effect**

Project expenditures and contract awards exceeded the available balances for two (2) SDA projects.

**Cause**

Unknown.

**Recommendation**

Available SDA project budgets be entered into the District records in accordance with the prior year audit and current year approved project agreements.

**View of Responsible Officials and Planned Corrective Action**

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

**CLARK PUBLIC SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

*Part 2 – Schedule of Financial Statement Findings*

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards*.

**Finding 2016-004**

Our audit revealed that the revenue and expenditures subsidiary ledges were not in agreement with the general ledger account balances in General Fund, Food Services and Before and After Care Enterprise Funds as a result of interfund transfers.

**Criteria or specific requirement**

Internal Controls Over Financial Reporting.

**Condition**

The general ledger revenue account balance was not in agreement with the detailed subsidiary revenue ledger in the General Fund as a result of interfund transfers. In additions the general ledger expenditure account balances were not in agreement with the detailed subsidiary expenditure ledgers in the Food Service and Before and After Care Enterprise Funds.

**Context**

- The general ledger revenue account in the General Fund exceeded the revenue in the subsidiary revenue report by \$890,264.
- The general ledger expenditure account in the Food Service Fund exceeded the subsidiary expenditure report by \$608,523.
- The general ledger expenditure account in the Before and After Care Fund exceeded the subsidiary expenditure report by \$300,384.

**Effect**

Revenues were overstated in the General Fund and expenditures were overstated in the Food Service and Before and After Care Enterprise Funds.

**Cause**

Unknown.

**Recommendation**

Amounts posted in the general ledger for interfund transfers be reviewed and reconciled with the subsidiary revenue and expenditure reports in the General Fund and Food Service and Before and After Care Enterprise Funds.

**View of Responsible Officials and Planned Corrective Action**

Management has reviewed this finding and has indicated that corrective action will be taken.

**CLARK PUBLIC SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

*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 U.S. Uniform Guidance and New Jersey OMB's Circular 15-08, as amended.

**CURRENT YEAR FEDERAL AWARDS**

**Finding 2016-005:**

Our audit noted that the final expenditure reports for the IDEA Basic and IDEA Preschool grant programs were not in agreement with the District records.

Federal Program Information

IDEA Part B Basic	84,027
IDEA Preschool	84,173

**Criteria or specific requirement:**

Grant Program Reporting Requirements

**Condition:**

Expenditures reported on the District's financial records were not in agreement with amounts reported on the respective grant final expenditure reports for the 2014/2015 program year.

**Questioned Costs:**

Undetermined

**Context:**

- The District's 2014-15 IDEA final expenditure report reflected total expenditures of \$574,219. The District's financial records for the grant period reflected expenditures of \$525,249.

**Effect:**

The District's financial reports are not in agreement with amounts reported to the grantor agencies.

**Cause:**

Final grant expenditure reports were not compared to internal accounting records.

**Recommendation:**

Final expenditure reports for the IDEA Basic and Preschool Federal grant programs be reconciled to and in agreement with the District's accounting records prior to their submission.

**View of Responsible Officials and Planned Corrective Action:**

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



**CLARK PUBLIC SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

*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 U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

**CURRENT YEAR FEDERAL AWARDS**

**Finding 2016-006**

We noted certain purchase orders at year end which were recorded as encumbrances but were determined to be invalid in the IDEA grant program.

**Federal Program Information**

IDEA Part B Basic	84.027
IDEA Preschool	84.173

**Criteria or Specific Requirement**

Federal Grant Compliance Supplement

**Condition**

Certain purchase orders classified as encumbrances at year end were determined to be invalid.

**Questioned Costs**

\$41,863, of invalid encumbrances were noted. The financial statements and schedules were adjusted for these amounts.

**Context**

See finding, condition and questioned costs.

**Effect**

Final grant reports may not properly reflect program expenditures and available balances.

**Cause**

Unknown.

**Recommendation**

Procedures be implemented to ensure encumbrances in the Special Revenue Fund are reviewed at year end for validity and invalid purchase order balances are cancelled.

**View of Responsible Officials and Planned Corrective Action**

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

CLARK PUBLIC SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

*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 Uniform Guidance and New Jersey OMB's Circular 15-08.

**CURRENT YEAR STATE AWARDS**

There are none.

**CLARK PUBLIC SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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 Uniform Guidance and New Jersey OMB's Circular 15-08.

**STATUS OF PRIOR YEAR FINDINGS**

**Finding 2015-001**

**Condition:**

Purchases made are not supported by an approved purchase order and payments were not supported by vendor invoices.

**Status:**

Corrective action has been taken.

**Finding 2015-002**

**Condition:**

- An instance where the amount withdrawn from the payroll account for employee direct deposits exceeded the amount reported in the semi-monthly payroll summary report.
- Employees who were no longer employed by the District were not identified as inactive in the employee payroll system. As a result, several employees received salary related payments after their termination date.

**Status:**

Corrective action has been taken.

**Finding 2015-003**

**Condition:**

The tuition ledger did not include the amounts received for regular and special education tuition billings. As a result, the year end balance of the tuition amounts due at year end were not accurately accounted for and reported in the District records.

**Status:**

See Finding 2016-002.

**CLARK PUBLIC SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

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 Uniform Guidance and New Jersey OMB's Circular 15-08.

**STATUS OF PRIOR YEAR FINDINGS**

**Finding 2015-004**

**Condition:**

A contract was awarded for the ADA restroom renovation projects prior to obtaining final executed grant agreements and providing for the required local contribution from the General Fund.

**Status:**

See Finding 2016-001.

**Finding 2015-005**

**Condition:**

Certain purchase orders classified as encumbrances at year end were determined to be invalid.

**Status:**

See Finding 2016-001.

**Finding 2015-006**

**Condition:**

Administrative salary expenditures were classified and charged to improvement of instructional services and before and after care line accounts rather than district administration budget line accounts.

**Status:**

Corrective action has been taken.