

**CLARK PUBLIC
SCHOOL DISTRICT**

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

**Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2017**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

Clark Public School District

Clark, New Jersey

For The Fiscal Year Ended June 30, 2017

Prepared by

**Clark Public School District
Finance Department**

**CLARK PUBLIC SCHOOL DISTRICT
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INTRODUCTORY SECTION



Clark Public Schools

365 Westfield Ave • Clark, NJ 07066
(732)574-9600 • Fax (732)574-1156

Edward Grande
Superintendent of Schools

R. Paul Vizzuso
Business Admin./Board Secretary

November 20, 2017

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, 2017 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,

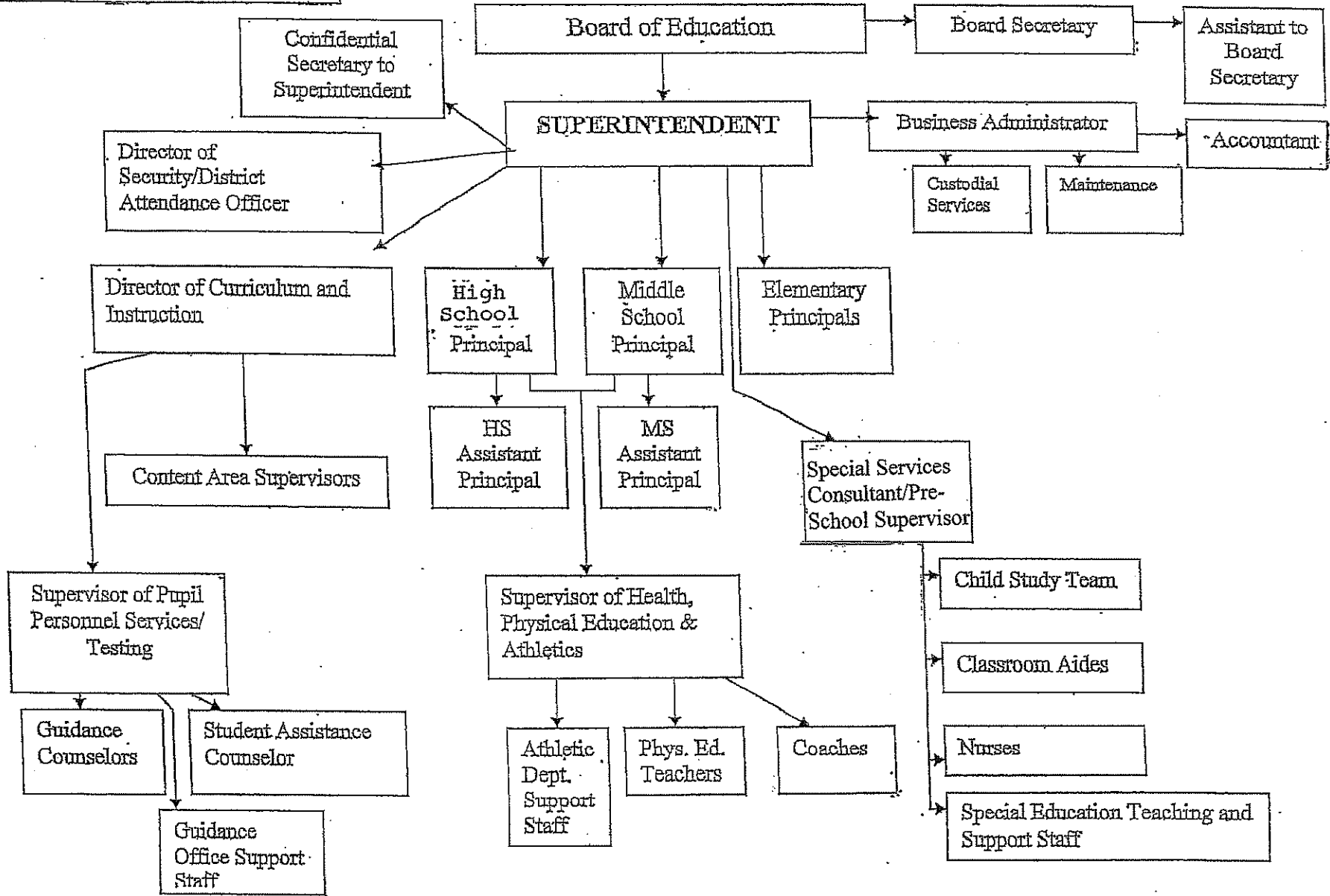
Edward Grande
Superintendent of Schools

R. Paul Vizzuso
Business Administrator/Board Secretary

INSPIRING
GREATNESS

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, 2017

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Jill Curran, President	2018
Steven Donkersloot, Vice President	2017
Lorraine j. Aklonis	2019
Scott Bohm	2018
Carmen Brocato	2017
Laura Caliguire	2017
Christine Guerriero, Garwood Representative	2017
Thomas Lewis	2019
Robert Smorol	2018
Henry R. Varriano	2019

Other Officials

Edward Grande, Superintendent of Schools
R. Paul Vizzuso, Business Administrator/Board Secretary
James Testa, 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

Health Insurance Broker

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

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, PSA

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, 2017 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 from 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, 2017, 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 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 November 20, 2017 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 the effectiveness of the Clark Public School District's 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
November 20, 2017

REQUIRED SUPPLEMENTARY INFORMATION – PART I
MANAGEMENT'S DISCUSSION AND ANALYSIS

CLARK PUBLIC SCHOOL DISTRICT

Management Discussion and Analysis

Fiscal Year Ended June 30, 2017

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, 2017. 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 2016-2017 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 \$10,383,860 (Net Position).
- Overall District revenues were \$49,009,681 and were \$445,923 less than overall District expenses of \$49,455,604. General revenues accounted for \$31,706,550 or 65% of all revenues. Program specific revenues in the form of charges for services, grants and contributions account for \$17,303,131 or 35% of total revenues.
- The School District had \$48,472,314 in expenses for governmental activities; only \$15,952,913 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$31,705,562 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 \$3,582,018. Of that amount, \$528,288 (15%) is available for spending at the District's discretion (unassigned fund balance).
- The General Fund unassigned fund balance was \$528,288 at June 30, 2017, an increase of \$146,494 when compared with the beginning unassigned fund balance at July 1, 2016 of \$381,794.
- The General Fund unassigned budgetary basis fund balance at June 30, 2017 was \$684,137, which represents an increase of \$119,346 compared to the ending unassigned budgetary basis fund balance at June 30, 2016 of \$564,791.
- The District's total outstanding long-term liabilities increased by \$644,982 during the current fiscal year.

CLARK PUBLIC SCHOOL DISTRICT

Management Discussion and Analysis

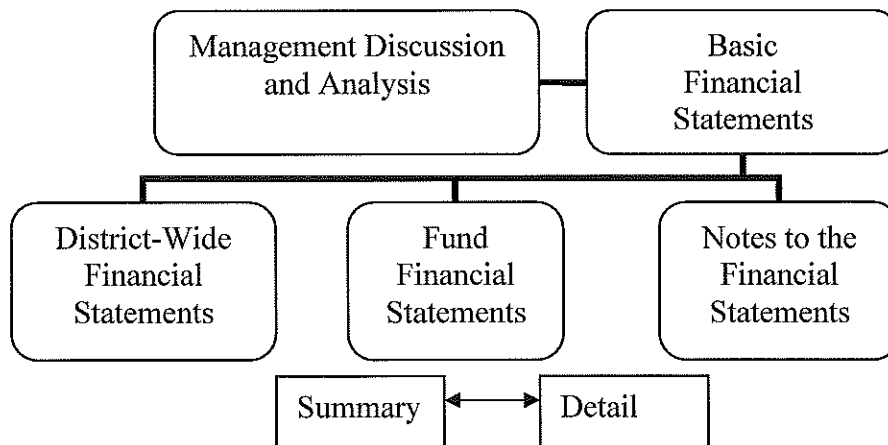
Fiscal Year Ended June 30, 2017

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, 2017

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

Major Features of the District-Wide and Fund Financial Statements

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

CLARK PUBLIC SCHOOL DISTRICT

Management Discussion and Analysis

Fiscal Year Ended June 30, 2017

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, 2017

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, 2017

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 2017 and 2016.

Net Position. The District's *combined* net position was \$10,383,860 on June 30, 2017 and \$10,829,783 on June 30, 2016.

CLARK PUBLIC SCHOOL DISTRICT

Management Discussion and Analysis

Fiscal Year Ended June 30, 2017

Net Position as of June 30, 2017 and 2016

	Governmental Types		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Assets						
Current and other assets	\$ 3,998,004	\$ 3,787,519	\$ 1,227,019	\$ 874,487	\$ 5,225,023	\$ 4,662,006
Capital assets, net	25,640,339	27,482,665	187,318	173,146	25,827,657	27,655,811
Total Assets	29,638,343	31,270,184	1,414,337	1,047,633	31,052,680	32,317,817
Deferred Outflows of Resources						
	3,131,934	1,794,620	-	-	3,131,934	1,794,620
Total Assets and Deferred Outflows of Resources	32,770,277	33,064,804	1,414,337	1,047,633	34,184,614	34,112,437
Liabilities						
Non-Current liabilities	22,773,773	22,128,791			22,773,773	22,128,791
Other liabilities	449,280	673,623	41,485	41,040	490,765	714,663
Total Liabilities	23,223,053	22,802,414	41,485	41,040	23,264,538	22,843,454
Deferred Inflows of Resources						
	535,449	436,776	767	2,424	536,216	439,200
Total Liabilities and Deferred Inflows of Resources	23,758,502	23,239,190	42,252	43,464	23,800,754	23,282,654
Net Position						
Net Investment in capital assets	13,705,490	14,495,043	187,318	173,146	13,892,808	14,668,189
Restricted	1,407,399	1,697,976			1,407,399	1,697,976
Unrestricted	(6,101,114)	(6,367,405)	1,184,767	831,023	(4,916,347)	(5,536,382)
Total Net Position	\$ 9,011,775	\$ 9,825,614	\$ 1,372,085	\$ 1,004,169	\$ 10,383,860	\$ 10,829,783

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, 2017

The District's total net position of \$10,383,860 at June 30, 2017 represents a \$445,923 or 4%, decrease from the prior year. The following shows changes in net position for fiscal years 2017 and 2016.

Change in Net Position For the Fiscal Years Ended June 30, 2017 and 2016

	Governmental Types		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues						
Program Revenues						
Charges for Services	\$ 2,048,159	\$ 1,867,557	\$ 1,215,109	\$ 1,158,506	\$ 3,263,268	\$ 3,026,063
Operating Grants and Contributions	13,688,326	10,685,784	135,109	125,639	13,823,435	10,811,423
Capital Grants and Contributions	216,428	204,065			216,428	204,065
General Revenues						
Property Taxes	31,576,451	30,181,816			31,576,451	30,181,816
State and Federal Aid	2,265	2,257			2,265	2,257
Other	126,846	111,063	988	362	127,834	111,425
Total Revenues	<u>47,658,475</u>	<u>43,052,542</u>	<u>1,351,206</u>	<u>1,284,507</u>	<u>49,009,681</u>	<u>44,337,049</u>
Program Expenses						
Instruction						
Regular	23,893,780	21,756,514			23,893,780	21,756,514
Special Education	7,230,657	6,842,631			7,230,657	6,842,631
Other Instruction	926,423	832,791			926,423	832,791
School Sponsored Activities and Athletics	1,069,420	932,447			1,069,420	932,447
Support Services						
Student and Instruction Related	6,279,967	5,603,858			6,279,967	5,603,858
General Administration	979,981	643,497			979,981	643,497
School Administration	2,222,532	2,211,194			2,222,532	2,211,194
Central and Other Support Services	662,608	844,452			662,608	844,452
Plant Operations and Maintenance	3,286,336	3,405,988			3,286,336	3,405,988
Pupil Transportation	1,446,708	1,468,123			1,446,708	1,468,123
Interest on Debt	473,902	511,849			473,902	511,849
Food Service			656,503	664,892	656,503	664,892
Before and After School Program	-	-	326,787	319,264	326,787	319,264
Total Expenses	<u>48,472,314</u>	<u>45,053,344</u>	<u>983,290</u>	<u>984,156</u>	<u>49,455,604</u>	<u>46,037,500</u>
Change in Net Position	(813,839)	(2,000,802)	367,916	300,351	(445,923)	(1,700,451)
Net Position, Beginning of Year	9,825,614	11,592,773	1,004,169	703,818	10,829,783	12,296,591
Prior Period Adjustment	-	233,643	-	-	-	233,643
Net Position, End of Year	<u>\$ 9,011,775</u>	<u>\$ 9,825,614</u>	<u>\$ 1,372,085</u>	<u>\$ 1,004,169</u>	<u>\$ 10,383,860</u>	<u>\$ 10,829,783</u>

CLARK PUBLIC SCHOOL DISTRICT

Management Discussion and Analysis

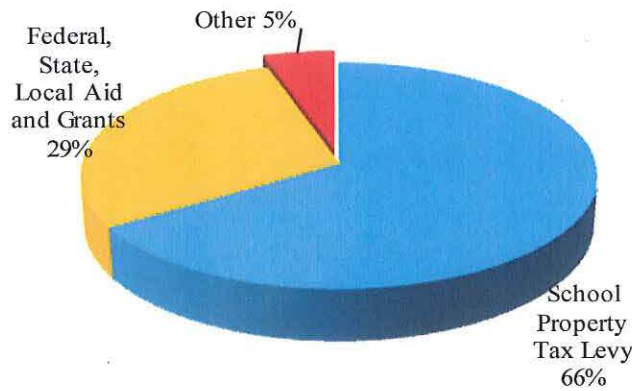
Fiscal Year Ended June 30, 2017

Governmental Activities. The District's total governmental activities' revenues, which includes State and Federal grants, were \$47,658,475 for the year ended June 30, 2017, property taxes of \$31,576,451 represented 66% of revenues. Another significant portion of revenues came from State aid; total State, Federal and Local Aid and Grants were \$13,907,019 and represented 29% of revenues. In addition, revenue in the amount of \$2,175,005 (5%) was earned from tuition, transportation fees and miscellaneous income which includes items such as interest, prior year refunds and other miscellaneous items.

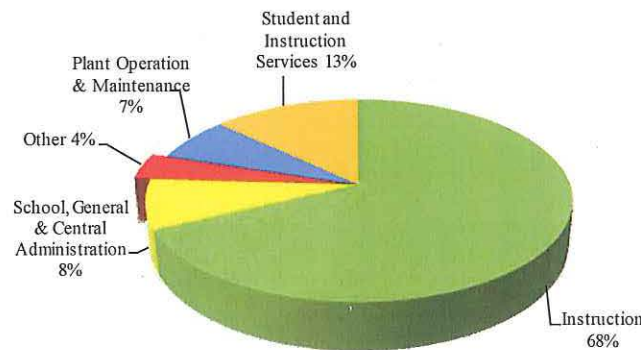
The total cost of all governmental activities programs and services was \$48,472,314. The district's expenses are predominantly related to educating and caring for students. Instruction totaled \$33,120,280 (68%) of total expenses. Support services, total \$14,878,132 (31%) of total expenses. The remaining expenses were for interest costs on long-term debt outstanding in the amount of \$473,902 (1%).

Total governmental activities expenses exceeded revenues, decreasing net position by \$813,839 from the previous year.

**Revenues by Type – Governmental Activities
For Fiscal Year 2017**



**Expenses by Type – Governmental Activities
For Fiscal Year 2017**



CLARK PUBLIC SCHOOL DISTRICT

Management Discussion and Analysis

Fiscal Year Ended June 30, 2017

Total and Net Cost of Governmental Activities. The District's total cost of services was \$48,472,314. After applying program revenues, derived from operating grants and contributions of \$13,688,326, capital grants and contributions of \$216,428 and charges for services of \$2,048,159 the net cost of services of the District is \$32,519,401.

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Instruction				
Regular	\$ 23,893,780	\$ 21,756,514	\$ 14,746,850	\$ 14,481,924
Special Education	7,230,657	6,842,631	3,623,144	3,901,350
Other Instruction	926,423	832,791	555,626	489,578
School Sponsored Activities and Athletics	1,069,420	932,447	1,069,420	932,447
Support services				
Student and Instruction Related	6,279,967	5,603,858	4,612,221	4,366,798
General Administration	979,981	643,497	979,981	643,497
School Administration	2,222,532	2,211,194	1,522,228	1,675,584
Central and Other Support Services	662,608	844,452	662,608	844,452
Plant Operations and Maintenance	3,286,336	3,405,988	3,029,477	3,166,118
Pupil Transportation	1,446,708	1,468,123	1,243,944	1,282,341
Interest on debt	473,902	511,849	473,902	511,849
Total Expenses	<u>\$ 48,472,314</u>	<u>\$ 45,053,344</u>	<u>\$ 32,519,401</u>	<u>\$ 32,295,938</u>

Business-Type Activities

The cost of Business-Type Activities for the fiscal year ended June 30, 2017 was \$983,290. Food service costs were \$656,503 (67%) and before and after school child care costs were \$326,787 (33%). These costs were funded by revenue from charges for services of \$1,215,109 (90%) and operating grants of \$135,109 (10%), as detailed in the change in net position schedule. Revenues from food service charges for services were \$582,632 (48%) and before and after school child care charges for services were \$632,477 (52%).

Total business-type activities revenues surpassed expenses, increasing net position by \$367,916 over the previous year. At June 30, 2017 the net position balance of the Food Service Program was \$258,594 and of the Before and After School Child Care Program Fund was \$1,113,491.

CLARK PUBLIC SCHOOL DISTRICT

Management Discussion and Analysis

Fiscal Year Ended June 30, 2017

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 \$3,582,018 at June 30, 2017 compared to a combined fund balance of \$3,152,660 at June 30, 2016.

Revenues for the District's governmental funds were \$40,330,999 while total expenditures were \$39,901,641.

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, 2017 and 2016.

<u>Revenue</u>	<u>Amount</u>		<u>Amount of Increase (Decrease)</u>	<u>Percent Change</u>
	<u>2017</u>	<u>2016</u>		
Local Sources				
Property Tax Levy	\$ 30,188,919	\$ 28,770,935	\$ 1,417,984	5%
Miscellaneous	2,175,005	1,978,620	196,385	10%
State Sources	5,237,215	4,873,709	363,506	7%
Federal Sources	27,854	5,041	22,813	100%
Total	<u>\$ 37,628,993</u>	<u>\$ 35,628,305</u>	<u>\$ 2,000,688</u>	6%

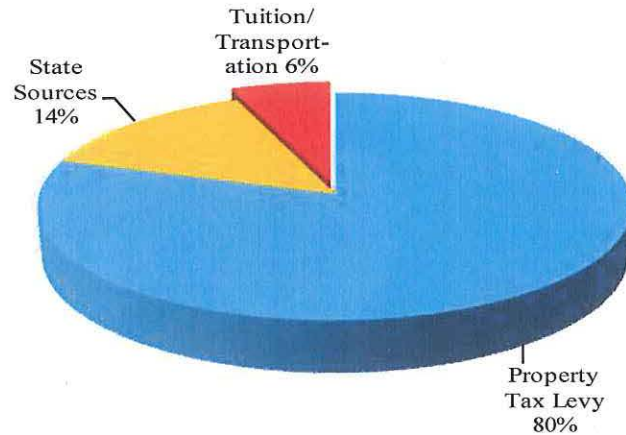
The majority of revenues come from property taxes which accounted for 80% of total revenue while state sources represented 14% of total revenue for the 2017 fiscal year. Miscellaneous revenues primarily tuition and transportation fees received from Garwood represented 6% of the total revenue for the 2017 fiscal year.

CLARK PUBLIC SCHOOL DISTRICT

Management Discussion and Analysis

Fiscal Year Ended June 30, 2017

General Fund Revenues by Source For Fiscal Year 2017



The following schedule presents a summary of General Fund expenditures for the fiscal years ended June 30, 2017 and 2016.

<u>Expenditures</u>	<u>Amount</u>		<u>Amount of Increase (Decrease)</u>	<u>Percent Change</u>
	<u>2017</u>	<u>2016</u>		
Current:				
Instruction	\$ 23,877,201	\$ 23,410,486	\$ 466,715	2%
Support Services	12,773,087	12,824,702	(51,615)	0%
Debt Service	254,383	261,464	(7,081)	-3%
Capital Outlay	4,387	339,151	(334,764)	-99%
 Total	 \$ 36,909,058	 \$ 36,835,803	 \$ 73,255	 0%

Total General Fund expenditures increased \$73,255 or less than 1% from the previous year. Instruction represented 65% of total expenditures while support services accounted for 34% and debt service and capital outlay accounted for 1% of total expenditures for the 2017 fiscal year.

For the 2016-2017 school year General Fund revenues exceeded expenditures by \$719,935. After adjusting for restricted and assigned fund balances, the unassigned fund balance increased from \$381,794 at June 30, 2016 to \$528,288 at June 30, 2017. The District ended the year with \$1,554,344 of excess surplus. In addition, the District had restricted fund balances of \$585,663 in capital reserve and \$750,000 in maintenance reserve at June 30, 2017.

CLARK PUBLIC SCHOOL DISTRICT

Management Discussion and Analysis

Fiscal Year Ended June 30, 2017

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At the end of fiscal years 2017 and 2016, the District had invested in land, buildings, furniture, machinery and equipment for both governmental and business-type activities. Depreciation charges for fiscal year 2016-2017 amounted to \$2,316,544 for governmental activities and \$15,963 for business-type activities. The following is a comparison of the June 30, 2017 and 2016 balances.

Capital Assets As of June 30, 2017 and 2016

	Governmental		Business-Type		Total	
	Activities		Activities			
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Land	\$ 1,808,965	\$ 1,808,965			\$ 1,808,965	\$ 1,808,965
Construction In Progress	-	65,375			-	65,375
Land Improvements	2,077,484	2,077,484			2,077,484	2,077,484
Buildings and Improvements	47,621,039	47,048,659			47,621,039	47,048,659
Machinery and Equipment	<u>4,135,577</u>	<u>4,268,456</u>	<u>\$ 438,215</u>	<u>\$ 408,080</u>	<u>4,573,792</u>	<u>4,676,536</u>
	55,643,065	55,268,939	438,215	408,080	56,081,280	55,677,019
Less Depreciation	<u>(30,002,726)</u>	<u>(27,786,274)</u>	<u>(250,897)</u>	<u>(234,934)</u>	<u>(30,253,623)</u>	<u>(28,021,208)</u>
Total Capital Assets, Net of Depreciation	<u>\$ 25,640,339</u>	<u>\$ 27,482,665</u>	<u>\$ 187,318</u>	<u>\$ 173,146</u>	<u>\$ 25,827,657</u>	<u>\$ 27,655,811</u>

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

Debt Administration. As of June 30, 2017 the District had long-term debt and outstanding long-term liabilities in the amount of \$22,773,773. For fiscal year 2016-2017 total outstanding long-term liabilities increased by \$644,982. The following is a comparison of the June 30, 2017 and 2016 balances.

CLARK PUBLIC SCHOOL DISTRICT

Management Discussion and Analysis

Fiscal Year Ended June 30, 2017

Outstanding Long-Term Liabilities
As of June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Serial Bonds (including unamortized premium)	\$ 12,601,379	\$ 13,639,734
Capital Leases and Lease Purchase Agreements	136,438	385,270
Net Pension Liability	9,220,197	7,386,520
Compensated Absences	<u>815,759</u>	<u>717,267</u>
Total	<u>\$ 22,773,773</u>	<u>\$ 22,128,791</u>

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

GENERAL FUND BUDGETARY HIGHLIGHTS

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

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

General Fund budgetary basis revenues exceeded budgetary basis expenditures increasing budgetary basis fund balance by \$692,787 from the previous year. After deducting restricted and assigned fund balances, the unassigned budgetary fund balance increased \$119,346 from \$564,791 at June 30, 2016 to \$684,137 at June 30, 2017. In addition, the District ended the year with excess surplus of \$1,554,344. The District has retained a Capital Reserve balance in the amount of \$585,663 at June 30, 2017. In addition, the District has a Maintenance Reserve balance of \$750,000 at June 30, 2017.

CLARK PUBLIC SCHOOL DISTRICT

Management Discussion and Analysis

Fiscal Year Ended June 30, 2017

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 2017-2018 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 2017-2018. Budgeted expenditures in the General Fund decreased approximately 2% to \$33,740,346 for fiscal year 2017-2018.

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, 2017

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash	\$ 3,076,045	\$ 1,172,386	\$ 4,248,431
Receivables, Net:			
Receivables from Other Governments	640,967	6,585	647,552
Other	273,507	729	274,236
Internal Balances	7,485	(7,485)	-
Inventories		4,829	4,829
Prepays		49,975	49,975
Capital Assets Not Being Depreciated	1,808,965		1,808,965
Capital Assets, Being Depreciation	<u>23,831,374</u>	<u>187,318</u>	<u>24,018,692</u>
 Total Assets	 <u>29,638,343</u>	 <u>1,414,337</u>	 <u>31,052,680</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Refunding of Debt	693,198		693,198
Deferred Amounts on Net Pension Liability	<u>2,438,736</u>	<u>-</u>	<u>2,438,736</u>
 Total Deferred Outflows of Resources	 <u>3,131,934</u>	 <u>-</u>	 <u>3,131,934</u>
 Total Assets and Deferred Outflows of Resources	 <u>32,770,277</u>	 <u>1,414,337</u>	 <u>34,184,614</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	398,947	28,351	427,298
Accrued Interest Payable	33,294		33,294
Unearned Revenue	17,039	13,134	30,173
Noncurrent Liabilities :			
Due Within One Year	1,105,119		1,105,119
Due Beyond One Year	<u>21,668,654</u>	<u>-</u>	<u>21,668,654</u>
 Total Liabilities	 <u>23,223,053</u>	 <u>41,485</u>	 <u>23,264,538</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	535,449		535,449
Deferred Commodities Revenue	<u>-</u>	<u>767</u>	<u>767</u>
 Total Deferred Inflows of Resources	 <u>535,449</u>	 <u>767</u>	 <u>536,216</u>
 Total Liabilities and Deferred Inflows of Resources	 <u>23,758,502</u>	 <u>42,252</u>	 <u>23,800,754</u>
NET POSITION			
Net Investment in Capital Assets	13,705,490	187,318	13,892,808
Restricted for:			
Capital Projects	657,399		657,399
Facility Maintenance	750,000		750,000
Unrestricted	<u>(6,101,114)</u>	<u>1,184,767</u>	<u>(4,916,347)</u>
 Total Net Position	 <u>\$ 9,011,775</u>	 <u>\$ 1,372,085</u>	 <u>\$ 10,383,860</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, 2017**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities							
Instruction:							
Regular	\$ 23,893,780	\$ 1,484,911	\$ 7,662,019		\$ (14,746,850)		\$ (14,746,850)
Special Education	7,230,657	438,050	3,169,463		(3,623,144)		(3,623,144)
Other Instruction	926,423		370,797		(555,626)		(555,626)
School Sponsored Activities and Athletics	1,069,420				(1,069,420)		(1,069,420)
Support Services							
Student and Instruction Related Services	6,279,967		1,667,746		(4,612,221)		(4,612,221)
General Administrative Services	979,981				(979,981)		(979,981)
School Administrative Services	2,222,532		700,304		(1,522,228)		(1,522,228)
Central and Other Support Services	662,608				(662,608)		(662,608)
Plant Operations and Maintenance	3,286,336		40,431	\$ 216,428	(3,029,477)		(3,029,477)
Pupil Transportation	1,446,708	125,198	77,566		(1,243,944)		(1,243,944)
Interest on Debt	473,902	-	-		(473,902)	-	(473,902)
Total Governmental Activities	<u>48,472,314</u>	<u>2,048,159</u>	<u>13,688,326</u>	<u>216,428</u>	<u>(32,519,401)</u>	<u>-</u>	<u>(32,519,401)</u>
Business-Type Activities							
Food Service	656,503	582,632	135,109			\$ 61,238	61,238
Before and After School Program	<u>326,787</u>	<u>632,477</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>305,690</u>	<u>305,690</u>
Total Business-Type Activities	<u>983,290</u>	<u>1,215,109</u>	<u>135,109</u>	<u>-</u>	<u>-</u>	<u>366,928</u>	<u>366,928</u>
Total Primary Government	<u>\$ 49,455,604</u>	<u>\$ 3,263,268</u>	<u>\$ 13,823,435</u>	<u>\$ 216,428</u>	<u>(32,519,401)</u>	<u>366,928</u>	<u>(32,152,473)</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, 2017**

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
General Revenues:			
Property Taxes:			
Levied for General Purposes	\$ 30,188,919		\$ 30,188,919
Levied for Debt Service	1,387,532		1,387,532
State Aid, Unrestricted	2,265		2,265
Miscellaneous Income	126,846	\$ 988	127,834
 Total General Revenues	 31,705,562	 988	 31,706,550
 Change in Net Position	 (813,839)	 367,916	 (445,923)
 Net Position, Beginning of Year (Restated)	 9,825,614	 1,004,169	 10,829,783
 Net Position, End of Year	 \$ 9,011,775	 \$ 1,372,085	 \$ 10,383,860

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, 2017**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash	\$ 3,011,479	\$ 64,566			\$ 3,076,045
Receivables, Net					
Receivables from Other Governments	323,687	87,767	\$ 229,513		640,967
Due from Other Funds	<u>453,694</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>453,694</u>
Total Assets	<u>\$ 3,788,860</u>	<u>\$ 152,333</u>	<u>\$ 229,513</u>	<u>-</u>	<u>\$ 4,170,706</u>
LIABILITIES					
Liabilities					
Accounts Payable	\$ 251,843	\$ 87,112			\$ 338,955
Payable to Federal Government		19,155			19,155
Payable State Government		35,701			35,701
Due to Other Funds	14,925	-	\$ 157,777	-	172,702
Other Liabilities		5,136			5,136
Unearned Revenue	<u>11,810</u>	<u>5,229</u>	<u>-</u>	<u>-</u>	<u>17,039</u>
Total Liabilities	<u>278,578</u>	<u>152,333</u>	<u>157,777</u>	<u>-</u>	<u>588,688</u>
FUND BALANCES					
Restricted Fund Balance					
Excess Surplus	1,554,344				1,554,344
Capital Reserve	585,663				585,663
Maintenance Reserve	750,000				750,000
Capital Projects			71,736		71,736
Assigned Fund Balance					
Year End Encumbrances	91,987				91,987
Unassigned Fund Balance	<u>528,288</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>528,288</u>
Total Fund Balances	<u>3,510,282</u>	<u>-</u>	<u>71,736</u>	<u>-</u>	<u>3,582,018</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 3,788,860</u>	<u>\$ 152,333</u>	<u>\$ 229,513</u>	<u>\$ -</u>	<u>\$ 4,170,706</u>

**CLARK PUBLIC SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2017**

Total Fund Balances - Governmental Funds (Exhibit B-1)		\$ 3,582,018
 Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$55,643,065 and the accumulated depreciation is \$30,002,726.		25,640,339
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.		693,198
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 amortized over future years.		
Deferred Outflows of Resources	\$ 2,438,736	
Deferred Inflows of Resources	<u>(535,449)</u>	1,903,287
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:		(33,294)
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)	\$ 12,601,379	
Capital Leases	26,668	
Lease Purchase Agreements	109,770	
Compensated Absences	815,759	
Net Pension Liability	<u>9,220,197</u>	<u>(22,773,773)</u>
Total Net Position of Governmental Activities (Exhibit A-1)		\$ <u>9,011,775</u>

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, 2017

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 30,188,919			\$ 1,387,532	\$ 31,576,451
Tuition	1,922,961				1,922,961
Transportation Fees	125,198				125,198
Interest	6,145				6,145
Miscellaneous Revenues	120,701	-	-	-	120,701
Total - Local Sources	32,363,924	-	-	1,387,532	33,751,456
State Sources	5,237,215	\$ 435,049	\$ 216,428	-	5,888,692
Federal Sources	27,854	662,997	-	-	690,851
Total Revenues	37,628,993	1,098,046	216,428	1,387,532	40,330,999
EXPENDITURES					
Instruction					
Regular	16,807,145	103,109			16,910,254
Special Education	5,383,962	577,983			5,961,945
Other Instruction	671,284	38,418			709,702
School-Sponsored Activities and Athletics	1,014,810				1,014,810
Support Services					
Student and Instruction Related Services	4,921,198	378,536			5,299,734
General Administrative Services	951,709				951,709
School Administrative Services	1,742,520				1,742,520
Central and Other Support Services	620,155				620,155
Plant Operations and Maintenance	3,148,646				3,148,646
Pupil Transportation	1,388,859				1,388,859
Debt Service					
Principal	248,832			950,000	1,198,832
Interest and Other Charges	5,551			437,532	443,083
Capital Outlay	4,387	-	507,005	-	511,392
Total Expenditures	36,909,058	1,098,046	507,005	1,387,532	39,901,641
Excess (Deficiency) of Revenues Over (Under) Expenditures	719,935	-	(290,577)	-	429,358
Fund Balance, Beginning of Year	2,790,347	-	362,313	-	3,152,660
Fund Balance, End of Year	<u>\$ 3,510,282</u>	<u>\$ -</u>	<u>\$ 71,736</u>	<u>\$ -</u>	<u>\$ 3,582,018</u>

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, 2017

Total net change in fund balances - governmental funds (Exhibit B-2) \$ 429,358

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	\$ 511,392	
Depreciation Expense	<u>(2,316,544)</u>	
		(1,805,152)

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	(98,492)	
Increase in Pension Expense	<u>(470,392)</u>	
		(568,884)

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	950,000	
Lease Purchase Payable	109,770	
Capital Lease Payable	139,062	
Amortization of Deferred Amounts on Refunding	(124,644)	
Amortization of Bond Premium	<u>88,355</u>	
		1,162,543

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		5,470
------------------------------	--	-------

The statement of activities report losses arising from the disposal of existing capital assets. Conversely, governmental funds do not report any loss on disposal of capital assets.

(37,174)

Change in net position of governmental activities (Exhibit A-2)

\$ (813,839)

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

**CLARK PUBLIC SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2017**

	<u>Business-Type Activities - Enterprise Fund</u>		
	<u>Food</u>	<u>Before and</u>	
	<u>Service</u>	<u>After School</u>	<u>Totals</u>
		<u>Program</u>	
ASSETS			
Current Assets			
Cash	\$ 102,912	\$ 1,069,474	\$ 1,172,386
Intergovernmental Receivable	6,585		6,585
Other Accounts Receivable	729		729
Inventories	4,829		4,829
Due from Other Funds	14,925		14,925
Prepaid Items	-	49,975	49,975
	<u>129,980</u>	<u>1,119,449</u>	<u>1,249,429</u>
Total Current Assets			
Capital Assets			
Equipment	419,789	18,426	438,215
Less: Accumulated Depreciation	<u>(248,923)</u>	<u>(1,974)</u>	<u>(250,897)</u>
Total Capital Assets, Net	<u>170,866</u>	<u>16,452</u>	<u>187,318</u>
Total Assets	<u>300,846</u>	<u>1,135,901</u>	<u>1,436,747</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	28,351	-	28,351
Due to Other Funds	-	22,410	22,410
Unearned Revenue	<u>13,134</u>	<u>-</u>	<u>13,134</u>
Total Current Liabilities	<u>41,485</u>	<u>22,410</u>	<u>63,895</u>
DEFERRED INFLOW OF RESOURCES			
Deferred Commodities Revenue	<u>767</u>	<u>-</u>	<u>767</u>
Total Liabilities and Deferred Inflow of Resources	<u>42,252</u>	<u>22,410</u>	<u>64,662</u>
NET POSITION			
Investment in Capital Assets	170,866	16,452	187,318
Unrestricted	<u>87,728</u>	<u>1,097,039</u>	<u>1,184,767</u>
Total Net Position	<u>\$ 258,594</u>	<u>\$ 1,113,491</u>	<u>\$ 1,372,085</u>

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

**CLARK PUBLIC SCHOOL DISTRICT
 PROPRIETARY FUND
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Business-Type Activities - Enterprise Fund</u>		
	<u>Food Service</u>	<u>Before and After School Program</u>	<u>Totals</u>
OPERATING REVENUES			
Charges for Services			
Daily Sales - Reimbursable Programs	\$ 327,379		\$ 327,379
Daily Sales - Non reimbursable Programs	255,253		255,253
Program Fees	-	\$ 632,477	632,477
	<u>582,632</u>	<u>632,477</u>	<u>1,215,109</u>
Total Operating Revenues			
OPERATING EXPENSES			
Cost of Sales Reimbursable Programs	257,929		257,929
Cost of Sales Non reimbursable Programs	48,730		48,730
Salaries and Employee Benefits	260,121	314,340	574,461
Purchased Management Services	25,000		25,000
Supplies and Materials	6,310	7,750	14,060
Repairs and Maintenance	9,602		9,602
Miscellaneous Expenses	34,239	3,306	37,545
Depreciation Expense	14,572	1,391	15,963
	<u>656,503</u>	<u>326,787</u>	<u>983,290</u>
Total Operating Expenses			
Operating Income/(Loss)	<u>(73,871)</u>	<u>305,690</u>	<u>231,819</u>
NONOPERATING REVENUES			
Interest		988	988
State Sources			
School Lunch Program	5,253		5,253
Federal Sources			
National School Lunch Program	90,137	-	90,137
Food Distribution Program	39,719	-	39,719
	<u>135,109</u>	<u>988</u>	<u>136,097</u>
Total Nonoperating Revenues			
Change in Net Position	61,238	306,678	367,916
Total Net Position, Beginning of Year	<u>197,356</u>	<u>806,813</u>	<u>1,004,169</u>
Total Net Position, End of Year	<u>\$ 258,594</u>	<u>\$ 1,113,491</u>	<u>\$ 1,372,085</u>

CLARK PUBLIC SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Business-Type Activities - Enterprise Fund

	<u>Food</u>	<u>Before and</u>	<u>Totals</u>
	<u>Service</u>	<u>After School</u>	
		<u>Program</u>	
Cash Flows from Operating Activities			
Cash Received from Customers	\$ 581,566	\$ 632,477	\$ 1,214,043
Cash Payments for Employees' Salaries and Benefits	(260,121)	(314,340)	(574,461)
Cash Payments to Suppliers for Goods and Services	(355,278)	(38,621)	(393,899)
Net Cash Provided by (Used for) Operating Activities	(33,833)	279,516	245,683
Cash Flows from Noncapital Financing Activities			
Cash Received from State and Federal Subsidy Reimbursement	94,440	-	94,440
Net Cash Provided by Noncapital Financing Activities	94,440	-	94,440
Cash Flows from Investing Activities			
Interest Earnings	-	988	988
Net Cash Provided by Investing Activities	-	988	988
Cash Flows from Capital and Related Financing Activities			
Purchases of Capital Assets	(23,359)	(6,776)	(30,135)
Net Cash (Used for) Capital and Related Financing Activities	(23,359)	(6,776)	(30,135)
Net Increase in Cash and Cash Equivalents	37,248	273,728	280,841
Cash, Beginning of Year	65,664	795,746	861,410
Cash, End of Year	\$ 102,912	\$ 1,069,474	\$ 1,172,386
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Operating Income (Loss)	\$ (73,871)	\$ 305,690	\$ 231,819
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Non-Cash Federal Assistance-Food Distribution Program	39,719		39,719
Depreciation Expense	14,572	1,391	15,963
Change in Assets, Liabilities and Deferred Inflows			
(Increase)/Decrease in Accounts Receivable	252		252
(Increase)/Decrease in Interfund Receivable	(14,925)		(14,925)
(Increase)/Decrease in Prepaid Items		(49,975)	(49,975)
(Increase)/Decrease in Inventory	1,632		1,632
Increase/(Decrease) in Interfund Payable		22,410	22,410
Increase/(Decrease) in Accounts Payable	1,763	-	1,763
Increase/(Decrease) in Unearned Revenue	(1,318)	-	(1,318)
Increase/(Decrease) in Deferred Commodities Revenue	(1,657)	-	(1,657)
Total Adjustments	40,038	(26,174)	13,864
Net Cash Provided by (Used) for Operating Activities	\$ (33,833)	\$ 279,516	\$ 245,683
Non-Cash Investing, Capital and Financing Activities			
Value Received - Food Distribution Program	\$ 38,062		

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

**CLARK PUBLIC SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF NET POSITION
AS OF JUNE 30, 2017**

	<u>Private Purpose Trust Funds</u>		
	<u>Kelemen Science Observatory Fund</u>	<u>Donations Fund</u>	<u>Agency Fund</u>
ASSETS			
Cash	\$ 11,962	\$ 15,745	\$ 685,700
Intergovernmental Receivable	<u>-</u>	<u>-</u>	<u>31,591</u>
Total Assets	<u>11,962</u>	<u>15,745</u>	<u>717,291</u>
LIABILITIES			
Due to Other Funds			273,507
Due to Student Groups			163,938
Employee Deposits Payable - Summer Payroll			206,515
Accrued Salaries and Wages			173
Payroll Deductions and Withholding Payable			67,673
Flexible Spending Deposits	<u>-</u>	<u>-</u>	<u>5,485</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>\$ 717,291</u>
NET POSITION			
Net Position Held in Trust for Scholarships and Other Purposes	<u>\$ 11,962</u>	<u>\$ 15,745</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 NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Private Purpose Trust Funds</u>	
	Kelemen Science Observatory <u>Fund</u>	Donations <u>Fund</u>
ADDITIONS		
Investment Earnings		
Interest	\$ 12	\$ 16
	<u>12</u>	<u>16</u>
Total Additions	<u>12</u>	<u>16</u>
DEDUCTIONS		
Miscellaneous Expenses	<u>-</u>	<u>-</u>
Total Deductions	<u>-</u>	<u>-</u>
Change in Net Position	12	16
Net Position, Beginning of Year	<u>11,950</u>	<u>15,729</u>
Net Position, End of Year	<u>\$ 11,962</u>	<u>\$ 15,745</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, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Clark Public School District (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 2017, the District adopted the following GASB statements:

- 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*. 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. 77, *Tax Abatement Disclosures*. 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. 80, *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14. *The Financial Reporting Entity, as amended*.

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB No. 82, *Pension Issues – An Amendment of GASB Statements No.67, No.68, and No.73*. 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.

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

- 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. 84, *Fiduciary Activities*, will be effective with the fiscal year ending June 30, 2020. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement established criteria for identifying fiduciary activities of all state and local governments.
- GASB No. 85, *Omnibus 2017*, will be effective with the fiscal year ending June 30, 2018. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and post-employment benefits (pensions and other post-employment benefits (OPEB)).
- GASB No. 86, *Certain Debt Extinguishment Issues*, will be effective with the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.
- GASB No. 87, *Leases*, will be effective with the fiscal year ending June 30, 2021. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

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, 2017**

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 Board of Education. 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, 2017**

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 childcare 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, 2017**

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, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. *Prepaid Items*

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both district-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

5. *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 acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

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

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

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

6. *Deferred Outflows/Inflows of Resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The 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, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

6. *Deferred Outflows/Inflows of Resources (Continued)*

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Board has two types of items 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 inventory at year end. This amount is deferred and recognized as an inflow of resources in the period the commodities are consumed.

7. *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.

8. *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.

9. *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 with the applicable bond premium. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

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

CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. *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 – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2017 audited excess surplus that is required to be appropriated in the 2018/2019 original budget certified for taxes (See Note 2D).

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

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 2C).

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.

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.

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 1st in the year following the calendar year levy when the same became in arrears, the tax collector of the municipality shall, subject to the provisions of New Jersey Statute, enforce the lien by placing the property on a tax sale. The municipality may institute annual "in rem" tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property.

3. Tuition Revenues and Expenditures

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

Tuition Expenditures - Tuition charges for the fiscal years 2015-2016 and 2016-2017 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.

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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 2016/2017. Also, during 2016/2017 the Board increased the original budget by \$296,381. The increase was funded by additional grant awards and the reappropriation of prior year general fund encumbrances.

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

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

**CLARK PUBLIC SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. 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.

The activity of the capital reserve for the fiscal year ended June 30, 2017 is as follows:

Balance, July 1, 2016	\$ 585,663
Balance, June 30, 2017	<u>\$ 585,663</u>

C. 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, 2017 is as follows:

Balance, July 1, 2016	<u>\$ 750,000</u>
Balance, June 30, 2017	<u>\$ 750,000</u>

D. 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, 2017 is \$1,554,344. Of this amount, \$1,554,344 will be appropriated in the 2018/2019 original budget certified for taxes.

**CLARK PUBLIC SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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), National Credit Union Share Insurance Fund (NCUSIF), 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. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2017, the book value of the Board's deposits were \$4,961,838 bank and brokerage firm balances of the Board's deposits amounted to \$6,104,457. 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>6,104,457</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, 2017 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, 2017, 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, 2017**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of June 30, 2017 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	\$ 250,953					\$ 250,953
State	72,734	\$ 4,184	\$ 229,513	\$ 370	\$ 31,591	338,392
Federal		83,583		6,215		89,798
Other	-	-	-	729	-	729
Gross Receivables	<u>323,687</u>	<u>87,767</u>	<u>229,513</u>	<u>7,314</u>	<u>31,591</u>	<u>679,872</u>
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 323,687</u>	<u>\$ 87,767</u>	<u>\$ 229,513</u>	<u>\$ 7,314</u>	<u>\$ 31,591</u>	<u>\$ 679,872</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	\$ 11,810
Special Revenue Fund	
Unencumbered Grant Draw Downs	<u>5,229</u>
Total Deferred Revenue for Governmental Funds	<u>\$ 17,039</u>

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2017 was as follows:

	Balance July 1, 2016 (Restated)	Increases	Decreases	Adjustments	Balance June 30, 2017
Governmental Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 1,808,965				\$ 1,808,965
Construction in Progress	65,375	-	-	\$ (65,375)	-
Total Capital Assets, Not Being Depreciated	<u>1,874,340</u>	<u>-</u>	<u>-</u>	<u>(65,375)</u>	<u>1,808,965</u>
Capital Assets, Being Depreciated:					
Site Improvements	2,077,484				2,077,484
Buildings and Improvements	47,048,659	\$ 507,005		65,375	47,621,039
Machinery and Equipment	4,268,456	4,387	\$ (137,266)	-	4,135,577
Total Capital Assets Being Depreciated	<u>53,394,599</u>	<u>511,392</u>	<u>(137,266)</u>	<u>65,375</u>	<u>53,834,100</u>
Less Accumulated Depreciation for:					
Site Improvements	(1,303,346)	(103,543)			(1,406,889)
Buildings and Improvements	(23,733,575)	(1,853,273)			(25,586,848)
Machinery and Equipment	(2,749,353)	(359,728)	100,092	-	(3,008,989)
Total Accumulated Depreciation	<u>(27,786,274)</u>	<u>(2,316,544)</u>	<u>100,092</u>	<u>-</u>	<u>(30,002,726)</u>
Total Capital Assets, Being Depreciated, Net	<u>25,608,325</u>	<u>(1,805,152)</u>	<u>(37,174)</u>	<u>65,375</u>	<u>23,831,374</u>
Government Activities Capital Assets, Net	<u>\$ 27,482,665</u>	<u>\$ (1,805,152)</u>	<u>\$ (37,174)</u>	<u>\$ -</u>	<u>\$ 25,640,339</u>
Business-Type Activities:					
Capital Assets, Being Depreciated:					
Machinery and Equipment	\$ 408,080	\$ 30,135	-	-	\$ 438,215
Total Capital Assets Being Depreciated	<u>408,080</u>	<u>30,135</u>	<u>-</u>	<u>-</u>	<u>438,215</u>
Less Accumulated Depreciation for:					
Machinery and Equipment	(234,934)	(15,963)	-	-	(250,897)
Total Accumulated Depreciation	<u>(234,934)</u>	<u>(15,963)</u>	<u>-</u>	<u>-</u>	<u>(250,897)</u>
Total Capital Assets, Being Depreciated, Net	<u>173,146</u>	<u>14,172</u>	<u>-</u>	<u>-</u>	<u>187,318</u>
Business-Type Activities Capital Assets, Net	<u>\$ 173,146</u>	<u>\$ 14,172</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 187,318</u>

**CLARK PUBLIC SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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		\$ 2,058,893
Special Education		202,961
Other Instruction		485
Total Instruction		<u>2,262,339</u>
Support Services		
Plant Operations and Maintenance		38,370
Pupil Transportation		15,835
Total Support Services		<u>54,205</u>
Total Depreciation Expense - Governmental Activities		<u>\$ 2,316,544</u>

Business-Type Activities:

Food Service Fund		\$ 14,572
Before and After School Program Fund		<u>1,391</u>
Total Depreciation Expense-Business-Type Activities		<u>\$ 15,963</u>

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2017, is as follows:

Due to/from Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Capital Projects Fund	\$ 157,777
General Fund	Before and After Care Fund	22,410
General Fund	Payroll Agency Fund	273,507
Food Service Fund	General Fund	<u>14,925</u>
Total		<u>\$ 468,619</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 and/or to cover cash balances which were in an overdraft position.

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

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases

Capital Leases

The District is leasing copiers totaling \$327,686 under capital leases. The leases are for 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	\$ 327,686
Total	<u>\$ 327,686</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2017 were as follows:

<u>Fiscal Year Ending June 30</u>	<u>Governmental Activities</u>		<u>Total</u>
	<u>Capital Leases</u>	<u>Lease Purchase Agreements</u>	
2018	\$ 20,892	\$ 109,770	\$ 130,662
2019	3,624		3,624
2020	3,020	-	3,020
Total minimum lease payments	27,536	109,770	137,306
Less: amount representing interest	(868)	-	(868)
Present value of minimum lease payments	<u>\$ 26,668</u>	<u>\$ 109,770</u>	<u>\$ 136,438</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, 2017 are comprised of the following issues:

\$14,145,000, 2012 Refunding Bonds, due in annual installments of \$975,000 to \$1,755,000 through June 1, 2026, interest at 2.00% to 4.00%	<u>\$12,110,000</u>
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**CLARK PUBLIC SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt (Continued)

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

Governmental Activities:

Year Ending June 30,	Serial Bonds		Total
	Principal	Interest	
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	1,295,000	259,831	1,554,831
2023-2027	<u>6,760,000</u>	<u>504,787</u>	<u>7,264,787</u>
	<u>\$ 12,110,000</u>	<u>\$ 2,185,842</u>	<u>\$ 14,295,842</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2017 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 99,468,015
Less: Net Debt	<u>12,110,000</u>
Remaining Borrowing Power	<u>\$ 87,358,015</u>

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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, 2017, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds Payable	\$ 13,060,000		\$ 950,000	\$ 12,110,000	\$ 975,000
Deferred Amounts:					
Add: Original Issue Premium	<u>579,734</u>	<u>-</u>	<u>88,355</u>	<u>491,379</u>	<u>-</u>
Total Bonds Payable	13,639,734	-	1,038,355	12,601,379	975,000
Capital Leases Payable	165,730		139,062	26,668	20,349
Lease Purchase Agreement	219,540		109,770	109,770	109,770
Compensated Absences	717,267	\$ 98,492		815,759	-
Net Pension Liability	<u>7,386,520</u>	<u>2,110,243</u>	<u>276,566</u>	<u>9,220,197</u>	<u>-</u>
Governmental Activity Long-Term Liabilities	<u>\$ 22,128,791</u>	<u>\$ 2,208,735</u>	<u>\$ 1,563,753</u>	<u>\$ 22,773,773</u>	<u>\$ 1,105,119</u>

For the governmental activities, the liabilities for capital leases, lease purchase agreements, 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.

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

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 OTHER INFORMATION (Continued)

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, 2017, 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, 2017, 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.

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.

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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.

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.

Funding Status and Funding Progress

As of July 1, 2015, the most recent actuarial valuation date, the aggregate funded ratio for the State administered TPAF and local PERS retirement systems, is 28 percent with an unfunded actuarial accrued liability of \$108.6 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded TPAF system is 22.33 percent and \$79.0 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS is 40.14 percent and \$29.6 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.

**CLARK PUBLIC SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Actuarial Methods and Assumptions

In the July 1, 2015 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 7.65 percent and (b) projected salary increases applied through the year 2026 of 1.65-5.15 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 7.06% for PERS, 7.06% 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, 2017 for TPAF, which is a cost sharing plan with special funding situations, the annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

During the fiscal years ended June 30, 2017, 2016 and 2015 the Board was required to contribute for PERS and DCRP and the State of New Jersey was required to contribute for TPAF, respectively for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended June 30,	PERS	On-behalf TPAF	DCRP
2017	\$ 276,566	\$ 1,608,255	\$ 20,416
2016	282,895	1,210,400	17,906
2015	270,885	828,014	38,533

In addition for fiscal year 2016/2017 the District contributed \$1,691 for PERS and the State contributed \$3,795 for TPAF for Long Term Disability Insurance Premium (LTDI).

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 \$1,100,831 during the fiscal year ended June 30, 2017 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.

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

Public Employees Retirement System (PERS)

At June 30, 2017, the District reported in the statement of net position (accrual basis) a liability of \$9,220,197 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2016 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, 2016, the District's proportionate share was .03113 percent, which was a decrease of .00178 percent from its proportionate share measured as of June 30, 2015 of .03291 percent.

For the fiscal year ended June 30, 2017, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$746,958 for PERS. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 171,468	
Changes of Assumptions	1,909,932	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	351,575	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>5,761</u>	<u>\$ 535,449</u>
Total	<u>\$ 2,438,736</u>	<u>\$ 535,449</u>

At June 30, 2017, the 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>	<u>Total</u>
2018	\$ 414,722
2019	414,722
2020	506,380
2021	438,946
2022	128,517
Thereafter	<u>-</u>
	<u>\$ 1,903,287</u>

**CLARK PUBLIC SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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 District's total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>PERS</u>
Inflation Rate	3.08%
Salary Increases:	
Through 2026	1.65-4.15% Based on Age
Thereafter	2.65-5.15% Based on Age
Investment Rate of Return	7.65%
Mortality Rate Table	RP-2000

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

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014.

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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, 2016 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%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad US Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds/Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%

Discount Rate

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

<u>Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2017	June 30, 2016	3.98%

**CLARK PUBLIC SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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)

Discount Rate (Continued)

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

Period of Projected Benefit	
Payments for which the Following	
Rates were Applied:	
Long-Term Expected Rate of Return	Through June 30, 2034
Municipal Bond Rate *	From July 1, 2034 and Thereafter

* The municipal bond return rate used is 2.85% as of the measurement date of June 30, 2016. 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 District's proportionate share of the PERS net pension liability calculated using the discount rate of 3.98%, as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.98 percent) or 1-percentage-point higher (4.98 percent) than the current rate:

	1% Decrease (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
District's Proportionate Share of the PERS Net Pension Liability	<u>\$11,298,275</u>	<u>\$ 9,220,197</u>	<u>\$7,504,563</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability at June 30, 2016. A sensitivity analysis specific to the District's net pension liability was not provided by the pension system.

Pension Plan Fiduciary Net Position

Detailed information about the PERS 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.

**CLARK PUBLIC SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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, 2017, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$8,935,731 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, 2017 the State's proportionate share of the net pension liability attributable to the District is \$118,927,288. 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, 2016. At June 30, 2016, the state's share of the net pension liability attributable to the District was .15118 percent, which was a decrease of .00198 percent from its proportionate share measured as of June 30, 2015 of .15316 percent.

Actuarial Assumptions

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. 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	7.65%

Assumptions for mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational bases based on a 60-year average of Social Security data from 1953 to 2013.

The actuarial assumptions used in the July 1, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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, 2016 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%	0.39%
US Government Bonds	1.50%	1.28%
US Credit Bonds	13.00%	2.76%
US Mortgages	2.00%	2.38%
US Inflation-Indexed Bonds	1.50%	1.41%
US High Yield Bonds	2.00%	4.70%
US Equity Market	26.00%	5.14%
Foreign-Developed Equity	13.25%	5.91%
Emerging Markets Equity	6.50%	8.16%
Private Real Estate Property	5.25%	3.64%
Timber	1.00%	3.86%
Farmland	1.00%	4.39%
Private Equity	9.00%	8.97%
Commodities	0.50%	2.87%
Hedge Funds - MultiStrategy	5.00%	3.70%
Hedge Funds - Equity Hedge	3.75%	4.72%
Hedge Funds - Distressed	3.75%	3.49%

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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>Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2017	June 30, 2016	3.22%

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, 2029
Municipal Bond Rate *	From July 1, 2029 and Thereafter

* The municipal bond return rate used is 2.85% as of the measurement date of June 30, 2016. 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 3.22% 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 (2.22 percent) or 1-percentage-point higher (4.22 percent) than the current rate:

	1% Decrease <u>(2.22%)</u>	Current Discount Rate <u>(3.22%)</u>	1% Increase <u>(4.22%)</u>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$142,025,759</u>	<u>\$ 118,927,288</u>	<u>\$ 100,064,405</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2016. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2016 was not provided by the pension system.

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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.

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 584 state and local participating employers and contributing entities for Fiscal Year 2016.

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.

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 4 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, 2015, the most recent actuarial valuation date, the State had a \$84.3 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$25.9 billion for state active and retired members and \$41.6 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, 2015, OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. 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, 2017**

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, 2016, there were 110,512, retirees receiving post-retirement medical benefits and the State contributed \$1.37 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 (ABP) who retired from a board of education or county college with 25 years of service. The State paid \$231.2 million toward Chapter 126 benefits for 20,045 eligible retired members in Fiscal Year 2016.

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, 2017, 2016 and 2015 were \$1,340,043, \$1,441,253 and \$1,314,473, 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.

F. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential school tax revenue must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district. For Clark Public School District, the District's share of abated taxes resulting from the municipality having entered into a tax abatement agreement is indeterminate.

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 5 RESTATEMENT

The governmental activities financial statements for June 30, 2016 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 increase of \$233,643 in governmental activities capital assets with a corresponding increase in the net investment in capital assets component of net position at June 30, 2016.

The results of this restatement is to increase total net position of Governmental Activities as of June 30, 2016 from \$9,591,971, as originally reported to \$9,825,614. The effect of this restatement is as follows:

	<u>Beginning Balance Prior to Restatement</u>	<u>Restatement</u>	<u>Beginning Balance Restated</u>
<u>Governmental Activities:</u>			
ASSETS			
Capital Assets, Being Depreciated, Accumulated Depreciation	\$ 51,768,516 (26,393,834)	\$ 1,626,083 (1,392,440)	\$ 53,394,599 (27,786,274)
Total Capital Assets, Net	25,374,682	233,643	25,608,325
Total Assets	31,036,541	233,643	31,270,184
Total Assets and Deferred Outflows of Resources	32,831,161	233,643	33,064,804
NET POSITION			
Net Investment in Capital Assets	14,261,400	233,643	14,495,043
Total Net Position	\$ 9,591,971	\$ 233,643	\$ 9,825,614

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGET COMPARISON SCHEDULES

**CLARK PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

EXHIBIT C-1

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 30,188,919		\$ 30,188,919	\$ 30,188,919	
Tuition	1,826,341		1,826,341	1,922,961	\$ 96,620
Transportation Fees from Other LEAs	149,384		149,384	125,198	(24,186)
Interest	10,000		10,000	6,145	(3,855)
Miscellaneous Revenues	50,000	-	50,000	120,701	70,701
Total Local Sources	<u>32,224,644</u>	<u>-</u>	<u>32,224,644</u>	<u>32,363,924</u>	<u>139,280</u>
State Sources					
Special Education Aid	910,308		910,308	910,308	-
Security Aid	40,859		40,859	40,859	-
Transportation Aid	61,158		61,158	61,158	-
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	-
Professional Learning Comm Aid	21,760		21,760	21,760	-
Extraordinary Aid	50,000		50,000	59,774	9,774
Additional Nonpublic Transportation Aid				17,240	17,240
TPAF Pension Benefit Contribution - (Non-Budget)				1,552,022	1,552,022
TPAF Pension - NCGI Premium (Non-Budget)				56,233	56,233
TPAF Long-Term Disability Insurance				3,795	3,795
TPAF Post Retirement Medical Contribution (Non-Budget)				1,340,043	1,340,043
TPAF Social Security Contributions (Non-Budget)	-	-	-	1,100,831	1,100,831
Total State Sources	<u>1,130,129</u>	<u>-</u>	<u>1,130,129</u>	<u>5,210,067</u>	<u>4,079,938</u>
Federal Sources					
Medicaid Reimbursement	19,397	-	19,397	27,854	8,457
Total Federal Sources	<u>19,397</u>	<u>-</u>	<u>19,397</u>	<u>27,854</u>	<u>8,457</u>
Total Revenues	<u>33,374,170</u>	<u>-</u>	<u>33,374,170</u>	<u>37,601,845</u>	<u>4,227,675</u>
EXPENDITURES					
CURRENT					
Instruction - Regular Programs					
Salaries of Teachers					
Preschool	221,233	\$ 339	221,572	215,012	6,560
Kindergarten	458,671	-	458,671	451,726	6,945
Grades 1-5	3,351,623	(39,550)	3,312,073	3,196,752	115,321
Grades 6-8	2,094,665	-	2,094,665	2,069,273	25,392
Grades 9-12	4,367,534	-	4,367,534	4,241,297	126,237
Regular Programs - Home Instruction					
Salaries of Teachers	25,000	-	25,000	16,503	8,497
Purchased Professional/Educational Services	30,000	(15,476)	14,524	10,967	3,557
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	354,567	-	354,567	313,268	41,299
Purchased Professional/Educational Services	362,474	(51,756)	310,718	310,718	-
Other Purchased Services	66,500	140,492	206,992	196,648	10,344
General Supplies	366,877	(70,521)	296,356	263,698	32,658
Textbooks	91,461	(761)	90,700	50,330	40,370
Other Objects	105,074	15,782	120,856	75,801	45,055
Total Regular Programs	<u>11,895,679</u>	<u>(21,451)</u>	<u>11,874,228</u>	<u>11,411,993</u>	<u>462,235</u>

**CLARK PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT (Continued)					
Learning and/or Language Disabilities					
Salaries of Teachers	\$ 245,444		\$ 245,444	\$ 240,482	\$ 4,962
Other Salaries for Instruction	132,768	\$ (6,746)	126,022	114,202	11,820
Purchased Professional/Educational Services	10,000	12,535	22,535	22,535	-
General Supplies	5,750	(3,455)	2,295	2,295	-
Total Learning and/or Language Disabilities	393,962	2,334	396,296	379,514	16,782
Multiple Disabilities					
Salaries of Teachers	41,758	16,402	58,160	58,160	-
Other Salaries for Instruction	27,770	-	27,770	26,070	1,700
General Supplies	4,750	(1,078)	3,672	3,107	565
Total Multiple Disabilities	74,278	15,324	89,602	87,337	2,265
Resource Room/Resource Center					
Salaries of Teachers	1,664,933	-	1,664,933	1,636,265	28,668
Other Salaries for Instruction	321,136	-	321,136	307,949	13,187
Purchased Professional/Educational Services	4,000	6,496	10,496	10,147	349
General Supplies	10,000	916	10,916	3,901	7,015
Textbooks	20,000	(4,355)	15,645	6,959	8,686
Total Resource Room/Resource Center	2,020,069	3,057	2,023,126	1,965,221	57,905
Preschool Disabilities - Part-Time					
Salaries of Teachers	217,051	-	217,051	181,393	35,658
General Supplies	4,500	-	4,500	812	3,688
Total Preschool Disabilities - Part-Time	221,551	-	221,551	182,205	39,346
Total Special Education	2,709,860	20,715	2,730,575	2,614,277	116,298
Basic Skills/Remedial					
Salaries of Teachers	419,940	-	419,940	397,373	22,567
Total Basic Skills/Remedial	419,940	-	419,940	397,373	22,567
Bilingual Education					
Salaries of Teachers	56,984	-	56,984	56,542	442
Total Bilingual Education	56,984	-	56,984	56,542	442
School Sponsored Co-Curricular Activities					
Salaries	164,802	-	164,802	121,520	43,282
Purchased Services		12,790	12,790	12,790	-
Supplies & Materials	67,500	(5,917)	61,583	58,430	3,153
Other Objects	33,800	(4,985)	28,815	24,837	3,978
Total School Sponsored Co-Curricular Activities	266,102	1,888	267,990	217,577	50,413

**CLARK PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

EXHIBIT C-1

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
EXPENDITURES					
CURRENT (Continued)					
School Sponsored Athletics					
Salaries	\$ 348,530	\$ 31,842	\$ 380,372	\$ 380,372	
Purchased Services	100,380	(15,933)	84,447	84,447	
Supplies and Materials	113,500	(9,744)	103,756	103,751	\$ 5
Other Objects	35,000	1,799	36,799	36,799	-
Total School Sponsored Athletics	<u>597,410</u>	<u>7,964</u>	<u>605,374</u>	<u>605,369</u>	<u>5</u>
Total Instruction	<u>15,945,975</u>	<u>9,116</u>	<u>15,955,091</u>	<u>15,303,131</u>	<u>651,960</u>
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs w/i State - Special	715,139	(49,414)	665,725	649,538	16,187
Tuition to County Voc. School Dist.-Regular	419,000	71,169	490,169	472,150	18,019
Tuition to County Voc. School Dist.- Special	36,000	-	36,000	21,600	14,400
Tuition to Priv. Sch. For the Disabled - Within State	1,076,844	(168,137)	908,707	908,707	-
Tuition Other	-	3,010	3,010	-	3,010
Total Undistributed Expenditures - Instruction	<u>2,246,983</u>	<u>(143,372)</u>	<u>2,103,611</u>	<u>2,051,995</u>	<u>51,616</u>
Attendance and Social Work					
Salaries	60,935	13,684	74,619	74,619	-
Total Attendance and Social Work	<u>60,935</u>	<u>13,684</u>	<u>74,619</u>	<u>74,619</u>	<u>-</u>
Health Services					
Salaries	312,985	1,581	314,566	314,566	-
Purchased Professional and Technical Services	27,000	(4,045)	22,955	22,955	-
Supplies and Materials	8,500	(497)	8,003	6,719	1,284
Other Objects	3,000	(1,191)	1,809	1,551	258
Total Health Services	<u>351,485</u>	<u>(4,152)</u>	<u>347,333</u>	<u>345,791</u>	<u>1,542</u>
Other Support Serv. Students - Speech, OT, PT & Related Serv.					
Salaries	277,064	99,563	376,627	376,627	-
Purchased Professional/Educational Services	119,417	26,464	145,881	136,425	9,456
Supplies and Materials	5,388	(3,529)	1,859	1,776	83
Total Other Supp.Serv. Student - Speech, OT, PT, & Related Serv. Speech, OT, PT, & Related Serv.	<u>401,869</u>	<u>122,498</u>	<u>524,367</u>	<u>514,828</u>	<u>9,539</u>
Other Support Services - Students - Extra Serv.					
Salaries	369,152	42,291	411,443	411,443	-
Total Other Supp.Serv. Student - Extra Serv.	<u>369,152</u>	<u>42,291</u>	<u>411,443</u>	<u>411,443</u>	<u>-</u>
Other Support Services - Students - Guidance					
Salaries of Other Professional Staff	638,937	11,113	650,050	650,050	-
Salaries of Secretarial & Clerical Assistants	121,870	-	121,870	121,300	570
Other Purchased Services	65,100	2,775	67,875	61,275	6,600
Supplies and Materials	9,200	(4,176)	5,024	4,719	305
Other Objects	4,625	(3,342)	1,283	1,112	171
Total Other Support Services - Students - Guidance	<u>839,732</u>	<u>6,370</u>	<u>846,102</u>	<u>838,456</u>	<u>7,646</u>

**CLARK PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

EXHIBIT C-1

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
EXPENDITURES					
CURRENT (Continued)					
Other Support Services - Students - Child Study Team					
Salaries of Other Professional Staff	\$ 835,027	\$ 10,741	\$ 845,768	\$ 845,768	
Salaries of Secretarial & Clerical Assistants	60,935	2,827	63,762	63,762	
Purchased Professional-Educational Services	28,599	20,637	49,236	48,886	\$ 350
Other Purchased Services	5,632	2,423	8,055	7,764	291
Supplies and Materials	7,000	-	7,000	6,646	354
	<u>937,193</u>	<u>36,628</u>	<u>973,821</u>	<u>972,826</u>	<u>995</u>
Total Other Support Services - Students - Child Study Team					
Improvement of Instructional Services					
Salaries of Supervisors of Instruction	187,250	293	187,543	187,543	-
Salaries of Other Professional Staff	52,030	-	52,030	50,179	1,851
Other Purchased Services	13,044	-	13,044	12,783	261
Supplies and Materials	3,000	(83)	2,917	684	2,233
Other Objects	10,000	-	10,000	7,685	2,315
	<u>265,324</u>	<u>210</u>	<u>265,534</u>	<u>258,874</u>	<u>6,660</u>
Total Improvement of Instructional Services					
Educational Media/School Library					
Salaries	56,984	-	56,984	56,780	204
Other Purchased Services	11,000	3,741	14,741	12,629	2,112
Supplies and Materials	67,120	540	67,660	41,627	26,033
	<u>135,104</u>	<u>4,281</u>	<u>139,385</u>	<u>111,036</u>	<u>28,349</u>
Total Educational Media/School Library					
Instructional Staff Training Services					
Purchased Professional-Educational Services	19,548	125	19,673	19,506	167
Other Objects	43,098	(28,800)	14,298	14,298	-
	<u>62,646</u>	<u>(28,675)</u>	<u>33,971</u>	<u>33,804</u>	<u>167</u>
Total Instructional Staff Training Services					
Support Services General Administration					
Salaries	259,989	-	259,989	259,839	150
Legal Services	107,700	5,972	113,672	113,672	-
Audit Fees	35,000	1,258	36,258	36,258	-
Architectural/Engineering Services	20,000	3,050	23,050	22,000	1,050
Purchased Technical Services	6,000	5,484	11,484	10,620	864
Communications/Telephone	299,000	(85,203)	213,797	169,007	44,790
BOE Other Purchased Services	2,500	-	2,500	1,843	657
Miscellaneous Purchased Services	141,110	3,336	144,446	143,363	1,083
General Supplies	10,000	13	10,013	5,621	4,392
Miscellaneous Expenditures	15,000	(89)	14,911	10,519	4,392
BOE Membership Dues and Fees	25,000	11,607	36,607	36,607	-
	<u>921,299</u>	<u>(54,572)</u>	<u>866,727</u>	<u>809,349</u>	<u>57,378</u>
Total Support Services General Administration					
Support Services School Administration					
Salaries of Principals/Asst. Principals/Prog Director	823,467	9,717	833,184	833,184	-
Salaries of Other Professional Staff	110,671	12,517	123,188	123,188	-
Salaries of Secretarial and Clerical Assistants	213,161	11,222	224,383	224,383	-
Purchased Professional and Technical Services	12,100	(12,100)	-	-	-
Other Purchased Services	-	20,400	20,400	18,691	1,709
Supplies and Materials	9,080	(3,738)	5,342	5,342	-
Other Objects	4,750	(1,397)	3,353	3,353	-
	<u>1,173,229</u>	<u>36,621</u>	<u>1,209,850</u>	<u>1,208,141</u>	<u>1,709</u>
Total Support Services School Administration					

**CLARK PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

EXHIBIT C-1

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
EXPENDITURES					
CURRENT (Continued)					
Undistributed Expenditures - Central Services					
Salaries	\$ 393,440		\$ 393,440	\$ 390,160	\$ 3,280
Misc. Purchased Services	1,000	\$ 4,095	5,095	3,741	1,354
Supplies and Materials	15,000	-	15,000	5,841	9,159
Miscellaneous Expenditures	4,250	-	4,250	2,361	1,889
Total Undistributed Expenditures - Central Services	413,690	4,095	417,785	402,103	15,682
Admin. Info. Technology					
Purchased Technical Services	68,850	195	69,045	69,045	-
Total Admin. Info. Technology	68,850	195	69,045	69,045	-
Required Maintenance for School Facilities					
Salaries	285,014	6,988	292,002	292,002	-
Cleaning, Repair and Maintenance Services	195,200	(16,093)	179,107	179,066	41
General Supplies	80,000	(39,999)	40,001	33,969	6,032
Total Required Maintenance for School Facilities	560,214	(49,104)	511,110	505,037	6,073
Custodial Services					
Salaries	343,934	5,855	349,789	349,789	-
Salaries of Non-Instructional Aides	140,079	-	140,079	93,170	46,909
Purchased Professional-Technical Services	27,000	(3,526)	23,474	15,841	7,633
Cleaning, Repair and Maintenance Services	867,648	(29,351)	838,297	814,835	23,462
Other Purchased Property Services	130,000	1,204	131,204	122,258	8,946
Insurance	161,528	-	161,528	151,503	10,025
General Supplies	39,000	28,800	67,800	64,747	3,053
Energy (Natural Gas)	185,000	(7,811)	177,189	138,409	38,780
Energy (Electricity)	400,000	(72,331)	327,669	323,068	4,601
Total Custodial Services	2,294,189	(77,160)	2,217,029	2,073,620	143,409
Care and Upkeep of Grounds					
Cleaning, Repair and Maintenance Services	52,500	(12,234)	40,266	22,918	17,348
General Supplies	12,500	-	12,500	2,774	9,726
Total Care and Upkeep of Grounds	65,000	(12,234)	52,766	25,692	27,074
Security					
Salaries	202,582	-	202,582	177,836	24,746
Purchased Professional and Technical Services	8,200	2,293	10,493	10,493	-
General Supplies	10,870	1,702	12,572	7,022	5,550
Total Security	221,652	3,995	225,647	195,351	30,296
Student Transportation Services					
Salaries of Non-Instructional Aides	78,390	-	78,390	56,368	22,022
Salaries for Pupil Trans. (Bet Home & School) - Spe Ed	-	1,309	1,309	1,309	-
Contracted Services - Aid in Lieu of Payments-Nonpublic Schools	70,720	(12,012)	58,708	56,576	2,132
Contracted Services (Between Home and School) - Vendors	342,500	61,023	403,523	402,993	530
Contracted Services (Other Than Btwn Home and School) - Vendors	153,960	55,202	209,162	206,899	2,263
Contracted Services (Special Ed Students) - Vendors	435,000	158,418	593,418	592,945	473
Contracted Services - (Regular Students) - ESCs & CTSAs	30,000	(19,149)	10,851	10,768	83
Misc. Purchased Services-Transportation	25,000	(2,507)	22,493	20,888	1,605
General Supplies	27,000	(8,187)	18,813	18,064	749
Total Student Transportation Services	1,162,570	234,097	1,396,667	1,366,810	29,857

**CLARK PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

EXHIBIT C-1

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
EXPENDITURES					
CURRENT (Continued)					
Unallocated Benefits- Employee Benefits					
Social Security Contributions	\$ 407,000	\$ 54,559	\$ 461,559	\$ 378,973	\$ 82,586
Other Retirement Contributions - PERS	325,000	(735)	324,265	298,673	25,592
Unemployment Compensation	75,000	2,281	77,281	77,281	-
Workmen's Compensation	165,000	-	165,000	162,915	2,085
Health Benefits	4,507,597	(71,410)	4,436,187	4,127,893	308,294
Other Employee Benefits	58,000	7,671	65,671	65,671	-
Total Unallocated Benefits	<u>5,537,597</u>	<u>(7,634)</u>	<u>5,529,963</u>	<u>5,111,406</u>	<u>418,557</u>
On-Behalf (Non-Budget)					
TPAF Pension Benefit Contribution - (Non-Budget)				1,552,022	(1,552,022)
TPAF Pension - NCGI Premium (Non-Budget)				56,233	(56,233)
TPAF Long-Term Disability Insurance				3,795	(3,795)
TPAF Post Retirement Medical Contribution (Non-Budget)				1,340,043	(1,340,043)
TPAF Social Security Contributions (Non-Budget)	-	-	-	1,100,831	(1,100,831)
Total On-Behalf	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,052,924</u>	<u>(4,052,924)</u>
Total Undistributed Expenditures	<u>18,088,713</u>	<u>128,062</u>	<u>18,216,775</u>	<u>21,433,150</u>	<u>(3,216,375)</u>
Total Current Expenditures	<u>34,034,688</u>	<u>137,178</u>	<u>34,171,866</u>	<u>36,736,281</u>	<u>(2,564,415)</u>
CAPITAL OUTLAY					
Equipment					
Grades 1 - 5	15,000	387	15,387	4,387	11,000
Admin. Info Tech	49,500	-	49,500		49,500
Care and Upkeep of Grounds	-	865	865		865
Security	5,000	-	5,000	-	5,000
Total Equipment	<u>69,500</u>	<u>1,252</u>	<u>70,752</u>	<u>4,387</u>	<u>66,365</u>
Facilities Acquisition and Construction Services					
Assessment for Debt Service on SDA Funding	119,442	-	119,442	119,442	-
Total Facilities Acquisition and Construction Services	<u>119,442</u>	<u>-</u>	<u>119,442</u>	<u>119,442</u>	<u>-</u>
Total Capital Outlay	<u>188,942</u>	<u>1,252</u>	<u>190,194</u>	<u>123,829</u>	<u>66,365</u>
SPECIAL SCHOOLS					
Summer School - Instruction					
Salaries of Teachers	80,000	(5,000)	75,000	47,740	27,260
Other Purchased Services		5,000	5,000		5,000
Other Objects	-	5,000	5,000	1,208	3,792
Total Special Schools	<u>80,000</u>	<u>5,000</u>	<u>85,000</u>	<u>48,948</u>	<u>36,052</u>
Total General Fund	<u>34,303,630</u>	<u>143,430</u>	<u>34,447,060</u>	<u>36,909,058</u>	<u>(2,461,998)</u>

CLARK PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
Excess (Deficiency) of Revenues Over/(Under) Expenditures	\$ (929,460)	\$ (143,430)	\$ (1,072,890)	\$ 692,787	\$ 1,765,677
Fund Balance, Beginning of Year	<u>2,973,344</u>	-	<u>2,973,344</u>	<u>2,973,344</u>	-
Fund Balance, End of Year	<u>\$ 2,043,884</u>	<u>\$ (143,430)</u>	<u>\$ 1,900,454</u>	<u>\$ 3,666,131</u>	<u>\$ 1,765,677</u>
Recapitulation:					
Restricted Fund Balance					
Excess Surplus				\$ 1,554,344	
Capital Reserve				585,663	
Maintenance Reserve				750,000	
Assigned Fund Balance					
Year End Encumbrances				91,987	
Unassigned Fund Balance				<u>684,137</u>	
Fund Balance- Budgetary Basis				3,666,131	
Less: State Aid Revenue not recognized on GAAP basis				<u>(155,849)</u>	
Fund Balance per Governmental Funds Statements (GAAP)				<u>\$ 3,510,282</u>	

**CLARK PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Intergovernmental					
State	\$ 388,196	\$ 333,882	\$ 722,078	\$ 435,049	\$ (287,029)
Federal	647,497	(180,931)	466,566	662,997	196,431
Local	-	-	-	-	-
Total Revenues	<u>1,035,693</u>	<u>152,951</u>	<u>1,188,644</u>	<u>1,098,046</u>	<u>(90,598)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	43,401	(150)	43,251	43,251	-
Purchased Professional/Educational Services	15,109	18,991	34,100	34,100	-
Tuition	477,418	94,650	572,068	554,471	17,597
General Supplies	95,544	(31,635)	63,909	38,418	25,491
Textbooks	34,508	4,629	39,137	37,985	1,152
Total Instruction	<u>665,980</u>	<u>86,485</u>	<u>752,465</u>	<u>708,225</u>	<u>44,240</u>
Support Services					
Personal Services Employee-Benefits	11,285	-	11,285	11,285	-
Purchased Professional/Educational Services	338,579	56,989	395,568	363,114	32,454
Other Purchased Services	19,849	9,477	29,326	15,422	13,904
Total Support Services	<u>369,713</u>	<u>66,466</u>	<u>436,179</u>	<u>389,821</u>	<u>46,358</u>
Total Expenditures	<u>1,035,693</u>	<u>152,951</u>	<u>1,188,644</u>	<u>1,098,046</u>	<u>90,598</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, 2017**

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

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

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedule	\$ 37,601,845	\$ 1,098,046
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, 2016		-
Encumbrances June 30, 2017		-
State Aid payment not recognized for budgetary purposes, recognized for GAAP statements. 2015/2016 State Aid	182,997	
State Aid payment recognized for budgetary purposes, not recognized for GAAP statements. 2016/2017 State Aid	<u>(155,849)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 37,628,993</u>	<u>\$ 1,098,046</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 36,909,058	\$ 1,098,046
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, 2016		-
Encumbrances June 30, 2017	<u>-</u>	<u>-</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 36,909,058</u>	<u>\$ 1,098,046</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 Four Fiscal Years*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.03113%	0.03291%	0.03286%	0.03257%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 9,220,197	\$ 7,386,520	\$ 6,152,107	\$ 6,741,273
District's Covered-Employee Payroll	\$ 2,062,445	\$ 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	447.05%	360.31%	279.43%	308.32%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	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 Statement 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 Four Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 276,566	\$ 282,895	\$ 270,885	\$ 265,771
Contributions in Relation to the Contractually Required Contribution	<u>276,566</u>	<u>282,895</u>	<u>270,885</u>	<u>265,771</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 2,062,445	\$ 2,050,030	\$ 2,201,638	\$ 2,186,439
Contributions as a Percentage of Covered-Employee Payroll	13.41%	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. 68. 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 Four Fiscal Years*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$0	\$0	\$0	\$0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 118,927,288</u>	<u>\$ 96,800,736</u>	<u>\$ 80,987,570</u>	<u>\$ 76,907,380</u>
Total	<u>\$ 118,927,288</u>	<u>\$ 96,800,736</u>	<u>\$ 80,987,570</u>	<u>\$ 76,907,380</u>
District's Covered-Employee Payroll	\$ 14,930,047	\$ 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%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	22.33%	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. 68. 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, 2017**

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 4D.

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, 2017

	Ch. 192 Svcs.			Ch. 193 Svcs.			Total Page 2	Grand Total 2017				
	Nonpublic Nursing	Nonpublic Textbooks	Nonpublic Technology	Nonpublic Security	Nonpublic Compensatory Education	Nonpublic Transport.			Home Instruction	Nonpublic Supplemental Instruction	Nonpublic Exam./ Classification.	Nonpublic Corrective Speech
REVENUES												
Intergovernmental												
State	\$ 55,200	\$ 37,985	\$ 17,310	\$ 33,950	\$ 145,932	\$ 17,599	\$ 4,184	\$ 43,786	\$ 59,931	\$ 19,172	-	\$ 435,049
Federal	-	-	-	-	-	-	-	-	-	-	\$ 662,997	662,997
Total Revenues	\$ 55,200	\$ 37,985	\$ 17,310	\$ 33,950	\$ 145,932	\$ 17,599	\$ 4,184	\$ 43,786	\$ 59,931	\$ 19,172	\$ 662,997	\$ 1,098,046
EXPENDITURES												
Instruction												
Salaries of Teachers											\$ 43,251	\$ 43,251
Purchased Professional/ Educational Services				\$ 33,950							150	34,100
Tuition											554,471	554,471
General Supplies											38,418	38,418
Textbooks	-	\$ 37,985	-	-	-	-	-	-	-	-	-	37,985
Total Instruction	-	37,985	-	33,950	-	-	-	-	-	-	636,290	708,225
Support Services												
Personal Services Employee-Benefits											11,285	11,285
Purchased Professional/ Educational Services	\$ 55,200		\$ 17,310		\$ 145,932	\$ 17,599	\$ 4,184	\$ 43,786	\$ 59,931	\$ 19,172	-	363,114
Other Purchased Services	-	-	-	-	-	-	-	-	-	-	15,422	15,422
Total Support Services	55,200	-	17,310	-	145,932	17,599	4,184	43,786	59,931	19,172	26,707	389,821
Total Expenditures	\$ 55,200	\$ 37,985	\$ 17,310	\$ 33,950	\$ 145,932	\$ 17,599	\$ 4,184	\$ 43,786	\$ 59,931	\$ 19,172	\$ 662,997	\$ 1,098,046

CLARK PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

REVENUES	Title I	Title IIA	Title III	IDEA	IDEA	Total
	<u>2016/17</u>	<u>2016/17</u>	<u>Immigrant</u>	<u>Part B</u>	<u>Preschool</u>	<u>Page 2</u>
			<u>2016/17</u>			
Intergovernmental						
State						
Federal	\$ 35,913	\$ 46,596	\$ 2,505	\$ 554,471	\$ 23,512	\$ 662,997
Total Revenues	<u>\$ 35,913</u>	<u>\$ 46,596</u>	<u>\$ 2,505</u>	<u>\$ 554,471</u>	<u>\$ 23,512</u>	<u>\$ 662,997</u>
EXPENDITURES						
Instruction						
Salaries of Teachers		\$ 24,741			\$ 18,510	\$ 43,251
Purchased Professional/ Educational Services					150	150
Tuition				\$ 554,471		554,471
General Supplies	\$ 35,913		\$ 2,505			38,418
Textbooks	-	-	-	-	-	-
Total Instruction	<u>35,913</u>	<u>24,741</u>	<u>2,505</u>	<u>554,471</u>	<u>18,660</u>	<u>636,290</u>
Support Services						
Personal Services Employee-Benefits		6,433			4,852	11,285
Purchased Professional/ Educational Services						-
Other Purchased Services	-	15,422	-	-	-	15,422
Total Support Services	<u>-</u>	<u>21,855</u>	<u>-</u>	<u>-</u>	<u>4,852</u>	<u>26,707</u>
Total Expenditures	<u>\$ 35,913</u>	<u>\$ 46,596</u>	<u>\$ 2,505</u>	<u>\$ 554,471</u>	<u>\$ 23,512</u>	<u>\$ 662,997</u>

**CLARK PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID
SCHEDULE OF EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOT APPLICABLE

CAPITAL PROJECTS FUND

**CLARK PUBLIC SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES - BUDGETARY BASIS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<u>Issue/Project Title</u>	<u>Modified Appropriation</u>	<u>Expenditures to Date</u>		<u>Balance June 30, 2017</u>
		<u>Prior Years</u>	<u>Current Year</u>	
ALJ High School - Restroom ADA Upgrades	\$ 174,333	\$ 171,132		\$ 3,201
Valley Road Elementary School - Restroom ADA Upgrades	193,400	176,700		16,700
Karl H. Kumpf Middle School - Restroom ADA Upgrades	188,706	173,806	\$ 1,796	13,104
Frank K. Henly Elementary School - Restroom ADA Upgrades	113,238	99,538		13,700
Valley Road Elementary School - Window Replacements	595,615	65,375	505,209	25,031
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,265,292</u>	<u>\$ 686,551</u>	<u>\$ 507,005</u>	<u>\$ 71,736</u>

Reconciliation to GAAP

Project Balances, June 30, 2017	<u>\$ 71,736</u>
Fund Balance, June 30, 2017 - GAAP	<u>\$ 71,736</u>

Recapitulation of Fund Balance

Restricted for Capital Projects	
Available for Capital Projects	<u>\$ 71,736</u>
Total Fund Balance - Restricted for Capital Projects	<u>\$ 71,736</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, 2017**

Revenues and Other Financing Sources

State Sources - SDA Grant	-
Transfer from General Fund - Capital Reserve	-
	<hr/>
Total Revenues	-

Expenditures and Other Financing Uses

Expenditures:	
Architect/Engineering Services	\$ 1,796
Construction Services	505,209
Other Financing Uses	
Cancelled SDA Grant Receivable	28,617
	<hr/>
Total Expenditures and Other Financing Uses	535,622

Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(535,622)
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Fund Balance- Beginning of Year	\$ 607,358
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Fund Balance- Ending of Year	\$ 71,736
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Reconciliation to GAAP Basis

Fund Balance, June 30, 2017 - Budgetary Basis	\$ 71,736
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Fund Balance, June 30, 2017-GAAP Basis	\$ 71,736
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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, 2017

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources- SDA Grant	\$ 69,959	\$ (226)	\$ 69,733	\$ 69,733
Local Contribution - Transfer From Capital Reserve	104,939	(339)	104,600	104,600
Total Revenues and Other Financing Sources	<u>174,898</u>	<u>(565)</u>	<u>174,333</u>	<u>174,333</u>
Expenditures and Other Financing Uses				
Architect/Engineering Services	8,300	-	8,300	11,398
Construction Services	162,832	\$ -	162,832	162,935
Total Expenditures and Other Financing Uses	<u>171,132</u>	<u>-</u>	<u>171,132</u>	<u>174,333</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 3,766</u>	<u>\$ (565)</u>	<u>\$ 3,201</u>	<u>\$ -</u>
Additional Project Information:				
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)	(565)			
Revised Authorization Cost	174,333			
Percentage Increase over Original				
Authorized Cost	-0.32%			
Percentage Completion	98.16%			
Original Target Completion Date	December 31, 2014			
Revised Target Completion Date	July 31, 2016			

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, 2017

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Preliminary Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources- SDA Grant	\$ 85,148	\$ (7,788)	\$ 77,360	\$ 77,360
Local Contribution - Transfer From Capital Reserve	127,723	(11,683)	116,040	116,040
Total Revenues and Other Financing Sources	<u>212,871</u>	<u>(19,471)</u>	<u>193,400</u>	<u>193,400</u>
Expenditures and Other Financing Uses				
Architect/Engineering Services			-	-
Construction Services	176,700	-	176,700	193,400
Total Expenditures and Other Financing Uses	<u>176,700</u>	<u>-</u>	<u>176,700</u>	<u>193,400</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 36,171</u>	<u>\$ (19,471)</u>	<u>\$ 16,700</u>	<u>\$ -</u>
Additional Project Information:				
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)	(19,471)			
Revised Authorization Cost	193,400			
Percentage Increase over Original				
Authorized Cost	-9.15%			
Percentage Completion	91.37%			
Original Target Completion Date	June 30, 2017			
Revised Target Completion Date	June 30, 2017			

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, 2017

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Preliminary Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources- SDA Grant	\$ 67,420		\$ 67,420	\$ 67,420
Local Contribution - Transfer From Capital Reserve	101,130	\$ 20,156	121,286	121,286
Total Revenues and Other Financing Sources	<u>168,550</u>	<u>20,156</u>	<u>188,706</u>	<u>188,706</u>
Expenditures and Other Financing Uses				
Architect/Engineering Services		1,796	1,796	1,796
Construction Services	173,806	-	173,806	186,910
Total Expenditures and Other Financing Uses	<u>173,806</u>	<u>1,796</u>	<u>175,602</u>	<u>188,706</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (5,256)</u>	<u>\$ 18,360</u>	<u>\$ 13,104</u>	<u>\$ -</u>
Additional Project Information:				
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)	20,156			
Revised Authorization Cost	188,706			
Percentage Increase over Original				
Authorized Cost	11.96%			
Percentage Completion	93.06%			
Original Target Completion Date	June 30, 2017			
Revised Target Completion Date	June 30, 2017			

**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, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Preliminary Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources- SDA Grant	\$ 57,444	\$ (12,524)	\$ 44,920	\$ 44,920
Local Contribution - Transfer From Capital Reserve	86,166	(17,848)	68,318	68,318
Total Revenues and Other Financing Sources	<u>143,610</u>	<u>(30,372)</u>	<u>113,238</u>	<u>113,238</u>
Expenditures and Other Financing Uses				
Architect/Engineering Services			-	-
Construction Services	99,538	-	99,538	113,238
Total Expenditures and Other Financing Uses	<u>99,538</u>	<u>-</u>	<u>99,538</u>	<u>113,238</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 44,072</u>	<u>\$ (30,372)</u>	<u>\$ 13,700</u>	<u>\$ -</u>
Additional Project Information:				
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)	(30,372)			
Revised Authorization Cost	113,238			
Percentage Increase over Original				
Authorized Cost	-21.15%			
Percentage Completion	87.90%			
Original Target Completion Date	June 30, 2017			
Revised Target Completion Date	June 30, 2017			

**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, 2017**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Preliminary Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources- SDA Grant	\$ 237,592	\$ (8,079)	\$ 229,513	\$ 229,513
Local Contribution - Transfer From Capital Reserve	356,388	9,714	366,102	366,102
Total Revenues and Other Financing Sources	<u>593,980</u>	<u>1,635</u>	<u>595,615</u>	<u>595,615</u>
Expenditures and Other Financing Uses				
Architect/Engineering Services	29,275		29,275	41,000
Construction Services	36,100	505,209	541,309	554,615
Total Expenditures and Other Financing Uses	<u>65,375</u>	<u>505,209</u>	<u>570,584</u>	<u>595,615</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 528,605</u>	<u>\$ (503,574)</u>	<u>\$ 25,031</u>	<u>\$ -</u>
Additional Project Information:				
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)	1,635			
Revised Authorization Cost	595,615			
Percentage Increase over Original				
Authorized Cost	0.28%			
Percentage Completion	95.80%			
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, 2017**

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, 2017**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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, 2017**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
ASSETS			
Cash	\$ 163,938	\$ 521,762	\$ 685,700
Intergovernmental Receivable	<u>-</u>	<u>31,591</u>	<u>31,591</u>
Total Assets	<u>\$ 163,938</u>	<u>\$ 553,353</u>	<u>\$ 717,291</u>
LIABILITIES			
Due to Other Funds		\$ 273,507	\$ 273,507
Due to Student Groups	\$ 163,938		163,938
Employee Deposits Payable-Summer Payroll		206,515	206,515
Accrued Salaries and Wages		173	173
Payroll Deductions and Withholding Payables		67,673	67,673
Flexible Spending Deposits	<u>-</u>	<u>5,485</u>	<u>5,485</u>
Total Liabilities	<u>\$ 163,938</u>	<u>\$ 553,353</u>	<u>\$ 717,291</u>

**CLARK PUBLIC SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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, 2017**

	Balance, July 1, <u>2016</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2017</u>
ELEMENTARY SCHOOLS				
Valley Road	\$ 14,219	\$ 32,904	\$ 31,533	\$ 15,590
Frank K. Hehnlly	15,575	20,546	21,781	14,340
Clark School Account		235	100	135
MIDDLE SCHOOL				
Carl H. Kumpf	46,614	88,626	93,036	42,204
HIGH SCHOOL				
Athletic Account	50	61,047	56,466	4,631
Arthur L. Johnson	72,158	111,367	98,450	85,075
Internal School Account	-	9,813	7,850	1,963
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total All Schools	\$ 148,616	\$ 324,538	\$ 309,216	\$ 163,938

EXHIBIT H-4

**PAYROLL AGENCY FUND
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Balance, July 1, <u>2016</u>	<u>Additions</u>	<u>Deletions</u>	Balance, June 30, <u>2017</u>
ASSETS				
Cash	\$ 459,055	\$ 23,020,817	\$ 22,958,110	\$ 521,762
Intergovernmental Receivable	31,591	-	-	31,591
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	\$ 490,646	\$ 23,020,817	\$ 22,958,110	\$ 553,353
LIABILITIES				
Due to Other Funds	\$ 271,336	\$ 2,795	\$ 624	\$ 273,507
Employee Deposits Payable - Summer Payroll	212,808	206,515	212,808	206,515
Flexible Spending Deposits	5,501	6,067	6,083	5,485
Accrued Salaries and Wages	1,636	12,499,615	12,501,078	173
Payroll Deductions and Withholdings Payable	(635)	10,305,825	10,237,517	67,673
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	\$ 490,646	\$ 23,020,817	\$ 22,958,110	\$ 553,353

LONG-TERM DEBT

CLARK PUBLIC SCHOOL DISTRICT
 LONG-TERM DEBT
 SCHEDULE OF SERIAL BONDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2016</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2017</u>
			<u>Date</u>	<u>Amount</u>					
Refunding School Bonds	12/4/12	\$ 14,145,000	6/01/18	\$ 975,000	2.00%				
			6/01/19	975,000	4.00%				
			6/01/20	1,010,000	4.00%				
			6/01/21	1,095,000	3.73%				
			6/01/22	1,295,000	4.00%				
			6/01/23	1,590,000	4.00%				
			6/01/24	1,705,000	2.63%				
			6/01/25	1,710,000	2.75%				
			6/01/26	1,755,000	3.00%				
						\$ 13,060,000	-	\$ 950,000	\$ 12,110,000
						\$ 13,060,000	\$ -	\$ 950,000	\$ 12,110,000

**CLARK PUBLIC SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF CAPITAL LEASES AND LEASE PURCHASE AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

<u>Purpose</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance, June 30, 2016</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance, June 30, 2017</u>
Capital Leases						
Telecommunication System	\$ 336,519	4.00%	\$ 67,836		\$ 67,836	
10 Savin Copiers	311,792	4.80%	84,026		66,875	\$ 17,151
Digital Mailing Systems	21,072	0.00%	1,317		1,317	-
Digital Copier	15,894	3.00%	12,551	\$ -	3,034	9,517
			165,730	-	139,062	26,668
Lease-Purchase Agreements						
Apple Computers	329,310	0.00%	219,540	-	109,770	109,770
			\$ 385,270	\$ -	\$ 248,832	\$ 136,438

CLARK PUBLIC SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Local Sources					
Local Tax Levy	\$ 1,387,532	-	\$ 1,387,532	\$ 1,387,532	-
Total Revenues	<u>1,387,532</u>	<u>-</u>	<u>1,387,532</u>	<u>1,387,532</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Principal	950,000		950,000	950,000	
Interest on Bonds	<u>437,532</u>	<u>-</u>	<u>437,532</u>	<u>437,532</u>	<u>-</u>
Total Expenditures	<u>1,387,532</u>	<u>-</u>	<u>1,387,532</u>	<u>1,387,532</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)

	Fiscal Year Ended June 30,									
	2008	2009	2010	2011 (1)	2012	2013	2014	2015	2016	2017
Governmental Activities										
Net Investment In Capital Assets	\$ 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	\$ 13,705,490
Restricted	2,822,253	2,052,788	889,081	162,011	362,011	382,501	1,357,029	2,009,330	1,697,976	1,407,399
Unrestricted	8,360	109,679	(97,354)	354,620	674,667	1,624,260	(4,692,995)	(5,095,914)	(6,367,405)	(6,101,114)
Total Governmental Activities Net Position	<u>\$ 18,369,098</u>	<u>\$ 21,481,185</u>	<u>\$ 21,922,615</u>	<u>\$ 21,210,278</u>	<u>\$ 20,625,984</u>	<u>\$ 20,541,782</u>	<u>\$ 14,212,074</u>	<u>\$ 13,486,079</u>	<u>\$ 9,591,971</u>	<u>\$ 9,011,775</u>
Business-Type Activities										
Net Investment In Capital Assets	\$ 8,822	\$ 19,279	\$ 141,417	\$ 11,361	\$ 10,365	\$ 9,368	\$ 8,372	\$ 15,732	\$ 173,146	\$ 187,318
Unrestricted	51,164	(8,613)	(73,310)	(47,475)	39,058	161,654	256,768	549,426	831,023	1,184,767
Total Business-Type Activities Net Position	<u>\$ 59,986</u>	<u>\$ 10,666</u>	<u>\$ 68,107</u>	<u>\$ (36,114)</u>	<u>\$ 49,423</u>	<u>\$ 171,022</u>	<u>\$ 265,140</u>	<u>\$ 565,158</u>	<u>\$ 1,004,169</u>	<u>\$ 1,372,085</u>
District-Wide										
Net Investment In Capital Assets	\$ 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	\$ 13,892,808
Restricted	2,822,253	2,052,788	889,081	162,011	362,011	382,501	1,357,029	2,009,330	1,697,976	1,407,399
Unrestricted	59,524	101,066	(170,665)	307,145	713,725	1,785,914	(4,436,227)	(4,546,488)	(5,536,382)	(4,916,347)
Total District Net Position	<u>\$ 18,429,084</u>	<u>\$ 21,491,851</u>	<u>\$ 21,990,721</u>	<u>\$ 21,174,164</u>	<u>\$ 20,675,407</u>	<u>\$ 20,712,804</u>	<u>\$ 14,477,214</u>	<u>\$ 14,051,237</u>	<u>\$ 10,596,140</u>	<u>\$ 10,383,860</u>

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)

	Fiscal Year Ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental Activities										
Instruction	\$ 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	\$ 23,893,780
Special Education Instruction				4,254,388	4,204,766	4,647,130	4,504,738	6,003,305	6,842,631	7,230,657
Other Instruction				786,089	655,131	752,665	641,301	709,751	832,791	926,423
School Sponsored Activities and Athletics				853,285	965,481	865,920	902,524	953,377	932,447	1,069,420
Support Services:										
Tuition		1,809,790	1,659,492							
Student and Instruction Related Services	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	6,279,967
General Administration Services	854,921	881,988	845,029	993,837	1,155,219	947,143	816,658	781,746	643,497	979,981
School Administrative Services	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	2,222,532
Central and Other Support Services	603,682	437,769	432,399	691,176	573,788	629,245	628,734	720,876	844,452	662,608
Plant Operations and Maintenance	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	3,286,336
Pupil Transportation Services	1,068,602	1,014,507	775,049	789,990	859,168	942,558	866,858	1,037,189	1,468,123	1,446,708
Interest On Long-Term Debt	828,700	801,873	773,494	730,798	697,192	642,044	592,530	552,422	511,849	473,902
Unallocated Depreciation and Amortization										
Total Governmental Activities Expenses	<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>	<u>48,472,314</u>
Business-Type Activities:										
Food Service	665,732	652,721	650,372	572,364	658,295	649,233	631,893	628,176	664,892	656,503
Before and After School Program					274,635	320,664	411,722	272,655	319,264	326,787
Total Business-Type Activities Expense	<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>	<u>983,290</u>
Total District Expenses	<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>	<u>\$ 49,455,604</u>
Program Revenues										
Governmental Activities:										
Charges For Services:										
Instruction	\$ 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	\$ 1,922,961
Pupil Transportation				107,892	139,320	201,733	136,081	213,134	119,066	125,198
Operating Grants And Contributions	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	13,688,326
Capital Grants And Contributions	2,584,538	3,508,060	268,431	157,877	31,545		3,320	65,133	204,065	216,428
Total Governmental Activities Program Revenues	<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>	<u>15,952,913</u>
Business-Type Activities:										
Charges For Services										
Food Service	\$ 610,158	\$ 512,886	\$ 464,543	\$ 483,801	\$ 530,527	\$ 498,124	\$ 526,372	\$ 532,264	\$ 563,073	\$ 582,632
Before and After School Program					324,759	441,487	496,257	547,455	595,433	632,477
Operating Grants And Contributions	71,044	74,150	82,976	113,018	137,181	111,885	115,104	121,130	125,639	135,109
Capital Grants And Contributions			160,000							
Total Business Type Activities Program Revenues	<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>	<u>1,350,218</u>
Total District Program Revenues	<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>	<u>\$ 17,303,131</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (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)	\$ (32,519,401)
Business-Type Activities	15,470	(65,685)	57,147	24,455	59,537	81,599	94,118	300,018	299,989	366,928
Total District-Wide Net Expense	<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>	<u>\$ (32,152,473)</u>

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

	Fiscal Year Ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Revenues And Other Changes In Net Position										
Governmental Activities:										
Property Taxes Levied For General Purposes	\$ 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	\$ 30,188,919
Property Taxes Levied For Debt Service	718,543	863,709	863,709	1,463,709	1,525,942	1,537,009	1,405,790	1,426,782	1,410,881	1,387,532
State Aid, Unrestricted	5,383,104	4,969,522	5,387,583	30,400	28,630	27,796	2,196	2,268	2,257	2,265
Investment Earnings	403,380	72,175	39,387	19,712	11,161	10,436	5,859	7,121	6,362	6,145
Miscellaneous Income	55,615	174,339	584,635	643,374	96,830	156,159	216,947	168,741	104,701	120,701
Transfers	-	(15,000)	-	-	(26,000)	(40,000)	-	-	-	-
Total Governmental Activities	32,757,941	32,480,444	33,665,514	29,215,297	28,919,665	29,182,240	29,447,123	29,811,712	30,295,136	31,705,562
Business-Type Activities:										
Investment Earnings	-	\$ 1,365	\$ 295	-	-	-	-	-	\$ 362	\$ 988
Transfers	-	15,000	-	-	26,000	40,000	-	-	-	-
Total Business-Type Activities	-	16,365	295	-	26,000	40,000	-	-	362	988
Total District-Wide	\$ 32,757,941	\$ 32,496,809	\$ 33,665,809	\$ 29,215,297	\$ 28,945,665	\$ 29,222,240	\$ 29,447,123	\$ 29,811,712	\$ 30,295,498	\$ 31,706,550
Change In Net Position										
Governmental Activities	\$ 2,566,193	\$ 3,112,068	\$ 441,428	\$ (745,166)	\$ (584,294)	\$ (84,202)	\$ 411,566	\$ (725,995)	\$ (2,000,802)	\$ (813,839)
Business-Type Activities	15,470	(49,320)	57,442	24,455	85,537	121,599	94,118	300,018	300,351	367,916
Total District	\$ 2,581,663	\$ 3,062,748	\$ 498,870	\$ (720,711)	\$ (498,757)	\$ 37,397	\$ 505,684	\$ (425,977)	\$ (1,700,451)	\$ (445,923)

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

	Fiscal Year Ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Reserved	\$ 2,565,372	\$ 1,178,996	\$ 982,473							
Unreserved	712,787	1,054,452	475,786							
Restricted				\$ 418,855	\$ 712,592	\$ 1,457,002	\$ 1,171,226	\$ 3,794,969	\$ 2,219,713	\$ 2,890,007
Committed						231,590	55,313	65,388	-	-
Assigned				120,163	359,919	289,893	261,068	256,514	188,840	91,987
Unassigned				479,516	475,325	441,671	2,405,555	552,381	381,794	528,288
Total General Fund	<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>	<u>\$ 3,510,282</u>
All Other Governmental Funds										
Unreserved, Reported In										
Capital Projects Fund	\$ 1,798,536	\$ 298,273	\$ 582,121							
Debt Service Fund	56,424	1	(607,942)							
Restricted				\$ 162,011	\$ 162,011	\$ 182,501	\$ 99,959	\$ 2,260	\$ 362,313	\$ 71,736
Total All Other Governmental Funds	<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>	<u>\$ 71,736</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,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Property Tax Levy	\$ 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	\$ 31,576,451
Tuition Charges	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	1,922,961
Transportation Fees				107,892	139,320	201,733	136,081	213,134	119,066	125,198
Interest Earnings	800,139	403,380	72,175	19,712	11,161	10,436	5,859	7,121	6,362	6,145
Miscellaneous	165,812	88,138	174,339	662,652	113,945	173,655	226,878	186,177	109,628	120,701
Intermediate Sources										
State Sources	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	5,888,692
Federal Sources	560,560	605,525	649,458	766,035	810,721	714,018	631,035	638,565	709,566	690,851
Total Revenue	40,724,800	38,009,317	37,918,492	35,200,784	36,011,476	37,394,314	37,306,769	37,812,727	38,352,386	40,330,999
Expenditures										
Instruction	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	16,910,254
Special Education Instruction				4,251,339	4,188,235	4,656,410	4,505,192	5,509,495	5,915,696	5,961,945
Other Instruction				785,569	651,649	754,629	641,390	614,062	703,821	709,702
School Sponsored Activities and Athletics				852,518	960,996	867,820	902,620	956,124	917,527	1,014,810
Support Services										
Tuition	1,580,062	1,734,030	1,809,790							
Student and Instruction Related Services	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	5,299,734
General Administration Services	1,045,377	1,118,951	963,949	993,380	1,152,338	815,196	816,702	782,594	638,992	951,709
School Administrative Services	866,046	935,565	859,405	1,552,544	1,633,925	1,885,112	1,891,765	1,925,942	1,909,819	1,742,520
Central and Other Support Services	422,306	447,389	432,733	690,573	570,854	630,646	628,807	723,102	832,222	620,155
Plant Operations And Maintenance	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	3,148,646
Student Transportation Services	949,367	1,056,708	1,002,165	789,795	858,139	943,053	866,879	1,037,589	1,435,137	1,388,859
Employee Benefits	4,117,807	4,100,329	4,427,129							
On-Behalf TPAF and Pension Contributions	3,579,080	3,623,932	2,109,055							
Cost of Issuance										
Capital Outlay	13,348,368	6,509,889	5,331,065	727,930	170,923	886,103	281,079	257,432	854,570	511,392
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	1,198,832
Interest And Other Charges	784,040	833,968	794,222	735,577	702,402	626,133	556,875	517,822	476,978	443,083
Cost of Issuance						133,038	-	-	-	-
Advanced Refunding Escrow						1,298,208	-	-	-	-
Total Expenditures	47,731,281	42,684,210	41,012,707	35,552,678	35,456,174	38,582,553	35,916,304	37,479,540	39,871,238	39,901,641
Excess (Deficiency) Of Revenues Over (Under) Expenditures	(7,006,481)	(4,674,893)	(3,094,215)	(151,894)	555,302	(1,188,239)	1,390,465	333,187	(1,518,852)	429,358
Other Financing Sources (Uses)										
Capital Lease/Lease Purchase Proceeds						689,803	-	345,204	-	-
Bond Proceeds	684,000					14,145,000	-	-	-	-
Premium on Refunding						920,246	-	-	-	-
Payment to Refunding Bond Escrow Agent						(13,634,000)	-	-	-	-
Transfers In	538,432	195,641	946	651,624			266,948			
Transfers Out	(538,432)	(195,641)	(15,946)	(651,624)	(26,000)	(40,000)	(266,948)			
Total Other Financing Sources (Uses)	684,000	-	(15,000)	-	(26,000)	2,081,049	-	345,204	-	-
Net Change In Fund Balances	\$ (6,322,481)	\$ (4,674,893)	\$ (3,109,215)	\$ (151,894)	\$ 529,302	\$ 892,810	\$ 1,390,465	\$ 678,391	\$ (1,518,852)	\$ 429,358
Debt Service As A Percentage Of Noncapital Expenditures	3.73%	4.02%	4.16%	4.49%	4.47%	8.31%	4.43%	4.24%	4.29%	4.17%

* Noncapital expenditures are total expenditures less capital outlay.

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

Fiscal Year Ended June 30,	<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>
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
2017	1,922,961	125,198	6,145		37,280	-			83,421	2,175,005

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
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
2017	5,394,500	594,456,200			100,864,100	22,574,700	33,457,700	756,747,200	282,304	757,029,504	2,547,205,599	4.210

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		
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
2017	4.210	2.342	1.864		8.416

Source: 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	
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%	-
2017	31,576,451	31,576,451	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			
2008	\$ 19,398,000	\$ 55,932	\$ 19,453,932	14,313	\$ 1,359
2009	18,708,000		18,708,000	14,431	1,296
2010	17,948,000		17,948,000	14,775	1,215
2011	17,128,000		17,128,000	14,835	1,155
2012	16,253,000		16,253,000	14,923	1,089
2013	15,820,000	559,307	16,379,307	15,021	1,090
2014	14,930,000	427,449	15,357,449	15,211	1,010
2015	14,005,000	635,637	14,640,637	15,444	948
2016	13,060,000	385,270	13,445,270	15,835	849
2017	12,110,000	136,438	12,246,438	15,835 E	773

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				
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	1.77%	860
2017	12,110,000	-		12,110,000	1.61%	798

Source: District Records

**CLARK PUBLIC SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2016
(UNAUDITED)**

MUNICIPAL DEBT	<u>Total Debt</u>
Clark Public School District (As of June 30, 2017)	\$ 12,110,000
Township of Clark - Utility (1)	745,000
Township of Clark (1)	<u>18,618,000</u>
Total Direct Debt	<u>31,473,000</u>
OVERLAPPING DEBT APPORTIONED TO THE MUNICIPALITY	
Union County:	
County of Union (A)	23,077,560
Rahway Valley Sewerage (B)	<u>15,943,728</u>
Total Overlapping Debt	<u>39,021,288</u>
Total Direct and Overlapping Outstanding Debt	<u><u>\$ 70,494,288</u></u>

- (A) The debt for this entity was apportioned by dividing the Municipality's 2016 equalized value by the total 2016 equalized value for Union County
 (B) Overlapping Debt was computed based upon municipal flow to the Authority

Sources:

- (1) Township of Clark 2016 Annual Debt Statement
 (2) Union County 2016 Annual Debt Statement

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

Equalized valuation basis	
2016	\$ 2,616,877,395
2015	2,477,741,588
2014	2,365,482,166
	<u>\$ 7,460,101,149</u>
	<u>\$ 2,486,700,383</u>
	\$ 99,468,015
	12,110,000
	<u>\$ 87,358,015</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>	<u>2017</u>
Debt limit	\$ 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	\$ 99,468,015
Total net debt applicable to limit	<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>	<u>12,110,000</u>
Legal debt margin	<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>	<u>\$ 87,358,015</u>
Total net debt applicable to the limit as a percentage of debt limit	19.59%	17.44%	16.43%	16.16%	15.89%	15.90%	15.36%	14.74%	13.62%	12.17%

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>
2008	14,313	\$ 53,273	3.9%
2009	14,431	50,134	4.4%
2010	14,775	51,020	4.5%
2011	14,835	53,064	4.5%
2012	14,923	54,767	6.1%
2013	15,021	55,402	5.5%
2014	15,211	57,950	4.8%
2015	15,444	60,089	4.1%
2016	15,835	N/A	N/A
2017	15,835 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	2017		2008	
	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>	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Instruction										
Regular	179	182	184	184	162	164	156	155	156	158
Special education	44	42	51	51	51	53	53	44	45	43
Support Services:										
Student & instruction related services	19	18	24	24	52	68	64	78	75	99
General administrative services	1	1	3	3	3	3	2	3	4	3
School administrative services	14	14	14	14	16	16	16	14	14	13
Business administrative services	6	5	5	5	6	5	6	6	6	6
Plant operations and maintenance	8	8	6	6	11	11	10	9	10	11
Total	<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>	<u>333</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
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	8.62%	201.0	1:13	1:11	1:12	2,230	2,145	-4.46%	96.19%
2017	2,225	37,748,334	16,966	15.12%	201.0	1:13	1:11	1:09	2,207	2,122	-5.52%	96.15%

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>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>	<u>2017</u>
<u>Elementary</u>										
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	440	425	426	427	436	410	446	440	445	452
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	506	514	505	520	501	505	526	533	540	540
<u>Middle School</u>										
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	551	550	539	533	531	536	527	513	499	505
<u>High School</u>										
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	856	841	831	815	809	816	798	795	774	728
Number of Schools at June 30, 2017										
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>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>	<u>2017</u>
Frank K. Hehnly Elementary	N/A	\$ 127,272	\$ 91,209	\$ 20,570	\$ 98,671	\$ 174,656	\$ 90,196	\$ 116,835	\$ 101,436	\$ 113,744	\$ 65,655
Valley Road Elementary	N/A	113,459	89,083	9,738	88,076	151,550	80,512	121,642	90,545	101,532	55,554
Carl H. Kumpf M.S.	N/A	208,173	200,545	37,871	162,247	149,313	148,312	121,471	166,795	187,033	106,058
Arthur L. Johnson H.S.	N/A	537,698	528,545	249,228	418,187	366,724	382,268	298,960	429,908	482,071	277,770
Other Facilities	N/A	-	-	650,299	-	-	-	-	-	-	-
Total School Facilities		\$ 986,602	\$ 909,382	\$ 967,706	\$ 767,181	\$ 842,243	\$ 701,288	\$ 658,908	\$ 788,684	\$ 884,380	\$ 505,037

**CLARK PUBLIC SCHOOL DISTRICT
INSURANCE SCHEDULE
AS OF JUNE 30, 2017
(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



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

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

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, 2017 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 November 20, 2017.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items that we consider 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 no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

However, we 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 November 20, 2017.

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
November 20, 2017



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, PSA

**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, 2017. 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 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, 2017.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the U.S. Uniform Guidance and New Jersey OMB Circular 15-08 and which is described in the accompanying schedule of findings and questioned costs as item 2017-001. Our opinion on each major federal and state program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

Management of the Clark Public School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Clark Public School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with 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.

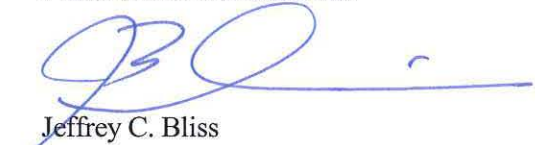
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of U.S. 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, 2017 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We issued our report thereon dated November 20, 2017, 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
November 20, 2017

**CLARK PUBLIC SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2016			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, 2017			MEMO GAAP Receiveable
						(Accounts Receivable)	Unearned Revenue	Due to Grantor									(Account Receivable)	Unearned Revenue	Due to Grantor	
U.S. Department of Human Services																				
Passed-through State Department of Education																				
General Fund																				
Medicaid Assistance	93.778	1705NJSMAP	N/A	7/1/16-6/30/17	\$ 27,854	-	-	-	-	-	\$ 27,854	\$ 27,854	-	-	-	-	-	-	-	*
Total General Fund																				
U.S. Department of Agriculture																				
Passed-through State Department of Education																				
National School Lunch Program																				
Cash Assistance	10.555	171NI304N1099	N/A	7/1/16-6/30/17	90,137	-	-	-	-	83,922	90,137	-	-	-	-	\$ (6,215)	-	-	*	\$ (6,215)
Cash Assistance	10.555	16161NJ304N1099	N/A	7/1/15-6/30/16	85,530	\$ (5,317)	-	-	-	5,317	-	-	-	-	-	-	-	-	*	-
Non-Cash Assistance (Food Distribution)	10.555	171NI304N1099	N/A	7/1/16-6/30/17	38,062	-	-	-	-	38,062	37,295	-	-	-	-	\$ 767	-	-	*	-
Non-Cash Assistance (Food Distribution)	10.555	16161NJ304N1099	N/A	7/1/15-6/30/16	37,263	-	\$ 2,424	-	-	-	2,424	-	-	-	-	-	-	-	*	-
Total U.S. Department of Agriculture/Child Nutrition Cluster																				
U.S. Department of Education																				
Passed-through State Department of Education																				
Special Revenue Fund																				
IDEA Part B, Basic Regular	84.027	H027A160100	FT--17	7/1/16-6/30/17	532,284	-	-	-	\$ 39,784	474,047	554,471	-	-	-	-	(58,237)	17,597	-	*	(40,640)
IDEA Part B, Basic Regular	84.027	H027A150100	FT--16	7/1/15-6/30/16	567,881	-	39,784	-	(39,784)	-	-	-	-	-	-	-	-	-	*	-
IDEA Preschool	84.173	H173A160114	PS--17	7/1/16-6/30/17	21,578	-	-	\$ (4,023)	4,023	23,512	23,512	-	-	-	-	(2,989)	2,089	-	*	-
IDEA Preschool	84.173	H173A150114	PS--16	7/1/15-6/30/16	21,448	(8,043)	4,023	-	4,023	(4,023)	4,020	-	-	-	-	-	-	-	*	-
Subtotal Special Education Cluster(IDEA)																				
NCLB																				
Title I	84.010	S010A160030	NCLB--17	7/1/16-6/30/17	58,829	-	-	-	(606)	606	35,360	35,913	-	-	-	(24,075)	23,522	-	*	(553)
Title I	84.010	S010A150030	NCLB--16	7/1/15-6/30/16	60,315	(102,694)	2,700	-	606	(606)	102,088	-	-	-	-	-	-	\$ 2,094	*	-
Title I	84.010		NCLB--14	7/1/13-6/30/14	49,387	-	\$ 207	-	-	-	-	-	-	-	\$ 207	-	-	-	*	-
Title II A	84.367A	S367A160029	NCLB--17	7/1/16-6/30/17	29,326	-	-	(31,174)	31,174	5,469	46,596	-	-	-	-	(55,031)	13,904	-	*	(41,127)
Title II A	84.367A	S367A150029	NCLB--16	7/1/15-6/30/16	31,174	(44,944)	41,874	-	31,174	(31,174)	13,770	-	-	-	-	-	-	10,700	*	-
Title II A	84.367A		NCLB--14	7/1/13-6/30/14	31,418	-	-	38	-	-	-	-	-	-	38	-	-	-	*	-
Title III, Immigrant	84.365	S365A160030	NCLB--17	7/1/16-6/30/17	3,790	-	-	(684)	684	1,242	2,505	-	-	-	-	(3,232)	1,969	-	*	(1,263)
Title III, Immigrant	84.365	S365A150030	NCLB--16	7/1/15-6/30/16	3,324	(7,980)	7,045	-	684	(684)	7,296	-	-	-	-	-	-	6,361	*	-
Title III, Immigrant	84.365		NCLB--14	7/1/13-6/30/14	4,886	-	-	17	-	-	-	-	-	-	17	-	-	-	*	-
Workforce Investment - WIA	17.259		WIA--16	7/1/15-6/30/16	30,000	(2,113)	4,100	-	-	-	-	-	-	-	-	(2,113)	4,100	-	*	-
Workforce Investment - WIA	17.259		WIA--15	7/1/14-6/30/15	30,000	-	2,456	-	-	-	-	-	-	-	-	-	2,456	-	*	-
Total U.S. Department of Education																				
Total Federal Awards																				
						\$ (171,091)	\$ 104,406	\$ 262	\$ -	\$ -	\$ 821,959	\$ 820,707	\$ -	\$ -	\$ -	\$ 262	\$ (150,992)	\$ 66,404	\$ 19,155	\$ (89,798)

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, 2017

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2016		Due to Grantor	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	(Accounts Receivable)	Unearned Revenue	Due to Grantor	Memo		
				(Accounts Receivable)	Unearned Revenue								GAAP Receivable	Cumulative Total Expenditures	
State Department of Education															
General Fund:															
Special Education Aid	17-495-034-5120-089	7/1/16-6/30/17	910,308	\$	829,338	\$	910,308							\$	910,308
Special Education Aid	16-495-034-5120-089	7/1/15-6/30/16	915,831		81,749					(80,970)					2,264
Under Adequacy Aid	17-495-034-5120-096	7/1/16-6/30/17	2,264		2,063		2,264			(201)					40,859
Under Adequacy Aid	16-495-034-5120-096	7/1/15-6/30/16	2,264		202					(3,634)					21,890
Security Aid	17-495-034-5120-084	7/1/16-6/30/17	40,859		37,223		40,859			(1,947)					21,890
Security Aid	16-495-034-5120-084	7/1/15-6/30/16	35,913		3,206					(1,947)					21,890
Per Pupil Growth Aid	17-495-034-5120-097	7/1/16-6/30/17	19,943		19,943		21,890			(1,947)					21,890
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15-6/30/16	21,890		1,954					(1,947)					21,890
PARCC Readiness	17-495-034-5120-098	7/1/16-6/30/17	21,890		1,954		21,890			(1,947)					21,890
PARCC Readiness	16-495-034-5120-098	7/1/15-6/30/16	21,890		1,954					(1,947)					21,890
Prof Learning Comm Aid	17-495-034-5120-101	7/1/16-6/30/17	21,760		19,824		21,760			(1,936)					21,760
Prof Learning Comm Aid	16-495-034-5120-101	7/1/15-6/30/16	21,760		19,824					(1,936)					21,760
Total State Aid Public Cluster															
Transportation Aid	17-495-034-5120-014	7/1/16-6/30/17	61,158		1,017,401		1,018,971			(90,635)					1,018,971
Transportation Aid	16-495-034-5120-014	7/1/15-6/30/16	51,623		4,608		61,158			(5,440)					61,158
Nonpublic School Transportation Aid	17-495-034-5120-014	7/1/16-6/30/17	17,240		4,608		17,240			(17,240)					17,240
Nonpublic School Transportation Aid	16-495-034-5120-014	7/1/15-6/30/16	15,248		15,248										17,240
Total State Aid Transportation Cluster															
Extraordinary Aid	17-495-034-5120-044	7/1/16-6/30/17	59,774		78,574		78,398			(22,680)					78,398
Extraordinary Aid	16-495-034-5120-044	7/1/15-6/30/16	89,324		89,324		59,774			(69,774)					59,774
Reimbursed TPAF Social Security Contribution	17-495-034-5094-003	7/1/16-6/30/17	1,100,831		1,045,337		1,100,831			(55,494)					1,100,831
Reimbursed TPAF Social Security Contribution	16-495-034-5094-003	7/1/15-6/30/16	1,038,722		54,027										1,038,722
On-Behalf TPAF Pension Benefit Contribution	17-495-034-5094-002	7/1/16-6/30/17	1,552,022		1,552,022		1,552,022								1,552,022
On-Behalf TPAF Pension NCOI Premium	17-495-034-5094-004	7/1/16-6/30/17	56,233		56,233		56,233								56,233
On-Behalf TPAF Long-Term Disability Ins.	17-495-034-5094-004	7/1/16-6/30/17	3,795		3,795		3,795								3,795
On-Behalf TPAF Post Retirement Medical Contribution	17-495-034-5094-001	7/1/16-6/30/17	1,340,043		1,340,043		1,340,043								1,340,043
On-Behalf TPAF Post Retirement Medical Contribution	16-495-034-5094-001	7/1/15-6/30/16	1,340,043		1,340,043										1,340,043
Total General Fund															
Special Revenue Fund					5,233,756		5,210,067			(23,689)					5,210,067
New Jersey Non-Public Aid															
Auxiliary Services															
Compensatory Education	17-100-034-5120-067	7/1/16-6/30/17	150,494		150,494		145,932								145,932
Compensatory Education	16-100-034-5120-067	7/1/15-6/30/16	148,901		914										148,901
English as a Second Language	17-101-034-5120-067	7/1/16-6/30/17	3,451		3,451		3,451								3,451
English as a Second Language	16-101-034-5120-067	7/1/15-6/30/16	3,451												3,451
Transportation	17-100-034-5120-068	7/1/16-6/30/17	17,599		17,599		17,599								17,599
Transportation	16-100-034-5120-068	7/1/15-6/30/16	17,599				4,184			(4,184)					17,599
Home Instruction	17-100-034-5120-067	7/1/16-6/30/17	4,184		3,248		4,184								4,184
Home Instruction	16-100-034-5120-067	7/1/15-6/30/16	3,248		3,248										3,248
Total Non Public Aux. Servs Aid (Chap. 192) Cluster															
Handicapped Services	17-100-034-5120-066	7/1/16-6/30/17	68,607		68,607		59,951								59,951
Examination and Classification	16-100-034-5120-066	7/1/15-6/30/16	57,101		16,866										57,101
Examination and Classification	17-100-034-5120-066	7/1/16-6/30/17	29,156		29,156		19,172								19,172
Corrective Speech	16-100-034-5120-066	7/1/15-6/30/16	43,476		28,249										43,476
Corrective Speech	17-100-034-5120-066	7/1/16-6/30/17	47,945		47,945		43,786								43,786
Supplementary Instruction	17-100-034-5120-066	7/1/16-6/30/17	51,980		8,092										51,980
Supplementary Instruction	16-100-034-5120-066	7/1/15-6/30/16	51,980												51,980
Total Non Public Hand. Servs Aid (Chap. 193) Cluster															
Textbook Aid	17-100-034-5120-064	7/1/16-6/30/17	38,137		39,137		37,985								37,985
Textbook Aid	16-100-034-5120-064	7/1/15-6/30/16	40,598												40,598
Nursing Services	17-100-034-5120-070	7/1/16-6/30/17	61,110		61,110		55,200								55,200
Nursing Services	16-100-034-5120-070	7/1/15-6/30/16	63,990		573										63,990
Technology Aid	17-100-034-5120-073	7/1/16-6/30/17	17,654		17,654		17,310								17,310
Technology Aid	16-100-034-5120-073	7/1/15-6/30/16	18,486		434										18,486
Security	17-100-034-5120-069	7/1/16-6/30/17	33,950		36		33,950								33,950
Security	16-100-034-5120-069	7/1/15-6/30/16	17,775												17,775
Total Special Revenue Fund															
					62,296		435,049			(4,184)					435,049
Total															
					5,296,052		5,210,067			(23,689)					5,210,067

**CLARK PUBLIC SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2016			Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Balance, June 30, 2017			Memo	
				(Accounts Receivable)	Unearned Revenue	Due to Grantor				(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
Capital Projects Fund														
NJSDA - Valley Window Improvements	0850-040-14-1005	6/2/16-6/30/16	\$ 237,592	\$ (237,592)	\$ 211,442			\$ 203,363		\$ (229,513)			\$ (229,513)	\$ 203,363
NJSDA - Hehnlly Restroom ADA Upgrades	0850-030-14-1002	3/18/16-6/30/16	\$7,444	(57,444)	17,629		\$ 44,920	5,105					-	5,105
NJSDA - Kumpf Restroom ADA Upgrades	0850-035-14-1003	3/18/16-6/30/16	67,420	(67,420)	-		67,420						-	-
NJSDA - Valley Restroom ADA Upgrades	0850-040-14-1004	3/18/16-6/30/16	85,148	(85,148)	14,468		77,360	6,680					-	6,680
NJSDA - All Restroom ADA Upgrades	0850-005-14-1001	5/29/14-6/30/15	69,939	(69,939)	1,506		69,733	1,280					-	1,280
Total Capital Projects Fund/SDA Cluster				(517,563)	245,045	-	259,433	216,428	-	(229,513)	-	-	(229,513)	216,428
Enterprise Fund														
National School Lunch (State Share)	17-100-010-3350-023	7/1/16-6/30/17	5,253				\$ 4,883	5,253		(370)			(370)	5,253
National School Lunch (State Share)	16-100-010-3350-023	7/1/15-6/30/16	5,029	(318)	-		318	-		-			-	-
Total Enterprise Fund				(318)	-	-	5,201	5,253	-	(370)	-	-	(370)	5,253
Total State Financial Assistance Subject to Single Audit Determination														
				(773,401)	245,045	\$ 62,296	5,968,204	5,866,797	\$ 62,296	(462,650)	-	35,701	(306,801)	5,866,797
State Financial Assistance Not Subject to Single Audit Determination														
General Fund														
On-Behalf TPAF Pension Benefit Contribution	17-495-034-5094-002	7/1/16-6/30/17	1,552,022				(1,552,022)	(1,552,022)						(1,552,022)
On-Behalf TPAF Pension NCGI Premium	17-495-034-5094-004	7/1/16-6/30/17	56,233				(56,233)	(56,233)						(56,233)
On-Behalf TPAF Long-Term Disability Ins.	17-495-034-5094-004	7/1/16-6/30/17	3,795				(3,795)	(3,795)						
On-Behalf TPAF Post Retirement Medical Contribution	17-495-034-5094-001	7/1/16-6/30/17	1,340,043				(1,340,043)	(1,340,043)						(1,340,043)
Total State Financial Assistance Utilized for Calculation to Determine Major Programs				\$ (773,401)	\$ 245,045	\$ 62,296	\$ 3,016,111	\$ 2,914,704	\$ 62,296	\$ (462,650)	\$ -	\$ 35,701	\$ (306,801)	\$ 2,918,499

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE 1 GENERAL

The accompanying schedules present the activity of all federal and state financial assistance programs of the Clark Public School District. 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 Title 2 U.S. Code of Federal Regulations Part 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 an increase of \$27,148 for the general 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	\$ 27,854	\$ 5,237,215	\$ 5,265,069
Special Revenue Fund	662,997	435,049	1,098,046
Capital Projects Fund		216,428	216,428
Food Service Fund	<u>129,856</u>	<u>5,253</u>	<u>135,109</u>
Total Financial Assistance	<u>\$ 820,707</u>	<u>\$ 5,893,945</u>	<u>\$ 6,714,652</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, 2017**

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 \$1,100,831 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, 2017. The amount reported as TPAF Pension System Contributions in the amount of \$1,608,255, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,340,043 and TPAF Long-Term Disability Insurance in the amount of \$3,795 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2017.

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

On-behalf State Programs for TPAF Pension, Post-Retirement Medical Benefits and Long-Term Disability Insurance 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, 2017**

Part I – Summary of Auditor’s Results

Financial Statement Section

Type of auditors' report issued on financial statements Unmodified

Internal control over financial reporting:

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

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

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

Federal Awards Section

Internal Control over major programs:

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

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

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

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

CLARK PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Part I – Summary of Auditor’s Results

State Awards Section

Auditee qualified as low-risk auditee? X yes 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? X yes no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
<u>17-495-034-5120-089</u>	<u>Special Education Aid</u>
<u>17-495-034-5120-096</u>	<u>Under Adequacy Aid</u>
<u>17-495-034-5120-084</u>	<u>Security Aid</u>
<u>17-495-034-5120-097</u>	<u>Per Pupil Growth Aid</u>
<u>17-495-034-5120-098</u>	<u>PARCC Readiness Aid</u>
<u>17-495-034-5120-101</u>	<u>Professional Learning Comm Aid</u>
<u>0850-040-14-1001/1002/1004/1005</u>	<u>School Development Authority</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, 2017**

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*.

There are none.

CLARK PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

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 FEDERAL AWARDS

There are none.

**CLARK PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

Finding 2017-001:

Certain payroll expenditures for employee's salaries were not charged to the proper budget account lines in accordance with the Uniform Minimum Chart of Accounts.

State Program Information:

Special Education Aid	17-495-034-5120-089
Under Adequacy Aid	17-495-034-5120-096
Security Aid	17-495-034-5120-084
Per Pupil Growth Aid	17-495-034-5120-097
PARCC Readiness Aid	17-495-034-5120-098
Professional Learning Comm Aid	17-495-034-5120-101

Criteria or Specific Requirement

State Grant Compliance Supplement – State Aid Public – Special Tests and Provisions

Condition:

School administrative salary expenditures were charged to Regular Instruction, Child Study Team and Improvement of Instruction Services line accounts rather than General and School Administration budget line accounts.

Questioned Costs:

Unknown.

Context:

The Superintendent, one (1) principal and two (2) supervisors were not charged to the General and School Administration budget line accounts.

Effect:

The District is not in compliance with the State of New Jersey Grant Compliance Supplement and Uniform Minimum Chart of Accounts.

Cause:

Unknown.

**CLARK PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

Finding 2017-001: (Continued)

Recommendation:

Expenditures for employee's salaries be charged to budget account lines in accordance with the Uniform Minimum Chart of Accounts for New Jersey Public Schools.

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
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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 2016-001

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.

Status:

Partial corrective action has been taken. See auditor's management report.

Finding 2016-002

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.

Status:

Corrective action has been taken.

Finding 2016-003

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 tow (2) School Development Authority projects.

Status:

Corrective action has been taken.

**CLARK PUBLIC SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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 2016-004

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 addition, the general ledger expenditure account balances were not in agreement with the detailed subsidiary expenditure ledgers in the Food Service and Before and Aftercare Enterprise Funds.

Status:

Corrective action has been taken.

Finding 2016-005

Condition:

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

Status:

Corrective action has been taken.

Finding 2016-006

Condition:

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

Status:

Corrective action has been taken.