

**CLARK PUBLIC
SCHOOL DISTRICT**

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

**Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2018**

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

of the

Clark Public School District

Clark, New Jersey

For The Fiscal Year Ended June 30, 2018

Prepared by

**Clark Public School District
Finance Department**

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INTRODUCTORY SECTION



Clark Public Schools

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

Edward Grande
Superintendent of Schools

R. Paul Vizzuso
Business Admin./Board Secretary

January 25, 2019

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, 2018 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,

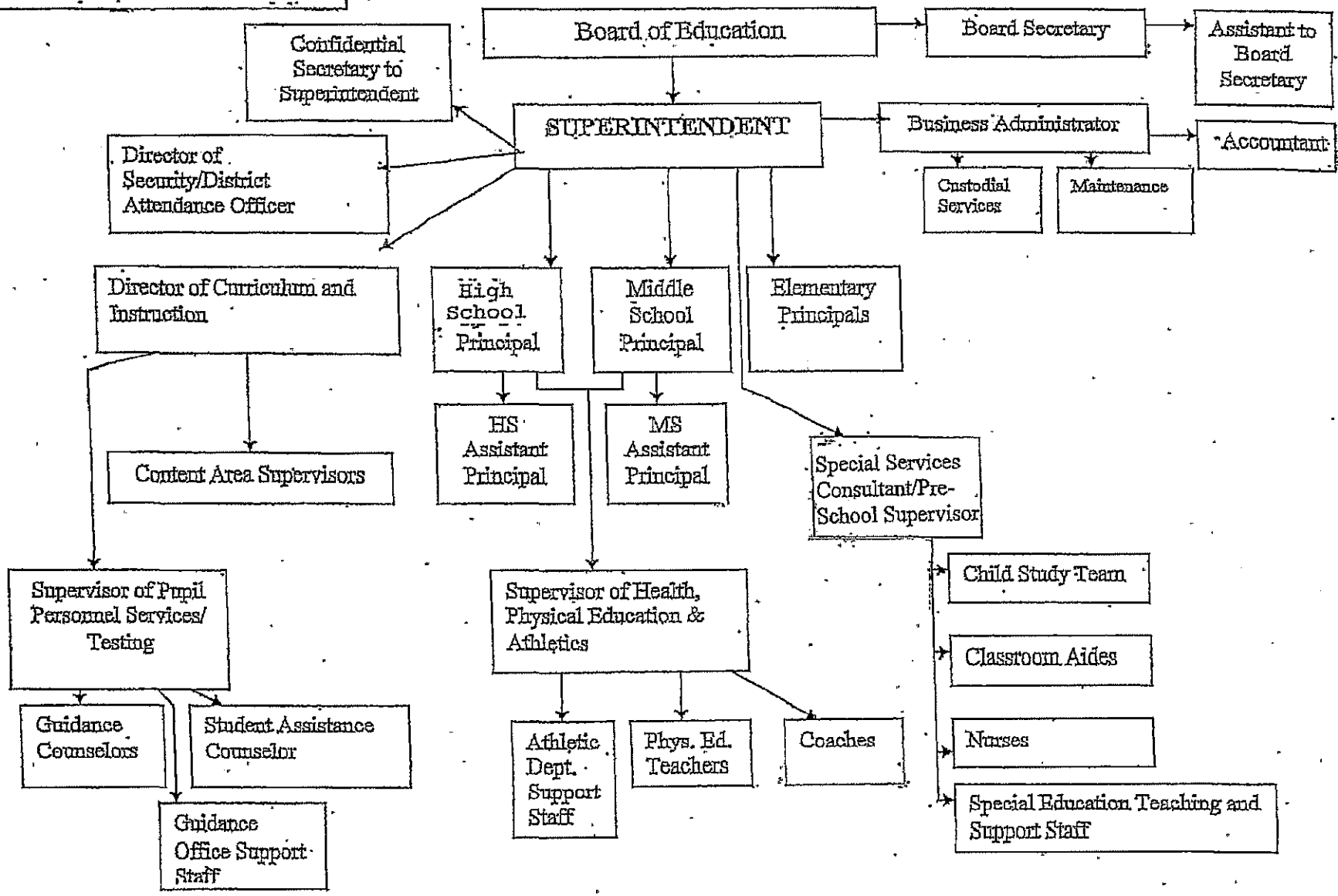
Edward Grande
Superintendent of Schools

R. Paul Vizzuso
Business Administrator/Board Secretary



CLARK PUBLIC SCHOOLS
Clark, New Jersey

Organizational Chart



**CLARK PUBLIC SCHOOL DISTRICT
CLARK, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2018**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Jill Curran, President	2018
Steven Donkersloot, Vice President	2020
Lorraine j. Aklonis	2019
Scott Bohm	2018
Robert Brede	2020
Laura Caliguire	2020
Christine Guerriero, Garwood Representative	2020
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 Law Group, 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. LEIDIG, CPA, PSA
ROBERT LERCH, CPA

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Clark Public School District, as of and for the fiscal year ended June 30, 2018 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, 2018, 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.

Emphasis of Matter

Adoption of New Accounting Pronouncement

As discussed in Note 1 to the financial statements, in the fiscal year ended June 30, 2018 the Clark Public School District adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Our opinion is not modified with respect to this matter.

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, pension information and other postemployment benefits 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

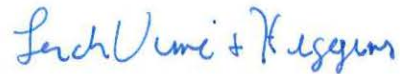
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clark Public School District's basic financial statements. The introductory section, combining fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards 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 January 25, 2019 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
Certified Public Accountants
Public School Accountants



Andrew D. Parente
Public School Accountant
PSA Number CS00224600

Fair Lawn, New Jersey
January 25, 2019

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

CLARK PUBLIC SCHOOL DISTRICT

Management Discussion and Analysis

Fiscal Year Ended June 30, 2018

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, 2018. 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 2017-2018 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 \$11,593,545 (Net Position).
- Overall District revenues were \$50,062,935 and were \$1,209,685 more than overall District expenses of \$48,853,250. General revenues accounted for \$32,372,896 or 65% of all revenues. Program specific revenues in the form of charges for services, grants and contributions account for \$17,690,039 or 35% of total revenues.
- The School District had \$47,682,643 in expenses for governmental activities; only \$16,279,257 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$32,369,754 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 \$5,543,391. Of that amount, \$515,945 (9%) is available for spending at the District's discretion (unassigned fund balance).
- The General Fund unassigned fund balance was \$515,945 at June 30, 2018, is a decrease of \$12,343 when compared with the beginning unassigned fund balance at July 1, 2017 of \$528,288.
- The General Fund unassigned budgetary basis fund balance at June 30, 2018 was \$701,768, which represents an increase of \$17,631 compared to the ending unassigned budgetary basis fund balance at June 30, 2017 of \$684,137.
- The District's total outstanding long-term liabilities decreased by \$3,105,028 during the current fiscal year.

CLARK PUBLIC SCHOOL DISTRICT

Management Discussion and Analysis

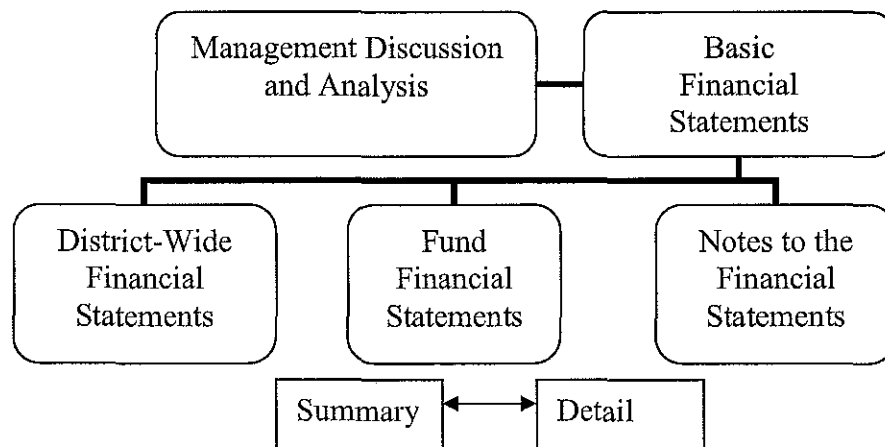
Fiscal Year Ended June 30, 2018

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, 2018

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 dedications during the year, regardless of when cash is received or paid.

CLARK PUBLIC SCHOOL DISTRICT

Management Discussion and Analysis

Fiscal Year Ended June 30, 2018

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, 2018

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 stated 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 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, 2018

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 as well as the post-retirement health benefits plan 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 2018 and 2017.

Net Position. The District's *combined* net position was \$11,593,545 on June 30, 2018 and \$10,383,860 on June 30, 2017.

CLARK PUBLIC SCHOOL DISTRICT

Management Discussion and Analysis

Fiscal Year Ended June 30, 2018

Net Position
as of June 30, 2018 and 2017

	Governmental		Business-Type		Total	
	Types		Activities			
	2018	2017	2018	2017	2018	2017
Assets						
Current and other assets	\$ 6,209,659	\$ 3,998,004	\$ 1,478,988	\$ 1,227,019	\$ 7,688,647	\$ 5,225,023
Capital assets, net	<u>23,866,901</u>	<u>25,640,339</u>	<u>188,389</u>	<u>187,318</u>	<u>24,055,290</u>	<u>25,827,657</u>
Total Assets	<u>30,076,560</u>	<u>29,638,343</u>	<u>1,667,377</u>	<u>1,414,337</u>	<u>31,743,937</u>	<u>31,052,680</u>
Deferred Outflows of Resources	<u>2,219,146</u>	<u>3,131,934</u>	<u>-</u>	<u>-</u>	<u>2,219,146</u>	<u>3,131,934</u>
Total Assets and Deferred Outflows of Resources	<u>32,295,706</u>	<u>32,770,277</u>	<u>1,667,377</u>	<u>1,414,337</u>	<u>33,963,083</u>	<u>34,184,614</u>
Liabilities						
Non-Current liabilities	19,668,745	22,773,773			19,668,745	22,773,773
Other liabilities	<u>697,937</u>	<u>449,280</u>	<u>48,001</u>	<u>41,485</u>	<u>745,938</u>	<u>490,765</u>
Total Liabilities	<u>20,366,682</u>	<u>23,223,053</u>	<u>48,001</u>	<u>41,485</u>	<u>20,414,683</u>	<u>23,264,538</u>
Deferred Inflows of Resources	<u>1,950,881</u>	<u>535,449</u>	<u>3,974</u>	<u>767</u>	<u>1,954,855</u>	<u>536,216</u>
Total Liabilities and Deferred Inflows of Resources	<u>22,317,563</u>	<u>23,758,502</u>	<u>51,975</u>	<u>42,252</u>	<u>22,369,538</u>	<u>23,800,754</u>
Net Position						
Net Investment in capital assets	12,640,594	13,705,490	188,389	187,318	12,828,983	13,892,808
Restricted	1,292,183	1,407,399			1,292,183	1,407,399
Unrestricted	<u>(3,954,634)</u>	<u>(6,101,114)</u>	<u>1,427,013</u>	<u>1,184,767</u>	<u>(2,527,621)</u>	<u>(4,916,347)</u>
Total Net Position	<u>\$ 9,978,143</u>	<u>\$ 9,011,775</u>	<u>\$ 1,615,402</u>	<u>\$ 1,372,085</u>	<u>\$ 11,593,545</u>	<u>\$ 10,383,860</u>

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, 2018

The District's total net position of \$11,593,545 at June 30, 2018 represents a \$1,209,685 or 12%, increase from the prior year. The following shows changes in net position for fiscal years 2018 and 2017.

Change in Net Position
For the Fiscal Years Ended June 30, 2018 and 2017

	Governmental		Business-Type		Total	
	Types		Activities			
	2018	2017	2018	2017	2018	2017
Revenues						
Program Revenues						
Charges for Services	\$ 1,867,529	\$ 2,048,159	\$ 1,277,628	\$ 1,215,109	\$ 3,145,157	\$ 3,263,268
Operating Grants and Contributions	14,411,728	13,688,326	133,154	135,109	14,544,882	13,823,435
Capital Grants and Contributions		216,428			-	216,428
General Revenues						
Property Taxes	32,167,229	31,576,451			32,167,229	31,576,451
State and Federal Aid	24,143	2,265			24,143	2,265
Other	178,382	126,846	3,142	988	181,524	127,834
Total Revenues	<u>48,649,011</u>	<u>47,658,475</u>	<u>1,413,924</u>	<u>1,351,206</u>	<u>50,062,935</u>	<u>49,009,681</u>
Program Expenses						
Instruction						
Regular	24,437,501	23,893,780			24,437,501	23,893,780
Special Education	6,884,916	7,230,657			6,884,916	7,230,657
Other Instruction	785,113	926,423			785,113	926,423
School Sponsored Activities and Athletics	943,095	1,069,420			943,095	1,069,420
Support Services						
Student and Instruction Related	5,504,080	6,279,967			5,504,080	6,279,967
General Administration	946,276	979,981			946,276	979,981
School Administration	2,850,334	2,222,532			2,850,334	2,222,532
Central and Other Support Services	557,236	662,608			557,236	662,608
Plant Operations and Maintenance	3,185,847	3,286,336			3,185,847	3,286,336
Pupil Transportation	1,149,796	1,446,708			1,149,796	1,446,708
Interest on Debt	438,449	473,902			438,449	473,902
Food Service			698,774	656,503	698,774	656,503
Before and After School Program	-	-	471,833	326,787	471,833	326,787
Total Expenses	<u>47,682,643</u>	<u>48,472,314</u>	<u>1,170,607</u>	<u>983,290</u>	<u>48,853,250</u>	<u>49,455,604</u>
Change in Net Position	966,368	(813,839)	243,317	367,916	1,209,685	(445,923)
Net Position, Beginning 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>
Net Position, End of Year	<u>\$ 9,978,143</u>	<u>\$ 9,011,775</u>	<u>\$ 1,615,402</u>	<u>\$ 1,372,085</u>	<u>\$ 11,593,545</u>	<u>\$ 10,383,860</u>

CLARK PUBLIC SCHOOL DISTRICT

Management Discussion and Analysis

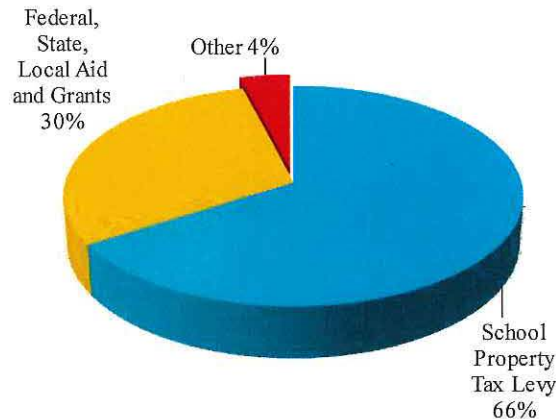
Fiscal Year Ended June 30, 2018

Governmental Activities. The District's total governmental activities' revenues, which includes State and Federal grants, were \$48,649,011 for the year ended June 30, 2018, property taxes of \$32,167,229 represented 66% of revenues. Another significant portion of revenues came from State aid; total State, Federal and Local Aid and Grants were \$14,435,871 and represented 30% of revenues. In addition, revenue in the amount of \$2,045,911 (4%) was earned from tuition, transportation fees and miscellaneous income which includes items such as interest, prior year refunds and other miscellaneous items.

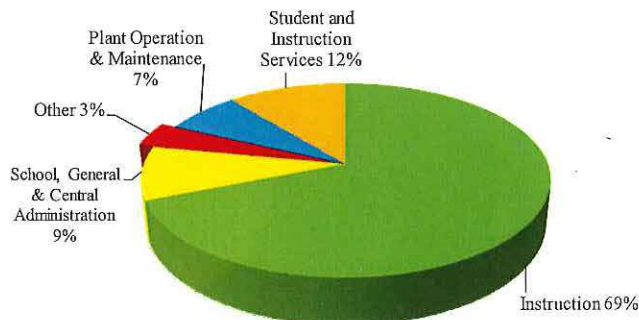
The total cost of all governmental activities programs and services was \$47,682,643. The district's expenses are predominantly related to educating and caring for students. Instruction totaled \$33,050,625 (69%) of total expenses. Support services, total \$14,193,569 (30%) of total expenses. The remaining expenses were for interest costs on long-term debt outstanding in the amount of \$438,449 (1%).

Total governmental activities revenues exceeded expenses, increasing net position by \$966,368 from the previous year.

**Revenues by Type – Governmental Activities
For Fiscal Year 2018**



**Expenses by Type – Governmental Activities
For Fiscal Year 2018**



CLARK PUBLIC SCHOOL DISTRICT

Management Discussion and Analysis

Fiscal Year Ended June 30, 2018

Total and Net Cost of Governmental Activities. The District's total cost of services was \$47,682,643. After applying program revenues, derived from operating grants and contributions of \$14,411,728 and charges for services of \$1,867,529 the net cost of services of the District is \$31,403,386.

	Total Cost of Services		Net Cost of Services	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Instruction				
Regular	\$ 24,437,501	\$ 23,893,780	\$ 14,996,907	\$ 14,746,850
Special Education	6,884,916	7,230,657	3,436,255	3,623,144
Other Instruction	785,113	926,423	486,519	555,626
School Sponsored Activities and Athletics	943,095	1,069,420	876,051	1,069,420
Support services				
Student and Instruction Related	5,504,080	6,279,967	3,776,319	4,612,221
General Administration	946,276	979,981	909,231	979,981
School Administration	2,850,334	2,222,532	1,908,038	1,522,228
Central and Other Support Services	557,236	662,608	505,164	662,608
Plant Operations and Maintenance	3,185,847	3,286,336	3,015,259	3,029,477
Pupil Transportation	1,149,796	1,446,708	1,055,194	1,243,944
Interest on debt	438,449	473,902	438,449	473,902
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Expenses	\$ 47,682,643	\$ 48,472,314	\$ 31,403,386	\$ 32,519,401

Business-Type Activities

The cost of Business-Type Activities for the fiscal year ended June 30, 2018 was \$1,170,607. Food service costs were \$698,774 (60%) and before and after school child care costs were \$471,833 (40%). These costs were funded by revenue from charges for services of \$1,277,628 (90%) and operating grants of \$133,154 (9%), as detailed in the change in net position schedule. Revenues from food service charges for services were \$620,305 (49%) and before and after school child care charges for services were \$657,323 (51%).

Total business-type activities revenues surpassed expenses, increasing net position by \$243,317 over the previous year. At June 30, 2018 the net position balance of the Food Service Program was \$313,726 and of the Before and After School Child Care Program Fund was \$1,301,676.

CLARK PUBLIC SCHOOL DISTRICT

Management Discussion and Analysis

Fiscal Year Ended June 30, 2018

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 \$5,543,391 at June 30, 2018 compared to a combined fund balance of \$3,582,018 at June 30, 2017.

Revenues for the District's governmental funds were \$41,167,799 while total expenditures were \$39,494,032.

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, 2018 and 2017.

<u>Revenue</u>	<u>Amount</u>		<u>Amount of Increase (Decrease)</u>	<u>Percent Change</u>
	<u>2018</u>	<u>2017</u>		
Local Sources				
Property Tax Levy	\$ 30,792,697	\$ 30,188,919	\$ 603,778	2%
Miscellaneous	2,041,271	2,175,005	(133,734)	-6%
State Sources	5,919,208	5,237,215	681,993	13%
Federal Sources	15,701	27,854	(12,153)	-44%
Total	<u>\$ 38,768,877</u>	<u>\$ 37,628,993</u>	<u>\$ 1,139,884</u>	3%

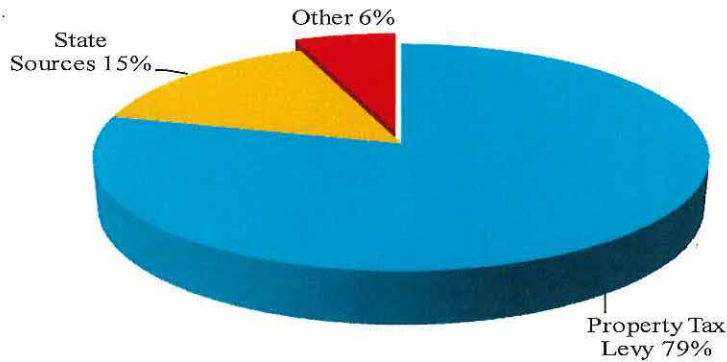
The majority of revenues come from property taxes which accounted for 79% of total revenue while state sources represented 15% of total revenue for the 2018 fiscal year. Miscellaneous revenues primarily tuition and transportation fees received from Garwood represented 5% of the total revenue for the 2018 fiscal year.

CLARK PUBLIC SCHOOL DISTRICT

Management Discussion and Analysis

Fiscal Year Ended June 30, 2018

General Fund Revenues by Source For Fiscal Year 2018



The following schedule presents a summary of General Fund expenditures for the fiscal years ended June 30, 2018 and 2017.

<u>Expenditures</u>	<u>Amount</u>		<u>Amount of Increase (Decrease)</u>	<u>Percent Change</u>
	<u>2018</u>	<u>2017</u>		
Current:				
Instruction	\$ 24,544,411	\$ 23,877,201	\$ 667,210	3%
Support Services	11,886,983	12,773,087	(886,104)	-7%
Debt Service	171,460	254,383	(82,923)	-33%
Capital Outlay	492,256	4,387	487,869	100%
Total	<u>\$ 37,095,110</u>	<u>\$ 36,909,058</u>	<u>\$ 186,052</u>	1%

Total General Fund expenditures increased \$186,052 or 1% from the previous year. Instruction represented 66% of total expenditures while support services accounted for 32% and debt service and capital outlay accounted for 2% of total expenditures for the 2018 fiscal year.

For the 2017-2018 school year General Fund revenues, and other financing sources exceeded expenditures by \$1,961,373. After adjusting for restricted and assigned fund balances, the unassigned fund balance decreased from \$528,288 at June 30, 2017 to \$515,945 at June 30, 2018. The District ended the year with \$3,719,920 of excess surplus. In addition, the District had restricted fund balances of \$586,163 in capital reserve and \$634,284 in maintenance reserve at June 30, 2018.

CLARK PUBLIC SCHOOL DISTRICT

Management Discussion and Analysis

Fiscal Year Ended June 30, 2018

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At the end of fiscal years 2018 and 2017, the District had invested in land, buildings, furniture, machinery and equipment for both governmental and business-type activities. Depreciation charges for fiscal year 2017-2018 amounted to \$2,268,790 for governmental activities and \$16,561 for business-type activities. The following is a comparison of the June 30, 2018 and 2017 balances.

Capital Assets As of June 30, 2018 and 2017

	Governmental		Business-Type		Total	
	Activities		Activities			
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Land	\$ 1,808,965	\$ 1,808,965			\$ 1,808,965	\$ 1,808,965
Land Improvements	2,077,484	2,077,484			2,077,484	2,077,484
Buildings and Improvements	47,761,779	47,621,039			47,761,779	47,621,039
Machinery and Equipment	<u>4,149,902</u>	<u>4,135,577</u>	\$ 423,226	\$ 438,215	<u>4,573,128</u>	<u>4,573,792</u>
	55,798,130	55,643,065	423,226	438,215	56,221,356	56,081,280
Less Depreciation	<u>(31,931,229)</u>	<u>(30,002,726)</u>	<u>(234,837)</u>	<u>(250,897)</u>	<u>(32,166,066)</u>	<u>(30,253,623)</u>
Total Capital Assets, Net of Depreciation	<u>\$ 23,866,901</u>	<u>\$ 25,640,339</u>	<u>\$ 188,389</u>	<u>\$ 187,318</u>	<u>\$ 24,055,290</u>	<u>\$ 25,827,657</u>

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

Debt Administration. As of June 30, 2018 the District had long-term debt and outstanding long-term liabilities in the amount of \$19,668,745. For fiscal year 2017-2018 total outstanding long-term liabilities decreased by \$3,105,028. The following is a comparison of the June 30, 2018 and 2017 balances.

CLARK PUBLIC SCHOOL DISTRICT

Management Discussion and Analysis

Fiscal Year Ended June 30, 2018

Outstanding Long-Term Liabilities As of June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Serial Bonds (including unamortized premium)	\$ 11,542,035	\$ 12,601,379
Capital Leases and Lease Purchase Agreements	258,484	136,438
Net Pension Liability	7,077,525	9,220,197
Compensated Absences	<u>790,701</u>	<u>815,759</u>
Total	<u>\$ 19,668,745</u>	<u>\$ 22,773,773</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.
- Appropriation of 16-17 surplus.

General Fund budgetary basis revenues exceeded budgetary basis expenditures increasing budgetary basis fund balance by \$1,991,347 from the previous year. After deducting restricted and assigned fund balances, the unassigned budgetary fund balance increased \$17,631 from \$684,137 at June 30, 2017 to \$701,768 at June 30, 2018. The District has retained a Capital Reserve balance in the amount of \$586,163 at June 30, 2018. In addition, the District has a Maintenance Reserve balance of \$634,284 at June 30, 2018.

CLARK PUBLIC SCHOOL DISTRICT

Management Discussion and Analysis

Fiscal Year Ended June 30, 2018

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 2018-2019 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 2018-2019. Budgeted expenditures in the General Fund increased approximately 6% to \$36,117,280 for fiscal year 2018-2019.

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, 2018**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash	\$ 5,367,562	\$ 1,452,073	\$ 6,819,635
Receivables, Net:			
Receivables from Other Governments	579,926	6,164	586,090
Other	268,369	490	268,859
Internal Balances	(6,198)	6,198	-
Inventories		14,063	14,063
Capital Assets Not Being Depreciated	1,808,965		1,808,965
Capital Assets, Being Depreciation	<u>22,057,936</u>	<u>188,389</u>	<u>22,246,325</u>
 Total Assets	 <u>30,076,560</u>	 <u>1,667,377</u>	 <u>31,743,937</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Refunding of Debt	574,212		574,212
Deferred Amounts on Net Pension Liability	<u>1,644,934</u>	<u>-</u>	<u>1,644,934</u>
 Total Deferred Outflows of Resources	 <u>2,219,146</u>	 <u>-</u>	 <u>2,219,146</u>
 Total Assets and Deferred Outflows of Resources	 <u>32,295,706</u>	 <u>1,667,377</u>	 <u>33,963,083</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	641,999	30,261	672,260
Accrued Interest Payable	31,669		31,669
Unearned Revenue	24,269	17,740	42,009
Noncurrent Liabilities :			
Due Within One Year	1,070,240		1,070,240
Due Beyond One Year	<u>18,598,505</u>	<u>-</u>	<u>18,598,505</u>
 Total Liabilities	 <u>20,366,682</u>	 <u>48,001</u>	 <u>20,414,683</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	1,950,881		1,950,881
Deferred Commodities Revenue	<u>-</u>	<u>3,974</u>	<u>3,974</u>
 Total Deferred Inflows of Resources	 <u>1,950,881</u>	 <u>3,974</u>	 <u>1,954,855</u>
 Total Liabilities and Deferred Inflows of Resources	 <u>22,317,563</u>	 <u>51,975</u>	 <u>22,369,538</u>
NET POSITION			
Net Investment in Capital Assets	12,640,594	188,389	12,828,983
Restricted for:			
Capital Projects	657,899		657,899
Facility Maintenance	634,284		634,284
Unrestricted	<u>(3,954,634)</u>	<u>1,427,013</u>	<u>(2,527,621)</u>
 Total Net Position	 <u>\$ 9,978,143</u>	 <u>\$ 1,615,402</u>	 <u>\$ 11,593,545</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, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Instruction:							
Regular	\$ 24,437,501	\$ 1,470,781	\$ 7,969,813		\$ (14,996,907)		\$ (14,996,907)
Special Education	6,884,916	396,748	3,051,913		(3,436,255)		(3,436,255)
Other Instruction	785,113		298,594		(486,519)		(486,519)
School Sponsored Activities and Athletics	943,095		67,044		(876,051)		(876,051)
Support Services							
Student and Instruction Related Services	5,504,080		1,727,761		(3,776,319)		(3,776,319)
General Administrative Services	946,276		37,045		(909,231)		(909,231)
School Administrative Services	2,850,334		942,296		(1,908,038)		(1,908,038)
Central and Other Support Services	557,236		52,072		(505,164)		(505,164)
Plant Operations and Maintenance	3,185,847		170,588		(3,015,259)		(3,015,259)
Pupil Transportation	1,149,796		94,602		(1,055,194)		(1,055,194)
Interest on Debt	438,449	-	-	-	(438,449)	-	(438,449)
Total Governmental Activities	<u>47,682,643</u>	<u>1,867,529</u>	<u>14,411,728</u>	<u>-</u>	<u>(31,403,386)</u>	<u>-</u>	<u>(31,403,386)</u>
Business-Type Activities							
Food Service	698,774	620,305	133,154			\$ 54,685	54,685
Before and After School Program	471,833	657,323	-			185,490	185,490
Total Business-Type Activities	<u>1,170,607</u>	<u>1,277,628</u>	<u>133,154</u>	<u>-</u>	<u>-</u>	<u>240,175</u>	<u>240,175</u>
Total Primary Government	<u>\$ 48,853,250</u>	<u>\$ 3,145,157</u>	<u>\$ 14,544,882</u>	<u>\$ -</u>	<u>(31,403,386)</u>	<u>240,175</u>	<u>(31,163,211)</u>

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

(Continued)

**CLARK PUBLIC SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
General Revenues:			
Property Taxes:			
Levied for General Purposes	\$ 30,792,697		\$ 30,792,697
Levied for Debt Service	1,374,532		1,374,532
State Aid, Unrestricted	24,143		24,143
Miscellaneous Income	178,382	\$ 3,142	181,524
Total General Revenues	32,369,754	3,142	32,372,896
Change in Net Position	966,368	243,317	1,209,685
Net Position, Beginning of Year	9,011,775	1,372,085	10,383,860
Net Position, End of Year	\$ 9,978,143	\$ 1,615,402	\$ 11,593,545

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, 2018**

	<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	\$ 5,211,066	\$ 84,760	\$ 71,736		\$ 5,367,562
Receivables, Net					
Receivables from Other Governments	505,774	74,152			579,926
Due from Other Funds	<u>290,779</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>290,779</u>
Total Assets	<u>\$ 6,007,619</u>	<u>\$ 158,912</u>	<u>\$ 71,736</u>	<u>-</u>	<u>\$ 6,238,267</u>
LIABILITIES					
Liabilities					
Accounts Payable	\$ 507,356	\$ 110,002			\$ 617,358
Payable to Federal Government		223			223
Payable State Government		19,282			19,282
Due to Other Funds	28,608			-	28,608
Other Liabilities		5,136			5,136
Unearned Revenue	<u>-</u>	<u>24,269</u>	<u>-</u>	<u>-</u>	<u>24,269</u>
Total Liabilities	<u>535,964</u>	<u>158,912</u>	<u>-</u>	<u>-</u>	<u>694,876</u>
FUND BALANCES					
Restricted Fund Balance					
Excess Surplus - Designated for Subsequent					
Year's Expenditures	1,554,344				1,554,344
Excess Surplus	2,165,576				2,165,576
Capital Reserve	586,163				586,163
Maintenance Reserve	634,284				634,284
Capital Projects			\$ 71,736		71,736
Assigned Fund Balance					
Year End Encumbrances	6,013				6,013
Designated for Subsequent Year's Expenditures	9,330				9,330
Unassigned Fund Balance	<u>515,945</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>515,945</u>
Total Fund Balances	<u>5,471,655</u>	<u>-</u>	<u>71,736</u>	<u>-</u>	<u>5,543,391</u>
Total Liabilities and Fund Balances	<u>\$ 6,007,619</u>	<u>\$ 158,912</u>	<u>\$ 71,736</u>	<u>\$ -</u>	<u>\$ 6,238,267</u>

**CLARK PUBLIC SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2018**

Total Fund Balances - Governmental Funds (Exhibit B-1)		\$ 5,543,391
<p>Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$55,798,130 and the accumulated depreciation is \$31,931,229.</p>		23,866,901
<p>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.</p>		574,212
<p>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.</p>		
Deferred Outflows of Resources	\$ 1,644,934	
Deferred Inflows of Resources	<u>(1,950,881)</u>	(305,947)
<p>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:</p>		(31,669)
<p>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</p>		
Serial Bonds Payable (including unamortized premium)	\$ 11,542,035	
Capital Leases	258,484	
Compensated Absences	790,701	
Net Pension Liability	<u>7,077,525</u>	<u>(19,668,745)</u>
Total Net Position of Governmental Activities (Exhibit A-1)		<u>\$ 9,978,143</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, 2018

	<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	\$ 30,792,697			\$ 1,374,532	\$ 32,167,229
Tuition	1,867,529				1,867,529
Interest	15,861				15,861
Miscellaneous Revenues	157,881	-	-	-	157,881
Total - Local Sources	32,833,968	-	-	1,374,532	34,208,500
State Sources	5,919,208	\$ 483,893		-	6,403,101
Federal Sources	15,701	540,497	-	-	556,198
Total Revenues	<u>38,768,877</u>	<u>1,024,390</u>	<u>-</u>	<u>1,374,532</u>	<u>41,167,799</u>
EXPENDITURES					
Instruction					
Regular	17,600,067	75,288			17,675,355
Special Education	5,466,997	456,026			5,923,023
Other Instruction	607,755	1,844			609,599
School-Sponsored Activities and Athletics	869,592				869,592
Support Services					
Student and Instruction Related Services	4,112,104	483,889			4,595,993
General Administrative Services	896,437				896,437
School Administrative Services	2,270,268				2,270,268
Central and Other Support Services	497,186				497,186
Plant Operations and Maintenance	2,982,499				2,982,499
Pupil Transportation	1,128,489				1,128,489
Debt Service					
Principal	165,560			975,000	1,140,560
Interest and Other Charges	5,900			399,532	405,432
Capital Outlay	492,256	7,343	-	-	499,599
Total Expenditures	<u>37,095,110</u>	<u>1,024,390</u>	<u>-</u>	<u>1,374,532</u>	<u>39,494,032</u>
Excess of Revenues Over Expenditures	<u>1,673,767</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,673,767</u>
OTHER FINANCING SOURCES					
Capital Lease Proceeds	287,606	-	-	-	287,606
Total Other Financing Sources	<u>287,606</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>287,606</u>
Net Change in Fund Balances	1,961,373	-	-	-	1,961,373
Fund Balance, Beginning of Year	<u>3,510,282</u>	<u>-</u>	<u>\$ 71,736</u>	<u>-</u>	<u>3,582,018</u>
Fund Balance, End of Year	<u>\$ 5,471,655</u>	<u>\$ -</u>	<u>\$ 71,736</u>	<u>\$ -</u>	<u>\$ 5,543,391</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, 2018**

Total net change in fund balances - governmental funds (Exhibit B-2)		\$ 1,961,373
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	\$ 499,599	
Depreciation Expense	(2,268,790)	
Donated Assets	<u>4,640</u>	
		(1,764,551)
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):		
Decrease in Compensated Absences	25,058	
Increase in Pension Expense	<u>(66,562)</u>	
		(41,504)
The issuance of long-term debt provides current financial resources to the governmental funds, while the repayment of long-term debt uses those current financial resources of governmental funds. Neither transactions, however, has any effect on net position. Also, governmental funds report the effect of premiums and other such items related to the refunding bonds when they are issued, whereas these amounts are expensed and or deferred and amortized in the statement of activities.		
Debt Issued		
Capital Lease Agreement Proceeds	(287,606)	
Principal Repayments		
Serial Bonds	975,000	
Capital Lease Payable	165,560	
Amortization of Deferred Amounts on Refunding	(118,986)	
Amortization of Bond Premium	<u>84,344</u>	
		818,312
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		1,625
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.		
		<u>(8,887)</u>
Change in net position of governmental activities (Exhibit A-2)		\$ <u>966,368</u>

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, 2018**

	<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	\$ 141,420	\$ 1,310,653	\$ 1,452,073
Intergovernmental Receivable	6,164		6,164
Other Accounts Receivable	490		490
Inventories	14,063		14,063
Due from Other Funds	<u>28,608</u>	<u>-</u>	<u>28,608</u>
Total Current Assets	<u>190,745</u>	<u>1,310,653</u>	<u>1,501,398</u>
Capital Assets			
Equipment	404,800	18,426	423,226
Less: Accumulated Depreciation	<u>(231,246)</u>	<u>(3,591)</u>	<u>(234,837)</u>
Total Capital Assets, Net	<u>173,554</u>	<u>14,835</u>	<u>188,389</u>
Total Assets	<u>364,299</u>	<u>1,325,488</u>	<u>1,689,787</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	28,859	1,402	30,261
Due to Other Funds		22,410	22,410
Unearned Revenue	<u>17,740</u>	<u>-</u>	<u>17,740</u>
Total Current Liabilities	<u>46,599</u>	<u>23,812</u>	<u>70,411</u>
DEFERRED INFLOW OF RESOURCES			
Deferred Commodities Revenue	<u>3,974</u>	<u>-</u>	<u>3,974</u>
Total Liabilities and Deferred Inflow of Resources	<u>50,573</u>	<u>23,812</u>	<u>74,385</u>
NET POSITION			
Investment in Capital Assets	173,554	14,835	188,389
Unrestricted	<u>140,172</u>	<u>1,286,841</u>	<u>1,427,013</u>
Total Net Position	<u>\$ 313,726</u>	<u>\$ 1,301,676</u>	<u>\$ 1,615,402</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, 2018**

Business-Type Activities - Enterprise Fund

	<u>Food Service</u>	<u>Before and After School Program</u>	<u>Totals</u>
OPERATING REVENUES			
Charges for Services			
Daily Sales - Reimbursable Programs	\$ 365,393		\$ 365,393
Daily Sales - Non reimbursable Programs	254,912		254,912
Program Fees	-	\$ 657,323	657,323
	<u>620,305</u>	<u>657,323</u>	<u>1,277,628</u>
OPERATING EXPENSES			
Cost of Sales Reimbursable Programs	269,488		269,488
Cost of Sales Non reimbursable Programs	90,799		90,799
Salaries and Employee Benefits	234,153	381,753	615,906
Purchased Management Services	25,250		25,250
Supplies and Materials	5,134	70,608	75,742
Repairs and Maintenance	5,968		5,968
Miscellaneous Expenses	38,015	17,855	55,870
Depreciation Expense	14,944	1,617	16,561
	<u>683,751</u>	<u>471,833</u>	<u>1,155,584</u>
Total Operating Expenses			
Operating Income/(Loss)	<u>(63,446)</u>	<u>185,490</u>	<u>122,044</u>
NONOPERATING REVENUES (EXPENSES)			
Interest	447	2,695	3,142
State Sources			
School Lunch Program	6,193		6,193
Federal Sources			
National School Lunch Program	85,509		85,509
Food Distribution Program	41,452		41,452
Loss on Disposal of Assets (Expenses)	(15,023)	-	(15,023)
	<u>118,578</u>	<u>2,695</u>	<u>121,273</u>
Total Nonoperating Revenues (Expenses)			
Change in Net Position	55,132	188,185	243,317
Total Net Position, Beginning of Year	<u>258,594</u>	<u>1,113,491</u>	<u>1,372,085</u>
Total Net Position, End of Year	<u>\$ 313,726</u>	<u>\$ 1,301,676</u>	<u>\$ 1,615,402</u>

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

**CLARK PUBLIC SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Business-Type Activities - Enterprise Fund</u>		
	<u>Food Service</u>	<u>Before and After School Program</u>	<u>Totals</u>
Cash Flows from Operating Activities			
Cash Received from Customers	\$ 625,150	\$ 657,323	\$ 1,282,473
Cash Payments for Employees' Salaries and Benefits	(234,153)	(381,753)	(615,906)
Cash Payments to Suppliers for Goods and Services	(412,404)	(37,086)	(449,490)
Net Cash Provided by (Used for) Operating Activities	<u>(21,407)</u>	<u>238,484</u>	<u>217,077</u>
Cash Flows from Noncapital Financing Activities			
Cash Received from State and Federal Subsidy Reimbursement	<u>92,123</u>	<u>-</u>	<u>92,123</u>
Net Cash Provided by Noncapital Financing Activities	<u>92,123</u>	<u>-</u>	<u>92,123</u>
Cash Flows from Investing Activities			
Interest Earnings	<u>447</u>	<u>2,695</u>	<u>3,142</u>
Net Cash Provided by Investing Activities	<u>447</u>	<u>2,695</u>	<u>3,142</u>
Cash Flows from Capital and Related Financing Activities			
Purchases of Capital Assets	<u>(32,655)</u>	<u>-</u>	<u>(32,655)</u>
Net Cash (Used for) Capital and Related Financing Activities	<u>(32,655)</u>	<u>-</u>	<u>(32,655)</u>
Net Increase in Cash and Cash Equivalents	38,508	241,179	279,687
Cash, Beginning of Year	<u>102,912</u>	<u>1,069,474</u>	<u>1,172,386</u>
Cash, End of Year	<u>\$ 141,420</u>	<u>\$ 1,310,653</u>	<u>\$ 1,452,073</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Operating Income (Loss)	<u>\$ (63,446)</u>	<u>\$ 185,490</u>	<u>\$ 122,044</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Non-Cash Federal Assistance-Food Distribution Program	41,452		41,452
Depreciation Expense	14,944	1,617	16,561
Change in Assets, Liabilities and Deferred Inflows			
(Increase)/Decrease in Accounts Receivable	239		239
(Increase)/Decrease in Interfund Receivable	(13,683)		(13,683)
(Increase)/Decrease in Prepaid Items		49,975	49,975
(Increase)/Decrease in Inventory	(9,234)		(9,234)
Increase/(Decrease) in Interfund Payable			-
Increase/(Decrease) in Accounts Payable	508	1,402	1,910
Increase/(Decrease) in Unearned Revenue	4,606	-	4,606
Increase/(Decrease) in Deferred Commodities Revenue	<u>3,207</u>	<u>-</u>	<u>3,207</u>
Total Adjustments	<u>42,039</u>	<u>52,994</u>	<u>95,033</u>
Net Cash Provided by (Used) for Operating Activities	<u>\$ (21,407)</u>	<u>\$ 238,484</u>	<u>\$ 217,077</u>
Non-Cash Investing, Capital and Financing Activities			
Value Received - Food Distribution Program	\$ 44,658		

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, 2018**

	<u>Private Purpose Trust Funds</u>		
	<u>Kelemen Science Observatory Fund</u>	<u>Donations Fund</u>	<u>Agency Fund</u>
ASSETS			
Cash	\$ 11,985	\$ 15,775	\$ 772,028
Intergovernmental Receivable	<u>-</u>	<u>-</u>	<u>28,288</u>
Total Assets	<u>11,985</u>	<u>15,775</u>	<u>\$ 800,316</u>
LIABILITIES			
Due to Other Funds			268,369
Due to Student Groups			186,449
Employee Deposits Payable - Summer Payroll			187,782
Accrued Salaries and Wages			1,427
Payroll Deductions and Withholding Payable			151,685
Flexible Spending Deposits	<u>-</u>	<u>-</u>	<u>4,604</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>\$ 800,316</u>
NET POSITION			
Net Position Held in Trust for Scholarships and Other Purposes	<u>\$ 11,985</u>	<u>\$ 15,775</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, 2018**

	<u>Private Purpose Trust Funds</u>	
	Kelemen Science Observatory <u>Fund</u>	Donations <u>Fund</u>
ADDITIONS		
Investment Earnings		
Interest	\$ 23	\$ 30
Total Additions	<u>23</u>	<u>30</u>
DEDUCTIONS		
Miscellaneous Expenses	<u>-</u>	<u>-</u>
Total Deductions	<u>-</u>	<u>-</u>
Change in Net Position	23	30
Net Position, Beginning of Year	<u>11,962</u>	<u>15,745</u>
Net Position, End of Year	<u>\$ 11,985</u>	<u>\$ 15,775</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, 2018**

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 2018, the District adopted the following GASB statements as required:

- GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. 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. 85, *Omnibus 2017*. 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*. 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.

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

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

- GASB No. 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. 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.
- GASB No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, will be effective beginning with the year ending June 30, 2019. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement will improve financial reporting by providing users of financial statements with essential information that currently is not consistency provided. In addition, information about resources to liquidate debt and the risks associated with changes in terms association with debt will be disclosed.
- GASB No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*, will be effective beginning with the year ending June 30, 2020. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

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, 2018**

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, 2018**

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 funds* are used to account for resources legally held in trust for private donations, for scholarship awards and private donations for a science observatory. All resources of the funds, 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.

The *fiduciary agency funds* account for assets held by the District as an agent for student activities and for payroll deductions and withholdings. The funds for the student activities fund are solely for noninstructional student activities that are supported and controlled by student organizations and clubs for which school administration does not have management involvement. The payroll funds are held to remit employee withholdings to respective state, federal and other agencies.

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, 2018**

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 inventory 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, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. Donated capital assets are recorded at 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

5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The 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 amount 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, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

5. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The 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.

6. Compensated Absences

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

7. Pensions

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

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

CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

8. *Long-Term Obligations*

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 unamortized 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, 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 source. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

9. *Net Position/Fund Balance*

District-Wide Statements

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

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

Governmental Fund Statements

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

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

Excess Surplus – Designated for Subsequent Year's Expenditures - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2017 audited excess surplus that was 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, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Governmental Fund Statements (Continued)

Restricted Fund Balance (Continued)

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2018 audited excess surplus that is required to be appropriated in the 2019/2020 original budget certified for taxes.

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

Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2018/2019 District budget certified for taxes.

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

In the general operating fund and other governmental funds (capital projects and debt service fund types), it is the District's policy to consider restricted resources to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted (i.e., committed, assigned or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

10. *Fund Balance Policies*

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the government that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. Fund Balance Policies (Continued)

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Board has authorized the School Business Administrator/Board Secretary to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

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 2016-2017 and 2017-2018 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, 2018**

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 2017/2018. Also, during 2017/2018 the Board increased the original budget by \$331,222. The increase was funded by additional surplus appropriated, grant awards and the reappropriation of prior year general fund encumbrances. During the fiscal year the Board authorized and approved an additional fund balance appropriation of \$125,138 from the general fund on February 5, 2018.

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, 2018**

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, 2018 is as follows:

Balance, July 1, 2017	\$ 585,663
Increased by	
Interest Earnings	<u>500</u>
Balance, June 30, 2018	<u>\$ 586,163</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.

**CLARK PUBLIC SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Maintenance Reserve (Continued)

The activity of the maintenance reserve for the fiscal year ended June 30, 2018 is as follows:

Balance, July 1, 2017	\$ 750,000
Increased by	
Interest Earnings	\$ 750
Unspent Balances on Completed Projects	<u>8,672</u>
	<u>9,422</u>
	759,422
Withdrawals	<u>125,138</u>
Balance, June 30, 2018	<u>\$ 634,284</u>

The June 30, 2018 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$2,023,427. The withdrawals from the maintenance reserve were for use in required maintenance activities for school facilities.

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, 2018 is \$3,719,920. Of this amount, \$1,554,344 was designated and appropriated in the 2018/2019 original budget certified for taxes and the remaining amount of \$2,165,576 will be appropriated in the 2019/2020 original budget certified for taxes.

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 and NCUSIF.

**CLARK PUBLIC SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Cash Deposits (Continued)

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, 2018, the book value of the Board's deposits were \$7,619,423 and bank and brokerage firm balances of the Board's deposits amounted to \$8,272,565. 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>8,272,565</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, 2018 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; any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor; 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; Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law," (C.40A:5A-1 et seq.); Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by school districts; Local Government investment pools; deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2018, 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, 2018**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of June 30, 2018 for the district's individual major funds and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Special Revenue Fund	Food Service Fund	Agency Fund	Total
Receivables:					
Intergovernmental:					
Local	\$ 421,367				\$ 421,367
State	84,407	\$ 2,937	\$ 430	\$ 28,288	116,062
Federal		71,215	5,734		76,949
Other	-	-	490	-	490
Gross Receivables	<u>505,774</u>	<u>74,152</u>	<u>6,654</u>	<u>28,288</u>	<u>614,868</u>
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 505,774</u>	<u>\$ 74,152</u>	<u>\$ 6,654</u>	<u>\$ 28,288</u>	<u>\$ 614,868</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:

Special Revenue Fund	
Unencumbered Grant Draw Downs	\$ 5,229
Grant Draw Downs Reserved for Encumbrances	<u>19,040</u>
 Total Deferred Revenue for Governmental Funds	 <u>\$ 24,269</u>

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2018 was as follows:

	Balance <u>July 1, 2017</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>June 30, 2018</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,808,965			\$ 1,808,965
Construction in Progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Capital Assets, Not Being Depreciated	<u>1,808,965</u>	<u>-</u>	<u>-</u>	<u>1,808,965</u>
Capital Assets, Being Depreciated:				
Site Improvements	2,077,484			2,077,484
Buildings and Improvements	47,621,039	\$ 140,740		47,761,779
Machinery and Equipment	<u>4,135,577</u>	<u>363,499</u>	<u>\$ (349,174)</u>	<u>4,149,902</u>
Total Capital Assets Being Depreciated	<u>53,834,100</u>	<u>504,239</u>	<u>(349,174)</u>	<u>53,989,165</u>
Less Accumulated Depreciation for:				
Site Improvements	(1,406,889)	(103,541)		(1,510,430)
Buildings and Improvements	(25,586,848)	(1,880,191)		(27,467,039)
Machinery and Equipment	<u>(3,008,989)</u>	<u>(285,058)</u>	<u>340,287</u>	<u>(2,953,760)</u>
Total Accumulated Depreciation	<u>(30,002,726)</u>	<u>(2,268,790)</u>	<u>340,287</u>	<u>(31,931,229)</u>
Total Capital Assets, Being Depreciated, Net	<u>23,831,374</u>	<u>(1,764,551)</u>	<u>(8,887)</u>	<u>22,057,936</u>
Government Activities Capital Assets, Net	<u>\$ 25,640,339</u>	<u>\$ (1,764,551)</u>	<u>\$ (8,887)</u>	<u>\$ 23,866,901</u>
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 438,215	\$ 32,655	(47,644)	\$ 423,226
Total Capital Assets Being Depreciated	<u>438,215</u>	<u>32,655</u>	<u>(47,644)</u>	<u>423,226</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	<u>(250,897)</u>	<u>(16,561)</u>	<u>32,621</u>	<u>(234,837)</u>
Total Accumulated Depreciation	<u>(250,897)</u>	<u>(16,561)</u>	<u>32,621</u>	<u>(234,837)</u>
Total Capital Assets, Being Depreciated, Net	<u>187,318</u>	<u>16,094</u>	<u>(15,023)</u>	<u>188,389</u>
Business-Type Activities Capital Assets, Net	<u>\$ 187,318</u>	<u>\$ 16,094</u>	<u>\$ (15,023)</u>	<u>\$ 188,389</u>

**CLARK PUBLIC SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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	\$ 2,094,907
Total Instruction	<u>2,094,907</u>

Support Services	
Student and Instruction Related Services	95,692
General Administration	338
School Administration	485
Central Services	2,961
Plant Operations and Maintenance	61,101
Pupil Transportation	13,306
Total Support Services	<u>173,883</u>

Total Depreciation Expense - Governmental Activities	<u>\$ 2,268,790</u>
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Business-Type Activities:

Food Service Fund	\$ 14,944
Before and After School Program Fund	<u>1,617</u>

Total Depreciation Expense-Business-Type Activities	<u>\$ 16,561</u>
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E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2018, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Before and After Care Fund	\$ 22,410
General Fund	Payroll Agency Fund	268,369
Food Service Fund	General Fund	<u>28,608</u>
Total		<u>\$ 319,387</u>

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

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

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases

Capital Leases

The District is leasing copiers and a school bus totaling \$615,292 under capital leases. The leases are for terms of 2 to 5 years.

The capital assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>
Machinery and Equipment	\$ <u>615,292</u>
Total	\$ <u>615,292</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2018 were as follows:

<u>Fiscal Year Ending June 30</u>	<u>Governmental Activities Capital Leases</u>
2019	\$ 104,302
2020	103,698
2021	54,397
2022	<u>13,599</u>
Total minimum lease payments	275,996
Less: amount representing interest	<u>(17,512)</u>
Present value of minimum lease payments	<u>\$ 258,484</u>

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

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, 2018 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 2.63% to 4.00% \$11,135,000

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

Governmental Activities:

<u>Year Ending</u> <u>June 30,</u>	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
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	1,590,000	208,031	1,798,031
2024-2027	<u>5,170,000</u>	<u>296,757</u>	<u>5,466,757</u>
	<u>\$ 11,135,000</u>	<u>\$ 1,786,312</u>	<u>\$ 12,921,312</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2018 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 103,619,667
Less: Net Debt	<u>11,135,000</u>
Remaining Borrowing Power	<u>\$ 92,484,667</u>

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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, 2018, 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	\$ 12,110,000		\$ 975,000	\$ 11,135,000	\$ 975,000
Deferred Amounts:					
Add: Original Issue Premium	<u>491,379</u>	<u>-</u>	<u>84,344</u>	<u>407,035</u>	<u>-</u>
Total Bonds Payable	12,601,379	-	1,059,344	11,542,035	975,000
Capital Leases Payable	26,668	\$ 287,606	55,790	258,484	95,240
Lease Purchase Agreement	109,770		109,770	-	
Compensated Absences	815,759		25,058	790,701	
Net Pension Liability	<u>9,220,197</u>	<u>-</u>	<u>2,142,672</u>	<u>7,077,525</u>	<u>-</u>
Governmental Activity Long-Term Liabilities	<u>\$ 22,773,773</u>	<u>\$ 287,606</u>	<u>\$ 3,392,634</u>	<u>\$ 19,668,745</u>	<u>\$ 1,070,240</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 coverage's in any of the prior three years.

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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, 2018, 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, 2018, the District has not estimated its arbitrage earnings due to the IRS, if any.

D. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

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. PERS is a cost sharing multiple employer defined benefit pension plan.

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

**CLARK PUBLIC SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Public Employees' Retirement System (PERS) (Continued)

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reached age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

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. TPAF is a cost sharing multiple employer defined benefit pension plan with a special funding situation, by which the State is responsible to fund 100% of local employer contributions, excluding any local employer early retirement incentive (ERI) contributions.

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represent the membership tiers for TPAF:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reached age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tier 1 and 2 members before reaching age 60, tier 3 and 4 members with 25 or more years of service credit before age 62, and tier 5 members with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement for his/her respective tier. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

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

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected, certain appointed officials, and certain Board employees not eligible for enrollment in PERS or TPAF. Effective July 1, 2007 membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

Other Pension Funds

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

The cost of living increase for PERS and TPAF, are funded directly by each of the respective systems but are currently suspended as a result of reform legislation.

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

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits ("Division"), 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.

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

The authority to amend the provisions of the above plans rests with new legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for TPAF and PERS, once a Target Funded Ratio (TFR) is met. The Pension Plan Design Committees will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation of final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committees will also have the authority to reactivate the cost of living adjustment (COLA) on pensions. However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a 30-year projection period.

Measurement Focus and Basis of Accounting

The financial statements of the retirement systems are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the pension trust funds. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Investment Valuation

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Investments are reported at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The 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.

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Funding Status and Funding Progress

As of July 1, 2016, the most recent actuarial valuation date, the aggregate funded ratio for the State administered TPAF and local PERS retirement systems, is 33 percent with an unfunded actuarial accrued liability of 90.90 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded TPAF system is 25.41 percent and \$67.6 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS is 48.10 percent and \$23.3 billion, respectively.

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

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

Actuarial Methods and Assumptions

In the July 1, 2016 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 7.00 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 7.34% for PERS, 7.34% for TPAF and 5.50% for DCRP of the employee's annual compensation for fiscal year 2018.

Annual Pension Costs (APC)

For the fiscal year ended June 30, 2018 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

**CLARK PUBLIC SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Annual Pension Costs (APC) (Continued)

During the fiscal years ended June 30, 2018, 2017 and 2016 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, 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 <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2018	\$ 281,659	\$ 2,162,354	\$ 21,020
2017	276,566	1,608,255	20,416
2016	282,895	1,210,400	17,906

In addition for fiscal years 2017/2018 and 2016/2017 the District contributed \$3,295 and \$1,691, respectively for PERS and the State contributed \$2,892 and \$3,795, respectively 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 Statement No. 85, *Omnibus 2017* (GASB No. 85). 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 \$1,131,309 during the fiscal year ended June 30, 2018 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. 85.

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

Public Employees Retirement System (PERS)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the fiscal year ended June 30, 2017. Employer allocation percentages have been rounded for presentation purposes.

Although the NJ Division of Pensions and Benefits ("Division") administers one cost-sharing multiple employer defined benefit pension plan, separate actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective pension expense excluding that attributable to employer-paid member contributions are determined separately for each individual employer of the State and local groups of the plan.

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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)

To facilitate the separate actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2017 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2017.

At June 30, 2018, the District reported in the statement of net position (accrual basis) a liability of \$7,077,525 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2017 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, 2017, the District's proportionate share was .03040 percent, which was a decrease of .00073 percent from its proportionate share measured as of June 30, 2016 of .03113 percent.

For the fiscal year ended June 30, 2018, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$348,221 for PERS. The pension contribution made by the District during the current 2017/2018 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2018 with a measurement date of the prior fiscal year end of June 30, 2017. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2018 for contributions made subsequent to the current fiscal year end. At June 30, 2018, 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	\$ 166,651	
Changes of Assumptions	1,425,877	\$ 1,420,650
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	48,193	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>4,213</u>	<u>530,231</u>
Total	<u>\$ 1,644,934</u>	<u>\$ 1,950,881</u>

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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)

At June 30, 2018, 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:

Year Ending <u>June 30,</u>	<u>Total</u>
2019	\$ 7,423
2020	99,082
2021	31,644
2022	(278,779)
2023	(165,317)
Thereafter	-
	<u>\$ (305,947)</u>

Actuarial Assumptions

The District's total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>PERS</u>
Inflation Rate	2.25%
Salary Increases:	
Through 2026	1.65-4.15% Based on Age
Thereafter	2.65-5.15% Based on Age
Investment Rate of Return	7.00%
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, 2016 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, 2018**

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, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
US Equities	30.00%	8.19%
Non-US Developed Markets Equity	11.50%	9.00%
Emerging Market Equities	6.50%	11.64%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
Buyouts/Venture Capital	8.25%	13.08%

Discount Rate

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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2018	June 30, 2017	5.00%
2017	June 30, 2016	3.98%

**CLARK PUBLIC SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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, 2040
Municipal Bond Rate *	From July 1, 2040 and Thereafter

* The municipal bond return rate used is 3.58% as of the measurement date of June 30, 2017. 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 5.00%, 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 (4.00 percent) or 1-percentage-point higher (6.00 percent) than the current rate:

	1% Decrease (4.00%)	Current Discount Rate (5.00%)	1% Increase (6.00%)
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 8,780,150</u>	<u>\$ 7,077,525</u>	<u>\$ 5,659,027</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability at June 30, 2017. 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, 2018**

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)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as a non-employer toward the actuarially determined contribution amount adjusted by locations who participated in the State early retirement incentives to total contributions to TPAF during the fiscal year ended June 30, 2017. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2017, the State's pension contribution was less than the actuarial determined amount.

In accordance with GASB No. 68, the District is not required to recognize a net pension liability for TPAF. The State of New Jersey, as a nonemployer contributing entity, 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, 2018, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$6,678,310 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2018 the State's proportionate share of the net pension liability attributable to the District is \$96,402,979. 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, 2017. At June 30, 2017, the state's share of the net pension liability attributable to the District was .14298 percent, which was a decrease of .00820 percent from its proportionate share measured as of June 30, 2016 of .15118 percent.

**CLARK PUBLIC SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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)

Actuarial Assumptions

The total pension liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>TPAF</u>
Inflation Rate	2.25%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.00%

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, 2016 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, 2018**

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, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Absolute Return/Risk Mitigation	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
Public High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Estate	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Markets Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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:

Fiscal Year	Measurement Date	Discount Rate
2018	June 30, 2017	4.25%
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, 2036

Municipal Bond Rate * From July 1, 2036
and Thereafter

* The municipal bond return rate used is 3.58% as of the measurement date of June 30, 2017. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 4.25%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (3.25 percent) or 1-percentage-point higher (5.25 percent) than the current rate:

	1% Decrease (3.25%)	Current Discount Rate (4.25%)	1% Increase (5.25%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$114,529,763</u>	<u>\$ 96,402,979</u>	<u>\$ 81,470,056</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2017. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2017 was not provided by the pension system.

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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 plan for school districts.

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in an Agency Fund in the New Jersey Comprehensive Annual Financial Report effective for the fiscal year ended June 30, 2017. Therefore, the plan has no assets accumulated in a trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a single employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

The State of New Jersey sponsors and administers the following post-retirement health benefit program plan covering certain local school district employees, including those Board employees and retirees eligible for coverage.

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.32f provides medical coverage and prescription drug benefits to qualified retired education participants. The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of the PERS and Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

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, 2018**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2016:

Active Plan Members	223,747
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	142,331
Inactive Plan Members Entitled to but not yet Receiving Benefits	<u>-</u>
Total	<u>366,078</u>

Measurement Focus and Basis of Accounting

The financial statements of the post-employment health benefit plans are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the post-employment health benefit plans. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Funded Status and Funding Progress

As of July 1, 2016, the most recent actuarial valuation date, the State had a \$69.3 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$25.5 billion for state active and retired members and \$43.8 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.

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Funded Status and Funding Progress (Continued)

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, 2016, 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.

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, 2017, there were 112,966, retirees receiving post-retirement medical benefits and the State contributed \$1.39 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 \$238.9 million toward Chapter 126 benefits for 20,913 eligible retired members in Fiscal Year 2017.

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, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2018, 2017 and 2016 were \$1,396,618, \$1,340,043 and \$1,441,253, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

**CLARK PUBLIC SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense excluding that attributable to retiree-paid member contributions. The nonemployer allocation percentages presented are based on the ratio of the State’s contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the fiscal year ended June 30, 2017. Nonemployer allocation percentages have been rounded for presentation purposes.

In accordance with GASB No. 75, the District is not required to recognize an OPEB liability for the post-employment health benefit plan. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to the plan on behalf of the District. Accordingly, the District’s proportionate share percentage determined under Statement No. 75 is zero percent and the State’s proportionate share is 100% of the OPEB liability attributable to the District. Therefore, in addition, the District does not recognize any portion of the collective deferred outflows of resources and deferred inflows of resources related to the plan.

For the fiscal year ended June 30, 2018, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$4,306,002. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 85.

At June 30, 2018 the State’s proportionate share of the OPEB liability attributable to the District is \$74,266,642. The nonemployer allocation percentages are based on the ratio of the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2017 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2017. At June 30, 2017, the state’s share of the OPEB liability attributable to the District was .13845 percent, which was a decrease of .00052 percent from its proportionate share measured as of June 30, 2016 of .13897 percent.

Actuarial Assumptions

The OPEB liability for the June 30, 2017 measurement date was determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases *	
Initial Fiscal Year Applied Through	2026
Rate	1.55% to 4.55%
Rate Thereafter	2.00% to 5.45%
Mortality	RP-2014 Headcount-Weighted Healthy Employee, Healthy Annuitant and Disabled Male/Female Mortality Table with Fully Generational Mortality Improvement Projections from the Central Year Using Scale MP-2017
Long-Term Rate of Return	1.00%

*Salary increases are based on the defined benefit plan that the individual is enrolled in and his or her year of service for TPAF or his or her age for PERS.

**CLARK PUBLIC SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Actuarial Assumptions (Continued)

Healthcare cost trend rates for pre-Medicare Preferred Provider Organization (PPO) medical benefits, this amount initially is 5.9 percent and decreases to a 5.0 percent long-term trend rate after nine years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5 percent. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9 percent and decreases to a 5.0 percent long-term trend rate after nine years. For prescription drug benefits, the initial trend rate is 10.5 percent and decreases to a 5.0 percent long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0 percent. This reflects the known underlying cost of the Part B premium. The Medicare Advantage trend rate is 4.5 percent and will continue in future years.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2012 to June 30, 2015 and July 1, 2011 to June 30, 2014, respectively.

Long-Term Expected Rate of Return

As the OPEB plan only invests in the State of New Jersey Cash Management Fund, the long-term expected rate of return on OPEB investments was based off the best-estimate ranges of future real rates of return (expected returns, net of OPEB plan investment expense and inflation) for cash equivalents, which is 1.00% as of June 30, 2017.

Discount Rate

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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2018	June 30, 2017	3.58%
2017	June 30, 2016	2.85%

The discount rate represents the municipal bond return rate as chosen by the Division. 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. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Changes in the Total OPEB Liability

The change in the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2018 (measurement date June 30, 2017) is as follows:

	Total OPEB Liability <u>(State Share 100%)</u>
Balance, June 30, 2016 Measurement Date	\$ <u>80,368,848</u>
Changes Recognized for the Fiscal Year:	
Service Cost	\$ 2,972,767
Interest on the Total OPEB Liability	2,361,715
Changes of Assumptions	(9,811,698)
Gross Benefit Payments	(1,687,114)
Contributions from the Member	<u>62,124</u>
Net Changes	\$ <u>(6,102,206)</u>
Balance, June 30, 2017 Measurement Date	\$ <u>74,266,642</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.85 percent in 2016 to 3.58 percent in 2017.

The change in the total OPEB liability was based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2017. A change in the total OPEB liability specific to the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2017 was not provided by the pension system.

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 3.58%, as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.58 percent) or 1-percentage-point higher (4.58 percent) than the current rate:

	1% Decrease <u>(2.58%)</u>	Current Discount Rate <u>(3.58%)</u>	1% Increase <u>(4.58%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ <u>88,159,862</u>	\$ <u>74,266,642</u>	\$ <u>63,246,408</u>

**CLARK PUBLIC SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Sensitivity of OPEB Liability (Continued)

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability (School Retirees)	\$ <u>61,077,134</u>	\$ <u>74,266,642</u>	\$ <u>91,782,154</u>

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2017. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2017 were not provided by the pension system.

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.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGET COMPARISON SCHEDULES

**CLARK PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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	\$ 30,792,697		\$ 30,792,697	\$ 30,792,697	
Tuition - Individuals	230,000		230,000	252,470	\$ 22,470
Tuition - Other LEA's Within State	1,507,007		1,507,007	1,615,059	108,052
Interest	1,250		1,250	15,861	14,611
Rents	35,000		35,000	28,589	(6,411)
Miscellaneous Revenues	24,500	-	24,500	129,292	104,792
Total Local Sources	32,590,454	-	32,590,454	32,833,968	243,514
State Sources					
Special Education Aid	910,308		910,308	976,707	66,399
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	83,306	33,306
Additional Nonpublic Transportation Aid				26,175	26,175
TPAF Pension Benefit Contribution - (Non-Budget)				2,111,122	2,111,122
TPAF Pension - NCGI Premium (Non-Budget)				51,232	51,232
TPAF Long-Term Disability Insurance				2,892	2,892
TPAF Post Retirement Medical Contribution (Non-Budget)				1,396,618	1,396,618
TPAF Social Security Contributions (Non-Budget)	-	-	-	1,131,309	1,131,309
Total State Sources	1,130,129	-	1,130,129	5,949,182	4,819,053
Federal Sources					
Medicaid Reimbursement	19,763	-	19,763	15,701	(4,062)
Total Federal Sources	19,763	-	19,763	15,701	(4,062)
Total Revenues	33,740,346	-	33,740,346	38,798,851	5,058,505
EXPENDITURES					
CURRENT					
Instruction - Regular Programs					
Salaries of Teachers					
Preschool	270,066	\$ (92,382)	177,684	175,303	2,381
Kindergarten	360,952	84,517	445,469	439,412	6,057
Grades 1-5	3,377,129	(144,268)	3,232,861	3,225,429	7,432
Grades 6-8	2,104,741	14,997	2,119,738	2,119,738	-
Grades 9-12	4,469,818	79,128	4,548,946	4,548,946	-
Regular Programs - Home Instruction					
Salaries of Teachers	30,000	(21,887)	8,113	7,835	278
Purchased Professional/Educational Services		16,591	16,591	16,591	-
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	125,413	86,038	211,451	205,982	5,469
Purchased Professional/Educational Services	514,924	(63,225)	451,699	451,601	98
Other Purchased Services	66,860	15,170	82,030	69,714	12,316
General Supplies	268,500	(40,426)	228,074	207,462	20,612
Textbooks	27,000	9,453	36,453	29,075	7,378
Other Objects	47,000	135	47,135	38,096	9,039
Total Regular Programs	11,662,403	(56,159)	11,606,244	11,535,184	71,060

**CLARK PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

EXHIBIT C-1

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
EXPENDITURES					
CURRENT (Continued)					
Learning and/or Language Disabilities					
Salaries of Teachers	\$ 326,485		\$ 325,197	\$ 239,485	\$ 85,712
Other Salaries for Instruction	149,511	\$ (7,395)	142,116	97,261	44,855
Purchased Professional/Educational Services	500	-	500	500	-
General Supplies	2,750	24,713	27,463	13,390	14,073
Other Objects	16,500	(10,311)	6,189	247	5,942
Total Learning and/or Language Disabilities	<u>495,746</u>	<u>5,719</u>	<u>501,465</u>	<u>350,883</u>	<u>150,582</u>
Multiple Disabilities					
Salaries of Teachers	111,900	-	111,900	57,060	54,840
General Supplies	3,250	-	3,250	1,855	1,395
Total Multiple Disabilities	<u>115,150</u>	<u>-</u>	<u>115,150</u>	<u>58,915</u>	<u>56,235</u>
Resource Room/Resource Center					
Salaries of Teachers	1,870,781	(211,829)	1,658,952	1,506,252	152,700
Other Salaries for Instruction	404,738	137,621	542,359	511,100	31,259
Purchased Professional/Educational Services	2,000	350	2,350	2,350	-
General Supplies	3,500	-	3,500	3,027	473
Textbooks	5,000	-	5,000	4,452	548
Total Resource Room/Resource Center	<u>2,286,019</u>	<u>(73,858)</u>	<u>2,212,161</u>	<u>2,027,181</u>	<u>184,980</u>
Preschool Disabilities - Part-Time					
Salaries of Teachers	113,598	28,572	142,170	142,170	-
General Supplies	1,000	-	1,000	472	528
Total Preschool Disabilities - Part-Time	<u>114,598</u>	<u>28,572</u>	<u>143,170</u>	<u>142,642</u>	<u>528</u>
Total Special Education	<u>3,011,513</u>	<u>(39,567)</u>	<u>2,971,946</u>	<u>2,579,621</u>	<u>392,325</u>
Basic Skills/Remedial					
Salaries of Teachers	359,127	(4,852)	354,275	341,670	12,605
Total Basic Skills/Remedial	<u>359,127</u>	<u>(4,852)</u>	<u>354,275</u>	<u>341,670</u>	<u>12,605</u>
Bilingual Education					
Salaries of Teachers	56,640	300	56,940	56,940	-
Total Bilingual Education	<u>56,640</u>	<u>300</u>	<u>56,940</u>	<u>56,940</u>	<u>-</u>
School Sponsored Co-Curricular Activities					
Salaries	161,107	(7,512)	153,595	153,595	-
Purchased Services		3,138	3,138	3,138	-
Supplies & Materials	110,000	(50,614)	59,386	56,991	2,395
Other Objects	52,150	(13,131)	39,019	29,830	9,189
Total School Sponsored Co-Curricular Activities	<u>323,257</u>	<u>(68,119)</u>	<u>255,138</u>	<u>243,554</u>	<u>11,584</u>

**CLARK PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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	\$ 297,466	\$ 5,555	\$ 303,021	\$ 303,021	
Purchased Services	49,374	8,159	57,533	56,749	\$ 784
Supplies and Materials	65,747	(22,650)	43,097	42,163	934
Other Objects	39,319	16,097	55,416	55,041	375
Total School Sponsored Athletics	<u>451,906</u>	<u>7,161</u>	<u>459,067</u>	<u>456,974</u>	<u>2,093</u>
Total Instruction	<u>15,864,846</u>	<u>(161,236)</u>	<u>15,703,610</u>	<u>15,213,943</u>	<u>489,667</u>
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs w/i State - Special	527,816	222,509	750,325	749,610	715
Tuition to County Voc. School Dist.-Regular	546,500	60,350	606,850	606,700	150
Tuition to County Voc. School Dist.- Special	28,000	(10,971)	17,029	15,600	1,429
Tuition to CSSD and Regional Day Schools		1,871	1,871	1,871	-
Tuition to Priv. Sch. For the Disabled - Within State	1,157,753	(185,720)	972,033	862,473	109,560
Tuition Other	-	3,010	3,010	3,010	-
Total Undistributed Expenditures - Instruction	<u>2,260,069</u>	<u>91,049</u>	<u>2,351,118</u>	<u>2,239,264</u>	<u>111,854</u>
Attendance and Social Work					
Salaries	52,628	3	52,631	51,607	1,024
Total Attendance and Social Work	<u>52,628</u>	<u>3</u>	<u>52,631</u>	<u>51,607</u>	<u>1,024</u>
Health Services					
Salaries	316,849	(17,327)	299,522	299,522	-
Purchased Professional and Technical Services	25,000	6,674	31,674	31,674	-
Supplies and Materials	6,300	(502)	5,798	5,726	72
Other Objects	500	-	500	500	-
Total Health Services	<u>348,649</u>	<u>(11,155)</u>	<u>337,494</u>	<u>337,422</u>	<u>72</u>
Other Support Serv. Students - Speech, OT, PT & Related Serv.					
Salaries	291,090	14,175	305,265	301,414	3,851
Purchased Professional/Educational Services	135,000	(14,175)	120,825	75,624	45,201
Supplies and Materials	5,685	-	5,685	5,685	-
Total Other Supp.Serv. Student - Speech, OT, PT, & Related Serv. Speech, OT, PT, & Related Serv.	<u>431,775</u>	<u>-</u>	<u>431,775</u>	<u>382,723</u>	<u>49,052</u>
Other Support Services - Students - Extra Serv.					
Salaries	338,567	28,713	367,280	321,605	45,675
Total Other Supp.Serv. Student - Extra Serv.	<u>338,567</u>	<u>28,713</u>	<u>367,280</u>	<u>321,605</u>	<u>45,675</u>
Other Support Services - Students - Guidance					
Salaries of Other Professional Staff	611,276	(37,705)	573,571	560,991	12,580
Salaries of Secretarial & Clerical Assistants	115,714	-	115,714	115,714	-
Other Purchased Services	77,130	6,600	83,730	69,307	14,423
Supplies and Materials	5,000	-	5,000	3,421	1,579
Total Other Support Services - Students - Guidance	<u>809,120</u>	<u>(31,105)</u>	<u>778,015</u>	<u>749,433</u>	<u>28,582</u>

**CLARK PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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	\$ 794,015	\$ 10,294	\$ 804,309	\$ 788,505	\$ 15,804
Salaries of Secretarial & Clerical Assistants	123,418	(61,704)	61,714	61,714	-
Other Salaries	12,000	(4,887)	7,113	-	7,113
Purchased Professional-Educational Services	41,208	(4,155)	37,053	37,053	-
Other Purchased Services	6,405	1,000	7,405	7,405	-
Supplies and Materials	7,000	(142)	6,858	6,748	110
Total Other Support Services - Students - Child Study Team	<u>984,046</u>	<u>(59,594)</u>	<u>924,452</u>	<u>901,425</u>	<u>23,027</u>
Improvement of Instructional Services					
Salaries of Supervisors of Instruction	151,584	(18,605)	132,979	51,460	81,519
Salaries of Other Professional Staff		3,000	3,000	2,368	632
Other Purchased Services	14,000	-	14,000	13,007	993
Supplies and Materials	1,000	-	1,000	-	1,000
Other Objects	10,000	-	10,000	9,965	35
Total Improvement of Instructional Services	<u>176,584</u>	<u>(15,605)</u>	<u>160,979</u>	<u>76,800</u>	<u>84,179</u>
Educational Media/School Library					
Salaries	56,640	-	56,640	56,640	-
Other Purchased Services	15,165	-	15,165	11,974	3,191
Supplies and Materials	38,000	-	38,000	27,116	10,884
Total Educational Media/School Library	<u>109,805</u>	<u>-</u>	<u>109,805</u>	<u>95,730</u>	<u>14,075</u>
Instructional Staff Training Services					
Purchased Professional-Educational Services	20,185	-	20,185	8,933	11,252
Other Objects	15,000	-	15,000	8,022	6,978
Total Instructional Staff Training Services	<u>35,185</u>	<u>-</u>	<u>35,185</u>	<u>16,955</u>	<u>18,230</u>
Support Services General Administration					
Salaries	281,700	(8,893)	272,807	252,298	20,509
Legal Services	87,120	(12,474)	74,646	74,646	-
Audit Fees	38,000	-	38,000	35,015	2,985
Architectural/Engineering Services	5,000	(5,000)	-	-	-
Miscellaneous Purchased Services	115,507	37,222	152,729	152,307	422
Communications/Telephone	169,100	(26,369)	142,731	139,621	3,110
General Supplies	5,000	2,527	7,527	4,013	3,514
Miscellaneous Expenditures	11,000	3,013	14,013	12,365	1,648
BOE Membership Dues and Fees	25,500	10,683	36,183	15,476	20,707
Total Support Services General Administration	<u>737,927</u>	<u>709</u>	<u>738,636</u>	<u>685,741</u>	<u>52,895</u>
Support Services School Administration					
Salaries of Principals/Asst. Principals/Prog Director	790,850	15,349	806,199	806,199	-
Salaries of Other Professional Staff	113,216	287,116	400,332	400,332	-
Salaries of Secretarial and Clerical Assistants	355,276	(49,417)	305,859	300,215	5,644
Purchased Professional and Technical Services	25,775	252	26,027	23,118	2,909
Supplies and Materials	4,000	-	4,000	2,938	1,062
Other Objects	8,300	-	8,300	4,131	4,169
Total Support Services School Administration	<u>1,297,417</u>	<u>253,300</u>	<u>1,550,717</u>	<u>1,536,933</u>	<u>13,784</u>

**CLARK PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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	\$ 421,330	\$ (143)	\$ 421,187	\$ 354,641	\$ 66,546
Misc. Purchased Services	500	-	500	140	360
Supplies and Materials	7,500	(275)	7,225	5,422	1,803
Miscellaneous Expenditures	3,248	277	3,525	3,525	-
Total Undistributed Expenditures - Central Services	432,578	(141)	432,437	363,728	68,709
Required Maintenance for School Facilities					
Salaries	-	269,168	269,168	269,168	-
Cleaning, Repair and Maintenance Services	150,000	69,545	219,545	195,271	24,274
General Supplies	70,000	(42,371)	27,629	27,040	589
Total Required Maintenance for School Facilities	220,000	296,342	516,342	491,479	24,863
Custodial Services					
Salaries	502,475	(152,443)	350,032	350,032	-
Salaries of Non-Instructional Aides	85,064	4,863	89,927	89,927	-
Purchased Professional-Technical Services	25,500	(5,100)	20,400	20,400	-
Cleaning, Repair and Maintenance Services	832,368	(30,503)	801,865	801,865	-
Other Purchased Property Services	130,000	(15,157)	114,843	111,991	2,852
Insurance	173,281	(8,310)	164,971	164,971	-
General Supplies	39,000	21,655	60,655	54,470	6,185
Energy (Natural Gas)	165,000	-	165,000	156,743	8,257
Energy (Electricity)	375,000	(23,371)	351,629	296,752	54,877
Total Custodial Services	2,327,688	(208,366)	2,119,322	2,047,151	72,171
Care and Upkeep of Grounds					
Cleaning, Repair and Maintenance Services	25,000	17,225	42,225	32,961	9,264
General Supplies	5,000	5,000	10,000	8,439	1,561
Total Care and Upkeep of Grounds	30,000	22,225	52,225	41,400	10,825
Security					
Salaries	179,717	-	179,717	174,543	5,174
Purchased Professional and Technical Services	6,000	7,094	13,094	6,614	6,480
General Supplies	8,000	(1,804)	6,196	5,235	961
Total Security	193,717	5,290	199,007	186,392	12,615
Student Transportation Services					
Salaries of Non-Instructional Aides		31,119	31,119	31,119	-
Salaries for Pupil Trans. (Bet Home & School) - Spe Ed	55,000	(30,195)	24,805	18,585	6,220
Contracted Services - Aid in Lieu of Payments-Nonpublic Schools	71,604	(1,906)	69,698	66,594	3,104
Contracted Services (Between Home and School) - Vendors	310,000	9,939	319,939	303,488	16,451
Contracted Services (Other Than Btwn Home and School) - Vendors	187,319	7,900	195,219	152,853	42,366
Contracted Services (Special Ed Students) - Vendors	536,000	(1,000)	535,000	499,550	35,450
Contracted Services - (Regular Students) - ESCs & CTSAAs	20,000	-	20,000	15,677	4,323
Misc. Purchased Services-Transportation	20,000	2,205	22,205	8,853	13,352
General Supplies	17,000	499	17,499	12,135	5,364
Other Objects	-	1,250	1,250	930	320
Total Student Transportation Services	1,216,923	19,811	1,236,734	1,109,784	126,950

**CLARK PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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	\$ 390,000	-	\$ 390,000	\$ 350,637	\$ 39,363
Other Retirement Contributions - PERS	325,000	\$ 8,535	333,535	316,094	17,441
Unemployment Compensation	75,000	9,883	84,883	75,845	9,038
Workmen's Compensation	157,098	(5,931)	151,167	120,989	30,178
Health Benefits	4,535,332	(12,488)	4,522,844	4,192,900	329,944
Other Employee Benefits	55,000	-	55,000	725	54,275
Total Unallocated Benefits	<u>5,537,430</u>	<u>(1)</u>	<u>5,537,429</u>	<u>5,057,190</u>	<u>480,239</u>
Interest Earned on Maintenance Reserve	750	-	750	-	750
On-Behalf (Non-Budget)					
TPAF Pension Benefit Contribution - (Non-Budget)	-	-	-	2,111,122	(2,111,122)
TPAF Pension - NCGI Premium (Non-Budget)	-	-	-	51,232	(51,232)
TPAF Long-Term Disability Insurance	-	-	-	2,892	(2,892)
TPAF Post Retirement Medical Contribution (Non-Budget)	-	-	-	1,396,618	(1,396,618)
TPAF Social Security Contributions (Non-Budget)	-	-	-	1,131,309	(1,131,309)
Total On-Behalf	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,693,173</u>	<u>(4,693,173)</u>
Total Undistributed Expenditures	<u>17,540,858</u>	<u>391,475</u>	<u>17,932,333</u>	<u>21,385,935</u>	<u>(3,453,602)</u>
Total Current Expenditures	<u>33,405,704</u>	<u>230,239</u>	<u>33,635,943</u>	<u>36,599,878</u>	<u>(2,963,935)</u>
CAPITAL OUTLAY					
Equipment					
Grades 1 - 5	20,000	-	20,000	-	20,000
Grades 6 - 8	-	3,630	3,630	3,630	-
Admin. Info Tech	92,200	-	92,200	50,746	41,454
Learning and/or Language Disabilities	100,000	(38,269)	61,731	9,783	51,948
Custodial Services	-	21,345	21,345	21,345	-
Security	2,500	180	2,680	2,680	-
Total Equipment	<u>214,700</u>	<u>(13,114)</u>	<u>201,586</u>	<u>88,184</u>	<u>113,402</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>
Interest Deposit to Capital Reserve	500	-	500	-	500
Assets Acquired Under Capital Leases (Non-Budgeted)					
Equipment					
School Administration	-	-	-	201,380	(201,380)
Student Transportation	-	-	-	86,226	(86,226)
Total Assets Acquired Under Capital Leases (Non-Budgeted)	<u>-</u>	<u>-</u>	<u>-</u>	<u>287,606</u>	<u>(287,606)</u>
Total Capital Outlay	<u>334,642</u>	<u>(13,114)</u>	<u>321,528</u>	<u>495,232</u>	<u>(173,704)</u>
Total General Fund	<u>33,740,346</u>	<u>217,125</u>	<u>33,957,471</u>	<u>37,095,110</u>	<u>(3,137,639)</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	-	(217,125)	(217,125)	1,703,741	1,920,866
Other Financing Sources (Uses)					
Capital Lease Proceeds	-	-	-	287,606	287,606
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>287,606</u>	<u>287,606</u>

**CLARK PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Sources (Uses)	-	\$ (217,125)	\$ (217,125)	\$ 1,991,347	\$ 2,208,472
Fund Balance, Beginning of Year	<u>\$ 3,666,131</u>	-	<u>3,666,131</u>	<u>3,666,131</u>	-
Fund Balance, End of Year	<u>\$ 3,666,131</u>	<u>\$ (217,125)</u>	<u>\$ 3,449,006</u>	<u>\$ 5,657,478</u>	<u>\$ 2,208,472</u>
Recapitulation:					
Restricted Fund Balance					
Excess Surplus - Designated for Subsequent Year's Expenditures				\$ 1,554,344	
Excess Surplus				2,165,576	
Capital Reserve				586,163	
Maintenance Reserve				634,284	
Assigned Fund Balance					
Year End Encumbrances				6,013	
Designated for Subsequent Year's Expenditures				9,330	
Unassigned Fund Balance				<u>701,768</u>	
Fund Balance- Budgetary Basis				5,657,478	
Less: State Aid Revenue not recognized on GAAP basis				<u>(185,823)</u>	
Fund Balance per Governmental Funds Statements (GAAP)				<u>\$ 5,471,655</u>	

**CLARK PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Intergovernmental					
State	\$ 469,714	\$ 49,565	\$ 519,279	\$ 502,933	\$ (16,346)
Federal	620,618	64,532	685,150	540,497	(144,653)
Local	-	-	-	-	-
Total Revenues	<u>1,090,332</u>	<u>114,097</u>	<u>1,204,429</u>	<u>1,043,430</u>	<u>(160,999)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	24,995	-	24,995	24,995	-
Purchased Professional/Educational Services	28,857	20,493	49,350	49,336	14
Tuition	390,288	43,744	434,032	434,032	-
General Supplies	59,729	9,064	68,793	1,844	66,949
Textbooks	33,266	2,780	36,046	34,993	1,053
Total Instruction	<u>537,135</u>	<u>76,081</u>	<u>613,216</u>	<u>545,200</u>	<u>68,016</u>
Support Services					
Personal Services Employee-Benefits	6,998	-	6,998	6,998	-
Purchased Professional/Educational Services	505,678	23,942	529,620	468,564	61,056
Other Purchased Services	40,521	6,731	47,252	15,325	31,927
Total Support Services	<u>553,197</u>	<u>30,673</u>	<u>583,870</u>	<u>490,887</u>	<u>92,983</u>
Unallocated Benefits					
Employee Benefits	-	-	-	-	-
Capital Outlay					
Instructional Equipment	-	7,343	7,343	7,343	-
Noninstructional Equipment	-	-	-	-	-
Total Capital Outlay	<u>-</u>	<u>7,343</u>	<u>7,343</u>	<u>7,343</u>	<u>-</u>
Total Expenditures	<u>1,090,332</u>	<u>114,097</u>	<u>1,204,429</u>	<u>1,043,430</u>	<u>160,999</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, 2018**

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	\$ 38,798,851	\$ 1,043,430
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, 2017		-
Encumbrances June 30, 2018		(19,040)
State Aid payment not recognized for budgetary purposes, recognized for GAAP statements. 2016/2017 State Aid	155,849	
State Aid payment recognized for budgetary purposes, not recognized for GAAP statements. 2017/2018 State Aid	<u>(185,823)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 38,768,877</u>	<u>\$ 1,024,390</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 37,095,110	\$ 1,043,430
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, 2017		-
Encumbrances June 30, 2018	<u>-</u>	<u>(19,040)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 37,095,110</u>	<u>\$ 1,024,390</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III
PENSION AND OTHER POST EMPLOYMENT BENEFIT 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 Five Fiscal Years*

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.03040%	0.03113%	0.03291%	0.03286%	0.03257%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 7,077,525	\$ 9,220,197	\$ 7,386,520	\$ 6,152,107	\$ 6,741,273
District's Covered-Employee Payroll	\$ 2,129,762	\$ 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	332.32%	447.05%	360.31%	279.43%	308.32%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.10%	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 Five Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 281,659	\$ 276,566	\$ 282,895	\$ 270,885	\$ 265,771
Contributions in Relation to the Contractually Required Contribution	<u>281,659</u>	<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>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 2,129,762	\$ 2,062,445	\$ 2,050,030	\$ 2,201,638	\$ 2,186,439
Contributions as a Percentage of Covered-Employee Payroll	13.22%	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 Five Fiscal Years*

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.00%	0.00%	0.00%	0.00%	0.00%
District's Proportionate Share of the Net Pension Liability (Asset)	\$0	\$0	\$0	\$0	\$0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 96,402,979</u>	<u>\$ 118,927,288</u>	<u>\$ 96,800,736</u>	<u>\$ 80,987,570</u>	<u>\$ 76,907,380</u>
Total	<u>\$ 96,402,979</u>	<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	\$ 14,999,187	\$ 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%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	25.41%	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, 2018**

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.

**CLARK PUBLIC SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF
TOTAL OPEB LIABILITY**

Postemployment Health Benefit Plan

Last One Fiscal Year*

	2018
Total OPEB Liability	
Service Cost	\$ 2,972,767
Interest on Total OPEB Liability	2,361,715
Changes of Assumptions	(9,811,698)
Gross Benefit Payments	(1,687,114)
Contribution from the Member	<u>62,124</u>
Net Change in Total OPEB Liability	(6,102,206)
Total OPEB Liability - Beginning	80,368,848
Total OPEB Liability - Ending	<u>\$ 74,266,642</u>
District's Proportionate Share of OPEB Liability	\$ -
State's Proportionate Share of OPEB Liability	<u>74,266,642</u>
Total OPEB Liability - Ending	<u>\$ 74,266,642</u>
District's Covered-Employee Payroll	<u>\$ 17,128,949</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered-Employee Payroll	0%

Note: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

*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. 75. 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 CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Changes in Benefit Terms:

None.

Changes of Assumptions

Assumptions used in calculating the OPEB liability are presented in Note 4E.

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, 2018

	Ch. 192 Svcs.			Ch. 193 Svcs.			Total Page 2	Grand Total 2018				
	Nonpublic Nursing	Nonpublic Textbooks	Nonpublic Technology	Nonpublic Compensatory Education	Nonpublic Transport	Home Instruction			Nonpublic Supplemental Instruction	Nonpublic Exam./ Classification	Nonpublic Corrective Speech	
REVENUES												
Intergovernmental												
State	\$ 57,848	\$ 34,993	\$ 23,629	\$ 49,336	\$ 174,434	\$ 17,403	\$ 2,937	\$ 52,100	\$ 71,325	\$ 18,928	\$ -	\$ 502,933
Federal	-	-	-	-	-	-	-	-	-	-	\$ 540,497	\$ 540,497
Total Revenues	\$ 57,848	\$ 34,993	\$ 23,629	\$ 49,336	\$ 174,434	\$ 17,403	\$ 2,937	\$ 52,100	\$ 71,325	\$ 18,928	\$ 540,497	\$ 1,043,430
EXPENDITURES												
Instruction												
Salaries of Teachers											\$ 24,995	\$ 24,995
Purchased Professional/ Educational Services				\$ 49,336							-	49,336
Tuition											434,032	434,032
General Supplies											1,844	1,844
Textbooks	-	\$ 34,993	-	-	-	-	-	-	-	-	-	34,993
Total Instruction	-	34,993	-	49,336	-	-	-	-	-	-	460,871	545,200
Support Services												
Personal Services Employee-Benefits											6,998	6,998
Purchased Professional/ Educational Services	\$ 57,848		\$ 23,629		\$ 174,434	\$ 17,403	\$ 2,937	\$ 52,100	\$ 71,325	\$ 18,928	49,960	468,564
Other Purchased Services	-										15,325	15,325
Total Support Services	57,848	-	23,629	-	174,434	17,403	2,937	52,100	71,325	18,928	72,283	490,887
Facilities Acquisition and Construction												
Instructional Equipment											7,343	7,343
Noninstructional Equipment											-	-
Total Facilities Acquisition and Construction	-	-	-	-	-	-	-	-	-	-	7,343	7,343
Total Expenditures	\$ 57,848	\$ 34,993	\$ 23,629	\$ 49,336	\$ 174,434	\$ 17,403	\$ 2,937	\$ 52,100	\$ 71,325	\$ 18,928	\$ 540,497	\$ 1,043,430

**CLARK PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

REVENUES	<u>Title I 2017/18</u>	<u>Title IIA 2017/18</u>	<u>Title III Immigrant 2017/18</u>	<u>Title IV 2017/18</u>	<u>IDEA Part B</u>	<u>IDEA Preschool</u>	<u>Total Page 2</u>
Intergovernmental							
State							
Federal	\$ 8,786	\$ 23,859	\$ 401	\$ 1,465	\$ 483,992	\$ 21,994	\$ 540,497
Total Revenues	<u>\$ 8,786</u>	<u>\$ 23,859</u>	<u>\$ 401</u>	<u>\$ 1,465</u>	<u>\$ 483,992</u>	<u>\$ 21,994</u>	<u>\$ 540,497</u>
EXPENDITURES							
Instruction							
Salaries of Teachers		\$ 7,812				\$ 17,183	\$ 24,995
Purchased Professional/ Educational Services							-
Tuition					\$ 434,032		434,032
General Supplies	\$ 1,443		\$ 401				1,844
Textbooks	-	-	-	-	-	-	-
Total Instruction	<u>1,443</u>	<u>7,812</u>	<u>401</u>	<u>-</u>	<u>434,032</u>	<u>17,183</u>	<u>460,871</u>
Support Services							
Personal Services Employee-Benefits		2,187				4,811	6,998
Purchased Professional/ Educational Services					49,960		49,960
Other Purchased Services	-	13,860	-	\$ 1,465	-	-	15,325
Total Support Services	<u>-</u>	<u>16,047</u>	<u>-</u>	<u>1,465</u>	<u>49,960</u>	<u>4,811</u>	<u>72,283</u>
Facilities Acquisition and Construction							
Instructional Equipment	7,343						7,343
Noninstructional Equipment	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction	<u>7,343</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,343</u>
Total Expenditures	<u>\$ 8,786</u>	<u>\$ 23,859</u>	<u>\$ 401</u>	<u>\$ 1,465</u>	<u>\$ 483,992</u>	<u>\$ 21,994</u>	<u>\$ 540,497</u>

**CLARK PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID
SCHEDULE OF EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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, 2018**

<u>Issue/Project Title</u>	<u>Modified Appropriation</u>	<u>Expenditures to Date Prior Years</u>	<u>Current Year</u>	<u>Balance June 30, 2018</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	175,602		13,104
Frank K. Henly Elementary School - Restroom ADA Upgrades	113,238	99,538		13,700
Valley Road Elementary School - Window Replacements	595,615	570,584		25,031
	-	-	-	-
	<u>\$ 1,265,292</u>	<u>\$ 1,193,556</u>	<u>\$ -</u>	<u>\$ 71,736</u>

Reconciliation to GAAP

Project Balances, June 30, 2018	<u>\$ 71,736</u>
Fund Balance, June 30, 2018 - 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, 2018**

Revenues and Other Financing Sources	
State Sources - SDA Grant	-
Transfer from General Fund - Capital Reserve	-
	-
Total Revenues	-
 Expenditures and Other Financing Uses	
Expenditures:	
Architect/Engineering Services	-
Construction Services	-
Other Financing Uses	
Cancelled SDA Grant Receivable	-
	-
Total Expenditures and Other Financing Uses	-
 Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	
	-
Fund Balance- Beginning of Year	\$ 71,736
Fund Balance- Ending of Year	\$ 71,736
 <u>Reconciliation to GAAP Basis</u>	
Fund Balance, June 30, 2018 - Budgetary Basis	\$ 71,736
Fund Balance, June 30, 2018-GAAP Basis	\$ 71,736

**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, 2018**

	<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	\$ 69,733		\$ 69,733	\$ 69,733
Local Contribution - Transfer From Capital Reserve	<u>104,600</u>	<u>-</u>	<u>104,600</u>	<u>104,600</u>
Total Revenues and Other Financing Sources	<u>174,333</u>	<u>-</u>	<u>174,333</u>	<u>174,333</u>
Expenditures and Other Financing Uses				
Architect/Engineering Services	8,300	-	8,300	8,300
Construction Services	<u>162,832</u>	<u>-</u>	<u>162,832</u>	<u>166,033</u>
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>\$ 3,201</u>	<u>\$ -</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, 2018**

	<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	\$ 77,360		\$ 77,360	\$ 77,360
Local Contribution - Transfer From Capital Reserve	116,040	-	116,040	116,040
Total Revenues and Other Financing Sources	193,400	-	193,400	193,400
Expenditures and Other Financing Uses				
Construction Services	176,700	-	176,700	193,400
Total Expenditures and Other Financing Uses	176,700	-	176,700	193,400
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ 16,700	\$ -	\$ 16,700	\$ -
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, 2018**

	<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	121,286	-	121,286	121,286
	<u>188,706</u>	<u>-</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
	<u>175,602</u>	<u>-</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>\$ 13,104</u>	<u>\$ -</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, 2018

	<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	\$ 44,920		\$ 44,920	\$ 44,920
Local Contribution - Transfer From Capital Reserve	<u>68,318</u>	<u>-</u>	<u>68,318</u>	<u>68,318</u>
Total Revenues and Other Financing Sources	<u>113,238</u>	<u>-</u>	<u>113,238</u>	<u>113,238</u>
Expenditures and Other Financing Uses				
Construction Services	<u>99,538</u>	<u>-</u>	<u>99,538</u>	<u>113,238</u>
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>\$ 13,700</u>	<u>\$ -</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, 2018**

	<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	\$ 229,513		\$ 229,513	\$ 229,513
Local Contribution - Transfer From Capital Reserve	366,102	-	366,102	366,102
Total Revenues and Other Financing Sources	595,615	-	595,615	595,615
Expenditures and Other Financing Uses				
Architect/Engineering Services	29,275		29,275	29,275
Construction Services	541,309	-	541,309	566,340
Total Expenditures and Other Financing Uses	570,584	-	570,584	595,615
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ 25,031	\$ -	\$ 25,031	\$ -
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, 2018**

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, 2018**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

FIDUCIARY FUNDS

AGENCY FUNDS

**CLARK PUBLIC SCHOOL DISTRICT
AGENCY FUNDS
COMBINING STATEMENT OF AGENCY NET POSITION
AS OF JUNE 30, 2018**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
ASSETS			
Cash	\$ 186,449	\$ 585,579	\$ 772,028
Intergovernmental Receivable	-	28,288	28,288
Total Assets	<u>\$ 186,449</u>	<u>\$ 613,867</u>	<u>\$ 800,316</u>
LIABILITIES			
Due to Other Funds		\$ 268,369	\$ 268,369
Due to Student Groups	\$ 186,449		186,449
Employee Deposits Payable-Summer Payroll		187,782	187,782
Accrued Salaries and Wages		1,427	1,427
Payroll Deductions and Withholding Payables		151,685	151,685
Flexible Spending Deposits	-	4,604	4,604
Total Liabilities	<u>\$ 186,449</u>	<u>\$ 613,867</u>	<u>\$ 800,316</u>

**CLARK PUBLIC SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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, 2018**

	Balance, July 1, <u>2017</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2018</u>
ELEMENTARY SCHOOLS				
Valley Road	\$ 15,590	\$ 27,096	\$ 20,266	\$ 22,420
Frank K. Hehnly	14,340	14,471	18,543	10,268
Clark School Account	135			135
MIDDLE SCHOOL				
Carl H. Kumpf	42,204	90,818	84,396	48,626
HIGH SCHOOL				
Athletic Account	4,631	52,603	42,926	14,308
Arthur L. Johnson	85,075	121,002	117,352	88,725
Internal School Account	<u>1,963</u>	<u>4</u>	<u>-</u>	<u>1,967</u>
Total All Schools	<u>\$ 163,938</u>	<u>\$ 305,994</u>	<u>\$ 283,483</u>	<u>\$ 186,449</u>

EXHIBIT H-4

**PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Balance, July 1, <u>2017</u>	<u>Additions</u>	<u>Deletions</u>	Balance, June 30, <u>2018</u>
ASSETS				
Cash	\$ 521,762	\$ 22,729,059	\$ 22,665,242	\$ 585,579
Intergovernmental Receivable	<u>31,591</u>	<u>-</u>	<u>3,303</u>	<u>28,288</u>
Total Assets	<u>\$ 553,353</u>	<u>\$ 22,729,059</u>	<u>\$ 22,668,545</u>	<u>\$ 613,867</u>
LIABILITIES				
Due to Other Funds	\$ 273,507	\$ 1,153	\$ 6,291	\$ 268,369
Employee Deposits Payable - Summer Payroll	206,515	189,467	208,200	187,782
Accrued Salaries and Wages	173	12,373,348	12,372,094	1,427
Payroll Deductions and Withholdings Payable	67,673	10,159,041	10,075,029	151,685
Flexible Spending Deposits	<u>5,485</u>	<u>6,050</u>	<u>6,931</u>	<u>4,604</u>
Total Liabilities	<u>\$ 553,353</u>	<u>\$ 22,729,059</u>	<u>\$ 22,668,545</u>	<u>\$ 613,867</u>

LONG-TERM DEBT

**CLARK PUBLIC SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

<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, 2017</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2018</u>
			<u>Date</u>	<u>Amount</u>					
Refunding School Bonds	12/4/12	\$ 14,145,000	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%	\$ 12,110,000	-	\$ 975,000	\$ 11,135,000
						<u>\$ 12,110,000</u>	<u>\$ -</u>	<u>\$ 975,000</u>	<u>\$ 11,135,000</u>

CLARK PUBLIC SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES AND LEASE PURCHASE AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

<u>Purpose</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance, June 30, 2017</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance, June 30, 2018</u>
Capital Leases						
10 Savin Copiers	\$ 311,792	4.80%	\$ 17,151		\$ 17,151	-
18 Xerox Copiers	201,380	0.32%		\$ 201,380	35,441	\$ 165,939
School Bus	86,226	7.06%		86,226		86,226
Digital Copier	15,894	3.00%	9,517	-	3,198	6,319
			26,668	287,606	55,790	258,484
Lease-Purchase Agreements						
Apple Computers	329,310	0.00%	109,770	-	109,770	-
			<u>\$ 136,438</u>	<u>\$ 287,606</u>	<u>\$ 165,560</u>	<u>\$ 258,484</u>

**CLARK PUBLIC SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	<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	\$ 1,374,532	-	\$ 1,374,532	\$ 1,374,532	-
Total Revenues	<u>1,374,532</u>	<u>-</u>	<u>1,374,532</u>	<u>1,374,532</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Principal	975,000		975,000	975,000	
Interest on Bonds	<u>399,532</u>	<u>-</u>	<u>399,532</u>	<u>399,532</u>	<u>-</u>
Total Expenditures	<u>1,374,532</u>	<u>-</u>	<u>1,374,532</u>	<u>1,374,532</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,									
	2009	2010	2011 (1)	2012	2013	2014	2015	2016	2017	2018
Governmental Activities										
Net Investment In Capital Assets	\$ 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	\$ 12,640,594
Restricted	2,052,788	889,081	162,011	362,011	382,501	1,357,029	2,009,330	1,697,976	1,407,399	1,292,183
Unrestricted	109,679	(97,354)	354,620	674,667	1,624,260	(4,692,995)	(5,095,914)	(6,367,405)	(6,101,114)	(3,954,634)
Total Governmental Activities Net Position	<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>	<u>\$ 9,978,143</u>
Business-Type Activities										
Net Investment In Capital Assets	\$ 19,279	\$ 141,417	\$ 11,361	\$ 10,365	\$ 9,368	\$ 8,372	\$ 15,732	\$ 173,146	\$ 187,318	\$ 188,389
Unrestricted	(8,613)	(73,310)	(47,475)	39,058	161,654	256,768	549,426	831,023	1,184,767	1,427,013
Total Business-Type Activities Net Position	<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>	<u>\$ 1,615,402</u>
District-Wide										
Net Investment In Capital Assets	\$ 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	\$ 12,828,983
Restricted	2,052,788	889,081	162,011	362,011	382,501	1,357,029	2,009,330	1,697,976	1,407,399	1,292,183
Unrestricted	101,066	(170,665)	307,145	713,725	1,785,914	(4,436,227)	(4,546,488)	(5,536,382)	(4,916,347)	(2,527,621)
Total District Net Position	<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>	<u>\$ 11,593,545</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,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental Activities										
Instruction	\$ 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	\$ 24,437,501
Special Education Instruction			4,254,388	4,204,766	4,647,130	4,504,738	6,003,305	6,842,631	7,230,657	6,884,916
Other Instruction			786,089	655,131	752,665	641,301	709,751	832,791	926,423	785,113
School Sponsored Activities and Athletics			853,285	965,481	865,920	902,524	953,377	932,447	1,069,420	943,095
Support Services:										
Tuition	1,809,790	1,659,492								
Student and Instruction Related Services	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	5,504,080
General Administration Services	881,988	845,029	993,837	1,155,219	947,143	816,658	781,746	643,497	979,981	946,276
School Administrative Services	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	2,850,334
Central and Other Support Services	437,769	432,399	691,176	573,788	629,245	628,734	720,876	844,452	662,608	557,236
Plant Operations and Maintenance	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	3,185,847
Pupil Transportation Services	1,014,507	775,049	789,990	859,168	942,558	866,858	1,037,189	1,468,123	1,446,708	1,149,796
Interest On Long-Term Debt	801,873	773,494	730,798	697,192	642,044	592,530	552,422	511,849	473,902	438,449
Unallocated Depreciation and Amortization										
Total Governmental Activities Expenses	<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>	<u>47,682,643</u>
Business-Type Activities:										
Food Service	652,721	650,372	572,364	658,295	649,233	631,893	628,176	664,892	656,503	698,774
Before and After School Program				274,635	320,664	411,722	272,655	319,264	326,787	471,833
Total Business-Type Activities Expense	<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>	<u>1,170,607</u>
Total District Expenses	<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>	<u>\$ 48,853,250</u>
Program Revenues										
Governmental Activities:										
Charges For Services:										
Instruction	\$ 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	\$ 1,867,529
Pupil Transportation			107,892	139,320	201,733	136,081	213,134	119,066	125,198	
Operating Grants And Contributions	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	14,411,728
Capital Grants And Contributions	3,508,060	268,431	157,877	31,545		3,320	65,133	204,065	216,428	
Total Governmental Activities Program Revenues	<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>	<u>16,279,257</u>
Business-Type Activities:										
Charges For Services:										
Food Service	\$ 512,886	\$ 464,543	\$ 483,801	\$ 530,527	\$ 498,124	\$ 526,372	\$ 532,264	\$ 563,073	\$ 582,632	\$ 620,305
Before and After School Program				324,759	441,487	496,257	547,455	595,433	632,477	657,323
Operating Grants And Contributions	74,150	82,976	113,018	137,181	111,885	115,104	121,130	125,639	135,109	133,154
Capital Grants And Contributions		160,000								
Total Business Type Activities Program Revenues	<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>	<u>1,410,782</u>
Total District Program Revenues	<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>	<u>\$ 17,690,039</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (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)	\$ (31,403,386)
Business-Type Activities	(65,685)	57,147	24,455	59,537	81,599	94,118	300,018	299,989	366,928	240,175
Total District-Wide Net Expense	<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>	<u>\$ (31,163,211)</u>

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

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Revenues And Other Changes In Net Position										
Governmental Activities:										
Property Taxes Levied For General Purposes	\$ 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	\$ 30,792,697
Property Taxes Levied For Debt Service	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	1,374,532
State Aid, Unrestricted	4,969,522	5,387,583	30,400	28,630	27,796	2,196	2,268	2,257	2,265	24,143
Investment Earnings	72,175	39,387	19,712	11,161	10,436	5,859	7,121	6,362	6,145	15,861
Miscellaneous Income	174,339	584,635	643,374	96,830	156,159	216,947	168,741	104,701	120,701	162,521
Transfers	(15,000)	-	-	(26,000)	(40,000)	-	-	-	-	-
Total Governmental Activities	<u>32,480,444</u>	<u>33,665,514</u>	<u>29,215,297</u>	<u>28,919,665</u>	<u>29,182,240</u>	<u>29,447,123</u>	<u>29,811,712</u>	<u>30,295,136</u>	<u>31,705,562</u>	<u>32,369,754</u>
Business-Type Activities:										
Investment Earnings	\$ 1,365	\$ 295	-	26,000	40,000	-	-	\$ 362	\$ 988	\$ 3,142
Transfers	15,000	-	-	26,000	40,000	-	-	-	-	-
Total Business-Type Activities	<u>16,365</u>	<u>295</u>	<u>-</u>	<u>26,000</u>	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>362</u>	<u>988</u>	<u>3,142</u>
Total District-Wide	<u>\$ 32,496,809</u>	<u>\$ 33,665,809</u>	<u>\$ 29,215,297</u>	<u>\$ 28,945,665</u>	<u>\$ 29,222,240</u>	<u>\$ 29,447,123</u>	<u>\$ 29,811,712</u>	<u>\$ 30,295,498</u>	<u>\$ 31,706,550</u>	<u>\$ 32,372,896</u>
Change In Net Position										
Governmental Activities	\$ 3,112,068	\$ 441,428	\$ (745,166)	\$ (584,294)	\$ (84,202)	\$ 411,566	\$ (725,995)	\$ (2,000,802)	\$ (813,839)	\$ 966,368
Business-Type Activities	(49,320)	57,442	24,455	85,537	121,599	94,118	300,018	300,351	367,916	243,317
Total District	<u>\$ 3,062,748</u>	<u>\$ 498,870</u>	<u>\$ (720,711)</u>	<u>\$ (498,757)</u>	<u>\$ 37,397</u>	<u>\$ 505,684</u>	<u>\$ (425,977)</u>	<u>\$ (1,700,451)</u>	<u>\$ (445,923)</u>	<u>\$ 1,209,685</u>

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

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	\$ 1,178,996	\$ 982,473								
Unreserved	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	\$ 4,940,367
Committed					231,590	55,313	65,388			
Assigned			120,163	359,919	289,893	261,068	256,514	188,840	91,987	15,343
Unassigned			479,516	475,325	441,671	2,405,555	552,381	381,794	528,288	515,945
Total General Fund	<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>	<u>\$ 5,471,655</u>
All Other Governmental Funds										
Unreserved, Reported In										
Capital Projects Fund	\$ 298,273	\$ 582,121								
Debt Service Fund	1	(607,942)								
Restricted			\$ 162,011	\$ 162,011	\$ 182,501	\$ 99,959	\$ 2,260	\$ 362,313	\$ 71,736	\$ 71,736
Total All Other Governmental Funds	<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>	<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,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Property Tax Levy	\$ 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	\$ 32,167,229
Tuition Charges	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	1,867,529
Transportation Fees			107,892	139,320	201,733	136,081	213,134	119,066	125,198	
Interest Earnings	403,380	72,175	19,712	11,161	10,436	5,859	7,121	6,362	6,145	15,861
Miscellaneous	88,138	174,339	662,652	113,945	173,655	226,878	186,177	109,628	120,701	157,881
Intermediate Sources										
State Sources	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	6,403,101
Federal Sources	605,525	649,458	766,035	810,721	714,018	631,035	638,565	709,566	690,851	556,198
Total Revenue	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	41,167,799
Expenditures										
Instruction	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	17,675,355
Special Education Instruction			4,251,339	4,188,235	4,656,410	4,505,192	5,509,495	5,915,696	5,961,945	5,923,023
Other Instruction			785,569	651,649	754,629	641,390	614,062	703,821	709,702	609,599
School Sponsored Activities and Athletics			852,518	960,996	867,820	902,620	956,124	917,527	1,014,810	869,592
Support Services										
Tuition	1,734,030	1,809,790								
Student and Instruction Related Services	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	4,595,993
General Administration Services	1,118,951	963,949	993,380	1,152,338	815,196	816,702	782,594	638,992	951,709	896,437
School Administrative Services	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	2,270,268
Central and Other Support Services	447,389	432,733	690,573	570,854	630,646	628,807	723,102	832,222	620,155	497,186
Plant Operations And Maintenance	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	2,982,499
Student Transportation Services	1,056,708	1,002,165	789,795	858,139	943,053	866,879	1,037,589	1,435,137	1,388,859	1,128,489
Employee Benefits	4,100,329	4,427,129								
On-Behalf TPAF and Pension Contributions	3,623,932	2,109,055								
Cost of Issuance										
Capital Outlay	6,509,889	5,331,065	727,930	170,923	886,103	281,079	257,432	854,570	511,392	499,599
Debt Service:										
Principal	620,000	690,000	820,000	875,000	1,074,496	1,021,858	1,062,016	1,195,367	1,198,832	1,140,560
Interest And Other Charges	833,968	794,222	735,577	702,402	626,133	556,875	517,822	476,978	443,083	405,432
Cost of Issuance					133,038					
Advanced Refunding Escrow					1,298,208					
Total Expenditures	42,684,210	41,012,707	35,352,678	35,456,174	38,582,553	35,916,304	37,479,540	39,871,238	39,901,641	39,494,032
Excess (Deficiency) Of Revenues Over (Under) Expenditures	(4,674,893)	(3,094,215)	(151,894)	555,302	(1,188,239)	1,390,465	333,187	(1,518,852)	429,358	1,673,767
Other Financing Sources (Uses)										
Capital Lease/Lease Purchase Proceeds					689,803		345,204			287,606
Bond Proceeds					14,145,000					
Premium on Refunding					920,246					
Payment to Refunding Bond Escrow Agent					(13,634,000)					
Transfers In	195,641	946	651,624			266,948				
Transfers Out	(195,641)	(15,946)	(651,624)	(26,000)	(40,000)	(266,948)				
Total Other Financing Sources (Uses)	-	(15,000)	-	(26,000)	2,081,049	-	345,204	-	-	287,606
Net Change In Fund Balances	\$ (4,674,893)	\$ (3,109,215)	\$ (151,894)	\$ 529,302	\$ 892,810	\$ 1,390,465	\$ 678,391	\$ (1,518,852)	\$ 429,358	\$ 1,961,373
Debt Service As A Percentage Of Noncapital Expenditures	4.02%	4.16%	4.49%	4.47%	8.31%	4.43%	4.24%	4.29%	4.17%	3.96%

* Noncapital expenditures are total expenditures less capital outlay.

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

<u>Fiscal Year Ended June 30,</u>	<u>Tuition</u>	<u>Transportation Fees</u>	<u>Interest on Investments</u>	<u>Preschool/Before After School Program Fees</u>	<u>Rentals</u>	<u>E-Rate</u>	<u>Gate Receipts</u>	<u>Reimbursements</u>	<u>Miscellaneous</u>	<u>Total</u>
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
2018	1,867,529		15,861		28,589				129,292	2,041,271

**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
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
2018	5,704,900	599,609,500			100,799,200	22,139,700	33,457,700	761,711,000	323,097	762,034,097	2,695,557,471	4.280

Source: County Abstract of Ratables

^a Tax rates are per \$100

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

Assessment Year	<u>Direct Rate</u>	<u>Overlapping Rates</u>		Total Direct and Overlapping Tax Rate
	Clark School District	Clark Township	County	
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
2018	4.280	2.377	1.896	8.553

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	
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%	-
2018	32,167,229	32,167,229	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			
2009	\$ 18,708,000		\$ 18,708,000	14,430	\$ 1,296
2010	17,948,000		17,948,000	14,776	1,215
2011	17,128,000		17,128,000	14,857	1,153
2012	16,253,000		16,253,000	14,962	1,086
2013	15,820,000	559,307	16,379,307	15,085	1,086
2014	14,930,000	427,449	15,357,449	15,295	1,004
2015	14,005,000	635,637	14,640,637	15,560	941
2016	13,060,000	385,270	13,445,270	15,992	841
2017	12,110,000	136,438	12,246,438	16,109	760
2018	11,135,000	258,484	11,393,484	16,109 E	707

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				
2009	\$ 18,708,000	-	\$ 18,708,000	2.57%	\$	1,296
2010	17,948,000	-	17,948,000	2.46%		1,215
2011	17,128,000	-	17,128,000	2.35%		1,153
2012	16,253,000	-	16,253,000	2.23%		1,086
2013	15,820,000	-	15,820,000	2.17%		1,049
2014	14,930,000	-	14,930,000	2.05%		976
2015	14,005,000	-	14,005,000	1.90%		900
2016	13,060,000	-	13,060,000	1.74%		817
2017	12,110,000	-	12,110,000	1.60%		752
2018	11,135,000	-	11,135,000	1.46%		691

Source: District Records

**CLARK PUBLIC SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2017
(UNAUDITED)**

MUNICIPAL DEBT	<u>Total Debt</u>
Clark Public School District (As of June 30, 2018)	\$ 11,135,000
Township of Clark - Utility (1)	500,000
Township of Clark (1)	<u>18,389,698</u>
Total Direct Debt	<u>30,024,698</u>
OVERLAPPING DEBT APPORTIONED TO THE MUNICIPALITY	
Union County:	
County of Union (A)	23,112,041
Rahway Valley Sewerage (B)	<u>14,617,068</u>
Total Overlapping Debt	<u>37,729,109</u>
Total Direct and Overlapping Outstanding Debt	<u><u>\$ 67,753,807</u></u>

- (A) The debt for this entity was apportioned by dividing the Municipality's 2017 equalized value by the total 2017 equalized value for Union County
 (B) Overlapping Debt was computed based upon municipal flow to the Authority

Sources:

- (1) Township of Clark 2017 Annual Debt Statement
 (2) Union County 2017 Annual Debt Statement

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

Equalized valuation basis

2017	\$ 2,676,856,031
2016	2,616,877,395
2015	<u>2,477,741,588</u>
	<u>\$ 7,771,475,014</u>

\$ 2,590,491,671

\$ 103,619,667

\$ 103,619,667

	<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>2018</u>
Debt limit	\$ 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	\$ 103,619,667
Total net debt applicable to limit	<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>	<u>11,135,000</u>
Legal debt margin	<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>	<u>\$ 92,484,667</u>
Total net debt applicable to the limit as a percentage of debt limit	17.44%	16.43%	16.16%	15.89%	15.90%	15.36%	14.74%	13.62%	12.17%	10.75%

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>
2009	14,430	\$ 50,134	4.4%
2010	14,776	51,024	4.5%
2011	14,857	53,086	4.5%
2012	14,962	54,804	6.1%
2013	15,085	55,526	5.5%
2014	15,295	57,985	4.8%
2015	15,560	60,406	4.1%
2016	15,992	61,808	3.8%
2017	16,109	N/A	N/A
2018	16,109 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	2018		2009	
	Employees	% of Total Municipal Employment	Employees	% of Total Municipal Employment

INFORMATION IS NOT AVAILABLE

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

<u>Function/Program</u>	<u>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>2018</u>
Instruction										
Regular	182	184	184	162	164	156	155	156	158	160
Special education	42	51	51	51	53	53	44	45	43	48
Support Services:										
Student & instruction related services	18	24	24	52	68	64	78	75	99	71
General administrative services	1	3	3	3	3	2	3	4	3	4
School administrative services	14	14	14	16	16	16	14	14	13	16
Business administrative services	5	5	5	6	5	6	6	6	6	5
Plant operations and maintenance	8	6	6	11	11	10	9	10	11	8
Total	<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>	<u>312</u>

Source: District Records

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

Pupil/Teacher Ratio

Fiscal Year	Enrollment a	Operating Expenditures b	Cost Per Pupil c	Percentage Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	Percentage Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
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%
2018	2,176	37,564,907	17,263	13.73%	208.0	1:24	1:15	1:10	2,170	2,270	-2.69%	104.61%

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>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>2018</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	425	426	427	436	410	446	440	445	452	460
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	514	505	520	501	505	526	533	540	540	563
<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	550	539	533	531	536	527	513	499	505	482
<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	841	831	815	809	816	798	795	774	728	671
Number of Schools at June 30, 2018										
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>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>2018</u>
Frank K. Hehnly Elementary	\$ 91,209	\$ 20,570	\$ 98,671	\$ 174,656	\$ 90,196	\$ 116,835	\$ 101,436	\$ 113,744	\$ 65,655	\$ 48,752
Valley Road Elementary	89,083	9,738	88,076	151,550	80,512	121,642	90,545	101,532	55,554	41,251
Carl H. Kumpf M.S.	200,545	37,871	162,247	149,313	148,312	121,471	166,795	187,033	106,058	78,753
Arthur L. Johnson H.S.	528,545	249,228	418,187	366,724	382,268	298,960	429,908	482,071	277,770	322,723
Other Facilities	-	650,299	-	-	-	-	-	-	-	-
Total School Facilities	\$ 909,382	\$ 967,706	\$ 767,181	\$ 842,243	\$ 701,288	\$ 658,908	\$ 788,684	\$ 884,380	\$ 505,037	\$ 491,479

**CLARK PUBLIC SCHOOL DISTRICT
INSURANCE SCHEDULE
AS OF JUNE 30, 2018
(Unaudited)**

<u>Company</u>	<u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
School Package Policy:			
	Property		
	Blanket Building & Contents	\$ 73,063,808	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. LEIDIG, CPA, PSA
ROBERT LERCH, CPA

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Clark Public School District as of and for the fiscal year ended June 30, 2018 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 January 25, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

We however 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 January 25, 2019.

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
Certified Public Accountants
Public School Accountants



Andrew D. Parente
Public School Accountant
PSA Number CS00224600

Fair Lawn, New Jersey
January 25, 2019



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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ROBERT LERCH, CPA

**REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON
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 State Program

We have audited the Clark Public School District's compliance with the types of compliance requirements described in 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 state programs for the fiscal year ended June 30, 2018. The Clark Public School District's major 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 state statutes, regulations, and the terms and conditions of its state financial assistance applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Clark Public School District's major 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; New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards 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 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 state program. However, our audit does not provide a legal determination of the Clark Public School District's compliance.

Opinion on Each Major 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 state programs for the fiscal year ended June 30, 2018.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with New Jersey OMB Circular 15-08 and which is described in the accompanying schedule of findings and questioned costs as item 2018-001. Our opinion on each major state program is not modified with respect to this matter.

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

Report on 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, 2018 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 January 25, 2019, 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 state financial assistance as required by New Jersey OMB Circular 15-08 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.



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



Andrew D. Parente
Public School Accountant
PSA Number CS00224600

Fair Lawn, New Jersey
January 25, 2019

CLARK PUBLIC SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2017			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, 2018			MEMO GAAP Receivable	
						(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	1805NJ5MAP	N/A	7/1/17-6/30/18	\$ 15,701	-	-	-	-	-	\$ 15,701	\$ 15,701	-	-	-	-	-	-	-	*	
Total General Fund						-	-	-	-	-	15,701	15,701	-	-	-	-	-	-	-	*	
U.S. Department of Agriculture																					
Passed-through State Department of Education																					
National School Lunch Program																					
Cash Assistance	10.555	181NJ304N1099	N/A	7/1/17-6/30/18	85,509					79,775	85,509					\$ (5,734)			*	\$ (5,734)	
Cash Assistance	10.555	171NJ304N1099	N/A	7/1/16-6/30/17	90,137	\$ (6,215)				6,215									*	-	
Non-Cash Assistance (Food Distribution)	10.555	181NJ304N1099	N/A	7/1/17-6/30/18	44,659					44,659	40,685						\$ 3,974		*	-	
Non-Cash Assistance (Food Distribution)	10.555	171NJ304N1099	N/A	7/1/16-6/30/17	38,062		\$ 767				767								*	-	
Total U.S. Department of Agriculture/Child Nutrition Cluster						(6,215)	767	-	-	-	130,649	126,961	-	-	-	-	(5,734)	3,974	-	*	(5,734)
U.S. Department of Education																					
Passed-through State Department of Education																					
Special Revenue Fund																					
IDEA Part B, Basic Regular	84.027	H027A170100	FT--18	7/1/17-6/30/18	510,822			\$ (17,597)	\$ 17,597	429,587	483,992					(98,832)	44,427		*	(54,405)	
IDEA Part B, Basic Regular	84.027	H027A160100	FT--17	7/1/16-6/30/17	532,284	(58,237)	17,597	17,597	(17,597)	40,640									*	-	
IDEA Preschool	84.173	H173A170114	PS--18	7/1/17-6/30/18	21,255			(2,089)	2,089	21,994	21,994					(1,350)	1,350		*	-	
IDEA Preschool	84.173	H173A160114	PS--17	7/1/16-6/30/17	21,578	(2,089)	2,089	2,089	(2,089)										*	-	
Subtotal Special Education Cluster(IDEA)						(60,326)	19,686	-	-	492,221	505,986	-	-	-	-	(100,182)	45,777	-	*	(54,405)	
ESEA/NCLB																					
Title I	84.010	S010A170030	ESEA--18	7/1/17-6/30/18	65,343			(8,824)	8,824	8,624	8,786	\$ 38	\$ (38)			(65,505)	65,343		*	(162)	
Title I	84.010	S010A160030	NCLB--17	7/1/16-6/30/17	58,829	(24,075)	23,522	8,824	(8,824)	553		14,698	(14,698)						*	-	
Title I	84.010	S010A150030	NCLB--16	7/1/15-6/30/16	60,315		\$ 2,094								\$ 2,094				*	-	
Title II A	84.367A	S367A170029	ESEA--18	7/1/17-6/30/18	33,347			(13,904)	13,904	8,676	23,859					(38,575)	23,392		*	(15,183)	
Title II A	84.367A	S367A160029	NCLB--17	7/1/16-6/30/17	29,326	(55,031)	13,904	13,904	(13,904)	41,127									*	-	
Title II A	84.367A	S367A150029	NCLB--16	7/1/15-6/30/16	31,174										10,700				*	-	
Title III, Immigrant	84.365	S365A170030	ESEA--18	7/1/17-6/30/18				(1,969)	1,969	401	401	1,568	(1,568)						*	-	
Title III, Immigrant	84.365	S365A160030	NCLB--17	7/1/16-6/30/17	3,790	(3,232)	1,969	1,969	(1,969)	1,263								\$ 223	*	-	
Title III, Immigrant	84.365	S365A150030	NCLB--16	7/1/15-6/30/16	3,324											6,361			*	-	
Title IV	84.424	S424A170031	ESEA--18	7/1/17-6/30/18	10,000						1,465					(10,000)	8,535		*	(1,465)	
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						(144,777)	65,637	19,155	-	-	552,865	540,497	16,304	(16,304)	223	19,155	(216,375)	149,603	223	*	(71,215)
Total Federal Awards						\$ (150,992)	\$ 66,404	\$ 19,155	\$ -	\$ -	\$ 699,215	\$ 683,159	\$ 16,304	\$ (16,304)	\$ 223	\$ 19,155	\$ (222,109)	\$ 153,577	\$ 223	*	\$ (76,949)

This schedule was not subject to Single Audit in accordance with U.S. Uniform Guidance.

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, 2018

State Grant/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2017			Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Balance, June 30, 2018			Memo	
				(Accounts Receivable)	Unearned Revenue	Due to Grantor				(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
State Department of Education														
General Fund:														
Special Education Aid	18-495-034-5120-089	7/1/17-6/30/18	\$ 976,707				\$ 889,374	\$ 976,707		\$ (87,333)				\$ 976,707
Special Education Aid	17-495-034-5120-089	7/1/16-6/30/17	910,308	(80,970)			80,970							-
Under Adequacy Aid	18-495-034-5120-096	7/1/17-6/30/18	2,264				2,062	2,264		(202)				2,264
Under Adequacy Aid	17-495-034-5120-096	7/1/16-6/30/17	2,264	(201)			201							-
Security Aid	18-495-034-5120-084	7/1/17-6/30/18	40,859				37,206	40,859		(3,653)				40,859
Security Aid	17-495-034-5120-084	7/1/16-6/30/17	40,859	(3,634)			3,634							-
Per Pupil Growth Aid	18-495-034-5120-097	7/1/17-6/30/18	21,890				19,933	21,890		(1,957)				21,890
Per Pupil Growth Aid	17-495-034-5120-097	7/1/16-6/30/17	21,890	(1,947)			1,947							-
PARCC Readiness	18-495-034-5120-098	7/1/17-6/30/18	21,890				19,933	21,890		(1,957)				21,890
PARCC Readiness	17-495-034-5120-098	7/1/16-6/30/17	21,890	(1,947)			1,947							-
Prof Learning Comm Aid	18-495-034-5120-101	7/1/17-6/30/18	21,760				19,814	21,760		(1,946)				21,760
Prof Learning Comm Aid	17-495-034-5120-101	7/1/16-6/30/17	21,760	(1,936)			1,936							-
Total State Aid Public Cluster				(90,635)			1,078,957	1,085,370		(97,048)				1,085,370
Transportation Aid	18-495-034-5120-014	7/1/17-6/30/18	61,158				55,689	61,158		(5,469)				61,158
Transportation Aid	17-495-034-5120-014	7/1/16-6/30/17	61,158	(5,440)			5,440							-
Nonpublic School Transportation Aid	18-495-034-5120-014	7/1/17-6/30/18	26,175					26,175		(26,175)		\$ (26,175)		26,175
Nonpublic School Transportation Aid	17-495-034-5120-014	7/1/16-6/30/17	17,240	(17,240)			17,240							-
Total State Aid Transportation Cluster				(22,680)			78,369	87,333		(31,644)			(26,175)	87,333
Extraordinary Aid	18-495-034-5120-044	7/1/17-6/30/18	83,306					83,306		(83,306)				83,306
Extraordinary Aid	17-495-034-5120-044	7/1/16-6/30/17	59,774	(59,774)			59,774							-
Reimbursed TPAF Social Security Contribution	18-495-034-5094-003	7/1/17-6/30/18	1,131,309				1,073,077	1,131,309		(58,232)			(58,232)	1,131,309
Reimbursed TPAF Social Security Contribution	17-495-034-5094-003	7/1/16-6/30/17	1,100,831	(55,494)			55,494							-
On-Behalf TPAF Pension Benefit Contribution	18-495-034-5094-002	7/1/17-6/30/18	2,111,122				2,111,122	2,111,122						2,111,122
On-Behalf TPAF Pension NCGI Premium	18-495-034-5094-004	7/1/17-6/30/18	51,232				51,232	51,232						51,232
On-Behalf TPAF Long-Term Disability Ins.	18-495-034-5094-004	7/1/17-6/30/18	2,892				2,892	2,892						2,892
On-Behalf TPAF Post Retirement Medical Contribution	18-495-034-5094-001	7/1/17-6/30/18	1,396,618				1,396,618	1,396,618						1,396,618
Total General Fund				(228,583)			5,907,535	5,949,182		(270,230)			(84,407)	5,949,182
Special Revenue Fund														
New Jersey Non-Public Aid														
Auxiliary Services														
Compensatory Education	18-100-034-5120-067	7/1/17-6/30/18	174,511				174,511	174,434			\$ 77			174,434
Compensatory Education	17-100-034-5120-067	7/1/16-6/30/17	150,494		\$ 4,562				\$ 4,562					-
English as a Second Language	17-101-034-5120-067	7/1/16-6/30/17	914					914						-
Transportation	18-100-034-5120-068	7/1/17-6/30/18	17,403				17,403	17,403						17,403
Home Instruction	18-100-034-5120-067	7/1/17-6/30/18	2,937				2,937			(2,937)			(2,937)	2,937
Home Instruction	17-100-034-5120-067	7/1/16-6/30/17	4,184	(4,184)			4,184							-
Total Non Public Aux. Servie Aid (Chap. 192) Cluster				(4,184)		5,476	196,098	194,774		5,476	(2,937)		(2,937)	194,774
Handicapped Services														
Examination and Classification	18-100-034-5120-066	7/1/17-6/30/18	78,248				78,248	71,325			6,923			71,325
Examination and Classification	17-100-034-5120-066	7/1/16-6/30/17	68,607		8,676				8,676					-
Corrective Speech	18-100-034-5120-066	7/1/17-6/30/18	23,213				23,213	18,928			4,285			18,928
Corrective Speech	17-100-034-5120-066	7/1/16-6/30/17	29,156		9,984				9,984					-
Supplementary Instruction	18-100-034-5120-066	7/1/17-6/30/18	52,335				52,335	52,100			235			52,100
Supplementary Instruction	17-100-034-5120-066	7/1/16-6/30/17	47,945		4,159				4,159					-
Total Non Public Hand. Servie Aid (Chap. 193) Cluster					22,819		153,796	142,353		22,819		11,443		142,353
Textbook Aid														
Textbook Aid	18-100-034-5120-064	7/1/17-6/30/18	36,046				36,046	34,993			1,053			34,993
Textbook Aid	17-100-034-5120-064	7/1/16-6/30/17	39,137		1,152				1,152					-
Nursing Services	18-100-034-5120-070	7/1/17-6/30/18	63,826				63,826	57,848			5,978			57,848
Nursing Services	17-100-034-5120-070	7/1/16-6/30/17	61,110		5,910				5,910					-
Technology Aid	18-100-034-5120-373	7/1/17-6/30/18	24,346				24,346	23,629			717			23,629
Technology Aid	17-100-034-5120-373	7/1/16-6/30/17	17,654		344				344					-
Security	18-100-034-5120-509	7/1/17-6/30/18	49,350				49,350	49,336			14			49,336
Total Special Revenue Fund				(4,184)		35,701	523,462	502,933		35,701	(2,937)		(2,937)	502,933

CLARK PUBLIC SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance June 30, 2017			Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Balance June 30, 2018			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	\$ (229,513)	\$ -	\$ -	\$ 229,513	-	-	-	-	-	-	-	-
Total Capital Projects Fund/SDA Cluster				(229,513)	-	-	229,513	-	-	-	-	-	-	-	-
Enterprise Fund															
National School Lunch (State Share)	18-100-010-3350-023	7/1/17-6/30/18	6,193				5,763	\$ 6,193		\$ (430)			\$ (430)	\$ 6,193	
National School Lunch (State Share)	17-100-010-3350-023	7/1/16-6/30/17	5,253	(370)	-	-	370	-	-	-	-	-	-	-	-
Total Enterprise Fund				(370)	-	-	6,133	6,193	-	(430)	-	-	(430)	6,193	
Total State Financial Assistance Subject to Single Audit Determination				(462,650)		\$ 35,701	6,666,643	6,458,308	\$ 35,701	(273,597)		\$ 19,282	(87,774)	6,458,308	
State Financial Assistance Not Subject to Single Audit Determination															
General Fund															
On-Behalf TPAF Pension Benefit Contribution	18-495-034-5094-002	7/1/17-6/30/18	2,111,122				(2,111,122)	(2,111,122)						(2,111,122)	
On-Behalf TPAF Pension NCGI Premium	18-495-034-5094-004	7/1/17-6/30/18	51,232				(51,232)	(51,232)						(51,232)	
On-Behalf TPAF Long-Term Disability Ins.	18-495-034-5094-004	7/1/17-6/30/18	2,892				(2,892)	(2,892)						(2,892)	
On-Behalf TPAF Post Retirement Medical Contribution	18-495-034-5094-001	7/1/17-6/30/18	1,396,618				(1,396,618)	(1,396,618)						(1,396,618)	
Total State Financial Assistance Utilized for Calculation to Determine Major Programs				\$ (462,650)	\$ -	\$ 35,701	\$ 3,104,779	\$ 2,896,444	\$ 35,701	\$ (273,597)	\$ -	\$ 19,282	\$ (87,774)	\$ 2,896,444	

**CLARK PUBLIC SCHOOL DISTRICT
 NOTES TO THE SCHEDULES OF EXPENDITURES OF
 FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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 a decrease of \$29,974 for the general fund and a decrease of \$19,040 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 15,701	\$ 5,919,208	\$ 5,934,909
Special Revenue Fund	540,497	483,893	1,024,390
Food Service Fund	<u>126,961</u>	<u>6,193</u>	<u>133,154</u>
Total Financial Assistance	<u>\$ 683,159</u>	<u>\$ 6,409,294</u>	<u>\$ 7,092,453</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, 2018**

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 \$1,131,309 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, 2018. The amount reported as TPAF Pension System Contributions in the amount of \$2,162,354, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,396,618 and TPAF Long-Term Disability Insurance in the amount of \$2,892 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2018.

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 payments 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, 2018

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

NOT APPLICABLE

**CLARK PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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, 2018**

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

Not Applicable.

**CLARK PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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 2018-001:

Our audit of T.P.A.F. FICA reimbursements revealed the salaries used to determine the amount reimbursed by the State for FICA included certain non-pensionable wages.

State Program Information:

Reimbursed TPAF Social Security Tax	495-034-5194-003
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Criteria or Specific Requirement

State Grant Compliance Supplement

Condition:

Salaries used to determine State reimbursements for FICA paid for T.P.A.F. members included certain non-pensionable wages.

Questioned Costs:

Unknown.

Context:

Imputed income, a non-pensionable wage, was included in the salaries used to determine the amount to be reimbursed by the State.

Effect:

Amounts reimbursed by State did not reflect actual FICA paid on T.P.A.F. members' pensionable wages.

Cause:

See context.

Recommendation:

The District review with its financial accounting software vendor the T.P.A.F./F.I.C.A. calculation to ensure T.P.A.F. FICA reimbursements are based only on pensionable wages subject to FICA.

View of Responsible Official and Planned Corrective Action

Management agrees with this finding and had indicated that procedures will be implemented to take corrective action.

CLARK PUBLIC SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

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 2017-001

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.

Status:

Corrective action has been taken.