

**CLARK PUBLIC
SCHOOL DISTRICT**

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

**Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2019**

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

of the

Clark Public School District

Clark, New Jersey

For The Fiscal Year Ended June 30, 2019

Prepared by

**Clark Public School District
Finance Department**

**CLARK PUBLIC SCHOOL DISTRICT
TABLE OF CONTENTS**

Page

INTRODUCTORY SECTION

Letter of Transmittal	i
Organizational Chart	ii
Roster of Officials	iii
Consultants and Advisors	iv

FINANCIAL SECTION

Independent Auditor's Report	1-3
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REQUIRED SUPPLEMENTARY INFORMATION – PART I

Management's Discussion and Analysis	4-18
Basic Financial Statements	
A. District-wide Financial Statements:	
A-1 Statement of Net Position	19
A-2 Statement of Activities	20-21
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	22-23
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	24
B-3 Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances with the District-Wide Statement of Activities	25
Proprietary Funds:	
B-4 Statement of Net Position	26
B-5 Statement of Revenues, Expenses, and Changes in Net Position	27
B-6 Statement of Cash Flows	28
Fiduciary Funds:	
B-7 Statement of Net Position	29
B-8 Statement of Changes in Net Position	30
Notes to the Financial Statements	31-70

**CLARK PUBLIC SCHOOL DISTRICT
TABLE OF CONTENTS**

		<u>Page</u>
REQUIRED SUPPLEMENTARY INFORMATION – PART II		
C.	Budgetary Comparison Schedules	
C-1	Budgetary Comparison Schedule – General Fund	71-77
C-2	Budgetary Comparison Schedule – Special Revenue Fund	78
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – PART II		
C-3	Budgetary Comparison Schedule – Notes to the Required Supplementary Information	79
REQUIRED SUPPLEMENTARY INFORMATION - PART III		
L.	Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
L-1	Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Public Employees Retirement System	80
L-2	Required Supplementary Information – Schedule of District Contributions – Public Employees Retirement System	81
L-3	Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Teachers Pension and Annuity Fund	82
L-4	Notes to Required Supplementary Information	83
L-5	Required Supplementary Information – Schedule of Changes in the District’s Proportionate Share of Total OPEB Liability	84
L-6	Notes to Required Supplementary Information	85
OTHER SUPPLEMENTARY INFORMATION		
D.	School Level Schedules – Not Applicable	
E.	Special Revenue Fund:	
E-1	Combining Schedule of Program Revenues and Expenditures Special Revenue Fund – Budgetary Basis	86-87
E-2	Preschool Education Aid – Schedule of Expenditures - Budgetary Basis – Not Applicable	88
F.	Capital Projects Fund:	
F-1	Summary Schedule of Project Expenditures – Budgetary Basis	89
F-2	Summary Schedule of Revenues, Expenditures and Changes in Fund Balance – Budgetary Basis	90
F-2a- F-2e	Schedule of Project Revenues, Expenditures, Project Balance and Project Status	91-95

**CLARK PUBLIC SCHOOL DISTRICT
TABLE OF CONTENTS**

	<u>Page</u>
G. Proprietary Funds:	
Enterprise Fund:	
G-1 Statement of Net Position - Not Applicable	96
G-2 Statement of Revenues, Expenses and Changes in Fund Net Position - Not Applicable	96
G-3 Statement of Cash Flows -Not Applicable	96
H. Fiduciary Funds:	
H-1 Combining Statement of Agency Net Position – Agency Funds	97
H-2 Combing Statement of Changes in Fiduciary Net Position - Not Applicable	98
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	99
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	99
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	100
I-2 Schedule of Capital Leases and Interlocal Agreements	101
I-3 Debt Service Fund Budgetary Comparison Schedule	102
J. STATISTICAL SECTION (Unaudited)	
J-1 Net Position by Component	103
J-2 Changes in Net Position	104-105
J-3 Fund Balances – Governmental Funds	106
J-4 Changes in Fund Balances – Governmental Funds	107
J-5 General Fund Other Local Revenue by Source	108
J-6 Assessed Value and Actual Value of Taxable Property	109
J-7 Direct and Overlapping Property Tax Rates	110
J-8 Principal Property Taxpayers	111
J-9 Property Tax Levies and Collections	112
J-10 Ratios of Outstanding Debt by Type	113
J-11 Ratios of Net General Bonded Debt Outstanding	114
J-12 Direct and Overlapping Governmental Activities Debt	115
J-13 Legal Debt Margin Information	116
J-14 Demographic and Economic Statistics	117
J-15 Principal Employers	118
J-16 Full-Time Equivalent District Employees by Function/Program	119
J-17 Operating Statistics	120
J-18 School Building Information	121
J-19 Schedule of Required Maintenance for School Facilities	122
J-20 Insurance Schedule	123

**CLARK PUBLIC SCHOOL DISTRICT
TABLE OF CONTENTS**

Page

K.

SINGLE AUDIT SECTION

K-1	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	124-125
K-2	Report on Compliance for Each Major Federal and State Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by the U.S. Uniform Guidance and Schedule of Expenditures of State Financial Assistance as Required by New Jersey OMB Circular 15-08 – Independent Auditor’s Report	126-128
K-3	Schedule of Expenditures of Federal Awards	129
K-4	Schedule of Expenditures of State Financial Assistance	130-131
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	132-133
K-6	Schedule of Findings and Questioned Costs – Part 1 – Summary of Auditor’s Results	134-135
K-7	Schedule of Findings and Questioned Costs – Part 2 – Schedule of Financial Statement Findings	136
K-7	Schedule of Findings and Questioned Costs – Part 3 – Schedule of Federal and State Award Findings and Questioned Costs	137-138
K-8	Summary Schedule of Prior Year Findings	139

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

December 2, 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, 2019 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.

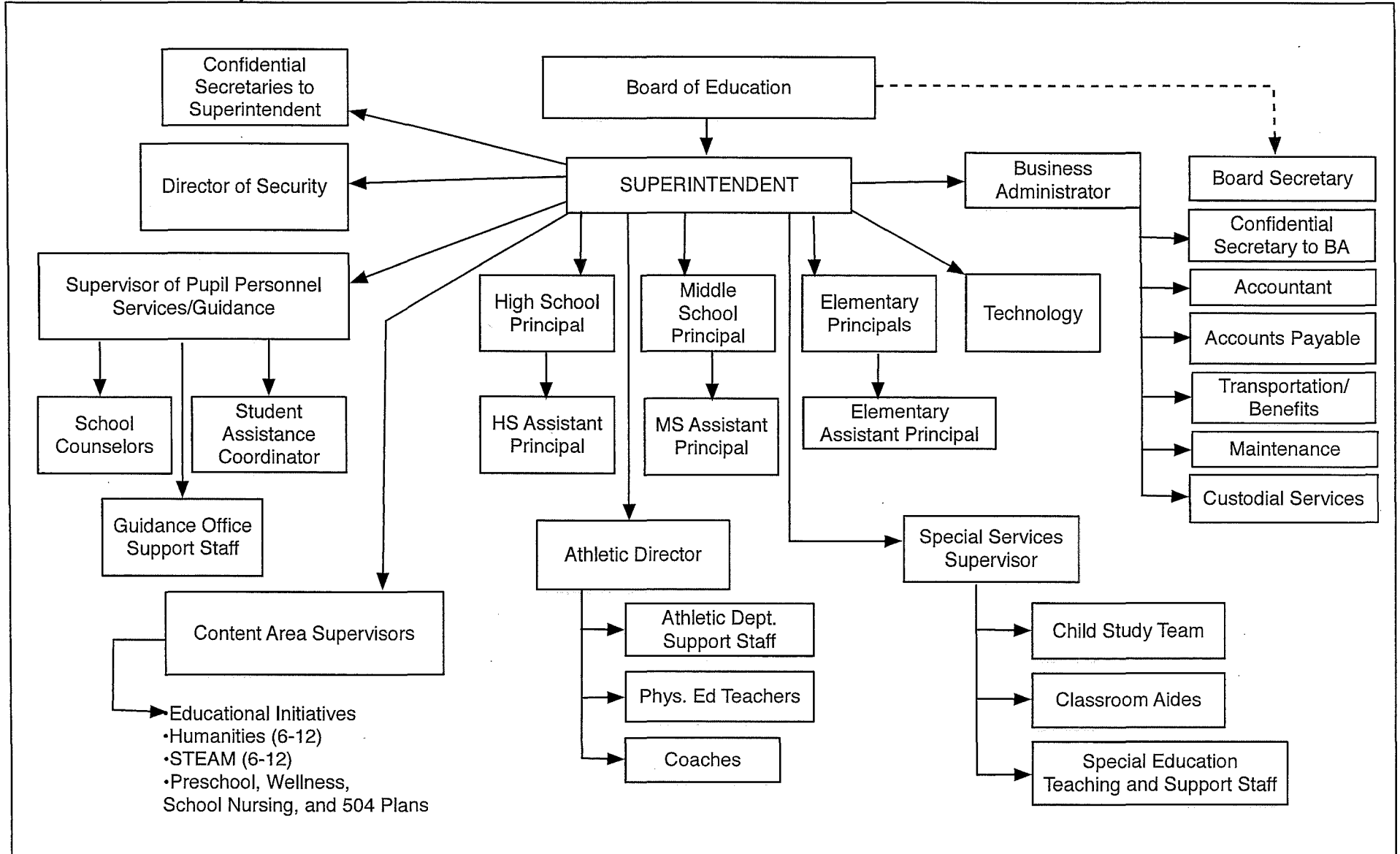
The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance) and the State Treasury OMB Circular 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

ORGANIZATIONAL CHART



CLARK PUBLIC SCHOOL DISTRICT
CLARK, NEW JERSEY

ROSTER OF OFFICIALS
JUNE 30, 2019

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Steven Donkersloot, President	2020
Thomas Lewis, Vice President	2019
Lorraine j. Aklonis	2019
Dino Bencivenga	2021
Scott Bohm	2021
Robert Brede	2020
Laura Caliguire	2020
Tina Simitz, Garwood Representative	2019
Robert Smorol	2021
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
MARK SACO, CPA
SHERYL M. LEIDIG, CPA, PSA
ROBERT LERCH, CPA
CHRIS SOHN, 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, 2019 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, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, 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 as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Clark Public School District.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated December 2, 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
December 2, 2019

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

CLARK PUBLIC SCHOOL DISTRICT

Management Discussion and Analysis

Fiscal Year Ended June 30, 2019

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, 2019. 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 2018-2019 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 \$12,705,893 (Net Position).
- Overall District revenues were \$47,940,816 and were \$1,112,348 more than overall District expenses of \$46,828,468. General revenues accounted for \$33,253,902 or 69% of all revenues. Program specific revenues in the form of charges for services, grants and contributions account for \$14,686,914 or 31% of total revenues.
- The School District had \$45,586,373 in expenses for governmental activities; only \$13,258,794 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$33,237,864 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 \$7,085,058. Of that amount, \$523,608 (7%) is available for spending at the District's discretion (unassigned fund balance).
- The General Fund unassigned fund balance was \$523,608 at June 30, 2019, is an increase of \$7,663 when compared with the beginning unassigned fund balance at July 1, 2018 of \$515,945.
- The General Fund unassigned budgetary basis fund balance at June 30, 2019 was \$854,686, which represents an increase of \$152,918 compared to the ending unassigned budgetary basis fund balance at June 30, 2018 of \$701,768.
- The District's total outstanding long-term liabilities decreased by \$1,872,795 during the current fiscal year.

CLARK PUBLIC SCHOOL DISTRICT

Management Discussion and Analysis

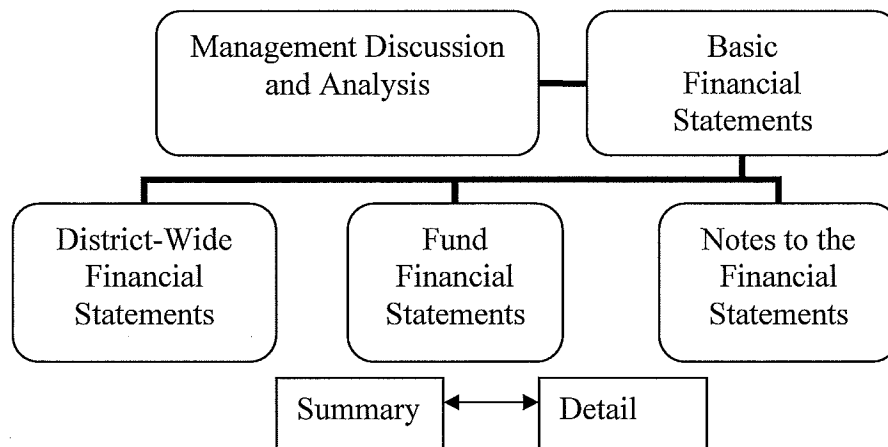
Fiscal Year Ended June 30, 2019

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, 2019

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

Major Features of the District-Wide and Fund Financial Statements

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

CLARK PUBLIC SCHOOL DISTRICT

Management Discussion and Analysis

Fiscal Year Ended June 30, 2019

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, 2019

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, 2019

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 2019 and 2018.

Net Position. The District's *combined* net position was \$12,705,893 on June 30, 2019 and \$11,593,545 on June 30, 2018.

CLARK PUBLIC SCHOOL DISTRICT

Management Discussion and Analysis

Fiscal Year Ended June 30, 2019

Net Position as of June 30, 2019 and 2018

	Governmental Types		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Assets						
Current and other assets	\$ 8,255,030	\$ 6,209,659	\$ 1,756,400	\$ 1,478,988	\$ 10,011,430	\$ 7,688,647
Capital assets, net	<u>22,420,004</u>	<u>23,866,901</u>	<u>197,397</u>	<u>188,389</u>	<u>22,617,401</u>	<u>24,055,290</u>
Total Assets	<u>30,675,034</u>	<u>30,076,560</u>	<u>1,953,797</u>	<u>1,667,377</u>	<u>32,628,831</u>	<u>31,743,937</u>
Deferred Outflows of Resources	<u>1,579,536</u>	<u>2,219,146</u>	<u>-</u>	<u>-</u>	<u>1,579,536</u>	<u>2,219,146</u>
Total Assets and Deferred Outflows of Resources	<u>32,254,570</u>	<u>32,295,706</u>	<u>1,953,797</u>	<u>1,667,377</u>	<u>34,208,367</u>	<u>33,963,083</u>
Liabilities						
Non-Current liabilities	17,795,950	19,668,745			17,795,950	19,668,745
Other liabilities	<u>1,201,318</u>	<u>697,937</u>	<u>133,793</u>	<u>48,001</u>	<u>1,335,111</u>	<u>745,938</u>
Total Liabilities	<u>18,997,268</u>	<u>20,366,682</u>	<u>133,793</u>	<u>48,001</u>	<u>19,131,061</u>	<u>20,414,683</u>
Deferred Inflows of Resources	<u>2,368,874</u>	<u>1,950,881</u>	<u>2,539</u>	<u>3,974</u>	<u>2,371,413</u>	<u>1,954,855</u>
Total Liabilities and Deferred Inflows of Resources	<u>21,366,142</u>	<u>22,317,563</u>	<u>136,332</u>	<u>51,975</u>	<u>21,502,474</u>	<u>22,369,538</u>
Net Position						
Net Investment in capital assets	11,934,121	12,640,594	197,397	188,389	12,131,518	12,828,983
Restricted	1,294,684	1,292,183			1,294,684	1,292,183
Unrestricted	<u>(2,340,377)</u>	<u>(3,954,634)</u>	<u>1,620,068</u>	<u>1,427,013</u>	<u>(720,309)</u>	<u>(2,527,621)</u>
Total Net Position	<u>\$ 10,888,428</u>	<u>\$ 9,978,143</u>	<u>\$ 1,817,465</u>	<u>\$ 1,615,402</u>	<u>\$ 12,705,893</u>	<u>\$ 11,593,545</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, 2019

The District's total net position of \$12,705,893 at June 30, 2019 represents a \$1,112,398 or 10%, increase from the prior year. The following shows changes in net position for fiscal years 2019 and 2018.

Change in Net Position
For the Fiscal Years Ended June 30, 2019 and 2018

	Governmental		Business-Type		Total	
	Types		Activities			
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Revenues						
Program Revenues						
Charges for Services	\$ 1,541,710	\$ 1,867,529	\$ 1,312,382	\$ 1,277,628	\$ 2,854,092	\$ 3,145,157
Operating Grants and Contributions	11,473,904	14,411,728	115,738	133,154	11,589,642	14,544,882
Capital Grants and Contributions	243,180				243,180	-
General Revenues						
Property Taxes	33,049,404	32,167,229			33,049,404	32,167,229
State and Federal Aid	2,159	24,143			2,159	24,143
Other	186,301	178,382	16,038	3,142	202,339	181,524
Total Revenues	<u>46,496,658</u>	<u>48,649,011</u>	<u>1,444,158</u>	<u>1,413,924</u>	<u>47,940,816</u>	<u>50,062,935</u>
Program Expenses						
Instruction						
Regular	22,759,140	24,437,501			22,759,140	24,437,501
Special Education	6,547,210	6,884,916			6,547,210	6,884,916
Other Instruction	804,764	785,113			804,764	785,113
School Sponsored Activities and Athletics	881,274	943,095			881,274	943,095
Support Services						
Student and Instruction Related	5,259,948	5,504,080			5,259,948	5,504,080
General Administration	857,466	946,276			857,466	946,276
School Administration	2,883,591	2,850,334			2,883,591	2,850,334
Central and Other Support Services	494,018	557,236			494,018	557,236
Plant Operations and Maintenance	3,438,736	3,185,847			3,438,736	3,185,847
Pupil Transportation	1,241,640	1,149,796			1,241,640	1,149,796
Interest on Debt	418,586	438,449			418,586	438,449
Food Service			679,286	698,774	679,286	698,774
Before and After School Program	-	-	562,809	471,833	562,809	471,833
Total Expenses	<u>45,586,373</u>	<u>47,682,643</u>	<u>1,242,095</u>	<u>1,170,607</u>	<u>46,828,468</u>	<u>48,853,250</u>
Change in Net Position	910,285	966,368	202,063	243,317	1,112,348	1,209,685
Net Position, Beginning 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>
Net Position, End of Year	<u>\$ 10,888,428</u>	<u>\$ 9,978,143</u>	<u>\$ 1,817,465</u>	<u>\$ 1,615,402</u>	<u>\$ 12,705,893</u>	<u>\$ 11,593,545</u>

CLARK PUBLIC SCHOOL DISTRICT

Management Discussion and Analysis

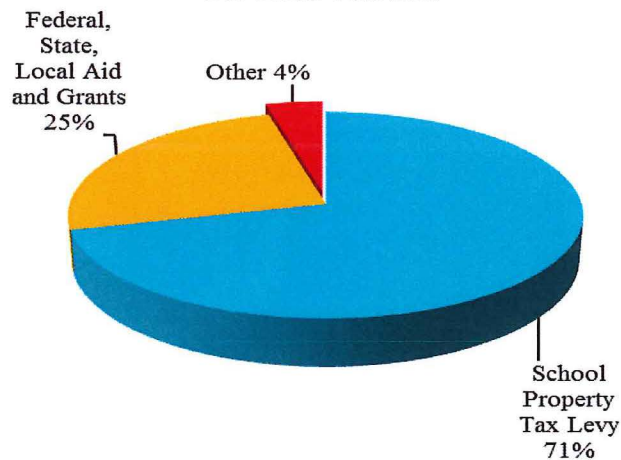
Fiscal Year Ended June 30, 2019

Governmental Activities. The District's total governmental activities' revenues, which includes State and Federal grants, were \$46,496,658 for the year ended June 30, 2019, property taxes of \$33,049,404 represented 71% of revenues. Another significant portion of revenues came from State aid; total State, Federal and Local Aid and Grants were \$11,719,243 and represented 25% of revenues. In addition, revenue in the amount of \$1,728,011 (4%) was earned from tuition fees and miscellaneous income which includes items such as interest, prior year refunds and other miscellaneous items.

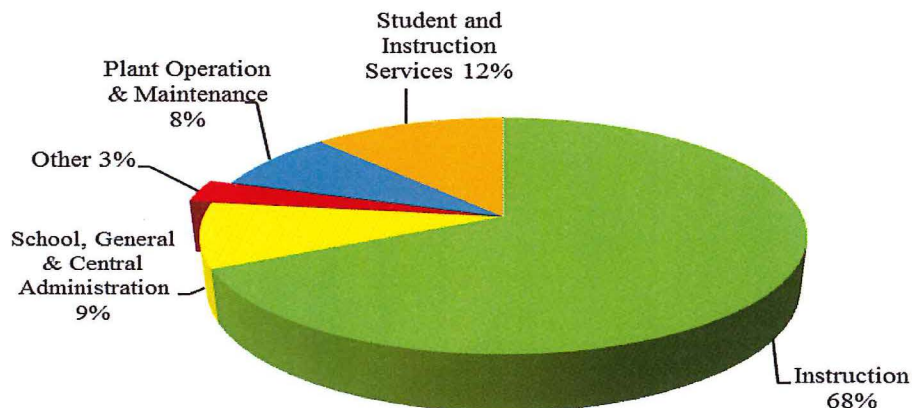
The total cost of all governmental activities programs and services was \$45,586,373. The district's expenses are predominantly related to educating and caring for students. Instruction totaled \$30,992,388 (68%) of total expenses. Support services total \$14,175,399 (31%) of total expenses. The remaining expenses were for interest costs on long-term debt outstanding in the amount of \$418,586 (1%).

Total governmental activities revenues exceeded expenses, increasing net position by \$910,285 from the previous year.

**Revenues by Type – Governmental Activities
For Fiscal Year 2019**



**Expenses by Type – Governmental Activities
For Fiscal Year 2019**



CLARK PUBLIC SCHOOL DISTRICT

Management Discussion and Analysis

Fiscal Year Ended June 30, 2019

Total and Net Cost of Governmental Activities. The District's total cost of services was \$45,586,373. After applying program revenues, derived from operating and capital grants and contributions of \$11,717,084 and charges for services of \$1,541,710 the net cost of services of the District is \$32,327,579.

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Instruction				
Regular	\$ 22,759,140	\$ 24,437,501	\$ 15,564,026	\$ 14,996,907
Special Education	6,547,210	6,884,916	3,533,522	3,436,255
Other Instruction	804,764	785,113	509,381	486,519
School Sponsored Activities and Athletics	881,274	943,095	853,738	876,051
Support services				
Student and Instruction Related	5,259,948	5,504,080	3,935,954	3,776,319
General Administration	857,466	946,276	843,336	909,231
School Administration	2,883,591	2,850,334	2,131,548	1,908,038
Central and Other Support Services	494,018	557,236	474,513	505,164
Plant Operations and Maintenance	3,438,736	3,185,847	3,087,806	3,015,259
Pupil Transportation	1,241,640	1,149,796	975,169	1,055,194
Interest on debt	418,586	438,449	418,586	438,449
	<u>\$ 45,586,373</u>	<u>\$ 47,682,643</u>	<u>\$ 32,327,579</u>	<u>\$ 31,403,386</u>
Total Expenses				

Business-Type Activities

The cost of Business-Type Activities for the fiscal year ended June 30, 2019 was \$1,242,095. Food service costs were 679,286 (55%) and before and after school child care costs were \$562,809 (45%). These costs were funded by revenue from charges for services of \$1,312,382 (91%) and operating grants of \$115,738 (8%), as detailed in the change in net position schedule. Revenues from food service charges for services were \$617,258 (47%) and before and after school child care charges for services were \$695,124 (53%).

Total business-type activities revenues surpassed expenses, increasing net position by \$202,063 over the previous year. At June 30, 2019 the net position balance of the Food Service Program was \$370,394 and of the Before and After School Child Care Program Fund was \$1,447,071.

CLARK PUBLIC SCHOOL DISTRICT

Management Discussion and Analysis

Fiscal Year Ended June 30, 2019

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 \$7,085,058 at June 30, 2019 compared to a combined fund balance of \$5,543,391 at June 30, 2018.

Revenues and other financing sources for the District's governmental funds were \$43,012,065 while total expenditures were \$41,470,398.

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, 2019 and 2018.

<u>Revenue</u>	<u>2019</u>	<u>2018</u>	<u>Amount of Increase (Decrease)</u>	<u>Percent Change</u>
Local Sources				
Property Tax Levy	\$ 31,694,372	\$ 30,792,697	\$ 901,675	3%
Miscellaneous	1,728,011	2,041,271	(313,260)	-15%
State Sources	6,750,236	5,919,208	831,028	14%
Federal Sources	<u>15,510</u>	<u>15,701</u>	<u>(191)</u>	-1%
Total	<u>\$ 40,188,129</u>	<u>\$ 38,768,877</u>	<u>\$ 1,419,252</u>	4%

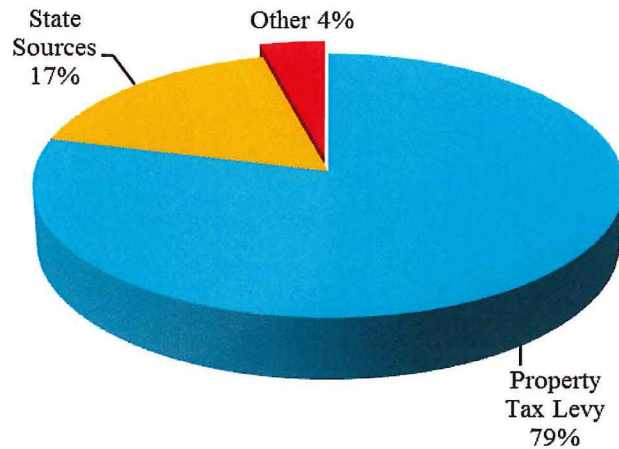
The majority of revenues come from property taxes which accounted for 79% of total revenue while state sources represented 17% of total revenue for the 2019 fiscal year. Miscellaneous revenues primarily tuition fees received from Garwood represented 4% of the total revenue for the 2019 fiscal year.

CLARK PUBLIC SCHOOL DISTRICT

Management Discussion and Analysis

Fiscal Year Ended June 30, 2019

General Fund Revenues by Source For Fiscal Year 2019



The following schedule presents a summary of General Fund expenditures for the fiscal years ended June 30, 2019 and 2018.

<u>Expenditures</u>	<u>2019</u>	<u>2018</u>	<u>Amount of Increase (Decrease)</u>	<u>Percent Change</u>
Current:				
Instruction	\$ 25,396,151	\$ 24,544,411	\$ 851,740	3%
Support Services	12,931,662	11,886,983	1,044,679	9%
Debt Service	179,302	171,460	7,842	5%
Capital Outlay	<u>514,348</u>	<u>492,256</u>	<u>22,092</u>	100%
Total	<u>\$ 39,021,463</u>	<u>\$ 37,095,110</u>	<u>\$ 1,926,353</u>	5%

Total General Fund expenditures increased \$1,926,353 or 5% from the previous year. Instruction represented 65% of total expenditures while support services accounted for 33% and debt service and capital outlay accounted for 2% of total expenditures for the 2019 fiscal year.

For the 2018-2019 school year General Fund revenues, and other financing sources exceeded expenditures by \$1,541,666. After adjusting for restricted and assigned fund balances, the unassigned fund balance increased from \$515,945 at June 30, 2018 to \$523,608 at June 30, 2019. The District ended the year with \$5,139,521 of excess surplus. In addition, the District had restricted fund balances of \$587,163 in capital reserve and \$635,784 in maintenance reserve at June 30, 2019.

CLARK PUBLIC SCHOOL DISTRICT

Management Discussion and Analysis

Fiscal Year Ended June 30, 2019

APITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At the end of fiscal years 2019 and 2018, the District had invested in land, buildings, furniture, machinery and equipment for both governmental and business-type activities. Depreciation charges for fiscal year 2018-2019 amounted to \$2,196,885 for governmental activities and \$18,146 for business-type activities. The following is a comparison of the June 30, 2019 and 2018 balances.

Capital Assets As of June 30, 2019 and 2018

	Governmental		Business-Type		Total	
	Activities		Activities			
	2019	2018	2019	2018	2019	2018
Land	\$ 1,808,965	\$ 1,808,965			\$ 1,808,965	\$ 1,808,965
Construction In Progress	8,500				8,500	-
Land Improvements	2,695,664	2,077,484			2,695,664	2,077,484
Buildings and Improvements	47,788,695	47,761,779			47,788,695	47,761,779
Machinery and Equipment	<u>4,230,632</u>	<u>4,149,902</u>	<u>\$ 442,324</u>	<u>\$ 423,226</u>	<u>4,672,956</u>	<u>4,573,128</u>
	56,532,456	55,798,130	442,324	423,226	56,974,780	56,221,356
Less Depreciation	<u>(34,112,452)</u>	<u>(31,931,229)</u>	<u>(244,927)</u>	<u>(234,837)</u>	<u>(34,357,379)</u>	<u>(32,166,066)</u>
Total Capital Assets, Net of Depreciation	<u>\$ 22,420,004</u>	<u>\$ 23,866,901</u>	<u>\$ 197,397</u>	<u>\$ 188,389</u>	<u>\$ 22,617,401</u>	<u>\$ 24,055,290</u>

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

CLARK PUBLIC SCHOOL DISTRICT

Management Discussion and Analysis

Fiscal Year Ended June 30, 2019

Debt Administration. As of June 30, 2019 the District had long-term debt and outstanding long-term liabilities in the amount of \$17,795,950. For fiscal year 2018-2019 total outstanding long-term liabilities decreased by \$1,872,795. The following is a comparison of the June 30, 2019 and 2018 balances.

Outstanding Long-Term Liabilities As of June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Serial Bonds (including unamortized premium)	\$ 10,494,439	\$ 11,542,035
Capital Leases and Interlocal Agreements	463,243	258,484
Net Pension Liability	5,990,324	7,077,525
Compensated Absences	<u>847,944</u>	<u>790,701</u>
Total	<u>\$ 17,795,950</u>	<u>\$ 19,668,745</u>

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

GENERAL FUND BUDGETARY HIGHLIGHTS

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

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

General Fund budgetary basis revenues exceeded budgetary basis expenditures increasing budgetary basis fund balance by \$1,686,921 from the previous year. After deducting restricted and assigned fund balances, the unassigned budgetary fund balance increased \$152,918 from \$701,768 at June 30, 2018 to \$854,686 at June 30, 2019. The District has retained a Capital Reserve balance in the amount of \$587,163 at June 30, 2019. In addition, the District has a Maintenance Reserve balance of \$635,784 at June 30, 2019.

CLARK PUBLIC SCHOOL DISTRICT

Management Discussion and Analysis

Fiscal Year Ended June 30, 2019

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 2019-2020 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 2019-2020. Budgeted expenditures in the General Fund increased approximately 5% to \$37,860,693 for fiscal year 2019-2020.

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, 2019**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash	\$ 7,510,647	\$ 1,732,801	\$ 9,243,448
Receivables, Net:			
Receivables from Other Governments	493,231	4,803	498,034
Other	257,350	428	257,778
Internal Balances	(6,198)	6,198	-
Inventories		12,170	12,170
Capital Assets Not Being Depreciated	1,817,465		1,817,465
Capital Assets, Being Depreciation	<u>20,602,539</u>	<u>197,397</u>	<u>20,799,936</u>
Total Assets	<u>30,675,034</u>	<u>1,953,797</u>	<u>32,628,831</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Refunding of Debt	471,799		471,799
Deferred Amounts on Net Pension Liability	<u>1,107,737</u>	<u>-</u>	<u>1,107,737</u>
Total Deferred Outflows of Resources	<u>1,579,536</u>	<u>-</u>	<u>1,579,536</u>
Total Assets and Deferred Outflows of Resources	<u>32,254,570</u>	<u>1,953,797</u>	<u>34,208,367</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	1,096,169	114,674	1,210,843
Accrued Interest Payable	31,346		31,346
Unearned Revenue	73,803	19,119	92,922
Noncurrent Liabilities :			
Due Within One Year	1,180,240		1,180,240
Due Beyond One Year	<u>16,615,710</u>	<u>-</u>	<u>16,615,710</u>
Total Liabilities	<u>18,997,268</u>	<u>133,793</u>	<u>19,131,061</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	2,368,874		2,368,874
Deferred Commodities Revenue	<u>-</u>	<u>2,539</u>	<u>2,539</u>
Total Deferred Inflows of Resources	<u>2,368,874</u>	<u>2,539</u>	<u>2,371,413</u>
Total Liabilities and Deferred Inflows of Resources	<u>21,366,142</u>	<u>136,332</u>	<u>21,502,474</u>
NET POSITION			
Net Investment in Capital Assets	11,934,121	197,397	12,131,518
Restricted for:			
Capital Projects	658,899		658,899
Other Purposes	635,785		635,785
Unrestricted	<u>(2,340,377)</u>	<u>1,620,068</u>	<u>(720,309)</u>
Total Net Position	<u>\$ 10,888,428</u>	<u>\$ 1,817,465</u>	<u>\$ 12,705,893</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, 2019**

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	\$ 22,759,140	\$ 1,206,865	\$ 5,988,249		\$ (15,564,026)		\$ (15,564,026)
Special Education	6,547,210	334,845	2,678,843		(3,533,522)		(3,533,522)
Other Instruction	804,764		295,383		(509,381)		(509,381)
School Sponsored Activities and Athletics	881,274		27,536		(853,738)		(853,738)
Support Services							
Student and Instruction Related Services	5,259,948		1,323,994		(3,935,954)		(3,935,954)
General Administrative Services	857,466		14,130		(843,336)		(843,336)
School Administrative Services	2,883,591		752,043		(2,131,548)		(2,131,548)
Central and Other Support Services	494,018		19,505		(474,513)		(474,513)
Plant Operations and Maintenance	3,438,736		107,750	\$ 243,180	(3,087,806)		(3,087,806)
Pupil Transportation	1,241,640		266,471		(975,169)		(975,169)
Interest on Debt	418,586	-	-	-	(418,586)	-	(418,586)
Total Governmental Activities	<u>45,586,373</u>	<u>1,541,710</u>	<u>11,473,904</u>	<u>243,180</u>	<u>(32,327,579)</u>	<u>-</u>	<u>(32,327,579)</u>
Business-Type Activities							
Food Service	679,286	617,258	115,738			\$ 53,710	53,710
Before and After School Program	<u>562,809</u>	<u>695,124</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>132,315</u>	<u>132,315</u>
Total Business-Type Activities	<u>1,242,095</u>	<u>1,312,382</u>	<u>115,738</u>	<u>-</u>	<u>-</u>	<u>186,025</u>	<u>186,025</u>
Total Primary Government	<u>\$ 46,828,468</u>	<u>\$ 2,854,092</u>	<u>\$ 11,589,642</u>	<u>\$ 243,180</u>	<u>(32,327,579)</u>	<u>186,025</u>	<u>(32,141,554)</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, 2019**

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
General Revenues:			
Property Taxes:			
Levied for General Purposes	\$ 31,694,372		\$ 31,694,372
Levied for Debt Service	1,355,032		1,355,032
State Aid, Unrestricted	2,159		2,159
Miscellaneous Income	186,301	\$ 16,038	202,339
 Total General Revenues	 33,237,864	 16,038	 33,253,902
 Change in Net Position	 910,285	 202,063	 1,112,348
 Net Position, Beginning of Year	 9,978,143	 1,615,402	 11,593,545
 Net Position, End of Year	 \$ 10,888,428	 \$ 1,817,465	 \$ 12,705,893

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, 2019**

	<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	\$ 7,265,765	\$ 173,145	\$ 71,736	\$ 1	\$ 7,510,647
Receivables, Net					
Receivables from Other Governments	402,930	90,301			493,231
Due from Other Funds	<u>279,760</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>279,760</u>
Total Assets	<u>\$ 7,948,455</u>	<u>\$ 263,446</u>	<u>\$ 71,736</u>	<u>\$ 1</u>	<u>\$ 8,283,638</u>
LIABILITIES					
Liabilities					
Accounts Payable	\$ 906,526	\$ 94,310			\$ 1,000,836
Payable to Federal Government		2,410			2,410
Payable State Government		87,787			87,787
Due to Other Funds	28,608			-	28,608
Other Liabilities		5,136			5,136
Unearned Revenue	<u>-</u>	<u>73,803</u>	<u>-</u>	<u>-</u>	<u>73,803</u>
Total Liabilities	<u>935,134</u>	<u>263,446</u>	<u>-</u>	<u>-</u>	<u>1,198,580</u>
FUND BALANCES					
Restricted Fund Balance					
Excess Surplus - Designated for Subsequent					
Year's Expenditures	2,165,576				2,165,576
Excess Surplus	2,973,945				2,973,945
Capital Reserve	587,163				587,163
Maintenance Reserve	635,784				635,784
Capital Projects			\$ 71,736		71,736
Debt Service				\$ 1	1
Assigned Fund Balance					
Year End Encumbrances.	127,245				127,245
Unassigned Fund Balance	<u>523,608</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>523,608</u>
Total Fund Balances	<u>7,013,321</u>	<u>-</u>	<u>71,736</u>	<u>1</u>	<u>7,085,058</u>
Total Liabilities and Fund Balances	<u>\$ 7,948,455</u>	<u>\$ 263,446</u>	<u>\$ 71,736</u>	<u>\$ 1</u>	<u>\$ 8,283,638</u>

**CLARK PUBLIC SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2019**

Total Fund Balances - Governmental Funds (Exhibit B-1)		\$ 7,085,058
<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 \$56,532,456 and the accumulated depreciation is \$34,112,452</p>		22,420,004
<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>		471,799
<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	\$ 1,107,737	
Deferred Inflows of Resources	<u>(2,368,874)</u>	(1,261,137)
<p>The District has financed capital assets through the issuance of serial bonds and long-term lease obligations. The interest accrual at year end is:</p>		(31,346)
<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)	\$ 10,494,439	
Capital Leases and Interlocal Agreements Payable	463,243	
Compensated Absences	847,944	
Net Pension Liability	<u>5,990,324</u>	<u>(17,795,950)</u>
Total Net Position of Governmental Activities (Exhibit A-1)		<u>\$ 10,888,428</u>

CLARK PUBLIC SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 31,694,372			\$ 1,355,032	\$ 33,049,404
Tuition	1,541,710				1,541,710
Interest	77,327				77,327
Miscellaneous Revenues	<u>108,974</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>108,974</u>
Total - Local Sources	33,422,383	-	-	1,355,032	34,777,415
State Sources	6,750,236	\$ 467,177		-	7,217,413
Federal Sources	<u>15,510</u>	<u>626,727</u>	<u>-</u>	<u>-</u>	<u>642,237</u>
Total Revenues	<u>40,188,129</u>	<u>1,093,904</u>	<u>-</u>	<u>1,355,032</u>	<u>42,637,065</u>
EXPENDITURES					
Instruction					
Regular	18,288,129	92,626			18,380,755
Special Education	5,600,892	514,778			6,115,670
Other Instruction	648,363	67,649			716,012
School-Sponsored Activities and Athletics	858,767				858,767
Support Services					
Student and Instruction Related Services	4,448,837	418,851			4,867,688
General Administrative Services	849,109				849,109
School Administrative Services	2,586,848				2,586,848
Central and Other Support Services	477,494				477,494
Plant Operations and Maintenance	3,349,244				3,349,244
Pupil Transportation	1,220,130				1,220,130
Debt Service					-
Principal	170,241			975,000	1,145,241
Interest and Other Charges	9,061			380,031	389,092
Capital Outlay	<u>514,348</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>514,348</u>
Total Expenditures	<u>39,021,463</u>	<u>1,093,904</u>	<u>-</u>	<u>1,355,031</u>	<u>41,470,398</u>
Excess of Revenues Over Expenditures	<u>1,166,666</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>1,166,667</u>
OTHER FINANCING SOURCES					
Interlocal Agreement	<u>375,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>375,000</u>
Total Other Financing Sources	<u>375,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>375,000</u>
Net Change in Fund Balances	1,541,666	-	-	1	1,541,667
Fund Balance, Beginning of Year	<u>5,471,655</u>	<u>-</u>	<u>\$ 71,736</u>	<u>-</u>	<u>5,543,391</u>
Fund Balance, End of Year	<u>\$ 7,013,321</u>	<u>\$ -</u>	<u>\$ 71,736</u>	<u>\$ 1</u>	<u>\$ 7,085,058</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, 2019**

Total net change in fund balances - governmental funds (Exhibit B-2) \$ 1,541,667

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 and donated assets in the current period.

Capital Outlay	\$ 514,348	
Depreciation Expense	(2,196,885)	
Donated Assets	<u>243,180</u>	
		(1,439,357)

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

Increase in Compensated Absences	(57,243)	
Decrease in Pension Expense	<u>132,011</u>	
		74,768

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		
Interlocal Agreement	(375,000)	
Principal Repayments		
Serial Bonds	975,000	
Capital Lease and Interlocal Agreement Payable	170,241	
Amortization of Deferred Amounts on Refunding	(102,413)	
Amortization of Bond Premium	<u>72,596</u>	
		740,424

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		323
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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.

(7,540)

Change in net position of governmental activities (Exhibit A-2) \$ 910,285

**CLARK PUBLIC SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
AS OF JUNE 30, 2019**

	<u>Business-Type Activities - Enterprise Fund</u>		
	<u>Food Service</u>	<u>Before and After School Program</u>	<u>Totals</u>
ASSETS			
Current Assets			
Cash	\$ 267,153	\$ 1,465,648	\$ 1,732,801
Intergovernmental Receivable			
State	370		370
Federal	4,433		4,433
Other Accounts Receivable	428		428
Inventories	12,170		12,170
Due from Other Funds	<u>28,608</u>	<u>-</u>	<u>28,608</u>
Total Current Assets	<u>313,162</u>	<u>1,465,648</u>	<u>1,778,810</u>
Capital Assets			
Equipment	423,899	18,425	442,324
Less: Accumulated Depreciation	<u>(239,720)</u>	<u>(5,207)</u>	<u>(244,927)</u>
Total Capital Assets, Net	<u>184,179</u>	<u>13,218</u>	<u>197,397</u>
Total Assets	<u>497,341</u>	<u>1,478,866</u>	<u>1,976,207</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	105,289	9,385	114,674
Due to Other Funds		22,410	22,410
Unearned Revenue	<u>19,119</u>	<u>-</u>	<u>19,119</u>
Total Current Liabilities	<u>124,408</u>	<u>31,795</u>	<u>156,203</u>
DEFERRED INFLOW OF RESOURCES			
Deferred Commodities Revenue	<u>2,539</u>	<u>-</u>	<u>2,539</u>
Total Liabilities and Deferred Inflow of Resources	<u>126,947</u>	<u>31,795</u>	<u>158,742</u>
NET POSITION			
Investment in Capital Assets	184,179	13,218	197,397
Unrestricted	<u>186,215</u>	<u>1,433,853</u>	<u>1,620,068</u>
Total Net Position	<u>\$ 370,394</u>	<u>\$ 1,447,071</u>	<u>\$ 1,817,465</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, 2019**

	<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>	
OPERATING REVENUES			
Charges for Services			
Daily Sales - Reimbursable Programs	\$ 330,438		\$ 330,438
Daily Sales - Non reimbursable Programs	286,820		286,820
Program Fees	-	\$ 695,124	695,124
	<u>617,258</u>	<u>695,124</u>	<u>1,312,382</u>
Total Operating Revenues			
OPERATING EXPENSES			
Cost of Sales Reimbursable Programs	222,188		222,188
Cost of Sales Non reimbursable Programs	101,263		101,263
Salaries and Employee Benefits	255,311	413,852	669,163
Purchased Management Services	26,000		26,000
Supplies and Materials	8,074	120,442	128,516
Repairs and Maintenance	10,171		10,171
Miscellaneous Expenses	39,326	26,898	66,224
Depreciation Expense	16,529	1,617	18,146
	<u>678,862</u>	<u>562,809</u>	<u>1,241,671</u>
Total Operating Expenses			
Operating Income/(Loss)	<u>(61,604)</u>	<u>132,315</u>	<u>70,711</u>
NONOPERATING REVENUES (EXPENSES)			
Interest	2,958	13,080	16,038
State Sources			
School Lunch Program	5,494		5,494
Federal Sources			
National School Lunch Program	67,753		67,753
Food Distribution Program	42,491		42,491
Loss on Disposal of Assets (Expenses)	<u>(424)</u>	<u>-</u>	<u>(424)</u>
	<u>118,272</u>	<u>13,080</u>	<u>131,352</u>
Total Nonoperating Revenues (Expenses)			
Change in Net Position	56,668	145,395	202,063
Total Net Position, Beginning of Year	<u>313,726</u>	<u>1,301,676</u>	<u>1,615,402</u>
Total Net Position, End of Year	<u>\$ 370,394</u>	<u>\$ 1,447,071</u>	<u>\$ 1,817,465</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, 2019**

	<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	\$ 618,699	\$ 695,124	\$ 1,313,823
Cash Payments for Employees' Salaries and Benefits	(255,311)	(413,852)	(669,163)
Cash Payments to Suppliers for Goods and Services	(287,643)	(139,357)	(427,000)
Net Cash Provided by Operating Activities	<u>75,745</u>	<u>141,915</u>	<u>217,660</u>
Cash Flows from Noncapital Financing Activities			
Cash Received from State and Federal Subsidy Reimbursement	<u>74,608</u>	<u>-</u>	<u>74,608</u>
Net Cash Provided by Noncapital Financing Activities	<u>74,608</u>	<u>-</u>	<u>74,608</u>
Cash Flows from Investing Activities			
Interest Earnings	<u>2,958</u>	<u>13,080</u>	<u>16,038</u>
Net Cash Provided by Investing Activities	<u>2,958</u>	<u>13,080</u>	<u>16,038</u>
Cash Flows from Capital and Related Financing Activities			
Purchases of Capital Assets	<u>(27,578)</u>	<u>-</u>	<u>(27,578)</u>
Net Cash (Used for) Capital and Related Financing Activities	<u>(27,578)</u>	<u>-</u>	<u>(27,578)</u>
Net Increase in Cash and Cash Equivalents	125,733	154,995	280,728
Cash, Beginning of Year	<u>141,420</u>	<u>1,310,653</u>	<u>1,452,073</u>
Cash, End of Year	<u>\$ 267,153</u>	<u>\$ 1,465,648</u>	<u>\$ 1,732,801</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities			
Operating Income (Loss)	\$ (61,604)	\$ 132,315	\$ 70,711
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities			
Non-Cash Federal Assistance-Food Distribution Program	42,491		42,491
Depreciation Expense	16,529	1,617	18,146
Change in Assets, Liabilities and Deferred Inflows			
(Increase)/Decrease in Accounts Receivable	62		62
(Increase)/Decrease in Inventory	1,893		1,893
Increase/(Decrease) in Accounts Payable	76,430	7,983	84,413
Increase/(Decrease) in Unearned Revenue	1,379	-	1,379
Increase/(Decrease) in Deferred Commodities Revenue	(1,435)	-	(1,435)
Total Adjustments	<u>137,349</u>	<u>9,600</u>	<u>146,949</u>
Net Cash Provided by (Used) for Operating Activities	<u>\$ 75,745</u>	<u>\$ 141,915</u>	<u>\$ 217,660</u>
Non-Cash Investing, Capital and Financing Activities			
Value Received - Food Distribution Program	\$ 41,056		\$ 41,056

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, 2019**

	<u>Private Purpose Trust Funds</u>		
	<u>Kelemen Science Observatory Fund</u>	<u>Donations Fund</u>	<u>Agency Fund</u>
ASSETS			
Cash	\$ 12,082	\$ 15,903	\$ 808,830
Total Assets	<u>12,082</u>	<u>15,903</u>	<u>\$ 808,830</u>
LIABILITIES			
Due to Other Funds			\$ 257,350
Due to Student Groups			146,834
Employee Deposits Payable - Summer Payroll			243,857
Accrued Salaries and Wages			1,898
Payroll Deductions and Withholding Payable			153,493
Flexible Spending Deposits	<u>-</u>	<u>-</u>	<u>5,398</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>\$ 808,830</u>
NET POSITION			
Net Position Held in Trust for Scholarships and Other Purposes	<u>\$ 12,082</u>	<u>\$ 15,903</u>	

**CLARK PUBLIC SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Private Purpose Trust Funds</u>	
	Kelemen Science Observatory Fund	Donations Fund
ADDITIONS		
Investment Earnings		
Interest	\$ 97	\$ 128
	<hr/>	<hr/>
Total Additions	97	128
	<hr/>	<hr/>
DEDUCTIONS		
Miscellaneous Expenses	-	-
	<hr/>	<hr/>
Total Deductions	-	-
	<hr/>	<hr/>
Change in Net Position	97	128
Net Position, Beginning of Year	11,985	15,775
	<hr/>	<hr/>
Net Position, End of Year	\$ 12,082	\$ 15,903
	<hr/>	<hr/>

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

NOTES TO THE FINANCIAL STATEMENTS

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Clark Public School District (the “Board” or the “District”) is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of nine elected officials 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 2019, the District adopted the following GASB statement as required:

- GASB No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. 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 consistently provided. In addition, information about resources to liquidate debt and the risks associated with changes in terms association with debt will be disclosed.

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.

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- 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. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*, will be effective beginning with the fiscal 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.

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.

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

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.

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 for private donations for the 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.

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

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.

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, 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.

**CLARK PUBLIC SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

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.

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. 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.

CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

7. *Pensions*

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

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

8. *Long-Term Obligations*

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

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

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.

CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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

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, 2018 audited excess surplus that was appropriated in the 2019/2020 original budget certified for taxes.

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2019 audited excess surplus that is required to be appropriated in the 2020/2021 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.

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

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

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

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

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.

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

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. The District has no committed fund balances at year end.

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.

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

3. *Tuition Revenues and Expenditures*

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

Tuition Expenditures - Tuition charges for the fiscal years 2017-2018 and 2018-2019 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

4. *Proprietary Funds, Operating and Nonoperating Revenues and Expenses*

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the food service enterprise fund and of the before and after school program enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Federal and State subsidies for the food service operation are considered nonoperating revenues.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

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 2018/2019. Also, during 2018/2019 the Board increased the original budget by \$373,732. The increase was funded by grant awards and the reappropriation of prior year general fund encumbrances.

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

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

B. Capital Reserve

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

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

**CLARK PUBLIC SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Capital Reserve (Continued)

The activity of the capital reserve for the fiscal year ended June 30, 2019 is as follows:

Balance, July 1, 2018	\$ 586,163
Increased by	
Interest Earnings	<u>1,000</u>
Balance, June 30, 2019	<u>\$ 587,163</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.

The activity of the maintenance reserve for the fiscal year ended June 30, 2019 is as follows:

Balance, July 1, 2018	\$ 634,284
Increased by	
Interest Earnings	<u>1,500</u>
Balance, June 30, 2019	<u>\$ 635,784</u>

The June 30, 2019 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$2,023,427.

D. Transfers to Capital Outlay

During the 2018/2019 school year, the district transferred \$181,959 to the non-equipment capital outlay accounts. The transfer was approved by the County Superintendent.

E. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2019 is \$5,139,521. Of this amount, \$2,165,576 was designated and appropriated in the 2019/2020 original budget certified for taxes and the remaining amount of \$2,973,945 will be appropriated in the 2020/2021 original budget certified for taxes.

**CLARK PUBLIC SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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.

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, 2019, the book value of the Board's deposits were \$10,080,263 and bank and brokerage firm balances of the Board's deposits amounted to \$10,383,484. 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>\$ 10,383,484</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, 2019 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, 2019, the Board had no outstanding investments.

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of June 30, 2019 for the district's individual major funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Food Service Fund</u>	<u>Total</u>
Receivables:				
Intergovernmental:				
Local	\$ 321,528			\$ 321,528
State	81,402	\$ 2,813	\$ 370	84,585
Federal		87,488	4,433	91,921
Other	-	-	428	428
Gross Receivables	<u>402,930</u>	<u>90,301</u>	<u>5,231</u>	<u>498,462</u>
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 402,930</u>	<u>\$ 90,301</u>	<u>\$ 5,231</u>	<u>\$ 498,462</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	\$ 5,228
Grant Draw Downs Reserved for Encumbrances	<u>68,575</u>
 Total Deferred Revenue for Governmental Funds	 <u>\$ 73,803</u>

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2019 was as follows:

	Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,808,965			\$ 1,808,965
Construction in Progress	-	\$ 8,500	-	8,500
Total Capital Assets, Not Being Depreciated	<u>1,808,965</u>	<u>8,500</u>	<u>-</u>	<u>1,817,465</u>
Capital Assets, Being Depreciated:				
Site Improvements	2,077,484	618,180		2,695,664
Buildings and Improvements	47,761,779	26,916		47,788,695
Machinery and Equipment	4,149,902	103,932	\$ (23,202)	4,230,632
Total Capital Assets Being Depreciated	<u>53,989,165</u>	<u>749,028</u>	<u>(23,202)</u>	<u>54,714,991</u>
Less Accumulated Depreciation for:				
Site Improvements	(1,510,430)	(103,540)		(1,613,970)
Buildings and Improvements	(27,467,039)	(1,876,553)		(29,343,592)
Machinery and Equipment	(2,953,760)	(216,792)	15,662	(3,154,890)
Total Accumulated Depreciation	<u>(31,931,229)</u>	<u>(2,196,885)</u>	<u>15,662</u>	<u>(34,112,452)</u>
Total Capital Assets, Being Depreciated, Net	<u>22,057,936</u>	<u>(1,447,857)</u>	<u>(7,540)</u>	<u>20,602,539</u>
Government Activities Capital Assets, Net	<u>\$ 23,866,901</u>	<u>\$ (1,439,357)</u>	<u>\$ (7,540)</u>	<u>\$ 22,420,004</u>
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 423,226	\$ 27,578	\$ (8,480)	\$ 442,324
Total Capital Assets Being Depreciated	<u>423,226</u>	<u>27,578</u>	<u>(8,480)</u>	<u>442,324</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(234,837)	(18,146)	8,056	(244,927)
Total Accumulated Depreciation	<u>(234,837)</u>	<u>(18,146)</u>	<u>8,056</u>	<u>(244,927)</u>
Total Capital Assets, Being Depreciated, Net	<u>188,389</u>	<u>9,432</u>	<u>(424)</u>	<u>197,397</u>
Business-Type Activities Capital Assets, Net	<u>\$ 188,389</u>	<u>\$ 9,432</u>	<u>\$ (424)</u>	<u>\$ 197,397</u>

**CLARK PUBLIC SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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	\$ 2,079,804
Total Instruction	<u>2,079,804</u>

Support Services	
Student and Instruction Related Services	29,800
General Administration	676
School Administration	485
Central Services	5,922
Plant Operations and Maintenance	60,182
Pupil Transportation	20,016
Total Support Services	<u>117,081</u>

Total Depreciation Expense - Governmental Activities	<u>\$ 2,196,885</u>
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Business-Type Activities:

Food Service Fund	\$ 16,529
Before and After School Program Fund	<u>1,617</u>

Total Depreciation Expense-Business-Type Activities	<u>\$ 18,146</u>
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E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2019, 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	257,350
Food Service Fund	General Fund	<u>28,608</u>
Total		<u>\$ 308,368</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, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases

Capital Leases and Interlocal Agreement

The District is leasing copiers and a school bus totaling \$303,500 under capital leases. In addition, the district entered into an interlocal agreement with the Township of Clark totaling \$375,000 for the renovation of the turf athletic field. The leases and interlocal agreement are for terms of 2 to 5 years.

The capital assets acquired through capital leases and interlocal agreement are as follows:

	<u>Governmental Activities</u>
Site Improvements	\$ 375,000
Machinery and Equipment	<u>303,500</u>
Total	<u>\$ 678,500</u>

The future minimum lease and other interlocal agreement obligations and the net present value of these minimum lease and other interlocal agreements payments as of June 30, 2019 were as follows:

<u>Fiscal Year Ending June 30</u>	<u>Governmental Activities</u>	
	<u>Capital Leases</u>	<u>Interlocal Agreement</u>
2020	\$ 103,698	\$ 75,000
2021	54,397	75,000
2022	13,599	75,000
2023	<u>-</u>	<u>75,000</u>
Total minimum lease payments	171,694	300,000
Less: amount representing interest	<u>(8,451)</u>	<u>-</u>
Present value of minimum lease payments	<u>\$ 163,243</u>	<u>\$ 300,000</u>

**CLARK PUBLIC SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt

General Obligation Bonds

The Board issued general obligation refunding bonds in order to advance refund certain principal and interest maturities of the 2005 school bonds which provided funds for the acquisition and construction of major capital facilities, other capital assets and other purposes permitted by statute. 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, 2019 are comprised of the following issues:

\$14,145,000, 2012 Refunding Bonds, due in annual installments of \$1,010,000 to \$1,755,000 through June 1, 2026, interest at 2.63% to 4.00% \$10,160,000

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

Governmental Activities:

Year Ending June 30,	Serial Bonds		Total
	Principal	Interest	
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	1,705,000	144,431	1,849,431
2025-2027	<u>3,465,000</u>	<u>152,326</u>	<u>3,617,326</u>
	<u>\$ 10,160,000</u>	<u>\$ 1,406,281</u>	<u>\$ 11,566,281</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2019 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 106,958,996
Less: Net Debt	<u>10,160,000</u>
Remaining Borrowing Power	<u>\$ 96,798,996</u>

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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, 2019, 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	\$ 11,135,000		\$ 975,000	\$ 10,160,000	\$ 1,010,000
Add: Original Issue Premium	<u>407,035</u>	<u>-</u>	<u>72,596</u>	<u>334,439</u>	<u>-</u>
Total Bonds Payable	11,542,035	-	1,047,596	10,494,439	1,010,000
Capital Leases Payable	258,484		95,241	163,243	95,240
Interlocal Agreement Payable		\$ 375,000	75,000	300,000	75,000
Compensated Absences	790,701	57,243		847,944	
Net Pension Liability	<u>7,077,525</u>	<u>-</u>	<u>1,087,201</u>	<u>5,990,324</u>	<u>-</u>
Governmental Activity Long-Term Liabilities	<u>\$ 19,668,745</u>	<u>\$ 432,243</u>	<u>\$ 2,305,038</u>	<u>\$ 17,795,950</u>	<u>\$ 1,180,240</u>

For the governmental activities, the liabilities for capital leases, interlocal 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.

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.

**CLARK PUBLIC SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

B. Contingent Liabilities (Continued)

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, 2019, 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, 2019, 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 Board employees who are eligible for pension coverage:

Public Employees’ Retirement System (PERS) – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage 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. For additional information about PERS, please refer to the State Division of Pension and Benefits (Division’s) Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions.

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.

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

**CLARK PUBLIC SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Public Employees' Retirement System (PERS) (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 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 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, which the State is responsible to fund 100% of local employer contributions, excluding any local employer early retirement incentive (ERI) contributions. For additional information about TPAF, please refer to the State Division of Pension and Benefits (Division's) Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions.

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

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.

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

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

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PERS and new employees who would otherwise be eligible to participate in PERS and do not earn the minimum salary required or do not work the minimum required hours but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. 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.

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.

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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. Prudential retirement is the third-party administrator for the DCRP and provides record keeping, administrative services and investment options. Investment transactions are accounted for on a trade or investment date basis. Interest and dividend income is recorded on the accrual basis, with dividends accruing on the ex-dividend date. The net increase or decrease in the fair value of investments includes the net realized and unrealized gains or losses on investments.

The State of New Jersey, Department of the Treasury, Division of Investment issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial reports may be obtained in writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290 or at www.state.nj.us/treasury/doinvest.

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2018 is \$19.7 billion and the plan fiduciary net position as a percentage of the total pension liability is 53.60%. The collective net pension liability of the State funded TPAF at June 30, 2018 is \$63.81 billion and the plan fiduciary net position as a percentage of total pension liability is 26.49%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2017 which were rolled forward to June 30, 2018.

Actuarial Methods and Assumptions

In the July 1, 2017 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**CLARK PUBLIC SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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 members 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 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee’s annual compensation for fiscal year 2019.

PERS employers’ and TPAF State’s nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2019 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State’s annual pension contribution was less than this actuarial determined amount. For PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer 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. All PERS and DCRP contributions made by the Board for fiscal years 2019, 2018 and 2017 were equal to the required contributions.

During the fiscal years ended June 30, 2019, 2018 and 2017 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended June 30,	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2019	\$ 302,620	\$ 2,909,712	\$ 27,232
2018	281,659	2,162,354	21,020
2017	276,566	1,608,255	20,416

In addition for fiscal years 2019, 2018 and 2017 the District contributed \$1,147, \$3,295 and \$1,691, respectively for PERS and the State contributed \$2,574, \$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 \$1,135,769 during the fiscal year ended June 30, 2019 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.

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS)

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. 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 measurement period July 1, 2017 through June 30, 2018. 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 (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense are determined separately for each individual employer of the State and local groups of the plan.

To facilitate the separate (sub) 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, 2018 are based on the ratio of each employer’s contribution to total employer contributions of the group for the fiscal year ended June 30, 2018.

At June 30, 2019, the District reported in the statement of net position (accrual basis) a liability of \$5,990,324 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2018 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 the District’s share of contributions to the pension plan relative to the contributions of all participating governmental entities, actuarially determined. At June 30, 2018, the District’s proportionate share was .03042 percent, which was an increase of .00002 percent from its proportionate share measured as of June 30, 2017 of .03040 percent.

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

For the fiscal year ended June 30, 2019, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$170,609 for PERS. The pension contribution made by the District during the current 2018/2019 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, 2019 with a measurement date of the prior fiscal year end of June 30, 2018. 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, 2019 for contributions made subsequent to the measurement date. At June 30, 2019, 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	\$ 114,236	\$ 30,888
Changes of Assumptions	987,106	1,915,387
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		56,189
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>6,395</u>	<u>366,410</u>
Total	<u>\$ 1,107,737</u>	<u>\$ 2,368,874</u>

At June 30, 2019, 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:

<u>Year Ending June 30,</u>	<u>Total</u>
2020	\$ (109,547)
2021	(176,985)
2022	(487,408)
2023	(373,946)
2024	<u>(113,251)</u>
	<u>\$ (1,261,137)</u>

**CLARK PUBLIC SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The District’s total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. 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, 2017 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, 2019**

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

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. 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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	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%
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>
2019	June 30, 2018	5.66%
2018	June 30, 2017	5.00%

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as an employee and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the fiscal year ended June 30, 2018. 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, 2018, 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, 2019, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$5,316,628 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, 2019 the State's proportionate share of the net pension liability attributable to the District is \$91,199,776. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer adjusted for unpaid early retirement incentives to total contributions to TPAF during the year ended June 30, 2018. At June 30, 2018, the State's share of the net pension liability attributable to the District was .14336 percent, which was an increase of .00038 percent from its proportionate share measured as of June 30, 2017 of .14298 percent.

**CLARK PUBLIC SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>TPAF</u>
Inflation Rate	2.25%
Salary Increases:	
2011-2026	1.55-4.55%
Thereafter	2.00-5.45%
Investment Rate of Return	7.00%
Mortality Rate Table	RP-2006

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, 2017 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, 2019**

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

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2018) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. 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, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
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, 2019**

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
2019	June 30, 2018	4.86%
2018	June 30, 2017	4.25%

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

* The municipal bond return rate used is 3.87% as of the measurement date of June 30, 2018. 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 4.86%, 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 (3.86 percent) or 1-percentage-point higher (5.86 percent) than the current rate:

	1% Decrease (3.86%)	Current Discount Rate (4.86%)	1% Increase (5.86%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 107,796,403</u>	<u>\$ 91,199,776</u>	<u>\$ 77,441,576</u>

The sensitivity analysis was based on the State’s proportionate share of the net pension liability attributable to the District at June 30, 2018. A sensitivity analysis specific to the State’s proportionate share of the net pension liability attributable to the District at June 30, 2018 was not provided by the pension system.

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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 for the fiscal year ended June 30, 2018. 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 Employees Plan (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.32f provides medical coverage, prescription drug benefits and Medicare Part B reimbursement to qualified retired education employees and their covered dependents. 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.

**CLARK PUBLIC SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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.

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2017:

Active Plan Members	217,131
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	145,050
Inactive Plan Members Entitled to but not yet Receiving Benefits	<u> -</u>
Total	<u>362,181</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.

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2018 is \$46.1 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2017 which were rolled forward to June 30, 2018.

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Actuarial Methods and Assumptions

In the June 30, 2017 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Post-Retirement Medical Benefits Contributions

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.23 billion to the OPEB plan in fiscal year 2018.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution, an amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan.

The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2019, 2018 and 2017 were \$1,319,841, \$1,396,618 and \$1,340,043, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan 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.

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 Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. 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 measurement period July 1, 2017 through June 30, 2018. 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.

**CLARK PUBLIC SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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)

For the fiscal year ended June 30, 2019, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$2,529,338. 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, 2019 the State’s proportionate share of the OPEB liability attributable to the District is \$62,919,054. 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, 2018 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2018. At June 30, 2018, the state’s share of the OPEB liability attributable to the District was .13645 percent, which was a decrease of .00200 percent from its proportionate share measured as of June 30, 2017 of .13845 percent.

Actuarial Assumptions

The OPEB liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. 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	Preretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disable Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.
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.

The actuarial assumptions used in the June 30, 2017 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.

Healthcare cost trend rates for pre-Medicare Preferred Provider Organization (PPO) medical benefits, this amount initially is 5.8 percent and decreases to a 5.0 percent long-term trend rate after eight 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 5.8 percent and decreases to a 5.0 percent long-term trend rate after eight years. For prescription drug benefits, the initial trend rate is 8.0 percent and decreases to a 5.0 percent long-term trend rate after seven 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 all future years.

**CLARK PUBLIC SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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)

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, 2018.

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>
2019	June 30, 2018	3.87%
2018	June 30, 2017	3.58%

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.

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, 2019 (measurement date June 30, 2018) is as follows:

	<u>Total OPEB Liability (State Share 100%)</u>
Balance, June 30, 2017 Measurement Date	\$ 74,266,642
Changes Recognized for the Fiscal Year:	
Service Cost	2,485,362
Interest on the Total OPEB Liability	2,718,903
Differences Between Expected and Actual Experience	(7,707,292)
Changes of Assumptions	(7,220,276)
Gross Benefit Payments	(1,682,433)
Contributions from the Member	58,148
Net Changes	<u>\$ (11,347,588)</u>
Balance, June 30, 2018 Measurement Date	<u>\$ 62,919,054</u>

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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 (Continued)

Changes of assumptions and other inputs reflect a change in the discount rate from 3.58 percent in 2017 to 3.87 percent in 2018.

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, 2018. 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, 2018 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 3.87%, 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 (2.87 percent) or 1-percentage-point higher (4.87 percent) than the current rate:

	1% Decrease <u>(2.87%)</u>	Current Discount Rate <u>(3.87%)</u>	1% Increase <u>(4.87%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 74,383,130	\$ 62,919,054	\$ 53,806,297

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:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	\$ 52,006,263	\$ 62,919,054	\$ 77,351,638

The sensitivity analyses were based on the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2018. Sensitivity analyses specific to the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2018 were not provided by the pension system.

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE 4 OTHER INFORMATION (Continued)

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, 2019**

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	\$ 31,694,372		\$ 31,694,372	\$ 31,694,372	
Tuition - Other LEA's Within State	1,441,780		1,441,780	1,541,710	\$ 99,930
Interest	2,500		2,500	77,327	74,827
Rents	31,345		31,345	35,792	4,447
Miscellaneous Revenues	25,000	-	25,000	73,182	48,182
Total Local Sources	<u>33,194,997</u>	<u>-</u>	<u>33,194,997</u>	<u>33,422,383</u>	<u>227,386</u>
State Sources					
Special Education Aid	976,707		976,707	976,707	-
Security Aid	55,181		55,181	55,181	-
Transportation Aid	256,592		256,592	256,592	-
Extraordinary Aid	50,000		50,000	214,175	164,175
Additional Nonpublic Transportation Aid				24,940	24,940
TPAF Pension Benefit Contribution - (Non-Budget)				2,850,053	2,850,053
TPAF Pension - NCGI Premium (Non-Budget)				59,659	59,659
TPAF Long-Term Disability Insurance				2,574	2,574
TPAF Post Retirement Medical Contribution (Non-Budget)				1,319,841	1,319,841
TPAF Social Security Contributions (Non-Budget)	-	-	-	1,135,769	1,135,769
Total State Sources	<u>1,338,480</u>	<u>-</u>	<u>1,338,480</u>	<u>6,895,491</u>	<u>5,557,011</u>
Federal Sources					
Medicaid Reimbursement	20,129	-	20,129	15,510	(4,619)
Total Federal Sources	<u>20,129</u>	<u>-</u>	<u>20,129</u>	<u>15,510</u>	<u>(4,619)</u>
Total Revenues	<u>34,553,606</u>	<u>-</u>	<u>34,553,606</u>	<u>40,333,384</u>	<u>5,779,778</u>
EXPENDITURES					
CURRENT					
Instruction - Regular Programs					
Salaries of Teachers					
Preschool	192,426	\$ (40,711)	151,715	148,890	2,825
Kindergarten	371,831	(34,774)	337,057	337,057	-
Grades 1-5	3,606,592	48,733	3,655,325	3,655,325	-
Grades 6-8	2,286,619	(10,761)	2,275,858	2,273,633	2,225
Grades 9-12	4,407,805	(160,398)	4,247,407	4,244,734	2,673
Regular Programs - Home Instruction					
Salaries of Teachers	30,000	(25,327)	4,673	4,673	-
Purchased Professional/Educational Services		12,905	12,905	12,905	-
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	225,291	(38,045)	187,246	187,246	-
Purchased Professional/Educational Services	345,540	1	345,541	344,968	573
Other Purchased Services	17,500	430	17,930	17,930	-
General Supplies	293,800	(1,502)	292,298	243,208	49,090
Textbooks	31,540	9,975	41,515	31,745	9,770
Other Objects	59,940	-	59,940	49,539	10,401
Total Regular Programs	<u>11,868,884</u>	<u>(239,474)</u>	<u>11,629,410</u>	<u>11,551,853</u>	<u>77,557</u>

**CLARK PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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	\$ 162,215	\$ 59,215	\$ 221,430	\$ 221,236	\$ 194
Other Salaries for Instruction	111,254	(28,960)	82,294	82,294	-
Purchased Professional/Educational Services	700	-	700	700	-
General Supplies	2,805	1,385	4,190	4,190	-
Other Objects	16,830	11,496	28,326	11,779	16,547
Total Learning and/or Language Disabilities	<u>293,804</u>	<u>43,136</u>	<u>336,940</u>	<u>320,199</u>	<u>16,741</u>
Multiple Disabilities					
Salaries of Teachers	166,970	(112,067)	54,903	53,989	914
Other Salaries for Instruction	-	6,173	6,173	6,173	-
General Supplies	23,315	(3,642)	19,673	5,478	14,195
Total Multiple Disabilities	<u>190,285</u>	<u>(109,536)</u>	<u>80,749</u>	<u>65,640</u>	<u>15,109</u>
Behavioral Disabilities					
Salaries of Teachers	56,490	-	56,490	48,271	8,219
Other Salaries for Instruction	15,752	-	15,752	14,470	1,282
General Supplies	23,000	-	23,000	13,351	9,649
Total Behavioral Disabilities	<u>95,242</u>	<u>-</u>	<u>95,242</u>	<u>76,092</u>	<u>19,150</u>
Resource Room/Resource Center					
Salaries of Teachers	1,852,212	(363,873)	1,488,339	1,411,793	76,546
Other Salaries for Instruction	350,872	314,009	664,881	636,247	28,634
Purchased Professional/Educational Services	2,200	-	2,200	2,200	-
General Supplies	3,570	-	3,570	3,144	426
Textbooks	5,100	-	5,100	4,631	469
Total Resource Room/Resource Center	<u>2,213,954</u>	<u>(49,864)</u>	<u>2,164,090</u>	<u>2,058,015</u>	<u>106,075</u>
Preschool Disabilities - Part-Time					
Salaries of Teachers	113,663	44,955	158,618	146,391	12,227
Other Salaries for Instruction	-	1,500	1,500	1,500	-
General Supplies	1,100	-	1,100	1,100	-
Total Preschool Disabilities - Part-Time	<u>114,763</u>	<u>46,455</u>	<u>161,218</u>	<u>148,991</u>	<u>12,227</u>
Total Special Education	<u>2,908,048</u>	<u>(69,809)</u>	<u>2,838,239</u>	<u>2,668,937</u>	<u>169,302</u>
Basic Skills/Remedial					
Salaries of Teachers	364,597	(809)	363,788	352,822	10,966
Total Basic Skills/Remedial	<u>364,597</u>	<u>(809)</u>	<u>363,788</u>	<u>352,822</u>	<u>10,966</u>
Bilingual Education					
Salaries of Teachers	57,040	3,661	60,701	60,701	-
Total Bilingual Education	<u>57,040</u>	<u>3,661</u>	<u>60,701</u>	<u>60,701</u>	<u>-</u>
School Sponsored Co-Curricular Activities					
Salaries	176,296	(16,042)	160,254	159,806	448
Supplies & Materials	73,593	1,674	75,267	49,545	25,722
Other Objects	45,419	(15,001)	30,418	12,269	18,149
Total School Sponsored Co-Curricular Activities	<u>295,308</u>	<u>(29,369)</u>	<u>265,939</u>	<u>221,620</u>	<u>44,319</u>

**CLARK PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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	\$ 217,830	\$ 82,670	\$ 300,500	\$ 300,500	
Purchased Services	100,827	(71,402)	29,425	29,425	-
Supplies and Materials	48,195	7,153	55,348	55,348	-
Other Objects	52,377	(3,447)	48,930	46,057	\$ 2,873
Total School Sponsored Athletics	<u>419,229</u>	<u>14,974</u>	<u>434,203</u>	<u>431,330</u>	<u>2,873</u>
Total Instruction	<u>15,913,106</u>	<u>(320,826)</u>	<u>15,592,280</u>	<u>15,287,263</u>	<u>305,017</u>
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs w/i State - Special	807,465	7,483	814,948	626,262	188,686
Tuition to County Voc. School Dist.-Regular	556,000	38,000	594,000	590,250	3,750
Tuition to County Voc. School Dist.- Special	28,000	4,000	32,000	32,000	-
Tuition to Priv. Sch. For the Disabled - Within State	1,402,600	(194,831)	1,207,769	820,179	387,590
Tuition Other	-	47,830	47,830	47,830	-
Total Undistributed Expenditures - Instruction	<u>2,794,065</u>	<u>(97,518)</u>	<u>2,696,547</u>	<u>2,116,521</u>	<u>580,026</u>
Attendance and Social Work					
Salaries	54,558	-	54,558	37,888	16,670
Total Attendance and Social Work	<u>54,558</u>	<u>-</u>	<u>54,558</u>	<u>37,888</u>	<u>16,670</u>
Health Services					
Salaries	417,883	4,447	422,330	352,458	69,872
Purchased Professional and Technical Services	31,110	(8,769)	22,341	22,341	-
Supplies and Materials	6,426	2,694	9,120	8,978	142
Other Objects	510	1,063	1,573	1,573	-
Total Health Services	<u>455,929</u>	<u>(565)</u>	<u>455,364</u>	<u>385,350</u>	<u>70,014</u>
Other Support Serv. Students - Speech, OT, PT & Related Serv.					
Salaries	296,417	(275)	296,142	295,302	840
Purchased Professional/Educational Services	137,700	(3,669)	134,031	108,248	25,783
Supplies and Materials	5,799	-	5,799	2,013	3,786
Total Other Supp.Serv. Student - Speech, OT, PT, & Related Serv. Speech, OT, PT, & Related Serv.	<u>439,916</u>	<u>(3,944)</u>	<u>435,972</u>	<u>405,563</u>	<u>30,409</u>
Other Support Services - Students - Extra Serv.					
Salaries	244,001	(105,439)	138,562	107,631	30,931
Total Other Supp.Serv. Student - Extra Serv.	<u>244,001</u>	<u>(105,439)</u>	<u>138,562</u>	<u>107,631</u>	<u>30,931</u>
Other Support Services - Students - Guidance					
Salaries of Other Professional Staff	641,032	-	641,032	590,670	50,362
Salaries of Secretarial & Clerical Assistants	118,256	-	118,256	101,105	17,151
Other Purchased Services	69,539	25,387	94,926	94,926	-
Supplies and Materials	5,100	-	5,100	3,913	1,187
Total Other Support Services - Students - Guidance	<u>833,927</u>	<u>25,387</u>	<u>859,314</u>	<u>790,614</u>	<u>68,700</u>

**CLARK PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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	\$ 859,592	-	\$ 859,592	\$ 813,064	\$ 46,528
Salaries of Secretarial & Clerical Assistants	126,140	-	126,140	123,512	2,628
Other Salaries	60,000	\$ 1,443	61,443	61,443	-
Purchased Professional-Educational Services	45,158	(1,023)	44,135	44,135	-
Other Purchased Services	1,374	-	1,374	1,224	150
Supplies and Materials	7,140	-	7,140	7,140	-
	<u>1,099,404</u>	<u>420</u>	<u>1,099,824</u>	<u>1,050,518</u>	<u>49,306</u>
Total Other Support Services - Students - Child Study Team					
Improvement of Instructional Services					
Salaries of Supervisors of Instruction	134,675	-	134,675	88,777	45,898
Salaries of Other Professional Staff	30,000	(4,822)	25,178	23,950	1,228
Other Purchased Services	72,000	-	72,000	47,866	24,134
Supplies and Materials	1,020	-	1,020	395	625
Other Objects	10,200	-	10,200	7,428	2,772
	<u>247,895</u>	<u>(4,822)</u>	<u>243,073</u>	<u>168,416</u>	<u>74,657</u>
Total Improvement of Instructional Services					
Educational Media/School Library					
Salaries	57,040	1,275	58,315	58,315	-
Other Purchased Services	-	-	-	-	-
Supplies and Materials	36,516	(333)	36,183	34,968	1,215
	<u>93,556</u>	<u>942</u>	<u>94,498</u>	<u>93,283</u>	<u>1,215</u>
Total Educational Media/School Library					
Instructional Staff Training Services					
Purchased Professional-Educational Services	14,794	7,536	22,330	22,330	-
Other Objects	16,830	535	17,365	17,365	-
	<u>31,624</u>	<u>8,071</u>	<u>39,695</u>	<u>39,695</u>	<u>-</u>
Total Instructional Staff Training Services					
Support Services General Administration					
Salaries	253,772	(12,394)	241,378	236,200	5,178
Legal Services	50,000	44,439	94,439	87,065	7,374
Audit Fees	39,900	-	39,900	38,115	1,785
Architectural/Engineering Services	5,000	(4,740)	260	-	260
Miscellaneous Purchased Services	76,812	-	76,812	67,301	9,511
Communications/Telephone	179,100	(2,305)	176,795	141,516	35,279
General Supplies	10,000	-	10,000	6,525	3,475
Miscellaneous Expenditures	18,400	-	18,400	7,784	10,616
BOE Membership Dues and Fees	40,415	-	40,415	39,549	866
	<u>673,399</u>	<u>25,000</u>	<u>698,399</u>	<u>624,055</u>	<u>74,344</u>
Total Support Services General Administration					
Support Services School Administration					
Salaries of Principals/Asst. Principals/Prog Director	841,199	(90)	841,109	837,942	3,167
Salaries of Other Professional Staff	115,933	449,583	565,516	490,165	75,351
Salaries of Secretarial and Clerical Assistants	319,166	26,885	346,051	344,899	1,152
Purchased Professional and Technical Services	500	(90)	410	-	410
Supplies and Materials	4,080	180	4,260	3,428	832
Other Objects	8,451	-	8,451	1,966	6,485
	<u>1,289,329</u>	<u>476,468</u>	<u>1,765,797</u>	<u>1,678,400</u>	<u>87,397</u>
Total Support Services School Administration					

**CLARK PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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	\$ 345,344	\$ -	\$ 345,344	\$ 326,056	\$ 19,288
Misc. Purchased Services	500	-	500		500
Supplies and Materials	7,500	539	8,039	2,864	5,175
Miscellaneous Expenditures	3,315	-	3,315	2,784	531
	<u>356,659</u>	<u>539</u>	<u>357,198</u>	<u>331,704</u>	<u>25,494</u>
Required Maintenance for School Facilities					
Salaries	289,220	9,833	299,053	282,012	17,041
Cleaning, Repair and Maintenance Services	153,000	-	153,000	122,562	30,438
General Supplies	70,000	-	70,000	59,453	10,547
	<u>512,220</u>	<u>9,833</u>	<u>522,053</u>	<u>464,027</u>	<u>58,026</u>
Custodial Services					
Salaries	330,886	(13,548)	317,338	312,930	4,408
Salaries of Non-Instructional Aides	90,291	42,601	132,892	130,669	2,223
Purchased Professional-Technical Services	26,010	(2,707)	23,303	18,669	4,634
Cleaning, Repair and Maintenance Services	916,818	(40,752)	876,066	849,022	27,044
Rentals	112,000	-	112,000	109,935	2,065
Other Purchased Property Services	358,000	(55,676)	302,324	187,340	114,984
Insurance	267,672	-	267,672	216,304	51,368
General Supplies	39,000	5,756	44,756	44,756	-
Energy (Natural Gas)	165,000	-	165,000	163,400	1,600
Energy (Electricity)	375,000	(968)	374,032	344,860	29,172
Miscellaneous	-	1,082	1,082	1,082	-
	<u>2,680,677</u>	<u>(64,212)</u>	<u>2,616,465</u>	<u>2,378,967</u>	<u>237,498</u>
Care and Upkeep of Grounds					
Cleaning, Repair and Maintenance Services	42,000	(11,853)	30,147	25,169	4,978
General Supplies	9,000	4,232	13,232	13,232	-
	<u>51,000</u>	<u>(7,621)</u>	<u>43,379</u>	<u>38,401</u>	<u>4,978</u>
Security					
Salaries	198,376	(6,240)	192,136	175,786	16,350
Purchased Professional and Technical Services	480,751	(81,496)	399,255	9,727	389,528
General Supplies	8,750	2,785	11,535	11,535	-
Equipment	-	1,406	1,406	780	626
	<u>687,877</u>	<u>(83,545)</u>	<u>604,332</u>	<u>197,828</u>	<u>406,504</u>
Student Transportation Services					
Salaries of Non-Instructional Aides	42,939	-	42,939	1,746	41,193
Salaries for Pupil Trans. (Bet Home & School) - Spe Ed	52,226	-	52,226	44,229	7,997
Lease Purchase - School Buses	90,000	(40,000)	50,000	46,281	3,719
Contracted Services - Aid in Lieu of Payments-Nonpublic Schools	81,000	-	81,000	67,000	14,000
Contracted Services (Between Home and School) - Vendors	325,500	40,000	365,500	345,256	20,244
Contracted Services (Other Than Btwn Home and School) - Vendors	227,031	(32,503)	194,528	98,956	95,572
Contracted Services (Special Ed Students) - Vendors	561,132	31,003	592,135	592,135	-
Contracted Services - (Regular Students) - ESCs & CTSAAs	25,000	-	25,000	17,000	8,000
Misc. Purchased Services-Transportation	25,000	-	25,000	19,652	5,348
General Supplies	17,000	-	17,000	13,599	3,401
Other Objects	-	-	-	-	-
	<u>1,446,828</u>	<u>(1,500)</u>	<u>1,445,328</u>	<u>1,245,854</u>	<u>199,474</u>

**CLARK PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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	\$ (15,032)	\$ 374,968	\$ 374,776	\$ 192
Other Retirement Contributions - PERS	325,000	7,800	332,800	332,800	-
Unemployment Compensation	75,000	3,934	78,934	78,934	-
Workmen's Compensation	172,808	372	173,180	168,627	4,553
Health Benefits	4,625,394	(4,566)	4,620,828	4,374,636	246,192
Other Employee Benefits	305,000	7,492	312,492	248,026	64,466
Total Unallocated Benefits	<u>5,893,202</u>	<u>-</u>	<u>5,893,202</u>	<u>5,577,799</u>	<u>315,403</u>
Interest Earned on Maintenance Reserve	<u>1,500</u>	<u>-</u>	<u>1,500</u>	<u>-</u>	<u>1,500</u>
On-Behalf (Non-Budget)					
TPAF Pension Benefit Contribution - (Non-Budget)				2,850,053	(2,850,053)
TPAF Pension - NCGI Premium (Non-Budget)				59,659	(59,659)
TPAF Long-Term Disability Insurance				2,574	(2,574)
TPAF Post Retirement Medical Contribution (Non-Budget)				1,319,841	(1,319,841)
TPAF Social Security Contributions (Non-Budget)	-	-	-	1,135,769	(1,135,769)
Total On-Behalf	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,367,896</u>	<u>(5,367,896)</u>
Total Undistributed Expenditures	<u>19,887,566</u>	<u>177,494</u>	<u>20,065,060</u>	<u>23,100,410</u>	<u>(3,035,350)</u>
Total Current Expenditures	<u>35,800,672</u>	<u>(143,332)</u>	<u>35,657,340</u>	<u>38,387,673</u>	<u>(2,730,333)</u>
CAPITAL OUTLAY					
Equipment					
Grades 1 - 5	20,400	-	20,400	6,070	14,330
Grades 6 - 8		2,509	2,509	2,509	-
Admin. Info Tech	165,766	(45,194)	120,572	64,222	56,350
Security	10,000	10,071	20,071	13,831	6,240
Total Equipment	<u>196,166</u>	<u>(32,614)</u>	<u>163,552</u>	<u>86,632</u>	<u>76,920</u>
Facilities Acquisition and Construction Services					
Architectural and Engineering Services		8,500	8,500	8,500	-
Other Purchased Professional and Technical Services		173,459	173,459	44,216	129,243
Assessment for Debt Service on SDA Funding	119,442	-	119,442	119,442	-
Total Facilities Acquisition and Construction Services	<u>119,442</u>	<u>181,959</u>	<u>301,401</u>	<u>172,158</u>	<u>129,243</u>
Interest Deposit to Capital Reserve	<u>1,000</u>	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Assets Acquired Through Interlocal Agreement (Non-Budgeted)					
Construction Services	-	-	-	375,000	(375,000)
Total Assets Acquired Through Interlocal Agrmnt (Non-Budgeted)	<u>-</u>	<u>-</u>	<u>-</u>	<u>375,000</u>	<u>(375,000)</u>
Total Capital Outlay	<u>316,608</u>	<u>149,345</u>	<u>465,953</u>	<u>633,790</u>	<u>(167,837)</u>
Total General Fund	<u>36,117,280</u>	<u>6,013</u>	<u>36,123,293</u>	<u>39,021,463</u>	<u>(2,898,170)</u>
Excess (Deficiency) of Revenues					
Over/(Under) Expenditures	<u>(1,563,674)</u>	<u>(6,013)</u>	<u>(1,569,687)</u>	<u>1,311,921</u>	<u>2,881,608</u>

CLARK PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT (Continued)					
Other Financing Sources					
Interlocal Agreement	-	-	-	\$ 375,000	\$ 375,000
Total Other Financing Sources	-	-	-	375,000	375,000
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	\$ (1,563,674)	\$ (6,013)	\$ (1,569,687)	1,686,921	3,256,608
Fund Balance, Beginning of Year	5,657,478	-	5,657,478	5,657,478	-
Fund Balance, End of Year	\$ 4,093,804	\$ (6,013)	\$ 4,087,791	\$ 7,344,399	\$ 3,256,608
Recapitulation:					
Restricted Fund Balance					
Excess Surplus - Designated for Subsequent Year's Expenditures				\$ 2,165,576	
Excess Surplus				2,973,945	
Capital Reserve				587,163	
Maintenance Reserve				635,784	
Assigned Fund Balance					
Year End Encumbrances				127,245	
Unassigned Fund Balance				854,686	
Fund Balance- Budgetary Basis				7,344,399	
Less: State Aid Revenue not recognized on GAAP basis				(331,078)	
Fund Balance per Governmental Funds Statements (GAAP)				\$ 7,013,321	

**CLARK PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Intergovernmental					
State	\$ 419,136	\$ 113,975	\$ 533,111	\$ 448,137	\$ (84,974)
Federal	549,656	253,744	803,400	695,302	(108,098)
Local	-	-	-	-	-
	<u>968,792</u>	<u>367,719</u>	<u>1,336,511</u>	<u>1,143,439</u>	<u>(193,072)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	28,462	6,515	34,977	33,947	1,030
Purchased Professional/Educational Services	54,720	167,039	221,759	68,310	153,449
Tuition	441,411	3,519	444,930	444,930	-
General Supplies	59,334	85,035	144,369	134,771	9,598
Textbooks	28,837	4,645	33,482	32,107	1,375
	<u>612,764</u>	<u>266,753</u>	<u>879,517</u>	<u>714,065</u>	<u>165,452</u>
Support Services					
Personal Services Employee-Benefits	5,320	5,523	10,843	10,523	320
Purchased Professional/Educational Services	350,708	59,220	409,928	395,580	14,348
Other Purchased Services	-	36,223	36,223	23,271	12,952
	<u>356,028</u>	<u>100,966</u>	<u>456,994</u>	<u>429,374</u>	<u>27,620</u>
Unallocated Benefits					
Employee Benefits	-	-	-	-	-
Capital Outlay					
Instructional Equipment	-	-	-	-	-
Noninstructional Equipment	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>968,792</u>	<u>367,719</u>	<u>1,336,511</u>	<u>1,143,439</u>	<u>193,072</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, 2019**

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.

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedule	\$ 40,333,384	\$ 1,143,439
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, 2018		19,040
Encumbrances June 30, 2019		(68,575)
State Aid payment not recognized for budgetary purposes, recognized for GAAP statements. 2017/2018 State Aid	185,823	
State Aid payment recognized for budgetary purposes, not recognized for GAAP statements. 2018/2019 State Aid	(331,078)	-
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 40,188,129	\$ 1,093,904
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 39,021,463	\$ 1,143,439
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, 2018		19,040
Encumbrances June 30, 2019	-	(68,575)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 39,021,463	\$ 1,093,904

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 Six Fiscal Years*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.03042%	0.03040%	0.03113%	0.03291%	0.03286%	0.03257%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 5,990,324	\$ 7,077,525	\$ 9,220,197	\$ 7,386,520	\$ 6,152,107	\$ 6,741,273
District's Covered Payroll	\$ 2,039,825	\$ 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 Payroll	293.67%	332.32%	447.05%	360.31%	279.43%	308.32%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	53.60%	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 Six Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 302,620	\$ 281,659	\$ 276,566	\$ 282,895	\$ 270,885	\$ 265,771
Contributions in Relation to the Contractually Required Contribution	<u>302,620</u>	<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>	<u>\$ -</u>
District's Covered Payroll	\$ 2,039,825	\$ 2,129,762	\$ 2,062,445	\$ 2,050,030	\$ 2,201,638	\$ 2,186,439
Contributions as a Percentage of Covered Payroll	14.84%	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 Six Fiscal Years*

	<u>2019</u>	<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%	0.00%
District's Proportionate Share of the Net Pension Liability (Asset)	\$0	\$0	\$0	\$0	\$0	\$0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 91,199,776</u>	<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>\$ 91,199,776</u>	<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 Payroll	\$ 15,606,996	\$ 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 Payroll	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	26.49%	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, 2019**

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 Two Fiscal Years*

	<u>2019</u>	<u>2018</u>
Total OPEB Liability		
Service Cost	\$ 2,485,362	\$ 2,972,767
Interest on Total OPEB Liability	2,718,903	2,361,715
Changes of Benefit Terms		
Differences Between Expected and Actual Experience	(7,707,292)	
Changes of Assumptions	(7,220,276)	(9,811,698)
Gross Benefit Payments	(1,682,433)	(1,687,114)
Contribution from the Member	58,148	62,124
Net Change in Total OPEB Liability	<u>(11,347,588)</u>	<u>(6,102,206)</u>
Total OPEB Liability - Beginning	<u>74,266,642</u>	<u>80,368,848</u>
Total OPEB Liability - Ending	<u>\$ 62,919,054</u>	<u>\$ 74,266,642</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -
State's Proportionate Share of OPEB Liability	<u>74,266,642</u>	<u>74,266,642</u>
Total OPEB Liability - Ending	<u>\$ 74,266,642</u>	<u>\$ 74,266,642</u>
District's Covered Payroll	<u>\$ 17,646,821</u>	<u>\$ 17,128,949</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	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, 2019

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, 2019

				Ch. 192 Svcs.			Ch. 193 Svcs.			Total Page 2	Grand Total 2019	
	Nonpublic Nursing	Nonpublic Textbooks	Nonpublic Technology	Nonpublic Security	Nonpublic Compensatory Education	Nonpublic Transport	Home Instruction	Nonpublic Supplemental Instruction	Nonpublic Exam/ Classification			Nonpublic Corrective Speech
REVENUES												
Intergovernmental												
State	\$ 54,126	\$ 32,107	\$ 21,312	\$ 20,450	\$ 189,595	\$ 16,621	\$ 2,813	\$ 48,770	\$ 38,238	\$ 24,105	-	\$ 448,137
Federal	-	-	-	-	-	-	-	-	-	-	\$ 695,302	\$ 695,302
Total Revenues	\$ 54,126	\$ 32,107	\$ 21,312	\$ 20,450	\$ 189,595	\$ 16,621	\$ 2,813	\$ 48,770	\$ 38,238	\$ 24,105	\$ 695,302	\$ 1,143,439
EXPENDITURES												
Instruction												
Salaries of Teachers											\$ 33,947	\$ 33,947
Purchased Professional/ Educational Services				\$ 20,450							47,860	68,310
Tuition											444,930	444,930
General Supplies											134,771	134,771
Textbooks	-	\$ 32,107	-	-	-	-	-	-	-	-	-	32,107
Total Instruction	-	32,107	-	20,450	-	-	-	-	-	-	661,508	714,065
Support Services												
Personal Services Employee-Benefits											10,523	10,523
Purchased Professional/ Educational Services	\$ 54,126		\$ 21,312		\$ 189,595	\$ 16,621	\$ 2,813	\$ 48,770	\$ 38,238	\$ 24,105	-	395,580
Other Purchased Services	-	-	-	-	-	-	-	-	-	-	23,271	23,271
Total Support Services	54,126	-	21,312	-	189,595	16,621	2,813	48,770	38,238	24,105	33,794	429,374
Facilities Acquisition and Construction												
Instructional Equipment											-	-
Noninstructional Equipment	-	-	-	-	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 54,126	\$ 32,107	\$ 21,312	\$ 20,450	\$ 189,595	\$ 16,621	\$ 2,813	\$ 48,770	\$ 38,238	\$ 24,105	\$ 695,302	\$ 1,143,439

CLARK PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Title I</u> <u>2018/19</u>	<u>Title IIA</u> <u>2018/19</u>	<u>Title III</u> <u>Immigrant</u> <u>2018/19</u>	<u>Title IV</u> <u>2018/19</u>	<u>IDEA</u> <u>Part B</u>	<u>IDEA</u> <u>Preschool</u>	<u>Total</u> <u>Page 2</u>
REVENUES							
Intergovernmental							
State							
Federal	\$ 125,809	\$ 40,064	\$ 1,880	\$ 12,771	\$ 492,790	\$ 21,988	\$ 695,302
Total Revenues	<u>\$ 125,809</u>	<u>\$ 40,064</u>	<u>\$ 1,880</u>	<u>\$ 12,771</u>	<u>\$ 492,790</u>	<u>\$ 21,988</u>	<u>\$ 695,302</u>
EXPENDITURES							
Instruction							
Salaries of Teachers		\$ 15,727	\$ 1,435			\$ 16,785	\$ 33,947
Purchased Professional/ Educational Services					\$ 47,860		47,860
Tuition					444,930		444,930
General Supplies	\$ 125,809			\$ 8,962			134,771
Textbooks	-	-	-	-	-	-	-
Total Instruction	<u>125,809</u>	<u>15,727</u>	<u>1,435</u>	<u>8,962</u>	<u>492,790</u>	<u>16,785</u>	<u>661,508</u>
Support Services							
Personal Services Employee-Benefits		4,875	445			5,203	10,523
Purchased Professional/ Educational Services							-
Other Purchased Services	-	19,462	-	3,809	-	-	23,271
Total Support Services	<u>-</u>	<u>24,337</u>	<u>445</u>	<u>3,809</u>	<u>-</u>	<u>5,203</u>	<u>33,794</u>
Facilities Acquisition and Construction							
Instructional Equipment							-
Noninstructional Equipment	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 125,809</u>	<u>\$ 40,064</u>	<u>\$ 1,880</u>	<u>\$ 12,771</u>	<u>\$ 492,790</u>	<u>\$ 21,988</u>	<u>\$ 695,302</u>

**CLARK PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID
SCHEDULE OF EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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, 2019**

<u>Issue/Project Title</u>	<u>Modified Appropriation</u>	<u>Expenditures to Date Prior Years</u>	<u>Current Year</u>	<u>Balance June 30, 2019</u>
Al.J 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>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,265,292</u>	<u>\$ 1,193,556</u>	<u>\$ -</u>	<u>\$ 71,736</u>

Reconciliation to GAAP

Project Balances, June 30, 2019	<u>\$ 71,736</u>
Fund Balance, June 30, 2019 - 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, 2019**

Revenues and Other Financing Sources

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

Expenditures and Other Financing Uses

Expenditures:	
Architect/Engineering Services	-
Construction Services	-
Other Financing Uses	
Cancelled SDA Grant Receivable	-
	<hr/>
Total Expenditures and Other Financing Uses	-
	<hr/>

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

Reconciliation to GAAP Basis

Fund Balance, June 30, 2019 - Budgetary Basis \$ 71,736

Fund Balance, June 30, 2019-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, 2019**

	<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, 2019**

	<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	<u>116,040</u>	<u>-</u>	<u>116,040</u>	<u>116,040</u>
Total Revenues and Other Financing Sources	<u>193,400</u>	<u>-</u>	<u>193,400</u>	<u>193,400</u>
Expenditures and Other Financing Uses				
Construction Services	<u>176,700</u>	<u>-</u>	<u>176,700</u>	<u>193,400</u>
Total Expenditures and Other Financing Uses	<u>176,700</u>	<u>-</u>	<u>176,700</u>	<u>193,400</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 16,700</u>	<u>\$ -</u>	<u>\$16,700</u>	<u>\$ -</u>
Additional Project Information:				
DOE Project Number	0850-040-14-1004			
SDA Project Number	0850-040-14-G2RE			
Grant Number	G5-5868			
Grant Date	3/18/16			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorization Cost	\$ 212,871			
Additional Authorization Cost/(Cancellation)	(19,471)			
Revised Authorization Cost	193,400			
Percentage Increase over Original				
Authorized Cost	-9.15%			
Percentage Completion	91.37%			
Original Target Completion Date	June 30, 2017			
Revised Target Completion Date	June 30, 2017			

**CLARK PUBLIC SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
KARL H. KUMPF MIDDLE SCHOOL - RESTROOM ADA UPGRADES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<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	<u>121,286</u>	<u>-</u>	<u>121,286</u>	<u>121,286</u>
Total Revenues and Other Financing Sources	<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	<u>173,806</u>	<u>-</u>	<u>173,806</u>	<u>186,910</u>
Total Expenditures and Other Financing Uses	<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, 2019**

	<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	68,318	-	68,318	68,318
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, 2019**

	<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	<u>366,102</u>	<u>-</u>	<u>366,102</u>	<u>366,102</u>
Total Revenues and Other Financing Sources	<u>595,615</u>	<u>-</u>	<u>595,615</u>	<u>595,615</u>
Expenditures and Other Financing Uses				
Architect/Engineering Services	29,275		29,275	29,275
Construction Services	<u>541,309</u>	<u>-</u>	<u>541,309</u>	<u>566,340</u>
Total Expenditures and Other Financing Uses	<u>570,584</u>	<u>-</u>	<u>570,584</u>	<u>595,615</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 25,031</u>	<u>\$ -</u>	<u>\$ 25,031</u>	<u>\$ -</u>
Additional Project Information:				
DOE Project Number	0850-040-14-1005			
SDA Project Number	0850-040-14-G2RF			
Grant Number	G5-5869			
Grant Date	6/2/2016			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorization Cost	593,980			
Additional Authorization Cost/(Cancellation)	1,635			
Revised Authorization Cost	595,615			
Percentage Increase over Original				
Authorized Cost	0.28%			
Percentage Completion	95.80%			
Original Target Completion Date	June 30, 2017			
Revised Target Completion Date	June 30, 2017			

PROPRIETARY FUNDS

**CLARK PUBLIC SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
AS OF JUNE 30, 2019**

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, 2019**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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, 2019**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
ASSETS			
Cash	\$ 146,834	\$ 661,996	\$ 808,830
Intergovernmental Receivable	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 146,834</u>	<u>\$ 661,996</u>	<u>\$ 808,830</u>
LIABILITIES			
Due to Other Funds		\$ 257,350	\$ 257,350
Due to Student Groups	\$ 146,834		146,834
Employee Deposits Payable-Summer Payroll		243,857	243,857
Accrued Salaries and Wages		1,898	1,898
Payroll Deductions and Withholding Payables		153,493	153,493
Flexible Spending Deposits	<u>-</u>	<u>5,398</u>	<u>5,398</u>
Total Liabilities	<u>\$ 146,834</u>	<u>\$ 661,996</u>	<u>\$ 808,830</u>

**CLARK PUBLIC SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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, 2019**

	<u>Balance, July 1, 2018</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance, June 30, 2019</u>
ELEMENTARY SCHOOLS				
Valley Road	\$ 22,420	\$ 26,304	\$ 22,632	\$ 26,092
Frank K. Hehnly	10,268	11,133	12,849	8,552
Clark School Account	135	1		136
MIDDLE SCHOOL				
Carl H. Kumpf	48,626	88,734	100,740	36,620
HIGH SCHOOL				
Athletic Account	14,308	29,963	42,833	1,438
Arthur L. Johnson	88,725	133,428	150,140	72,013
Internal School Account	1,967	16	-	1,983
	<u>1,967</u>	<u>16</u>	<u>-</u>	<u>1,983</u>
Total All Schools	<u>\$ 186,449</u>	<u>\$ 289,579</u>	<u>\$ 329,194</u>	<u>\$ 146,834</u>

EXHIBIT H-4

**PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<u>Balance, July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, June 30, 2019</u>
ASSETS				
Cash	\$ 585,579	\$ 23,285,759	\$ 23,209,342	\$ 661,996
Intergovernmental Receivable	28,288	-	28,288	-
	<u>28,288</u>	<u>-</u>	<u>28,288</u>	<u>-</u>
Total Assets	<u>\$ 613,867</u>	<u>\$ 23,285,759</u>	<u>\$ 23,237,630</u>	<u>\$ 661,996</u>
LIABILITIES				
Due to Other Funds	\$ 268,369	\$ 5,049	\$ 16,068	\$ 257,350
Employee Deposits Payable - Summer Payroll	187,782	244,457	188,382	243,857
Accrued Salaries and Wages	1,427	12,751,412	12,750,941	1,898
Payroll Deductions and Withholdings Payable	151,685	10,279,041	10,277,233	153,493
Flexible Spending Deposits	4,604	5,800	5,006	5,398
	<u>4,604</u>	<u>5,800</u>	<u>5,006</u>	<u>5,398</u>
Total Liabilities	<u>\$ 613,867</u>	<u>\$ 23,285,759</u>	<u>\$ 23,237,630</u>	<u>\$ 661,996</u>

LONG-TERM DEBT

**CLARK PUBLIC SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<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, 2018</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2019</u>
Refunding School Bonds	12/4/12	\$ 14,145,000	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%	\$ 11,135,000	-	\$ 975,000	\$ 10,160,000
					\$ 11,135,000	\$ -	\$ 975,000	\$ 10,160,000	

**CLARK PUBLIC SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES AND INTERLOCAL AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

<u>Purpose</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance, June 30, 2018</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance, June 30, 2019</u>
Capital Leases						
18 Xerox Copiers	\$ 201,380	0.32%	\$ 165,939		\$ 48,871	\$ 117,068
School Bus	86,226	7.06%	86,226		42,999	43,227
Digital Copier	15,894	3.00%	<u>6,319</u>	<u>-</u>	<u>3,371</u>	<u>2,948</u>
Total Capital Leases			<u>258,484</u>	<u>-</u>	<u>95,241</u>	<u>163,243</u>
Interlocal Agreement - Township of Clark Athletic Turf Field Improvements	375,000	-	<u>-</u>	<u>\$ 375,000</u>	<u>75,000</u>	<u>300,000</u>
Total Interlocal Agreements			<u>-</u>	<u>375,000</u>	<u>75,000</u>	<u>300,000</u>
Total Capital Leases and Interlocal Agreements			<u>\$ 258,484</u>	<u>\$ 375,000</u>	<u>\$ 170,241</u>	<u>\$ 463,243</u>

**CLARK PUBLIC SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	<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	\$ 1,355,032	-	\$ 1,355,032	\$ 1,355,032	-
Total Revenues	<u>1,355,032</u>	<u>-</u>	<u>1,355,032</u>	<u>1,355,032</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Principal	975,000		975,000	975,000	
Interest on Bonds	<u>380,032</u>	<u>-</u>	<u>380,032</u>	<u>380,031</u>	<u>-</u>
Total Expenditures	<u>1,355,032</u>	<u>-</u>	<u>1,355,032</u>	<u>1,355,031</u>	<u>-</u>
Net Change in Fund Balances	-	-	-	1	-
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>\$ 1</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,									
	2010	2011 (1)	2012	2013	2014	2015	2016	2017	2018	2019
Governmental Activities										
Net Investment In Capital Assets	\$ 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	\$ 11,934,121
Restricted	889,081	162,011	362,011	382,501	1,357,029	2,009,330	1,697,976	1,407,399	1,292,183	1,294,684
Unrestricted	(97,354)	354,620	674,667	1,624,260	(4,692,995)	(5,095,914)	(6,367,405)	(6,101,114)	(3,954,634)	(2,340,377)
Total Governmental Activities Net Position	<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>	<u>\$ 10,888,428</u>
Business-Type Activities										
Net Investment In Capital Assets	\$ 141,417	\$ 11,361	\$ 10,365	\$ 9,368	\$ 8,372	\$ 15,732	\$ 173,146	\$ 187,318	\$ 188,389	\$ 197,397
Unrestricted	(73,310)	(47,475)	39,058	161,654	256,768	549,426	831,023	1,184,767	1,427,013	1,620,068
Total Business-Type Activities Net Position	<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>	<u>\$ 1,817,465</u>
District-Wide										
Net Investment In Capital Assets	\$ 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	\$ 12,131,518
Restricted	889,081	162,011	362,011	382,501	1,357,029	2,009,330	1,697,976	1,407,399	1,292,183	1,294,684
Unrestricted	(170,665)	307,145	713,725	1,785,914	(4,436,227)	(4,546,488)	(5,536,382)	(4,916,347)	(2,527,621)	(720,309)
Total District Net Position	<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>	<u>\$ 12,705,893</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,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental Activities										
Instruction	\$ 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	\$ 22,759,140
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	6,547,210
Other Instruction		786,089	655,131	752,665	641,301	709,751	832,791	926,423	785,113	804,764
School Sponsored Activities and Athletics		853,285	965,481	865,920	902,524	953,377	932,447	1,069,420	943,095	881,274
Support Services:										
Tuition	1,659,492									
Student and Instruction Related Services	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	5,259,948
General Administration Services	845,029	993,837	1,155,219	947,143	816,658	781,746	643,497	979,981	946,276	857,466
School Administrative Services	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	2,883,591
Central and Other Support Services	432,399	691,176	573,788	629,245	628,734	720,876	844,452	662,608	557,236	494,018
Plant Operations and Maintenance	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	3,438,736
Pupil Transportation Services	775,049	789,990	859,168	942,558	866,858	1,037,189	1,468,123	1,446,708	1,149,796	1,241,640
Interest On Long-Term Debt	773,494	730,798	697,192	642,044	592,530	552,422	511,849	473,902	438,449	418,586
Unallocated Depreciation and Amortization										
Total Governmental Activities Expenses	35,785,317	35,945,950	36,731,154	37,435,516	36,895,203	41,937,888	45,053,344	48,472,314	47,682,643	45,586,373
Business-Type Activities:										
Food Service	650,372	572,364	658,295	649,233	631,893	628,176	664,892	656,503	698,774	679,286
Before and After School Program			274,635	320,664	411,722	272,655	319,264	326,787	471,833	562,809
Total Business-Type Activities Expense	650,372	572,364	932,930	969,897	1,043,615	900,831	984,156	983,290	1,170,607	1,242,095
Total District Expenses	\$ 36,435,689	\$ 36,518,314	\$ 37,664,084	\$ 38,405,413	\$ 37,938,818	\$ 42,838,719	\$ 46,037,500	\$ 49,455,604	\$ 48,853,250	\$ 46,828,468
Program Revenues										
Governmental Activities:										
Charges For Services:										
Instruction	\$ 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	\$ 1,541,710
Pupil Transportation		107,892	139,320	201,733	136,081	213,134	119,066	125,198		
Operating Grants And Contributions	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	11,473,904
Capital Grants And Contributions	268,431	157,877	31,545		3,320	65,133	204,065	216,428		243,180
Total Governmental Activities Program Revenues	2,561,231	5,985,487	7,227,195	8,169,074	7,859,646	11,400,181	12,757,406	15,952,913	16,279,257	13,258,794
Business-Type Activities:										
Charges For Services:										
Food Service	\$ 464,543	\$ 483,801	\$ 530,527	\$ 498,124	\$ 526,372	\$ 532,264	\$ 563,073	\$ 582,632	\$ 620,305	\$ 617,258
Before and After School Program			324,759	441,487	496,257	547,455	595,433	632,477	657,323	695,124
Operating Grants And Contributions	82,976	113,018	137,181	111,885	115,104	121,130	125,639	135,109	133,154	115,738
Capital Grants And Contributions	160,000									
Total Business Type Activities Program Revenues	707,519	596,819	992,467	1,051,496	1,137,733	1,200,849	1,284,145	1,350,218	1,410,782	1,428,120
Total District Program Revenues	\$ 3,268,750	\$ 6,582,306	\$ 8,219,662	\$ 9,220,570	\$ 8,997,379	\$ 12,601,030	\$ 14,041,551	\$ 17,303,131	\$ 17,690,039	\$ 14,686,914
Net (Expense)/Revenue										
Governmental Activities	\$ (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)	\$ (32,327,579)
Business-Type Activities	57,147	24,455	59,537	81,599	94,118	300,018	299,989	366,928	240,175	186,025
Total District-Wide Net Expense	\$ (33,166,939)	\$(29,936,008)	\$(29,444,422)	\$(29,184,843)	\$(28,941,439)	\$(30,237,689)	\$(31,995,949)	\$(32,152,473)	\$(31,163,211)	\$ (32,141,554)

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

	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Revenues And Other Changes In Net Position										
Governmental Activities:										
Property Taxes Levied For General Purposes	\$ 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	\$ 31,694,372
Property Taxes Levied For Debt Service	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	1,355,032
State Aid, Unrestricted	5,387,583	30,400	28,630	27,796	2,196	2,268	2,257	2,265	24,143	2,159
Investment Earnings	39,387	19,712	11,161	10,436	5,859	7,121	6,362	6,145	15,861	
Miscellaneous Income	584,635	643,374	96,830	156,159	216,947	168,741	104,701	120,701	162,521	186,301
Transfers			(26,000)	(40,000)	-	-	-	-	-	-
Total Governmental Activities	<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>	<u>\$ 33,237,864</u>
Business-Type Activities:										
Investment Earnings	\$ 295		26,000	40,000	-	-	\$ 362	\$ 988	\$ 3,142	\$ 16,038
Transfers	-	-	26,000	40,000	-	-	-	-	-	-
Total Business-Type Activities	<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>	<u>\$ 16,038</u>
Total District-Wide	<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>	<u>\$ 33,253,902</u>
Change In Net Position										
Governmental Activities	\$ 441,428	\$ (745,166)	\$ (584,294)	\$ (84,202)	\$ 411,566	\$ (725,995)	\$ (2,000,802)	\$ (813,839)	\$ 966,368	\$ 910,285
Business-Type Activities	57,442	24,455	85,537	121,599	94,118	300,018	300,351	367,916	243,317	202,063
Total District	<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>	<u>\$ 1,112,348</u>

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

	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Reserved	\$ 982,473									
Unreserved	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	\$ 6,362,468
Committed				231,590	55,313	65,388				
Assigned		120,163	359,919	289,893	261,068	256,514	188,840	91,987	15,343	127,245
Unassigned		479,516	475,325	441,671	2,405,555	552,381	381,794	528,288	515,945	523,608
Total General Fund	\$ 1,458,259	\$ 1,018,534	\$ 1,547,836	\$ 2,420,156	\$ 3,893,162	\$ 4,669,252	\$ 2,790,347	\$ 3,510,282	\$ 5,471,655	\$ 7,013,321
All Other Governmental Funds										
Unreserved, Reported In										
Capital Projects Fund	\$ 582,121									
Debt Service Fund	(607,942)									
Restricted		\$ 162,011	\$ 162,011	\$ 182,501	\$ 99,959	\$ 2,260	\$ 362,313	\$ 71,736	\$ 71,736	\$ 71,737
Total All Other Governmental Funds	\$ (25,821)	\$ 162,011	\$ 162,011	\$ 182,501	\$ 99,959	\$ 2,260	\$ 362,313	\$ 71,736	\$ 71,736	\$ 71,737

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,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Property Tax Levy	\$ 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	\$ 33,049,404
Tuition Charges	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	1,541,710
Transportation Fees		107,892	139,320	201,733	136,081	213,134	119,066	125,198		
Interest Earnings	72,175	19,712	11,161	10,436	5,859	7,121	6,362	6,145	15,861	77,327
Miscellaneous	174,339	662,652	113,945	173,655	226,878	186,177	109,628	120,701	157,881	108,974
Intermediate Sources										
State Sources	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	7,217,413
Federal Sources	649,458	766,035	810,721	714,018	631,035	638,565	709,566	690,851	556,198	642,237
Total Revenue	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	42,637,065
Expenditures										
Instruction	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	18,380,755
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	6,115,670
Other Instruction		785,569	651,649	754,629	641,390	614,062	703,821	709,702	609,599	716,012
School Sponsored Activities and Athletics		852,518	960,996	867,820	902,620	956,124	917,527	1,014,810	869,592	858,767
Support Services										
Tuition	1,809,790									
Student and Instruction Related Services	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	4,867,688
General Administration Services	963,949	993,380	1,152,338	815,196	816,702	782,594	638,992	951,709	896,437	849,109
School Administrative Services	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	2,586,848
Central and Other Support Services	432,733	690,573	570,854	630,646	628,807	723,102	832,222	620,155	497,186	477,494
Plant Operations And Maintenance	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	3,349,244
Student Transportation Services	1,002,165	789,795	858,139	943,053	866,879	1,037,589	1,435,137	1,388,859	1,128,489	1,220,130
Employee Benefits	4,427,129									
On-Behalf TPAF and Pension Contributions	2,109,055									
Cost of Issuance										
Capital Outlay	5,331,065	727,930	170,923	886,103	281,079	257,432	854,570	511,392	499,599	514,348
Debt Service:										
Principal	690,000	820,000	875,000	1,074,496	1,021,858	1,062,016	1,195,367	1,198,832	1,140,560	1,145,241
Interest And Other Charges	794,222	735,577	702,402	626,133	556,875	517,822	476,978	443,083	405,432	389,092
Cost of Issuance				133,038						
Advanced Refunding Escrow				1,298,208						
Total Expenditures	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	41,470,398
Excess (Deficiency) Of Revenues										
Over (Under) Expenditures	(3,094,215)	(151,894)	555,302	(1,188,239)	1,390,465	333,187	(1,518,852)	429,358	1,673,767	1,166,667
Other Financing Sources (Uses)										
Capital Lease/Lease Purchase Proceeds				689,803		345,204			287,606	375,000
Bond Proceeds				14,145,000						
Premium on Refunding				920,246						
Payment to Refunding Bond Escrow Agent				(13,634,000)						
Transfers In	946	651,624			266,948					
Transfers Out	(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	375,000
Net Change In Fund Balances	\$ (3,109,215)	\$ (151,894)	\$ 529,302	\$ 892,810	\$ 1,390,465	\$ 678,391	\$ (1,518,852)	\$ 429,358	\$ 1,961,373	\$ 1,541,667
Debt Service As A Percentage Of										
Noncapital Expenditures	4.16%	4.49%	4.47%	8.31%	4.43%	4.24%	4.29%	4.17%	3.96%	3.75%

* Noncapital expenditures are total expenditures less capital outlay.

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

Fiscal Year Ended June 30,	Tuition	Transportation Fees	Interest on Investments	Preschool/Before After School Program Fees	Rentals	E-Rate	Gate Receipts	Reimbursements	Miscellaneous	Total
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
2019	1,541,710		77,327		35,792				73,182	1,728,011

**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
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
2019	4,860,200	602,056,500			101,112,000	22,884,200	33,457,700	764,370,600	334,121	764,704,721	2,738,913,757	4.363

Source: County Abstract of Ratables

a Tax rates are per \$100

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

Assessment Year	Direct Rate		Overlapping Rates		Total Direct and Overlapping Tax Rate
	Clark School District		Clark Township	County	
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
2019	4.363		2.419	1.875	8.657

Source: Municipal Tax Assessor

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

Taxpayer	2019		2010	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Clark Developers LLC	\$ 17,100,000	2.24%		
Clark Commons	14,927,000	1.95%		
100 Walnut LLC	8,512,500	1.11%		
L'Oreal USA S/D Inc.	5,840,800	0.76%		
Clark 1709 LLC	5,647,500	0.74%		
Target Corp.	5,443,200	0.71%	NOT AVAILABLE	
Lexington Village	4,707,800	0.62%		
Holiday Clark LLC	4,656,800	0.61%		
Mastertaste Inc.	3,882,200	0.51%		
Halsted Realty, LLC	3,378,100	0.44%		
	<u>\$ 74,095,900</u>	<u>9.69%</u>	<u>\$ -</u>	<u>0.00%</u>

Source: District CAFR & Municipal Tax Assessor

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

Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
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%	-
2019	33,049,404	33,049,404	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 / Interlocal Agreements			
2010	\$ 17,948,000		\$ 17,948,000	14,775	\$ 1,215
2011	17,128,000		17,128,000	14,829	1,155
2012	16,253,000		16,253,000	14,893	1,091
2013	15,820,000	\$ 559,307	16,379,307	14,976	1,094
2014	14,930,000	427,449	15,357,449	15,141	1,014
2015	14,005,000	635,637	14,640,637	15,378	952
2016	13,060,000	385,270	13,445,270	15,777	852
2017	12,110,000	136,438	12,246,438	15,868	772
2018	11,135,000	258,484	11,393,484	15,943	715
2019	10,160,000	463,243	10,623,243	15,943 E	666

Source: District Records

(E) - Estimate

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

<u>General Bonded Debt Outstanding</u>					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
2010	\$ 17,948,000	-	\$ 17,948,000	2.46%	\$ 1,215
2011	17,128,000	-	17,128,000	2.35%	1,155
2012	16,253,000	-	16,253,000	2.23%	1,091
2013	15,820,000	-	15,820,000	2.17%	1,056
2014	14,930,000	-	14,930,000	2.05%	986
2015	14,005,000	-	14,005,000	1.90%	911
2016	13,060,000	-	13,060,000	1.74%	828
2017	12,110,000	-	12,110,000	1.60%	763
2018	11,135,000	-	11,135,000	1.46%	698
2019	10,160,000	-	10,160,000	1.33%	637

Source: District Records

**CLARK PUBLIC SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2018
(UNAUDITED)**

MUNICIPAL DEBT	<u>Total Debt</u>
Clark Public School District (As of June 30, 2019)	\$ 10,160,000
Township of Clark - Utility (1)	400,000
Township of Clark (1)	<u>17,859,968</u>
Total Direct Debt	<u>28,419,968</u>
 OVERLAPPING DEBT APPORTIONED TO THE MUNICIPALITY	
Union County:	
County of Union (A)	27,661,182
Rahway Valley Sewerage (B)	<u>14,963,338</u>
Total Overlapping Debt	<u>42,624,520</u>
Total Direct and Overlapping Outstanding Debt	<u><u>\$ 71,044,488</u></u>

- (A) The debt for this entity was apportioned by dividing the Municipality's 2018 equalized value by the total 2018 equalized value for Union County
- (B) Overlapping Debt was computed based upon municipal flow to the Authority

Sources:

- (1) Township of Clark 2018 Annual Debt Statement
- (2) Union County 2018 Annual Debt Statement

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

Equalized valuation basis

2018	\$ 2,728,191,261
2017	2,676,856,031
2016	<u>2,616,877,395</u>
	<u>\$ 8,021,924,687</u>

\$ 2,673,974,896

\$ 106,958,996

10,160,000

\$ 96,798,996

	Fiscal Year Ended June 30,									
	<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>2019</u>
Debt limit	\$ 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	\$ 96,798,996
Total net debt applicable to limit	<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>	<u>10,160,000</u>
Legal debt margin	<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>	<u>\$ 86,638,996</u>
Total net debt applicable to the limit as a percentage of debt limit	16.43%	16.16%	15.89%	15.90%	15.36%	14.74%	13.62%	12.17%	10.75%	10.50%

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)**

Year Ended December 31,	Population	County Per Capita Personal Income	Unemployment Rate
2010	14,775	\$ 50,990	4.5%
2011	14,829	52,990	4.5%
2012	14,893	54,873	4.5%
2013	14,976	55,681	6.1%
2014	15,141	58,571	5.5%
2015	15,378	60,584	4.8%
2016	15,777	61,624	4.1%
2017	15,868	64,413	3.8%
2018	15,943	N/A	3.3%
2019	15,943 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	2019		2010	
	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>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>2019</u>
Instruction										
Regular	184	184	162	164	156	155	156	158	160	155
Special education	51	51	51	53	53	44	45	43	48	49
Support Services:										
Student & instruction related services	24	24	52	68	64	78	75	99	71	70
General administrative services	3	3	3	3	2	3	4	3	4	3
School administrative services	14	14	16	16	16	14	14	13	16	15
Business administrative services	5	5	6	5	6	6	6	6	5	4
Plant operations and maintenance	6	6	11	11	10	9	10	11	8	10
Total	<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>	<u>306</u>

Source: District Records

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

Pupil/Teacher Ratio

Fiscal Year	Enrollment a	Operating Expenditures b	Cost Per Pupil c	Percentage Change	Teaching Staff	Elementary	Middle School	Senior High School	Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	Percentage Change in Average Daily Enrollment	Student Attendance Percentage
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	3.01%	199.0	1:15	1:12	1:12	2,336	2,242	0.09%	95.98%
2016	2,258	37,344,323	16,539	8.95%	201.0	1:13	1:11	1:12	2,230	2,145	-4.54%	96.19%
2017	2,225	37,748,334	16,966	2.58%	201.0	1:13	1:11	1:09	2,207	2,122	-1.03%	96.15%
2018	2,176	37,564,907	17,263	1.75%	208.0	1:24	1:15	1:10	2,170	2,270	-1.68%	104.61%
2019	2,211	39,421,717	17,830	3.28%	204.0	1:16	1:13	1:10	2,223	2,127	2.44%	95.68%

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>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>2019</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	426	427	436	410	446	440	445	452	460	482
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	505	520	501	505	526	533	540	540	563	545
<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	539	533	531	536	527	513	499	505	482	505
<u>High School</u>										
Arthur L. Johnson										
Square Feet	192,825	192,825	192,825	192,825	192,825	192,825	192,825	192,825	192,825	192,825
Enrollment	831	815	809	816	798	795	774	728	671	675

Number of Schools at June 30, 2019

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>2007</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>2019</u>
Frank K. Hehnly Elementary	\$ 102,972	\$ 20,570	\$ 98,671	\$ 174,656	\$ 90,196	\$ 116,835	\$ 101,436	\$ 113,744	\$ 65,655	\$ 48,752	\$ 59,681
Valley Road Elementary	114,494	9,738	88,076	151,550	80,512	121,642	90,545	101,532	55,554	41,251	53,273
Carl H. Kumpf M.S.	154,224	37,871	162,247	149,313	148,312	121,471	166,795	187,033	106,058	78,753	98,135
Arthur L. Johnson H.S.	461,558	249,228	418,187	366,724	382,268	298,960	429,908	482,071	277,770	322,723	252,938
Other Facilities	-	650,299	-	-	-	-	-	-	-	-	-
Total School Facilities	<u>\$ 833,248</u>	<u>\$ 967,706</u>	<u>\$ 767,181</u>	<u>\$ 842,243</u>	<u>\$ 701,288</u>	<u>\$ 658,908</u>	<u>\$ 788,684</u>	<u>\$ 884,380</u>	<u>\$ 505,037</u>	<u>\$ 491,479</u>	<u>\$ 464,027</u>

**CLARK PUBLIC SCHOOL DISTRICT
INSURANCE SCHEDULE
AS OF JUNE 30, 2019
(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
MARK SACO, CPA
SHERYL M. LEIDIG, CPA, PSA
ROBERT LERCH, CPA
CHRIS SOHN, 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, 2019 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 December 2, 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 are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Clark Public School District in a separate report entitled, “Auditor’s Management Report on Administrative Findings – Financial, Compliance and Performance” dated December 2, 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
December 2, 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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SHERYL M. LEIDIG, CPA, PSA
ROBERT LERCH, CPA
CHRIS SOHN, CPA

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

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

We have audited the Clark Public School District's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/ Grant Compliance Supplement that could have a direct and material effect on each of Clark Public School District's major federal and state programs for the fiscal year ended June 30, 2019. The Clark Public School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of federal and state statutes, regulations, and the terms and conditions of its federal awards and state financial assistance applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Clark Public School District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards, U.S. Uniform Guidance and New Jersey Circular require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Clark Public School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

In our opinion, the Clark Public School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2019.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the U.S. Uniform Guidance and New Jersey OMB Circular 15-08 and which is described in the accompanying schedule of findings and questioned costs as item 2019-001. Our opinion on each major federal and state program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

Management of the Clark Public School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Clark Public School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the U.S. Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Clark Public School District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of U.S. Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the Clark Public School District, as of and for the fiscal year ended June 30, 2019 and have issued our report thereon dated December 2, 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 federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.



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



Andrew D. Parente
Public School Accountant
PSA Number CS00224600

Fair Lawn, New Jersey
December 2, 2019

CLARK PUBLIC SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2018			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, 2019			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	1905NJ5MAP	N/A	7/1/18-6/30/19	\$ 15,511	-	-	-	-	-	\$ 15,510	\$ 15,510	-	-	-	-	-	-	-	*
Total General Fund						-	-	-	-	-	15,510	15,510	-	-	-	-	-	-	-	*
U.S. Department of Agriculture																				
Passed-through State Department of Education																				
National School Lunch Program																				
Cash Assistance	10.555	191NJ304N1099	N/A	7/1/18-6/30/19	67,753						63,320	67,753								*
Cash Assistance	10.555	181NJ304N1099	N/A	7/1/17-6/30/18	85,509	\$ (5,734)							\$ 5,734							\$ (4,433)
Non-Cash Assistance (Food Distribution)	10.555	191NJ304N1099	N/A	7/1/18-6/30/19	41,056						41,056	38,517								\$ 2,539
Non-Cash Assistance (Food Distribution)	10.555	181NJ304N1099	N/A	7/1/17-6/30/18	44,659		\$ 3,974					3,974								-
Total U.S. Department of Agriculture/Child Nutrition Cluster						(5,734)	3,974	-	-	-	104,376	110,244	5,734	-	-	-	(4,433)	2,539	-	(4,433)
U.S. Department of Education																				
Passed-through State Department of Education																				
Special Revenue Fund																				
IDEA Part B, Basic Regular	84.027	H027A180100	FT-19	7/1/18-6/30/19	528,212				\$ (44,427)	\$ 44,427	486,790	492,790					(85,849)	79,849		(6,000)
IDEA Part B, Basic Regular	84.027	H027A170100	FT-18	7/1/17-6/30/18	510,822	(98,832)	44,427		44,427	(44,427)	54,405						-	-		-
IDEA Preschool	84.173	H173A180114	PS-19	7/1/18-6/30/19	21,988				(1,350)	1,350	21,988	21,988					(1,350)	1,350		-
IDEA Preschool	84.173	H173A170114	PS-18	7/1/17-6/30/18	21,255	(1,350)	1,350		1,350	(1,350)	-	-					-	-		-
Subtotal Special Education Cluster(IDEA)						(100,182)	45,777	-	-	-	563,183	514,778	-	-	-	-	(87,199)	81,199	-	(6,000)
ESEA																				
Title I	84.010	S010A180030	ESEA-19	7/1/18-6/30/19	64,840				(65,343)	65,343	64,782	125,809					(65,401)	4,374		(61,027)
Title I	84.010	S010A170030	ESEA-18	7/1/17-6/30/18	65,343	(65,505)	65,343		65,343	(65,343)	162						-	-		-
Title II A	84.367A	S367A180029	ESEA-19	7/1/18-6/30/19	33,433				(23,392)	23,392	31,947	40,064					(24,878)	16,761		(8,117)
Title II A	84.367A	S367A170029	ESEA-18	7/1/17-6/30/18	33,347	(38,575)	23,392		23,392	(23,392)	15,183						-	-	\$ 2,187	-
Title III, Immigrant	84.365	S365A180030	ESEA-19	7/1/18-6/30/19	1,880						1,880	1,880			\$ 2,187		-	-		-
Title III, Immigrant	84.365	S365A170030	ESEA-18	7/1/17-6/30/18	3,790			\$ 223									-	-	223	-
Title IV	84.424	S424A180031	ESEA-19	7/1/18-6/30/19	10,000				(8,535)	8,535	427	12,771					(18,108)	5,764		(12,344)
Title IV	84.424	S424A170031	ESEA-18	7/1/17-6/30/18	10,000	(10,000)	8,535		8,535	(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						(216,375)	149,603	223	-	-	679,029	695,302	-	-	2,187	-	(197,699)	114,654	2,410	(87,488)
Total Federal Awards						\$ (222,109)	\$ 153,577	\$ 223	\$ -	\$ -	\$ 798,915	\$ 821,056	\$ 5,734	\$ -	\$ 2,187	\$ -	\$ (202,132)	\$ 117,193	\$ 2,410	\$ (91,921)

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, 2019

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2018			Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Accounts Receivable Adjustment	Balance, June 30, 2019			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	19-495-034-5120-089	7/1/18-6/30/19	\$ 976,707				\$ 888,091	\$ 976,707			\$ (88,616)			*	\$ 976,707
Special Education Aid	18-495-034-5120-089	7/1/17-6/30/18	976,707	(87,333)			87,333							*	-
Under Adequacy Aid	18-495-034-5120-096	7/1/17-6/30/18	2,264	(202)			202							*	-
Security Aid	19-495-034-5120-084	7/1/18-6/30/19	55,181				50,174	55,181			(5,007)			*	55,181
Security Aid	18-495-034-5120-084	7/1/17-6/30/18	40,839	(3,653)			3,653							*	-
Per Pupil Growth Aid	18-495-034-5120-097	7/1/17-6/30/18	21,890	(1,957)			1,957							*	-
PARCC Readiness	18-495-034-5120-098	7/1/17-6/30/18	21,890	(1,957)			1,957							*	-
Prof Learning Comm Aid	18-495-034-5120-101	7/1/17-6/30/18	21,760	(1,946)			1,946							*	-
Total State Aid Public Cluster				(97,048)	-	-	1,035,313	1,031,888	-	-	(93,623)	-	-	*	1,031,888
Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	256,592				233,312	256,592			(23,280)			*	256,592
Transportation Aid	18-495-034-5120-014	7/1/17-6/30/18	61,158	(5,469)			5,469							*	-
Nonpublic School Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	24,940					24,940			(24,940)			\$	24,940
Nonpublic School Transportation Aid	18-495-034-5120-014	7/1/17-6/30/18	26,175	(26,175)			26,175							*	-
Total State Aid Transportation Cluster				(31,644)	-	-	264,956	281,532	-	-	(48,220)	-	-	*	281,532
Extraordinary Aid	19-495-034-5120-044	7/1/18-6/30/19	214,175					214,175			(214,175)			*	214,175
Extraordinary Aid	18-495-034-5120-044	7/1/17-6/30/18	83,306	(83,306)			83,306							*	-
Reimbursed TPAF Social Security Contribution	19-495-034-5094-003	7/1/18-6/30/19	1,135,758				1,079,307	1,135,769			(56,462)			*	1,135,769
Reimbursed TPAF Social Security Contribution	18-495-034-5094-003	7/1/17-6/30/18	1,131,309	(58,232)			58,232							*	-
On-Behalf TPAF Pension Benefit Contribution	19-495-034-5094-002	7/1/18-6/30/19	2,850,053				2,850,053	2,850,053						*	2,850,053
On-Behalf TPAF Pension NCGI Premium	19-495-034-5094-004	7/1/18-6/30/19	59,659				59,659	59,659						*	59,659
On-Behalf TPAF Long-Term Disability Ins.	19-495-034-5094-004	7/1/18-6/30/19	2,574				2,574	2,574						*	2,574
On-Behalf TPAF Post Retirement Medical Contribution	19-495-034-5094-001	7/1/18-6/30/19	1,319,841				1,319,841	1,319,841						*	1,319,841
Total General Fund				(270,230)	-	-	6,753,241	6,895,491	-	-	(412,480)	-	-	*	6,895,491
Special Revenue Fund															
New Jersey Non-Public Aid															
Auxiliary Services															
Compensatory Education	19-100-034-5120-067	7/1/18-6/30/19	189,595				189,595	189,595						*	189,595
Compensatory Education	18-100-034-5120-067	7/1/17-6/30/18	174,511											*	-
Transportation	19-100-034-5120-068	7/1/18-6/30/19	16,621				16,621	16,621	77					*	16,621
Home Instruction	19-100-034-5120-067	7/1/18-6/30/19	2,813					2,813			(2,813)			*	2,813
Home Instruction	18-100-034-5120-067	7/1/17-6/30/18	2,937	(2,937)			2,937							*	-
Total Non Public Aux. Service Aid (Chap. 192) Cluster				(2,937)	-	77	209,153	209,029	77	-	(2,813)	-	-	*	209,029
Handicapped Services															
Examination and Classification	19-100-034-5120-066	7/1/18-6/30/19	38,238				38,238	38,238						*	38,238
Examination and Classification	18-100-034-5120-066	7/1/17-6/30/18	78,248			6,923			6,923					*	-
Corrective Speech	19-100-034-5120-066	7/1/18-6/30/19	28,570				28,570	24,105					\$	4,465	24,105
Corrective Speech	18-100-034-5120-066	7/1/17-6/30/18	23,213			4,285			4,285					*	-
Supplementary Instruction	19-100-034-5120-066	7/1/18-6/30/19	49,164				49,164	48,770						*	48,770
Supplementary Instruction	18-100-034-5120-066	7/1/17-6/30/18	52,335			235			235					*	-
Total Non Public Hand. Service Aid (Chap. 193) Cluster				-	-	11,443	115,972	111,113	11,443	-	-	-	4,859	*	111,113
Textbook Aid	19-100-034-5120-064	7/1/18-6/30/19	33,482				33,482	32,107						*	32,107
Textbook Aid	18-100-034-5120-064	7/1/17-6/30/18	36,046			1,053			1,053					*	-
Nursing Services	19-100-034-5120-070	7/1/18-6/30/19	60,819				60,819	54,126						*	54,126
Nursing Services	18-100-034-5120-070	7/1/17-6/30/18	63,826			5,978			5,978					*	-
Technology Aid	19-100-034-5120-373	7/1/18-6/30/19	22,572				22,572	21,312						*	21,312
Technology Aid	18-100-034-5120-373	7/1/17-6/30/18	24,346			717			717					*	-
Security	19-100-034-5120-509	7/1/18-6/30/19	94,050				94,050	20,450						*	20,450
Security	18-100-034-5120-509	7/1/17-6/30/18	49,350			14			14					*	-
Total Special Revenue Fund				(2,937)	-	19,282	536,048	448,137	19,282	-	(2,813)	-	87,787	*	448,137

CLARK PUBLIC SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2018			Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Accounts Receivable Adjustment	Balance, June 30, 2019			Memo	
				(Accounts Receivable)	Unearned Revenue	Due to Grantor					(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
Enterprise Fund															
National School Lunch (State Share)	19-100-010-3350-023	7/1/18-6/30/19	\$ 5,494				\$ 5,124	\$ 5,494			\$ (370)			\$ (370)	\$ 5,494
National School Lunch (State Share)	18-100-010-3350-023	7/1/17-6/30/18	6,193	\$ (430)	-	-	-	-		\$ 430	-	-	-	-	-
Total Enterprise Fund				(430)	-	-	5,124	5,494	-	430	(370)	-	-	(370)	5,494
Total State Financial Assistance Subject to Single Audit Determination				(273,597)		\$ 19,282	7,294,413	7,349,122	\$ 19,282	430	(415,663)	-	\$ 87,787	(84,585)	7,349,122
State Financial Assistance Not Subject to Single Audit Determination															
<u>General Fund</u>															
On-Behalf TPAF Pension Benefit Contribution	19-495-034-5094-002	7/1/18-6/30/19	2,850,053				(2,850,053)	(2,850,053)							(2,850,053)
On-Behalf TPAF Pension NCGI Premium	19-495-034-5094-004	7/1/18-6/30/19	59,659				(59,659)	(59,659)							(59,659)
On-Behalf TPAF Long-Term Disability Ins.	19-495-034-5094-004	7/1/18-6/30/19	2,574				(2,574)	(2,574)							(2,574)
On-Behalf TPAF Post Retirement Medical Contribution	19-495-034-5094-001	7/1/18-6/30/19	1,319,841				(1,319,841)	(1,319,841)							(1,319,841)
Total State Financial Assistance Utilized for Calculation to Determine Major Programs				\$ (273,597)	\$ -	\$ 19,282	\$ 3,062,286	\$ 3,116,995	\$ 19,282	\$ 430	\$ (415,663)	\$ -	\$ 87,787	\$ (84,585)	\$ 3,116,995

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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 \$145,255 for the general fund and a decrease of \$49,535 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	\$ 15,510	\$ 6,750,236	\$ 6,765,746
Special Revenue Fund	626,727	467,177	1,093,904
Food Service Fund	<u>110,244</u>	<u>5,494</u>	<u>115,738</u>
Total Financial Assistance	<u>\$ 752,481</u>	<u>\$ 7,222,907</u>	<u>\$ 7,975,388</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, 2019**

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 \$1,135,769 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, 2019. The amount reported as TPAF Pension System Contributions in the amount of \$2,909,712, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,319,841 and TPAF Long-Term Disability Insurance in the amount of \$2,574 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2019.

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, 2019**

Part I – Summary of Auditor’s Results

Financial Statement Section

Type of auditors' report issued on financial statements Unmodified

Internal control over financial reporting:

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

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

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

Federal Awards Section

Internal control over compliance:

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

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

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

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>FAIN Number</u>	<u>Name of State Program</u>
<u>84.027</u>	<u>H027A180100</u>	<u>IDEA Part B Basic</u>
<u>84.173</u>	<u>H173A180114</u>	<u>IDEA Preschool</u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>

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

Auditee qualified as low-risk auditee? yes X no

CLARK PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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, 2019

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

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major federal and state programs, as required by Uniform Guidance and New Jersey OMB's Circular 15-08.

CURRENT YEAR FEDERAL AWARDS

There are none.

**CLARK PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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 2019-001:

Our audit of the District's Extraordinary Aid application revealed that student enrollment forms were not in agreement with the student Individualized Education Plans (IEP).

State Program Information:

Extraordinary Aid	495-034-5120-044
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Criteria or Specific Requirement

State Grant Compliance Supplement

Condition:

- The student IEP did not include an intensive service as required for Extraordinary Aid in two (2) of the sixteen (16) Extraordinary Aid student enrollment forms tested.
- The intensive service reported on the Extraordinary Aid student enrollment form did not agree with the intensive service reported on the student's IEP for thirteen (13) of the sixteen (16) students tested. Although differences were noted, an intensive service was reported on the IEP and therefore the student was eligible for Extraordinary Aid.

Questioned Costs:

Unknown.

Context:

See Condition.

Effect:

Certain services reported on the application could not be verified to student's IEP.

Cause:

Unknown.

Recommendation:

The Extraordinary Aid application be reviewed to ensure that services reported on the student enrollment form are in agreement with the student's Individualized Education Plan (IEP).

View of Responsible Official and Planned Corrective Action

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

CLARK PUBLIC SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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 2018-001

Condition:

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

Status:

Corrective action has been taken.