

**CLARK PUBLIC  
SCHOOL DISTRICT**

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

**Comprehensive Annual Financial Report  
For The Fiscal Year Ended June 30, 2020**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**of the**

**Clark Public School District**

**Clark, New Jersey**

**For The Fiscal Year Ended June 30, 2020**

**Prepared by**

**Clark Public School District  
Finance Department**

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**INTRODUCTORY SECTION**



## Clark Public Schools

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

**Edward Grande**  
*Superintendent of Schools*

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

January 7, 2021

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, 2020 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,

A handwritten signature in black ink, appearing to read "Edward Grande", written over a horizontal line.

Edward Grande  
Superintendent of Schools

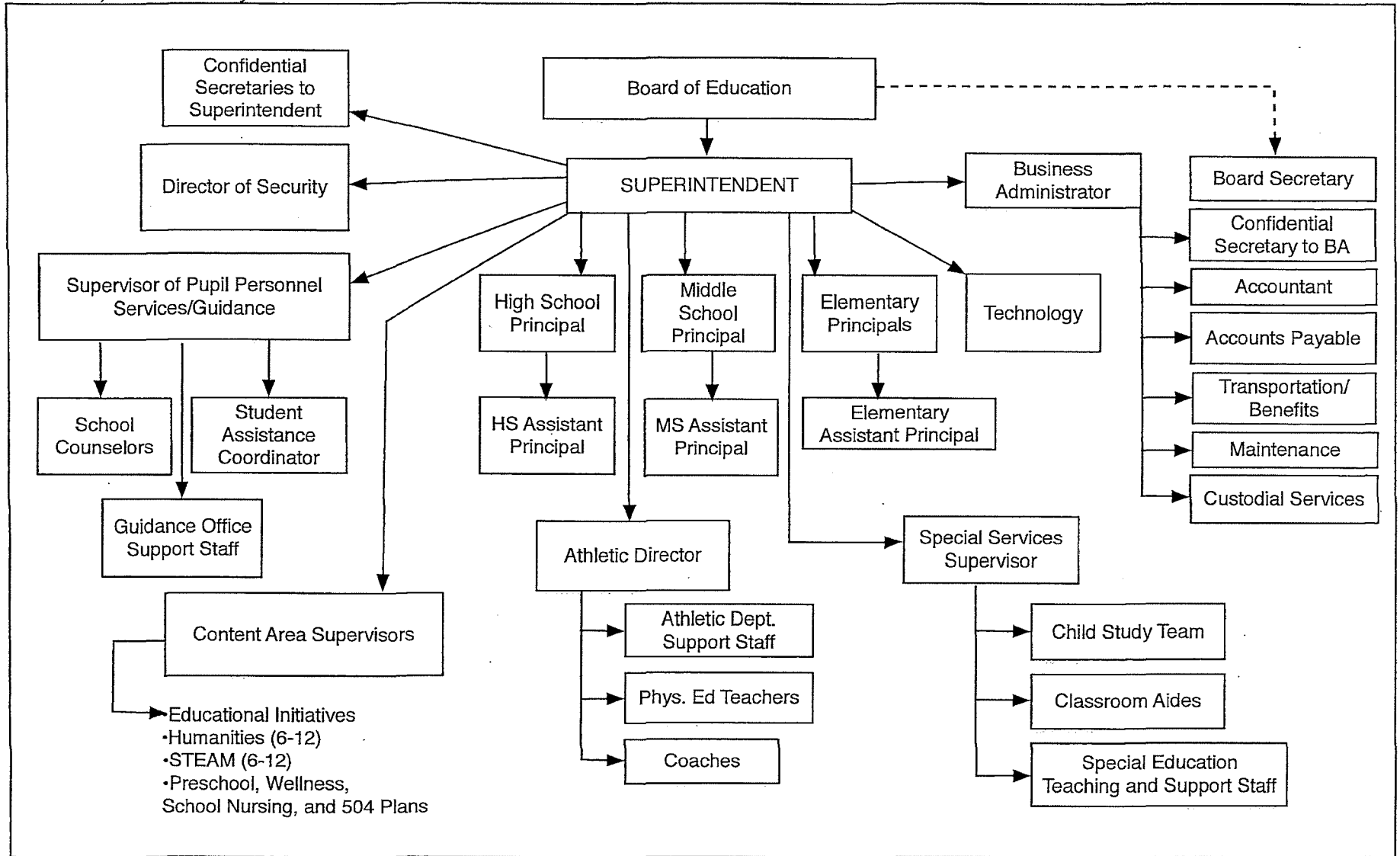
A handwritten signature in blue ink, appearing to read "R. Paul Vizzuso", written over a horizontal line.

R. Paul Vizzuso  
Business Administrator/Board Secretary





**ORGANIZATIONAL CHART**



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

**ROSTER OF OFFICIALS  
JUNE 30, 2020**

<b><u>Members of the Board of Education</u></b>	<b><u>Term Expires</u></b>
Steven Donkersloot, President	2020
Thomas Lewis, Vice President	2022
Lorraine j. Aklonis	2022
Dino Bencivenga	2021
Scott Bohm	2021
Robert Brede	2020
Laura Caliguire	2020
Christine Guerriero, Garwood Representative	2020
Robert Smorol	2021
Henry R. Varriano	2022

**Other Officials**

Edward Grande, Superintendent of Schools

R. Paul Vizzuso, Business Administrator/Board Secretary

James Testa, Treasurer of School Monies

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

**CONSULTANTS AND ADVISORS  
JUNE 30, 2020**

**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 438  
Parsippany, NJ 07054

**Official Depositories**

Columbia Bank  
1100 Raritan Road  
Clark, NJ 07066

**Health Insurance Broker**

Brown & Brown Benefit Advisors  
1129 Broad Street, Suite 204  
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  
JULIUS B. CONSONI, CPA, PSA  
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
RALPH M. PICONE, III, CPA, RMA, PSA  
DONNA L. JAPHET, CPA, PSA  
DEBRA GOLLE, CPA  
MARK SACO, CPA  
ROBERT LERCH, CPA  
CHRIS SOHN, CPA

## INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
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, 2020 and the related notes to the financial statements, which collectively comprise the Board of Education'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, 2020, 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*

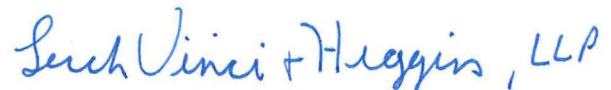
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clark Public School District's basic financial statements. The introductory section, combining fund financial statements, financial schedules, statistical section, schedule of expenditures 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 January 7, 2021 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Clark Public School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Clark Public School District's internal control over financial reporting and compliance.



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



Andrew D. Parente  
Public School Accountant  
PSA Number CS00224600

Fair Lawn, New Jersey  
January 7, 2021

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



# CLARK PUBLIC SCHOOL DISTRICT

## Management Discussion and Analysis

### Fiscal Year Ended June 30, 2020

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, 2020. 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 2019-2020 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 \$14,359,715 (Net Position).
- Overall District revenues were \$47,030,898 and were \$1,653,822 more than overall District expenses of \$45,615,852. General revenues accounted for \$33,884,985 or 72% of all revenues. Program specific revenues in the form of charges for services, grants and contributions account for \$13,145,913 or 28% of total revenues.
- The School District had \$44,779,466 in expenses for governmental activities; only \$12,172,974 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$33,869,358 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 \$8,938,373. Of that amount, \$501,682 (6%) is available for spending at the District's discretion (unassigned fund balance).
- The General Fund unassigned fund balance was \$501,682 at June 30, 2020, is a decrease of \$21,926 when compared with the beginning unassigned fund balance at July 1, 2019 of \$523,608.
- The General Fund unassigned budgetary basis fund balance at June 30, 2020 was \$911,774, which represents an increase of \$57,088 compared to the ending unassigned budgetary basis fund balance at June 30, 2019 of \$854,686.
- The District's total outstanding long-term liabilities decreased by \$1,909,986 during the current fiscal year.

# CLARK PUBLIC SCHOOL DISTRICT

## Management Discussion and Analysis

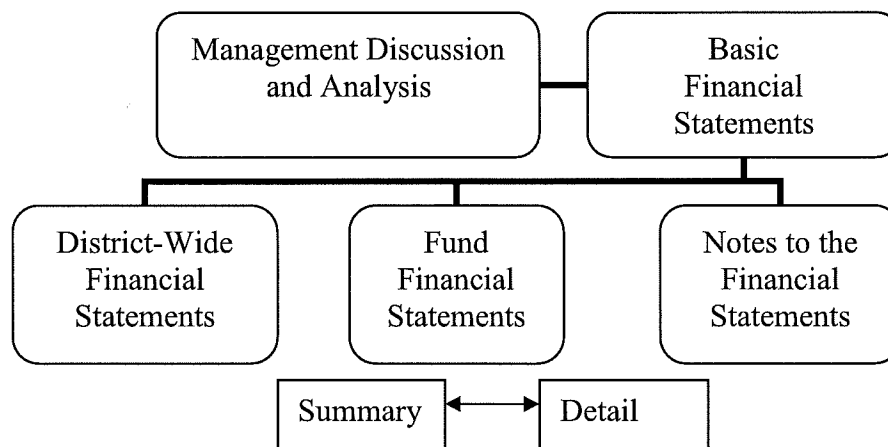
Fiscal Year Ended June 30, 2020

### 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, 2020

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

#### Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
<b>Scope</b>	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as instruction; building maintenance, transportation, and administration.	Activities the district operates similar to private businesses; food service, 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.
<b>Required Financial Statements</b>	Statements of Net Position Statement of Activities	Balance Sheet Statement of Revenue Expenditures and Changes in Fund Balances	Statement of Net Position Statement of Revenues, Expenses and Changes in Fund Net Position Statement of Cash Flows	Statements of Fiduciary Net Position Statement of Changes in Fiduciary Net Position
<b>Accounting Basis and Measurement Focus</b>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
<b>Type of Asset, Liabilities and Deferred Inflows/outflows Information</b>	All assets, liabilities and deferred outflows/inflows of resources, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets, liabilities and deferred outflows/inflows of resources, both financial and capital, short-term and long-term	All assets and liabilities both short and long-term; funds do not currently contain capital assets although they can
<b>Type of Inflow/Outflow Information</b>	All revenues and expenses during the year, regardless of when cash is received and the related liability is due and payable	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.	All additions and 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, 2020

### 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, 2020

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, 2020

### 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 2020 and 2019.

**Net Position.** The District's *combined* net position was \$14,359,715 on June 30, 2020 and \$12,705,893 on June 30, 2019.

# CLARK PUBLIC SCHOOL DISTRICT

## Management Discussion and Analysis

### Fiscal Year Ended June 30, 2020

#### Net Position as of June 30, 2020 and 2019

	Governmental Types		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b>Assets</b>						
Current and other assets	\$ 10,532,242	\$ 8,255,030	\$ 1,855,961	\$ 1,756,400	\$ 12,388,203	\$ 10,011,430
Capital assets, net	<u>20,698,236</u>	<u>22,420,004</u>	<u>186,146</u>	<u>197,397</u>	<u>20,884,382</u>	<u>22,617,401</u>
Total Assets	<u>31,230,478</u>	<u>30,675,034</u>	<u>2,042,107</u>	<u>1,953,797</u>	<u>33,272,585</u>	<u>32,628,831</u>
<b>Deferred Outflows of Resources</b>	<u>1,003,047</u>	<u>1,579,536</u>	<u>-</u>	<u>-</u>	<u>1,003,047</u>	<u>1,579,536</u>
Total Assets and Deferred Outflows of Resources	<u>32,233,525</u>	<u>32,254,570</u>	<u>2,042,107</u>	<u>1,953,797</u>	<u>34,275,632</u>	<u>34,208,367</u>
<b>Liabilities</b>						
Non-Current liabilities	15,885,964	17,795,950	-	-	15,885,964	17,795,950
Other liabilities	<u>1,620,479</u>	<u>1,201,318</u>	<u>66,201</u>	<u>133,793</u>	<u>1,686,680</u>	<u>1,335,111</u>
Total Liabilities	<u>17,506,443</u>	<u>18,997,268</u>	<u>66,201</u>	<u>133,793</u>	<u>17,572,644</u>	<u>19,131,061</u>
<b>Deferred Inflows of Resources</b>	<u>2,337,012</u>	<u>2,368,874</u>	<u>6,261</u>	<u>2,539</u>	<u>2,343,273</u>	<u>2,371,413</u>
Total Liabilities and Deferred Inflows of Resources	<u>19,843,455</u>	<u>21,366,142</u>	<u>72,462</u>	<u>136,332</u>	<u>19,915,917</u>	<u>21,502,474</u>
<b>Net Position</b>						
Net Investment in capital assets	11,366,186	11,934,121	186,146	197,397	11,552,332	12,131,518
Restricted	1,297,185	1,294,684	-	-	1,297,185	1,294,684
Unrestricted	<u>(273,301)</u>	<u>(2,340,377)</u>	<u>1,783,499</u>	<u>1,620,068</u>	<u>1,510,198</u>	<u>(720,309)</u>
Total Net Position	<u>\$ 12,390,070</u>	<u>\$ 10,888,428</u>	<u>\$ 1,969,645</u>	<u>\$ 1,817,465</u>	<u>\$ 14,359,715</u>	<u>\$ 12,705,893</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, 2020

The District's total net position of \$14,359,715 at June 30, 2020 represents a \$1,653,822 or 13%, increase from the prior year. The following shows changes in net position for fiscal years 2020 and 2019.

#### Change in Net Position For the Fiscal Years Ended June 30, 2020 and 2019

	Governmental		Business-Type		Total	
	Types		Activities			
	2020	2019	2020	2019	2020	2019
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 1,842,251	\$ 1,541,710	\$ 884,998	\$ 1,312,382	\$ 2,727,249	\$ 2,854,092
Operating Grants and Contributions	10,330,723	11,473,904	87,941	115,738	10,418,664	11,589,642
Capital Grants and Contributions	-	243,180			-	243,180
General Revenues						
Property Taxes	33,679,291	33,049,404			33,679,291	33,049,404
State and Federal Aid	-	2,159			-	2,159
Other	190,067	186,301	15,627	16,038	205,694	202,339
Total Revenues	<u>46,042,332</u>	<u>46,496,658</u>	<u>988,566</u>	<u>1,444,158</u>	<u>47,030,898</u>	<u>47,940,816</u>
<b>Program Expenses</b>						
Instruction						
Regular	21,695,750	22,759,140			21,695,750	22,759,140
Special Education	6,786,602	6,547,210			6,786,602	6,547,210
Other Instruction	858,700	804,764			858,700	804,764
School Sponsored Activities and Athletics	797,939	881,274			797,939	881,274
Support Services						
Student and Instruction Related	5,010,855	5,259,948			5,010,855	5,259,948
General Administration	812,773	857,466			812,773	857,466
School Administration	2,946,321	2,883,591			2,946,321	2,883,591
Central and Other Support Services	484,494	494,018			484,494	494,018
Plant Operations and Maintenance	3,356,495	3,438,736			3,356,495	3,438,736
Pupil Transportation	1,419,602	1,241,640			1,419,602	1,241,640
Interest on Debt	371,159	418,586			371,159	418,586
Food Service			494,544	679,286	494,544	679,286
Before and After School Program	-	-	341,842	562,809	341,842	562,809
Total Expenses	<u>44,540,690</u>	<u>45,586,373</u>	<u>836,386</u>	<u>1,242,095</u>	<u>45,377,076</u>	<u>46,828,468</u>
Change in Net Position	1,501,642	910,285	152,180	202,063	1,653,822	1,112,348
Net Position, Beginning 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>
Net Position, End of Year	<u>\$ 12,390,070</u>	<u>\$ 10,888,428</u>	<u>\$ 1,969,645</u>	<u>\$ 1,817,465</u>	<u>\$ 14,359,715</u>	<u>\$ 12,705,893</u>



# CLARK PUBLIC SCHOOL DISTRICT

## Management Discussion and Analysis

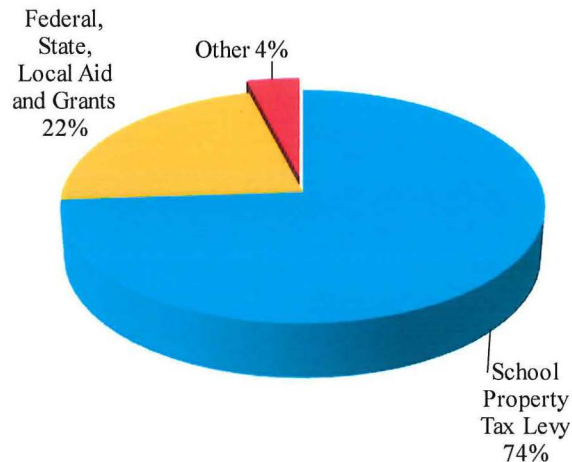
### Fiscal Year Ended June 30, 2020

**Governmental Activities.** The District's total governmental activities' revenues, which includes State and Federal grants, were \$46,042,332 for the year ended June 30, 2020, property taxes of \$33,679,291 represented 74% of revenues. Another significant portion of revenues came from State aid; total State, Federal and Local Aid and Grants were \$10,330,723 and represented 22% of revenues. In addition, revenue in the amount of \$2,032,318 (4%) was earned from tuition fees and miscellaneous income which includes items such as interest, prior year refunds and other miscellaneous items.

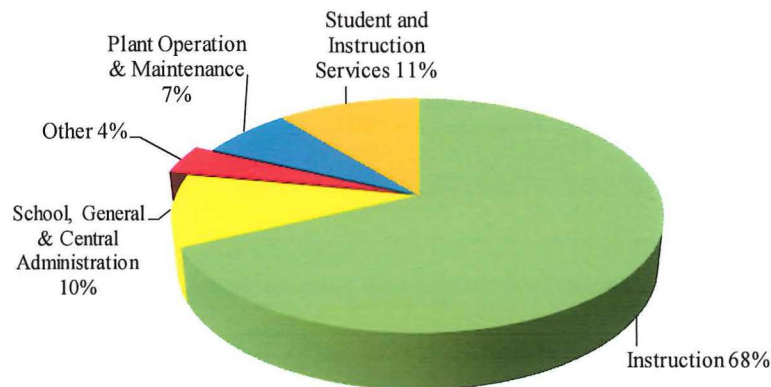
The total cost of all governmental activities programs and services was \$44,779,466. The district's expenses are predominantly related to educating and caring for students. Instruction totaled \$30,333,073 (68%) of total expenses. Support services total \$14,075,234 (31%) of total expenses. The remaining expenses were for interest costs on long-term debt outstanding in the amount of \$371,159 (1%).

Total governmental activities revenues exceeded expenses, increasing net position by \$1,501,642 from the previous year.

**Revenues by Type – Governmental Activities  
For Fiscal Year 2020**



**Expenses by Type – Governmental Activities  
For Fiscal Year 2020**



# CLARK PUBLIC SCHOOL DISTRICT

## Management Discussion and Analysis

### Fiscal Year Ended June 30, 2020

**Total and Net Cost of Governmental Activities.** The District's total cost of services was \$44,540,690. After applying program revenues, derived from operating and capital grants and contributions of \$10,330,723 and charges for services of \$1,842,251 the net cost of services of the District is \$32,367,716.

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Instruction				
Regular	\$ 21,695,750	\$ 22,759,140	\$ 15,282,197	\$ 15,564,026
Special Education	6,786,602	6,547,210	3,905,392	3,533,522
Other Instruction	858,700	804,764	159,538	509,381
School Sponsored Activities and Athletics	797,939	881,274	797,939	853,738
Support services				
Student and Instruction Related	5,010,855	5,259,948	3,815,587	3,935,954
General Administration	812,773	857,466	812,773	843,336
School Administration	2,946,321	2,883,591	2,274,022	2,131,548
Central and Other Support Services	484,494	494,018	484,494	474,513
Plant Operations and Maintenance	3,356,495	3,438,736	3,301,365	3,087,806
Pupil Transportation	1,419,602	1,241,640	1,163,250	975,169
Interest on Debt	371,159	418,586	371,159	418,586
	<u>\$ 44,540,690</u>	<u>\$ 45,586,373</u>	<u>\$ 32,367,716</u>	<u>\$ 32,327,579</u>
Total Expenses				

### Business-Type Activities

The cost of Business-Type Activities for the fiscal year ended June 30, 2020 was \$836,386. Food service costs were \$494,544 (59%) and before and after school child care costs were \$341,842 (41%). These costs were funded by revenue from charges for services of \$884,998 (91%) and operating grants of \$87,941 (9%), as detailed in the change in net position schedule. Revenues from food service charges for services were \$443,081 (50%) and before and after school child care charges for services were \$441,917 (50%).

Total business-type activities revenues surpassed expenses, increasing net position by \$152,180 over the previous year. At June 30, 2020 the net position balance of the Food Service Program was \$406,872 and of the Before and After School Child Care Program Fund was \$1,562,773.

# CLARK PUBLIC SCHOOL DISTRICT

## Management Discussion and Analysis

Fiscal Year Ended June 30, 2020

### 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 \$8,938,373 at June 30, 2020 compared to a combined fund balance of \$7,085,058 at June 30, 2019.

Revenues for the District's governmental funds were \$44,341,548 while total expenditures were \$42,488,233.

### 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, 2020 and 2019.

<u>Revenue</u>	<u>2020</u>	<u>Amount</u> <u>2019</u>	<u>Amount of</u> <u>Increase</u> <u>(Decrease)</u>	<u>Percent</u> <u>Change</u>
Local Sources				
Property Tax Levy	\$ 32,328,259	\$ 31,694,372	\$ 633,887	2%
Miscellaneous	2,032,318	1,728,011	304,307	18%
State Sources	7,291,045	6,750,236	540,809	8%
Federal Sources	<u>11,779</u>	<u>15,510</u>	<u>(3,731)</u>	-24%
Total	<u>\$ 41,663,401</u>	<u>\$ 40,188,129</u>	<u>\$ 1,475,272</u>	4%

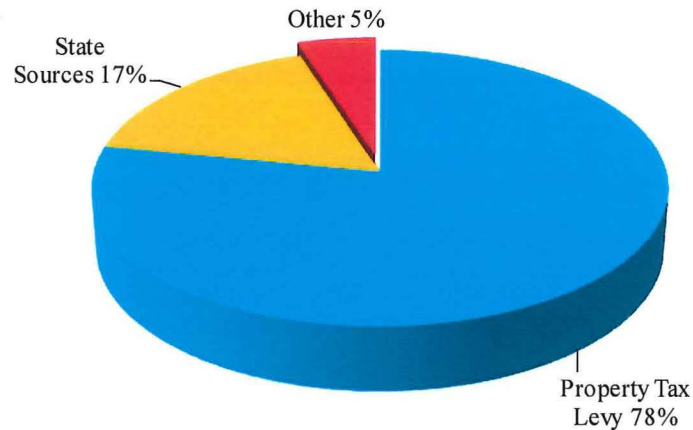
The majority of revenues come from property taxes which accounted for 78% of total revenue while state sources represented 17% of total revenue for the 2020 fiscal year. Miscellaneous revenues primarily tuition fees received from Garwood represented 5% of the total revenue for the 2020 fiscal year.

# CLARK PUBLIC SCHOOL DISTRICT

## Management Discussion and Analysis

Fiscal Year Ended June 30, 2020

### General Fund Revenues by Source For Fiscal Year 2020



The following schedule presents a summary of General Fund expenditures for the fiscal years ended June 30, 2020 and 2019.

<u>Expenditures</u>	<u>2020</u>	<u>Amount</u> <u>2019</u>	<u>Amount of</u> <u>Increase</u> <u>(Decrease)</u>	<u>Percent</u> <u>Change</u>
Current:				
Instruction	\$ 25,895,103	\$ 25,396,151	\$ 498,952	2%
Support Services	13,283,224	12,931,662	351,562	3%
Debt Service	178,697	179,302	(605)	0%
Capital Outlay	453,063	514,348	(61,285)	100%
Total	<u>\$ 39,810,087</u>	<u>\$ 39,021,463</u>	<u>\$ 788,624</u>	2%

Total General Fund expenditures increased \$788,624 or 2% 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 2020 fiscal year.

For the 2019-2020 school year General Fund revenues, and other financing sources exceeded expenditures and other financing uses by \$1,853,315. After adjusting for restricted, committed and assigned fund balances, the unassigned fund balance decreased from \$515,945 at June 30, 2019 to \$501,682 at June 30, 2020. The District ended the year with \$6,451,411 of excess surplus. In addition, the District had restricted fund balances of \$659,899 in capital reserve and \$637,284 in maintenance reserve at June 30, 2020.

# CLARK PUBLIC SCHOOL DISTRICT

## Management Discussion and Analysis

### Fiscal Year Ended June 30, 2020

#### CAPITAL ASSETS AND DEBT ADMINISTRATION

**Capital Assets.** At the end of fiscal years 2020 and 2019, the District had invested in land, buildings, furniture, machinery and equipment for both governmental and business-type activities. Depreciation charges for fiscal year 2019-2020 amounted to \$2,174,831 for governmental activities and \$19,013 for business-type activities. The following is a comparison of the June 30, 2020 and 2019 balances.

#### Capital Assets As of June 30, 2020 and 2019

	Governmental		Business-Type		Total	
	Activities		Activities			
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land	\$ 1,808,965	\$ 1,808,965			\$ 1,808,965	\$ 1,808,965
Construction In Progress	-	8,500			-	8,500
Land Improvements	2,806,164	2,695,664			2,806,164	2,695,664
Buildings and Improvements	47,914,798	47,788,695			47,914,798	47,788,695
Machinery and Equipment	4,455,592	4,230,632	\$ 450,086	\$ 442,324	4,905,678	4,672,956
	56,985,519	56,532,456	450,086	442,324	57,435,605	56,974,780
Less Depreciation	<u>(36,287,283)</u>	<u>(34,112,452)</u>	<u>(263,940)</u>	<u>(244,927)</u>	<u>(36,551,223)</u>	<u>(34,357,379)</u>
Total Capital Assets, Net of Depreciation	<u>\$ 20,698,236</u>	<u>\$ 22,420,004</u>	<u>\$ 186,146</u>	<u>\$ 197,397</u>	<u>\$ 20,884,382</u>	<u>\$ 22,617,401</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, 2020

**Debt Administration.** As of June 30, 2020 the District had long-term debt and outstanding long-term liabilities in the amount of \$15,885,964. For fiscal year 2019-2020 total outstanding long-term liabilities decreased by \$1,909,986. The following is a comparison of the June 30, 2020 and 2019 balances.

#### Outstanding Long-Term Liabilities As of June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Serial Bonds (including unamortized premium)	\$ 9,415,960	\$ 10,494,439
Capital Leases and Interlocal Agreements Payable	291,284	463,243
Net Pension Liability	5,295,500	5,990,324
Compensated Absences	<u>883,220</u>	<u>847,944</u>
Total	<u>\$ 15,885,964</u>	<u>\$ 17,795,950</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 \$2,004,064 from the previous year. After deducting restricted, committed and assigned fund balances, the unassigned budgetary fund balance increased \$57,088 from \$854,686 at June 30, 2019 to \$911,774 at June 30, 2020. The District has retained a Capital Reserve balance in the amount of \$659,899 at June 30, 2020. In addition, the District has a Maintenance Reserve balance of \$637,284 at June 30, 2020.

# **CLARK PUBLIC SCHOOL DISTRICT**

## **Management Discussion and Analysis**

**Fiscal Year Ended June 30, 2020**

### **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 2020-2021 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 2020-2021. Budgeted expenditures in the General Fund increased approximately 5% to \$39,839,356 for fiscal year 2020-2021.

### **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, 2020**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash	\$ 10,100,043	\$ 1,818,734	\$ 11,918,777
Receivables, Net:			
Receivables from Other Governments	181,047	1,709	182,756
Other	257,350	1,250	258,600
Internal Balances	(6,198)	6,198	-
Inventories		28,070	28,070
Capital Assets Not Being Depreciated	1,808,965		1,808,965
Capital Assets, Being Depreciation	<u>18,889,271</u>	<u>186,146</u>	<u>19,075,417</u>
 Total Assets	 <u>31,230,478</u>	 <u>2,042,107</u>	 <u>33,272,585</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amounts on Refunding of Debt	375,194		375,194
Deferred Amounts on Net Pension Liability	<u>627,853</u>	<u>-</u>	<u>627,853</u>
 Total Deferred Outflows of Resources	 <u>1,003,047</u>	 <u>-</u>	 <u>1,003,047</u>
 Total Assets and Deferred Outflows of Resources	 <u>32,233,525</u>	 <u>2,042,107</u>	 <u>34,275,632</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	1,588,640	29,123	1,617,763
Accrued Interest Payable	26,610		26,610
Unearned Revenue	5,229	37,078	42,307
Noncurrent Liabilities :			
Due Within One Year	1,222,771		1,222,771
Due Beyond One Year	<u>14,663,193</u>	<u>-</u>	<u>14,663,193</u>
 Total Liabilities	 <u>17,506,443</u>	 <u>66,201</u>	 <u>17,572,644</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	2,337,012		2,337,012
Deferred Commodities Revenue	<u>-</u>	<u>6,261</u>	<u>6,261</u>
 Total Deferred Inflows of Resources	 <u>2,337,012</u>	 <u>6,261</u>	 <u>2,343,273</u>
 Total Liabilities and Deferred Inflows of Resources	 <u>19,843,455</u>	 <u>72,462</u>	 <u>19,915,917</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	11,366,186	186,146	11,552,332
Restricted for:			
Capital Projects	659,899		659,899
Other Purposes	637,286		637,286
Unrestricted	<u>(273,301)</u>	<u>1,783,499</u>	<u>1,510,198</u>
 Total Net Position	 <u>\$ 12,390,070</u>	 <u>\$ 1,969,645</u>	 <u>\$ 14,359,715</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, 2020**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		<u>Total</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	
Governmental Activities							
Instruction:							
Regular	\$ 21,695,750	\$ 1,533,235	\$ 4,880,318		\$ (15,282,197)		\$ (15,282,197)
Special Education	6,786,602		2,881,210		(3,905,392)		(3,905,392)
Other Instruction	858,700	309,016	390,146		(159,538)		(159,538)
School Sponsored Activities and Athletics	797,939				(797,939)		(797,939)
Support Services							
Student and Instruction Related Services	5,010,855		1,195,268		(3,815,587)		(3,815,587)
General Administrative Services	812,773				(812,773)		(812,773)
School Administrative Services	2,946,321		672,299		(2,274,022)		(2,274,022)
Central and Other Support Services	484,494				(484,494)		(484,494)
Plant Operations and Maintenance	3,356,495		55,130		(3,301,365)		(3,301,365)
Pupil Transportation	1,419,602		256,352		(1,163,250)		(1,163,250)
Interest on Debt	371,159	-	-	-	(371,159)	-	(371,159)
Total Governmental Activities	<u>44,540,690</u>	<u>1,842,251</u>	<u>10,330,723</u>	<u>-</u>	<u>(32,367,716)</u>	<u>-</u>	<u>(32,367,716)</u>
Business-Type Activities							
Food Service	494,544	443,081	87,941			\$ 36,478	36,478
Before and After School Program	341,842	441,917	-	-	-	100,075	100,075
Total Business-Type Activities	<u>836,386</u>	<u>884,998</u>	<u>87,941</u>	<u>-</u>	<u>-</u>	<u>136,553</u>	<u>136,553</u>
Total Primary Government	<u>\$ 45,377,076</u>	<u>\$ 2,727,249</u>	<u>\$ 10,418,664</u>	<u>\$ -</u>	<u>(32,367,716)</u>	<u>136,553</u>	<u>(32,231,163)</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, 2020**

	<b>Net (Expense) Revenue and Changes in Net Position</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
General Revenues:			
Property Taxes:			
Levied for General Purposes	\$ 32,328,259		\$ 32,328,259
Levied for Debt Service	1,351,032		1,351,032
State Aid, Unrestricted			-
Miscellaneous Income	190,067	\$ 15,627	205,694
Total General Revenues	33,869,358	15,627	33,884,985
Change in Net Position	1,501,642	152,180	1,653,822
Net Position, Beginning of Year	10,888,428	1,817,465	12,705,893
Net Position, End of Year	\$ 12,390,070	\$ 1,969,645	\$ 14,359,715

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, 2020**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash	\$ 9,855,213	\$ 244,828		\$ 2	\$ 10,100,043
Receivables, Net					
Receivables from Other Governments	56,408	124,639			181,047
Due from Other Funds	<u>279,760</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>279,760</u>
Total Assets	<u>\$ 10,191,381</u>	<u>\$ 369,467</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 10,560,850</u>
<b>LIABILITIES</b>					
Liabilities					
Accounts Payable	\$ 1,224,402	\$ 274,085			\$ 1,498,487
Payable to Federal Government		5,704			5,704
Payable State Government		79,313			79,313
Due to Other Funds	28,608			-	28,608
Other Liabilities		5,136			5,136
Unearned Revenue	<u>-</u>	<u>5,229</u>	<u>-</u>	<u>-</u>	<u>5,229</u>
Total Liabilities	<u>1,253,010</u>	<u>369,467</u>	<u>-</u>	<u>-</u>	<u>1,622,477</u>
<b>FUND BALANCES</b>					
Restricted Fund Balance					
Excess Surplus	3,477,466				3,477,466
Excess Surplus - Designated for Subsequent					
Year's Expenditures	2,973,945				2,973,945
Capital Reserve	659,899				659,899
Maintenance Reserve	637,284				637,284
Debt Service				\$ 2	2
Committed Fund Balance					
Year End Encumbrances	339,766				339,766
Assigned Fund Balance					
Year End Encumbrances	250,857				250,857
Designated for Subsequent Year's Expenditures	97,472				97,472
Unassigned Fund Balance	<u>501,682</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>501,682</u>
Total Fund Balances	<u>8,938,371</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>8,938,373</u>
Total Liabilities and Fund Balances	<u>\$ 10,191,381</u>	<u>\$ 369,467</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 10,560,850</u>

**CLARK PUBLIC SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2020**

<b>Total Fund Balances - Governmental Funds (Exhibit B-1)</b>		<b>\$ 8,938,373</b>
<p>Amounts reported for <i>governmental activities</i> in the statement of net position (A-1) are different because:</p>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$56,985,519 and the accumulated depreciation is \$36,287,283.		20,698,236
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.		375,194
<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	\$ 627,853	
Deferred Inflows of Resources	<u>(2,337,012)</u>	(1,709,159)
<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>		
		(26,610)
<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)	\$ (9,415,960)	
Capital Leases and Interlocal Agreements Payable	(291,284)	
Compensated Absences	(883,220)	
Net Pension Liability	<u>(5,295,500)</u>	(15,885,964)
<b>Total Net Position of Governmental Activities (Exhibit A-1)</b>		<b><u>\$ 12,390,070</u></b>

**CLARK PUBLIC SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Local Sources					
Property Tax Levy	\$ 32,328,259			\$ 1,351,032	\$ 33,679,291
Tuition	1,842,251				1,842,251
Interest	97,808				97,808
Miscellaneous Revenues	92,259	-	-	-	92,259
Total - Local Sources	34,360,577	-	-	1,351,032	35,711,609
State Sources	7,291,045	\$ 511,384		-	7,802,429
Federal Sources	11,779	815,731	-	-	827,510
Total Revenues	41,663,401	1,327,115	-	1,351,032	44,341,548
<b>EXPENDITURES</b>					
Instruction					
Regular	18,444,279	45,734			18,490,013
Special Education	6,024,274	575,976			6,600,250
Other Instruction	602,318	215,317			817,635
School-Sponsored Activities and Athletics	824,232				824,232
Support Services					
Student and Instruction Related Services	4,386,376	490,088			4,876,464
General Administrative Services	828,124				828,124
School Administrative Services	2,807,010				2,807,010
Central and Other Support Services	498,198				498,198
Plant Operations and Maintenance	3,339,298				3,339,298
Pupil Transportation	1,424,218				1,424,218
Debt Service					
Principal	171,959			1,010,000	1,181,959
Interest and Other Charges	6,738			341,031	347,769
Capital Outlay	453,063	-	-	-	453,063
Total Expenditures	39,810,087	1,327,115	-	1,351,031	42,488,233
Excess of Revenues Over Expenditures	1,853,314	-	-	1	1,853,315
<b>OTHER FINANCING SOURCES</b>					
Transfers In	71,736	-	-	-	71,736
Transfer Out	-	-	\$ (71,736)	-	(71,736)
Total Other Financing Sources (Uses)	71,736	-	(71,736)	-	-
Net Change in Fund Balances	1,925,050	-	(71,736)	1	1,853,315
Fund Balance, Beginning of Year	7,013,321	-	71,736	1	7,085,058
Fund Balance, End of Year	\$ 8,938,371	\$ -	\$ -	\$ 2	\$ 8,938,373

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, 2020**

**Total net change in fund balances - governmental funds (Exhibit B-2)** **\$ 1,853,315**

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	\$ 453,063	
Depreciation Expense	<u>(2,174,831)</u>	
		(1,721,768)

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	(35,276)	
Decrease in Pension Expense	<u>246,802</u>	
		211,526

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

Principal Repayments		
Serial Bonds	1,010,000	
Capital Lease and Interlocal Agreement Payable	171,959	
Amortization of Deferred Amounts on Refunding	(96,605)	
Amortization of Bond Premium	<u>68,479</u>	
		1,153,833

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

Decrease in Accrued Interest		<u>4,736</u>
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**Change in net position of governmental activities (Exhibit A-2)** **\$ 1,501,642**



**CLARK PUBLIC SCHOOL DISTRICT  
PROPRIETARY FUNDS  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2020**

	<b><u>Business-Type Activities - Enterprise Fund</u></b>		
	<b><u>Food</u></b>	<b><u>Before and</u></b>	
	<b><u>Service</u></b>	<b><u>After School</u></b>	<b><u>Totals</u></b>
		<b><u>Program</u></b>	
<b>ASSETS</b>			
Current Assets			
Cash	\$ 227,883	\$ 1,590,851	\$ 1,818,734
Intergovernmental Receivable			
State	313		313
Federal	1,396		1,396
Other Accounts Receivable	1,250		1,250
Inventories	28,070		28,070
Due from Other Funds	28,608	-	28,608
	<u>287,520</u>	<u>1,590,851</u>	<u>1,878,371</u>
Total Current Assets			
Capital Assets			
Equipment	431,661	18,425	450,086
Less: Accumulated Depreciation	(257,116)	(6,824)	(263,940)
	<u>174,545</u>	<u>11,601</u>	<u>186,146</u>
Total Capital Assets, Net			
Total Assets	<u>462,065</u>	<u>1,602,452</u>	<u>2,064,517</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	11,854	17,269	29,123
Due to Other Funds	-	22,410	22,410
Unearned Revenue	37,078	-	37,078
	<u>48,932</u>	<u>39,679</u>	<u>88,611</u>
Total Current Liabilities			
<b>DEFERRED INFLOW OF RESOURCES</b>			
Deferred Commodities Revenue	6,261	-	6,261
	<u>55,193</u>	<u>39,679</u>	<u>94,872</u>
Total Liabilities and Deferred Inflow of Resources			
<b>NET POSITION</b>			
Investment in Capital Assets	174,545	11,601	186,146
Unrestricted	232,327	1,551,172	1,783,499
	<u>\$ 406,872</u>	<u>\$ 1,562,773</u>	<u>\$ 1,969,645</u>
Total Net Position			

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, 2020**

	<u>Business-Type Activities - Enterprise Fund</u>		
	<u>Food Service</u>	<u>Before and After School Program</u>	<u>Totals</u>
<b>OPERATING REVENUES</b>			
Charges for Services			
Daily Sales - Reimbursable Programs	\$ 226,262		\$ 226,262
Daily Sales - Non reimbursable Programs	216,819		216,819
Program Fees	-	\$ 441,917	441,917
	<u>443,081</u>	<u>441,917</u>	<u>884,998</u>
<b>OPERATING EXPENSES</b>			
Cost of Sales Reimbursable Programs	139,063		139,063
Cost of Sales Non reimbursable Programs	83,442		83,442
Salaries and Employee Benefits	192,241	209,264	401,505
Purchased Management Services	26,780		26,780
Supplies and Materials	2,172	130,961	133,133
Repairs and Maintenance	6,752		6,752
Miscellaneous Expenses	26,698		26,698
Depreciation Expense	17,396	1,617	19,013
	<u>494,544</u>	<u>341,842</u>	<u>836,386</u>
Operating Income/(Loss)	<u>(51,463)</u>	<u>100,075</u>	<u>48,612</u>
<b>NONOPERATING REVENUES</b>			
Interest		15,627	15,627
State Sources			
School Lunch Program	5,249		5,249
Federal Sources			
National School Lunch Program	49,451		49,451
Food Distribution Program	33,241	-	33,241
	<u>87,941</u>	<u>15,627</u>	<u>103,568</u>
Change in Net Position	36,478	115,702	152,180
Total Net Position, Beginning of Year	<u>370,394</u>	<u>1,447,071</u>	<u>1,817,465</u>
Total Net Position, End of Year	<u>\$ 406,872</u>	<u>\$ 1,562,773</u>	<u>\$ 1,969,645</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, 2020**

	<u>Business-Type Activities - Enterprise Fund</u>		
	<u>Food Service</u>	<u>Before and After School Program</u>	<u>Totals</u>
<b>Cash Flows from Operating Activities</b>			
Cash Received from Customers	\$ 460,218	\$ 441,917	\$ 902,135
Cash Payments for Employees' Salaries and Benefits	(192,241)	(209,264)	(401,505)
Cash Payments to Suppliers for Goods and Services	(357,279)	(123,077)	(480,356)
Net Cash Provided by Operating Activities	<u>(89,302)</u>	<u>109,576</u>	<u>20,274</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
Cash Received from State and Federal Subsidy Reimbursement	<u>57,794</u>	<u>-</u>	<u>57,794</u>
Net Cash Provided by Noncapital Financing Activities	<u>57,794</u>	<u>-</u>	<u>57,794</u>
<b>Cash Flows from Investing Activities</b>			
Interest Earnings	<u>-</u>	<u>15,627</u>	<u>15,627</u>
Net Cash Provided by Investing Activities	<u>-</u>	<u>15,627</u>	<u>15,627</u>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Purchases of Capital Assets	<u>(7,762)</u>	<u>-</u>	<u>(7,762)</u>
Net Cash (Used for) Capital and Related Financing Activities	<u>(7,762)</u>	<u>-</u>	<u>(7,762)</u>
Net Increase in Cash and Cash Equivalents	(39,270)	125,203	85,933
Cash, Beginning of Year	<u>267,153</u>	<u>1,465,648</u>	<u>1,732,801</u>
Cash, End of Year	<u>\$ 227,883</u>	<u>\$ 1,590,851</u>	<u>\$ 1,818,734</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities</b>			
Operating Income ( Loss)	<u>\$ (51,463)</u>	<u>\$ 100,075</u>	<u>\$ 48,612</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities			
Non-Cash Federal Assistance-Food Distribution Program	33,241		33,241
Depreciation Expense	17,396	1,617	19,013
Change in Assets, Liabilities and Deferred Inflows			
(Increase)/Decrease in Accounts Receivable	(822)		(822)
(Increase)/Decrease in Inventory	(15,900)		(15,900)
(Increase)/Decrease in Accounts Payable	(93,435)	7,884	(85,551)
Increase/(Decrease) in Unearned Revenue	17,959		17,959
Increase/(Decrease) in Deferred Commodities Revenue	<u>3,722</u>	<u>-</u>	<u>3,722</u>
Total Adjustments	<u>(37,839)</u>	<u>9,501</u>	<u>(28,338)</u>
Net Cash Provided by (Used) for Operating Activities	<u>\$ (89,302)</u>	<u>\$ 109,576</u>	<u>\$ 20,274</u>
<b>Non-Cash Investing, Capital and Financing Activities</b>			
Value Received - Food Distribution Program			

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, 2020**

	<u>Private Purpose Trust Funds</u>		
	<b>Kelemen Science Observatory Fund</b>	<b>Donations Fund</b>	<b><u>Agency Fund</u></b>
<b>ASSETS</b>			
Cash	\$ 12,189	\$ 16,043	\$ 825,984
Total Assets	<u>12,189</u>	<u>16,043</u>	<u>\$ 825,984</u>
<b>LIABILITIES</b>			
Due to Other Funds			\$ 257,350
Due to Student Groups			162,239
Employee Deposits Payable - Summer Payroll			236,482
Accrued Salaries and Wages			3,860
Payroll Deductions and Withholding Payable			160,097
Flexible Spending Deposits	<u>-</u>	<u>-</u>	<u>5,956</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>\$ 825,984</u>
<b>NET POSITION</b>			
Net Position Held in Trust for Scholarships and Other Purposes	<u>\$ 12,189</u>	<u>\$ 16,043</u>	

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

**CLARK PUBLIC SCHOOL DISTRICT  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Private Purpose Trust Funds</u>	
	Kelemen Science Observatory <u>Fund</u>	Donations <u>Fund</u>
<b>ADDITIONS</b>		
Investment Earnings		
Interest	\$ 107	\$ 140
	<u>107</u>	<u>140</u>
Total Additions	<u>107</u>	<u>140</u>
<b>DEDUCTIONS</b>		
Miscellaneous Expenses	<u>-</u>	<u>-</u>
Total Deductions	<u>-</u>	<u>-</u>
Change in Net Position	107	140
Net Position, Beginning of Year	<u>12,082</u>	<u>15,903</u>
Net Position, End of Year	<u>\$ 12,189</u>	<u>\$ 16,043</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**

**CLARK PUBLIC SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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 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. A Business Administrator/Board Secretary is also appointed by the Board and oversees the business functions 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 currently operates a Pre-Kindergarten through grade twelve (12) school district.

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 Superintendent is the Chief Administrative Officer of the District who is responsible for planning and operational functions of the District. The Business Administrator/Board Secretary is the Chief Financial Officer and is responsible for budgeting, financial accounting and reporting and reports through the Superintendent to the Board.

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**

For fiscal year 2020, there were no GASB statements required to be adopted and implemented by the District.

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

- GASB No. 84, *Fiduciary Activities*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2021. 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, 2020**

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

**B. New Accounting Standards (Continued)**

- GASB No. 87, *Leases*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022. 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*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022. The objectives of this Statement is to improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities.
- GASB No. 92, *Omnibus 2020*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022 except requirements related to GASB No. 87 and Implementation Guide No. 2019-3 are effective upon issuance. The objective of this Statement is to enhance comparability in the application of accounting and financial reporting requirements and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics.
- GASB No. 96, *Subscription – Based Information Technology Arrangements*, will be effective beginning with the year ending June 30, 2023. The objective of this Statement will be to improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.
- GASB No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No.84, and a Supersession of GASB Statement No. 32*, the section that maybe applicable to the District will be effective beginning with the year ending June 30, 2022. The objective of this Statement is to provide more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans.



**CLARK PUBLIC SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

**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.

**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.

**CLARK PUBLIC SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

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

**Fund Financial Statements (Continued)**

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 administrators, 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.

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.

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.

**CLARK PUBLIC SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

**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.

**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.

**CLARK PUBLIC SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

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

**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

**5. Deferred Outflows/Inflows of Resources**

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

**CLARK PUBLIC SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

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

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Board has two types which arise only under the accrual basis of accounting that qualify for reporting in this category. One 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; 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, which arises under the accrual basis of accounting that qualifies for reporting in this category is the deferred commodities revenue, reported in both the district-wide and the proprietary funds statements of net position. The deferred commodities revenue represents the estimated market value of the donated and unused Federal commodities inventory at year end. This amount is deferred and recognized as an inflow of resources in the period the commodities are consumed.

***6. Compensated Absences***

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

***7. Pensions***

In the district-wide financial statements 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 reported as deferred outflows of resources. Bond premiums are deferred and amortized over the life of the bonds using the effective interest method. Losses resulting from debt refundings are also deferred and amortized over the life of the refunded bonds or new bonds whichever is less using the effective interest method. Bonds payable are reported with the unamortized bond premium. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

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

CLARK PUBLIC SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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*

District-Wide Statements

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

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

Governmental Fund Statements

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

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

*Excess Surplus* – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2020 audited excess surplus that is required to be appropriated in the 2021/2022 original budget certified for taxes.

*Excess Surplus – Designated for Subsequent Year's Expenditures* - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2019 audited excess surplus that was 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).

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

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

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

**CLARK PUBLIC SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

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

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

**Governmental Fund Statements (Continued)**

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

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

*Designated for Subsequent Year's Expenditures* – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2020/2021 District budget certified for taxes.

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

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

**10. *Fund Balance Policies***

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

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

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.

**CLARK PUBLIC SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

**F. Revenues and Expenditures/Expenses**

***1. Program Revenues***

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

***2. Property Taxes***

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

***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 2018-2019 and 2019-2020 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 care enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Federal and State subsidies for the food service operation are considered nonoperating revenues.



**CLARK PUBLIC SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

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

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

Budget adoptions and amendments are recorded in the District’s board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2019/2020. Also, during 2019/2020 the Board increased the original budget by \$138,026. The increase was funded by the additional appropriation of grant awards and the reappropriation of prior year general fund encumbrances.

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

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

**CLARK PUBLIC SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

**B. Capital Reserve**

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

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

The activity of the capital reserve for the fiscal year ended June 30, 2020 is as follows:

Balance, July 1, 2019	\$ 587,163
Increased by	
Interest Earnings	\$ 1,000
Transfer from Capital Project Fund	<u>71,736</u>
	<u>72,736</u>
Balance, June 30, 2020	<u>\$ 659,899</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, 2020 is as follows:

Balance, July 1, 2019	\$ 635,784
Increased by	
Interest Earnings	<u>1,500</u>
Balance, June 30, 2020	<u>\$ 637,284</u>

**CLARK PUBLIC SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

**D. Transfers to Capital Outlay**

During the 2019/2020 school year, the district transferred \$712,581 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, 2020 is \$6,451,411. Of this amount, \$2,973,945 was designated and appropriated in the 2020/2021 original budget certified for taxes and the remaining amount of \$3,477,466 will be appropriated in the 2021/2022 original budget certified for taxes.

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Cash Deposits and Investments**

**Cash Deposits**

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

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, 2020, the book value of the Board's deposits were \$12,772,993 and bank and brokerage firm balances of the Board's deposits amounted to \$12,930,678. The Board's deposits which are displayed on the various fund balance sheets as "cash" or "cash and cash equivalents" are categorized as:

<b><u>Depository Account</u></b>	<b><u>Bank Balance</u></b>
Insured	\$ <u>12,930,678</u>

**CLARK PUBLIC SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

**A. Cash Deposits and Investments (Continued)**

**Cash Deposits (Continued)**

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, 2020 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, 2020, the Board had no outstanding investments.

**B. Receivables**

Receivables as of June 30, 2020 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:				
State	\$ 56,408	\$ 41,898	\$ 313	\$ 98,619
Federal		82,741	1,396	84,137
Other	-	-	1,250	1,250
Gross Receivables	<u>56,408</u>	<u>124,639</u>	<u>2,959</u>	<u>184,006</u>
Less: Allowance for Uncollectibles	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Total Receivables	<u>\$ 56,408</u>	<u>\$ 124,639</u>	<u>\$ 2,959</u>	<u>\$ 184,006</u>

**CLARK PUBLIC SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

**C. Unearned Revenue**

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

Special Revenue Fund	
Unencumbered Grant Draw Downs	\$ 5,229
Total Deferred Revenue for Governmental Funds	<u>\$ 5,229</u>

**D. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2020 was as follows:

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020
<b>Governmental Activities:</b>				
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>1,817,465</u>	<u>-</u>	<u>(8,500)</u>	<u>1,808,965</u>
Capital Assets, Being Depreciated:				
Site Improvements	2,695,664	\$ 110,500		2,806,164
Buildings and Improvements	47,788,695	126,103		47,914,798
Machinery and Equipment	4,230,632	224,960	-	4,455,592
Total Capital Assets Being Depreciated	<u>54,714,991</u>	<u>461,563</u>	<u>-</u>	<u>55,176,554</u>
Less Accumulated Depreciation for:				
Site Improvements	(1,613,970)	(107,677)		(1,721,647)
Buildings and Improvements	(29,343,592)	(1,880,121)		(31,223,713)
Machinery and Equipment	(3,154,890)	(187,033)	-	(3,341,923)
Total Accumulated Depreciation	<u>(34,112,452)</u>	<u>(2,174,831)</u>	<u>-</u>	<u>(36,287,283)</u>
Total Capital Assets, Being Depreciated, Net	<u>20,602,539</u>	<u>(1,713,268)</u>	<u>-</u>	<u>18,889,271</u>
Government Activities Capital Assets, Net	<u>\$ 22,420,004</u>	<u>\$ (1,713,268)</u>	<u>\$ (8,500)</u>	<u>\$ 20,698,236</u>

**CLARK PUBLIC SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

**D. Capital Assets (Continued)**

**Business-Type Activities:**

Capital Assets, Being Depreciated:

Machinery and Equipment	\$ 442,324	\$ 7,762	-	\$ 450,086
Total Capital Assets Being Depreciated	<u>442,324</u>	<u>7,762</u>	<u>-</u>	<u>450,086</u>

Less Accumulated Depreciation for:

Machinery and Equipment	<u>(244,927)</u>	<u>(19,013)</u>	<u>-</u>	<u>(263,940)</u>
Total Accumulated Depreciation	<u>(244,927)</u>	<u>(19,013)</u>	<u>-</u>	<u>(263,940)</u>

Total Capital Assets, Being Depreciated, Net	<u>197,397</u>	<u>(11,251)</u>	<u>-</u>	<u>186,146</u>
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Business-Type Activities Capital Assets, Net	<u>\$ 197,397</u>	<u>\$ (11,251)</u>	<u>\$ -</u>	<u>\$ 186,146</u>
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Depreciation expense was charged to functions/programs of the District as follows:

**Governmental Activities:**

Instruction

Regular	<u>\$ 2,081,387</u>
Total Instruction	<u>2,081,387</u>

Support Services

Student and Instruction Related Services	28,260
General Administration	676
School Administration	484
Central Services	5,921
Plant Operations and Maintenance	58,103
Pupil Transportation	<u>-</u>
Total Support Services	<u>93,444</u>

Total Depreciation Expense - Governmental Activities	<u>\$ 2,174,831</u>
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**Business-Type Activities:**

Food Service Fund	\$ 17,396
Before and After School Program Fund	<u>1,617</u>

Total Depreciation Expense-Business-Type Activities	<u>\$ 19,013</u>
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**CLARK PUBLIC SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

**D. Capital Assets (Continued)**

**Construction and Other Significant Commitments**

The District has the following active construction projects as of June 30, 2020:

<u>Project</u>	<u>Remaining Commitment</u>
Installation of Hallway Lockes	\$ 222,154
Installation of Locker Room Lockers	<u>117,612</u>
Total	<u>\$ 339,766</u>

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

The composition of interfund balances as of June 30, 2020, 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 or other financing sources received in one fund which are due to another fund and/or expenditures paid by one fund on behalf of another fund.

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

**Interfund transfers**

<u>Transfer In:</u>	
<u>General</u>	
Transfer Out:	
Capital Projects Fund	<u>71,736</u>
Total Transfers	<u>\$ 71,736</u>

The above transfers are the result of revenues earned and/or other financing sources received in one fund to finance expenditures in another fund.

**CLARK PUBLIC SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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 obligations and the net present value of these minimum lease payments as of June 30, 2020 were as follows:

<u>Fiscal Year Ending June 30</u>	<u>Governmental Activities</u>	
	<u>Capital Leases</u>	<u>Interlocal Agreement</u>
2021	\$ 54,397	\$ 75,000
2022	13,599	75,000
2023	<u>-</u>	<u>75,000</u>
Total minimum lease payments	67,996	225,000
Less: amount representing interest	(1,712)	-
Present value of minimum lease payments	<u>\$ 66,284</u>	<u>\$ 225,000</u>



**CLARK PUBLIC SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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 and other capital assets or 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, 2020 are comprised of the following issues:

\$14,145,000, 2012 Refunding Bonds, due in annual installments of \$1,095,000 to \$1,755,000 through June 1, 2026 interest at 2.63% to 4.00% \$9,150,000

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

**Governmental Activities:**

Year Ending June 30,	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
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>\$ 9,150,000</u>	<u>\$ 1,065,250</u>	<u>\$ 10,215,250</u>

**Statutory Borrowing Power**

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2020 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 109,827,979
Less: Net Debt	<u>9,150,000</u>
Remaining Borrowing Power	<u>\$ 100,677,979</u>

**CLARK PUBLIC SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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, 2020, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
Bonds Payable	\$ 10,160,000		\$ 1,010,000	\$ 9,150,000	\$ 1,095,000
Add: Original Issue Premium	<u>334,439</u>	<u>-</u>	<u>68,479</u>	<u>265,960</u>	<u>-</u>
Total Bonds Payable	10,494,439	-	1,078,479	9,415,960	1,095,000
Capital Leases Payable	163,243		96,959	66,284	52,771
Interlocal Agreement Payable	300,000		75,000	225,000	75,000
Compensated Absences	847,944	\$ 35,276		883,220	
Net Pension Liability	<u>5,990,324</u>	<u>-</u>	<u>694,824</u>	<u>5,295,500</u>	<u>-</u>
Governmental Activity Long-Term Liabilities	<u>\$ 17,795,950</u>	<u>\$ 35,276</u>	<u>\$ 1,945,262</u>	<u>\$ 15,885,964</u>	<u>\$ 1,222,771</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.

**CLARK PUBLIC SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

**B. Contingent Liabilities**

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

**Federal and State Awards** – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2020, 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, 2020, 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](http://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.

**CLARK PUBLIC SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

The following represents the membership tiers for PERS:

<b>Tier</b>	<b>Definition</b>
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 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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](http://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:

<b>Tier</b>	<b>Definition</b>
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, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

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

**Defined Contribution Retirement Program (DCRP)** – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected 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](http://www.state.nj.us/treasury/pensions).

**CLARK PUBLIC SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Plan Amendments**

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

**Measurement Focus and Basis of Accounting**

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

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

**Investment Valuation**

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. 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](http://www.state.nj.us/treasury/doinvest).

**CLARK PUBLIC SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Collective Net Pension Liability**

The collective net pension liability of the participating employers for local PERS at June 30, 2019 is \$18.1 billion and the plan fiduciary net position as a percentage of the total pension liability is 56.27%. The collective net pension liability of the State funded TPAF at June 30, 2019 is \$61.5 billion and the plan fiduciary net position as a percentage of total pension liability is 26.95%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2018 which were rolled forward to June 30, 2019.

**Actuarial Methods and Assumptions**

In the July 1, 2018 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.

**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 2020.

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, 2020 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 the 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 2020, 2019 and 2018 were equal to the required contributions.

During the fiscal years ended June 30, 2020, 2019 and 2018 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 unfunded accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2020	\$ 285,873	\$ 3,305,969	\$ 24,136
2019	302,620	2,909,712	27,232
2018	281,659	2,162,354	21,020

**CLARK PUBLIC SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Employer and Employee Pension Contributions (Continued)**

In addition for fiscal years 2020, 2019 and 2018 the District contributed \$958, \$1,147 and \$3,295, respectively for PERS and the State contributed \$2,273, \$2,574 and \$2,892, 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 \$1,123,643 during the fiscal year ended June 30, 2020 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as a revenue and expense/expenditure in accordance with GASB No. 85.

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

**Public Employees Retirement System (PERS)**

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. 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, 2018 through June 30, 2019. 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, 2019 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2019.

At June 30, 2020, the District reported in the statement of net position (accrual basis) a liability of \$5,295,500 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2019 and was determined by an actuarial valuation as of July 1, 2018. The District's proportionate share of the net pension liability was based on the ratio of the District's share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2019. At June 30, 2019, the District's proportionate share was .02939 percent, which was a decrease of .00103 percent from its proportionate share measured as of June 30, 2018 of .03042 percent.



**CLARK PUBLIC SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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, 2020, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$39,071 for PERS. The pension contribution made by the District during the current 2019/2020 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, 2020 with a measurement date of the prior fiscal year end of June 30, 2019. 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, 2020 for contributions made subsequent to the measurement date. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$ 95,047	\$ 23,393
Changes of Assumptions	528,765	1,838,051
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		83,592
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>4,041</u>	<u>391,976</u>
Total	<u>\$ 627,853</u>	<u>\$ 2,337,012</u>

At June 30, 2020, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense/(benefit) as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
2021	\$ (309,122)
2022	(619,545)
2023	(506,083)
2024	(245,388)
2025	(29,021)
Thereafter	<u>-</u>
	<u>\$ (1,709,159)</u>

**CLARK PUBLIC SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>PERS</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00% Based on Years of Service
Thereafter	3.00%-7.00% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

**CLARK PUBLIC SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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, 2019) 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 rates 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 PERS's target asset allocation as of June 30, 2019 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	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
US Equity	28.00%	8.26%
Non-US Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
High Yield	2.00%	5.37%
Real Assets	2.50%	9.31%
Private Credit	6.00%	7.92%
Real Estate	7.50%	8.33%
Private Equity	12.00%	10.85%

***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>
2020	June 30, 2019	6.28%
2019	June 30, 2018	5.66%

**CLARK PUBLIC SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

***Discount Rate (Continued)***

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

Period of Projected Benefit

Payments for which the Following  
Rates were Applied:

Long-Term Expected Rate of Return                      Through June 30, 2057

Municipal Bond Rate \*    From July 1, 2057  
and Thereafter

\* The municipal bond return rate used is 3.50% as of the measurement date of June 30, 2019. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

***Sensitivity of Net Pension Liability***

The following presents the District's proportionate share of the PERS net pension liability calculated using the discount rate of 6.28%, as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.28 percent) or 1-percentage-point higher (7.28 percent) than the current rate:

	<b>1% Decrease <u>5.28%</u></b>	<b>Current Discount Rate <u>6.28%</u></b>	<b>1% Increase <u>7.28%</u></b>
District's Proportionate Share of the PERS Net Pension Liability	<u>\$ 6,689,077</u>	<u>\$ 5,295,500</u>	<u>\$ 4,121,214</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability as of the measurement date of June 30, 2019. A sensitivity analysis specific to the District's net pension liability at June 30, 2019 was not provided by the pension system.

***Pension Plan Fiduciary Net Position***

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

**CLARK PUBLIC SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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 measurement period July 1, 2018 through June 30, 2019. 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, 2019, 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, 2020, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$5,245,529 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, 2020 the State's proportionate share of the net pension liability attributable to the District is \$88,933,388. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the District adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2019. At June 30, 2019, the State's share of the net pension liability attributable to the District was .14491 percent, which was an/a increase/decrease of .00155 percent from its proportionate share measured as of June 30, 2018 of .14336 percent.

**CLARK PUBLIC SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>TPAF</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55-4.55%
	Based on Years of Service
Thereafter	2.75%-5.65%
	Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

**CLARK PUBLIC SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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, 2019) 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 TPAF's target asset allocation as of June 30, 2019 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	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
US Equity	28.00%	8.26%
Non-US Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
High Yield	2.00%	5.37%
Real Assets	2.50%	9.31%
Private Credit	6.00%	7.92%
Real Estate	7.50%	8.33%
Private Equity	12.00%	10.85%

**CLARK PUBLIC SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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:

<b>Fiscal Year</b>	<b>Measurement Date</b>	<b>Discount Rate</b>
2020	June 30, 2019	5.60%
2019	June 30, 2018	4.86%

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, 2054
Municipal Bond Rate *	From July 1, 2054 and Thereafter

\* The municipal bond return rate used is 3.50% as of the measurement date of June 30, 2019. 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 5.60%, 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 (4.60 percent) or 1-percentage-point higher (6.60 percent) than the current rate:

	<b>1% Decrease (4.60%)</b>	<b>Current Discount Rate (5.60%)</b>	<b>1% Increase (6.60%)</b>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 104,872,148</u>	<u>\$ 88,933,388</u>	<u>\$ 75,709,250</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District as of the measurement date of June 30, 2019. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2019 was not provided by the pension system.



**CLARK PUBLIC SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

***Pension Plan Fiduciary Net Position***

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

**E. Post-Retirement Medical Benefits**

The State of New Jersey sponsors and administers the post-retirement health benefit program 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, 2019. 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, 2020**

**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](http://www.state.nj.us/treasury/pensions).

**Plan Membership**

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2018:

Active Plan Members	216,892
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	148,051
Inactive Plan Members Entitled to but not yet Receiving Benefits	<u>          -</u>
Total	<u>364,943</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, 2019 is \$41.7 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, 2018 which were rolled forward to June 30, 2019.

**CLARK PUBLIC SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Actuarial Methods and Assumptions**

In the June 30, 2018 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 \$1.28 billion to the OPEB plan in fiscal year 2019.

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. over a period not to exceed thirty years. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2020, 2019 and 2018 were \$1,226,454, \$1,319,841 and \$1,396,618, 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, 2018 through June 30, 2019. Nonemployer allocation percentages have been rounded for presentation purposes.

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

For the fiscal year ended June 30, 2020, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$987,678. 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, 2020 the State's proportionate share of the OPEB liability attributable to the District is \$57,106,324. 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, 2019 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2019. At June 30, 2019, the state's share of the OPEB liability attributable to the District was .12385 percent, which was a decrease of .0126 percent from its proportionate share measured as of June 30, 2018 of .13645 percent.

**CLARK PUBLIC SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

**Actuarial Assumptions**

The OPEB liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%
Salary Increases*	
PERS:	
Initial Fiscal Year Applied Through	2026
Rate	2.00% to 6.00%
Rate Thereafter	3.00% to 7.00%
TPAF:	
Initial Fiscal Year Applied Through	2026
Rate	1.55% to 3.05%
Rate Thereafter	1.55% to 3.05%
Mortality:	
PERS	Pre-retirement and Post-retirement based on Pub-2010 Healthy "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.
TPAF	Pre-retirement and Post-retirement based on Pub-2010 "Teachers" and "General" classifications respectively, headcount-weighted mortality tables with fully generational mortality improvement projections from the central year using Scale MP-2019.
Long-Term Rate of Return	2.00%

\*Salary increases are based on the defined benefit pension plan that the member is enrolled in and the members years of service.

For the June 30, 2019 measurement date healthcare cost trend rates for pre-Medicare medical benefits, the trend is initially 5.7% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2020 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

**CLARK PUBLIC SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

**Actuarial Assumptions (Continued)**

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2015 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

100% of active members are considered to participate in the plan upon retirement.

**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 2.00% as of June 30, 2019.

**Discount Rate**

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

<b><u>Fiscal Year</u></b>	<b><u>Measurement Date</u></b>	<b><u>Discount Rate</u></b>
2020	June 30, 2019	3.50%
2019	June 30, 2018	3.87%

The discount rate represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**CLARK PUBLIC SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

**Changes in the Total OPEB Liability**

The change in the State's proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2020 (measurement date June 30, 2019) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2018 Measurement Date	\$ <u>62,919,054</u>
Changes Recognized for the Fiscal Year:	
Service Cost	2,099,052
Interest on the Total OPEB Liability	2,483,598
Differences Between Expected and Actual Experience	(9,545,810)
Changes of Assumptions	851,460
Gross Benefit Payments	(1,752,994)
Contributions from the Member	<u>51,964</u>
<b>Net Changes</b>	<b>\$ <u>(5,812,730)</u></b>
Balance, June 30, 2019 Measurement Date	\$ <u><u>57,106,324</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.87% percent in 2018 to 3.50% percent in 2019.

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, 2019.

**CLARK PUBLIC SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

**Sensitivity of OPEB Liability**

*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 3.50%, 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 (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current rate:

	<b>1% Decrease <u>(2.50%)</u></b>	<b>Current Discount Rate <u>(3.50%)</u></b>	<b>1% Increase <u>(4.50%)</u></b>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 67,465,135	\$ 57,106,324	\$ 48,877,852

*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:

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
Total OPEB Liability (School Retirees)	\$ 47,053,066	\$ 57,106,324	\$ 70,414,774

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2019. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2019 were not provided by the pension system.

**CLARK PUBLIC SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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.

**NOTE 5 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC**

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the "Pandemic") by the World Health Organization and is currently affecting many parts of the world, including the United States and the State of New Jersey. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President's Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

New Jersey Governor Phil Murphy has issued multiple Executive Orders since March 16, 2020 including but not limited to aggressive social distancing measures, restrictions on local elections, restrictions on foreclosure and evictions, suspension of all elective surgeries, closing of all schools and child care centers, the commandeering of property such as medical supplies, the cessation of all non-essential construction projects, extending insurance premium grace periods, the temporary reprieve to certain at-risk inmates and the extension of the permitted statutory grace period from May 11, 2020 to June 1, 2020 for quarterly property taxes due May 1, 2020. The Board expects ongoing actions will be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19. The Pandemic has negatively affected travel, commerce, and financial markets globally, and is widely expected to continue negatively affecting economic growth and financial markets worldwide. These negative impacts may reduce or negatively affect property values within the School District. The declaration of a public health emergency remains in effect as of the date of audit. As part of a planned multi-stage approach to restart the State's economy, Governor Murphy has signed a series of Executive Orders permitting the resumption of certain activities.

Because of the evolving nature of the outbreak and federal, state and local responses thereto, the Board cannot predict how the outbreak will impact the financial condition or operations of the School District, or if there will be any impact on the assessed values of property within the School District or deferral of tax payments to municipalities. The Board cannot predict costs associated with this or any other potential infectious disease outbreak, including whether there will be any reduction in State funding or an increase in operational costs incurred to clean, sanitize and maintain it facilities either before or after an outbreak of an infectious disease.



**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**BUDGET COMPARISON SCHEDULES**

**CLARK PUBLIC SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

EXHIBIT C-1

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>REVENUES</b>					
Local Sources					
Property Tax Levy	\$ 32,328,259		\$ 32,328,259	\$ 32,328,259	
Tuition - Other LEA's Within State	1,805,686		1,805,686	1,842,251	\$ 36,565
Rents	31,080		31,080	15,267	(15,813)
Miscellaneous Revenues	25,000	-	25,000	76,992	51,992
Interest				95,308	95,308
Interest on Maintenance Reserve	1,500		1,500	1,500	-
Interest on Capital Reserve Funds	1,000	-	1,000	1,000	-
<b>Total Local Sources</b>	<u>34,192,525</u>	<u>-</u>	<u>34,192,525</u>	<u>34,360,577</u>	<u>168,052</u>
State Sources					
Special Education Aid	1,121,208		1,121,208	1,121,208	-
Security Aid	55,181		55,181	55,181	-
Transportation Aid	256,592		256,592	256,592	-
Extraordinary Aid	50,000		50,000	278,739	228,739
TPAF Pension Benefit Contribution - (Non-Budget)				3,247,757	3,247,757
TPAF Pension - NCGI Premium (Non-Budget)				58,212	58,212
TPAF Long-Term Disability Insurance				2,273	2,273
TPAF Post Retirement Medical Contribution (Non-Budget)				1,226,454	1,226,454
TPAF Social Security Contributions (Non-Budget)	-	-	-	1,123,643	1,123,643
<b>Total State Sources</b>	<u>1,482,981</u>	<u>-</u>	<u>1,482,981</u>	<u>7,370,059</u>	<u>5,887,078</u>
Federal Sources					
Medicaid Reimbursement	19,611	-	19,611	11,779	(7,832)
<b>Total Federal Sources</b>	<u>19,611</u>	<u>-</u>	<u>19,611</u>	<u>11,779</u>	<u>(7,832)</u>
<b>Total Revenues</b>	<u>35,695,117</u>	<u>-</u>	<u>35,695,117</u>	<u>41,742,415</u>	<u>6,047,298</u>
<b>EXPENDITURES</b>					
CURRENT					
Instruction - Regular Programs					
Salaries of Teachers					
Preschool		\$ 3,550	3,550	2,966	584
Kindergarten	381,820	(3,407)	378,413	339,258	39,155
Grades 1-5	3,596,818	93,002	3,689,820	3,689,820	-
Grades 6-8	2,256,171	71,183	2,327,354	2,312,706	14,648
Grades 9-12	4,276,569	(166,299)	4,110,270	4,045,855	64,415
Regular Programs - Home Instruction					
Salaries of Teachers	30,000	(17,919)	12,081	6,554	5,527
Purchased Professional/Educational Services		18,403	18,403	17,493	910
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	427,876	(173,288)	254,588	200,051	54,537
Purchased Professional/Educational Services	429,523	(42,521)	387,002	378,480	8,522
Other Purchased Services	32,500	(928)	31,572	12,473	19,099
General Supplies	256,856	219,614	476,470	391,758	84,712
Textbooks	33,352	132	33,484	18,642	14,842
Other Objects	66,878	(1,384)	65,494	44,512	20,982
<b>Total Regular Programs</b>	<u>11,788,363</u>	<u>138</u>	<u>11,788,501</u>	<u>11,460,568</u>	<u>327,933</u>

**CLARK PUBLIC SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

EXHIBIT C-1

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>EXPENDITURES</b>					
CURRENT (Continued)					
Learning and/or Language Disabilities					
Salaries of Teachers	\$ 282,977	\$ 24,318	\$ 307,295	\$ 303,295	\$ 4,000
Other Salaries for Instruction	109,502	(24,318)	85,184	71,780	13,404
Purchased Professional/Educational Services	715	-	715	715	-
General Supplies	3,300	-	3,300	3,267	33
Other Objects	17,400	-	17,400	14,994	2,406
	<u>413,894</u>	<u>-</u>	<u>413,894</u>	<u>394,051</u>	<u>19,843</u>
Total Learning and/or Language Disabilities					
Multiple Disabilities					
Salaries of Teachers	54,571	(48,985)	5,586	5,586	-
Other Salaries for Instruction	25,090	(21,090)	4,000	-	4,000
General Supplies	24,000	-	24,000	1,309	22,691
	<u>103,661</u>	<u>(70,075)</u>	<u>33,586</u>	<u>6,895</u>	<u>26,691</u>
Total Multiple Disabilities					
Behavioral Disabilities					
Salaries of Teachers	58,210	2,000	60,210	58,122	2,088
Other Salaries for Instruction	19,449	(1,149)	18,300	18,113	187
General Supplies	23,460	(851)	22,609	860	21,749
	<u>101,119</u>	<u>-</u>	<u>101,119</u>	<u>77,095</u>	<u>24,024</u>
Total Behavioral Disabilities					
Resource Room/Resource Center					
Salaries of Teachers	1,784,913	(101,087)	1,683,826	1,679,195	4,631
Other Salaries for Instruction	239,387	418,132	657,519	657,519	-
Purchased Professional/Educational Services	3,450	-	3,450	3,450	-
General Supplies	5,675	(2,414)	3,261	3,117	144
Textbooks	5,200	(360)	4,840	1,686	3,154
	<u>2,038,625</u>	<u>314,271</u>	<u>2,352,896</u>	<u>2,344,967</u>	<u>7,929</u>
Total Resource Room/Resource Center					
Preschool Disabilities - Part-Time					
Salaries of Teachers	113,252	(17,538)	95,714	95,229	485
Other Salaries for Instruction	117,696	(117,696)	-	-	-
General Supplies	1,122	-	1,122	1,048	74
	<u>232,070</u>	<u>(135,234)</u>	<u>96,836</u>	<u>96,277</u>	<u>559</u>
Total Preschool Disabilities - Part-Time					
Total Special Education					
	<u>2,889,369</u>	<u>108,962</u>	<u>2,998,331</u>	<u>2,919,285</u>	<u>79,046</u>
Basic Skills/Remedial					
Salaries of Teachers	370,537	(55,883)	314,654	310,654	4,000
	<u>370,537</u>	<u>(55,883)</u>	<u>314,654</u>	<u>310,654</u>	<u>4,000</u>
Total Basic Skills/Remedial					
Bilingual Education					
Salaries of Teachers	58,466	6,922	65,388	65,388	-
	<u>58,466</u>	<u>6,922</u>	<u>65,388</u>	<u>65,388</u>	<u>-</u>
Total Bilingual Education					
School Sponsored Co-Curricular Activities					
Salaries	180,702	-	180,702	161,597	19,105
Supplies & Materials	74,580	-	74,580	28,770	45,810
Other Objects	46,159	1,929	48,088	10,351	37,737
	<u>301,441</u>	<u>1,929</u>	<u>303,370</u>	<u>200,718</u>	<u>102,652</u>
Total School Sponsored Co-Curricular Activities					

**CLARK PUBLIC SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

EXHIBIT C-1

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>EXPENDITURES</b>					
CURRENT (Continued)					
School Sponsored Athletics					
Salaries	\$ 223,275	\$ 82,841	\$ 306,116	\$ 306,116	
Purchased Services	102,844	(45,601)	57,243	57,243	
Supplies and Materials	49,159	(1,464)	47,695	45,714	\$ 1,981
Other Objects	53,425	(34,920)	18,505	17,265	1,240
	<u>428,703</u>	<u>856</u>	<u>429,559</u>	<u>426,338</u>	<u>3,221</u>
Total School Sponsored Athletics					
	<u>428,703</u>	<u>856</u>	<u>429,559</u>	<u>426,338</u>	<u>3,221</u>
Total Instruction	<u>15,836,879</u>	<u>62,924</u>	<u>15,899,803</u>	<u>15,382,951</u>	<u>516,852</u>
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs w/i State - Special	742,001	(56,986)	685,015	552,113	132,902
Tuition to County Voc. School Dist.-Regular	754,000	-	754,000	642,500	111,500
Tuition to County Voc. School Dist.- Special	52,000	-	52,000	12,800	39,200
Tuition to Priv. Sch. For the Disabled -					
Within State	968,352	16,031	984,383	938,503	45,880
Tuition Other	-	31,335	31,335	31,335	-
	<u>2,516,353</u>	<u>(9,620)</u>	<u>2,506,733</u>	<u>2,177,251</u>	<u>329,482</u>
Total Undistributed Expenditures - Instruction					
	<u>2,516,353</u>	<u>(9,620)</u>	<u>2,506,733</u>	<u>2,177,251</u>	<u>329,482</u>
Attendance and Social Work					
Salaries	40,398	-	40,398	9,415	30,983
	<u>40,398</u>	<u>-</u>	<u>40,398</u>	<u>9,415</u>	<u>30,983</u>
Total Attendance and Social Work					
	<u>40,398</u>	<u>-</u>	<u>40,398</u>	<u>9,415</u>	<u>30,983</u>
Health Services					
Salaries	330,417	1,034	331,451	315,888	15,563
Purchased Professional and Technical Services	31,732	(1,034)	30,698	30,444	254
Supplies and Materials	6,426	-	6,426	5,284	1,142
Other Objects	765	-	765	740	25
	<u>369,340</u>	<u>-</u>	<u>369,340</u>	<u>352,356</u>	<u>16,984</u>
Total Health Services					
	<u>369,340</u>	<u>-</u>	<u>369,340</u>	<u>352,356</u>	<u>16,984</u>
Other Support Serv. Students - Speech, OT, PT & Related Serv.					
Salaries	307,545	43,130	350,675	350,675	-
Purchased Professional/Educational Services	140,454	(32,254)	108,200	85,490	22,710
Supplies and Materials	6,185	(643)	5,542	5,467	75
	<u>454,184</u>	<u>10,233</u>	<u>464,417</u>	<u>441,632</u>	<u>22,785</u>
Total Other Supp.Serv. Student - Speech, OT, PT, & Related Serv. Speech, OT, PT, & Related Serv.					
	<u>454,184</u>	<u>10,233</u>	<u>464,417</u>	<u>441,632</u>	<u>22,785</u>
Other Support Services - Students - Extra Serv.					
Salaries	121,116	(10,233)	110,883	96,580	14,303
	<u>121,116</u>	<u>(10,233)</u>	<u>110,883</u>	<u>96,580</u>	<u>14,303</u>
Total Other Supp.Serv. Student - Extra Serv.					
	<u>121,116</u>	<u>(10,233)</u>	<u>110,883</u>	<u>96,580</u>	<u>14,303</u>
Other Support Services - Students - Guidance					
Salaries of Other Professional Staff	591,368	10,233	601,601	601,601	-
Salaries of Secretarial & Clerical Assistants	121,213	-	121,213	106,803	14,410
Other Purchased Services	70,929	(10,233)	60,696	48,956	11,740
Supplies and Materials	5,202	-	5,202	3,836	1,366
	<u>788,712</u>	<u>-</u>	<u>788,712</u>	<u>761,196</u>	<u>27,516</u>
Total Other Support Services - Students - Guidance					
	<u>788,712</u>	<u>-</u>	<u>788,712</u>	<u>761,196</u>	<u>27,516</u>

**CLARK PUBLIC SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

EXHIBIT C-1

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>EXPENDITURES</b>					
CURRENT (Continued)					
Other Support Services - Students - Child Study Team					
Salaries of Other Professional Staff	\$ 841,370		\$ 841,370	\$ 833,767	\$ 7,603
Salaries of Secretarial & Clerical Assistants	129,294	\$ (830)	128,464	126,940	1,524
Other Salaries	60,000	(58,294)	1,706	1,706	-
Purchased Professional-Educational Services	46,058	(876)	45,182	45,182	-
Other Purchased Services	1,713	-	1,713	1,518	195
Supplies and Materials	8,750	-	8,750	7,257	1,493
	<u>1,087,185</u>	<u>(60,000)</u>	<u>1,027,185</u>	<u>1,016,370</u>	<u>10,815</u>
Total Other Support Services - Students - Child Study Team					
Improvement of Instructional Services					
Salaries of Supervisors of Instruction	51,000	-	51,000	43,920	7,080
Salaries of Other Professional Staff	50,000	-	50,000	37,488	12,512
Supplies and Materials	134,911	(575)	134,336	129,370	4,966
Other Objects	10,404	575	10,979	10,610	369
	<u>246,315</u>	<u>-</u>	<u>246,315</u>	<u>221,388</u>	<u>24,927</u>
Total Improvement of Instructional Services					
Educational Media/School Library					
Salaries	58,466	-	58,466	52,305	6,161
Supplies and Materials	36,682	-	36,682	28,960	7,722
	<u>95,148</u>	<u>-</u>	<u>95,148</u>	<u>81,265</u>	<u>13,883</u>
Total Educational Media/School Library					
Instructional Staff Training Services					
Purchased Professional-Educational Services	52,745	(1,625)	51,120	36,570	14,550
Other Objects	22,339	1,625	23,964	10,631	13,333
	<u>75,084</u>	<u>-</u>	<u>75,084</u>	<u>47,201</u>	<u>27,883</u>
Total Instructional Staff Training Services					
Support Services General Administration					
Salaries	258,610	26,500	285,110	285,110	-
Legal Services	60,000	9,083	69,083	50,365	18,718
Audit Fees	41,895	-	41,895	38,845	3,050
Architectural/Engineering Services	20,000	-	20,000	-	20,000
Miscellaneous Purchased Services	87,893	(43,660)	44,233	42,290	1,943
Communications/Telephone	191,100	17,160	208,260	140,107	68,153
General Supplies	10,000	-	10,000	7,957	2,043
Miscellaneous Expenditures	18,820	(1,950)	16,870	7,607	9,263
BOE Membership Dues and Fees	42,308	-	42,308	16,206	26,102
	<u>730,626</u>	<u>7,133</u>	<u>737,759</u>	<u>588,487</u>	<u>149,272</u>
Total Support Services General Administration					
Support Services School Administration					
Salaries of Principals/Asst. Principals/Prog Director	857,363	2,225	859,588	859,588	-
Salaries of Other Professional Staff	676,739	(90,273)	586,466	586,466	-
Salaries of Secretarial and Clerical Assistants	231,560	108,001	339,561	339,561	-
Supplies and Materials	28,830	(17,407)	11,423	5,828	5,595
Other Objects	9,276	-	9,276	2,281	6,995
	<u>1,803,768</u>	<u>2,546</u>	<u>1,806,314</u>	<u>1,793,724</u>	<u>12,590</u>
Total Support Services School Administration					

**CLARK PUBLIC SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

EXHIBIT C-1

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>EXPENDITURES</b>					
CURRENT (Continued)					
Undistributed Expenditures - Central Services					
Salaries	\$ 147,276	\$ 1,930	\$ 149,206	\$ 149,206	
Salaries - Other	204,708	(1,930)	202,778	199,908	\$ 2,870
Misc. Purchased Services	500	-	500	35	465
Supplies and Materials	7,500	-	7,500	316	7,184
Miscellaneous Expenditures	3,598	-	3,598	1,555	2,043
	<u>363,582</u>	<u>-</u>	<u>363,582</u>	<u>351,020</u>	<u>12,562</u>
Total Undistributed Expenditures - Central Services					
Required Maintenance for School Facilities					
Salaries	246,178	19,065	265,243	265,243	-
Cleaning, Repair and Maintenance Services	156,060	63,674	219,734	204,883	14,851
General Supplies	71,400	(45,615)	25,785	25,785	-
	<u>473,638</u>	<u>37,124</u>	<u>510,762</u>	<u>495,911</u>	<u>14,851</u>
Total Required Maintenance for School Facilities					
Custodial Services					
Salaries	315,487	12,135	327,622	309,446	18,176
Salaries of Non-Instructional Aides	98,700	(12,764)	85,936	81,341	4,595
Purchased Professional-Technical Services	26,530	(6,944)	19,586	14,362	5,224
Cleaning, Repair and Maintenance Services	935,154	(5,050)	930,104	928,098	2,006
Rentals	112,000	(290)	111,710	108,177	3,533
Other Purchased Property Services	205,000	2,717	207,717	200,418	7,299
Insurance	292,705	(54,130)	238,575	238,575	-
General Supplies	39,780	29,674	69,454	60,897	8,557
Energy (Natural Gas)	173,250	(10,216)	163,034	154,359	8,675
Energy (Electricity)	375,000	(630)	374,370	298,734	75,636
Miscellaneous	-	1,256	1,256	994	262
	<u>2,573,606</u>	<u>(44,242)</u>	<u>2,529,364</u>	<u>2,395,401</u>	<u>133,963</u>
Total Custodial Services					
Care and Upkeep of Grounds					
Cleaning, Repair and Maintenance Services	42,000	4,055	46,055	44,349	1,706
General Supplies	12,000	8,927	20,927	20,927	-
	<u>54,000</u>	<u>12,982</u>	<u>66,982</u>	<u>65,276</u>	<u>1,706</u>
Total Care and Upkeep of Grounds					
Security					
Salaries	185,903	4,718	190,621	182,359	8,262
Purchased Professional and Technical Services	1,177,802	(435,295)	742,507	23,122	719,385
General Supplies	8,750	4,993	13,743	13,468	275
Equipment	-	-	-	-	-
	<u>1,372,455</u>	<u>(425,584)</u>	<u>946,871</u>	<u>218,949</u>	<u>727,922</u>
Total Security					
Student Transportation Services					
Salaries of Non-Instructional Aides	44,508	(13,855)	30,653	12,957	17,696
Salaries for Pupil Trans. (Bet Home & School) - Spe Ed	48,785	20,365	69,150	69,150	-
Lease Purchase - School Buses	45,000	1,281	46,281	46,281	-
Contracted Services - Aid in Lieu of Payments-Nonpublic Schools	95,000	(68,989)	26,011	26,011	-
Contracted Services (Between Home and School) - Vendors	398,473	42,988	441,461	401,207	40,254
Contracted Services (Other Than Btwn Home and School) - Vendors	232,543	(69,636)	162,907	94,983	67,924
Contracted Services (Special Ed Students) - Vendors	665,320	107,338	772,658	734,132	38,526
Contracted Services - (Regular Students) - ESCs & CTSAs	25,000	2,237	27,237	14,167	13,070
Misc. Purchased Services-Transportation	30,000	-	30,000	25,471	4,529
General Supplies	20,000	577	20,577	11,526	9,051
Other Objects	-	-	-	-	-
	<u>1,604,629</u>	<u>22,306</u>	<u>1,626,935</u>	<u>1,435,885</u>	<u>191,050</u>
Total Student Transportation Services					

**CLARK PUBLIC SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

EXHIBIT C-1

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
<b>EXPENDITURES</b>					
CURRENT (Continued)					
Unallocated Benefits- Employee Benefits					
Social Security Contributions	\$ 410,000	\$ (483)	\$ 409,517	\$ 382,521	\$ 26,996
Other Retirement Contributions - PERS	335,000	-	335,000	310,967	24,033
Unemployment Compensation	80,000	-	80,000	77,386	2,614
Workmen's Compensation	186,633	(28,649)	157,984	152,443	5,541
Health Benefits	5,214,496	242,227	5,456,723	4,672,853	783,870
Other Employee Benefits	280,000	(215,595)	64,405	61,405	3,000
	<u>6,506,129</u>	<u>(2,500)</u>	<u>6,503,629</u>	<u>5,657,575</u>	<u>846,054</u>
Total Unallocated Benefits					
Interest Earned on Maintenance Reserve	1,500	-	1,500	-	1,500
	<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)				3,247,757	(3,247,757)
TPAF Pension - NCGI Premium (Non-Budget)				58,212	(58,212)
TPAF Long-Term Disability Insurance				2,273	(2,273)
TPAF Post Retirement Medical Contribution (Non-Budget)				1,226,454	(1,226,454)
TPAF Social Security Contributions (Non-Budget)	-	-	-	1,123,643	(1,123,643)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,123,643</u>	<u>(1,123,643)</u>
Total On-Behalf	-	-	-	5,658,339	(5,658,339)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,658,339</u>	<u>(5,658,339)</u>
Total Undistributed Expenditures	21,277,768	(459,855)	20,817,913	23,865,221	(3,047,308)
	<u>21,277,768</u>	<u>(459,855)</u>	<u>20,817,913</u>	<u>23,865,221</u>	<u>(3,047,308)</u>
Total Current Expenditures	37,114,647	(396,931)	36,717,716	39,248,172	(2,530,456)
	<u>37,114,647</u>	<u>(396,931)</u>	<u>36,717,716</u>	<u>39,248,172</u>	<u>(2,530,456)</u>
CAPITAL OUTLAY					
Equipment					
Grades 1 - 5	21,104	-	21,104	204	20,900
Admin. Info Tech	184,500	-	184,500		184,500
Custodial Services	400,000	(385,784)	14,216	-	14,216
Care and Upkeep of Grounds	10,000	100,287	110,287	110,287	-
Security	10,000	(1,500)	8,500	-	8,500
	<u>625,604</u>	<u>(286,997)</u>	<u>338,607</u>	<u>110,491</u>	<u>228,116</u>
Total Equipment					
Facilities Acquisition and Construction Services					
Architectural and Engineering Services		16,800	16,800	16,800	-
Other Purchased Professional and Technical Services		121,994	121,994	121,994	-
Construction Services	-	672,379	672,379	193,188	479,191
Assessment for Debt Service on SDA Funding	119,442	-	119,442	119,442	-
	<u>119,442</u>	<u>811,173</u>	<u>930,615</u>	<u>451,424</u>	<u>479,191</u>
Total Facilities Acquisition and Construction Services					
Interest Deposit to Capital Reserve	1,000	-	1,000	-	1,000
	<u>1,000</u>	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total Capital Outlay	746,046	524,176	1,270,222	561,915	708,307
	<u>746,046</u>	<u>524,176</u>	<u>1,270,222</u>	<u>561,915</u>	<u>708,307</u>
Total General Fund	37,860,693	127,245	37,987,938	39,810,087	(1,822,149)
	<u>37,860,693</u>	<u>127,245</u>	<u>37,987,938</u>	<u>39,810,087</u>	<u>(1,822,149)</u>

**CLARK PUBLIC SCHOOL DISTRICT  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
Excess (Deficiency) of Revenues Over/(Under) Expenditures	\$ (2,165,576)	\$ (127,245)	\$ (2,292,821)	\$ 1,932,328	\$ 4,225,149
<b>EXPENDITURES</b>					
CURRENT (Continued)					
Other Financing Sources					
Transfers In - Capital Projects Fund	-	-	-	71,736	71,736
Total Other Financing Sources	-	-	-	71,736	71,736
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	(2,165,576)	(127,245)	(2,292,821)	2,004,064	4,296,885
Fund Balance, Beginning of Year	7,344,399	-	7,344,399	7,344,399	-
Fund Balance, End of Year	\$ 5,178,823	\$ (127,245)	\$ 5,051,578	\$ 9,348,463	\$ 4,296,885
<b>Recapitulation:</b>					
Restricted Fund Balance					
Excess Surplus - Designated for Subsequent Year's Expenditures				\$ 2,973,945	
Excess Surplus				3,477,466	
Capital Reserve				659,899	
Maintenance Reserve				637,284	
Committed Fund Balance					
Year End Encumbrances				339,766	
Assigned Fund Balance					
Year End Encumbrances				250,857	
Designated for Subsequent Year's Expenditures				97,472	
Unassigned Fund Balance				911,774	
Fund Balance- Budgetary Basis				9,348,463	
Less: State Aid Revenue not recognized on GAAP basis				(410,092)	
Fund Balance per Governmental Funds Statements (GAAP)				\$ 8,938,371	



**CLARK PUBLIC SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Intergovernmental					
State	\$ 590,697	\$ 7,292	\$ 597,989	\$ 511,384	\$ (86,605)
Federal	854,254	3,489	857,743	747,156	(110,587)
Local	-	-	-	-	-
	<u>1,444,951</u>	<u>10,781</u>	<u>1,455,732</u>	<u>1,258,540</u>	<u>(197,192)</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries of Teachers	212,034	-	212,034	126,084	85,950
Purchased Professional/Educational Services	7,680	-	7,680	-	7,680
Tuition	599,203	-	599,203	557,550	41,653
General Supplies	12,084	3,489	15,573	11,169	4,404
Textbooks	30,204	-	30,204	29,519	685
	<u>861,205</u>	<u>3,489</u>	<u>864,694</u>	<u>724,322</u>	<u>140,372</u>
Support Services					
Personal Services Employee-Benefits	44,130	-	44,130	44,130	-
Purchased Professional/Educational Services	539,616	7,292	546,908	490,088	56,820
Other Purchased Services	-	-	-	-	-
	<u>583,746</u>	<u>7,292</u>	<u>591,038</u>	<u>534,218</u>	<u>56,820</u>
Total Expenditures	<u>1,444,951</u>	<u>10,781</u>	<u>1,455,732</u>	<u>1,258,540</u>	<u>197,192</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, 2020**

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.

	<b>General Fund</b>	<b>Special Revenue Fund</b>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedule	\$ 41,742,415	\$ 1,258,540
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, 2019		68,575
State Aid payment not recognized for budgetary purposes, recognized for GAAP statements. 2018/2019 State Aid	331,078	
State Aid payment recognized for budgetary purposes, not recognized for GAAP statements. 2019/2020 State Aid	(410,092)	-
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	\$ 41,663,401	\$ 1,327,115
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 39,810,087	\$ 1,258,540
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, 2019	-	68,575
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 39,810,087	\$ 1,327,115

**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 Seven Fiscal Years\*

	<u>2020</u>	<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)	0.02939%	0.03042%	0.03040%	0.03113%	0.03291%	0.03286%	0.03257%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 5,295,500	\$ 5,990,324	\$ 7,077,525	\$ 9,220,197	\$ 7,386,520	\$ 6,152,107	\$ 6,741,273
District's Covered Payroll	\$ 1,986,256	\$ 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	266.61%	293.67%	332.32%	447.05%	360.31%	279.43%	308.32%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.27%	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 Seven Fiscal Years**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 285,873	\$ 302,620	\$ 281,659	\$ 276,566	\$ 282,895	\$ 270,885	\$ 265,771
Contributions in Relation to the Contractually Required Contribution	<u>285,873</u>	<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>	<u>\$ -</u>
District's Covered Payroll	\$ 1,875,443	\$ 1,986,256	\$ 2,039,825	\$ 2,129,762	\$ 2,062,445	\$ 2,050,030	\$ 2,201,638
Contributions as a Percentage of Covered Payroll	15.24%	15.24%	13.81%	12.99%	13.72%	13.21%	12.07%

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 Seven Fiscal Years\***

	<u>2020</u>	<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%	0.00%
District's Proportionate Share of the Net Pension Liability (Asset)	0.00	\$0	\$0	\$0	\$0	\$0	\$0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 88,933,388</u>	<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>\$ 88,933,388</u>	<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	\$ 15,814,235	\$ 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%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	26.95%	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, 2020**

**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 Three Fiscal Years\***

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>			
Service Cost	\$ 2,099,052	\$ 2,485,362	\$ 2,972,767
Interest on Total OPEB Liability	2,483,598	2,718,903	2,361,715
Differences Between Expected and Actual Experience	(9,545,810)	(7,707,292)	
Changes of Assumptions	851,460	(7,220,276)	(9,811,698)
Gross Benefit Payments	(1,752,994)	(1,682,433)	(1,687,114)
Contribution from the Member	<u>51,964</u>	<u>58,148</u>	<u>62,124</u>
<b>Net Change in Total OPEB Liability</b>	(5,812,730)	(11,347,588)	(6,102,206)
<b>Total OPEB Liability - Beginning</b>	<u>62,919,054</u>	<u>74,266,642</u>	<u>80,368,848</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 57,106,324</u>	<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>57,106,324</u>	<u>62,919,054</u>	<u>74,266,642</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 57,106,324</u>	<u>\$ 62,919,054</u>	<u>\$ 74,266,642</u>
District's Covered Payroll	<u>\$ 17,689,678</u>	<u>\$ 17,593,252</u>	<u>\$ 17,039,012</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, 2020**

**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, 2020**

				Ch. 192 Svcs.			Ch. 193 Svcs.			Total Page 2	Grand Total 2020	
	Nonpublic Nursing	Nonpublic Textbooks	Nonpublic Technology	Nonpublic Security	Nonpublic Compensatory Education	Nonpublic Transport	Home Instruction	Nonpublic Supplemental Instruction	Nonpublic Exam/ Classification			Nonpublic Corrective Speech
<b>REVENUES</b>												
Intergovernmental												
State	\$ 50,040	\$ 29,519	\$ 13,362	\$ 85,950	\$ 209,533	\$ 16,255	\$ 845	\$ 43,470	\$ 36,435	\$ 25,975	-	\$ 511,384
Federal	-	-	-	-	-	-	-	-	-	-	\$ 747,156	747,156
<b>Total Revenues</b>	<b>\$ 50,040</b>	<b>\$ 29,519</b>	<b>\$ 13,362</b>	<b>\$ 85,950</b>	<b>\$ 209,533</b>	<b>\$ 16,255</b>	<b>\$ 845</b>	<b>\$ 43,470</b>	<b>\$ 36,435</b>	<b>\$ 25,975</b>	<b>\$ 747,156</b>	<b>\$ 1,258,540</b>
<b>EXPENDITURES</b>												
Instruction												
Salaries of Teachers											\$ 126,084	\$ 126,084
Purchased Professional/ Educational Services											-	-
Tuition											557,550	557,550
General Supplies											11,169	11,169
Textbooks	-	\$ 29,519	-	-	-	-	-	-	-	-	-	29,519
<b>Total Instruction</b>	<b>-</b>	<b>29,519</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>694,803</b>	<b>724,322</b>
Support Services												
Personal Services Employee-Benefits											44,130	44,130
Purchased Professional/ Educational Services	\$ 50,040		\$ 13,362	\$ 85,950	\$ 209,533	\$ 16,255	\$ 845	\$ 43,470	\$ 36,435	\$ 25,975	8,223	490,088
Other Purchased Services	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Support Services</b>	<b>50,040</b>	<b>-</b>	<b>13,362</b>	<b>85,950</b>	<b>209,533</b>	<b>16,255</b>	<b>845</b>	<b>43,470</b>	<b>36,435</b>	<b>25,975</b>	<b>52,353</b>	<b>534,218</b>
Facilities Acquisition and Construction												
Instructional Equipment											-	-
Noninstructional Equipment	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Facilities Acquisition and Construction</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditures</b>	<b>\$ 50,040</b>	<b>\$ 29,519</b>	<b>\$ 13,362</b>	<b>\$ 85,950</b>	<b>\$ 209,533</b>	<b>\$ 16,255</b>	<b>\$ 845</b>	<b>\$ 43,470</b>	<b>\$ 36,435</b>	<b>\$ 25,975</b>	<b>\$ 747,156</b>	<b>\$ 1,258,540</b>

**CLARK PUBLIC SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<b>REVENUES</b>	<u>Title I</u> 2019/20	<u>Title II A</u> 2019/20	<u>Title III</u> <u>Immigrant</u> 2019/20	<u>Title IV</u> 2019/20	<u>IDEA</u> <u>Part B</u>	<u>IDEA</u> <u>Preschool</u>	<u>Total</u> <u>Page 2</u>
Intergovernmental							
State							
Federal	\$ 153,145	\$ 7,383	\$ 2,132	\$ 8,520	\$ 557,550	\$ 18,426	\$ 747,156
<b>Total Revenues</b>	<u>\$ 153,145</u>	<u>\$ 7,383</u>	<u>\$ 2,132</u>	<u>\$ 8,520</u>	<u>\$ 557,550</u>	<u>\$ 18,426</u>	<u>\$ 747,156</u>
<b>EXPENDITURES</b>							
Instruction							
Salaries of Teachers	\$ 110,856		\$ 1,579			\$ 13,649	\$ 126,084
Purchased Professional/ Educational Services							-
Tuition					\$ 557,550		557,550
General Supplies	3,489			\$ 7,680			11,169
Textbooks	-	-	-	-	-	-	-
<b>Total Instruction</b>	<u>114,345</u>	<u>-</u>	<u>1,579</u>	<u>7,680</u>	<u>557,550</u>	<u>13,649</u>	<u>694,803</u>
Support Services							
Personal Services Employee-Benefits	38,800		553			4,777	44,130
Purchased Professional/ Educational Services		7,383		840			8,223
Other Purchased Services	-	-	-	-	-	-	-
<b>Total Support Services</b>	<u>38,800</u>	<u>7,383</u>	<u>553</u>	<u>840</u>	<u>-</u>	<u>4,777</u>	<u>52,353</u>
Facilities Acquisition and Construction							
Instructional Equipment							-
Noninstructional Equipment	-	-	-	-	-	-	-
<b>Total Facilities Acquisition and Construction</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Expenditures</b>	<u>\$ 153,145</u>	<u>\$ 7,383</u>	<u>\$ 2,132</u>	<u>\$ 8,520</u>	<u>\$ 557,550</u>	<u>\$ 18,426</u>	<u>\$ 747,156</u>

**CLARK PUBLIC SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
PRESCHOOL EDUCATION AID  
SCHEDULE OF EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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, 2020**

<u>Issue/Project Title</u>	<u>Modified Appropriation</u>	<u>Expenditures to Date</u>		<u>Balance June 30, 2020</u>
		<u>Prior Years</u>	<u>Transfer to General Fund</u>	
ALJ High School - Restroom ADA Upgrades	\$ 174,333	\$ 171,132	\$ 3,201	\$ -
Valley Road Elementary School - Restroom ADA Upgrades	193,400	176,700	16,700	-
Karl H. Kumpf Middle School - Restroom ADA Upgrades	188,706	175,602	13,104	-
Frank K. Henly Elementary School - Restroom ADA Upgrades	113,238	99,538	13,700	-
Valley Road Elementary School - Window Replacements	595,615	570,584	25,031	-
	-	-	-	-
	\$ 1,265,292	\$ 1,193,556	\$ 71,736	\$ -

**Reconciliation to GAAP**

Project Balances, June 30, 2020	\$ -
Fund Balance, June 30, 2020 - GAAP	\$ -

**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, 2020**

**Revenues and Other Financing Sources**

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

**Expenditures and Other Financing Uses**

Expenditures:	
Transfer to General Fund	\$ <u>71,736</u>
Total Expenditures and Other Financing Uses	<u>71,736</u>

Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(71,736)
--	----------

Fund Balance- Beginning of Year	\$ <u>71,736</u>
---------------------------------	------------------

Fund Balance- Ending of Year	<u>\$ -</u>
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**Reconciliation to GAAP Basis**

Fund Balance, June 30, 2020 - Budgetary Basis	\$ <u>-</u>
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Fund Balance, June 30, 2020-GAAP Basis	<u>\$ -</u>
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**PROPRIETARY FUNDS**

**CLARK PUBLIC SCHOOL DISTRICT  
PROPRIETARY FUNDS  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2020**

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, 2020**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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, 2020**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
<b>ASSETS</b>			
Cash	\$ 162,239	\$ 663,745	\$ 825,984
Total Assets	<u>\$ 162,239</u>	<u>\$ 663,745</u>	<u>\$ 825,984</u>
<b>LIABILITIES</b>			
Due to Other Funds		\$ 257,350	\$ 257,350
Due to Student Groups	\$ 162,239		162,239
Employee Deposits Payable-Summer Payroll		236,482	236,482
Accrued Salaries and Wages		3,860	3,860
Payroll Deductions and Withholding Payables		160,097	160,097
Flexible Spending Deposits	<u>-</u>	<u>5,956</u>	<u>5,956</u>
Total Liabilities	<u>\$ 162,239</u>	<u>\$ 663,745</u>	<u>\$ 825,984</u>

**CLARK PUBLIC SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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, 2020**

	<b>Balance, July 1, <u>2019</u></b>	<b>Cash <u>Receipts</u></b>	<b>Cash <u>Disbursements</u></b>	<b>Balance, June 30, <u>2020</u></b>
<b>ELEMENTARY SCHOOLS</b>				
Valley Road	\$ 26,092	\$ 6,193	\$ 12,844	\$ 19,441
Frank K. Hehnly	8,552	8,398	6,687	10,263
Clark School Account	136	2		138
<b>MIDDLE SCHOOL</b>				
Carl H. Kumpf	36,620	64,048	50,023	50,645
<b>HIGH SCHOOL</b>				
Athletic Account	1,438	45,149	30,668	15,919
Arthur L. Johnson	72,013	45,168	53,349	63,832
Internal School Account	<u>1,983</u>	<u>18</u>	<u>-</u>	<u>2,001</u>
Total All Schools	<u>\$ 146,834</u>	<u>\$ 168,976</u>	<u>\$ 153,571</u>	<u>\$ 162,239</u>

EXHIBIT H-4

**PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<b>Balance, July 1, <u>2019</u></b>	<b><u>Additions</u></b>	<b><u>Deletions</u></b>	<b>Balance, June 30, <u>2020</u></b>
<b>ASSETS</b>				
Cash	\$ 661,996	\$ 23,257,985	\$ 23,256,236	\$ 663,745
Total Assets	<u>\$ 661,996</u>	<u>\$ 23,257,985</u>	<u>\$ 23,256,236</u>	<u>\$ 663,745</u>
<b>LIABILITIES</b>				
Due to Other Funds	\$ 257,350	\$ 5,355	\$ 5,355	\$ 257,350
Employee Deposits Payable - Summer Payroll	243,857	240,282	247,657	236,482
Accrued Salaries and Wages	1,898	12,679,652	12,677,690	3,860
Payroll Deductions and Withholdings Payable	153,493	10,326,225	10,319,621	160,097
Flexible Spending Deposits	<u>5,398</u>	<u>6,471</u>	<u>5,913</u>	<u>5,956</u>
Total Liabilities	<u>\$ 661,996</u>	<u>\$ 23,257,985</u>	<u>\$ 23,256,236</u>	<u>\$ 663,745</u>



**LONG-TERM DEBT**

**CLARK PUBLIC SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<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, 2019</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2020</u>
			<u>Date</u>	<u>Amount</u>					
Refunding School Bonds	12/4/12	\$ 14,145,000							
			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%	\$ 10,160,000	-	\$ 1,010,000	\$ 9,150,000
						<u>\$ 10,160,000</u>	<u>\$ -</u>	<u>\$ 1,010,000</u>	<u>\$ 9,150,000</u>

**CLARK PUBLIC SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES AND INTERLOCAL AGREEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

<u>Purpose</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance, June 30, 2019</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance, June 30, 2020</u>
Capital Leases						
18 Xerox Copiers	\$ 201,380	0.32%	\$ 117,068		\$ 50,784	\$ 66,284
School Bus	86,226	7.06%	43,227		43,227	-
Digital Copier	15,894	3.00%	<u>2,948</u>	<u>-</u>	<u>2,948</u>	<u>-</u>
Total Capital Leases			<u>163,243</u>	<u>-</u>	<u>96,959</u>	<u>66,284</u>
Interlocal Agreement - Township of Clark						
Athletic Turf Field Improvements	375,000	-	<u>300,000</u>	<u>-</u>	<u>75,000</u>	<u>225,000</u>
Total Interlocal Agreements			<u>300,000</u>	<u>-</u>	<u>75,000</u>	<u>225,000</u>
Total Capital Leases and Interlocal Agreements			<u>\$ 463,243</u>	<u>\$ -</u>	<u>\$ 171,959</u>	<u>\$ 291,284</u>

**CLARK PUBLIC SCHOOL DISTRICT  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Local Sources					
Local Tax Levy	\$ 1,351,032	-	\$ 1,351,032	\$ 1,351,032	-
Total Revenues	<u>1,351,032</u>	<u>-</u>	<u>1,351,032</u>	<u>1,351,032</u>	<u>-</u>
<b>EXPENDITURES</b>					
Regular Debt Service					
Principal	1,010,000		1,010,000	1,010,000	
Interest on Bonds	<u>341,032</u>	<u>-</u>	<u>341,032</u>	<u>341,031</u>	<u>1</u>
Total Expenditures	<u>1,351,032</u>	<u>-</u>	<u>1,351,032</u>	<u>1,351,031</u>	<u>1</u>
Net Change in Fund Balances	-	-	-	1	1
Fund Balance, Beginning of Year	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 2</u>	<u>\$ 1</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,									
	2011 (1)	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Governmental Activities</b>										
Net Investment In Capital Assets	\$ 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	\$ 11,366,186
Restricted	162,011	362,011	382,501	1,357,029	2,009,330	1,697,976	1,407,399	1,292,183	1,294,684	1,297,185
Unrestricted	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)	(273,301)
<b>Total Governmental Activities Net Position</b>	<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>	<u>\$ 12,390,070</u>
<b>Business-Type Activities</b>										
Net Investment In Capital Assets	\$ 11,361	\$ 10,365	\$ 9,368	\$ 8,372	\$ 15,732	\$ 173,146	\$ 187,318	\$ 188,389	\$ 197,397	\$ 186,146
Unrestricted	(47,475)	39,058	161,654	256,768	549,426	831,023	1,184,767	1,427,013	1,620,068	1,783,499
<b>Total Business-Type Activities Net Position</b>	<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>	<u>\$ 1,969,645</u>
<b>District-Wide</b>										
Net Investment In Capital Assets	\$ 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	\$ 11,552,332
Restricted	162,011	362,011	382,501	1,357,029	2,009,330	1,697,976	1,407,399	1,292,183	1,294,684	1,297,185
Unrestricted	307,145	713,725	1,785,914	(4,436,227)	(4,546,488)	(5,536,382)	(4,916,347)	(2,527,621)	(720,309)	1,510,198
<b>Total District Net Position</b>	<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>	<u>\$ 14,359,715</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,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Expenses</b>										
<b>Governmental Activities</b>										
Instruction										
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	\$ 21,695,750
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	6,786,602
Other Instruction	786,089	655,131	752,665	641,301	709,751	832,791	926,423	785,113	804,764	858,700
School Sponsored Activities and Athletics	853,285	965,481	865,920	902,524	953,377	932,447	1,069,420	943,095	881,274	797,939
Support Services:										
Tuition										
Student and Instruction Related Services	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	5,010,855
General Administration Services	993,837	1,155,219	947,143	816,658	781,746	643,497	979,981	946,276	857,466	812,773
School Administrative Services	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	2,946,321
Central and Other Support Services	691,176	573,788	629,245	628,734	720,876	844,452	662,608	557,236	494,018	484,494
Plant Operations and Maintenance	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	3,356,495
Pupil Transportation Services	789,990	859,168	942,558	866,858	1,037,189	1,468,123	1,446,708	1,149,796	1,241,640	1,419,602
Interest On Long-Term Debt	730,798	697,192	642,044	592,530	552,422	511,849	473,902	438,449	418,586	371,159
Unallocated Depreciation and Amortization										
Total Governmental Activities Expenses	<u>35,945,950</u>	<u>36,731,154</u>	<u>37,435,516</u>	<u>36,895,203</u>	<u>41,937,888</u>	<u>45,053,344</u>	<u>48,472,314</u>	<u>47,682,643</u>	<u>45,586,373</u>	<u>44,540,690</u>
<b>Business-Type Activities:</b>										
Food Service										
Before and After School Program	572,364	658,295	649,233	631,893	628,176	664,892	656,503	698,774	679,286	494,544
Operating Grants And Contributions		274,635	320,664	411,722	272,655	319,264	326,787	471,833	562,809	341,842
Total Business-Type Activities Expense	<u>572,364</u>	<u>932,930</u>	<u>969,897</u>	<u>1,043,615</u>	<u>900,831</u>	<u>984,156</u>	<u>983,290</u>	<u>1,170,607</u>	<u>1,242,095</u>	<u>836,386</u>
Total District Expenses	<u>\$ 36,518,314</u>	<u>\$ 37,664,084</u>	<u>\$ 38,405,413</u>	<u>\$ 37,938,818</u>	<u>\$ 42,838,719</u>	<u>\$ 46,037,500</u>	<u>\$ 49,455,604</u>	<u>\$ 48,853,250</u>	<u>\$ 46,828,468</u>	<u>\$ 45,377,076</u>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
Charges For Services:										
Instruction	\$ 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	\$ 1,842,251
Pupil Transportation	107,892	139,320	201,733	136,081	213,134	119,066	125,198			
Operating Grants And Contributions	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	10,330,723
Capital Grants And Contributions	157,877	31,545		3,320	65,133	204,065	216,428		243,180	-
Total Governmental Activities Program Revenues	<u>5,985,487</u>	<u>7,227,195</u>	<u>8,169,074</u>	<u>7,859,646</u>	<u>11,400,181</u>	<u>12,757,406</u>	<u>15,952,913</u>	<u>16,279,257</u>	<u>13,258,794</u>	<u>12,172,974</u>
<b>Business-Type Activities:</b>										
Charges For Services										
Food Service	\$ 483,801	\$ 530,527	\$ 498,124	\$ 526,372	\$ 532,264	\$ 563,073	\$ 582,632	\$ 620,305	\$ 617,258	\$ 443,081
Before and After School Program		324,759	441,487	496,257	547,455	595,433	632,477	657,323	695,124	441,917
Operating Grants And Contributions	113,018	137,181	111,885	115,104	121,130	125,639	135,109	133,154	115,738	87,941
Capital Grants And Contributions										
Total Business Type Activities Program Revenues	<u>596,819</u>	<u>992,467</u>	<u>1,051,496</u>	<u>1,137,733</u>	<u>1,200,849</u>	<u>1,284,145</u>	<u>1,350,218</u>	<u>1,410,782</u>	<u>1,428,120</u>	<u>972,939</u>
Total District Program Revenues	<u>\$ 6,582,306</u>	<u>\$ 8,219,662</u>	<u>\$ 9,220,570</u>	<u>\$ 8,997,379</u>	<u>\$ 12,601,030</u>	<u>\$ 14,041,551</u>	<u>\$ 17,303,131</u>	<u>\$ 17,690,039</u>	<u>\$ 14,686,914</u>	<u>\$ 13,145,913</u>
<b>Net (Expense)/Revenue</b>										
<b>Governmental Activities</b>										
Total Governmental Activities Expenses	\$ (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)	\$ (32,367,716)
<b>Business-Type Activities</b>										
Total Business Type Activities Program Revenues	24,455	59,537	81,599	94,118	300,018	299,989	366,928	240,175	186,025	136,553
Total District-Wide Net Expense	<u>\$ (29,936,008)</u>	<u>\$ (29,444,422)</u>	<u>\$ (29,184,843)</u>	<u>\$ (28,941,439)</u>	<u>\$ (30,237,689)</u>	<u>\$ (31,995,949)</u>	<u>\$ (32,152,473)</u>	<u>\$ (31,163,211)</u>	<u>\$ (32,141,554)</u>	<u>\$ (32,231,163)</u>

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

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>General Revenues And Other Changes In Net Position</b>										
Governmental Activities:										
Property Taxes Levied For General Purposes	\$ 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	\$ 32,328,259
Property Taxes Levied For Debt Service	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	1,351,032
State Aid, Unrestricted	30,400	28,630	27,796	2,196	2,268	2,257	2,265	24,143	2,159	-
Investment Earnings	19,712	11,161	10,436	5,859	7,121	6,362	6,145	15,861	-	-
Miscellaneous Income	643,374	96,830	156,159	216,947	168,741	104,701	120,701	162,521	186,301	190,067
Transfers	-	(26,000)	(40,000)	-	-	-	-	-	-	-
<b>Total Governmental Activities</b>	<b>29,215,297</b>	<b>28,919,665</b>	<b>29,182,240</b>	<b>29,447,123</b>	<b>29,811,712</b>	<b>30,295,136</b>	<b>31,705,562</b>	<b>32,369,754</b>	<b>33,237,864</b>	<b>33,869,358</b>
Business-Type Activities:										
Investment Earnings	-	-	-	-	-	\$ 362	\$ 988	\$ 3,142	\$ 16,038	\$ 15,627
Transfers	-	26,000	40,000	-	-	-	-	-	-	-
<b>Total Business-Type Activities</b>	<b>-</b>	<b>26,000</b>	<b>40,000</b>	<b>-</b>	<b>-</b>	<b>362</b>	<b>988</b>	<b>3,142</b>	<b>16,038</b>	<b>15,627</b>
<b>Total District-Wide</b>	<b>\$ 29,215,297</b>	<b>\$ 28,945,665</b>	<b>\$ 29,222,240</b>	<b>\$ 29,447,123</b>	<b>\$ 29,811,712</b>	<b>\$ 30,295,498</b>	<b>\$ 31,706,550</b>	<b>\$ 32,372,896</b>	<b>\$ 33,253,902</b>	<b>\$ 33,884,985</b>
<b>Change In Net Position</b>										
Governmental Activities	\$ (745,166)	\$ (584,294)	\$ (84,202)	\$ 411,566	\$ (725,995)	\$ (2,000,802)	\$ (813,839)	\$ 966,368	\$ 910,285	\$ 1,501,642
Business-Type Activities	24,455	85,537	121,599	94,118	300,018	300,351	367,916	243,317	202,063	152,180
<b>Total District</b>	<b>\$ (720,711)</b>	<b>\$ (498,757)</b>	<b>\$ 37,397</b>	<b>\$ 505,684</b>	<b>\$ (425,977)</b>	<b>\$ (1,700,451)</b>	<b>\$ (445,923)</b>	<b>\$ 1,209,685</b>	<b>\$ 1,112,348</b>	<b>\$ 1,653,822</b>



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

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>General Fund</b>										
Reserved										
Unreserved										
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	\$ 7,748,594
Committed			231,590	55,313	65,388					339,766
Assigned	120,163	359,919	289,893	261,068	256,514	188,840	91,987	15,343	127,245	348,329
Unassigned	479,516	475,325	441,671	2,405,555	552,381	381,794	528,288	515,945	523,608	501,682
<b>Total General Fund</b>	<u>\$ 1,018,534</u>	<u>\$ 1,547,836</u>	<u>\$ 2,420,156</u>	<u>\$ 3,893,162</u>	<u>\$ 4,669,252</u>	<u>\$ 2,790,347</u>	<u>\$ 3,510,282</u>	<u>\$ 5,471,655</u>	<u>\$ 7,013,321</u>	<u>\$ 8,938,371</u>
<b>All Other Governmental Funds</b>										
Unreserved, Reported In										
Capital Projects Fund										
Debt Service Fund										
Restricted	\$ 162,011	\$ 162,011	\$ 182,501	\$ 99,959	\$ 2,260	\$ 362,313	\$ 71,736	\$ 71,736	\$ 71,737	\$ 2
<b>Total All Other Governmental Funds</b>	<u>\$ 162,011</u>	<u>\$ 162,011</u>	<u>\$ 182,501</u>	<u>\$ 99,959</u>	<u>\$ 2,260</u>	<u>\$ 362,313</u>	<u>\$ 71,736</u>	<u>\$ 71,736</u>	<u>\$ 71,737</u>	<u>\$ 2</u>

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

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

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenues</b>										
Property Tax Levy	\$ 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	\$ 33,679,291
Tuition Charges	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	1,842,251
Transportation Fees	107,892	139,320	201,733	136,081	213,134	119,066	125,198			
Interest Earnings	19,712	11,161	10,436	5,859	7,121	6,362	6,145	15,861	77,327	97,808
Miscellaneous	662,652	113,945	173,655	226,878	186,177	109,628	120,701	157,881	108,974	92,259
Intermediate Sources										
State Sources	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	7,802,429
Federal Sources	766,035	810,721	714,018	631,035	638,565	709,566	690,851	556,198	642,237	827,510
<b>Total Revenue</b>	<b>35,200,784</b>	<b>36,011,476</b>	<b>37,394,314</b>	<b>37,306,769</b>	<b>37,812,727</b>	<b>38,352,386</b>	<b>40,330,999</b>	<b>41,167,799</b>	<b>42,637,065</b>	<b>44,341,548</b>
<b>Expenditures</b>										
Instruction										
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	18,490,013
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	6,600,250
Other Instruction	785,569	651,649	754,629	641,390	614,062	703,821	709,702	609,599	716,012	817,635
School Sponsored Activities and Athletics	852,518	960,996	867,820	902,620	956,124	917,527	1,014,810	869,592	858,767	824,232
Support Services										
Tuition										
Student and Instruction Related Services	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	4,876,464
General Administration Services	993,380	1,152,338	815,196	816,702	782,594	638,992	951,709	896,437	849,109	828,124
School Administrative Services	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	2,807,010
Central and Other Support Services	690,573	570,854	630,646	628,807	723,102	832,222	620,155	497,186	477,494	498,198
Plant Operations And Maintenance	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	3,339,298
Student Transportation Services	789,795	858,139	943,053	866,879	1,037,589	1,435,137	1,388,859	1,128,489	1,220,130	1,424,218
Employee Benefits										
On-Behalf TPAF and Pension Contributions										
Cost of Issuance										
Capital Outlay	727,930	170,923	886,103	281,079	257,432	854,570	511,392	499,599	514,348	453,063
Debt Service:										
Principal	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	1,181,959
Interest And Other Charges	735,577	702,402	626,133	556,875	517,822	476,978	443,083	405,432	389,092	347,769
Cost of Issuance			133,038							
Advanced Refunding Escrow			1,298,208	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>35,352,678</b>	<b>35,456,174</b>	<b>38,582,553</b>	<b>35,916,304</b>	<b>37,479,540</b>	<b>39,871,238</b>	<b>39,901,641</b>	<b>39,494,032</b>	<b>41,470,398</b>	<b>42,488,233</b>
Excess (Deficiency) Of Revenues										
Over (Under) Expenditures	(151,894)	555,302	(1,188,239)	1,390,465	333,187	(1,518,852)	429,358	1,673,767	1,166,667	1,853,315
<b>Other Financing Sources (Uses)</b>										
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	651,624			266,948						71,736
Transfers Out	(651,624)	(26,000)	(40,000)	(266,948)						(71,736)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(26,000)</b>	<b>2,081,049</b>	<b>-</b>	<b>345,204</b>	<b>-</b>	<b>-</b>	<b>287,606</b>	<b>375,000</b>	<b>-</b>
<b>Net Change In Fund Balances</b>	<b>\$ (151,894)</b>	<b>\$ 529,302</b>	<b>\$ 892,810</b>	<b>\$ 1,390,465</b>	<b>\$ 678,391</b>	<b>\$ (1,518,852)</b>	<b>\$ 429,358</b>	<b>\$ 1,961,373</b>	<b>\$ 1,541,667</b>	<b>\$ 1,853,315</b>
Debt Service As A Percentage Of										
Noncapital Expenditures	4.49%	4.47%	8.31%	4.43%	4.24%	4.29%	4.17%	3.96%	3.75%	3.64%

\* Noncapital expenditures are total expenditures less capital outlay.

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

<b>Fiscal Year Ended June 30,</b>	<b>Tuition</b>	<b>Transportation Fees</b>	<b>Interest on Investments</b>	<b>Preschool/Before After School Program Fees</b>	<b>Rentals</b>	<b>E-Rate</b>	<b>Gate Receipts</b>	<b>Reimbursements</b>	<b>Miscellaneous</b>	<b>Total</b>
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
2020	1,842,251		97,808		15,267				76,992	2,032,318

**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
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
2020	6,831,600	604,990,800			100,628,100	20,609,200	32,912,900	765,972,600	323,703	766,296,303	2,839,186,006	4.441

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		
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
2020	4.441	2.427	1.877		8.745

Source: Municipal Tax Assessor

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

Taxpayer	2020		2011	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Clark Developers LLC	\$ 17,100,000	0.022315128		
Clark Commons	14,927,000	0.01947941		
100 Walnut LLC	8,000,000	0.010439826		
L'Oreal USA S/D Inc.	5,840,800	0.007622117		
Clark 1709 LLC	5,647,500	0.007369865		
Target Corp.	5,443,200	0.007103258	NOT AVAILABLE	
Lexington Village	4,707,800	0.006143577		
Holiday Clark LLC	4,707,800	0.006143577		
Mastertaste Inc.	3,882,200	0.005066187		
Halsted Realty, LLC	3,378,100	0.004408347		
	<u>\$ 73,634,400</u>	<u>9.61%</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	
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%	-
2020	32,679,291	33,679,291	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			
2011	\$ 17,128,000		\$ 17,128,000	14,763	\$ 1,160
2012	16,253,000		16,253,000	14,817	1,097
2013	15,820,000	\$ 559,307	16,379,307	14,880	1,101
2014	14,930,000	427,449	15,357,449	14,961	1,026
2015	14,005,000	635,637	14,640,637	15,125	968
2016	13,060,000	385,270	13,445,270	15,357	876
2017	12,110,000	136,438	12,246,438	15,751	778
2018	11,135,000	258,484	11,393,484	15,856	719
2019	10,160,000	463,243	10,623,243	15,898	668
2020	9,150,000	291,284	9,441,284	15,911 E	593

Source: District Records

(E) - Estimate



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

General Bonded Debt Outstanding

Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
2011	\$ 17,128,000	-	\$ 17,128,000	2.35%	\$ 1,160
2012	16,253,000	-	16,253,000	2.23%	1,097
2013	15,820,000	-	15,820,000	2.17%	1,063
2014	14,930,000	-	14,930,000	2.05%	998
2015	14,005,000	-	14,005,000	1.90%	926
2016	13,060,000	-	13,060,000	1.74%	850
2017	12,110,000	-	12,110,000	1.60%	769
2018	11,135,000	-	11,135,000	1.46%	702
2019	10,160,000	-	10,160,000	1.33%	639
2020	9,150,000	-	9,150,000	1.19%	575

Source: District Records

**CLARK PUBLIC SCHOOL DISTRICT  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2019  
(UNAUDITED)**

<b>MUNICIPAL DEBT</b>	<u>Total Debt</u>
Clark Public School District (As of June 30, 2020)	\$ 9,150,000
Township of Clark - Utility (1)	300,000
Township of Clark (1)	<u>26,758,000</u>
Total Direct Debt	<u>36,208,000</u>
 <b>OVERLAPPING DEBT APPORTIONED TO THE MUNICIPALITY</b>	
Union County:	
County of Union (A)	25,953,833
Rahway Valley Sewerage (B)	<u>13,792,069</u>
Total Overlapping Debt	<u>39,745,902</u>
Total Direct and Overlapping Outstanding Debt	<u><u>\$ 75,953,902</u></u>

- (A) The debt for this entity was apportioned by dividing the Municipality's 2019 equalized value by the total 2019 equalized value for Union County  
 (B) Overlapping Debt was computed based upon municipal flow to the Authority

**Sources:**

- (1) Township of Clark 2019 Annual Debt Statement  
 (2) Union County 2019 Annual Debt Statement

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

Equalized valuation basis	
2019	\$ 2,832,051,130
2018	2,728,191,261
2017	<u>2,676,856,031</u>
	<u>\$ 8,237,098,422</u>
Average Equalized valuation of taxable property	\$ 2,745,699,474
Debt Limit (4% of average equalization value)	\$ 109,827,979
Total Net Debt Applicable to Limit	<u>9,150,000</u>
Legal Debt Margin	<u>\$ 100,677,979</u>

	Fiscal Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	\$ 105,960,204	\$ 102,295,500	\$ 99,524,920	\$ 97,181,669	\$ 95,016,873	\$ 95,913,079	\$ 99,468,015	\$ 103,619,667	\$ 106,958,996	\$ 109,827,979
Total net debt applicable to limit	<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>	<u>9,150,000</u>
Legal debt margin	<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>\$ 96,798,996</u>	<u>\$ 100,677,979</u>
Total net debt applicable to the limit as a percentage of debt limit	16.16%	15.89%	15.90%	15.36%	14.74%	13.62%	12.17%	10.75%	9.50%	8.33%

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
2011	14,763	\$ 52,990	4.5%
2012	14,817	54,873	4.5%
2013	14,880	55,681	6.1%
2014	14,961	58,571	5.5%
2015	15,125	60,584	4.8%
2016	15,357	61,624	4.1%
2017	15,751	64,413	3.8%
2018	15,856	68,262	3.3%
2019	15,898	N/A	2.8%
2020	15,911 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	2020		2011	
	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>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>2020</u>
Instruction										
Regular	184	162	164	156	155	156	158	160	155	154
Special education	51	51	53	53	44	45	43	48	49	49
Support Services:										
Student & instruction related services	24	52	68	64	78	75	99	71	70	67
General administrative services	3	3	3	2	3	4	3	4	3	3
School administrative services	14	16	16	16	14	14	13	16	15	13
Business administrative services	5	6	5	6	6	6	6	5	4	5
Plant operations and maintenance	6	11	11	10	9	10	11	8	10	8
Total	<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>	<u>299</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
2011	2,359	\$ 33,069,171	\$ 14,018	-4.71%	206.0	1:23	1:24	N/A	2,333	2,234	-0.04%	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%
2020	2,200	40,505,442	18,412	6.65%	203.0	1:15	1:14	1:09	2,200	2,150	-1.03%	97.73%

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>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>2020</u>
<b><u>District Building</u></b>										
<b><u>Elementary</u></b>										
Valley Road Elementary School										
Square Feet	40,612	40,612	40,612	40,612	40,612	40,612	40,612	40,612	40,612	40,612
Enrollment	427	436	410	446	440	445	452	460	482	482
Frank K. Hehny 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	520	501	505	526	533	540	540	563	545	545
<b><u>Middle School</u></b>										
Carl H. Kumpf										
Square Feet	74,812	74,812	74,812	74,812	74,812	74,812	74,812	74,812	74,812	74,812
Enrollment	533	531	536	527	513	499	505	482	505	505
<b><u>High School</u></b>										
Arthur L. Johnson										
Square Feet	192,825	192,825	192,825	192,825	192,825	192,825	192,825	192,825	192,825	192,825
Enrollment	815	809	816	798	795	774	728	671	675	675

Number of Schools at June 30, 2020

    Elementary = 2

    Middle School = 1

    High School = 1

**Source:** District records



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

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

<u>School Facilities</u>	<u>Project # (s)</u>	<u>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>2020</u>
Frank K. Hehnly Elementary	N/A	\$ 98,671	\$ 174,656	\$ 90,196	\$ 116,835	\$ 101,436	\$ 113,744	\$ 65,655	\$ 48,752	\$ 59,681	\$ 63,782
Valley Road Elementary	N/A	88,076	151,550	80,512	121,642	90,545	101,532	55,554	41,251	53,273	56,933
Carl H. Kumpf M.S.	N/A	162,247	149,313	148,312	121,471	166,795	187,033	106,058	78,753	98,135	104,878
Arthur L. Johnson H.S.	N/A	418,187	366,724	382,268	298,960	429,908	482,071	277,770	322,723	252,938	270,318
Other Facilities	N/A	-	-	-	-	-	-	-	-	-	-
Total School Facilities		<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>	<u>\$ 495,911</u>

**CLARK PUBLIC SCHOOL DISTRICT  
INSURANCE SCHEDULE  
AS OF JUNE 30, 2020  
(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	300,000	1,000
	Board Secretary/Business Administrator	300,000	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  
JULIUS B. CONSONI, CPA, PSA  
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
RALPH M. PICONE, III, CPA, RMA, PSA  
DONNA L. JAPHET, CPA, PSA  
DEBRA GOLLE, CPA  
MARK SACO, CPA  
ROBERT LERCH, CPA  
CHRIS SOHN, CPA  
CHRISTOPHER M. VINCI, 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, 2020 and the related notes to the financial statements, which collectively comprise the Clark Public School District's basic financial statements and have issued our report thereon dated January 7, 2021.

**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 a certain matter that is not required to be reported under Government Auditing Standards that we reported to management of the Clark Public School District in a separate report entitled, “Auditor’s Management Report on Administrative Findings – Financial, Compliance and Performance” dated January 7, 2021.

**Purpose of this Report**

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

*Lerch Vinci + Higgins, LLP*  
LERCH, VINCI & HIGGINS, LLP  
Certified Public Accountants  
Public School Accountants

*Andrew Parente*  
Andrew D. Parente  
Public School Accountant  
PSA Number CS00224600

Fair Lawn, New Jersey  
January 7, 2021



# 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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DEBRA GOLLE, CPA  
MARK SACO, CPA  
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 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

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 the Clark Public School District's major federal and state programs for the fiscal year ended June 30, 2020. 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 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, 2020.

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

**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**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Clark Public School District, as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated January 7, 2021, 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  
January 7, 2021



**CLARK PUBLIC SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2019			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, 2020			MEMO GAAP Receivable
						(Accounts Receivable	Unearned Revenue	Due to Grantor									(Account Receivable)	Unearned Revenue	Due to Grantor	
<b>U.S. Department of Human Services</b>																				
<b>Passed-through State Department of Education</b>																				
General Fund																				
Medicaid Assistance	93.778	2005NJ5MAP	N/A	7/1/19-6/30/20	\$ 11,779	-	-	-	-	-	\$ 11,779	\$ 11,779	-	-	-	-	-	-	-	*
Total General Fund						-	-	-	-	-	11,779	11,779	-	-	-	-	-	-	-	*
<b>U.S. Department of Agriculture</b>																				
<b>Passed-through State Department of Education</b>																				
<b>National School Lunch Program</b>																				
Cash Assistance	10.555	2011NJ304N1099	N/A	7/1/19-6/30/20	45,018						49,138	49,451								*
Cash Assistance	10.555	1911NJ304N1099	N/A	7/1/18-6/30/19	67,753	\$ (4,433)					4,433									*
Non-Cash Assistance (Food Distribution)	10.555	2011NJ304N1099	N/A	7/1/19-6/30/20	36,964						36,963	30,702								*
Non-Cash Assistance (Food Distribution)	10.555	1911NJ304N1099	N/A	7/1/18-6/30/19	41,056		\$ 2,539					2,539								*
Total U.S. Department of Agriculture/Child Nutrition Cluster						(4,433)	2,539				102,313	94,471								*
<b>U.S. Department of Education</b>																				
<b>Passed-through State Department of Education</b>																				
<b>Special Revenue Fund</b>																				
IDEA Part B, Basic Regular	84.027	H027A190100	FT-20	7/1/19-9/30/20	519,354				\$ (79,849)	\$ 79,849	480,132	557,550								*
IDEA Part B, Basic Regular	84.027	H027A180100	FT-19	7/1/18-9/30/19	528,212	(85,849)	79,849		79,849	(79,849)	6,000									*
IDEA Preschool	84.173	H173A190114	PS-20	7/1/19-9/30/20	22,111				(1,350)	1,350	18,426	18,426								*
IDEA Preschool	84.173	H173A180114	PS-19	7/1/18-9/30/19	21,988	(1,350)	1,350		1,350	(1,350)										*
Subtotal Special Education Cluster(IDEA)						(87,199)	81,199				504,558	575,976								*
<b>ESEA</b>																				
Title I	84.010	S010A180030	ESEA-20	7/1/19-9/30/20	156,279				(857)	857	153,145	153,145								*
Title I	84.010	S010A170030	ESEA-19	7/1/18-6/30/19	64,840	(65,401)	4,374		857	(857)	64,544		\$ 3,517	\$ (3,517)						*
Title II A	84.367A	S367A190029	ESEA-20	7/1/19-9/30/20	39,797				(16,761)	16,761	2,900	7,383								*
Title II A	84.367A	S367A180029	ESEA-19	7/1/18-6/30/19	33,433	(24,878)	16,761		16,761	(16,761)	8,117									*
Title II A	84.367A	S367A180029	ESEA-18	7/1/17-6/30/18	33,347		\$ 2,187													*
Title III, Immigrant	84.365	S365A190030	ESEA-20	7/1/19-9/30/20	2,132						2,132	2,132								*
Title III, Immigrant	84.365	S365A180030	ESEA-17	7/1/16-6/30/17	3,790			223							\$ 223					*
Title IV	84.424	S424A190031	ESEA-20	7/1/19-9/30/20	10,000				(5,764)	5,764	7,680	8,520								*
Title IV	84.424	S424A180031	ESEA-19	7/1/18-6/30/19	10,000	(18,108)	5,764		5,764	(5,764)	12,344									*
Workforce Investment - WIA	17.259		WIA--16	7/1/15-6/30/16	30,000	(2,113)	4,100													*
Workforce Investment - WIA	17.259		WIA--15	7/1/14-6/30/15	30,000		2,456													*
Total U.S. Department of Education						(197,699)	114,654	2,410			755,420	747,156	3,517	(3,517)		223	(189,839)	111,541	5,704	*
Total Federal Awards						\$ (202,132)	\$ 117,193	\$ 2,410	\$ -	\$ -	\$ 857,733	\$ 841,627	\$ 3,517	\$ (3,517)	\$ -	\$ 223	\$ (190,152)	\$ 117,802	\$ 5,704	\$ (83,054)

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, 2020

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2019			Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Accounts Receivable Adjustment	Balance, June 30, 2020			Memo	
				(Accounts Receivable)	Unearned Revenue	Due to Grantor					(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
<b>State Department of Education</b>															
General Fund:															
Special Education Aid	20-495-034-5120-089	7/1/19-6/30/20	\$ 1,121,208				\$ 1,018,443	\$ 1,121,208			\$ (102,765)		*	\$ 1,121,208	
Special Education Aid	19-495-034-5120-089	7/1/18-6/30/19	976,707	\$ (88,616)			88,616						*	-	
Security Aid	20-495-034-5120-084	7/1/19-6/30/20	55,181				50,123	55,181			(5,058)		*	55,181	
Security Aid	19-495-034-5120-084	7/1/18-6/30/19	55,181	(5,007)			5,007						*	-	
Total State Aid Public Cluster				(93,623)			1,162,189	1,176,389			(107,823)		*	1,176,389	
Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	256,592				233,072	256,592			(23,520)		*	256,592	
Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	256,592	(23,280)			23,280						*	-	
Nonpublic School Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	24,940	(24,940)			24,940						*	-	
Total State Aid Transportation Cluster				(48,220)			281,292	256,592			(23,520)		*	256,592	
Extraordinary Aid	20-495-034-5120-044	7/1/19-6/30/20	278,739					278,739			(278,739)		*	278,739	
Extraordinary Aid	19-495-034-5120-044	7/1/18-6/30/19	214,175	(214,175)			214,175						*	-	
Reimbursed TPAF Social Security Contribution	20-495-034-5094-003	7/1/19-6/30/20	1,123,643				1,067,235	1,123,643			(56,408)		\$	(56,408) 1,123,643	
Reimbursed TPAF Social Security Contribution	19-495-034-5094-003	7/1/18-6/30/19	1,135,758	(56,462)			56,462						*	-	
On-Behalf TPAF Pension Benefit Contribution	20-495-034-5094-002	7/1/19-6/30/20	3,247,757				3,247,757	3,247,757					*	3,247,757	
On-Behalf TPAF Pension NCGI Premium	20-495-034-5094-004	7/1/19-6/30/20	58,212				58,212	58,212					*	58,212	
On-Behalf TPAF Long-Term Disability Ins.	20-495-034-5094-004	7/1/19-6/30/20	2,273				2,273	2,273					*	2,273	
On-Behalf TPAF Post Retirement Medical Contribution	20-495-034-5094-001	7/1/19-6/30/20	1,226,454				1,226,454	1,226,454					*	1,226,454	
Total General Fund				(412,480)			7,316,049	7,370,059			(466,490)		*	(56,408) 7,370,059	
Special Revenue Fund													*	-	
New Jersey Non-Public Aid													*	-	
Auxiliary Services													*	-	
Compensatory Education	20-100-034-5120-067	7/1/19-6/30/20	209,612				187,346	209,533			(22,266)	\$	79	(22,266) 209,533	
Transportation	20-100-034-5120-068	7/1/19-6/30/20	16,255				14,630	16,255			(1,625)		*	(1,625) 16,255	
Home Instruction	20-100-034-5120-067	7/1/19-6/30/20	-				-	845			(845)		*	(845) 845	
Home Instruction	19-100-034-5120-067	7/1/18-6/30/19	2,813	(2,813)			2,813						*	-	
Total Non Public Aux. Service Aid (Chap. 192) Cluster				(2,813)			204,789	226,633			(24,736)		79	(24,736) 226,633	
Handicapped Services													*	-	
Examination and Classification	20-100-034-5120-066	7/1/19-6/30/20	80,433				72,390	36,435			(8,043)		*	(8,043) 36,435	
Examination and Classification	19-100-034-5120-066	7/1/18-6/30/19	38,238										*	-	
Corrective Speech	20-100-034-5120-066	7/1/19-6/30/20	26,431				23,788	25,975			(2,643)		*	(2,643) 25,975	
Corrective Speech	19-100-034-5120-066	7/1/18-6/30/19	28,570			\$	4,465		\$	4,465			*	-	
Supplementary Instruction	20-100-034-5120-066	7/1/19-6/30/20	64,758				58,282	43,470			(6,476)		*	(6,476) 43,470	
Supplementary Instruction	19-100-034-5120-066	7/1/18-6/30/19	49,164				394						*	-	
Total Non Public Hand. Service Aid (Chap. 193) Cluster							4,859	154,460			(17,162)			(17,162) 105,880	
Textbook Aid	20-100-034-5120-064	7/1/19-6/30/20	30,204				30,204	29,519					*	29,519	
Textbook Aid	19-100-034-5120-064	7/1/18-6/30/19	33,482			1,375			1,375				*	-	
Nursing Services	20-100-034-5120-070	7/1/19-6/30/20	55,581				55,581	50,040					*	50,040	
Nursing Services	19-100-034-5120-070	7/1/18-6/30/19	60,819			6,693			6,693				*	-	
Technology Aid	20-100-034-5120-373	7/1/19-6/30/20	20,628				20,628	13,362					*	13,362	
Technology Aid	19-100-034-5120-373	7/1/18-6/30/19	22,572			1,260			1,260				*	-	
Security	20-100-034-5120-509	7/1/19-6/30/20	85,950				85,950	85,950					*	85,950	
Security	19-100-034-5120-509	7/1/18-6/30/19	94,050						73,600				*	-	
Total Special Revenue Fund				(2,813)			87,787	551,612	511,384	87,787	(41,898)		*	(41,898) 511,384	

**CLARK PUBLIC SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2019			Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	Accounts Receivable Adjustment	Balance, June 30, 2020			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)	20-100-010-3350-023	7/1/19-6/30/20	\$ 4,879				\$ 3,853	\$ 5,249			\$ (1,396)			\$ (1,396)	\$ 5,249
National School Lunch (State Share)	19-100-010-3350-023	7/1/18-6/30/19	5,494	\$ (370)	-	-	370	-	-	-	-	-	-	-	-
Total Enterprise Fund			5,554	(370)	-	-	4,223	5,249	-	-	(1,396)	-	-	(1,396)	5,249
<b>Total State Financial Assistance Subject to Single Audit Determination</b>				(415,663)		\$ 87,787	7,871,884	7,886,692	\$ 87,787	-	(509,784)	-	\$ 79,313	(99,702)	7,886,692
<b>State Financial Assistance Not Subject to Single Audit Determination (General Fund)</b>															
On-Behalf TPAF Pension Benefit Contribution	20-495-034-5094-002	7/1/19-6/30/20	3,247,757				(3,247,757)	(3,247,757)							(3,247,757)
On-Behalf TPAF Pension NCGI Premium	20-495-034-5094-004	7/1/19-6/30/20	58,212				(58,212)	(58,212)							(58,212)
On-Behalf TPAF Long-Term Disability Ins.	20-495-034-5094-004	7/1/19-6/30/20	2,273				(2,273)	(2,273)							(2,273)
On-Behalf TPAF Post Retirement Medical Contribution	20-495-034-5094-001	7/1/19-6/30/20	1,226,454				(1,226,454)	(1,226,454)							(1,226,454)
<b>Total State Financial Assistance Utilized for Calculation to Determine Major Programs</b>				\$ (415,663)	\$ -	\$ 87,787	\$ 3,337,188	\$ 3,351,996	\$ 87,787	\$ -	\$ (509,784)	\$ -	\$ 79,313	\$ (99,702)	\$ 3,351,996

**CLARK PUBLIC SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**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 \$79,014 for the general fund and an increase of \$68,575 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	\$ 11,779	\$ 7,291,045	\$ 7,302,824
Special Revenue Fund	815,731	511,384	1,327,115
Food Service Fund	<u>82,692</u>	<u>5,249</u>	<u>87,941</u>
Total Financial Assistance	<u>\$ 910,202</u>	<u>\$ 7,807,678</u>	<u>\$ 8,717,880</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, 2020**

**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 \$1,123,643 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, 2020. The amount reported as TPAF Pension System Contributions in the amount of \$3,305,969, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,226,454 and TPAF Long-Term Disability Insurance in the amount of \$2,273 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2020.

**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, 2020**

*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>H027A190100</u>	<u>IDEA Part B Basic</u>
<u>84.173</u>	<u>H173A190114</u>	<u>IDEA Preschool</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, 2020**

*Part I – Summary of Auditor’s Results*

**State Awards Section**

Auditee qualified as low-risk auditee?  yes  no

Internal control over major programs:

1) Material weakness(es) identified?  yes  no

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

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

Any audit findings disclosed that are required to be reported in accordance with N.J. Circular Letter 15-08?  yes  no

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
<u>20-495-034-5120-089</u>	<u>Special Education Aid</u>
<u>20-495-034-5120-084</u>	<u>Security Aid</u>
<u>20-495-034-5120-044</u>	<u>Extraordinary Aid</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

**CLARK PUBLIC SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

*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, 2020

*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, 2020

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

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

**CURRENT YEAR STATE AWARDS**

There are none.

CLARK PUBLIC SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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 2019-001**

**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.

**Status:**

Corrective action has been taken.