

**CLARK PUBLIC
SCHOOL DISTRICT**

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

**Comprehensive Annual Financial Report
For The Fiscal Year Ended June 30, 2015**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

Clark Public School District

Clark, New Jersey

For The Fiscal Year Ended June 30, 2015

Prepared by

**Clark Public School District
Finance Department**

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INTRODUCTORY SECTION



Clark Public Schools
365 Westfield Avenue • Clark, New Jersey 07066

Edward Grande
Interim Superintendent of Schools
Tel: (732)574-9600 x3392
Fax: (732)574-1456
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R. Paul Vizzuso
Business Admin./Board Secretary
Tel: (732)574-9600 x3354
Fax: (732)574-1456
Email: pvizzuso@clarkschools.org

December 21, 2015

Honorable President and
Members of the Board of Education
Clark Board of Education
County of Union, New Jersey

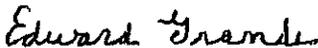
Dear Board Members:

The comprehensive annual financial report of the Clark School District ("District") for the fiscal year ended June 30, 2015 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 the Single Audit Act of 1984, the U.S. Office of Management and Budget ("OMB") Circular A-133, Audits of States, Local Governments and non-Profit Organizations, and the State Treasury OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid Payments. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

Respectfully submitted,



Edward Grande
Interim Superintendent of Schools

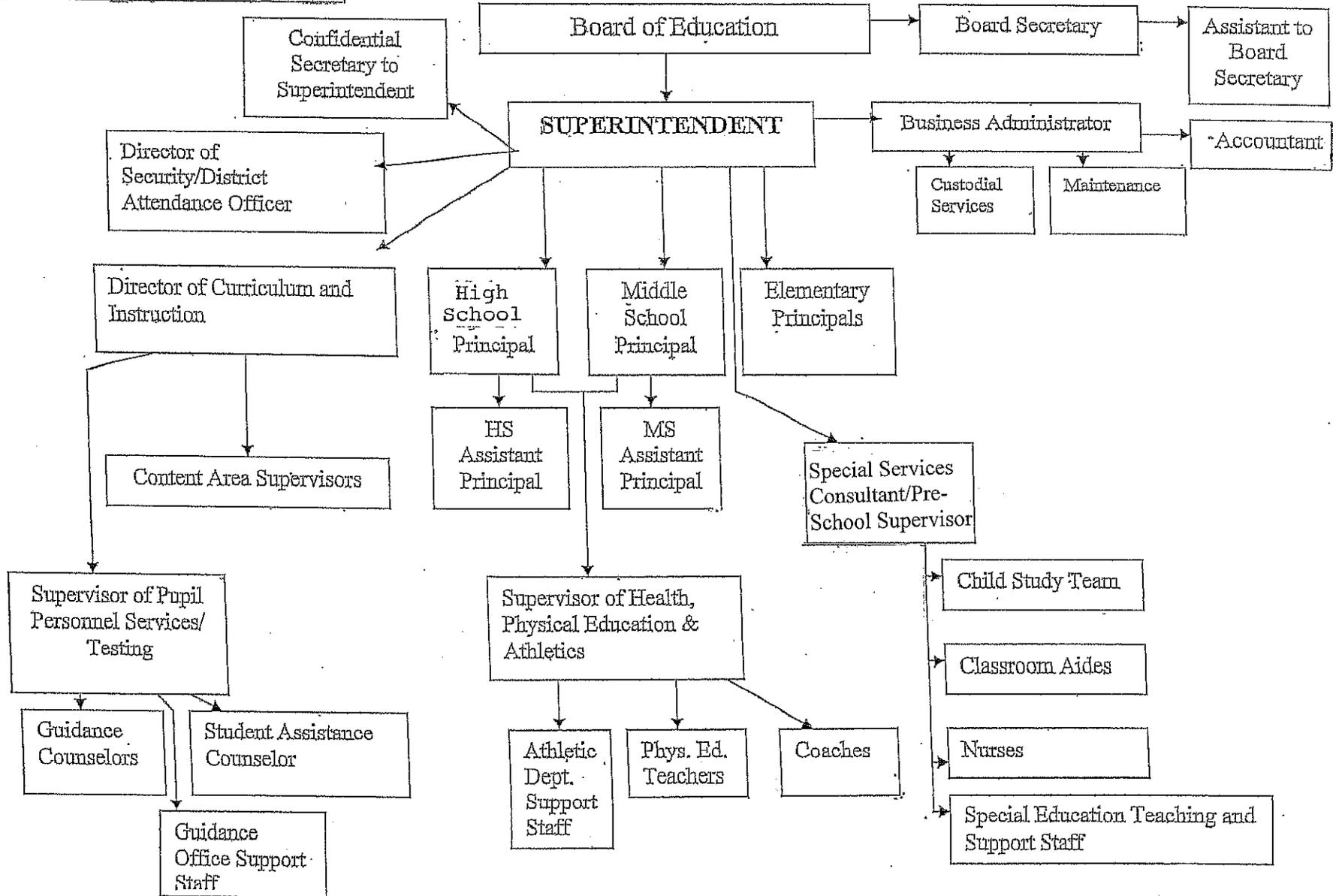


R. Paul Vizzuso
Business Administrator/Board Secretary

A PROGRESSIVE EDUCATIONAL COMMUNITY

CLARK PUBLIC SCHOOLS
Clark, New Jersey

Organizational Chart



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

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

**ROSTER OF OFFICIALS
JUNE 30, 2015**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Lorraine J. Aklonis	2016
Steven Donkersloot	2017
Carmen Brocato, President	2017
Laura Caliguire	2017
Jill Curran, Vice President	2015
Christine Guerriero, Garwood Representative	2017
Thomas Lewis	2016
Sheri Sandler	2016
Robert Smorol	2015
Henry R. Varriano	2015

Other Officials

Edward Grande, Interim Superintendent of Schools

Mark A. Kenney, Interim Business Administrator/Board Secretary

Marie Sarosy, Special Services Consultant

Thomas M. Angelo, Treasurer of School Monies

**CLARK PUBLIC SCHOOL DISTRICT
CONSULTANTS AND ADVISORS**

Audit Firm

Lerch, Vinci & Higgins, LLP
17-17 Route 208
Fair Lawn, NJ 07410

Attorney

Weiner Lesniak, LLP
Attorneys at Law
629 Parsippany Road
PO Box 0438
Parsippany, NJ 07054

Official Depositories

Columbia Bank
1100 Raritan Road
Clark, NJ 07066

Heath Insurance Broker

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

Risk Insurance Broker

The Barclay Group
202 Broad Street
PO Box 244
Riverton, NJ 08077

Architect

Parette Somjen Architects
439 Route 46 East
Rockaway, NJ 07866

FINANCIAL SECTION

LVH LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

DEBRA GOLLE, CPA
CINDY JANACEK, CPA, RMA
MARK SACO, CPA
SHERYL M. NICOLosi, CPA
KATHLEEN WANG, CPA
ROBERT AMPONSAH, CPA

ELIZABETH A. SHICK, CPA, RMA, PSA
ANDREW PARENTE, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
DEBORAH K. LERCH, CPA, PSA
RALPH M. PICONE, CPA, RMA, PSA

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Clark Public School District as of and for the fiscal year ended June 30, 2015 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Clark Public School District as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Adoption of New Accounting Pronouncement

As discussed in Note 1 to the financial statements, in the fiscal year ended June 30, 2015, the Clark Public School District adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clark Public School District's basic financial statements. The introductory section, combining fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards as required by U.S. Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Clark Public School District.

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

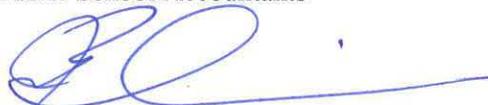
The introductory section, financial schedules and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated December 21, 2015 on our consideration of the Clark Public School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Clark Public School District's internal control over financial reporting and compliance.

Lerch, Vinci & Higgins, LLP

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



Jeffrey C. Bliss
Public School Accountant
PSA Number CS00932

Fair Lawn, New Jersey
December 21, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

CLARK PUBLIC SCHOOL DISTRICT

Management Discussion and Analysis

Fiscal Year Ended June 30, 2015

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, 2015. 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 2014-2015 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 \$14,051,237 (Net Position).
- Overall District revenues were \$42,412,742 and were \$425,977 less than overall District expenses of \$42,838,719. General revenues accounted for \$29,811,712 or 70% of all revenues. Program specific revenues in the form of charges for services, grants and contributions account for \$12,601,030 or 30% of total revenues.
- The School District had \$41,937,888 in expenses for governmental activities; only \$11,400,181 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$29,811,712 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 \$4,671,512. Of that amount, \$552,381 (12%) is available for spending at the District's discretion (unassigned fund balance).
- The General Fund unassigned fund balance was \$552,381 at June 30, 2015, an increase of \$50,675 when compared with the beginning unassigned fund balance at July 1, 2014 of \$501,706.
- The General Fund unassigned budgetary basis fund balance at June 30, 2015 was \$710,702, which represents an increase of \$48,074 compared to the ending unassigned budgetary basis fund balance at June 30, 2014 of \$662,628.
- The District's total outstanding long-term liabilities decreased by \$1,402,227 during the current fiscal year.

CLARK PUBLIC SCHOOL DISTRICT

Management Discussion and Analysis

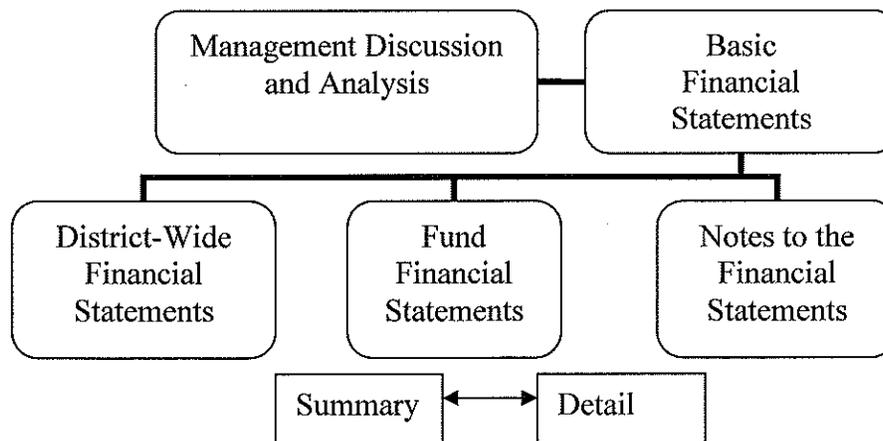
Fiscal Year Ended June 30, 2015

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, 2015

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

Major Features of the District-Wide and Fund Financial Statements

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

CLARK PUBLIC SCHOOL DISTRICT

Management Discussion and Analysis

Fiscal Year Ended June 30, 2015

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, 2015

The District has three kinds of funds:

- *Governmental funds* – Most of the District’s basic services are included in governmental funds, which generally focus on (1) how *cash and other financial resources* that can readily be converted to cash, flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District’s programs. Because this information does not encompass the additional long-term focus of the District-wide statements, we provide additional information at the bottom of the governmental funds statements that explain the relationship (or differences) between them.
- *Proprietary funds* – Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide statements.
 - *Enterprise Funds* – These funds are established to account for operations that are financed and operated in a manner similar to private business enterprises. The state intent is that costs of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges. The District currently has two enterprise funds for its food service operations and its before and after school child care programs.
- *Fiduciary funds* – The District is the trustee, or *fiduciary*, for assets that belong to others such as scholarship funds, donations for a science observatory, contributions for various organizations, payroll agency funds, and student activity funds. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District’s fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the District’s government-wide financial statements because the District cannot use these assets to finance its operations.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found following the financial statements.

CLARK PUBLIC SCHOOL DISTRICT

Management Discussion and Analysis

Fiscal Year Ended June 30, 2015

Other Information

In addition to the financial statements and accompanying notes, which together comprise the basic financial statements, this report also presents certain *required supplementary information* concerning the District's budget process. The District adopts an annual revenue and expenditure budget for the general, special revenue and debt service funds. Budgetary comparison schedules have been provided for the general and special revenue funds as required supplementary information. Information regarding the District's employee retirement systems and pension plans has also been provided as required supplementary information. The required supplementary information can be found following the notes to the financial statements.

Combining statements and schedules are presented immediately following the major budgetary comparisons and pension information.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The district's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

The following provides a summary of the school district's net position for 2015 and 2014.

Net Position. The District's *combined* net position was \$14,051,237 on June 30, 2015 and \$14,477,214 on June 30, 2014.

CLARK PUBLIC SCHOOL DISTRICT

Management Discussion and Analysis

Fiscal Year Ended June 30, 2015

Net Position as of June 30, 2015 and 2014

	Governmental Types		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Assets						
Current and other assets	\$ 5,032,647	\$ 5,083,261	\$ 594,133	\$ 277,311	\$ 5,626,780	\$ 5,360,572
Capital assets, net	<u>30,606,435</u>	<u>32,588,215</u>	<u>15,732</u>	<u>8,372</u>	<u>30,622,167</u>	<u>32,596,587</u>
Total Assets	<u>35,639,082</u>	<u>37,671,476</u>	<u>609,865</u>	<u>285,683</u>	<u>36,248,947</u>	<u>37,957,159</u>
Deferred Outflows of Resources	<u>1,146,787</u>	<u>1,089,757</u>	<u>-</u>	<u>-</u>	<u>1,146,787</u>	<u>1,089,757</u>
Total Assets and Deferred Outflows of Resources	<u>36,785,869</u>	<u>38,761,233</u>	<u>609,865</u>	<u>285,683</u>	<u>37,395,734</u>	<u>39,046,916</u>
Liabilities						
Non-Current liabilities	22,139,045	23,541,272			22,139,045	23,541,272
Other liabilities	<u>404,475</u>	<u>1,007,887</u>	<u>44,467</u>	<u>20,477</u>	<u>448,942</u>	<u>1,028,364</u>
Total Liabilities	<u>22,543,520</u>	<u>24,549,159</u>	<u>44,467</u>	<u>20,477</u>	<u>22,587,987</u>	<u>24,569,636</u>
Deferred Inflows of Resources	<u>756,270</u>	<u>-</u>	<u>240</u>	<u>66</u>	<u>756,510</u>	<u>66</u>
Total Liabilities and Deferred Inflows of Resources	<u>23,299,790</u>	<u>24,549,159</u>	<u>44,707</u>	<u>20,543</u>	<u>23,344,497</u>	<u>24,569,702</u>
Net Position						
Net Investment in capital assets	16,572,663	17,548,040	15,732	8,372	16,588,395	17,556,412
Restricted	2,009,330	1,357,029			2,009,330	1,357,029
Unrestricted	<u>(5,095,914)</u>	<u>(4,692,995)</u>	<u>549,426</u>	<u>256,768</u>	<u>(4,546,488)</u>	<u>(4,436,227)</u>
Total Net Position	<u>\$ 13,486,079</u>	<u>\$ 14,212,074</u>	<u>\$ 565,158</u>	<u>\$ 265,140</u>	<u>\$ 14,051,237</u>	<u>\$ 14,477,214</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, 2015

The District's total net position of \$14,051,237 at June 30, 2015 represents a \$425,977 or 3%, decrease from the prior year. The following shows changes in net position for fiscal years 2015 and 2014.

**Change in Net Position
For the Fiscal Years Ended June 30, 2015 and 2014**

	Governmental		Business-Type		Total	
	<u>Types</u>		<u>Activities</u>			
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenues						
Program Revenues						
Charges for Services	\$ 2,409,329	\$ 2,874,883	\$ 1,079,719	\$ 1,022,629	\$ 3,489,048	\$ 3,897,512
Operating Grants and Contributions	8,925,719	4,981,443	121,130	115,104	9,046,849	5,096,547
Capital Grants and Contributions	65,133	3,320			65,133	3,320
General Revenues						
Property Taxes	29,633,582	29,222,121			29,633,582	29,222,121
State and Federal Aid	2,268	2,196			2,268	2,196
Other	175,862	222,806	-	-	175,862	222,806
Total Revenues	<u>41,211,893</u>	<u>37,306,769</u>	<u>1,200,849</u>	<u>1,137,733</u>	<u>42,412,742</u>	<u>38,444,502</u>
Program Expenses						
Instruction						
Regular	20,404,457	17,581,785			20,404,457	17,581,785
Special Education	6,003,305	4,504,738			6,003,305	4,504,738
Other Instruction	709,751	641,301			709,751	641,301
School Sponsored Activities and Athletics	953,377	902,524			953,377	902,524
Support Services						
Student and Instruction Related	5,440,909	5,350,090			5,440,909	5,350,090
General Administration	781,746	816,658			781,746	816,658
School Administration	2,233,308	1,987,484			2,233,308	1,987,484
Central and Other Support Services	720,876	628,734			720,876	628,734
Plant Operations and Maintenance	3,100,548	3,022,501			3,100,548	3,022,501
Pupil Transportation	1,037,189	866,858			1,037,189	866,858
Interest on Debt	552,422	592,530			552,422	592,530
Food Service			628,176	631,893	628,176	631,893
Before and After School Program	-	-	272,655	411,722	272,655	411,722
Total Expenses	<u>41,937,888</u>	<u>36,895,203</u>	<u>900,831</u>	<u>1,043,615</u>	<u>42,838,719</u>	<u>37,938,818</u>
Change in Net Position	(725,995)	411,566	300,018	94,118	(425,977)	505,684
Net Position, Beginning of Year	14,212,074	20,541,781	265,140	171,022	14,477,214	20,712,803
Prior Period Adjustment	-	(6,741,273)	-	-	-	(6,741,273)
Net Position, End of Year	<u>\$ 13,486,079</u>	<u>\$ 14,212,074</u>	<u>\$ 565,158</u>	<u>\$ 265,140</u>	<u>\$ 14,051,237</u>	<u>\$ 14,477,214</u>

CLARK PUBLIC SCHOOL DISTRICT

Management Discussion and Analysis

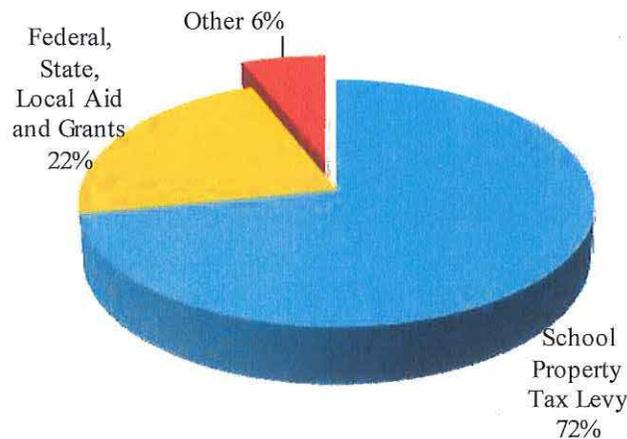
Fiscal Year Ended June 30, 2015

Governmental Activities. The District's total governmental activities' revenues, which includes State and Federal grants, were \$41,211,893 for the year ended June 30, 2015, property taxes of \$29,633,582 represented 72% of revenues. Another significant portion of revenues came from State aid; total State, Federal and Local Aid and Grants were \$8,993,120 and represented 22% of revenues. In addition, revenue in the amount of \$2,585,191 (6%) was earned from tuition, transportation fees and miscellaneous income which includes items such as interest, prior year refunds and other miscellaneous items.

The total cost of all governmental activities programs and services was \$41,937,888. The district's expenses are predominantly related to educating and caring for students. Instruction totaled \$28,070,890 (67%) of total expenses. Support services, total \$13,314,576 (32%) of total expenses. The remaining expenses were for interest costs on long-term debt outstanding in the amount of \$552,422 (1%).

Total governmental activities expenses exceeded revenues, decreasing net position by \$725,995 from the previous year.

**Revenues by Type – Governmental Activities
For Fiscal Year 2015**

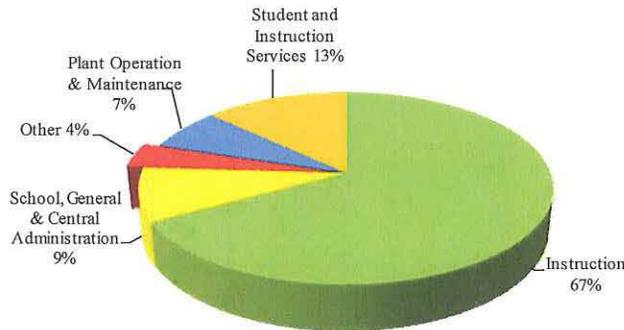


CLARK PUBLIC SCHOOL DISTRICT

Management Discussion and Analysis

Fiscal Year Ended June 30, 2015

Expenses by Type – Governmental Activities For Fiscal Year 2015



Total and Net Cost of Governmental Activities. The District’s total cost of services was \$41,937,888. After applying program revenues, derived from operating grants and contributions of \$8,925,719, capital grants and contributions of \$65,133 and charges for services of \$2,409,329, the net cost of services of the District is \$30,537,707.

	Total Cost of Services		Net Cost of Services	
	2015	2014	2015	2014
Instruction				
Regular	\$ 20,404,457	\$ 17,581,785	\$ 14,025,512	\$ 13,315,556
Special Education	6,003,305	4,504,738	3,104,266	2,284,490
Other Instruction	709,751	641,301	480,836	543,162
School Sponsored Activities and Athletics	953,377	902,524	953,377	902,524
Support services				
Student and Instruction Related	5,440,909	5,350,090	4,342,015	4,491,351
General Administration	781,746	816,658	781,746	816,658
School Administration	2,233,308	1,987,484	1,822,109	1,813,545
Central and Other Support Services	720,876	628,734	720,876	628,734
Plant Operations and Maintenance	3,100,548	3,022,501	2,999,435	2,983,591
Pupil Transportation	1,037,189	866,858	755,113	663,416
Interest on debt	552,422	592,530	552,422	592,530
Total Expenses	\$ 41,937,888	\$ 36,895,203	\$ 30,537,707	\$ 29,035,557

For the fiscal year ended June 30, 2015, the total cost of governmental activities reflects the implementation of the new accounting standard GASB Statement No. 68, “Accounting and Financial Reporting for Pensions”. The effect of implementing GASB 68 was to recognize additional pension expenses of \$3,503,527 for both the PERS and TPAF pension systems and additional state aid revenues for on-behalf TPAF pension contributions of \$3,529,878 for fiscal year 2015.

CLARK PUBLIC SCHOOL DISTRICT

Management Discussion and Analysis

Fiscal Year Ended June 30, 2015

Business-Type Activities

The cost of Business-Type Activities for the fiscal year ended June 30, 2015 was \$900,831. Food service costs were \$628,176 (70%) and before and after school child care costs were \$272,655 (30%). These costs were funded by revenue from charges for services of \$1,079,719 (90%) and operating grants of \$121,130 (10%), as detailed in the change in net position schedule. Revenues from food service charges for services were \$532,264 (49%) and before and after school child care charges for services were \$547,455 (51%).

Total business-type activities revenues surpassed expenses, increasing net position by \$300,018 over the previous year. At June 30, 2015 the net position balance of the Food Service Program was \$34,876 and of the Before and After School Child Care Program Fund was \$530,282.

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 \$4,671,512 at June 30, 2015 compared to a combined fund balance of \$3,993,121 at June 30, 2014.

Revenues for the District's governmental funds were \$37,812,727, while total expenditures were \$37,479,540.

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, 2015 and 2014.

<u>Revenue</u>	<u>Amount</u> <u>2015</u>	<u>Amount</u> <u>2014</u>	<u>Amount of</u> <u>Increase</u> <u>(Decrease)</u>	<u>Percent</u> <u>Change</u>
Local Sources				
Property Tax Levy	\$ 28,206,800	\$ 27,816,331	\$ 390,469	1%
Miscellaneous	2,715,903	3,097,689	(381,786)	-12%
State Sources	<u>4,367,046</u>	<u>3,943,384</u>	<u>423,662</u>	11%
Total	<u>\$ 35,289,749</u>	<u>\$ 34,857,404</u>	<u>\$ 432,345</u>	1%

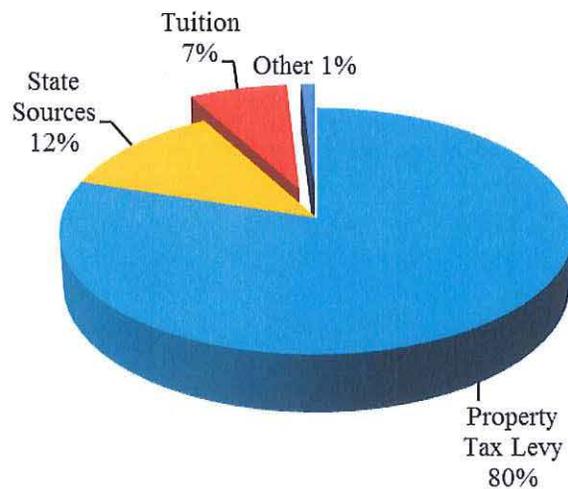
CLARK PUBLIC SCHOOL DISTRICT

Management Discussion and Analysis

Fiscal Year Ended June 30, 2015

The majority of revenues come from property taxes which accounted for 80% of total revenue while state sources represented 12% of total revenue for the 2015 fiscal year. Miscellaneous revenues primarily tuition received from Garwood represented 7% of the total revenue for the 2015 fiscal year.

**General Fund
Revenues by Source
For Fiscal Year 2015**



The following schedule presents a summary of General Fund expenditures for the fiscal years ended June 30, 2015 and 2014.

<u>Expenditures</u>	<u>Amount</u> <u>2015</u>	<u>Amount</u> <u>2014</u>	<u>Amount of</u> <u>Increase</u> <u>(Decrease)</u>	<u>Percent</u> <u>Change</u>
Current:				
Instruction	\$ 22,385,337	\$ 21,019,981	\$ 1,365,356	6%
Support Services	12,225,870	11,996,256	229,614	2%
Debt Service	153,056	152,452	604	0%
Capital Outlay	94,600	272,779	(178,179)	-65%
Total	\$ 34,858,863	\$ 33,441,468	\$ 1,417,395	4%

Total General Fund expenditures increased \$1,417,395 or 4% from the previous year. Instruction represented 64% of total expenditures while support services accounted for 35% and debt service and capital outlay accounted for 1% of total expenditures for the 2015 fiscal year.

CLARK PUBLIC SCHOOL DISTRICT

Management Discussion and Analysis

Fiscal Year Ended June 30, 2015

For the 2014-2015 school year General Fund revenues and other financing sources exceeded expenditures by \$776,090. After adjusting for restricted, committed and assigned fund balances, the unassigned fund balance increased from \$501,706 at June 30, 2014 to \$552,381 at June 30, 2015. In addition, the District ended the year with \$1,787,899 of excess surplus of which \$903,849 was designated for the subsequent year's budget (2015/2016). The remaining excess surplus balance of \$884,050 will be appropriated in the 2016/2017 school year budget. In addition, the District had restricted fund balances of \$1,257,070 in capital reserve and \$750,000 in maintenance reserve at June 30, 2015.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. At the end of fiscal years 2015 and 2014, the District had invested in land, buildings, furniture, machinery and equipment for both governmental and business-type activities. Depreciation charges for fiscal year 2014-2015 amounted to \$2,239,212 for governmental activities and \$1,285 for business-type activities. The following is a comparison of the June 30, 2015 and 2014 balances.

Capital Assets As of June 30, 2015 and 2014

	Governmental		Business-Type		Total	
	Activities		Activities			
	2015	2014	2015	2014	2015	2014
Land	\$ 1,808,965	\$ 1,808,965			\$ 1,808,965	\$ 1,808,965
Construction In Progress	187,132	24,300			187,132	24,300
Land Improvements	2,667,972	2,667,972			2,667,972	2,667,972
Buildings and Improvements	45,090,824	45,090,824			45,090,824	45,090,824
Machinery and Equipment	2,537,704	2,443,104	\$ 250,746	\$ 242,101	2,788,450	2,685,205
	52,292,597	52,035,165	250,746	242,101	52,543,343	52,277,266
Less Depreciation	(21,686,162)	(19,446,950)	(235,014)	(233,729)	(21,921,176)	(19,680,679)
Total Capital Assets, Net of Depreciation	\$ 30,606,435	\$ 32,588,215	\$ 15,732	\$ 8,372	\$ 30,622,167	\$ 32,596,587

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, 2015

Debt Administration. As of June 30, 2015 the District had long-term debt and outstanding long-term liabilities in the amount of \$22,139,045. For fiscal year 2014-2015 total outstanding long-term liabilities decreased by \$1,402,227. The following is a comparison of the June 30, 2015 and 2014 balances.

Outstanding Long-Term Liabilities As of June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Serial Bonds (including unamortized premium)	\$ 14,680,777	\$ 15,702,483
Capital Leases and Lease Purchase Agreements	635,637	427,449
Net Pension Liability	6,152,107	6,741,273
Compensated Absences	<u>670,524</u>	<u>670,067</u>
Total	<u>\$ 22,139,045</u>	<u>\$ 23,541,272</u>

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

GENERAL FUND BUDGETARY HIGHLIGHTS

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

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

Revisions in the budget were made through budget transfers the reinstatement of prior year purchase orders.

General Fund budgetary basis revenues and other financing sources exceeded budgetary basis expenditures, increasing budgetary basis fund balance by \$773,489 from the previous year. After deducting restricted, committed and assigned fund balances, the unassigned budgetary fund balance increased \$48,074 from \$662,628 at June 30, 2014 to \$710,702 at June 30, 2015. In addition, the District ended the year with excess surplus of \$1,787,899. Of this amount, \$903,849 was the excess resulting from the prior 2013/2014 school year and the remaining \$884,050 was the excess resulting from the current 2014/2015 school year. In accordance with State regulations, the District appropriated the \$903,849 of excess surplus for use in 2015/2016 school year budget as required. The District also increased its Capital Reserve in the amount of \$500,000 to a balance of \$1,257,070 at June 30, 2015. In addition, the District increased its Maintenance Reserve \$250,000 during the current year to a balance of \$750,000 at June 30, 2015.

CLARK PUBLIC SCHOOL DISTRICT

Management Discussion and Analysis

Fiscal Year Ended June 30, 2015

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 2015-2016 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 2015-2016. Budgeted expenditures in the General Fund increased approximately 2% to \$33,280,722 for fiscal year 2015-2016.

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, 2015**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash	\$ 4,318,957	\$ 579,559	\$ 4,898,516
Receivables, Net:			
Receivables from Other Governments	669,685	7,164	676,849
Other	44,005	745	44,750
Inventories		6,665	6,665
Capital Assets Not Being Depreciated	1,996,097		1,996,097
Capital Assets, Being Depreciation	<u>28,610,338</u>	<u>15,732</u>	<u>28,626,070</u>
 Total Assets	 <u>35,639,082</u>	 <u>609,865</u>	 <u>36,248,947</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Refunding of Debt	953,332	-	953,332
Deferred Amounts on Net Pension Liability	<u>193,455</u>	<u>-</u>	<u>193,455</u>
 Total Deferred Outflows of Resources	 <u>1,146,787</u>	 <u>-</u>	 <u>1,146,787</u>
 Total Assets and Deferred Outflows of Resources	 <u>36,785,869</u>	 <u>609,865</u>	 <u>37,395,734</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	325,371	31,414	356,785
Accrued Interest Payable	43,340		43,340
Unearned Revenue	35,764	13,053	48,817
Noncurrent Liabilities :			
Due Within One Year	1,545,262		1,545,262
Due Beyond One Year	<u>20,593,783</u>	<u>-</u>	<u>20,593,783</u>
 Total Liabilities	 <u>22,543,520</u>	 <u>44,467</u>	 <u>22,587,987</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	756,270	-	756,270
Deferred Commodities Revenue	<u>-</u>	<u>240</u>	<u>240</u>
 Total Deferred Inflows of Resources	 <u>756,270</u>	 <u>240</u>	 <u>756,510</u>
 Total Liabilities and Deferred Inflows of Resources	 <u>23,299,790</u>	 <u>44,707</u>	 <u>23,344,497</u>
NET POSITION			
Net Investment in Capital Assets	16,572,663	15,732	16,588,395
Restricted for:			
Capital Projects	1,259,330		1,259,330
Facility Maintenance	750,000		750,000
Unrestricted	<u>(5,095,914)</u>	<u>549,426</u>	<u>(4,546,488)</u>
 Total Net Position	 <u>\$ 13,486,079</u>	 <u>\$ 565,158</u>	 <u>\$ 14,051,237</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, 2015**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Governmental Activities							
Instruction:							
Regular	\$ 20,404,457	\$ 1,817,647	\$ 4,561,298		\$ (14,025,512)		\$ (14,025,512)
Special Education	6,003,305	378,548	2,520,491		(3,104,266)		(3,104,266)
Other Instruction	709,751		228,915		(480,836)		(480,836)
School Sponsored Activities and Athletics	953,377				(953,377)		(953,377)
Support Services							
Student and Instruction Related Services	5,440,909		1,098,894		(4,342,015)		(4,342,015)
General Administrative Services	781,746				(781,746)		(781,746)
School Administrative Services	2,233,308		411,199		(1,822,109)		(1,822,109)
Central and Other Support Services	720,876				(720,876)		(720,876)
Plant Operations and Maintenance	3,100,548		35,980	\$ 65,133	(2,999,435)		(2,999,435)
Pupil Transportation	1,037,189	213,134	68,942		(755,113)		(755,113)
Interest on Debt	552,422	-	-	-	(552,422)	-	(552,422)
Total Governmental Activities	<u>41,937,888</u>	<u>2,409,329</u>	<u>8,925,719</u>	<u>65,133</u>	<u>(30,537,707)</u>	<u>-</u>	<u>(30,537,707)</u>
Business-Type Activities							
Food Service	628,176	532,264	121,130			\$ 25,218	25,218
Before and After School Program	272,655	547,455	-	-	-	274,800	274,800
Total Business-Type Activities	<u>900,831</u>	<u>1,079,719</u>	<u>121,130</u>	<u>-</u>	<u>-</u>	<u>300,018</u>	<u>300,018</u>
Total Primary Government	<u>\$ 42,838,719</u>	<u>\$ 3,489,048</u>	<u>\$ 9,046,849</u>	<u>\$ 65,133</u>	<u>(30,537,707)</u>	<u>300,018</u>	<u>(30,237,689)</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, 2015**

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
General Revenues:			
Property Taxes:			
Levied for General Purposes	\$ 28,206,800		\$ 28,206,800
Levied for Debt Service	1,426,782		1,426,782
State Aid, Unrestricted	2,268		2,268
Miscellaneous Income	175,862	-	175,862
 Total General Revenues	 29,811,712	 -	 29,811,712
 Change in Net Position	 (725,995)	 \$ 300,018	 (425,977)
Net Position, Beginning of Year (Restated)	14,212,074	265,140	14,477,214
Net Position, End of Year	\$ 13,486,079	\$ 565,158	\$ 14,051,237

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, 2015**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash	\$ 4,318,957			\$ -	\$ 4,318,957
Receivables, Net					
Receivables from Other Governments	472,186	\$ 127,540	\$ 69,959		669,685
Due from Other Funds	<u>113,136</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>113,136</u>
Total Assets	<u>\$ 4,904,279</u>	<u>\$ 127,540</u>	<u>\$ 69,959</u>	<u>\$ -</u>	<u>\$ 5,101,778</u>
LIABILITIES					
Liabilities					
Accounts Payable	\$ 224,002	\$ 14,924	\$ 7,901		\$ 246,827
Payable to Federal Government		262			262
Payable State Government		73,146			73,146
Due to Other Funds	-	10,839	58,292	-	69,131
Other Liabilities		5,136			5,136
Unearned Revenue	<u>11,025</u>	<u>23,233</u>	<u>1,506</u>	<u>-</u>	<u>35,764</u>
Total Liabilities	<u>235,027</u>	<u>127,540</u>	<u>67,699</u>	<u>-</u>	<u>430,266</u>
FUND BALANCES					
Restricted Fund Balance					
Excess Surplus	884,050				884,050
Excess Surplus - Designated					
for Subsequent Year's Expenditures	903,849				903,849
Capital Reserve	1,257,070				1,257,070
Maintenance Reserve	750,000				750,000
Capital Projects			2,260		2,260
Committed Fund Balance					
Year End Encumbrances	65,388				65,388
Assigned Fund Balance					
Year End Encumbrances	248,353				248,353
Designated for Subsequent Year's Expenditures	8,161				8,161
Unassigned Fund Balance	<u>552,381</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>552,381</u>
Total Fund Balances	<u>4,669,252</u>	<u>-</u>	<u>2,260</u>	<u>-</u>	<u>4,671,512</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 4,904,279</u>	<u>\$ 127,540</u>	<u>\$ 69,959</u>	<u>\$ -</u>	<u>\$ 5,101,778</u>

**CLARK PUBLIC SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2015**

Total Fund Balances - Governmental Funds (Exhibit B-1)		\$ 4,671,512
<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 \$52,292,597 and the accumulated depreciation is \$21,686,162.		30,606,435
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.		953,332
<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 deferred over future years.</p>		
Deferred Outflows of Resources	\$ 193,455	
Deferred Inflows of Resources	<u>(756,270)</u>	(562,815)
<p>The District has financed capital assets through the issuance of serial bonds, long-term lease obligations, and notes. The interest accrual at year end is:</p>		
		(43,340)
<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)	\$ 14,680,777	
Capital Leases	306,327	
Lease Purchase Agreements	329,310	
Compensated Absences	670,524	
Net Pension Liability	<u>6,152,107</u>	<u>(22,139,045)</u>
Net Position of Governmental Activities		<u>\$ 13,486,079</u>

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

CLARK PUBLIC SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 28,206,800			\$ 1,426,782	\$ 29,633,582
Tuition	2,326,907				2,326,907
Transportation Fees	213,134				213,134
Interest	7,121				7,121
Miscellaneous Revenues	168,741	\$ 17,436	-	-	186,177
Total - Local Sources	30,922,703	17,436	-	1,426,782	32,366,921
State Sources	4,367,046	375,062	\$ 65,133	-	4,807,241
Federal Sources	-	638,565	-	-	638,565
Total Revenues	35,289,749	1,031,063	65,133	1,426,782	37,812,727
EXPENDITURES					
Instruction					
Regular	15,891,727	45,582			15,937,309
Special Education	4,969,109	540,386			5,509,495
Other Instruction	568,377	45,685			614,062
School-Sponsored Activities and Athletics	956,124				956,124
Support Services					
Student and Instruction Related Services	4,684,252	399,410			5,083,662
General Administrative Services	782,594				782,594
School Administrative Services	1,925,942				1,925,942
Central and Other Support Services	723,102				723,102
Plant Operations and Maintenance	3,072,391				3,072,391
Pupil Transportation	1,037,589				1,037,589
Debt Service					
Principal	137,016			925,000	1,062,016
Interest and Other Charges	16,040			501,782	517,822
Capital Outlay	94,600	-	162,832	-	257,432
Total Expenditures	34,858,863	1,031,063	162,832	1,426,782	37,479,540
Excess (Deficiency) of Revenues Over (Under) Expenditures	430,886	-	(97,699)	-	333,187
OTHER FINANCING SOURCES (USES)					
Lease Purchase Proceeds	329,310				329,310
Capital Lease Proceeds	15,894	-	-	-	15,894
Total Other Financing Sources and Uses	345,204	-	-	-	345,204
Net Change in Fund Balances	776,090	-	(97,699)	-	678,391
Fund Balance, Beginning of Year	3,893,162	-	99,959	-	3,993,121
Fund Balance, End of Year	\$ 4,669,252	\$ -	\$ 2,260	\$ -	\$ 4,671,512

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, 2015**

Total net change in fund balances - governmental funds (Exhibit B-2) \$ 678,391

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

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

Capital Outlay	\$ 257,432	
Depreciation Expense	<u>(2,239,212)</u>	
		(1,981,780)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue but are deferred in the funds		(130,712)
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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	(457)	
Decrease in Pension Expense	<u>26,351</u>	
		25,894

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	925,000	
Capital Lease Payable	137,016	
Principal Issued		
Lease Purchase Proceeds	(329,310)	
Capital Lease Proceeds	(15,894)	
Amortization of Deferred Amounts on Refunding	(136,425)	
Amortization of Bond Premium	<u>96,706</u>	
		677,093

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>5,119</u>
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Change in net position of governmental activities (Exhibit A-2)		\$ <u>(725,995)</u>
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**CLARK PUBLIC SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
AS OF JUNE 30, 2015**

	<u>Business-Type Activities - Enterprise Fund</u>		
	<u>Food Service</u>	<u>Before and After School Program</u>	<u>Totals</u>
ASSETS			
Current Assets			
Cash	\$ 49,261	\$ 530,298	\$ 579,559
Intergovernmental Receivable	7,164		7,164
Other Accounts Receivable	745		745
Inventories	<u>6,665</u>	<u>-</u>	<u>6,665</u>
Total Current Assets	<u>63,835</u>	<u>530,298</u>	<u>594,133</u>
Capital Assets			
Equipment	250,746		250,746
Less: Accumulated Depreciation	<u>(235,014)</u>	<u>-</u>	<u>(235,014)</u>
Total Capital Assets, Net	<u>15,732</u>	<u>-</u>	<u>15,732</u>
Total Assets	<u>79,567</u>	<u>530,298</u>	<u>609,865</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	31,398	16	31,414
Unearned Revenue	<u>13,053</u>	<u>-</u>	<u>13,053</u>
Total Current Liabilities	<u>44,451</u>	<u>16</u>	<u>44,467</u>
DEFERRED INFLOW OF RESOURCES			
Deferred Commodities Revenue	<u>240</u>	<u>-</u>	<u>240</u>
Total Liabilities and Deferred Inflow of Resources	<u>44,691</u>	<u>16</u>	<u>44,707</u>
NET POSITION			
Investment in Capital Assets	15,732		15,732
Unrestricted	<u>19,144</u>	<u>530,282</u>	<u>549,426</u>
Total Net Position	<u>\$ 34,876</u>	<u>\$ 530,282</u>	<u>\$ 565,158</u>

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

**CLARK PUBLIC SCHOOL DISTRICT
PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Business-Type Activities - Enterprise Fund</u>		
	<u>Food Service</u>	<u>Before and After School Program</u>	<u>Totals</u>
OPERATING REVENUES			
Charges for Services			
Daily Sales	\$ 532,264		\$ 532,264
Program Fees	-	\$ 547,455	547,455
	<hr/>	<hr/>	<hr/>
Total Operating Revenues	532,264	547,455	1,079,719
OPERATING EXPENSES			
Cost of Sales	303,545		303,545
Salaries and Employee Benefits	243,248	268,192	511,440
Purchased Management Services	25,000		25,000
Supplies and Materials	6,595	4,463	11,058
Repairs and Maintenance	18,567		18,567
Miscellaneous Expenses	29,936		29,936
Depreciation Expense	1,285	-	1,285
	<hr/>	<hr/>	<hr/>
Total Operating Expenses	628,176	272,655	900,831
Operating Income/(Loss)	<hr/> (95,912)	<hr/> 274,800	<hr/> 178,888
NONOPERATING REVENUES			
State Sources			
School Lunch Program	5,226		5,226
Federal Sources			
National School Lunch Program	115,904	-	115,904
	<hr/>	<hr/>	<hr/>
Total Nonoperating Revenues	121,130	-	121,130
Change in Net Position	25,218	274,800	300,018
Total Net Position, Beginning of Year	<hr/> 9,658	<hr/> 255,482	<hr/> 265,140
Total Net Position, End of Year	<hr/> \$ 34,876	<hr/> \$ 530,282	<hr/> \$ 565,158

**CLARK PUBLIC SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Business-Type Activities - Enterprise Fund</u>		
	<u>Food Service</u>	<u>Before and After School Program</u>	<u>Totals</u>
Cash Flows from Operating Activities			
Cash Received from Customers	\$ 533,447	\$ 547,455	\$ 1,080,902
Cash Payments for Employees' Salaries and Benefits	(243,248)	(268,192)	(511,440)
Cash Payments to Suppliers for Goods and Services	<u>(334,767)</u>	<u>(5,180)</u>	<u>(339,947)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(44,568)</u>	<u>274,083</u>	<u>229,515</u>
Cash Flows from Noncapital Financing Activities			
Cash Received from State and Federal Subsidy Reimbursement	<u>89,600</u>	<u>-</u>	<u>89,600</u>
Net Cash Provided by Noncapital Financing Activities	<u>89,600</u>	<u>-</u>	<u>89,600</u>
Cash Flows from Capital and Related Financing Activities			
Purchases of Capital Assets	<u>(8,645)</u>	<u>-</u>	<u>(8,645)</u>
Net Cash (Used for) Capital and Related Financing Activities	<u>(8,645)</u>	<u>-</u>	<u>(8,645)</u>
Net Increase in Cash and Cash Equivalents	36,387	274,083	301,825
Cash, Beginning of Year	<u>12,874</u>	<u>256,215</u>	<u>269,089</u>
Cash, End of Year	<u>\$ 49,261</u>	<u>\$ 530,298</u>	<u>\$ 579,559</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Operating Income (Loss)	\$ (95,912)	\$ 274,800	\$ 178,888
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Non-Cash Federal Assistance-Food Distribution Program	29,855		29,855
Depreciation Expense	1,285		1,285
Change in Assets, Liabilities and Deferred Inflows			
(Increase)/Decrease in Accounts Receivable	(424)		(424)
(Increase)/Decrease in Inventory	(4,253)		(4,253)
Increase/(Decrease) in Accounts Payable	23,100	(717)	22,383
Increase/(Decrease) in Unearned Revenue	1,607	-	1,607
Increase/(Decrease) in Deferred Commodities Revenue	<u>174</u>	<u>-</u>	<u>174</u>
Total Adjustments	<u>51,344</u>	<u>(717)</u>	<u>50,627</u>
Net Cash Provided by (Used) for Operating Activities	<u>\$ (44,568)</u>	<u>\$ 274,083</u>	<u>\$ 229,515</u>
Non-Cash Investing, Capital and Financing Activities			
Value Received - Food Distribution Program	\$ 30,029		

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

**CLARK PUBLIC SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2015**

	<u>Private Purpose Trust Funds</u>			
	<u>Scholarship Fund</u>	<u>Kelemen Science Observatory Fund</u>	<u>Donations Fund</u>	<u>Agency Fund</u>
ASSETS				
Cash	\$ 1	\$ 11,938	\$ 15,713	\$ 341,350
Intergovernmental Receivable	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,285</u>
Total Assets	<u>1</u>	<u>11,938</u>	<u>15,713</u>	<u>384,635</u>
LIABILITIES				
Due to Other Funds				44,005
Due to Student Groups				137,895
Employee Deposits Payable				198,340
Flexible Spending Deposits	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,395</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 384,635</u>
NET POSITION				
Net Position Held in Trust for Scholarships and Other Purposes	<u>\$ 1</u>	<u>\$ 11,938</u>	<u>\$ 15,713</u>	

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

**CLARK PUBLIC SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Private Purpose Trust Funds</u>		
	<u>Scholarship Fund</u>	<u>Kelemen Science Observatory Fund</u>	<u>Donations Fund</u>
ADDITIONS			
Contributions			
Private Donations			
Investment Earnings			
Interest	-	\$ 12	19
	<hr/>	<hr/>	<hr/>
Total Additions	-	12	19
	<hr/>	<hr/>	<hr/>
DEDUCTIONS			
Miscellaneous Expenses	-	-	5,809
	<hr/>	<hr/>	<hr/>
Total Deductions	-	-	5,809
	<hr/>	<hr/>	<hr/>
Change in Net Position	-	12	(5,790)
Net Position, Beginning of Year	\$ 1	11,926	21,503
	<hr/>	<hr/>	<hr/>
Net Position, End of Year	\$ 1	\$ 11,938	\$ 15,713
	<hr/>	<hr/>	<hr/>

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

NOTES TO THE FINANCIAL STATEMENTS

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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 from Clark Township and one representative from Garwood Borough (sending district) and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the Clark Public School District this includes general operations, food service, before and after school child care and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Based on the foregoing criteria, the District has no component units. Furthermore, the District is not includable in any other reporting entity as a component unit.

B. New Accounting Standards

During fiscal year 2015, the District adopted the following GASB statements:

- GASB 68, *Accounting and Financial Reporting for Pensions*. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria.
- GASB 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, should be applied simultaneously with the provisions of Statement No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

B. New Accounting Standards (Continued)

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

- GASB 72, *Fair Value Measurement and Application*, will be effective beginning with the fiscal year ending June 30, 2016. This Statement addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.
- GASB 73, *Accounting and Financial Reporting for Pensions and Related Assets that Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability.
- GASB 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.
- GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, will be effective beginning with the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.
- GASB 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, will be effective beginning with the fiscal year ending June 30, 2016. The objective of this Statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

C. Basis of Presentation - Financial Statements

The financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the District’s enterprise funds. Fiduciary funds are excluded from the district-wide financial statements.

CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

C. Basis of Presentation - Financial Statements (Continued)

District-Wide Financial Statements

The district-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Board of Education. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. In the statement of net position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) reflect on a full accrual economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or other governmental entities, including other school districts, who purchase, use, or directly benefit from goods or services provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes, unrestricted state aid, and other items not properly included among program revenues are reported instead as general revenues.

As a general rule the effect of interfund activity has been eliminated from the district-wide financial statements. Exceptions to this general rule are charges between the Board's proprietary and fiduciary funds since elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

Separate fund financial statements are provided for governmental, proprietary, and fiduciary activities, even though the latter are excluded from the district-wide financial statements. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each reported as separate columns in the fund financial statements. The District considers all of its governmental and enterprise funds to be major funds.

The District reports the following major governmental funds:

The *general fund* is the School District's primary operating fund. It accounts for all financial resources of the District, except those to be accounted for in another fund.

The *special revenue fund* accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. This fund accounts for federal, state and local financial programs, with the exception of grants for major capital projects and the child nutrition programs.

The *capital projects fund* accounts for the proceeds from the sale of bonds, lease purchases and other revenues used for the acquisition or construction of capital facilities and other capital assets, other than those financed by the proprietary funds.

The *debt service fund* accounts for the accumulation of resources that are restricted, committed or assigned for the payment of principal and interest on long-term general obligation debt of governmental funds.

CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

The District reports the following major proprietary funds which are organized to be self-supporting through user charges:

The *food service fund* accounts for the activities of the school cafeteria, which provides food service to students as well as a la carte and catering services for teachers and special events.

The *before and after school fund* accounts for the activities of the District's extended before and after school programs which provides child care for elementary school students of the District.

Additionally, the government reports the following fund type:

The *fiduciary trust fund* is used to account for resources legally held in trust for private donations for a science observatory, contributions for various organizations, private donations for scholarship awards, payroll related activities and student related activities which are supported and controlled by student organizations and clubs. All resources of the fund, including any earnings on invested resources, may be used to support the intended purpose. There is no requirement that any portion of these resources be preserved as capital.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the district-wide financial statements as "internal balances".

Reclassifications

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

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements with the exception of the agency fund which does not have a measurement focus. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations (with the exception of the fiduciary funds) are included on the Statement of Net Position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e. when they are both measurable and available). Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Board considers revenues to be available if they are collected within 60 days after year-end. Expenditures are recorded when a liability is incurred, as under accrual basis of accounting, with the exception of debt service expenditures as well as expenditures related to compensated absences and claims and judgments which are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, tuition, transportation fees, unrestricted state aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements (formula-type grants and aid) are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source. Expenditure-driven grants and similar awards (reimbursement-type grants and awards) are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements imposed by the grantor or provider have been met, and the amount is received during the period or within the availability period for this revenue source. All other revenue items are considered to be measurable and available only when cash is received by the District.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

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

1. Cash, Cash Equivalents and Investments

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value and are limited by N.J.S.A. 18A:20-37.

2. Receivables

All receivables are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

3. Inventories

The cost of inventories of the governmental fund types are recorded as expenditures at the time individual inventory items are purchased.

Food Service Fund inventories, exclusive of the federal commodities, are valued at cost, using the first-in first-out (FIFO) method and consist of food and expendable supplies. The cost of such inventories is recorded as expenses when consumed rather than when purchased. The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by the USDA. It is valued at estimated market prices by the USDA. The amount of unused commodities at year-end is reported as deferred inflows of resources.

**CLARK PUBLIC SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. *Capital Assets*

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

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

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

<u>Assets</u>	<u>Years</u>
Land Improvements	15-20
Buildings	50
Building Improvements	15-50
Office Equipment and Furniture	7-10
Computer Equipment	5-10
Vehicles	5-10

5. *Deferred Outflows/Inflows of Resources*

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

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Board has two types of items which arise only under the accrual basis of accounting that qualify for reporting in this category. One item is the deferred commodities revenue, reported in both the district-wide and proprietary funds statement of net position. The deferred commodities revenue represents the estimated market value of the donated and unused Federal commodities at year end. This amount is deferred and recognized as an inflow of resources in the period the commodities are consumed. The other item that qualifies for reporting in this category are the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years.

6. *Compensated Absences*

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

7. *Pensions*

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

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

CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

8. *Long-Term Obligations*

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

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

9. *Net Position/Fund Balance*

District-Wide Statements

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

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

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, 2015 audited excess surplus that is required to be appropriated in the 2016/2017 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, 2014 audited excess surplus that was appropriated in the 2015/2016 original budget certified for taxes.

CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Restricted Fund Balance (Continued)

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.

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

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 2015/2016 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.

F. Revenues and Expenditures/Expenses

1. *Program Revenues*

Amounts reported as program revenues in the district-wide statement of activities include 1) charges to customers or applicants for goods or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, unrestricted state aid, investment earnings and miscellaneous revenues.

CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

2. *Property Taxes*

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

3. *Tuition Revenues and Expenditures*

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

Tuition Expenditures - Tuition charges for the fiscal years 2013-2014 and 2014-2015 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 Non-Operating Revenues and Expenses*

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

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 2014/2015. Also, during 2014/2015 the Board increased the original budget by \$765,622. The increase was funded by additional grant awards and the reappropriation of prior year general fund encumbrances.

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

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

B. Capital Reserve

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

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

**CLARK PUBLIC SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Capital Reserve (Continued)

The activity of the capital reserve for the fiscal year ended June 30, 2015 is as follows:

Balance, July 1, 2014	\$ 757,070
Increased by	
Deposits Approved by Board Resolution	<u>500,000</u>
Balance, June 30, 2015	<u>\$ 1,257,070</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, 2015 is as follows:

Balance, July 1, 2014	\$ 500,000
Increased by	
Deposits Approved by Board Resolution	<u>250,000</u>
Balance, June 30, 2015	<u>\$ 750,000</u>

D. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2015 is \$1,787,899. Of this amount, \$903,849 was designated and appropriated in the 2015/2016 original budget certified for taxes and the remaining amount of \$884,050 will be appropriated in the 2016/2017 original budget certified for taxes.

**CLARK PUBLIC SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2015, the book value of the Board's deposits were \$5,267,518 and bank and brokerage firm balances of the Board's deposits amounted to \$6,445,153. The Board's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>
Insured	\$ <u>6,445,153</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2015 none of the Board's bank balances were exposed to custodial credit risk.

Investments

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located, Local Government investment pools, and agreements or the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2015, the Board had no outstanding investments.

Interest Rate Risk – The Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – State law limits investments as noted above (N.J.S.A. 18A:20-37). The District does not have an investment policy that would further limit its investment choices.

Concentration of Credit Risk – The Board places no limit in the amount the District may invest in any one issuer.

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments (Continued)

Investment and interest earnings in the Capital Projects Fund are assigned to the General Fund in accordance with Board policy.

B. Receivables

Receivables as of June 30, 2015 for the district's individual major funds and fiduciary funds, in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Special Revenue Fund	Capital Projects Fund	Food Service Fund	Agency Fund	Total
Receivables:						
Intergovernmental:						
Local	\$ 401,325					\$ 401,325
State	70,861	\$ 1,796	\$ 69,959	\$ 544	\$ 43,285	186,445
Federal		125,744		6,620		132,364
Other	-	-	-	745	-	745
Gross Receivables	472,186	127,540	69,959	7,909	43,285	720,879
Less: Allowance for Uncollectibles	-	-	-	-	-	-
Net Total Receivables	<u>\$ 472,186</u>	<u>\$ 127,540</u>	<u>\$ 69,959</u>	<u>\$ 7,909</u>	<u>\$ 43,285</u>	<u>\$ 720,879</u>

C. Unearned Revenue

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

General Fund	
Prepaid Tuition Fees	\$ 11,025
Special Revenue Fund	
Unencumbered Grant Draw Downs	3,242
Grant Draw Downs Reserved for Encumbrances	19,991
Capital Projects Fund	
Unrealized School Facilities Grants	<u>1,506</u>
 Total Deferred Revenue for Governmental Funds	 <u>\$ 35,764</u>

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2015 was as follows:

	Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,808,965			\$ 1,808,965
Construction in Progress	24,300	\$ 162,832	\$ -	187,132
Total Capital Assets, Not Being Depreciated	<u>1,833,265</u>	<u>162,832</u>	<u>-</u>	<u>1,996,097</u>
Capital Assets, Being Depreciated:				
Site Improvements	2,667,972			2,667,972
Buildings and Improvements	45,090,824			45,090,824
Machinery and Equipment	2,443,104	94,600	-	2,537,704
Total Capital Assets Being Depreciated	<u>50,201,900</u>	<u>94,600</u>	<u>-</u>	<u>50,296,500</u>
Less Accumulated Depreciation for:				
Site Improvements	(1,081,484)	(150,828)		(1,232,312)
Buildings and Improvements	(17,062,489)	(1,891,017)		(18,953,506)
Machinery and Equipment	(1,302,977)	(197,367)	-	(1,500,344)
Total Accumulated Depreciation	<u>(19,446,950)</u>	<u>(2,239,212)</u>	<u>-</u>	<u>(21,686,162)</u>
Total Capital Assets, Being Depreciated, Net	<u>30,754,950</u>	<u>(2,144,612)</u>	<u>-</u>	<u>28,610,338</u>
Government Activities Capital Assets, Net	<u>\$ 32,588,215</u>	<u>\$ (1,981,780)</u>	<u>\$ -</u>	<u>\$ 30,606,435</u>
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 242,101	8,645	-	\$ 250,746
Total Capital Assets Being Depreciated	<u>242,101</u>	<u>8,645</u>	<u>-</u>	<u>250,746</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(233,729)	\$ (1,285)	-	(235,014)
Total Accumulated Depreciation	<u>(233,729)</u>	<u>(1,285)</u>	<u>-</u>	<u>(235,014)</u>
Total Capital Assets, Being Depreciated, Net	<u>8,372</u>	<u>7,360</u>	<u>-</u>	<u>15,732</u>
Business-Type Activities Capital Assets, Net	<u>\$ 8,372</u>	<u>\$ 7,360</u>	<u>\$ -</u>	<u>\$ 15,732</u>

**CLARK PUBLIC SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

Depreciation expense was charged to functions/programs of the District as follows:

Governmental Activities:

Instruction	
Regular	\$ 2,109,953
Total Instruction	<u>2,109,953</u>
Support Services	
Student and Instruction Related Services	1,552
School Administrative Services	95,081
Plant Operations and Maintenance	<u>32,626</u>
Total Support Services	<u>129,259</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,239,212</u>

Business-Type Activities:

Food Service Fund	<u>\$ 1,285</u>
Total Depreciation Expense-Business-Type Activities	<u>\$ 1,285</u>

Construction Commitments

The District has the following active construction projects as of June 30, 2015:

<u>Project</u>	<u>Remaining Commitment</u>
Restroom ADA Upgrades Project at Valley Road Elementary	\$ 191,700
Restroom ADA Upgrades Project at Karl H. Kumpf	186,700
Restroom ADA Upgrades Project at Frank K. Hehnly	<u>109,600</u>
Total	<u>\$ 488,000</u>

**CLARK PUBLIC SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2015, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 10,839
General Fund	Capital Projects Fund	58,292
General Fund	Payroll Agency Fund	<u>44,005</u>
Total		<u>\$ 113,136</u>

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

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

F. Leases

Capital Leases

The District is leasing telecommunications equipment, copiers, digital mailing equipment, a lift and trailer unit totaling \$705,697 under capital leases. The leases are for terms of 3 years. In addition, the District is leasing computers (supplies) totaling \$329,310 under a lease purchase agreement for a term of 3 years.

The capital assets acquired through capital leases are as follows:

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

**CLARK PUBLIC SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases (Continued)

Capital Leases (Continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2015 were as follows:

Fiscal Year Ending June 30	Governmental Activities		Total
	Capital Leases	Lease Purchase Agreements	
2016	\$ 151,694	\$ 109,770	\$ 261,464
2017	144,613	109,770	254,383
2018	20,892	109,770	130,662
2019	3,624		3,624
2020	3,020	-	3,020
Total minimum lease payments	323,843	329,310	653,153
Less: amount representing interest	(17,516)	-	(17,516)
Present value of minimum lease payments	<u>\$ 306,327</u>	<u>\$ 329,310</u>	<u>\$ 635,637</u>

G. Long-Term Debt

General Obligation Bonds

The Board issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities and other capital assets. The full faith and credit of the Board are irrevocably pledged for the payment of the principal of the bonds and the interest thereon.

Bonds payable at June 30, 2015 are comprised of the following issues:

\$14,145,000, 2012 Bonds, due in annual installments of \$945,000 to \$1,755,000 through June 1, 2026, interest at 2.00% to 4.00%	<u>\$14,005,000</u>
Total	<u>\$14,005,000</u>

**CLARK PUBLIC SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt (Continued)

General Obligation Bonds (Continued)

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

Governmental Activities:

Year Ending June 30,	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2016	\$ 945,000	\$ 465,881	\$ 1,410,881
2017	950,000	437,531	1,387,531
2018	975,000	399,531	1,374,531
2019	975,000	380,031	1,355,031
2020	1,010,000	341,031	1,351,031
2021-2025	7,395,000	1,012,599	8,407,599
2026	<u>1,755,000</u>	<u>52,650</u>	<u>1,807,650</u>
	<u>\$ 14,005,000</u>	<u>\$ 3,089,254</u>	<u>\$ 17,094,254</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2015 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 95,016,873
Less: Net Debt	<u>14,005,000</u>
Remaining Borrowing Power	<u>\$ 81,011,873</u>

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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, 2015, was as follows:

	Beginning Balance (Restated)	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable	\$ 14,930,000		\$ 925,000	\$ 14,005,000	\$ 945,000
Deferred Amounts:					
Add: Original Issue Premium	772,483	-	96,706	675,777	-
Total Bonds Payable	15,702,483	-	1,021,706	14,680,777	945,000
Capital Leases Payable	427,449	\$ 15,894	137,016	306,327	140,597
Lease Purchase Agreement		329,310		329,310	109,770
Compensated Absences	670,067	457	-	670,524	67,000
Net Pension Liability	6,741,273	-	589,166	6,152,107	282,895
Governmental Activity Long-Term Liabilities	<u>\$ 23,541,272</u>	<u>\$ 345,661</u>	<u>\$ 1,747,888</u>	<u>\$ 22,139,045</u>	<u>\$ 1,545,262</u>

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

NOTE 4 OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to property, general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; student accident; termination of employees and natural disasters. The Board has obtained commercial insurance coverage to guard against these events to minimize the exposure to the District should they occur. A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report.

The District is a member of the New Jersey Schools Insurance Group (NJSIG or the "Group"). The Group is a risk sharing public entity pool, established for the purpose of insuring against various types of claims.

The relationship between the Board and the Group is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Board is contractually obligated to make all annual and supplementary contributions to the Group, to report claims on a timely basis, cooperate with the management of the Group, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the Group. Members have a contractual obligation to fund any deficit of the Group attributable to a membership year during which they were a member.

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

NJSIG provides its members with risk management services, including the defense of and settlement of claims and to establish reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the NJSIG are on file with the School's Business Administrator.

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

B. Contingent Liabilities

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

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2015, 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, 2015, the District has not estimated its arbitrage earnings due to the IRS, if any.

D. Employee Retirement Systems and Pension Plans

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all eligible Board employees:

Public Employees' Retirement System (PERS) – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement health care, to substantially all full time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage. PERS is a cost sharing multi-employer defined benefit pension plan.

Teachers' Pension and Annuity Fund (TPAF) – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage. TPAF is a cost sharing plan with special funding situations.

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

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

Other Pension Funds

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

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

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

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

Basis of Accounting

The financial statements of the retirement systems are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the retirement systems. Benefits or refunds are recognized when due and payable in accordance with the terms of the retirement systems.

Investment Valuation

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

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

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Funding Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems including TPAF and PERS, is 62.8 percent with an unfunded actuarial accrued liability of \$51.0 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 54.2 percent and \$37.3 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and Police and Firemen's Retirement System ("PFRS") is 75.4 percent and \$13.7 billion, respectively.

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

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

Actuarial Methods and Assumptions

In the July 1, 2013 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (a) an investment rate of return for the retirement systems of 7.90 percent and (b) projected salary increases of 4.24 percent for the PERS and 3.33 percent for TPAF.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 6.9% for PERS, 6.9% for TPAF and 5.50% for DCRP of the employee's annual compensation.

Annual Pension Costs (APC)

Per the requirements of GASB Statement No. 27 *Accounting for Pensions by State and Local Government Employees*, for the fiscal year ended June 30, 2015 for TPAF, which is a cost sharing plan with special funding situations, the annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution.

**CLARK PUBLIC SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Annual Pension Costs (APC) (Continued)

During the fiscal years ended June 30, 2015, 2014 and 2013 the Board was required to contribute for PERS and DCRP and the State of New Jersey was required to contribute for TPAF for normal cost pension and accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2015	\$ 270,885	\$ 828,014	\$ 38,533
2014	265,771	641,033	30,549
2013	271,739	983,277	11,093

For fiscal years 2014/2015 and 2012/2013, the state contributed \$828,014 and \$983,277, respectively for normal cost pension, accrued liability and the NCGI premium. For fiscal year 2013/2014 the State did not contribute to the TPAF for accrued liability but did contribute \$641,033 for normal cost pension and NCGI premium.

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,087,518 during the fiscal year ended June 30, 2015 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as a revenue and expense/expenditure in accordance with GASB No. 24.

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

Public Employees Retirement System (PERS)

At June 30, 2015, the District reported in the statement of net position (accrual basis) a liability of \$6,152,107 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2014, the District's proportionate share was .03286 percent, which was a decrease of .00241% percent from its proportionate share measured as of June 30, 2013.

**CLARK PUBLIC SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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, 2015, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$244,534 for PERS. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions	\$ 193,455	
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		\$ 366,632
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	-	389,638
Total	<u>\$ 193,455</u>	<u>\$ 756,270</u>

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

Fiscal Year Ending <u>June 30,</u>	<u>Total</u>
2016	\$ (127,721)
2017	(127,721)
2018	(127,721)
2019	(127,721)
2020	(36,063)
Thereafter	<u>(15,868)</u>
	<u>\$ (562,815)</u>

**CLARK PUBLIC SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>PERS</u>
Inflation Rate	3.01%
Salary Increases:	
2012-2021	2.15-4.40%
	Based on Age
Thereafter	3.15-5.40%
	Based on Age
Investment Rate of Return	7.90%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	July 1, 2008 -
Study Upon Which Actuarial	June 30, 2011
Assumptions were Based	

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

CLARK PUBLIC SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 5 OTHER INFORMATION (Continued)

F. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

Discount Rate

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

<u>Plan</u>	<u>Discount Rate</u>
PERS	5.39%

**CLARK PUBLIC SCHOOL DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

In accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the District is not required to recognize a net pension liability for TPAF. The State of New Jersey is the only entity that has a legal obligation to make employer contributions to TPAF on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 68 is zero percent and the State's proportionate share is 100% 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, 2015, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$4,357,892 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 24.

At June 30, 2015 the State's proportionate share of the net pension liability attributable to the District is \$80,987,570. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer towards the actuarially determined contribution amount adjusted by locations who participated in the State early retirement incentives to total contributions to TPAF during the year ended June 30, 2014.

Actuarial Assumptions

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

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

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

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 5 OTHER INFORMATION (Continued)

F. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid Cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds/Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 5 OTHER INFORMATION (Continued)

F. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Discount Rate

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

<u>Plan</u>	<u>Discount Rate</u>
TPAF	4.68%

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

TPAF

Period of Projected Benefit

Payments for which the Following
Rates were Applied:

Long-Term Expected Rate of Return	Through June 30, 2027
Municipal Bond Rate *	From July 1, 2027 and Thereafter

* The municipal bond return rate used is 4.29%. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 4.68%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (3.68 percent) or 1-percentage-point higher (5.68 percent) than the current rate:

	1% Decrease (3.68%)	Current Discount Rate (4.68%)	1% Increase (5.68%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 97,406,990</u>	<u>\$ 80,987,570</u>	<u>\$ 67,331,446</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2014. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2014 was not provided by the pension system.

CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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 reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

E. Post-Retirement Medical Benefits

The State of New Jersey sponsors and administers the post-retirement health benefit program plans for school districts. The Plans are classified as either single employer plans or cost sharing multiple employer defined benefit plans depending on the plan the eligible employee is covered under.

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and TPAF are combined and reported as Pension and Other employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, and the PRM of the PERS are combined and reported as a Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF-Local are combined and reported as Health Benefits Program Fund –Local Government classified as a cost-sharing multiple-employer plan in the State's CAFR. The post-retirement benefit programs had a total of 590 state and local participating employers and contributing entities for Fiscal Year 2014.

The State of New Jersey sponsors and administers the following health benefit programs covering certain state and local government employees, including those Board employees and retirees eligible for coverage.

Health Benefits Program Fund (HBPF) – Local Education (including Prescription Drug Program Fund) – The State of New Jersey provides paid coverage to members of the Teachers' Pension and Annuity Fund who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of P.L. 1992, c.126, the State also provides paid coverage to members of the Public Employees' Retirement System and Alternate Benefits Program who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for state paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare parts A and B by paying the cost of the insurance for themselves and their covered dependents. Also, education employees are eligible for the PDP coverage after 60 days of employment.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the above Fund. The financial reports may be accessed via the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Basis of Accounting

The financial statements of the health benefit programs are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the health benefit programs. Benefits or refunds are recognized when due and payable in accordance with the terms of the health benefit programs.

Significant Legislation

P.L. 2011, c.78, effective October 2011, sets new employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to this new legislation's effective date with a minimum contribution required to be at least 1.5% of salary.

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair values.

Funded Status and Funding Progress

As of July 1, 2013, the most recent actuarial valuation date, the State had a \$53.0 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$19.7 billion for state active and retired members and \$33.3 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

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

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

Actuarial Methods and Assumptions

In the July 1, 2013, OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method. The actuarial assumptions included an assumed investment rate of return of 4.50 percent.

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Post-Retirement Medical Benefits Contributions

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively to fund post-retirement medical benefits for those State employees and education employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2014, there were 103,432, retirees receiving post-retirement medical benefits and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State and in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

The State sets the contribution rate based on a pay as you go basis and not on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2015, 2014 and 2013 were \$1,314,473, \$1,051,052 and \$1,111,838, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

NOTE 5 RESTATEMENT

On July 1, 2014, the Clark Public School District implemented GASB Statement No. 68, "Accounting and Financial Reporting for Pensions. The Clark Public School District has determined that the effect of implementing this accounting change on the financial statements previously reported as of and for the fiscal year ended June 30, 2014 was to recognize the District's proportionate share of the Public Employees' Retirement System's (PERS) net pension liability, deferred outflows of resources and deferred inflows of resources with a corresponding reduction in the unrestricted component of net position in the amount of \$6,741,273. The result of this restatement is to reduce total net position of Governmental Activities at June 30, 2014 from \$20,953,347 as originally reported to \$14,212,074 as adjusted for the effects of the change in accounting principle.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

BUDGET COMPARISON SCHEDULES

**CLARK PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
REVENUES					
Local Sources					
Property Tax Levy	\$ 28,206,800		\$ 28,206,800	\$ 28,206,800	
Tuition	2,284,847		2,284,847	2,326,907	\$ 42,060
Transportation Fees from Other LEAs	213,134		213,134	213,134	-
Interest	10,000		10,000	7,121	(2,879)
Miscellaneous Revenues	45,000	-	45,000	168,741	123,741
Total Local Sources	30,759,781	-	30,759,781	30,922,703	162,922
State Sources					
Extraordinary Aid				67,807	67,807
Special Education Aid	915,831		915,831	915,831	-
Security Aid	35,913		35,913	35,913	-
Transportation Aid	51,623		51,623	51,623	-
Under Adequacy Aid	2,264		2,264	2,264	-
PARCC Readiness Aid	21,890		21,890	21,890	-
Per Pupil Growth Aid	21,890		21,890	21,890	-
Additional Nonpublic Transportation Aid				17,222	17,222
TPAF Pension Benefit Contribution - (Non-Budget)				772,440	772,440
TPAF Pension NCGI Premium - (Non-Budget)				55,574	55,574
TPAF Post Retirement Medical Contribution (Non-Budget)				1,314,473	1,314,473
TPAF Social Security Contributions (Non-Budget)	-	-	-	1,087,518	1,087,518
Total State Sources	1,049,411	-	1,049,411	4,364,445	3,315,034
Total Revenues	31,809,192	-	31,809,192	35,287,148	3,477,956
EXPENDITURES					
CURRENT					
Instruction - Regular Programs					
Salaries of Teachers					
Preschool	136,210	\$ -	136,210	126,129	10,081
Kindergarten	509,575	(60,000)	449,575	445,377	4,198
Grades 1-5	3,106,525	31,200	3,137,725	3,121,478	16,247
Grades 6-8	2,191,440	(151,900)	2,039,540	2,038,064	1,476
Grades 9-12	4,039,695	3,929	4,043,624	3,994,829	48,795
Regular Programs - Home Instruction					
Salaries of Teachers	25,000	-	25,000	15,840	9,160
Purchased Professional/Educational Services	20,000	-	20,000	4,660	15,340
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	161,106	18,200	179,306	177,117	2,189
Purchased Professional/Educational Services	200,000	(9,000)	191,000	179,859	11,141
Purchased Technical Services		-			
Other Purchased Services	77,000	-	77,000	71,156	5,844
General Supplies	311,805	142,335	454,140	411,195	42,945
General Supplies - Acquired Under Lease Purchase (Nonbudgeted)				329,310	(329,310)
Textbooks	90,000	(5,000)	85,000	53,365	31,635
Other Objects	172,851	2,848	175,699	141,295	34,404
Total Regular Programs	11,041,207	(27,388)	11,013,819	11,109,674	(95,855)

**CLARK PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT (Continued)					
Learning and/or Language Disabilities					
Salaries of Teachers	\$ 248,950	\$ (25,400)	\$ 223,550	\$ 223,189	\$ 361
Other Salaries for Instruction	110,960	(37,000)	73,960	62,915	11,045
Purchased Professional/Educational Services	10,000	219	10,219	6,362	3,857
General Supplies	5,000	-	5,000	4,055	945
Textbooks	1,000	-	1,000	465	535
Total Learning and/or Language Disabilities	<u>375,910</u>	<u>(62,181)</u>	<u>313,729</u>	<u>296,986</u>	<u>16,743</u>
Multiple Disabilities					
Salaries of Teachers	51,585	12,000	63,585	63,485	100
General Supplies	5,000	70	5,070	3,599	1,471
Total Multiple Disabilities	<u>56,585</u>	<u>12,070</u>	<u>68,655</u>	<u>67,084</u>	<u>1,571</u>
Resource Room/Resource Center					
Salaries of Teachers	1,679,390	23,600	1,702,990	1,681,349	21,641
Other Salaries for Instruction	270,660	43,800	314,460	314,407	53
Purchased Professional/Educational Services	20,000	5,874	25,874	17,082	8,792
General Supplies	10,000	263	10,263	8,201	2,062
Textbooks	20,000	-	20,000	17,178	2,822
Total Resource Room/Resource Center	<u>2,000,050</u>	<u>73,537</u>	<u>2,073,587</u>	<u>2,038,217</u>	<u>35,370</u>
Preschool Disabilities - Part-Time					
Salaries of Teachers	55,150	-	55,150	55,150	-
Other Salaries for Instruction	50,566	(3,000)	47,566	31,499	16,067
General Supplies	2,000	264	2,264	2,264	-
Total Preschool Disabilities - Part-Time	<u>107,716</u>	<u>(2,736)</u>	<u>104,980</u>	<u>88,913</u>	<u>16,067</u>
Preschool Disabilities - Full-time					
Salaries of Teachers	51,375	8,200	59,575	59,528	47
Other Salaries for Instruction	-	16,500	16,500	16,305	195
General Supplies	2,000	-	2,000	2,000	-
Total Preschool Disabilities - Full-time	<u>53,375</u>	<u>24,700</u>	<u>78,075</u>	<u>77,833</u>	<u>242</u>
Total Special Education	<u>2,593,636</u>	<u>45,390</u>	<u>2,639,026</u>	<u>2,569,033</u>	<u>69,993</u>
Basic Skills/Remedial					
Salaries of Teachers	344,110	-	344,110	344,110	-
Total Basic Skills/Remedial	<u>344,110</u>	<u>-</u>	<u>344,110</u>	<u>344,110</u>	<u>-</u>
Bilingual Education					
Salaries of Teachers	104,440	-	104,440	51,170	53,270
Total Bilingual Education	<u>104,440</u>	<u>-</u>	<u>104,440</u>	<u>51,170</u>	<u>53,270</u>
School Sponsored Co-Curricular Activities					
Salaries	190,000	-	190,000	131,420	58,580
Supplied & Materials	68,800	-	68,800	48,231	20,569
Other Objects	33,900	-	33,900	17,395	16,505
Total School Sponsored Co-Curricular Activities	<u>292,700</u>	<u>-</u>	<u>292,700</u>	<u>197,046</u>	<u>95,654</u>

**CLARK PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT (Continued)					
School Sponsored Athletics					
Salaries	\$ 325,000	\$ 3,300	\$ 328,300	\$ 328,284	\$ 16
Purchased Services	100,000	(3,300)	96,700	83,992	12,708
Supplies and Materials	135,000	29,316	164,316	148,586	15,730
Other Objects	35,000	80	35,080	22,568	12,512
Total School Sponsored Athletics	595,000	29,396	624,396	583,430	40,966
Total Instruction	14,971,093	47,398	15,018,491	14,854,463	164,028
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs w/i State - Special	822,593	(38,952)	783,641	747,859	35,782
Tuition to County Voc. School Dist.-Regular	450,225	23,675	473,900	473,900	-
Tuition to County Voc. School Dist - Special	40,000	12,000	52,000	49,200	2,800
Tuition to Priv. Sch. Disabled & Other LEAs- Within State	385,563	186,419	571,982	551,895	20,087
Tuition to State Facilities	24,775	-	24,775	24,775	-
Total Undistributed Expenditures - Instruction	1,723,156	183,142	1,906,298	1,847,629	58,669
Attendance and Social Work					
Salaries	99,226	800	100,026	99,909	117
Total Attendance and Social Work	99,226	800	100,026	99,909	117
Health Services					
Salaries	356,040	4,000	360,040	359,092	948
Purchased Professional and Technical Services	25,000	-	25,000	21,313	3,687
Supplies and Materials	8,000	-	8,000	6,721	1,279
Other Objects	3,000	-	3,000	415	2,585
Total Health Services	392,040	4,000	396,040	387,541	8,499
Other Support Serv. Students - Speech, OT, PT & Related Serv.					
Salaries	371,632	12,000	383,632	383,070	562
Purchased Professional/Educational Services	120,000	7,747	127,747	114,912	12,835
Supplies and Materials	6,000	756	6,756	5,555	1,201
Total Other Supp.Serv. Student - Speech, OT, PT, & Related Serv. Speech, OT, PT, & Related Serv.	497,632	20,503	518,135	503,537	14,598
Other Support Services - Students - Extra Serv.					
Salaries	415,892	(82,697)	333,195	286,241	46,954
Total Other Supp.Serv. Student - Extra Serv.	415,892	(82,697)	333,195	286,241	46,954
Other Support Services - Students - Guidance					
Salaries of Other Professional Staff	652,190	(350)	651,840	599,092	52,748
Salaries of Secretarial & Clerical Assistants	116,452	-	116,452	116,452	-
Other Purchased Services	55,000	(28,714)	26,286	20,203	6,083
Supplies and Materials	15,000	314	15,314	6,463	8,851
Other Objects	2,500	-	2,500	731	1,769
Total Other Support Services - Students - Guidance	841,142	(28,750)	812,392	742,941	69,451

**CLARK PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
EXPENDITURES					
CURRENT (Continued)					
Other Support Services - Students - Child Study Team					
Salaries of Other Professional Staff	\$ 558,190	\$ (17,020)	\$ 541,170	\$ 506,595	\$ 34,575
Salaries of Secretarial & Clerical Assistants	116,452	-	116,452	116,452	-
Purchased Professional-Educational Services	56,000	(35,157)	20,843	11,563	9,280
Miscellaneous Purchased Services	6,000	20	6,020	6,016	4
Supplies and Materials	7,000	-	7,000	7,000	-
Total Other Support Services - Students - Child Study Team	743,642	(52,157)	691,485	647,626	43,859
Improvement of Instructional Services					
Salaries of Supervisors of Instruction	337,569	19,278	356,847	356,847	-
Salaries of Other Professional Staff	40,000	(2,278)	37,722	21,288	16,434
Salaries of Secretarial & Clerical Assistants	104,221	-	104,221	104,047	174
Supplies and Materials	117,684	(76,596)	41,088	21,391	19,697
Other Objects	30,000	-	30,000	24,588	5,412
Total Improvement of Instructional Services	629,474	(59,596)	569,878	528,161	41,717
Educational Media/School Library					
Salaries	140,985	-	140,985	140,985	-
Supplies and Materials	75,710	4,600	80,310	64,052	16,258
Other Objects	10,000	(600)	9,400	8,160	1,240
Total Educational Media/School Library	226,695	4,000	230,695	213,197	17,498
Instructional Staff Training Services					
Purchased Professional-Educational Services	20,000	-	20,000	9,973	10,027
Other Objects	5,000	-	5,000	-	5,000
Total Instructional Staff Training Services	25,000	-	25,000	9,973	15,027
Support Services General Administration					
Salaries	223,198	(30,000)	193,198	141,893	51,305
Legal Services	80,000	82,700	162,700	142,252	20,448
Audit Fees	35,000	12,700	47,700	36,949	10,751
Architectural/Engineering Services	20,000	30,000	50,000	30,884	19,116
Purchased Technical Services	10,000	-	10,000	3,800	6,200
Communications/Telephone	229,000	(5,000)	224,000	147,902	76,098
BOE Other Purchased Services	2,500	-	2,500	2,388	112
Miscellaneous Purchased Services	80,000	(8,920)	71,080	61,906	9,174
General Supplies	10,000	-	10,000	8,140	1,860
Judgments Against the School District	50,000	17,250	67,250	67,250	-
Miscellaneous Expenditures	15,000	-	15,000	13,148	1,852
BOE Membership Dues and Fees	25,000	-	25,000	22,099	2,901
Total Support Services General Administration	779,698	98,730	878,428	678,611	199,817
Support Services School Administration					
Salaries of Principals/Asst. Principals/Prog Director	701,859	78,000	779,859	700,489	79,370
Salaries of Other Professional Staff	310,509	(71,120)	239,389	186,587	52,802
Salaries of Secretarial and Clerical Assistants	460,827	(45,300)	415,527	410,908	4,619
Purchased Professional and Technical Services	96,120	96,120	96,120	73,649	22,471
Supplies and Materials	5,000	(1,500)	3,500	-	3,500
Other Objects	5,000	3,100	8,100	6,165	1,935
Total Support Services School Administration	1,483,195	59,300	1,542,495	1,377,798	164,697

**CLARK PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

EXHIBIT C-1

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
EXPENDITURES					
CURRENT (Continued)					
Undistributed Expenditures - Central Services					
Salaries	\$ 385,619	\$ (9,500)	\$ 376,119	\$ 372,467	\$ 3,652
Misc. Purchased Services	35,000	-	35,000	30,866	4,134
Supplies and Materials	20,000	85	20,085	11,268	8,817
Miscellaneous Expenditures	5,000	-	5,000	1,384	3,616
Total Undistributed Expenditures - Central Services	<u>445,619</u>	<u>(9,415)</u>	<u>436,204</u>	<u>415,985</u>	<u>20,219</u>
Admin. Info. Technology					
Purchased Professional Services		700	700	667	33
Purchased Technology Services	150,000	-	150,000	141,387	8,613
Supplies and Materials	-	30,000	30,000	26,052	3,948
Total Admin. Info. Technology	<u>150,000</u>	<u>30,700</u>	<u>180,700</u>	<u>168,106</u>	<u>12,594</u>
Required Maintenance for School Facilities					
Salaries	447,418	77,528	524,946	524,842	104
Cleaning, Repair and Maintenance Services	195,000	65,094	260,094	191,538	68,556
General Supplies	100,000	(3,018)	96,982	72,304	24,678
Other Objects	5,000	-	5,000	-	5,000
Total Required Maintenance for School Facilities	<u>747,418</u>	<u>139,604</u>	<u>887,022</u>	<u>788,684</u>	<u>98,338</u>
Custodial Services					
Salaries	12,485	27,400	39,885	39,831	54
Salaries of Non-Instructional Aides	95,000	8,700	103,700	103,628	72
Purchased Professional-Technical Services	60,000	(11,170)	48,830	34,042	14,788
Cleaning, Repair and Maintenance Services	833,000	(7,530)	825,470	781,831	43,639
Rental of Land & Bldg. Oth. Than Lease Purch. Agreement	203,462	(200,000)	3,462		3,462
Other Purchased Property Services	110,000	-	110,000	97,660	12,340
Insurance	240,360	-	240,360	237,512	2,848
General Supplies	30,000	259	30,259	27,873	2,386
Energy (Natural Gas)	176,862	25,000	201,862	178,402	23,460
Energy (Electricity)	480,000	(18,336)	461,664	349,274	112,390
Total Custodial Services	<u>2,241,169</u>	<u>(175,677)</u>	<u>2,065,492</u>	<u>1,850,053</u>	<u>215,439</u>
Care and Upkeep of Grounds					
Cleaning, Repair and Maintenance Services	80,000	(14,618)	65,382	47,032	18,350
General Supplies	20,000	12,500	32,500	22,792	9,708
Total Care and Upkeep of Grounds	<u>100,000</u>	<u>(2,118)</u>	<u>97,882</u>	<u>69,824</u>	<u>28,058</u>
Security					
Salaries	90,287	-	90,287	79,456	10,831
Supplies	12,000	(5,000)	7,000	1,295	5,705
Total Security	<u>102,287</u>	<u>(5,000)</u>	<u>97,287</u>	<u>80,751</u>	<u>16,536</u>
Student Transportation Services					
Salaries of Non-Instructional Aides	26,010	-	26,010	25,904	106
Salaries for Pupil Trans. (Bet Home & School) - Spe Ed	124,848	(80,000)	44,848	41,121	3,727
Contracted Services - Aid in Lieu of Payments-Nonpublic Schools	90,000	(25,088)	64,912	59,670	5,242
Contracted Services (Between Home and School) - Vendors	250,000	23,000	273,000	264,155	8,845
Contracted Services (Other Than Between Home and School) - Vendors	191,660	(2,953)	188,707	171,519	17,188
Contracted Services (Special Ed Students) - Vendors	260,000	119,082	379,082	379,082	-
Contracted Services - (Regular Students) - ESCs & CTSA's	25,000	5,000	30,000	29,531	469
Misc. Purchased Services-Transportation	25,000	(7,041)	17,959	14,024	3,935
General Supplies	45,000	(12,000)	33,000	26,536	6,464
Total Student Transportation Services	<u>1,037,518</u>	<u>20,000</u>	<u>1,057,518</u>	<u>1,011,542</u>	<u>45,976</u>

**CLARK PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

EXHIBIT C-1

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
EXPENDITURES					
CURRENT (Continued)					
Unallocated Benefits- Employee Benefits					
Social Security Contributions	\$ 375,000	\$ 4,938	\$ 379,938	\$ 379,938	-
Other Retirement Contributions	325,000	(25,838)	299,162	293,006	\$ 6,156
Unemployment Compensation	75,000	-	75,000	73,731	1,269
Workmen's Compensation	222,010	(47,522)	174,488	169,358	5,130
Health Benefits	3,796,000	108,522	3,904,522	3,852,878	51,644
Other Employee Benefits	65,000	21,000	86,000	83,333	2,667
Total Unallocated Benefits	<u>4,858,010</u>	<u>61,100</u>	<u>4,919,110</u>	<u>4,852,244</u>	<u>66,866</u>
On-Behalf (Non-Budget)					
TPAF Pension Benefit Contribution - (Non-Budget)				772,440	(772,440)
TPAF Pension - NCGI Premium (Non-Budget)				55,574	(55,574)
TPAF Post Retirement Medical Contribution (Non-Budget)				1,314,473	(1,314,473)
TPAF Social Security Contributions (Non-Budget)	-	-	-	1,087,518	(1,087,518)
Total On-Behalf	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,230,005</u>	<u>(3,230,005)</u>
Total Undistributed Expenditures	<u>17,538,813</u>	<u>206,469</u>	<u>17,745,282</u>	<u>19,790,358</u>	<u>(2,045,076)</u>
Total Current Expenditures	<u>32,509,906</u>	<u>253,867</u>	<u>32,763,773</u>	<u>34,644,821</u>	<u>(1,881,048)</u>
CAPITAL OUTLAY					
Equipment					
Grades 1 - 5	4,000	700	4,700	500	4,200
Grades 6-8	10,000	(10,000)			-
Grades 9-12	30,000	(5,058)	24,942	22,223	2,719
Custodial Services	20,000	44,613	64,613	34,613	30,000
Care and Upkeep of Grounds	30,000	32,259	62,259	21,370	40,889
Total Equipment	<u>94,000</u>	<u>62,514</u>	<u>156,514</u>	<u>78,706</u>	<u>77,808</u>
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	-	-			-
Assessment for Debt Service on SDA Funding	119,442	-	119,442	119,442	-
Total Facilities Acquisition and Construction Services	<u>119,442</u>	<u>-</u>	<u>119,442</u>	<u>119,442</u>	<u>-</u>
Assets Acquired Under Capital Leases (Non-Budgeted)					
Equipment					
School Administration	-	-	-	15,894	(15,894)
Total Assets Acquired Under Capital Leases (Non-Budgeted)	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,894</u>	<u>(15,894)</u>
Total Capital Outlay	<u>213,442</u>	<u>62,514</u>	<u>275,956</u>	<u>214,042</u>	<u>61,914</u>
Total General Fund	<u>32,723,348</u>	<u>316,381</u>	<u>33,039,729</u>	<u>34,858,863</u>	<u>(1,819,134)</u>

CLARK PUBLIC SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

EXHIBIT C-1

	Original Budget	Adjustments	Final Budget	Actual	Variance Final To Actual
Excess (Deficiency) of Revenues Over/(Under) Expenditures	\$ (914,156)	\$ (316,381)	\$ (1,230,537)	\$ 428,285	\$ 1,658,822
Other Financing Sources (Uses)					
Capital Lease Proceeds				15,894	15,894
Lease Purchase Proceeds	-	-	-	329,310	329,310
Total Other Financing Sources (Uses)	-	-	-	345,204	345,204
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Sources (Uses)	(914,156)	(316,381)	(1,230,537)	773,489	2,004,026
Fund Balance, Beginning of Year	4,054,084	-	4,054,084	4,054,084	-
Fund Balance, End of Year	<u>\$ 3,139,928</u>	<u>\$ (316,381)</u>	<u>\$ 2,823,547</u>	<u>\$ 4,827,573</u>	<u>\$ 2,004,026</u>
Recapitulation:					
Restricted Fund Balance					
Excess Surplus				\$ 884,050	
Excess Surplus - Designated for Subsequent Year's Expenditures				903,849	
Capital Reserve				1,257,070	
Maintenance Reserve				750,000	
Committed Fund Balance					
Year End Encumbrances				65,388	
Assigned Fund Balance					
Year End Encumbrances				248,353	
Designated for Subsequent Year's Expenditures				8,161	
Unassigned Fund Balance				<u>710,702</u>	
Fund Balance- Budgetary Basis				4,827,573	
Less: State Aid Revenue not recognized on GAAP basis				<u>(158,321)</u>	
Fund Balance per Governmental Funds Statements (GAAP)				<u>\$ 4,669,252</u>	

**CLARK PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Intergovernmental					
State	\$ 310,000	\$ 115,214	\$ 425,214	\$ 375,062	\$ (50,152)
Federal	472,000	311,636	783,636	648,516	(135,120)
Local	-	22,391	22,391	20,841	(1,550)
Total Revenues	<u>782,000</u>	<u>449,241</u>	<u>1,231,241</u>	<u>1,044,419</u>	<u>(186,822)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers		32,123	32,123	26,804	5,319
Purchased Professional/Technical Services		111,053	111,053	69,190	41,863
Tuition	380,000	64,692	444,692	444,392	300
General Supplies	72,000	32,114	104,114	44,022	60,092
Textbooks	-	46,652	46,652	42,704	3,948
Total Instruction	<u>452,000</u>	<u>286,634</u>	<u>738,634</u>	<u>627,112</u>	<u>111,522</u>
Support Services					
Salaries	20,000	7,717	27,717	25,169	2,548
Purchased Professional/Technical Services		6,102	6,102	4,614	1,488
Purchased Professional/Educational Services	310,000	68,562	378,562	332,358	46,204
Other Purchased Services		51,408	51,408	28,551	22,857
Supplies and Materials	-	26,726	26,726	26,554	172
Other Objects	-	132	132	61	71
Total Support Services	<u>330,000</u>	<u>160,647</u>	<u>490,647</u>	<u>417,307</u>	<u>73,340</u>
Unallocated Benefits					
Employee Benefits	-	1,960	1,960	-	1,960
Total Capital Outlay	-	-	-	-	-
Total Expenditures	<u>782,000</u>	<u>449,241</u>	<u>1,231,241</u>	<u>1,044,419</u>	<u>186,822</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, 2015**

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

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

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

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedule	\$ 35,287,148	\$ 1,044,419
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, 2014		6,635
Encumbrances June 30, 2015		(19,991)
State Aid payment not recognized for budgetary purposes, recognized for GAAP statements. 2013/2014 State Aid	160,922	
State Aid payment recognized for budgetary purposes, not recognized for GAAP statements. 2014/2015 State Aid	<u>(158,321)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	<u>\$ 35,289,749</u>	<u>\$ 1,031,063</u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 34,858,863	\$ 1,044,419
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, 2014		6,635
Encumbrances June 30, 2015	<u>-</u>	<u>(19,991)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 34,858,863</u>	<u>\$ 1,031,063</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

PENSION INFORMATION

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

Last Two Fiscal Years*

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

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

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

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

Public Employees Retirement System

Last Two Fiscal Years

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

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

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

Teachers Pension and Annuity Fund

Last Two Fiscal Years*

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

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

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

**CLARK PUBLIC SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Change of Benefit Terms: None.

Change of Assumptions: The discount rate changed from the District's rate as of June 30, 2014 to the District's rate as of June 30, 2015, in accordance with GASB Statement No. 67.

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, 2015

	Ch. 192 Svcs.							Ch. 193 Svcs.			Total Page 2	Grand Total 2015
	Nonpublic Nursing	Nonpublic Textbooks	Nonpublic Technology	Nonpublic Compensatory Education	Nonpublic ESL	Nonpublic Transport	Home Instruction	Nonpublic Supplemental Instruction	Nonpublic Exam./ Classification	Nonpublic Corrective Speech		
REVENUES												
Intergovernmental												
State	\$ 71,654	\$ 42,704	\$ 24,565	\$ 95,129	\$ 786	\$ 13,036	\$ 1,796	\$ 38,228	\$ 63,928	\$ 23,236	-	\$ 375,062
Federal											\$ 648,516	\$ 648,516
Local Sources	-	-	-	-	-	-	-	-	-	-	20,841	20,841
Total Revenues	<u>\$ 71,654</u>	<u>\$ 42,704</u>	<u>\$ 24,565</u>	<u>\$ 95,129</u>	<u>\$ 786</u>	<u>\$ 13,036</u>	<u>\$ 1,796</u>	<u>\$ 38,228</u>	<u>\$ 63,928</u>	<u>\$ 23,236</u>	<u>\$ 669,357</u>	<u>\$ 1,044,419</u>
EXPENDITURES												
Instruction												
Salaries of Teachers											\$ 26,804	\$ 26,804
Purchased Professional & Technical Services											69,190	69,190
Tuition											444,392	444,392
General Supplies											44,022	44,022
Textbooks	-	\$ 42,704	-	-	-	-	-	-	-	-	-	42,704
Total Instruction	<u>-</u>	<u>42,704</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>584,408</u>	<u>627,112</u>
Support Services												
Salaries											25,169	25,169
Purchased Professional & Technical Services											4,614	4,614
Purchased Professional/ Educational Services	\$ 71,654		\$ 24,565	\$ 95,129	\$ 786	\$ 13,036	\$ 1,796	\$ 38,228	\$ 63,928	\$ 23,236	-	332,358
Other Purchased Services											28,551	28,551
Supplies and Materials											26,554	26,554
Other Objects	-	-	-	-	-	-	-	-	-	-	61	61
Total Support Services	<u>71,654</u>	<u>-</u>	<u>24,565</u>	<u>95,129</u>	<u>786</u>	<u>13,036</u>	<u>1,796</u>	<u>38,228</u>	<u>63,928</u>	<u>23,236</u>	<u>84,949</u>	<u>417,307</u>
Total Expenditures	<u>\$ 71,654</u>	<u>\$ 42,704</u>	<u>\$ 24,565</u>	<u>\$ 95,129</u>	<u>\$ 786</u>	<u>\$ 13,036</u>	<u>\$ 1,796</u>	<u>\$ 38,228</u>	<u>\$ 63,928</u>	<u>\$ 23,236</u>	<u>\$ 669,357</u>	<u>\$ 1,044,419</u>

CLARK PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

REVENUES	Title I 2014/15	Title IIA 2014/15	IDEA Part B	IDEA Preschool	Workforce Investment 2014/15	Race to the Top	Other Local	Total Page 2
Intergovernmental								
State								
Federal	\$ 43,183	\$ 27,390	\$ 525,249	\$ 23,461	\$ 25,369	\$ 3,864		\$ 648,516
Local Sources	-	-	-	-	-	-	\$ 20,841	20,841
Total Revenues	<u>\$ 43,183</u>	<u>\$ 27,390</u>	<u>\$ 525,249</u>	<u>\$ 23,461</u>	<u>\$ 25,369</u>	<u>\$ 3,864</u>	<u>\$ 20,841</u>	<u>\$ 669,357</u>
EXPENDITURES								
Instruction								
Salaries of Teachers			\$ 3,343	\$ 23,461				\$ 26,804
Purchased Professional & Technical Services			69,190					69,190
Tuition			444,392					444,392
General Supplies	\$ 43,183	\$ 839						44,022
Textbooks	-	-	-	-	-	-	-	-
Total Instruction	<u>43,183</u>	<u>839</u>	<u>516,925</u>	<u>23,461</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>584,408</u>
Support Services								
Salaries					\$ 25,169			25,169
Purchased Professional & Technical Services			1,850			\$ 2,764		4,614
Purchased Professional/ Educational Services								-
Other Purchased Services		26,551	2,000					28,551
Supplies and Materials			4,474		139	1,100	\$ 20,841	26,554
Other Objects	-	-	-	-	61	-	-	61
Total Support Services	<u>-</u>	<u>26,551</u>	<u>8,324</u>	<u>-</u>	<u>25,369</u>	<u>3,864</u>	<u>20,841</u>	<u>84,949</u>
Total Expenditures	<u>\$ 43,183</u>	<u>\$ 27,390</u>	<u>\$ 525,249</u>	<u>\$ 23,461</u>	<u>\$ 25,369</u>	<u>\$ 3,864</u>	<u>\$ 20,841</u>	<u>\$ 669,357</u>

**CLARK PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOT APPLICABLE

CAPITAL PROJECTS FUND

**CLARK PUBLIC SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY STATEMENT OF PROJECT EXPENDITURES - BUDGETARY BASIS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<u>Issue/Project Title</u>	<u>Modified Appropriation</u>	<u>Expenditures to Date Prior Years</u>	<u>Current Year</u>	<u>Balance June 30, 2015</u>
ALJ High School - Restroom ADA Upgrades	\$ 174,898	\$ 8,300	\$ 162,832	\$ 3,766
Valley Road Elementary School - Restroom ADA Upgrades	212,871			212,871
Karl H. Kumpf Middle School - Restroom ADA Upgrades	168,550			168,550
Frank K. Henly Elementary School - Restroom ADA Upgrades	143,610			143,610
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 699,929</u>	<u>\$ 8,300</u>	<u>\$ 162,832</u>	<u>\$ 528,797</u>

Reconciliation to GAAP

Project Balances, June 30, 2015	\$ 528,797
Less:	
Unearned Revenue - SDA Grants	(1,506)
Unfunded State Contribution	(210,012)
Unfunded Local Contribution	<u>(315,019)</u>
Fund Balance, June 30, 2015	<u>\$ 2,260</u>

Recapitulation of Fund Balance

Restricted for Capital Projects	
Year End Encumbrances	488,000
Available for Capital Projects	<u>\$ (485,740)</u>
Total Fund Balance - Restricted for Capital Projects	<u>\$ 2,260</u>

**CLARK PUBLIC SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Revenues and Other Financing Sources

State Sources - SDA Grant	
Transfer from General Fund - Capital Reserve	-
Total Revenues	-

Expenditures and Other Financing Uses

Expenditures:	
Construction Services	\$ 162,832
Total Expenditures and Other Financing Uses	162,832
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(162,832)
Fund Balance- Beginning of Year	\$ 166,598
Fund Balance- Ending of Year	\$ 3,766

Reconciliation to GAAP Basis

Fund Balance, June 30, 2015 - Budgetary Basis	\$ 3,766
Less: Unearned Revenue (SDA Grants)	(1,506)
Fund Balance, June 30, 2015-GAAP Basis	\$ 2,260

**CLARK PUBLIC SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
ALJ HIGH SCHOOL - RESTROOM ADA UPGRADES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources- SDA Grant	\$ 69,959		\$ 69,959	\$ 69,959
Local Contribution - Transfer From Capital Reserve	104,939	-	104,939	104,939
	<u>174,898</u>	<u>-</u>	<u>174,898</u>	<u>174,898</u>
Expenditures and Other Financing Uses				
Architect/Engineering Services	8,300	-	8,300	11,398
Construction Services	-	\$ 162,832	162,832	163,500
	<u>8,300</u>	<u>162,832</u>	<u>171,132</u>	<u>174,898</u>
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 166,598</u>	<u>\$ (162,832)</u>	<u>\$ 3,766</u>	<u>\$ -</u>
Additional Project Information:				
DOE Project Number	0850-005-14-1001			
SDA Project Number	0850-005.14-G2RB			
Grant Number	G5-5865			
Grant Date	May 29, 2014			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorization Cost	174,898			
Additional Authorization Cost/(Cancellation)	-			
Revised Authorization Cost	174,898			
Percentage Increase over Original				
Authorized Cost	0.00%			
Percentage Completion	97.85%			
Original Target Completion Date	December 31, 2014			
Revised Target Completion Date	July 31, 2015			

**CLARK PUBLIC SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
VALLEY ROAD ELEMENTARY SCHOOL - RESTROOM ADA UPGRADES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Preliminary Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources- SDA Grant	-	-	-	\$ 85,148
Local Contribution - Transfer From Capital Reserve	-	-	-	127,723
Total Revenues and Other Financing Sources	-	-	-	212,871
Expenditures and Other Financing Uses				
Architect/Engineering Services	-	-	-	16,000
Construction Services	-	-	-	196,871
Total Expenditures and Other Financing Uses	-	-	-	212,871
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ -	\$ -	\$ -	\$ -

Additional Project Information:

DOE Project Number	0850-040-14-1004
SDA Project Number	0850-040-14-G2RE
Grant Number	G5-5868
Grant Date	Not Executed
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorization Cost	212,871
Additional Authorization Cost/(Cancellation)	-
Revised Authorization Cost	212,871
Percentage Increase over Original	
Authorized Cost	0.00%
Percentage Completion	0.00%
Original Target Completion Date	June 30, 2016
Revised Target Completion Date	June 30, 2016

CLARK PUBLIC SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
KARL H. KUMPF MIDDLE SCHOOL - RESTROOM ADA UPGRADES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Preliminary Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources- SDA Grant				\$ 67,420
Local Contribution - Transfer From Capital Reserve	-	-	-	101,130
	-	-	-	168,550
Expenditures and Other Financing Uses				
Architect/Engineering Services			-	12,500
Construction Services	-	-	-	156,050
	-	-	-	168,550
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ -	\$ -	\$ -	\$ -
Additional Project Information:				
DOE Project Number	0850-035-14-1003			
SDA Project Number	0850-035-14-G2RD			
Grant Number	G5-5867			
Grant Date	Not Executed			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorization Cost	168,550			
Additional Authorization Cost/(Cancellation)	-			
Revised Authorization Cost	168,550			
Percentage Increase over Original				
Authorized Cost	0.00%			
Percentage Completion	0.00%			
Original Target Completion Date	June 30, 2016			
Revised Target Completion Date	June 30, 2016			

CLARK PUBLIC SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS
FRANK K. HEHNLY ELEMENTARY SCHOOL - RESTROOM ADA UPGRADES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Preliminary Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources- SDA Grant			-	\$ 57,444
Local Contribution - Transfer From Capital Reserve	-	-	-	86,166
Total Revenues and Other Financing Sources	-	-	-	143,610
Expenditures and Other Financing Uses				
Architect/Engineering Services			-	10,800
Construction Services	-	-	-	132,810
Total Expenditures and Other Financing Uses	-	-	-	143,610
Excess (Deficiency) of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ -	\$ -	\$ -	\$ -
Additional Project Information:				
DOE Project Number	0850-030-14-1002			
SDA Project Number	0850-030-14-G2RC			
Grant Number	G5-5866			
Grant Date	Not Executed			
Bond Authorization Date	N/A			
Bonds Authorized	N/A			
Bonds Issued	N/A			
Original Authorization Cost	143,610			
Additional Authorization Cost/(Cancellation)	-			
Revised Authorization Cost	143,610			
Percentage Increase over Original				
Authorized Cost	0.00%			
Percentage Completion	0.00%			
Original Target Completion Date	June 30, 2016			
Revised Target Completion Date	June 30, 2016			

PROPRIETARY FUNDS

**CLARK PUBLIC SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
AS JUNE 30, 2015**

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, 2015**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

FIDUCIARY FUNDS

AGENCY FUNDS

**CLARK PUBLIC SCHOOL DISTRICT
AGENCY FUNDS
COMBINING STATEMENT OF AGENCY ASSETS AND LIABILITIES
AS OF JUNE 30, 2015**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
ASSETS			
Cash	\$ 137,895	\$ 203,455	\$ 341,350
Intergovernmental Receivable	<u>-</u>	<u>43,285</u>	<u>43,285</u>
Total Assets	<u>\$ 137,895</u>	<u>\$ 246,740</u>	<u>\$ 384,635</u>
LIABILITIES			
Due to Other Funds		\$ 44,005	\$ 44,005
Due to Student Groups	\$ 137,895		137,895
Employee Deposits Payable		198,340	198,340
Flexible Spending Deposits	<u>-</u>	<u>4,395</u>	<u>4,395</u>
Total Liabilities	<u>\$ 137,895</u>	<u>\$ 246,740</u>	<u>\$ 384,635</u>

**CLARK PUBLIC SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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, 2015**

	Balance, July 1, <u>2014</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, June 30, <u>2015</u>
ELEMENTARY SCHOOLS				
Valley Road	\$ 15,231	\$ 17,426	\$ 18,265	\$ 14,392
Frank K. Hehnly	12,668	14,998	11,767	15,899
MIDDLE SCHOOL				
Carl H. Kumpf	41,722	85,687	83,088	44,321
HIGH SCHOOL				
Arthur L. Johnson	<u>57,580</u>	<u>108,851</u>	<u>103,148</u>	<u>63,283</u>
Total All Schools	<u>\$ 127,201</u>	<u>\$ 226,962</u>	<u>\$ 216,268</u>	<u>\$ 137,895</u>

EXHIBIT H-4

**PAYROLL AGENCY FUND
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Balance, July 1, <u>2014</u>	<u>Additions</u>	<u>Deletions</u>	Balance, June 30, <u>2015</u>
ASSETS				
Cash	\$ 230,727	\$ 21,416,566	\$ 21,443,838	\$ 203,455
Intergovernmental Receivable	<u>-</u>	<u>43,285</u>	<u>-</u>	<u>43,285</u>
Total Assets	<u>\$ 230,727</u>	<u>\$ 21,459,851</u>	<u>\$ 21,443,838</u>	<u>\$ 246,740</u>
LIABILITIES				
Due to Other Funds	\$ 2,542	\$ 44,377	\$ 2,914	\$ 44,005
Employee Deposits Payable	224,150	199,680	225,490	198,340
Flexible Spending Deposits	4,035	5,567	5,207	4,395
Accrued Salaries and Wages		12,097,207	12,097,207	-
Payroll Deductions and Withholdings Payable	<u>-</u>	<u>9,113,020</u>	<u>9,113,020</u>	<u>-</u>
Total Liabilities	<u>\$ 230,727</u>	<u>\$ 21,459,851</u>	<u>\$ 21,443,838</u>	<u>\$ 246,740</u>

LONG-TERM DEBT

CLARK PUBLIC SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

<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, 2014</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2015</u>
			<u>Date</u>	<u>Amount</u>					
School Bond	07/12/05	\$ 19,834,000				\$ 870,000		\$ 870,000	
Refunding School Bonds	12/4/12	\$ 14,145,000	6/01/16	\$ 945,000	3.00%				
			6/01/17	950,000	4.00%				
			6/01/18	975,000	2.00%				
			6/01/19	975,000	4.00%				
			6/01/20	1,010,000	4.00%				
			6/01/21	1,095,000	3.73%				
			6/01/22	1,295,000	4.00%				
			6/01/23	1,590,000	4.00%				
			6/01/24	1,705,000	2.63%				
			6/01/25	1,710,000	2.75%				
			6/01/26	1,755,000	3.00%				
						<u>14,060,000</u>	<u>-</u>	<u>55,000</u>	<u>\$ 14,005,000</u>
						<u>\$ 14,930,000</u>	<u>\$ -</u>	<u>\$ 925,000</u>	<u>\$ 14,005,000</u>

**CLARK PUBLIC SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF CAPITAL LEASES AND LEASE PURCHASE AGREEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<u>Purpose</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Balance, June 30, 2014</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance, June 30, 2015</u>
Capital Leases						
Telecommunication System	\$ 336,519	4.00%	\$ 195,645		\$ 62,629	\$ 133,016
Lift & Trailer Unit	20,420	6.00%	10,110		7,033	3,077
10 Savin Copiers	311,792	4.80%	209,841		61,621	148,220
Digital Mailing Systems	21,072	0.00%	11,853		5,268	6,585
Digital Copier	15,894	3.00%	-	\$ 15,894	465	15,429
			427,449	15,894	137,016	306,327
Lease-Purchase Agreements						
Apple Computers	329,310	0.00%	-	329,310	-	329,310
			\$ 427,449	\$ 345,204	\$ 137,016	\$ 635,637

**CLARK PUBLIC SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Local Sources					
Local Tax Levy	\$ 1,426,782	-	\$ 1,426,782	\$ 1,426,782	-
Total Revenues	<u>1,426,782</u>	<u>-</u>	<u>1,426,782</u>	<u>1,426,782</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Principal	925,000		925,000	925,000	
Interest on Bonds	<u>501,782</u>	<u>-</u>	<u>501,782</u>	<u>501,782</u>	<u>-</u>
Total Expenditures	<u>1,426,782</u>	<u>-</u>	<u>1,426,782</u>	<u>1,426,782</u>	<u>-</u>
Net Change in Fund Balances	-	-	-	-	-
Fund Balance, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATISTICAL SECTION

This part of the Clark Public School District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents

Exhibits

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

J-1 to J-5

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

J-6 to J-9

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

J-10 to J-13

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

J-14 and J-15

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

J-16 to J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011 (1)	2012	2013	2014 (2)	2015
Governmental Activities										
Net Investment In Capital Assets	\$ 7,141,649	\$ 12,477,524	\$ 15,538,485	\$ 19,318,718	\$ 21,130,888	\$ 20,693,647	\$ 19,589,306	\$ 18,535,021	\$ 17,548,040	\$ 16,572,663
Restricted	2,739,256	3,885,729	2,822,253	2,052,788	889,081	162,010	362,010	382,500	1,357,029	2,009,330
Unrestricted	(1,079,624)	(560,348)	8,360	109,679	(97,354)	354,620	674,667	1,624,260	(4,692,995)	(5,095,914)
Total Governmental Activities Net Position	<u>\$ 8,801,281</u>	<u>\$ 15,802,905</u>	<u>\$ 18,369,098</u>	<u>\$ 21,481,185</u>	<u>\$ 21,922,615</u>	<u>\$ 21,210,277</u>	<u>\$ 20,625,983</u>	<u>\$ 20,541,781</u>	<u>\$ 14,212,074</u>	<u>\$ 13,486,079</u>
Business-Type Activities										
Net Investment In Capital Assets	\$ 3,065	\$ 8,160	\$ 8,822	\$ 19,279	\$ 141,417	\$ 11,361	\$ 10,365	\$ 9,368	\$ 8,372	\$ 15,732
Unrestricted	4,917	36,356	51,164	(8,613)	(73,310)	(47,475)	39,058	161,654	256,768	549,426
Total Business-Type Activities Net Position	<u>\$ 7,982</u>	<u>\$ 44,516</u>	<u>\$ 59,986</u>	<u>\$ 10,666</u>	<u>\$ 68,107</u>	<u>\$ (36,114)</u>	<u>\$ 49,423</u>	<u>\$ 171,022</u>	<u>\$ 265,140</u>	<u>\$ 565,158</u>
District-Wide										
Net Investment In Capital Assets	\$ 7,144,714	\$ 12,485,684	\$ 15,547,307	\$ 19,337,997	\$ 21,272,305	\$ 20,705,008	\$ 19,599,671	\$ 18,544,389	\$ 17,556,412	\$ 16,588,395
Restricted	2,739,256	3,885,729	2,822,253	2,052,788	889,081	162,010	362,010	382,500	1,357,029	2,009,330
Unrestricted	(1,074,707)	(523,992)	59,524	101,066	(170,665)	307,145	713,725	1,785,914	(4,436,227)	(4,546,488)
Total District Net Position	<u>\$ 8,809,263</u>	<u>\$ 15,847,421</u>	<u>\$ 18,429,084</u>	<u>\$ 21,491,851</u>	<u>\$ 21,990,721</u>	<u>\$ 21,174,163</u>	<u>\$ 20,675,406</u>	<u>\$ 20,712,803</u>	<u>\$ 14,477,214</u>	<u>\$ 14,051,237</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,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental Activities										
Instruction	\$ 20,820,638	\$ 20,463,273	\$ 21,576,876	\$ 19,852,074	\$ 20,965,188					
Regular Instruction						\$ 16,401,047	\$ 17,411,882	\$ 17,902,025	\$ 17,581,785	\$ 20,404,457
Special Education Instruction						4,254,388	4,204,766	4,647,130	4,504,738	6,003,305
Other Instruction						786,089	655,131	752,665	641,301	709,751
School Sponsored Activities and Athletics						853,285	965,481	865,920	902,524	953,377
Support Services:										
Tuition				1,809,790	1,659,492					
Student and Instruction Related Services	4,635,672	5,483,004	5,422,458	5,442,793	5,953,039	5,678,385	5,394,922	5,218,949	5,350,090	5,440,909
General Administration Services	824,053	790,173	854,921	881,988	845,029	993,837	1,155,219	947,143	816,658	781,746
School Administrative Services	1,276,404	1,244,650	1,334,929	1,129,255	1,232,782	1,568,620	1,653,477	1,969,532	1,987,484	2,233,308
Central and Other Support Services	614,325	596,693	603,682	437,769	432,399	691,176	573,788	629,245	628,734	720,876
Plant Operations and Maintenance	3,367,945	3,358,152	3,752,956	3,421,375	3,148,845	3,198,335	3,160,128	2,918,305	3,022,501	3,100,548
Pupil Transportation Services	989,472	966,307	1,068,602	1,014,507	775,049	789,990	859,168	942,558	866,858	1,037,189
Capital Outlay	140,071									
Interest On Long-Term Debt	579,748	820,924	828,700	801,873	773,494	730,798	697,192	642,044	592,530	552,422
Unallocated Depreciation and Amortization										
Total Governmental Activities Expenses	33,248,328	33,723,176	35,443,124	34,791,424	35,785,317	35,945,950	36,731,154	37,435,516	36,895,203	41,937,888
Business-Type Activities:										
Food Service	715,214	671,050	665,732	652,721	650,372	572,364	658,295	649,233	631,893	628,176
Before and After School Program							274,635	320,664	411,722	272,655
Total Business-Type Activities Expense	715,214	671,050	665,732	652,721	650,372	572,364	932,930	969,897	1,043,615	900,831
Total District Expenses	\$ 33,963,542	\$ 34,394,226	\$ 36,108,856	\$ 35,444,145	\$ 36,435,689	\$ 36,518,314	\$ 37,664,084	\$ 38,405,413	\$ 37,938,818	\$ 42,838,719
Program Revenues										
Governmental Activities:										
Charges For Services:										
Instruction	\$ 1,466,928	\$ 1,485,749	\$ 1,552,608	\$ 1,622,475	\$ 1,943,873	\$ 2,097,387	\$ 2,365,732	\$ 2,511,730	\$ 2,738,802	\$ 2,196,195
Pupil Transportation						107,892	139,320	201,733	136,081	213,134
Operating Grants And Contributions	1,038,307	1,093,412	1,114,230	292,513	348,927	3,622,331	4,690,598	5,455,611	4,981,443	8,925,719
Capital Grants And Contributions	3,388,051	5,088,592	2,584,538	3,508,060	268,431	157,877	31,545		3,320	65,133
Total Governmental Activities Program Revenues	5,893,286	7,667,753	5,251,376	5,423,048	2,561,231	5,985,487	7,227,195	8,169,074	7,859,646	11,400,181
Business-Type Activities:										
Charges For Services										
Food Service	\$ 620,599	\$ 639,755	\$ 610,158	\$ 512,886	\$ 464,543	\$ 483,801	\$ 530,527	\$ 498,124	\$ 526,372	\$ 532,264
Before and After School Program							324,759	441,487	496,257	547,455
Operating Grants And Contributions	82,145	67,829	71,044	74,150	82,976	113,018	137,181	111,885	115,104	121,130
Capital Grants And Contributions					160,000					
Total Business Type Activities Program Revenues	702,744	707,584	681,202	587,036	707,519	596,819	992,467	1,051,496	1,137,733	1,200,849
Total District Program Revenues	\$ 6,596,030	\$ 8,375,337	\$ 5,932,578	\$ 6,010,084	\$ 3,268,750	\$ 6,582,306	\$ 8,219,662	\$ 9,220,570	\$ 8,997,379	\$ 12,601,030
Net (Expense)/Revenue										
Governmental Activities	\$ (27,355,042)	\$ (26,055,423)	\$ (30,191,748)	\$ (29,368,376)	\$ (33,224,086)	\$ (29,960,463)	\$ (29,503,959)	\$ (29,266,442)	\$ (29,035,557)	\$ (30,537,707)
Business-Type Activities	(12,470)	36,534	15,470	(65,685)	57,147	24,455	59,537	81,599	94,118	300,018
Total District-Wide Net Expense	\$ (27,367,512)	\$ (26,018,889)	\$ (30,176,278)	\$ (29,434,061)	\$ (33,166,939)	\$ (29,936,008)	\$ (29,444,422)	\$ (29,184,843)	\$ (28,941,439)	\$ (30,237,689)

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

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Revenues And Other Changes In Net Position										
Governmental Activities:										
Property Taxes Levied For General Purposes	\$ 25,562,809	\$ 25,981,824	\$ 26,197,299	\$ 26,415,699	\$ 26,790,200	\$ 27,058,102	\$ 27,283,102	\$ 27,490,840	\$ 27,816,331	\$ 28,206,800
Property Taxes Levied For Debt Service	1,162,500	889,712	718,543	863,709	863,709	1,463,709	1,525,942	1,537,009	1,405,790	1,426,782
State Aid, Unrestricted	4,364,292	5,240,005	5,383,104	4,969,522	5,387,583	30,400	28,630	27,796	2,196	2,268
Investment Earnings	880,575	800,139	403,380	72,175	39,387	19,712	11,161	10,436	5,859	7,121
Miscellaneous Income	229,177	145,367	55,615	174,339	584,635	643,374	96,830	156,159	216,947	168,741
Transfers	-	-	-	(15,000)	-	-	(26,000)	(40,000)	-	-
Total Governmental Activities	32,199,353	33,057,047	32,757,941	32,480,444	33,665,514	29,215,297	28,919,665	29,182,240	29,447,123	29,811,712
Business-Type Activities:										
Investment Earnings	-	-	-	\$ 1,365	\$ 295	-	-	-	-	-
Transfers	-	-	-	15,000	-	-	26,000	40,000	-	-
Total Business-Type Activities	-	-	-	16,365	295	-	26,000	40,000	-	-
Total District-Wide	\$ 32,199,353	\$ 33,057,047	\$ 32,757,941	\$ 32,496,809	\$ 33,665,809	\$ 29,215,297	\$ 28,945,665	\$ 29,222,240	\$ 29,447,123	\$ 29,811,712
Change In Net Position										
Governmental Activities	\$ 4,844,311	\$ 7,001,624	\$ 2,566,193	\$ 3,112,068	\$ 441,428	\$ (745,166)	\$ (584,294)	\$ (84,202)	\$ 411,566	\$ (725,995)
Business-Type Activities	(12,470)	36,534	15,470	(49,320)	57,442	24,455	85,537	121,599	94,118	300,018
Total District	\$ 4,831,841	\$ 7,038,158	\$ 2,581,663	\$ 3,062,748	\$ 498,870	\$ (720,711)	\$ (498,757)	\$ 37,397	\$ 505,684	\$ (425,977)

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

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	\$ 1,681,254	\$ 2,780,862	\$ 2,565,372	\$ 1,178,996	\$ 982,473					
Unreserved	649,802	603,724	712,787	1,054,452	475,786					
Restricted						\$ 418,855	\$ 712,592	\$ 1,457,002	\$ 1,171,226	\$ 3,794,969
Committed								231,590	55,313	65,388
Assigned						120,163	359,919	289,893	261,068	256,514
Unassigned						479,516	475,325	441,671	2,405,555	552,381
Total General Fund	<u>\$ 2,331,056</u>	<u>\$ 3,384,586</u>	<u>\$ 3,278,159</u>	<u>\$ 2,233,448</u>	<u>\$ 1,458,259</u>	<u>\$ 1,018,534</u>	<u>\$ 1,547,836</u>	<u>\$ 2,420,156</u>	<u>\$ 3,893,162</u>	<u>\$ 4,669,252</u>
All Other Governmental Funds										
Unreserved, Reported In										
Capital Projects Fund	\$ 13,195,457	\$ 5,675,342	\$ 1,798,536	\$ 298,273	\$ 582,121					
Debt Service Fund	1,111,798	1,255,902	56,424	1	(607,942)					
Restricted						\$ 162,010	\$ 162,010	\$ 182,500	\$ 99,959	\$ 2,260
Total All Other Governmental Funds	<u>\$ 14,307,255</u>	<u>\$ 6,931,244</u>	<u>\$ 1,854,960</u>	<u>\$ 298,274</u>	<u>\$ (25,821)</u>	<u>\$ 162,010</u>	<u>\$ 162,010</u>	<u>\$ 182,500</u>	<u>\$ 99,959</u>	<u>\$ 2,260</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.									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Property Tax Levy	\$ 25,008,819	\$ 26,725,309	\$ 26,871,536	\$ 26,915,842	\$ 27,279,408	\$ 28,521,811	\$ 28,809,044	\$ 29,027,849	\$ 29,222,121	\$ 29,633,582
Tuition Charges	1,424,940	1,466,928	1,485,749	1,552,608	1,622,475	2,097,387	2,232,020	2,514,730	2,738,802	2,326,907
Transportation Fees						107,892	139,320	201,733	136,081	213,134
Interest Earnings	87,516	880,575	800,139	403,380	72,175	19,712	11,161	10,436	5,859	7,121
Miscellaneous	110,101	229,177	165,812	88,138	174,339	662,652	113,945	173,655	226,878	186,177
Intermediate Sources	1,926									
State Sources	5,577,762	8,255,805	10,841,004	8,443,824	8,120,637	3,025,295	3,895,265	4,751,893	4,345,993	4,807,241
Federal Sources	465,832	534,845	560,560	605,525	649,458	766,035	810,721	714,018	631,035	638,565
Total Revenue	32,676,896	38,092,639	40,724,800	38,009,317	37,918,492	35,200,784	36,011,476	37,394,314	37,306,769	37,812,727
Expenditures										
Instruction	12,993,218	13,816,769	13,576,875	14,327,170	14,846,264					
Regular Instruction						14,309,636	15,198,171	15,892,981	15,463,533	15,937,309
Special Education Instruction						4,251,339	4,188,235	4,656,410	4,505,192	5,509,495
Other Instruction						785,569	651,649	754,629	641,390	614,062
School Sponsored Activities and Athletics						852,518	960,996	867,820	902,620	956,124
Support Services										
Tuition	2,027,865	2,133,460	1,580,062	1,734,030	1,809,790					
Student and Instruction Related Services	3,368,527	3,389,945	3,922,512	3,912,440	4,452,102	5,668,952	5,366,085	5,228,790	5,348,851	5,083,662
General Administration Services	865,198	1,114,713	1,045,377	1,118,951	963,949	993,380	1,152,338	815,196	816,702	782,594
School Administrative Services	1,690,715	910,043	866,046	935,565	859,405	1,552,544	1,633,925	1,885,112	1,891,765	1,925,942
Central and Other Support Services		450,929	422,306	447,389	432,733	690,573	570,854	630,646	628,807	723,102
Plant Operations And Maintenance	2,971,887	3,100,723	3,039,441	3,463,839	3,294,828	3,174,865	3,127,457	2,889,938	2,990,753	3,072,391
Student Transportation Services	976,623	975,567	949,367	1,056,708	1,002,165	789,795	858,139	943,053	866,879	1,037,589
Employee Benefits	6,104,678	4,149,294	4,117,807	4,100,329	4,427,129					
On-Behalf TPAF and Pension Contributions		2,559,781	3,579,080	3,623,932	2,109,055					
Cost of Issuance		243,363								
Capital Outlay	2,569,757	8,798,478	13,348,368	6,509,889	5,331,065	727,930	170,923	886,103	281,079	257,432
Debt Service:										
Principal			500,000	620,000	690,000	820,000	875,000	1,074,496	1,021,858	1,062,016
Interest And Other Charges		742,362	784,040	833,968	794,222	735,577	702,402	626,133	556,875	517,822
Cost of Issuance								133,038	-	-
Advanced Refunding Escrow								1,298,208	-	-
Total Expenditures	33,568,468	42,385,427	47,731,281	42,684,210	41,012,707	35,352,678	35,456,174	38,582,553	35,916,304	37,479,540
Excess (Deficiency) Of Revenues Over (Under) Expenditures	(891,572)	(4,292,788)	(7,006,481)	(4,674,893)	(3,094,215)	(151,894)	555,302	(1,188,239)	1,390,465	333,187
Other Financing Sources (Uses)										
Capital Lease/Lease Purchase Proceeds								689,803	-	345,204
Bond Proceeds		20,077,363	684,000					14,145,000	-	-
Premium on Refunding								920,246	-	-
Interest Expense	(18,900)	(7,727)								
Payment to Refunding Bond Escrow Agent								(13,634,000)	-	-
Transfers In	18,900	691,660	538,432	195,641	946	651,624			266,948	
Transfers Out	(949)	(691,660)	(538,432)	(195,641)	(15,946)	(651,624)	(26,000)	(40,000)	(266,948)	
Total Other Financing Sources (Uses)	(949)	20,069,636	684,000	-	(15,000)	-	(26,000)	2,081,049	-	345,204
Net Change In Fund Balances	\$ (892,521)	\$ 15,776,848	\$ (6,322,481)	\$ (4,674,893)	\$ (3,109,215)	\$ (151,894)	\$ 529,302	\$ 892,810	\$ 1,390,465	\$ 678,391
Debt Service As A Percentage Of Noncapital Expenditures	0.00%	2.21%	3.73%	4.02%	4.16%	4.49%	4.47%	8.31%	4.43%	4.24%

* Noncapital expenditures are total expenditures less capital outlay.

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

Fiscal Year Ended June 30,	<u>Tuition</u>	<u>Transportation Fees</u>	<u>Interest on Investments</u>	<u>Preschool/Before After School Program Fees</u>	<u>Rentals</u>	<u>E-Rate</u>	<u>Gate Receipts</u>	<u>Reimbursements</u>	<u>Miscellaneous</u>	<u>Total</u>
2006	\$ 1,466,928		\$ 207,386						\$ 229,177	\$ 1,903,491
2007	1,485,749		261,707						145,367	1,892,823
2008	1,552,608		207,739						55,615	1,815,962
2009	1,622,475		71,229						152,623	1,846,327
2010	1,943,873		39,387						443,402	2,426,662
2011	2,097,387	\$ 107,892	19,712	\$ 460,940	\$ 9,577	\$ 21,528	\$ 8,599	\$ 35,321	107,409	2,868,365
2012	2,232,020	139,320	11,161		39,219	240	9,648	3,899	43,824	2,479,331
2013	2,514,730	201,733	10,436		16,750	-	9,054	1,387	128,968	2,883,058
2014	2,738,802	136,081	5,859		38,950	-	7,259	144,553	26,185	3,097,689
2015	2,326,907	213,134	7,121		35,952	4,975	17,003		110,811	2,715,903

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
2006	\$ 8,582,500	\$ 561,273,600			\$ 88,889,500	\$ 34,450,200	\$ 18,302,200	\$ 711,498,000	\$ 463,561	\$ 711,961,561	\$ 2,292,397,763	\$ 3.745
2007	11,266,600	568,202,500			89,218,600	31,597,100	18,302,200	718,587,000	417,044	719,004,044	2,520,125,679	3.728
2008	10,410,600	574,882,600			90,705,400	31,597,100	18,302,200	725,897,900	397,545	726,295,445	2,831,210,547	3.741
2009	9,672,500	579,961,600			88,025,300	30,747,100	18,177,200	726,583,700	418,750	727,002,450	2,837,350,265	3.779
2010	8,652,100	582,437,000			87,990,500	30,747,100	18,177,200	728,003,900	443,172	728,447,072	2,658,376,917	3.810
2011	5,038,100	583,858,100			91,706,600	29,996,800	18,177,200	728,776,800	406,766	729,183,566	2,553,865,130	3.857
2012	5,198,000	585,885,700			91,504,900	29,996,800	16,357,700	728,943,100	403,287	729,346,387	2,555,136,809	3.962
2013	8,244,500	586,452,800			89,972,000	27,317,700	16,357,700	728,344,700	383,409	728,728,109	2,434,456,344	3.997
2014	13,999,600	587,465,700			89,165,200	22,526,500	16,357,700	729,514,700	285,698	729,800,398	2,378,232,819	4.029
2015	11,044,900	587,334,700			89,071,000	22,526,500	26,407,700	736,384,800	300,902	736,685,702	2,411,074,575	4.123

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		
2006	\$ 3.745	\$ 1.672	\$ 1.142	\$	6.559
2007	3.728	1.703	1.224		6.655
2008	3.741	1.764	1.340		6.845
2009	3.779	1.848	1.375		7.002
2010	3.810	1.939	1.399		7.148
2011	3.857	2.026	1.494		7.377
2012	3.962	2.046	1.605		7.613
2013	3.997	2.086	1.664		7.747
2014	4.029	2.124	1.702		7.855
2015	4.123	2.145	1.756		8.024

Source: Municipal Tax Assessor

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

Taxpayer	2015		2006	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Villa Contracting			\$ 13,215,000	1.86%
Clark Developers LLC	\$ 10,050,000	1.36%		
C.W. Association	8,000,000	1.09%	9,157,100	1.29%
Feil	7,512,000	1.02%		
Hillcrest Apartments			6,950,000	0.98%
Clark 1709 LLC	6,000,000	0.81%		
Villa Construction Co.-Shopping Center			6,000,000	0.84%
Target Corp.	5,443,200	0.74%	5,090,600	0.71%
Clark Commons	4,900,000	0.67%		
Lexington Village	4,707,800	0.64%	8,909,200	1.25%
Largo Clark SPE LLC	4,656,800	0.63%		
Lane Hotel-Holiday Inn			4,521,800	0.63%
Racer Properties LLC	4,473,000	0.61%		
HBA Management			4,374,800	0.61%
U.S. Gypsum Co.			3,917,800	0.55%
Halsted Realty, LLC	3,828,100	0.52%		
Villa Construction Co.-Fitness Center			2,711,900	0.38%
	<u>\$ 59,570,900</u>	<u>8.09%</u>	<u>\$ 64,848,200</u>	<u>8.89%</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	
2006	\$ 26,725,309	\$ 26,725,309	100.00%	-
2007	26,871,536	26,871,536	100.00%	-
2008	26,915,842	26,915,842	100.00%	-
2009	27,279,408	27,279,408	100.00%	-
2010	27,653,909	27,653,909	100.00%	-
2011	28,521,811	28,521,811	100.00%	-
2012	28,809,044	28,809,044	100.00%	-
2013	29,027,849	29,027,849	100.00%	-
2014	29,222,121	29,222,121	100.00%	-
2015	29,633,582	29,633,582	100.00%	-

Source: School District's Financial Statements

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

Fiscal Year Ended June 30,	Governmental Activities		Total District	Population	Per Capita
	General Obligation Bonds	Capital Leases/Lease Purchases			
2006	\$ 19,834,000	\$ 364,767	\$ 20,198,767	14,345	\$ 1,408
2007	20,018,000	208,286	20,226,286	14,271	1,417
2008	19,398,000	55,932	19,453,932	14,313	1,359
2009	18,708,000		18,708,000	14,430	1,296
2010	17,948,000		17,948,000	14,793	1,213
2011	17,128,000		17,128,000	14,845	1,154
2012	16,253,000		16,253,000	14,959	1,087
2013	15,820,000	559,307	16,379,307	15,217	1,076
2014	14,930,000	427,449	15,357,449	15,460	993
2015	14,005,000	635,637	14,640,637	15,460 E	947

Source: District Records

(E) - Estimate

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions			
2006	\$ 19,834,000	-	\$ 19,834,000	2.79%	\$ 1,383
2007	20,018,000	-	20,018,000	2.78%	1,403
2008	19,398,000	-	19,398,000	2.67%	1,355
2009	18,708,000	-	18,708,000	2.57%	1,296
2010	17,948,000	-	17,948,000	2.46%	1,214
2011	17,128,000	-	17,128,000	2.35%	1,154
2012	16,253,000	-	16,253,000	2.23%	1,087
2013	15,820,000	-	15,820,000	2.17%	1,042
2014	14,930,000	-	14,930,000	2.05%	983
2015	14,005,000	-	14,005,000	1.90%	922

Source: District Records

**CLARK PUBLIC SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2014
(UNAUDITED)**

MUNICIPAL DEBT	<u>Total Debt</u>
Clark Public School District (As of June 30, 2015)	\$ 14,005,000
Township of Clark (1)	<u>19,088,000</u>
Total Direct Debt	<u>33,093,000</u>
 OVERLAPPING DEBT APPORTIONED TO THE MUNICIPALITY	
Union County:	
County of Union (A)	21,068,117
Rahway Valley Sewerage (B)	<u>18,151,499</u>
Total Overlapping Debt	<u>39,219,616</u>
Total Direct and Overlapping Outstanding Debt	<u><u>\$ 72,312,616</u></u>

- (A) The debt for this entity was apportioned by dividing the Municipality's 2014 equalized value by the total 2014 equalized value for Union County
- (B) Overlapping Debt was computed based upon municipal flow to the Authority

Sources:

- (1) Township of Clark 2014 Annual Debt Statement
- (2) Union County 2014 Annual Debt Statement

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

Equalized valuation basis

2014	\$ 2,365,482,166
2013	2,350,257,180
2012	2,410,526,124
	<u>\$ 7,126,265,470</u>
	<u>\$ 2,375,421,823</u>
	\$ 95,016,873
	14,005,000
	<u>\$ 81,011,873</u>

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 79,335,453	\$ 88,114,330	\$ 99,026,828	\$ 107,253,325	\$ 109,258,808	\$ 105,960,204	\$ 102,295,500	\$ 99,524,920	\$ 97,181,669	\$ 95,016,873
Total net debt applicable to limit	<u>19,834,000</u>	<u>20,018,000</u>	<u>19,398,000</u>	<u>18,708,000</u>	<u>17,948,000</u>	<u>17,128,000</u>	<u>16,253,000</u>	<u>15,820,000</u>	<u>14,930,000</u>	<u>14,005,000</u>
Legal debt margin	<u>\$ 59,501,453</u>	<u>\$ 68,096,330</u>	<u>\$ 79,628,828</u>	<u>\$ 88,545,325</u>	<u>\$ 91,310,808</u>	<u>\$ 88,832,204</u>	<u>\$ 86,042,500</u>	<u>\$ 83,704,920</u>	<u>\$ 82,251,669</u>	<u>\$ 81,011,873</u>
Total net debt applicable to the limit as a percentage of debt limit	25.00%	22.72%	19.59%	17.44%	16.43%	16.16%	15.89%	15.90%	15.36%	14.74%

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 <u>31,</u>	<u>Population</u>	County Per Capita Personal <u>Income</u>	<u>Unemployment Rate</u>
2006	14,345	\$ 48,743	3.3%
2007	14,271	50,683	1.9%
2008	14,313	51,645	3.9%
2009	14,430	49,285	4.4%
2010	14,793	49,897	4.5%
2011	14,845	52,297	4.5%
2012	14,959	53,638	6.1%
2013	15,217	54,382	5.5%
2014	15,460	N/A	N/A
2015	15,460 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	2015		2006	
	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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Instruction										
Regular	175	175	179	182	184	184	162	164	156	155
Special education	34	34	44	42	51	51	51	53	53	44
Support Services:										
Student & instruction related services	19	19	19	18	24	24	52	68	64	78
General administrative services	2	1	1	1	3	3	3	3	2	3
School administrative services	11	11	14	14	14	14	16	16	16	14
Business administrative services	7	7	6	5	5	5	6	5	6	6
Plant operations and maintenance	9	8	8	8	6	6	11	11	10	9
Total	<u>257</u>	<u>255</u>	<u>271</u>	<u>270</u>	<u>287</u>	<u>287</u>	<u>301</u>	<u>320</u>	<u>307</u>	<u>309</u>

Source: District Records

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

Pupil/Teacher Ratio

Fiscal Year	Enrollment a	Operating Expenditures b	Cost Per Pupil c	Percentage Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	Percentage Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2006	2,554	\$ 32,844,587	\$ 12,860	-3.17%	167.0	1:23	1:24	N/A	2,300	2,285	5.07%	99.35%
2007	2,346	33,098,873	14,109	9.71%	175.0	1:23	1:24	N/A	2,301	2,207	0.04%	95.91%
2008	2,353	34,720,353	14,756	4.59%	179.0	1:23	1:24	N/A	2,358	2,266	2.52%	96.10%
2009	2,330	34,975,099	15,011	1.73%	182.0	1:23	1:24	N/A	2,308	2,212	0.30%	95.84%
2010	2,354	34,628,590	14,711	-2.00%	199.0	1:23	1:24	N/A	2,334	2,240	0.11%	95.97%
2011	2,359	33,069,171	14,018	-4.71%	206.0	1:23	1:24	N/A	2,333	2,234	0.00%	95.76%
2012	2,299	33,707,849	14,662	4.59%	185.0	1:14	1:11	1:12	2,324	2,237	-0.39%	96.26%
2013	2,270	34,564,575	15,227	3.85%	186.0	1:13	1:12	1:12	2,307	2,210	-0.73%	95.80%
2014	2,311	34,056,492	14,737	-3.22%	175.0	1:15	1:12	1:12	2,334	2,241	1.17%	96.02%
2015	2,348	35,642,270	15,180	3.01%	199.0	1:15	1:12	1:12	2,336	2,242	0.09%	95.98%

Source: District records

Note:

- a Enrollment based on annual October district count
- b Operating expenditures equal total expenditures less debt service and capital outlay
- c Cost per pupil represents operating expenditures divided by enrollment

**CLARK PUBLIC SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

<u>District Building</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<u>Elementary</u>										
Valley Road Elementary School										
Square Feet	40,612	40,612	40,612	40,612	40,612	40,612	40,612	40,612	40,612	40,612
Enrollment	446	460	440	425	426	427	436	410	446	440
Frank K. Hehnly Elementary School										
Square Feet	45,497	45,497	45,497	45,497	45,497	45,497	45,497	45,497	45,497	45,497
Enrollment	496	496	506	514	505	520	501	505	526	533
<u>Middle School</u>										
Carl H. Kumpf										
Square Feet	74,812	74,812	74,812	74,812	74,812	74,812	74,812	74,812	74,812	74,812
Enrollment	547	547	551	550	539	533	531	536	527	513
<u>High School</u>										
Arthur L. Johnson										
Square Feet	192,825	192,825	192,825	192,825	192,825	192,825	192,825	192,825	192,825	192,825
Enrollment	843	843	856	841	831	815	809	816	798	795

Number of Schools at June 30, 2015
 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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Frank K. Hehnlly Elementary	N/A	\$ 161,525	\$ 102,972	\$ 127,272	\$ 91,209	\$ 20,570	\$ 98,671	\$ 174,656	\$ 90,196	\$ 116,835	\$ 101,436
Valley Road Elementary	N/A	88,989	114,494	113,459	89,083	9,738	88,076	151,550	80,512	121,642	90,545
Carl H. Kumpf M.S.	N/A	81,107	154,224	208,173	200,545	37,871	162,247	149,313	148,312	121,471	166,795
Arthur L. Johnson H.S.	N/A	458,220	461,558	537,698	528,545	249,228	418,187	366,724	382,268	298,960	429,908
Other Facilities	N/A	-	-	-	-	650,299	-	-	-	-	-
Total School Facilities		<u>\$ 789,841</u>	<u>\$ 833,248</u>	<u>\$ 986,602</u>	<u>\$ 909,382</u>	<u>\$ 967,706</u>	<u>\$ 767,181</u>	<u>\$ 842,243</u>	<u>\$ 701,288</u>	<u>\$ 658,908</u>	<u>\$ 788,684</u>

**CLARK PUBLIC SCHOOL DISTRICT
INSURANCE SCHEDULE
AS OF JUNE 30, 2015
(Unaudited)**

<u>Company</u>	<u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
School Package Policy:			
	Property		
	Blanket Building & Contents	\$ 71,179,503	5,000
	Blanket Extra Expense	50,000,000	5,000
	Blanket Papers and Records	10,000,000	5,000
	Blanket Electronic Hardware and Software	1,900,000	1,000
	Comprehensive General Liability		
	Bodily Injury and Property Damage	31,000,000	
	Terrorism	1,000,000	
	Employee Benefits Liability	31,000,000	1,000
	Automobile Liability		-
	Bodily Injury and Property Damage	31,000,000	
	Medical Payments - Private Passenger Vehicle	10,000	
	Medical Payments - All Other Vehicles	5,000	
	Uninsured Motorist - Private Passenger	1,000,000	
	Uninsured Motorist - All Other Vehicles	15,000/30,000/5,000	
	Comprehensive & Collision	Actual Cash Value	1,000
	School Leaders Errors and Omission Liability - NJSIG	31,000,000	10,000
	Workers Compensation	2,000,000	Each Accident/ Each Employee
	Workers Compensation Supplemental - NJSIG	Included	
	Student Accident - Market		
	High School Football	5,000,000	
	Catastrophic Student Accident	1,000,000	
	Public Employee Dishonesty with Faithful Performance	250,000	1,000
Surety Bonds:			
	Treasurer	250,000	1,000
	Board Secretary/Business Administrator	250,000	1,000

Source: District Records

SINGLE AUDIT SECTION



DIETER P. LERCH, CPA, RMA, PSA
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GARY W. HIGGINS, CPA, RMA, PSA
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**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 Trustees
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, 2015 and the related notes to the financial statements, which collectively comprise the Clark Public School District's basic financial statements and have issued our report thereon dated December 21, 2015.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2015-001 through 2015-004 that we consider to be significant deficiencies in internal control over financial reporting.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Clark Public School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey and which are described in the accompanying schedule of findings and questioned costs as items 2015-001 through 2015-004.

We also noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Clark Public School District in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated December 21, 2015.

Clark Public School District's Responses to Findings

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

Purpose of this Report

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

LERCH, VINCI & HIGGINS, LLP

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



Jeffrey C. Bliss
 Public School Accountant
 PSA Number CS00932

Fair Lawn, New Jersey
 December 21, 2015



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE
OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY U.S. OMB CIRCULAR A-133 AND
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE REQUIRED BY NEW JERSEY
OMB CIRCULAR 15-08**

INDEPENDENT AUDITOR’S REPORT

Honorable President and Members
of the Board of Trustees
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) Circular A-133 Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/ Grant Compliance Supplement that could have a direct and material effect on each of Clark Public School District’s major federal and state programs for the fiscal year ended June 30, 2015. The Clark Public School District’s major federal and state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants 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; U.S. OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and Circulars 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, 2015.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with U.S. OMB Circular A-133 and New Jersey OMB Circular 15-08 and which are described in the accompanying schedule of findings and questioned costs as items 2015-005 and 2015-006. Our opinion on each major federal and state program is not modified with respect to these matters.

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

Report on Internal Control Over Compliance

Management of the Clark Public School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Clark Public School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with U.S. OMB Circular A-133 and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Clark Public School District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2015-005 that we consider to be a significant deficiency.

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

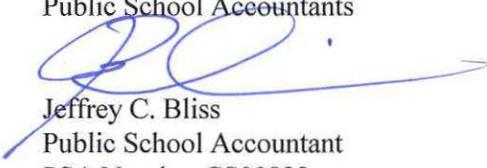
The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of U.S. OMB Circular A-133 and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Report on Schedules of Expenditures of Federal Awards Required by U.S. OMB Circular A-133 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, 2015 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We issued our report thereon dated December 21, 2015, 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 U.S. OMB Circular A-133 and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

LERCH, VINCI & HIGGINS, LLP

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


 Jeffrey C. Bliss
 Public School Accountant
 PSA Number CS00932

Fair Lawn, New Jersey
 December 21, 2015

CLARK PUBLIC SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2014			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, 2015			MEMO GAAP Receivable		
					(Accounts Receivable)	Unearned Revenue	Due to Grantor									(Account Receivable)	Unearned Revenue	Due to Grantor			
U.S. Department of Agriculture																					
Passed-through State Department of Education																					
National School Lunch Program	10.555	N/A																			
Cash Assistance			7/1/14-6/30/15	\$ 86,049					\$ 79,429	\$ 86,049									\$ (6,620)		
Cash Assistance			7/1/13-6/30/14	82,420	\$ (4,909)				4,909										-		
Non-Cash Assistance (Food Distribution)			7/1/14-6/30/15	30,029					30,029	29,789								\$ 240			
Non-Cash Assistance (Food Distribution)			7/1/13-6/30/14	27,644	-	\$ 66	-	-	-	66								-			
Total U.S. Department of Agriculture					(4,909)	66	-	-	-	114,367	115,904	-	-	-	-	-	-	(6,620)	240	(6,620)	
U.S. Department of Education																					
Passed-through State Department of Education																					
Special Revenue Fund																					
NCLB																					
Title I	84.010A	NCLB--15	7/1/14-6/30/15	47,917				\$ (47,270)	\$ 47,270	43,144	43,183	\$ 5,645	\$ (5,645)					(46,398)	46,359	(39)	
Title I	84.010A	NCLB--14	7/1/13-6/30/14	49,587	(46,561)	43,677		47,270	(47,270)			(709)	3,593	\$ 207				-	\$ 207	-	
Title II A	84.367A	NCLB--15	7/1/14-6/30/15	32,188				(33,217)	23,841	21,446	27,390	339	(339)					(43,620)	28,300	(15,320)	
Title II A	84.367A	NCLB--14	7/1/13-6/30/14	31,418	(30,067)	23,324		33,217	(23,841)			(3,150)	517	38				-	-	-	
Title III	84.365A	NCLB--15	7/1/14-6/30/15	5,438				(8,254)	8,254									(5,438)	5,438	-	
Title III	84.365A	NCLB--14	7/1/13-6/30/14	4,886	(13,131)	6,513		8,254				4,877	(6,313)	17				-	-	-	
Workforce Investment - WIA	17.259	WIA--15	7/1/14-6/30/15	30,000						27,825	25,369							-	2,456	-	
Workforce Investment - WIA	17.259	WIA--14	7/1/13-6/30/14	30,000	(3,536)					3,536								-	-	-	
Race to the Top Phase 3	84.413A	RTT3-15	7/1/14-6/30/15	3,956							3,864							(3,864)	-	(3,864)	
I.D.E.I.A Part B, Basic Regular	84.027	FT--15	7/1/14-6/30/15	554,214				(20,005)	20,005	418,728	525,249							(155,491)	48,970	(106,521)	
I.D.E.I.A Part B, Basic Regular	84.027	FT--14	7/1/13-6/30/14	515,680	(143,387)	20,005		20,005	(20,005)	123,382								-	-	-	
I.D.E.I.A Preschool	84.173	PS--15	7/1/14-6/30/15	20,847				(2,614)	2,614	23,461	23,461							-	-	-	
I.D.E.I.A Preschool	84.173	PS--14	7/1/13-6/30/14	20,744	(214)	2,614		2,614	(2,614)			(2,400)						-	-	-	
Total U.S. Department of Education					(236,896)	96,133	-	-	-	669,776	648,516	4,602	(8,387)	262	-	-	-	(254,811)	131,523	262	(125,744)
Total Federal Awards					\$ (241,805)	\$ 96,199	\$ -	\$ -	\$ -	\$ 784,143	\$ 764,420	\$ 4,602	\$ (8,387)	\$ 262	\$ -	\$ -	\$ -	\$ (261,431)	\$ 131,763	\$ 262	\$ (132,364)

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, 2015

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2014			Carryover Amount	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	(1) Adjustments	Balance, June 30, 2015			Memo	
				(Accounts Receivable)	Unearned Revenue	Due to Grantor						(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
State Department of Education																
General Fund:																
Special Education Aid	15-495-034-5120-089	7/1/14-6/30/15	\$ 915,831					\$ 836,839	\$ 915,831			\$ (78,992)			*	\$ 915,831
Special Education Aid	14-495-034-5120-089	7/1/13-6/30/14	915,831	\$ (80,713)				80,713				-			*	-
Under Adequacy Aid	15-495-034-5120-096	7/1/14-6/30/15	2,264					2,069	2,264			(195)			*	2,264
Under Adequacy Aid	14-495-034-5120-096	7/1/13-6/30/14	2,264	(199)				199				-			*	-
Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	51,623					47,170	51,623			(4,453)			*	51,623
Transportation Aid	14-495-034-5120-014	7/1/13-6/30/14	51,623	(4,550)				4,550				-			*	-
Security Aid	15-495-034-5120-084	7/1/14-6/30/15	35,913					32,815	35,913			(3,098)			*	35,913
Security Aid	14-495-034-5120-084	7/1/13-6/30/14	35,913	(3,165)				3,165				-			*	-
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	21,890					20,002	21,890			(1,888)			*	21,890
PARCC Readiness	15-495-034-5120-098	7/1/14-6/30/15	21,890					20,002	21,890			(1,888)			*	21,890
Extraordinary Aid	15-100-034-5120-473	7/1/14-6/30/15	67,807					67,807	67,807			(67,807)			*	67,807
Extraordinary Aid	14-100-034-5120-473	7/1/13-6/30/14	72,295	(72,295)				72,295				-			*	-
Nonpublic School Transportation Aid	N/A	7/1/14-6/30/15	17,222						17,222			(17,222)			*	\$ (17,222)
Nonpublic School Transportation Aid	N/A	7/1/13-6/30/14	15,888	(15,888)				15,888				-			*	-
Reimbursed TPAF Social Security Contribution	15-495-034-5094-002	7/1/14-6/30/15	1,087,518					1,033,879	1,087,518			(53,639)			*	(53,639)
On-Behalf TPAF Pension Benefit Contribution	15-495-034-5094-006	7/1/14-6/30/15	772,440					772,440	772,440			-			*	772,440
On-Behalf TPAF Pension NCGI Premium	15-495-034-5094-007	7/1/14-6/30/15	55,574					55,574	55,574			-			*	55,574
On-Behalf TPAF Post Retirement Medical Contribution	15-495-034-5094-001	7/1/14-6/30/15	1,314,473	-	-	-	-	1,314,473	1,314,473	-	-	-	-	-	*	1,314,473
Total General Fund				(176,810)	-	-	-	4,312,073	4,364,445	-	-	(229,182)	-	-	*	(70,861)
Special Revenue Fund																
New Jersey Non-Public Aid																
Textbook Aid	15-100-034-5120-064	7/1/14-6/30/15	46,652					46,652	42,704						*	42,704
Textbook Aid	14-100-034-5120-064	7/1/13-6/30/14	45,635												*	-
Nursing Services	15-100-034-5120-070	7/1/14-6/30/15	74,268			\$ 1,662		74,268	71,654	\$ 1,662					*	71,654
Nursing Services	14-100-034-5120-070	7/1/13-6/30/14	64,231			1,481				1,481					*	-
Technology Aid	15-100-034-5120-373	7/1/14-6/30/15	25,056					25,056	24,565						*	24,565
Technology Aid	14-100-034-5120-373	7/1/13-6/30/14	16,640			745				745					*	-
Auxiliary Services															*	-
Compensatory Education	15-100-034-5120-067	7/1/14-6/30/15	119,141					119,141	95,129						*	95,129
Compensatory Education	14-100-034-5120-067	7/1/13-6/30/14	128,397			16,264				16,264					*	-
English as a Second Language	15-101-034-5120-067	7/1/14-6/30/15	6,395					6,395	786						*	786
English as a Second Language	14-101-034-5120-067	7/1/13-6/30/14	11,348			7,856				7,856					*	-
Transportation	15-100-034-5120-068	7/1/14-6/30/15	14,484					14,484	13,036						*	13,036
Home Instruction	15-100-034-5120-067	7/1/14-6/30/15	1,796					1,796	38,228			(1,796)			*	1,796
Home Instruction	14-100-034-5120-067	7/1/13-6/30/14	5,689	(5,689)				5,689				-			*	-
Handicapped Services															*	-
Examination and Classification	15-100-034-5120-066	7/1/14-6/30/15	68,967					68,967	63,928						*	63,928
Examination and Classification	14-100-034-5120-066	7/1/13-6/30/14	63,379			10,345				10,345					*	-
Corrective Speech	15-100-034-5120-066	7/1/14-6/30/15	38,874					38,874	23,236						*	23,236
Corrective Speech	14-100-034-5120-066	7/1/13-6/30/14	46,091			5,469				5,469					*	-
Supplementary Instruction	15-100-034-5120-066	7/1/14-6/30/15	52,575					52,575	38,228						*	38,228
Supplementary Instruction	14-100-034-5120-066	7/1/13-6/30/14	49,263			694				694					*	-
Total Special Revenue Fund				(5,689)	-	44,516	-	452,101	375,062	44,516	-	(1,796)	-	73,146	*	(1,796)

**CLARK PUBLIC SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, June 30, 2014			Carryover Amount	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	(1) Adjustments	Balance, June 30, 2015			Memo	
				(Accounts Receivable	Unearned Revenue	Due to Grantor						(Accounts Receivable	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
* Capital Projects Fund																
NJSDA - ALJ Restroom ADA Upgrades	0850-005-14-1001	5/29/14-6/30/15	69,959	(69,959)	66,639	-	-	\$ 65,133	-	-	\$ (69,959)	1,506	-	* \$ (69,959)	\$ 65,133	
Total Capital Projects Fund				(69,959)	66,639	-	-	65,133	-	-	(69,959)	1,506	-	* (69,959)	65,133	
* Enterprise Fund																
National School Lunch (State Share)	15-100-010-3350-023	7/1/14-6/30/15	5,226					4,682	5,226		(544)			* (544)	5,226	
National School Lunch (State Share)	14-100-010-3350-023	7/1/13-6/30/14	5,088	(580)	-	-	-	580	-	-	-	-	-	* -	-	
Total Enterprise Fund				(580)	-	-	-	5,262	5,226	-	(544)	-	-	* (544)	5,226	
Total State Financial Assistance				(253,038)	66,639	\$ 44,516	-	4,769,436	4,809,866	\$ 44,516	-	(301,481)	1,506	73,146	* (143,160)	4,809,866
State Financial Assistance																
Not Subject to Single Audit Determination																
General Fund																
On-Behalf TPAF Pension Benefit Contribution	15-495-034-5094-006	7/1/14-6/30/15	772,440					(772,440)	(772,440)						(772,440)	
On-Behalf TPAF Pension NCGI Premium	15-495-034-5094-007	7/1/14-6/30/15	55,574					(55,574)	(55,574)						(55,574)	
On-Behalf TPAF Post Retirement Medical Contribution	15-495-034-5094-001	7/1/14-6/30/15	1,314,473	-	-	-	-	(1,314,473)	(1,314,473)	-	-	-	-	-	(1,314,473)	
Total State Financial Assistance Subject to Single Audit Determination				\$ (253,038)	\$ 66,639	\$ 44,516	\$ -	\$ 2,626,949	\$ 2,667,379	\$ 44,516	\$ -	\$ (301,481)	\$ 1,506	\$ 73,146	\$ (143,160)	\$ 2,667,379

(1) - Adjustments represent cancelled receivable balances deemed uncollectable.

**CLARK PUBLIC SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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 requirements of U.S. OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations" and New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements.

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

The financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on a modified accrual basis with the exception of the revenue recognition of the delayed state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2.. For GAAP purposes, those payments are not recognized until the subsequent year due to the state deferral and recording of certain state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, which may include the delayed state aid payments, whereas the GAAP basis does not. The special revenue fund also recognizes the delayed state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is an increase of \$2,601 for the general fund and a decrease of \$13,356 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		\$ 4,367,046	\$ 4,367,046
Special Revenue Fund	\$ 638,565	375,602	1,014,167
Capital Projects Fund		65,133	65,133
Food Service Fund	<u>115,904</u>	<u>5,226</u>	<u>121,130</u>
Total Financial Assistance	<u>\$ 754,469</u>	<u>\$ 4,813,007</u>	<u>\$ 5,567,476</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, 2015**

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 National School Lunch Program as non-cash assistance represent current year value received and current year distributions, respectively of the Federal Food Distribution Program. TPAF Social Security contributions in the amount of \$1,087,518 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, 2015. The amount reported as TPAF Pension System Contributions in the amount of \$828,014 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,314,473 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2015.

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

On-behalf State Programs for TPAF Pension and Post-Retirement Medical Benefits Contributions are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's financial statements and the amount subject to State single audit and major program determination.

**CLARK PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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)? X yes none reported

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

Federal Awards Section

Internal Control over major programs:

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

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

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

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? X yes no

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027</u>	<u>IDEA Part B Basic</u>
<u>84.173</u>	<u>IDEA Preschool</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

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, 2015**

Part 2 – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements in accordance with Government Auditing Standards.

Finding 2015-001:

Our audit of claims revealed certain purchase orders and invoices were not available for audit.

Criteria or specific requirement:

Internal controls over purchasing and accounts payable process.

Condition:

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

Context:

Of the disbursements reviewed, we noted:

- Eighteen (18) purchase orders and related vendor invoices were not available for audit.
- Total unsupported purchases and payments amounted to \$52,348 in the General Fund and \$130,871 in the Special Revenue Fund.

Effect:

Lack of internal controls pertaining to vendor payments and purchases may result in unauthorized payments.

Cause:

Unknown.

Recommendation:

All purchase orders and invoices be maintained on file and made available for audit.

View of Responsible Officials and Planned Corrective Action:

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

**CLARK PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Part 2 – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements in accordance with Government Auditing Standards.

Finding 2015-002:

We noted the following with respect to our audit of payroll:

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

Criteria or specific requirement:

Internal controls over payroll processing and accounting.

Condition:

See Finding 2015-002.

Context:

Amounts withdrawn from the payroll account for employees' direct deposits exceeded the semi-monthly payroll report by approximately \$3,000 for the April 14, 2015 payroll. Six (6) employees terminated on June 30, 2014 were not coded as inactive in the payroll system and subsequently received salary payments on September 15, 2014.

Effect:

Unauthorized payroll amounts may be made to individuals in error.

Cause:

Unknown.

Recommendation:

With respect to payroll:

- Amounts withdrawn from the payroll account for employee direct deposits be reconciled and in agreement with the amount reported in the semi-monthly payroll summary report.
- The employee payroll system be updated in a timely manner to ensure that only active employees are included in the semi-monthly payrolls.

View of Responsible Officials and Planned Corrective Action:

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

**CLARK PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Part 2 – Schedule of Financial Statement Findings

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

Finding 2015-003

Our audit revealed that a tuition receivable ledger was not maintained which accounted for the tuition payments received during the year and the amounts due at year end.

Criteria or specific requirement

GAAP Technical Systems Manual; Internal controls over Tuition.

Condition

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

Context

The general ledger control account balance for tuition receivables exceeded the actual amount due at year end by \$224,000.

Effect

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

Cause

Unknown.

Recommendation

A tuition receivable ledger be maintained which includes the tuition payments received and reports the tuition amounts due at year end.

View of Responsible Officials and Planned Corrective Action

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

**CLARK PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Part 2 – Schedule of Financial Statement Findings

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

Finding 2015-004

Our audit of the Capital Projects Fund revealed the following:

- Final executed SDA grant awards in the amount of \$210,012 have not been obtained for the ADA restroom renovations.
- The local contribution in the amount of \$315,019 has not been transferred from the General Fund.
- A contract was awarded for the ADA restroom renovation projects in the amount of \$488,000 prior to finalizing the required project funding. In addition, the contract award was not recorded in the District records at year end.

Criteria or specific requirement

GAAP Technical Systems Manual; Internal controls over contract awards.

Condition

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

Context

See Finding 2015-003.

Effect

A contract was awarded for the ADA restroom renovations prior to obtaining the required funding.

Cause

Unknown.

Recommendation

The final executed SDA grant agreements be obtained and the required local contribution be transferred to the Capital Projects Fund for the ADA restroom renovation projects. In addition, all contract obligations be recorded when awarded by the District in the Capital Projects Fund.

View of Responsible Officials and Planned Corrective Action

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

**CLARK PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs (Cont'd)

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 15-08.

CURRENT YEAR FEDERAL AWARDS

Finding 2015-005

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

Federal Program Information

IDEA Part B Basic	84.027
IDEA Preschool	84.173

Criteria or Specific Requirement

Federal Grant Compliance Supplement

Condition

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

Questioned Costs

\$48,521, of invalid encumbrances were noted. The financial statements and schedules were adjusted for these amounts.

Context

See finding, condition and questioned costs.

Effect

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

Cause

Unknown.

Recommendation

Procedures be implemented to ensure encumbrances in the Special Revenue Fund are reviewed at year end for validity.

View of Responsible Officials and Planned Corrective Action

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

**CLARK PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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 OMB Circular A-133 and New Jersey OMB's Circular 15-08.

CURRENT YEAR STATE AWARDS

Finding 2015-006

Our audit of budget charges revealed certain administrative employee salary expenditures were not charged to the proper budget line accounts in accordance with the Minimum Chart of Accounts for New Jersey Public Schools.

State program information:

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

Criteria or specific requirement:

NJ Department of Education – Grant Compliance Supplement

Condition:

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

Questioned Costs:

None

Context:

Two (2) administrators were not charged to the school administration budget line accounts.

Effect:

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

Cause:

See Condition.

Recommendation:

Administrative salaries be reviewed to ensure they are properly charged to the appropriate budget line accounts in accordance with the Uniform Minimum Chart of Accounts for New Jersey Public Schools.

View of Responsible Officials and Planned Corrective Action:

Management has reviewed this finding and has indicated appropriate action will be implemented.

**CLARK PUBLIC SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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 Chapter 6.12 of *Government Auditing Standards*, U.S. OMB Circular A-133 (section .315(a)(b)) and New Jersey OMB's Circular 04-04.

STATUS OF PRIOR YEAR FINDINGS

There are none.