

**SCHOOL DISTRICT
OF**

CORBIN CITY

REVISED JANUARY 31, 2019

**County of Atlantic
Corbin City, New Jersey**

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

**Comprehensive Annual
Financial Report**

of the

Corbin City School District

Corbin City, New Jersey

For the Fiscal Year Ended June 30, 2018

**Prepared by
Corbin City Board of Education
Finance Department**

CORBIN CITY SCHOOL DISTRICT

(A Component Unit of Corbin City)

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Introductory Section

Corbin City School District
c/o Ocean City Board of Education
501 Atlantic Avenue, Suite 1
Ocean City, New Jersey 08226

January 31, 2019

Honorable President and
Members of the Board of Education
Corbin City School District
County of Atlantic, New Jersey

Dear Board Members:

The Comprehensive Annual Financial Report (CAFR) of the Corbin City School District for the fiscal year ended June 30, 2018, is hereby submitted. This CAFR includes the District's Basic Financial Statements prepared in accordance with Governmental Accounting Standards Board Statement 34. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. 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 operations 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 and a list of principal officials. The Financial Section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis.

1. REPORTING ENTITY AND ITS SERVICES:

The Corbin City School District is a component unit of Corbin City as set forth in Section 2100 of the Governmental Accounting Standards Board (GASB). All funds of the District are included in this report. The Corbin City Board of Education and all its school constitute the District's reporting entity. The District is a Type I District and, as such, meets the criteria to be considered a component unit of Corbin City. However, the City reports on a regulatory basis of accounting which does not recognize component units.

The District does not provide any educational services in itself but contracts for educational services with Upper Township Board of Education for K through 8 grade levels, with Ocean City Board of

Education for 9 through 12 grade levels, with Cape May County Technical High School for 9 through 12th grade technical students and with Atlantic County and Cape May County Special Services for special education services on an as needed basis. These services include regular, vocational and special education for disabled students. The District operates as a non-operating school district. As required by law, it shall maintain a board of education, a board secretary's office and a budget for its expenditures, including board operations, tuition, transportation, insurance and any other needs.

2. ECONOMIC CONDITION AND OUTLOOK:

The Corbin City area continues to experience limited development, which is in part due to governmental zoning and restrictions in this and neighboring communities. The modest housing construction, with an extremely limited number of new businesses or industry, continues to put additional burdens on the taxpayers of the community.

3. MAJOR INITIATIVES:

The Corbin City School District will continue to strive for a quality education for the district's students via the sending/receiving relationships with the Upper Township Board of Education for grades pre-K through 8 students and the Ocean City Board of Education for grades 9 through 12 students. The Corbin City Board of Education will continue to develop fiscally sound and realistic budgets for the education of all resident students and the associated administrative expenses of the school district. The Corbin City Board of Education will continue to monitor special education costs of the district and will dialog, as needed, with special services departments of both receiving districts.

4. INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

5. BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund. Project-length budgets are approved for the

capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balances in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2018.

6. ACCOUNTING SYSTEMS AND REPORTS:

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements," Note 1.

7. CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 2. The District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8. DEBT ADMINISTRATION:

At June 30th, the District had no long-term debt. As a Type I School District, all school debt is borne by the City rather than the School District.

9. RISK MANAGEMENT:

The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents and fidelity bonds.

10. OTHER INFORMATION:

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Inverso & Stewart, LLC, was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of generally accepted governmental standards. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

11. ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Corbin City Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our administration and business staff.

Respectfully submitted,

Timothy E. Kelley

Timothy E. Kelley
School Business Administrator

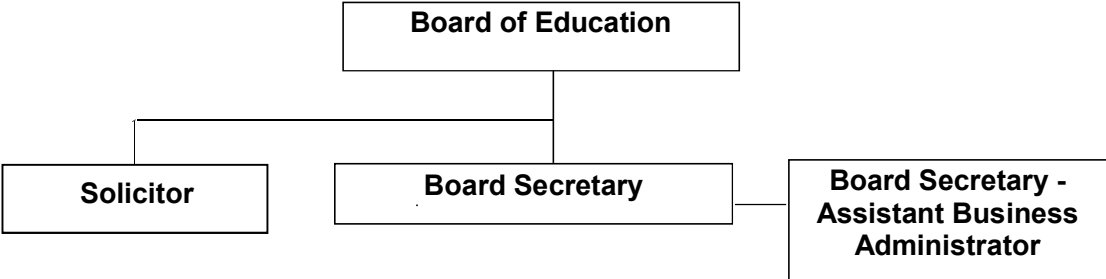
Dana Loder

Dana Loder
Assistant Business Administrator/Board
Secretary

CORBIN CITY BOARD OF EDUCATION

**County of Atlantic
Corbin City, New Jersey**

**Organizational Chart
(UNIT CONTROL)**



CORBIN CITY SCHOOL DISTRICT

County of Atlantic
Corbin City, New Jersey

Roster of Officials June 30, 2018

Members of the Board of Education:

Term Expires

Carol Iverson	President	2021
Patricia Lynn Tyszka	Vice President	2020
Regina Kaufmann	Member	2022
Canice Ochs	Member	2023
Denise Kane	Member	2019

Other Officials:

Timothy E. Kelley	School Business Administrator
Dana Loder	Assistant Business Administrator/Board Secretary
William S. Cappuccio, Esq.	Solicitor

**CORBIN CITY SCHOOL DISTRICT
Consultants and Advisors**

Attorney

William S. Cappuccio, Esq.
PO Box 107
Hammonton, NJ 08037

Audit Firm

Inverso & Stewart, LLC
651 Route 73 North, Suite 402
Marlton, NJ 08053

Official Depository

Ocean First Bank
1001 Asbury Avenue
Ocean City, NJ 08226-0447

Insurance Agent

New Jersey Schools Insurance Group
6000 Midlantic Drive, Suite 300 North
Mount Laurel, NJ 08054

Financial Section

INVERSO & STEWART, LLC
Certified Public Accountants

651 Route 73 North, Suite 402
Marlton, New Jersey 08053
(856) 983-2244
Fax (856) 983-6674
E-Mail: rinverso@iscpasnj.com

-Member of-
American Institute of CPAs
New Jersey Society of CPAs

INDEPENDENT AUDITOR'S REPORT

The Honorable President and Members
of the Board of Education
Corbin City School District
County of Atlantic
Corbin City, New Jersey

Report on the Financial Statements

I 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 Corbin City School District, in the County of Atlantic, State of New Jersey, as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit 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; and in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the School District'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 School District's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my 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 Corbin City School District, in the County of Atlantic, State of New Jersey, as of June 30, 2018, and the respective changes in financial position and where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

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 schedule of the State's proportionate share of the net OPEB liability associated with the School District and changes in the total OPEB liability and related ratios as listed in the table of contents, 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. I 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Corbin City School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section, are presented for purposes of additional analysis, as required by the Office of School Finance, Department of Education, State of New Jersey and are not a required part of the basic financial statements. The accompanying schedule of state financial assistance, as required by State of New Jersey Circular 15-08-OMB, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and 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 my opinion, the accompanying combining statements and related major fund supporting statements and schedules and 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 and statistical sections listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated January 31, 2019 on my consideration of the Corbin City School District's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Corbin City School District's internal control over financial reporting and compliance.

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Public School Accountant No. CS001095

Marlton, New Jersey
January 31, 2019

INVERSO & STEWART, LLC
Certified Public Accountants

651 Route 73 North, Suite 402
 Marlton, New Jersey 08053
 (856) 983-2244
 Fax (856) 983-6674
 E-Mail: rinverso@iscpasnj.com

-Member of-
 American Institute of CPAs
 New Jersey Society of CPAs

**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

The Honorable President and Members
 of the Board of Education
 Corbin City School District
 County of Atlantic
 Corbin City, New Jersey

I have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements as 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 Corbin City School District, in the County of Atlantic, State of New Jersey, as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued my report thereon dated January 31, 2019.

Internal Control Over Financial Reporting

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corbin City School District's financial statements are free from material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, and federal and state awarding agencies and pass-through entities, in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

INVERSO & STEWART, LLC
Certified Public Accountants



Robert P. Inverso
Certified Public Accountant
Public School Accountant No. CS001095

Marlton, New Jersey
January 31, 2019

Required Supplementary Information - Part I

Management's Discussion and Analysis

**Corbin City School District
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018**

As management of the Board of Education of the Corbin City School District in Atlantic County New Jersey, we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2018. We encourage readers to consider the information presented 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

- The assets of the School District exceeded its liabilities at the close of the most recent fiscal year by \$665,246 (*net position*).
- Governmental activities have unrestricted net position of \$165,492.
- The total net position of the School District increased by \$30,027, or a 4.73% increase from the prior fiscal year-end balance.
- Fund balance of the School District's governmental funds increased by \$31,741 resulting in an ending fund balance of \$656,674. This increase is due to the results of operations of the general fund.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements are comprised of three components: 1) District-wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

District-wide Financial Statements

The *district-wide financial statements* are designed to provide the reader with a broad overview of the financial activities in a manner similar to a private-sector business. The district-wide financial statements include the statement of net position and the statement of activities.

The *statement of net position* presents information about all of the School District's assets and liabilities. The difference between the assets and liabilities is reported as net position. Over time, changes in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The *statement of activities* presents information showing how the net position of the School District changed during the current fiscal year. Changes in net position are recorded in the statement of activities when the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement even though the resulting cash flows may be recorded in a future period.

The district-wide financial statements distinguish functions of the School District that are supported from taxes and intergovernmental revenues (*governmental activities*). Governmental activities consolidate governmental funds including the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund. The District maintains no Business-type activities.

Fund Financial Statements

Fund financial statements are designed to demonstrate compliance with finance-related requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. All of the funds of the School District are divided into three categories: *governmental funds*, *proprietary funds* and *fiduciary funds*.

Governmental funds account for essentially the same information reported in the governmental activities of the district-wide financial statements. However, unlike the district-wide financial statements, the governmental fund financial statements focus on near-term financial resources and fund balances. Such information may be useful in evaluating the financing requirements in the near term.

Since the governmental funds and the governmental activities report information using the same functions, it is useful to compare the information presented. Because the focus of each report differs, a reconciliation is provided on the fund financial statements to assist the reader in comparing the near-term requirements with the long-term needs.

The School District maintains one individual governmental fund. The major fund is the General Fund.

The School District adopts an annual appropriated budget for the General Fund. A budgetary comparison statement has been provided to demonstrate compliance with budgetary requirements.

Proprietary funds are used to present the same functions as the business-type activities presented in the district-wide financial statements. The School District maintains no proprietary funds.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the district-wide financial statements because the resources of those funds are not available to support the School District's programs. The School District maintains no fiduciary funds.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also contains other supplementary information and schedules required by the New Jersey Audit Program, issued by the New Jersey Department of Education.

District-wide Financial Analysis

The assets of the School District are classified as current assets and capital assets. Cash, investments, receivables, inventories and prepaid expenses are current assets. These assets are available to provide resources for the near-term operations of the School District. The majority of the current assets are the results of the tax levy and state aid collection process.

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, unearned revenues, and current debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets or new resources that become available during fiscal year 2018.

**Corbin City School District
Comparative Summary of Net Position
As of June 30, 2018 and 2017**

	Governmental Activities	
	2018	2017
ASSETS		
Current assets	\$ 656,674	\$ 624,933
Capital assets	8,572	10,286
Total assets	<u>665,246</u>	<u>635,219</u>
Deferred Outflows of Resources		
LIABILITIES		
Current liabilities		
Noncurrent liabilities		
Total Liabilities	<u>-</u>	<u>-</u>
Deferred Inflows of Resources		
Net Position	<u>\$ 665,246</u>	<u>\$ 635,219</u>
Net Position Consists of:		
Net investment in		
Capital Assets	8,572	10,286
Restricted Assets	491,182	447,639
Unrestricted Assets	<u>165,492</u>	<u>177,294</u>
Net Position	<u>\$ 665,246</u>	<u>\$ 635,219</u>

Governmental Activities

Governmental activities increased the net position of the School District by \$30,027 during the current fiscal year. Key elements of the increase in net position for governmental activities are as follows:

- The increase is primarily due to results of operations in the General Fund.

Corbin City School District
Comparative Schedule of Changes in Net Position
As of and for the Fiscal Year Ended June 30, 2018 and 2017

	Governmental Activities	
	2018	2017
Revenues:		
Operating Grants and contributor	\$ 893	\$ -
Capital Grants and contributions		
Property taxes	510,842	510,842
State aid - unrestricted	690,052	701,741
Other revenues	1,188	1,082
Total Revenues	<u>1,202,975</u>	<u>1,213,665</u>
Expenses:		
Governmental Activities:		
Instruction		
Tuition	955,526	1,142,430
Related Services		3,142
Administrative Services	20,732	16,231
Central Services	20,452	20,385
Operations and Maintenance	131,072	
Transportation	42,559	47,142
Employee Benefits	893	
Other	1,714	1,714
Total Expenses	<u>1,172,948</u>	<u>1,231,044</u>
Increase (Decrease) in Net Position before transfers	30,027	(17,379)
Transfers		
Change in Net Position	<u>30,027</u>	<u>(17,379)</u>
Net Position, July 1	<u>635,219</u>	<u>652,598</u>
Net Position, June 30	<u>\$ 665,246</u>	<u>\$ 635,219</u>

Financial Analysis of the Governmental Funds

As noted earlier, the School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds - The focus of the School District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the School District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the School District's governmental funds reported a combined ending fund balance of \$656,674, an increase of \$31,741 in comparison with the prior year.

The unreserved fund balance for the School District at the end of the fiscal year includes an unassigned fund balance for the General Fund of \$165,492, a reserve for tuition of \$179,377, a reserve for emergencies of \$250,200 and \$61,605 as an anticipated revenue in the subsequent year's budget.

General Fund Budgetary Highlights

At the end of the current fiscal year, unreserved fund balance (budgetary basis) of the general fund was \$234,175 and total fund balance (budgetary basis) was \$725,357. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance (budgetary basis) and total fund balance (budgetary basis) to total general fund expenditures. Actual (budgetary basis) expenditures of the General Fund including other financing uses amounted to \$1,170,341. Unreserved fund balance (budgetary basis) represents 20.01% of expenditures and total fund balance (budgetary basis) represents 61.98% of that same amount.

Capital Assets

The School District's investment in capital assets for its governmental activities as of June 30, 2018, totaled \$8,572 (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings and equipment. The total decrease in the District's investment in capital assets for the current fiscal year was \$1,714, or 16.67%. The decrease is due to current year depreciation expense.

Capital Asset (net of accumulated depreciation) June 30, 2018 and 2017

	Governmental Activities	
	2018	2017
Equipment	\$ 8,572	\$ 10,286
Net Assets	<u>\$ 8,572</u>	<u>\$ 10,286</u>

Debt Administration

At June 30, 2018, the District did not have outstanding debt issues.

For the Future

The Corbin City School District is in satisfactory financial condition presently. Corbin City is a residential community, with few large ratables; thus the burden is focused on homeowners to share the tax burden. The 2018-2019 Budget reflects a slight increase of \$15,411 over the previous year, however, there was no change in the tax levy.

In conclusion, the Corbin City School District has committed itself to financial excellence. The School District plans to continue its sound fiscal management to meet the challenges of the future.

Requests for Information

This financial report is designed to provide a general overview of the School District's finances for all those with an interest in the School District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Corbin City School District Business Administrator, P.O. Box 143, Corbin City, NJ 08212.

Basic Financial Statements

District-Wide Financial Statements

CORBIN CITY SCHOOL DISTRICT
(A Component Unit of Corbin City)
Statement of Net Position
June 30, 2018

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS:			
Cash and Cash Equivalents	\$ 654,934	\$ -	\$ 654,934
Accounts Receivable			
State of New Jersey	1,740	-	1,740
Capital Assets, Net	<u>8,572</u>	<u>-</u>	<u>8,572</u>
Total Assets	<u>665,246</u>	<u>-</u>	<u>665,246</u>
LIABILITIES:			
Accounts Payable	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION:			
Invested in Capital Assets, Net of Related Debt	8,572	-	8,572
Restricted for:			
Other Purposes	491,182	-	491,182
Unrestricted	<u>165,492</u>	<u>-</u>	<u>165,492</u>
Total Net Position	<u>\$ 665,246</u>	<u>\$ -</u>	<u>\$ 665,246</u>

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

CORBIN CITY SCHOOL DISTRICT
(A Component Unit of Corbin City)
Statement of Activities
For the Fiscal Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Support Services:							
Tuition	\$ 955,526				\$ (955,526)		\$ (955,526)
Student and instruction	-				-		-
General administrative services	20,732				(20,732)		(20,732)
Central services	20,452				(20,452)		(20,452)
Operations and maintenance of plant	131,072				(131,072)		(131,072)
Pupil transportation	42,559				(42,559)		(42,559)
Employee Benefits	893		893		-		-
Unallocated depreciation	1,714				(1,714)		(1,714)
Total Governmental Activities	<u>1,172,948</u>	<u>-</u>	<u>893</u>	<u>-</u>	<u>(1,172,055)</u>	<u>-</u>	<u>(1,172,055)</u>
Total Primary Government	<u>\$ 1,172,948</u>	<u>\$ -</u>	<u>\$ 893</u>	<u>\$ -</u>	<u>\$ (1,172,055)</u>	<u>\$ -</u>	<u>\$ (1,172,055)</u>
General Revenues:							
Taxes:							
Property taxes, levied for general purposes, net					\$ 510,842		\$ 510,842
Federal and State aid not restricted					690,052		690,052
Investment earnings					1,188		1,188
Other income					-		-
Total general revenues, special items, and transfers					<u>1,202,082</u>	<u>-</u>	<u>1,202,082</u>
Change in Net Position					30,027	-	30,027
Net Position - July 1					<u>635,219</u>	<u>-</u>	<u>635,219</u>
Net Position - June 30					<u>\$ 665,246</u>	<u>\$ -</u>	<u>\$ 665,246</u>

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

Fund Financial Statements

CORBIN CITY SCHOOL DISTRICT
(A Component Unit of Corbin City)
Balance Sheet
Governmental Funds
June 30, 2018

ASSETS	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
Assets:			
Cash and cash equivalents	\$ 654,934	\$ -	\$ 654,934
Accounts receivable, net: State of New Jersey	<u>1,740</u>	<u>-</u>	<u>1,740</u>
Total Assets	<u><u>656,674</u></u>	<u><u>-</u></u>	<u><u>656,674</u></u>
 LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:			
Restricted for:			
Emergency reserve	250,200	-	250,200
Tuition reserve	179,377	-	179,377
Assigned to:			
Designated for subsequent year's expenditures	32,378	-	32,378
Additional Fund Balance Designated - July 1, 2018 - August 1, 2018	29,227	-	29,227
Unassigned	<u>165,492</u>	<u>-</u>	<u>165,492</u>
Total Fund Balances	<u>656,674</u>	<u>-</u>	656,674
Total Liabilities and Fund Balances	<u><u>\$ 656,674</u></u>	<u><u>\$ -</u></u>	

Amounts reported for governmental activities in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$17,144 and the accumulated depreciation is \$8,572.

8,572

Net position of governmental activities

\$ 665,246

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

CORBIN CITY SCHOOL DISTRICT
(A Component Unit of Corbin City)
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2018

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
REVENUES:			
Local sources:			
Local tax levy	\$ 510,842	\$ -	\$ 510,842
Interest earned	1,188	-	1,188
Miscellaneous	-	-	-
	<hr/>	<hr/>	<hr/>
Total local sources	512,030	-	512,030
State sources	<u>690,052</u>	-	<u>690,052</u>
Total Revenues	<u>1,202,082</u>	-	<u>1,202,082</u>
 EXPENDITURES:			
Current expense:			
Support services and undistributed costs:			
Tuition	955,526	-	955,526
Student and instruction related services	-	-	-
General administrative services	20,732	-	20,732
Central services	20,452	-	20,452
Operations and maintenance of plant	131,072	-	131,072
Pupil transportation	42,559	-	42,559
Capital outlay	-	-	-
	<hr/>	<hr/>	<hr/>
Total Expenditures	<u>1,170,341</u>	-	<u>1,170,341</u>
Net Change in Fund Balances	31,741	-	31,741
Fund Balances - July 1	<u>624,933</u>	-	<u>624,933</u>
Fund Balances - June 30	<u>\$ 656,674</u>	<u>\$ -</u>	<u>\$ 656,674</u>

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

**CORBIN CITY SCHOOL DISTRICT
 (A Component Unit of Corbin City)
 Reconciliation of the Statement of Revenues, Expenditures
 and Changes in Fund Balances of Governmental Funds
 to the Statement of Activities
 For the Fiscal Year Ended June 30, 2018**

Total Net Change in Fund Balances - Governmental Funds (from B-2) \$ 31,741

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current fiscal year.

	Depreciation expense	\$ (1,714)	
	Capital outlays	<u>-</u>	<u>(1,714)</u>

Change in Net Position of Governmental Activities \$ 30,027

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

Corbin City School District
(A Component Unit of Corbin City)
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - The Corbin City School District (District) is located in Atlantic County, New Jersey. It is organized under the Constitution of the State of New Jersey and is considered a non-operating school district. The purpose of the District is to provide education for all of Corbin City's students, grades K through 12. The District is a Type I School. The District is a sending district and, therefore, does not have a school facility. The District is comprised of five members appointed by the Mayor and serves an area of eight square miles. As of June 30, 2018, the District has 66 students.

The primary criteria for including activities within the School District's reporting entity, as set forth in Section 2100 of the Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards* is the degree of oversight responsibility maintained by the School District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the School district over which the Board exercises operating control.

Component Units – GASB Statement No. 14, *The Financial Reporting Entity* and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Unit*, provide guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity, but also for legally separate organizations that meet the criteria established by GASB Statements No. 14 and No. 39. In addition, GASB Statement No. 61, provides additional guidance for organizations that do not meet the financial accountability criteria for inclusion as component units but that nevertheless should be included because the primary government's management determines that it would be misleading to exclude them. GASB Statement No. 80, *Blending Requirements for Certain Component Units* - an Amendment of GASB Statement No. 14 amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criteria requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. There were no additional entities required to be included in the reporting entity under the criteria as described above. However, as a Type I School District would be considered a component unit of the City of Corbin City.

Basis of Presentation

The basic financial statements of the School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the School District's accounting policies are described below.

The School District's basic financial statements consists of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Statements - The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the School District that are governmental and those that are considered business-type activities. The statement of net position presents the financial condition of the governmental and business-type activities of the School District at fiscal year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities and for the business-type activities of the School District. Direct expenses are those that are specifically associated with a service, program or department and, therefore, clearly identifiable to a particular function. The policy of the School District is to not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

**Corbin City School District
(A Component Unit of Corbin City)
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2018**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements - During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a single column. The fiduciary fund is reported by type. The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's major governmental funds:

General Fund - The general fund is the general operating fund of the School District and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment classified in the capital outlay sub-fund.

As required by the New Jersey State Department of Education, the School District includes budgeted capital outlay in this fund. Accounting principles generally accepted in the United States of America as they pertain to governmental entities state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey aid, district taxes and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment.

Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the statement of net position.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e. revenues and other financing sources) and uses (i.e. expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures.

Corbin City School District
(A Component Unit of Corbin City)
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues - Exchange and Non-exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Measurable" means the amount of the transaction can be determined and "available" means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days after fiscal year end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include Ad Valorem (property) taxes, grants, entitlements, and donations. Ad Valorem (Property) Taxes are susceptible to accrual, as under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The School District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year since the revenue is both measurable and available. The School District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". With the exception of restricted formula aids recorded in the special revenue fund, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end; tuition, grants, fees, and rentals.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the fiscal year is reported in the operating statement as an expense. Unused donated commodities are reported as unearned revenue. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Budgets/Budgetary Control - Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for their approval. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts 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. 6:23A-16.2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23A-13.3.

Formal budgetary integration into the accounting system is employed as a management control device during the fiscal 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 the one or more June state aid payments for budgetary purposes only and the special revenue fund. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

The accounting records of the special revenue fund are maintained on the budgetary basis. The budgetary basis differs from GAAP in that the 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.

Corbin City School District
(A Component Unit of Corbin City)
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Exhibit C-3 presents a reconciliation of the general fund revenues and expenditures from the budgetary basis of accounting as presented in the general fund budgetary comparison schedule to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances – governmental funds. Note that the School District does not report encumbrances outstanding at year end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the one or more June state aid payments.

Encumbrances - Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Encumbrances are a component of fund balance at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services. Open encumbrances in governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

Open encumbrances in the special revenue fund, however, for which the School District has received advances of grant awards, and all eligibility and time requirements satisfied are reflected on the balance sheet as unearned grant revenue at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

Cash, Cash Equivalents and Investments - Cash and cash equivalents, for all funds, include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the statement of cash flows for the proprietary funds. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

N.J.S.A. 17:9-41et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act (GUDPA), a multiple financial institution collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units

Tuition Payable - Tuition charges for the fiscal years ended June 30, 2018 and 2017 were based on rates established by the receiving school district. These rates are subject to change when the actual costs have been determined.

Prepaid Expenses - Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2018.

In the governmental fund types, however, payments for prepaid items are fully recognized as an expenditure in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required (*non-allocation method*). This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

**Corbin City School District
(A Component Unit of Corbin City)
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2018**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Short-Term Interfund Receivables / Payables - Short-term interfund receivables / payables represent amounts that are owed, other than charges for goods or services rendered to / from a particular fund in the School District and that are due within one year. These amounts are eliminated in the governmental and business-type columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

Capital Assets – General capital assets result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated capital assets are recorded at their fair market value as of the date received. The District maintains a capitalization threshold of \$2,000. Improvements are capitalized, the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not. All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using straight-line method under the full month convention over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Land Improvements	10-20 Years
Building and Improvements	10-50 Years
Furniture and Equipment	5-20 Years
Vehicles	5-10 Years

Compensated Absences - The District does not offer compensated absences (e.g. unused vacation, sick leave) to its employees.

Unearned Revenue - Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and are recorded as a liability until the revenue is both measurable and the School District is eligible to realize the revenue.

Accrued Liabilities and Long-Term Obligations - All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner, and in full from current financial resources are reported as obligations of the funds.

Net Position - Net position represents the difference between the summation of assets and deferred outflows of resources, and the summation of liabilities and deferred inflows of resources. Net position is classified into the following three components:

Net Investment in Capital Assets - This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.

Restricted – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or law or regulations of other governments.

Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

Corbin City School District
(A Component Unit of Corbin City)
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

It is the School District's policy to apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted assets are available.

Fund Balance – The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

Nonspendable – The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The "not in spendable form" criteria includes items that are not expected to be converted to cash, such as inventories and prepaid amounts. The School District had no nonspendable fund balance at June 30, 2018.

Restricted – This fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – This fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District's highest level of decision-making authority, which for the School District is the Board of Education. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action imposing the commitment.

Assigned – This fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the Business Administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes.

Unassigned – This fund balance classification is the residual classification for the General Fund. It represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, it is the School District's policy to spend restricted fund balances first. Likewise, when an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order: committed, assigned, then unassigned.

Interfunds – Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United State of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Recently Issued Accounting Pronouncements - In November 2016, the GASB issued Statement 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Management is currently evaluating the impact of the adoption of this Statement on the District's financial statements.

Corbin City School District
(A Component Unit of Corbin City)
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In January 2017, the GASB issued Statement 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Management is currently evaluating the impact of the adoption of this Statement on the District's financial statements.

In June 2017, the GASB issued Statement 87, *Leases*. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Management is currently evaluating the impact of the adoption of this Statement on the District's financial statements.

In April 2018, the GASB issued Statement 88, *Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placements*. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not consistently provided. In addition, information about resources to liquidate debt and the risks associated with changes in terms associated with debt will be disclosed. As a result, users will have better information to understand the effects of debt on a government's future resource flows. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Management is currently evaluating the impact of the adoption of this Statement on the District's financial statements.

In June 2018, the GASB issued Statement 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Management is currently evaluating the impact of the adoption of this Statement on the District's financial statements.

2. CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits – Custodial credit risk refers to the risk that, in the event of a bank failure, the School District's deposits might not be recovered. Although the School District does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Unit (GUDPA). Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the School district in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings of funds that pass to the School District relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized. Of the School District's amount on deposit of \$657,456 as of June 30, 2018, \$250,000 was insured under FDIC and \$407,456 was uninsured but collateralized by GUDPA.

**Corbin City School District
(A Component Unit of Corbin City)
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2018**

3. TUITION RESERVE

As permitted in N.J.A.C. 6A:23-3.1(f) the District provided a reserve for tuition. The activity of the reserve account for the year is as follows:

Beginning Balance – July 1, 2017	\$	178,780
Deposits:		
Board Approval		89,377
Withdrawals Approved at Election		<u>88,780</u>
Ending Balance – June 30, 2018	\$	<u>179,377</u>

4. EMERGENCY RESERVE

Emergency reserve accounts may be established by New Jersey school districts for the accumulation of funds for the use of financing unanticipated general fund expenditures required for a thorough and efficient education in accordance with N.J.S.A. 18A:7F-41c(1).

The activity of the reserve account for the year is as follows:

Beginning Balance – July 1, 2017	\$	250,000
Deposits:		
Interest Earned		200
Withdrawals Approved at Election		<u>-</u>
Ending Balance – June 30, 2018	\$	<u>250,200</u>

5. PENSION PLANS

None of the School District's employees are eligible to participate in the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS) or the Defined Contribution Retirement Program (DCRP).

6. POST-RETIREMENT BENEFITS

Description of Plan - Plan description and benefits provided P.L. 1987, c. 384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. The cost of these benefits is funded through contributions by the State 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 (APB) who retired from a board of education or county college with 25 years of service (GASB Cod. Sec. 2300.106(g)). The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et. seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

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

**Corbin City School District
(A Component Unit of Corbin City)
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2018**

6. POST-RETIREMENT BENEFITS (Continued)

Employees covered by benefit terms. At June 30, 2017, the following employees were covered by the benefit terms:

TPAF participant retirees:

As of June 30, 2017, there were 112,966 retirees receiving post-retirement medical benefits, and the State contributed \$1.39 billion on their behalf.

PERS participant retirees:

The State paid \$238.9 million toward Chapter 126 benefits for 20,913 eligible retired members in Fiscal Year 2017.

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The LEA's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the LEA did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the school district. Note that actual numbers will be published in the NJ State's CAFR (<https://www.nj.gov/treasury/omb/publications/archives.shtml>)

Actuarial assumptions and other imputes - The total nonemployer OPEB liability as of the June 30, 2017 was determined by an actuarial valuation as of June 30, 2016, which was rolled forward to June 30, 2017. The total nonemployer OPEB liability as of June 30, 2016 was determined by an actuarial valuation as of June 30, 2016. The actuarial assumptions vary for each plan member depending on the pension plan the member enrolled in.

This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation	2.50%		
	TPAF/ABP	PERS	PFRS
Salary Increases			
Through 2026	1.55 - 4.55%	2.15 - 4.15%	2.10 - 8.98%
	based on years of service	based on age	based on age
Thereafter	2.00 - 5.45%	3.15 - 5.15%	3.10 - 9.98%
	based on years of service	based on age	based on age

Preretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Employee Male/Female mortality table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Postretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2014 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 – June 30, 2015, July 1, 2010 – June 30, 2013 and July 1, 2011 – June 30, 2014 for TPAF, PFRS, and PERS, respectively.

Health Care Trend Assumptions - For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.9% and decreases to a 5.0% long-term trend rate after nine years. For self-insured post-65 PPO medical benefits, the trend rate is 4.5%. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long-term trend rate after nine years. For prescription drug benefits, the initial trend rate is 10.5% decreasing to a 5.0% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

**Corbin City School District
(A Component Unit of Corbin City)
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2018**

6. POST-RETIREMENT BENEFITS (Continued)

Discount Rate - The discount rate for June 30, 2017 and 2016 was 3.58% and 2.85%, respectively. This represent the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

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

Changes in the Total OPEB Liability reported by the State of New Jersey -

	Total OPEB Liability
Balance as of June 30, 2106 Measurement Date	\$ 57,831,784,184
Changes for the years'	
Service Cost	\$ 2,391,878,884
Interest	1,699,441,736
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions	(7,086,599,129)
Gross Benefit Payments	(1,242,412,566)
Contributions from the Non-employer	N/A
Contributions from the Member	45,748,749
Net Investment Income	N/A
Administrative Expense	N/A
Net Changes	\$ (4,191,942,326)
Balance at 06/30/2017	\$ 53,639,841,858

Changes of assumptions and other inputs reflect a change in the discount rate from 2.85% as of June 30, 2016 to 3.58% as of June 30, 2017.

Sensitivity of the total OPEB liability to changes in the discount rate - The following presents the total nonemployer OPEB liability of the State as of June 30, 2017 for school board retirees, as well as what the State's total OPEB liability for school board would be if it were calculated using a discount rate that is 1-percentage -point lower or 1percentage-point higher than the current discount rate:

	1% Decrease (2.58%)	Current Discount Rate (3.58%)	1% Increase (4.58%)
Total OPEB Liability (School Retirees)	\$ 63,674,362,200	\$ 53,639,841,858	\$ 45,680,364,953

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates - The following presents the total nonemployer OPEB liability of the State as of June 30, 2107, as well as what the State's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage point higher than the current healthcare cost trend rates:

**Corbin City School District
(A Component Unit of Corbin City)
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2018**

6. POST-RETIREMENT BENEFITS (Continued)

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability (School Retirees)	\$ 44,113,584,560	\$ 53,639,841,858	\$ 66,290,599,457

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: For the year ended June 30, 2017, the board of education recognized OPEB expense of \$893 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASBS No. 75 and in which there is a special funding situation.

In accordance with GASBS No. 75, the school district's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources.

At June 30, 2017, the State reported deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB from the following sources:

	<u>06/30/17</u>
Collective deferred outflows of resources	\$ 99,843,255
Collective deferred inflows of resources	6,443,612,287
Collective net OPEB liability (Non-Employer – State of New Jersey)	53,639,841,858
State's portion of the net OPEB liability that was associated with the School District	91,437
State's portion of the net OPEB liability that was associated with the School District as a percentage of the collective net OPEB liability	0.00%

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in proportion	\$ 99,843,255	\$ 99,843,255
Changes of assumptions	-	6,343,769,032
Total	\$ 99,843,255	\$ 6,443,612,287

Amounts reported as deferred outflows of resources and deferred inflows of resources related to retired school employee's OPEB will be recognized in OPEB expense as follows:

**Corbin City School District
(A Component Unit of Corbin City)
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2018**

6. POST-RETIREMENT BENEFITS (Continued)

For the year ended:		
2018		\$ (742,830,097)
2019		(742,830,097)
2020		(742,830,097)
2021		(742,830,097)
2022		(742,830,097)
Thereafter		(2,629,618,547)
Total		\$ (6,343,769,032)

Detailed information about the pension plan's sensitivity of the collective net pension liability to changes in the discount rate is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report.

7. CAPITAL ASSETS

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

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
Governmental Activities				
Equipment	\$ 17,144	\$ -	\$ -	\$ 17,144
Less: Accumulated Depreciation	<u>(6,858)</u>	<u>(1,714)</u>	<u>-</u>	<u>(8,572)</u>
Capital Assets, Net	<u>\$ 10,286</u>	<u>\$ (1,714)</u>	<u>\$ -</u>	<u>\$ 8,572</u>

8. TAX ABATEMENTS

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

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at N.J.S.A. 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

As of December 31, 2017, Corbin City had no tax abatements.

**Corbin City School District
(A Component Unit of Corbin City)
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2018**

9. CONTRACT WITH OCEAN CITY BOARD OF EDUCATION

As of July 1, 1997, the District entered into a contract with the Ocean City Board of Education for the school business administrator and business office services.

10. LEASE COMMITMENTS

The District entered into a lease for office space with the City of Corbin. The lease covered the three years beginning July 1, 2015 to June 30, 2018. The lease expense for the year ended June 30, 2018 was \$131,072.

11. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance

The District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

12. FUND BALANCES

RESTRICTED

As stated in Note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the School District's fund balance are summarized as follows:

General Fund:

Emergency Reserve – As of June 30, 2018, the balance in the emergency reserve is \$250,200. These funds are restricted for the purpose of financing unanticipated general fund expenditures required for a through and efficient education in accordance with N.J.S.A. 18A:7F-41c(1). Of this amount, \$200 is utilized as a revenue source in the 2018-2019 budget.

Tuition Reserve – As of June 30, 2018, the balance in the tuition reserve is \$179,377. Of this amount, \$90,000 is utilized as a revenue source in the 2018-2019 budget. The remaining funds are restricted for future tuition expenditures.

ASSIGNED

As stated in Note 1, the assigned fund balance classification includes amounts that are constrained by the School District's *intent* to be used for specific purposes but are neither restricted nor committed. Specific assignments of the School District's fund balance are summarized as follows:

General Fund:

Designated for Subsequent Year's Expenditures – The School District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2019, \$32,378 of general fund balance.

Designated for Subsequent Year's expenditures July 1, 2018 to August 1, 2018 - Resulting from a decrease in state aid after adoption of 2018-19 district budget, the district has elected to appropriate and include as an anticipated revenue for the fiscal year ending June 30, 2019, an additional \$29,227 of general fund balance.

Corbin City School District
(A Component Unit of Corbin City)
Notes to Basic Financial Statements
For the Fiscal Year Ended June 30, 2018

12. FUND BALANCES (Continued)

UNASSIGNED

As stated in Note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The School District's unassigned fund balance is summarized as follows:

General Fund – As of June 30, 2018, \$165,492 of general fund balance was unassigned.

Required Supplementary Information - Part II

Budgetary Comparison Schedules

CORBIN CITY SCHOOL DISTRICT
(A Component Unit of Corbin City)
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2018

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local Tax Levy	\$ 510,842	\$ -	\$ 510,842	\$ 510,842	\$ -
Interest earned on investments	1,200	-	1,200	1,188	(12)
Miscellaneous	-	-	-	-	-
Total local sources	512,042	-	512,042	512,030	(12)
State sources:					
Equalization Aid	397,218	-	397,218	397,218	-
Categorical Transportation Aid	71,890	-	71,890	71,890	-
Categorical Special Education Aid	40,858	-	40,858	40,858	-
Categorical Security Aid	10,640	-	10,640	10,640	-
Adjustment Aid	178,364	(14,019)	164,345	164,345	-
Professional Learning Community Aid	720	-	720	720	-
PARCC Readiness Aid	620	-	620	620	-
Per Pupil Growth Aid	620	-	620	620	-
Nonpublic Transportation Aid	-	-	-	1,740	1,740
Total state sources	700,930	(14,019)	686,911	688,651	1,740
TOTAL REVENUES	1,212,972	(14,019)	1,198,953	1,200,681	1,728
EXPENDITURES:					
CURRENT EXPENSE:					
Undistributed Expenditures - Instruction					
Tuition to other LEAs within the state - regular	830,566	-	830,566	830,566	-
Tuition to other LEAs within the state - special	113,817	-	113,817	113,817	-
Tuition to County Vocational School - regular	1,991	-	1,991	1,991	-
Tuition to County Vocational School - special	9,152	-	9,152	9,152	-
Tuition to County Special Services/Regional Day	48,550	-	48,550	-	48,550
Total undistributed expenditures - instruction	1,004,076	-	1,004,076	955,526	48,550
Other Support Services - Students - Related Services					
Purchased professional educational services	5,000	-	5,000	-	5,000
Total other support services - students - related services	5,000	-	5,000	-	5,000
Other Support Services - Child Study Team					
Purchased professional educational services	600	-	600	-	600
Total other support services - child study team	600	-	600	-	600
Support Services - General Administration:					
Legal services	6,000	-	6,000	4,000	2,000
Audit fees	5,100	-	5,100	4,000	1,100
Supplies and materials	18,000	-	18,000	126	17,874
BOE other purchased services	500	-	500	-	500
Other purchased services	7,000	-	7,000	6,537	463
BOE training and supplies	5,000	(5,000)	-	-	-
BOE membership dues and fees	1,500	-	1,500	1,069	431
Miscellaneous expenditures	-	5,000	5,000	5,000	-
Total support services - general administration	43,100	-	43,100	20,732	22,368
Central Services					
Purchased professional services	22,385	-	22,385	20,385	2,000
Miscellaneous purchased services (400-500 series)	500	-	500	67	433
Total central services	22,885	-	22,885	20,452	2,433

(CONTINUED TO NEXT PAGE)

CORBIN CITY SCHOOL DISTRICT
(A Component Unit of Corbin City)
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2018

(Continued from prior page)	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Operations and Maintenance of Plant					
Rental agreements	\$ 131,072	\$ -	\$ 131,072	\$ 131,072	\$ -
Total Operations and Maintenance of Plant	<u>131,072</u>	<u>-</u>	<u>131,072</u>	<u>131,072</u>	<u>-</u>
Student Transportation Services					
Contracted services - Aid in lieu payment for Nonpublic students	7,072	-	7,072	6,000	1,072
Contr. Serv. (between home & sch) - joint agreements	51,024	-	51,024	30,999	20,025
Contr. Serv. (special education students) - joint agreements	55,582	(14,019)	41,563	5,560	36,003
Total student transportation	<u>113,678</u>	<u>(14,019)</u>	<u>99,659</u>	<u>42,559</u>	<u>57,100</u>
Total Undistributed Expenditures	<u>1,320,411</u>	<u>(14,019)</u>	<u>1,306,392</u>	<u>1,170,341</u>	<u>136,051</u>
Total General Current Expense	<u>1,320,411</u>	<u>(14,019)</u>	<u>1,306,392</u>	<u>1,170,341</u>	<u>136,051</u>
Capital outlay					
Undistributed expenditures - general administration	\$ -	\$ -	\$ -	\$ -	\$ -
Total capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>1,320,411</u>	<u>(14,019)</u>	<u>1,306,392</u>	<u>1,170,341</u>	<u>136,051</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(107,439)</u>	<u>-</u>	<u>(107,439)</u>	<u>30,340</u>	<u>137,779</u>
Other financing sources (uses)					
Operating transfers in (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(107,439)</u>	<u>-</u>	<u>(107,439)</u>	<u>30,340</u>	<u>137,779</u>
Fund Balance - July 1	<u>695,017</u>	<u>-</u>	<u>695,017</u>	<u>695,017</u>	<u>-</u>
Fund Balance - June 30	<u>\$ 587,578</u>	<u>\$ -</u>	<u>\$ 587,578</u>	<u>\$ 725,357</u>	<u>\$ 137,779</u>
Recapitulation of fund balance:					
Restricted Fund Balance:					
Emergency Reserve				\$ 250,200	
Tuition Reserve 2018-2019				90,000	
Tuition Reserve 2019-2020				89,377	
Assigned Fund Balance					
Designated for Subsequent Year Expenditures				32,378	
Additional Fund Balance - Designated July 1, 2018 through August 31, 2018				29,227	
Unassigned Fund Balance				<u>234,175</u>	
				725,357	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment not Recognized on GAAP Basis				<u>(68,683)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 656,674</u>	

See Management's Discussion and Analysis section of this report for explanation of significant budget variances, original and final.

CORBIN CITY SCHOOL DISTRICT
(A Component Unit of Corbin City)
Notes to Required Supplementary Information
Budgetary Comparison
For the Fiscal Year Ended June 30, 2018

**Explanation of Differences between Budgetary Inflows and Outflows and GAAP
Revenues and Expenditures**

	General Fund	Special Revenue Fund
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedules	\$ 1,200,681	\$ -
Difference - budget to GAAP: Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.	-	-
State aid payment recognized for GAAP statements in current year, previously recognized for budgetary purposes.	70,084	-
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(68,683)	-
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	\$ 1,202,082	\$ -
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 1,170,341	\$ -
Differences - budget to GAAP Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.	-	-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 1,170,341	\$ -

Required Supplementary Information - Part III

Schedules Related to Accounting and Reporting

for Other Post Employment Benefits

CORBIN CITY SCHOOL DISTRICT
(A Component Unit of Corbin City)
Required Supplementary Information
Schedule of the State's Proportionate Share of the Net OPEB Liability Associated with the District
and Changes in the Total OPEB Liability and Related Ratios
Public Employee's Retirement System and Teachers' Pension and Annuity Fund
Current Fiscal Year

	<u>June 30,</u> <u>2018</u>
State's proportion of the net OPEB liability (asset) associated with the District	0.00%
District's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the District	\$ 91,437
Total proportionate share of the net OPEB liability (asset) associated with the District	<u>\$ 91,437</u>
Plan fiduciary net position as a percentage of the total OPEB Liability	0.00%
	<u>June 30,</u> <u>2018</u>
Total OPEB Liability	
Service Cost	\$ -
Interest	3,008
Changes of assumptions and other inputs	(16,089)
Member Contributions	78
Benefit payments	<u>(2,118)</u>
Net Change in total OPEB Liability	\$ (15,121)
Total OPEB Liability - beginning	<u>\$ 106,558</u>
Total OPEB Liability - ending	<u>\$ 91,437</u>
District's covered-employee payroll	-
Total OPEB Liability as a percentage of covered-employee payroll	N/A

This schedule does not contain ten years of information as GASB 75 was implemented during the fiscal year ended June 30, 2018.

Corbin City School District
(A Component Unit of Corbin City)
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2018

1. Other Post-Retirement Plan – Public Employees’ Retirement System and Teachers’ Pension and Annuity Fund

Changes of benefit term: There were none.

Changes of assumptions: The discount rate changed from 2.85% as of June 30, 2016 to 3.85% as of June 30, 2017.

Statistical Section

Corbin City School District
(A Component Unit of Corbin City)
Net Position by Component,
Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit J-1
Unaudited

	Fiscal Year Ending June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities:										
Capital Assets, net of related debt	\$ 600,314	\$ 578,822	\$ -	\$ -	\$ 17,144	\$ 15,430	\$ 13,715	\$ 12,001	\$ 10,286	\$ 8,572
Restricted	171,773	120,467	213,185	349,128	484,543	581,904	512,268	459,231	447,639	491,182
Unrestricted	70,696	193,402	180,306	183,226	185,845	181,326	181,810	181,367	177,294	165,492
Total governmental activities net position	<u>\$ 842,783</u>	<u>\$ 892,691</u>	<u>\$ 393,491</u>	<u>\$ 532,354</u>	<u>\$ 687,532</u>	<u>\$ 778,660</u>	<u>\$ 707,793</u>	<u>\$ 652,599</u>	<u>\$ 635,219</u>	<u>\$ 665,246</u>
Business-type activities:										
Capital Assets, net of related debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-	-	-	-
Total business-type activities net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District-wide:										
Capital Assets, net of related debt	\$ 600,314	\$ 578,822	\$ -	\$ -	\$ 17,144	\$ 15,430	\$ 13,715	\$ 12,001	\$ 10,286	\$ 8,572
Capital projects	171,773	120,467	213,185	349,128	484,543	581,904	512,268	459,231	447,639	491,182
Unrestricted	70,696	112,461	122,772	96,965	185,845	181,326	181,810	181,367	177,294	165,492
Total district net position	<u>\$ 842,783</u>	<u>\$ 811,750</u>	<u>\$ 335,957</u>	<u>\$ 446,093</u>	<u>\$ 687,532</u>	<u>\$ 778,660</u>	<u>\$ 707,793</u>	<u>\$ 652,599</u>	<u>\$ 635,219</u>	<u>\$ 665,246</u>

Corbin City School District
(A Component Unit of Corbin City)
Changes in Net Assets, Last Ten Fiscal Years
(accrual basis of accounting)

Exhibit J-2
Unaudited

	Fiscal Year Ending June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses:										
Governmental activities:										
Support Services:										
Tuition	\$ 1,489,028	\$ 1,348,789	\$ 1,258,547	\$ 966,321	\$ 888,107	\$ 821,603	\$ 830,414	\$ 1,004,445	\$ 1,142,430	\$ 955,526
Student & instruction related services	1,600	-	3,165	4,955	675	-	3,802	4,500	3,143	-
General administrative services	19,719	21,888	17,576	12,452	13,173	14,597	13,217	17,058	16,231	20,732
Central services	20,577	20,388	20,385	20,390	20,390	20,385	20,385	20,385	20,385	20,452
Plant operations and maintenance	6,048	24,882	48,541	-	62,004	195,000	352,203	156,254	-	131,072
Pupil transportation	93,671	66,230	50,694	66,367	58,678	60,548	61,547	62,365	47,142	42,559
Unallocated employee benefits	1,373	1,449	1,168	389	-	-	-	-	-	893
Unallocated depreciation	21,492	21,492	-	-	-	1,714	1,714	1,714	1,714	1,714
Total governmental activities expenses	<u>1,653,508</u>	<u>1,505,118</u>	<u>1,400,076</u>	<u>1,070,874</u>	<u>1,043,027</u>	<u>1,113,847</u>	<u>1,283,282</u>	<u>1,266,721</u>	<u>1,231,045</u>	<u>1,172,948</u>
Total district expenses	<u>\$ 1,653,508</u>	<u>\$ 1,505,118</u>	<u>\$ 1,400,076</u>	<u>\$ 1,070,874</u>	<u>\$ 1,043,027</u>	<u>\$ 1,113,847</u>	<u>\$ 1,283,282</u>	<u>\$ 1,266,721</u>	<u>\$ 1,231,045</u>	<u>\$ 1,172,948</u>
Program Revenues:										
Governmental activities:										
Operating grants and contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 893
Total governmental activities program revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>893</u>
Total district program revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 893</u>
Net (Expense)/Revenue:										
Governmental activities	<u>\$ (1,653,508)</u>	<u>\$ (1,505,118)</u>	<u>\$ (1,400,076)</u>	<u>\$ (1,070,874)</u>	<u>\$ (1,043,027)</u>	<u>\$ (1,113,847)</u>	<u>\$ (1,283,282)</u>	<u>\$ (1,266,721)</u>	<u>\$ (1,231,045)</u>	<u>\$ (1,172,055)</u>
Total district-wide net expense	<u>\$ (1,653,508)</u>	<u>\$ (1,505,118)</u>	<u>\$ (1,400,076)</u>	<u>\$ (1,070,874)</u>	<u>\$ (1,043,027)</u>	<u>\$ (1,113,847)</u>	<u>\$ (1,283,282)</u>	<u>\$ (1,266,721)</u>	<u>\$ (1,231,045)</u>	<u>\$ (1,172,055)</u>
General Revenues and Other Changes in Net Assets:										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 786,464	\$ 786,464	\$ 786,464	\$ 510,842	\$ 510,842	\$ 510,842	\$ 510,842	\$ 510,842	\$ 510,842	\$ 510,842
Unrestricted grants and contributions	721,645	755,257	684,536	696,312	686,115	692,916	700,168	699,450	701,741	690,052
Investment earnings	4,291	3,709	4,323	1,988	1,244	1,217	1,405	1,236	1,082	1,188
Miscellaneous income	885	9,596	4,376	594	-	-	-	-	-	-
Cancellation of receivable	(38,000)	-	-	-	-	-	-	-	-	-
Transfers	-	-	(578,822)	-	-	-	-	-	-	-
Total governmental activities	<u>1,475,285</u>	<u>1,555,026</u>	<u>900,877</u>	<u>1,209,736</u>	<u>1,198,201</u>	<u>1,204,975</u>	<u>1,212,415</u>	<u>1,211,528</u>	<u>1,213,665</u>	<u>1,202,082</u>
Change in Net Assets:										
Governmental activities	<u>\$ (178,223)</u>	<u>\$ 49,908</u>	<u>\$ (499,199)</u>	<u>\$ 138,862</u>	<u>\$ 155,174</u>	<u>\$ 91,128</u>	<u>\$ (70,867)</u>	<u>\$ (55,193)</u>	<u>\$ (17,380)</u>	<u>\$ 30,027</u>
Total district-wide	<u>\$ (178,223)</u>	<u>\$ 49,908</u>	<u>\$ (499,199)</u>	<u>\$ 138,862</u>	<u>\$ 155,174</u>	<u>\$ 91,128</u>	<u>\$ (70,867)</u>	<u>\$ (55,193)</u>	<u>\$ (17,380)</u>	<u>\$ 30,027</u>

Source: CAFR A-2

Corbin City School District
(A Component Unit of Corbin City)
Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

Exhibit J-3
Unaudited

	Fiscal Year Ending June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund:										
Restricted	\$ -	\$ -	\$ 194,877	\$ 330,289	\$ 432,724	\$ 524,731	\$ 486,085	\$ 447,839	\$ 447,639	\$ 429,577
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	18,308	2,020	51,819	57,174	26,183	11,392	-	61,605
Unassigned	-	-	180,306	200,045	185,845	181,326	181,810	181,367	177,294	165,492
Reserved	171,773	120,467	-	-	-	-	-	-	-	-
Unreserved	70,696	193,402	-	-	-	-	-	-	-	-
Total general fund	\$ 242,469	\$ 313,869	\$ 393,491	\$ 532,354	\$ 670,388	\$ 763,231	\$ 694,078	\$ 640,598	\$ 624,933	\$ 656,674
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special Revenue Fund	-	-	-	-	-	-	-	-	-	-
Capital Projects Fund	-	-	-	-	-	-	-	-	-	-
Debt Service Fund	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Corbin City School District
(A Component Unit of Corbin City)
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

Exhibit J-4
Unaudited

	Fiscal Year Ending June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Tax levy	\$ 786,464	\$ 786,464	\$ 786,464	\$ 510,842	\$ 510,842	\$ 510,842	\$ 510,842	\$ 510,842	\$ 510,842	\$ 510,842
Interest Earned	4,291	3,709	4,323	1,988	1,244	1,217	1,405	1,236	1,082	1,188
Miscellaneous	885	9,596	4,376	594	-	-	-	-	-	-
State sources	721,645	646,809	684,536	696,312	686,115	692,916	700,168	699,450	701,741	690,052
Federal sources	-	108,448	-	-	-	-	-	-	-	-
Total revenue	1,513,285	1,555,026	1,479,699	1,209,736	1,198,201	1,204,975	1,212,415	1,211,528	1,213,665	1,202,082
Expenditures										
Support Services:										
Tuition	1,489,028	1,348,789	1,258,547	966,321	888,107	821,603	830,414	1,004,445	1,142,429	955,526
Student & instruction related services	1,600	-	3,165	4,955	675	-	3,802	4,500	3,143	-
General administration	19,719	21,888	17,576	12,452	13,173	14,597	13,217	17,058	16,231	20,732
School administration	-	-	-	-	-	-	-	-	-	-
Central services	20,577	20,388	20,385	20,390	20,385	20,385	20,385	20,385	20,385	20,452
Facility	6,048	24,882	48,541	-	62,004	195,000	352,203	156,254	-	131,072
Pupil transportation	93,671	66,230	50,694	66,367	58,678	60,548	61,547	62,365	47,142	42,559
Other support services	-	-	-	-	-	-	-	-	-	-
Employee benefits	1,373	1,449	1,168	389	-	-	-	-	-	-
Capital outlay	-	-	-	-	17,144	-	-	-	-	-
Debt service:										
Principal	-	-	-	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-	-	-	-
Total expenditures	1,632,016	1,483,626	1,400,076	1,070,874	1,060,166	1,112,133	1,281,568	1,265,007	1,229,330	1,170,341
Excess (Deficiency) of revenues over (under) expenditures	(118,731)	71,400	79,623	138,862	138,035	92,842	(69,153)	(53,479)	(15,665)	31,741
Other Financing sources (uses)										
Cancellation of receivable	(38,000)	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	(38,000)	-	-	-	-	-	-	-	-	-
Net change in fund balances	\$ (156,731)	\$ 71,400	\$ 79,623	\$ 138,862	\$ 138,035	\$ 92,842	\$ (69,153)	\$ (53,479)	\$ (15,665)	\$ 31,741
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: District records

Note: Noncapital expenditures are total expenditures less capital outlay.

Corbin City School District
(A Component Unit of Corbin City)
General Fund - Other Local Revenue by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)

Exhibit J-5
Unaudited

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Rentals</u>	<u>Miscellaneous</u>	<u>Total</u>
2009	\$ 4,291	\$ -	\$ 885	\$ 5,176
2010	3,709	-	9,596	13,305
2011	4,323	-	4,377	8,700
2012	1,988	-	594	2,582
2013	1,244	-	-	1,244
2014	1,217	-	-	1,217
2015	1,405	-	-	1,405
2016	1,236	-	-	1,236
2017	1,082	-	-	1,082
2018	1,188	-	-	1,188

Source: District records

Corbin City School District
(A Component Unit of Corbin City)
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years

Exhibit J-6
Unaudited

Fiscal Year Ended June 30,	Vacant Land	Improvements	Net Total Taxable Value of Land & Improvements	Total Partial Exemptions & Abatements	Net Total Taxable Value of Land & Improvements	Public Utilities a	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate b	Estimated Actual (County Equalized) Value
2009	\$ 1,727,000	\$ 30,246,100	\$ 31,973,100	\$ -	\$ 31,973,100	\$ 80,200	\$ 32,053,300	\$ -	\$ 2.454	\$ 56,382,917
2010	1,684,500	30,963,100	32,647,600		32,647,600	79,300	32,726,900	-	2.403	56,382,917
2011	9,904,400	23,446,600	33,351,000		33,351,000	69,700	33,420,700	-	1.528	46,979,498
2012	10,479,600	23,576,400	34,056,000		34,056,000	48,968	34,104,968	-	1.497	65,116,906
2013	10,530,800	23,725,200	34,256,000		34,256,000	72,728	34,328,728	-	1.488	55,831,499
2014	10,617,800	23,836,700	34,454,500		34,454,500	70,075	34,524,575	-	1.450	51,865,853
2015	10,314,700	23,901,000	34,215,700		34,215,700	-	34,215,700	-	1.493	50,595,411
2016	19,704,900	30,916,600	50,621,500		50,621,500	-	50,621,500	-	1.009	51,476,902
2017	19,505,600	31,352,700	50,858,300		50,858,300	-	50,858,300	-	1.004	53,448,388
2018	19,151,500	31,844,300	50,995,800		50,995,800		50,995,800	-	1.002	54,040,523

Source: Municipal Tax Assessor

Note:

Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

a Taxable Value of Machinery, Improvements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100

Corbin City School District
(A Component Unit of Corbin City)
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$100 of assessed value)

Exhibit J-7
Unaudited

Fiscal Year Ended June 30,	Corbin City School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	Corbin City	Atlantic County	
2009	\$ 2.454	\$ -	\$ 2.454	\$ 0.207	\$ 0.526	\$ 3.187
2010	2.403	-	2.403	0.258	0.555	3.216
2011	1.528	-	1.528	0.456	0.509	2.493
2012	1.497	-	1.497	0.363	0.717	2.577
2013	1.488	-	1.488	0.364	0.765	2.617
2014	1.450	-	1.450	0.366	0.715	2.531
2015	1.493	-	1.493	0.367	0.751	2.611
2016	1.009	-	1.009	0.295	0.516	1.820
2017	1.004	-	1.004	0.305	0.586	1.895
2018	1.002	-	1.002	0.322	0.586	1.910

Source: Municipal Tax Collector

**Corbin City School District
(A Component Unit of Corbin City)
Principal Property Tax Payers,
Current Year and Nine Years Ago**

**Exhibit J-8
Unaudited**

Taxpayer	2018		Taxpayer	2009	
	Taxable Assessed Value	% of Total District Net Assessed Value		Taxable Assessed Value	% of Total District Net Assessed Value
Mar-Jer Inc	\$ 984,400	0.22%			
SBA Towers LLC	751,600	0.17%			
Individual # 1	675,500	0.15%			
Individual # 2	532,700	0.12%			
Individual # 3	526,000	0.12%			
Individual # 4	523,700	0.12%			
Individual # 5	506,400	0.11%			
Individual # 6	502,400	0.11%			
Individual # 7	393,600	0.09%			
Individual # 8	392,700	0.09%			
Total	<u>\$ 5,789,000</u>	<u>1.28%</u>			

Information Not Available

Source: Municipal Tax Assessor

**Corbin City School District
(A Component Unit of Corbin City)
Property Tax Levies and Collections,
Last Ten Fiscal Years**

**Exhibit J-9
Unaudited**

Fiscal Year Ended June 30,	School Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2009	\$ 786,464	\$ 786,464	100.00%	\$ -
2010	786,464	786,464	100.00%	-
2011	786,464	786,464	100.00%	-
2012	510,842	510,842	100.00%	-
2013	510,842	510,842	100.00%	-
2014	510,842	510,842	100.00%	-
2015	510,842	510,842	100.00%	-
2016	510,842	510,842	100.00%	-
2017	510,842	510,842	100.00%	-
2018	510,842	510,842	100.00%	-

Source: District records including the Certificate and Report of School Taxes (A4F form)

- a** School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

Corbin City School District
(A Component Unit of Corbin City)
Ratios of Outstanding Debt by Type
(dollars in thousands, except per capita)

Exhibit J-10
Unaudited

Fiscal Year Ended June 30,	Governmental Activities			Bond Anticipation Notes	Business-Type		Percentage of Personal Income	Per Capita Personal Income
	General Obligation Bonds	Certificates of Participation	Capital Leases		Capital Leases	Total District		

In accordance with statutes governing Type I School Districts, the bonded debt is assumed by the City and provision for amortization of principal and interest on the outstanding debt is included in the City budget.

Corbin City School District
(A Component Unit of Corbin City)
Ratios of Net General Bonded Debt Outstanding
(dollars in thousands, except per capita)

Exhibit J-11
Unaudited

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>General</u> <u>Obligation</u> <u>Bonds</u>	<u>Deductions</u>	<u>Net General</u> <u>Bonded Debt</u> <u>Outstanding</u>	<u>Percentage of</u> <u>Actual Taxable</u> <u>Value of</u> <u>Property</u>	<u>Per Capita</u>
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In accordance with statutes governing Type I School Districts, the bonded debt is assumed by the City and provision for amortization of principal and interest on the outstanding debt is included in the City budget.

Corbin City School District
(A Component Unit of Corbin City)
Ratios of Overlapping Governmental Activities Debt
As of December 31, 2017

Exhibit J-12
Unaudited

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Net Direct Debt of the School District	\$ -	100.00%	\$ -
Debt Repaid with Property Taxes Local Municipality	-	100.00%	-
Other Debt County of Atlantic	155,902,988	0.17%	<u>265,035</u>
Total direct and overlapping debt			<u>\$ 265,035</u>

Sources: District records

In accordance with statutes governing Type I School Districts, the bonded debt is assumed by the City and provision for amortization of principal and interest on the outstanding debt is included in the City budget.

Corbin City School District
(A Component Unit of Corbin City)
Legal Debt Margin Information,
Last Ten Fiscal Years
(dollars in thousands)

Exhibit J-13
Unaudited

Legal Debt Margin Calculation for Fiscal Year 2018

	Equalized valuation basis
	2015 \$ 50,450,752
	2016 53,090,194
	2017 53,784,158
	[A] <u>\$ 157,325,104</u>
Average equalized valuation of taxable property	[A/3] <u>\$ 52,441,701</u>
School Borrowing Margin	
Average Equalized Valuation of Taxable Property	\$ 52,441,701
	<u>3.00%</u>
	1,573,251
Net Bonded School Debt	<u>-</u>
Legal Debt Margin	<u>\$ 1,573,251</u>

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt Limit	\$ 1,429,553	\$ 1,685,073	\$ 1,762,782	\$ 1,559,086	\$ 1,647,900	\$ 1,647,900	\$ 1,702,700	\$ 1,583,774	\$ 1,552,589	\$ 1,573,251
Total Net Debt Applicable Limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal Debt Margin	<u>\$ 1,429,553</u>	<u>\$ 1,685,073</u>	<u>\$ 1,762,782</u>	<u>\$ 1,559,086</u>	<u>\$ 1,647,900</u>	<u>\$ 1,647,900</u>	<u>\$ 1,702,700</u>	<u>\$ 1,583,774</u>	<u>\$ 1,552,589</u>	<u>\$ 1,573,251</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

In accordance with statutes governing Type I School Districts, the bonded debt is assumed by the City and provision for amortization of principal and interest on the outstanding debt is included in the City budget.

**Corbin City School District
(A Component Unit of Corbin City)
Demographic and Economic Statistics
Last Ten Fiscal Years**

**Exhibit J-14
Unaudited**

<u>Fiscal Year Ended June 30,</u>	<u>Population ^a</u>	<u>Personal Income ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2009	531	\$ 20,362,788	\$ 38,348	9.10%
2010	492	18,846,060	38,305	9.30%
2011	494	19,620,692	39,718	9.40%
2012	496	20,064,688	40,453	9.80%
2013	500	20,424,000	40,848	11.60%
2014	500	20,972,500	41,945	7.30%
2015	492	21,143,208	42,974	7.50%
2016	499	22,082,746	44,254	7.50%
2017	499	e	e	7.20%
2018	e	e	e	e

Source:

- ^a Population information provided by the NJ Dept of Labor and Workforce Development.
- ^b Personal income for Corbin City.
- ^c Per Capita income for Atlantic County.
- ^d Unemployment data provided by the NJ Dept of Labor and Workforce Development.
- ^e Not available.

Corbin City School District
 (A Component Unit of Corbin City)
 Principal Employers,
 Current Year and Nine Years Ago

Exhibit J-15
Unaudited

<u>Employer</u>	<u>2018</u>			<u>2009</u>		
	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>

Information Not Available

**Corbin City School District
 (A Component Unit of Corbin City)
 Full-time Equivalent District Employees by Function/Program,
 Last Ten Fiscal Years**

**Exhibit J-16
 Unaudited**

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Instruction										
Regular										
Special Education										
Other Special Education										
				Not Applicable						
Support Services										
Student Related										
General Administrative	1	1	1							
School Administrative										
Business Administrative										
Plant Operation										
Other										
Food Service										
	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Corbin City School District
 (A Component Unit of Corbin City)
 Operating Statistics,
 Last Nine Fiscal Years

Exhibit J-17
 Unaudited

Fiscal Year	K-12 Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio 12	K- Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2009	97.0	\$ 1,632,016	\$ 16,825	0.89%	Not Applicable					
2010	76.5	1,483,626	19,394	15.27%						
2011	70.0	1,400,076	20,001	3.13%						
2012	66.0	1,070,874	16,225	-18.88%						
2013	68.0	1,043,022	15,339	-5.47%						
2014	67.0	1,112,133	16,599	8.22%						
2015	70.0	1,281,568	18,308	10.30%						
2016	71.0	1,265,007	17,817	-2.68%						
2017	69.0	1,229,330	17,816	0.00%						
2018	66.0	1,170,341	17,732	-0.47%						

Sources: District records

Note: Enrollment based on annual October district count.

a Operating expenditures equal total expenditures less debt service and capital outlay.

**Corbin City School District
(A Component Unit of Corbin City)
School Building Information
Last Ten Fiscal Years**

**Exhibit J-18
*Unaudited***

Not applicable - Corbin City is a nonoperating School District.

**Corbin City School District
(A Component Unit of Corbin City)
Schedule of Required Maintenance
Last Ten Fiscal Years**

**Exhibit J-19
*Unaudited***

Not applicable - Corbin City is a nonoperating School District.

Corbin City School District
(A Component Unit of Corbin City)
Insurance Schedule
June 30, 2018

Exhibit J-20
Unaudited

Company	Type of Coverage	Amount of Coverage	Deductible
NJ Schools Insurance Group	Crime		
	Public Employees' Faithful Performance	\$ 25,000	\$ 500
	Theft, Disappearance and Destruction	5,000	500
	Theft, Disappearance and Destruction	5,000	500
	Forgery or Alteration	25,000	500
	Comprehensive General Liability		
	Bodily Injury and Property Damage	6,000,000	-
	Terrorism	1,000,000	-
	Automobile		
	Comprehensive Automobile Liability	6,000,000	-
	School Leaders E&O Liability		
	Coverage A	3,000,000	5,000
	Coverage B	300,000	5,000
	Public Officials Bond		
	Business Administrator	5,000	500
	Board Secretary	110,000	1,000

Source: District records

Single Audit Section

CORBIN CITY SCHOOL DISTRICT
(A Component Unit of Corbin City)
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended June 30, 2018

State Grantor / Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From - To	Balance June 30, 2017			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance June 30, 2018		
				(Accounts Receivable)	Deferred Revenue	Due to Grantor				(Accounts Receivable)	Deferred Revenue	Due to Grantor
State Department of Education												
General Fund:												
Equalization Aid	18-495-034-5120-078	\$ 397,218	7/1/17 - 6/30/18	\$ -	\$ -	\$ -	\$ 357,501	\$ (397,218)	\$ -	\$ (39,717)	\$ -	\$ -
Transportation Aid	18-495-034-5120-014	71,890	7/1/17 - 6/30/18				64,702	(71,890)		(7,188)		
Special Education Aid	18-495-034-5120-089	40,858	7/1/17 - 6/30/18				36,773	(40,858)		(4,085)		
Security Aid	18-495-034-5120-084	10,640	7/1/17 - 6/30/18	-	-	-	9,576	(10,640)		(1,064)		
Adjustment Aid	18-495-034-5120-085	164,345	7/1/17 - 6/30/18				147,912	(164,345)		(16,433)		
Adjustment Aid	17-495-034-5120-085	178,412	7/1/16 - 6/30/17	(70,084)			70,084					
PARCC Readiness Aid	18-495-034-5120-098	620	7/1/17 - 6/30/18				558	(620)		(62)		
Per Pupil Growth Aid	18-495-034-5120-097	620	7/1/17 - 6/30/18				558	(620)		(62)		
Professional Learning Community Aid	18-495-034-5120-101	720	7/1/17 - 6/30/18				648	(720)		(72)		
Nonpublic Transportation Aid	18-495-034-5120-014	1,740	7/1/17 - 6/30/18					(1,740)		(1,740)		
Nonpublic Transportation Aid	17-495-034-5120-014	1,044	7/1/16 - 6/30/17	(1,044)			1,044			-		
Total General Fund				<u>(71,128)</u>	<u>-</u>	<u>-</u>	<u>689,356</u>	<u>(688,651)</u>	<u>-</u>	<u>(70,423)</u>	<u>-</u>	<u>-</u>
Total State Financial Assistance				<u>\$ (71,128)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 689,356</u>	<u>\$ (688,651)</u>	<u>\$ -</u>	<u>\$ (70,423)</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.

**Corbin City School District
(A Component Unit of Corbin City)
Notes to the Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2018**

I. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Corbin City School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, are included on the schedules of expenditures of federal awards and state financial assistance.

2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are 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 bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. The school district has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic 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 the expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to *N.J.S.A. 18A:22-44.2*. For GAAP purposes that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment 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, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with *N.J.S.A. 18A:22-4.2*.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$1,401 for the general fund. See Exhibit C-3, 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 basic financial statements on a GAAP basis as follows:

	Federal	State	Total
General Fund	\$ - 0 -	\$ 690,052	\$ 690,052
Total Awards and Financial Assistance	\$ - 0 -	\$ 690,052	\$ 690,052

**Corbin City School District
Notes to the Schedules of Expenditures
of Federal Awards and State Financial Assistance
For the Fiscal Year Ended June 30, 2018
(Continued)**

4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

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

Section 1 -- Summary of Auditor's Results

Financial Statement Section

Type of auditor's report issued:	_____	Unmodified	_____
Internal control over financial reporting:			
Material weaknesses identified?	_____	yes	_____ <u>X</u> _____ no
Significant deficiencies identified?	_____	yes	_____ <u>X</u> _____ none reported
Noncompliance material to general purpose financial statements noted?	_____	yes	_____ <u>X</u> _____ no

Federal Awards

Not Applicable.

State Awards

Not Applicable.

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

Section 2 -- Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

No findings identified.

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

**Section 3 -- Schedule of Federal Awards and State Financial Assistance
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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey Circular 15-08-OMB.

FEDERAL AWARDS:

A federal single audit was not required.

STATE AWARDS:

A state single audit was not required.

**CORBIN CITY SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

This section identifies the status of prior year findings related to the financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey Circular 15-08-OMB.

FINANCIAL STATEMENT FINDINGS

There were no prior year audit findings

FEDERAL AWARDS

A federal single audit was not required.

STATE AWARDS

A state single audit was not required.