

Board of Education



*Corbin City
School District*

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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
For The Fiscal Year Ended June 30, 2016**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

CORBIN CITY SCHOOL DISTRICT

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

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

CORBIN CITY SCHOOL DISTRICT
(A Component Unit of Corbin City)
Table of Contents

	PAGE
INTRODUCTORY SECTION	
Letter of Transmittal	1 - 4
Organizational Chart	5
Roster of Officials	6
Consultants and Advisors	7
FINANCIAL SECTION	
Independent Auditors' Report	8 - 10
Required Supplementary Information - Part I	
Management's Discussion and Analysis	11 - 15
Basic Financial Statements	
A District-Wide Financial Statements	
A-1 Statement of Net Position	16
A-2 Statement of Activities	17
B Fund Financial Statements	
Governmental Funds	
B-1 Balance Sheet	18
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	19
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	20
PROPRIETARY FUNDS	
B-4 Statement of Net Position	N/A
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Position	N/A
B-6 Statement of Cash Flows	N/A
FIDUCIARY FUNDS	
B-7 Statement of Fiduciary Net Position	N/A
B-8 Statement of Changes in Fiduciary Net Position	N/A
Notes to the Financial Statements	21-31

CORBIN CITY SCHOOL DISTRICT
(A Component Unit of Corbin City)
Table of Contents (Continued)

	PAGE
Required Supplementary Information - Part II	
C Budgetary Comparison Schedules	
C-1 Budgetary Comparison Schedule - General Fund	32 - 36
C-1a Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	N/A
C-1b Budgetary Comparison Schedule - General Fund - Education Jobs Fund 18	N/A
C-2 Budgetary Comparison Schedule - Special Revenue Fund	N/A
Notes to the Required Supplementary Information	
C-3 Budget to GAAP Reconciliation	37
Required Supplementary Information - Part III	
L-1 District's Proportionate Share of Net Pension Liability (PERS)	N/A
L-2 District's Contribution (PERS)	N/A
L-3 District's Proportionate Share of Net Pension Liability (TPAF)	N/A
Other Supplementary Information	
D School Based Budget Schedules	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
D-3 Blended Resource Fund - Schedule of Blended Expenditures Budget and Actual	N/A
E Special Revenue Fund	
E-1 Combining Schedule of Program Revenues and Expenditures Special Revenue Fund - Budgetary Basis	N/A
E-2 Schedule(s) of Preschool Education Aid Expenditures - Preschool - All Programs - Budgetary Basis	N/A
F Capital Projects Fund	
F-1 Summary Schedule of Project Expenditures	N/A
F-2 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance	N/A
F-2a Schedule(s) of Project Revenues, Expenditures, Project Balance and Status	N/A
G Proprietary Funds	
Enterprise Fund	
G-1 Combining Statement of Net Position	N/A
G-2 Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	N/A
G-3 Combining Statement of Cash Flows	N/A
Internal Service Fund	
G-4 Combining Statement of Net Position	N/A
G-5 Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	N/A
G-6 Combining Statement of Cash Flows	N/A

CORBIN CITY SCHOOL DISTRICT
(A Component Unit of Corbin City)
Table of Contents (Continued)

	PAGE
H Fiduciary Funds	
H-1 Combining Statement of Fiduciary Net Position	N/A
H-2 Combining Statement of Changes in Fiduciary Net Position	N/A
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	N/A
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	N/A
I Long-Term Debt	
I-1 Schedule of Serial Bonds	N/A
I-2 Schedule of Obligations Under Capital Lease	N/A
I-3 Budgetary Comparison Schedule - Debt Service Fund	N/A
STATISTICAL SECTION (Unaudited)	
Introduction to the Statistical Section	38
Financial Trends	
J-1 Net Position by Component	39
J-2 Changes in Net Position	40 - 41
J-3 Fund Balances - Governmental Funds	42
J-4 Changes in Fund Balances - Governmental Funds	43
J-5 General Fund Other Local Revenue by Source	44
Revenue Capacity	
J-6 Assessed Value and Estimated Actual Value of Taxable Property	45
J-7 Direct and Overlapping Property Tax Rates	46
J-8 Principal Property Taxpayers	47
J-9 Property Tax Levies and Collections	48
Debt Capacity	
J-10 Ratios of Outstanding Debt by Type	49
J-11 Ratios of General Bonded Debt Outstanding	50
J-12 Direct and Overlapping Governmental Activities Debt	51
J-13 Legal Debt Margin Information	52
Demographic and Economic Information	
J-14 Demographic and Economic Statistics	53
J-15 Principal Employers	54
Operating Information	
J-16 Full-Time Equivalent District Employees by Function/Program	55
J-17 Operating Statistics	56
J-18 School Building Information	57
J-19 Schedule of Required Maintenance Expenditures by School Facility	58
J-20 Insurance Schedule	59

CORBIN CITY SCHOOL DISTRICT
(A Component Unit of Corbin City)
Table of Contents (Continued)

	PAGE	
SINGLE AUDIT SECTION		
K-1	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	60 - 61
K-2	Report on Compliance for Each Major Program and Report on Internal Controls Over Compliance and Report on the Schedules of Expenditures of Federal Awards and State Financial Assistance	N/A
K-3	Schedule of Expenditures of Federal Awards - Schedule A	62
K-4	Schedule of Expenditures of State Financial Assistance - Schedule B	63
K-5	Notes to the Schedules of Awards and Financial Assistance	64 - 65
K-6	Schedule of Findings and Questioned Costs	66 - 68
K-7	Summary Schedule of Prior Audit Findings	69

INTRODUCTORY SECTION

CORBIN CITY BOARD OF EDUCATION

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

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

The comprehensive annual financial report of the Corbin City School District (District) for the fiscal year ended June 30, 2016, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds 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:

- The Introductory Section includes this transmittal letter, the District's organizational chart and a roster of officials.
- The Financial Section includes the Independent Auditors' Report, Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the District's financial position and operating results, and other schedules providing detailed budgetary information.
- The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis.
- The Single Audit Section in which the District is required to undergo an annual single audit in conformity with provisions of the U.S. Office of Management and Budget Circular Title 2 U.S. Code of Federal Regulation part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and State of New Jersey OMB's Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES

The District is a component unit of Corbin City as set forth in Section 2100 of the Governmental Standards Board (GASB). All funds of the District are included in this report. The Corbin City Board of Education and all its schools 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 Board of Education 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 internal control structure 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 accounting principles generally accepted in the United States of America (GAAP). Internal control 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 adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. Internal control is also subject to periodic evaluation by the District management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of internal control, including that portion related to federal awards and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

5) BUDGETARY CONTROLS

In addition to internal accounting controls, the District maintains budgetary controls. The objectives of these budgetary controls are to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of School Estimates of the municipality. Annual appropriated budgets are adopted for the general fund and 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 balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2016.

6) ACCOUNTING SYSTEM AND REPORTS

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

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". 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 30, 2016, 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 District 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 Preziosi Nicholson & Associates, PA was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of U.S. Office of Management and Budget Circular Title 2 U.S. Code of Federal Regulation part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, New Jersey OMB's Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid". The auditor's reports related specifically to the single audit are included in the single audit section of this report.

11) ACKNOWLEDGMENTS

We would like to express our appreciation to the members of the Corbin School Board 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

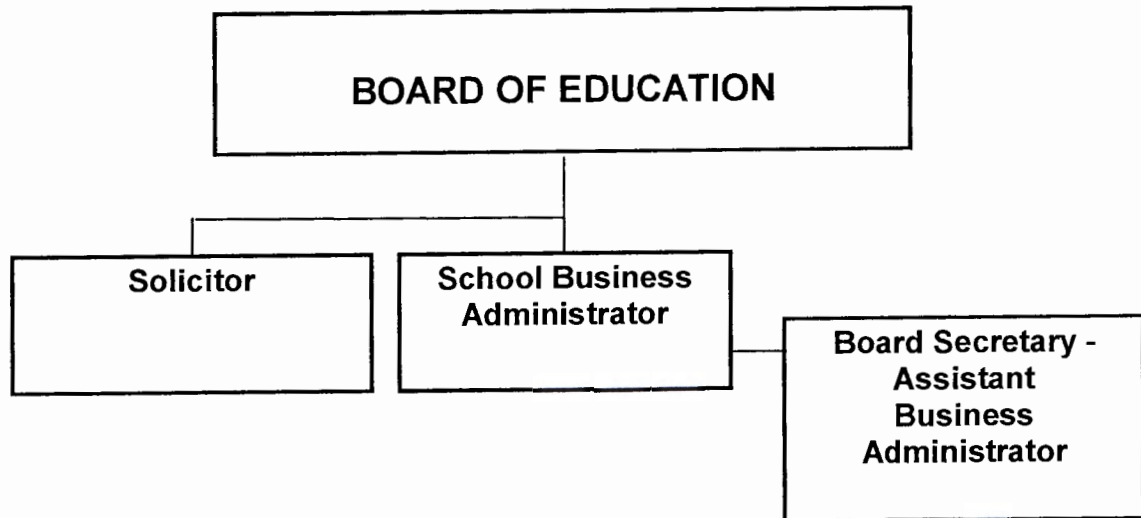
Dana Loder

Dana Loder
Assistant Business Administrator/Board
Secretary

CORBIN CITY SCHOOL DISTRICT

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, 2016

Members of the Board of Education		Term Expires
Carol Iverson	President	2021
Patricia Lynn Tyszka	Vice-President	2020
Regina Kaufmann	Board Member	2017
Candice Ochs	Board Member	2018
Denise Kane	Board Member	2019

Other Officials

Timothy E. Kelly	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, New Jersey 08037

Audit Firm

James M. Preziosi, MS, CPA, PSA
Preziosi Nicholson & Associates, P.A.
Certified Public Accountants
1101 Wheaton Avenue
Suite 100
Millville, New Jersey 08332

Official Depository

Ocean City Home Bank
1001 Asbury Avenue
Ocean City, New Jersey 08226-0447

Insurance Agent

NJ School Boards Association Insurance Group
450 Veterans Drive
Burlington, New Jersey 08016

FINANCIAL SECTION

PREZIOSI·NICHOLSON

& ASSOCIATES PA

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the Corbin City Board of Education (a component unit of Corbin City) in the County of Atlantic, State of New Jersey, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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 we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, 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, 2016, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity 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 and budgetary comparison information 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Corbin City School District's basic financial statements. The accompanying combining statements and related major fund supporting statements and schedules and Schedule of Expenditures of Federal Awards and State Financial Assistance, as required by U.S. Office of Management and Budget Title 2 U.S. Code of Federal Regulations Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and Schedules of Federal Awards and State Financial Assistance are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining statements and related major fund supporting statements and schedules and Schedule 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.

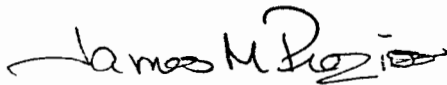
The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated November 25, 2016 on our consideration of the Corbin City School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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.

Respectfully submitted,

PREZIOSI • NICHOLSON & ASSOCIATES
Certified Public Accountants



James M. Preziosi
Certified Public Accountant
Public School Accountant No. CS 01141

November 25, 2016
Millville, NJ

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

CORBIN CITY SCHOOL DISTRICT

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2016

This section of the Corbin City School District's (the District) annual financial report presents our discussion and analysis of the District's financial performance during the year ended June 30, 2016. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2016 are as follows:

Exhibit A-1

Net Position for Governmental activities was \$652,599.

Exhibit A-2

Net Assets decreased by \$55,194.

Exhibit B-1

The General Fund, fund balance as of June 30, 2016 was \$640,598 an decrease of \$53,480 when compared with the beginning balance as of July 1, 2015 of \$694,078.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of:

1. Independent Auditors' Report
2. Required Supplementary Information
3. Basic Financial Statements
4. Notes to the Financial Statements
5. Other Supplementary Information

The basic financial statements include two kinds of statements that present different views of the District.

District-Wide Financial Statements

- District-wide financial statements provide both short-term and long-term information about the District's overall financial status.

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report net position and how they have changed. Net position, the difference between the District's assets and liabilities, is one way to measure the District's financial health or *position*. The district-wide financial statements include the *Governmental Activities*. Most of the District's basic services are included here, such as instruction, extracurricular activities, curriculum and staff development, health services and general administration. Property taxes and grants finance most of these activities.

CORBIN CITY SCHOOL DISTRICT

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2016

Fund Financial Statements

- Fund financial statements focus on the individual parts of the District, reporting operations in more detail than the district-wide financial statements.
- The governmental funds statements tell how basic services such as regular and special education were financed in short-term as well as what remains for future spending.
- Proprietary funds statements offer short-term and long-term financial information about the activities that the District operates like businesses.
- Fiduciary funds statements provide information about the financial relationship in which the District acts solely as a trustee or agent for the benefit of others to whom the resources belong.

The fund financial statements provide more detailed information about the District's most significant funds.

- *Governmental Funds* - Most of the District's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.

DISTRICT-WIDE FINANCIAL ANALYSIS

Net Position

The Statement of Net Position reports all financial and capital resources. The statement presents the assets and liabilities in order of relative liquidity. The difference between the District's assets and liabilities is its net position.

	Governmental Activities	
	June 30, 2016	June 30, 2015
Comparative Summary of Net Position		
Assets		
Current and Other Assets	\$ 640,598	\$ 706,831
Capital Assets; net	12,001	13,715
Total Assets	<u>652,599</u>	<u>720,546</u>
Liabilities		
Other Liabilities		12,753
Total Liabilities		<u>12,753</u>
Net Position		
Invested in Capital Assets, Net of Debt	12,001	13,715
Restricted	459,231	512,268
Unrestricted	181,367	181,810
TOTAL NET POSITION	<u>\$ 652,599</u>	<u>\$ 707,793</u>

CORBIN CITY SCHOOL DISTRICT

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2016

DISTRICT-WIDE FINANCIAL ANALYSIS

Change in Net Position

COMPARATIVE SUMMARY OF CHANGE IN NET POSITION	Governmental Activities	
	June 30, 2016	June 30, 2015
General Revenues		
Property Taxes	\$ 510,842	\$ 510,842
Grants and Entitlements	699,450	700,168
Other	1,236	1,405
Total Revenues	1,211,528	1,212,415
Program Expenses		
Tuition	1,004,445	830,414
Student and Instruction	4,500	3,802
General and Administrative	17,058	13,217
Central Services	20,385	20,385
Plant Operations	156,254	352,203
Transportation	62,366	61,547
Depreciation	1,714	1,714
Total Expenses	1,266,722	1,283,282
Change in Net Position	(55,194)	(70,867)
Net Position, July 1	707,793	778,660
Net Position, June 30	\$ 652,599	\$ 707,793

CORBIN CITY SCHOOL DISTRICT

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2016

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is also reflected in the governmental funds which are accounted for by using the modified accrual basis of accounting. As of the end of the current fiscal year, the District's governmental funds reported combining ending fund balances of:

	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>Change</u>
Restricted			
Emergency Reserve	\$ 250,000	\$ 250,000	\$ 0
Tuition Reserve	169,223	169,845	(622)
Excess Surplus	28,616	66,246	(37,630)
Assigned			
Budget	11,392	26,177	(14,785)
Unassigned			
General Fund	<u>181,367</u>	<u>181,810</u>	<u>(443)</u>
Total	<u>\$ 640,598</u>	<u>\$ 694,078</u>	<u>\$ (53,480)</u>

GENERAL FUND BUDGETARY HIGHLIGHTS

The District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

Revenues

The General Fund proposed budget, estimated revenues at \$1,210,543. Actual revenues were \$1,211,797.

Expenditures

The General Fund adopted expenditures were budgeted at \$1,382,611. Actual expenditures were \$1,265,007.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2016, the School District had \$12,000.80 (net of accumulated depreciation) invested in land, building, furniture and equipment. For more detailed information, please refer to the Notes to the Financial Statements.

Debt Administration

New Jersey State Statutes governing Type I School Districts require the bonded debt be assumed by the City and provision for amortization of principal and interest on the outstanding debt be included in the City budget.

CORBIN CITY SCHOOL DISTRICT

**Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016**

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a summary of the financial condition of School District. Questions concerning any of the information provided in this report should be addressed to:

School Business Administrator/Board Secretary
City of Corbin City School District
C/O Ocean City Board of Education
501 Atlantic Avenue, Suite 1
Ocean City, New Jersey 08226-3891

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

CORBIN CITY SCHOOL DISTRICT
(A Component Unit of Corbin City)
Statement of Net Position
June 30, 2016

See Accompanying Notes to the Basic Financial Statements

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 639,380.37	\$ -	\$ 639,380.37
Accounts Receivable			
State of New Jersey	1,218.00		1,218.00
Capital Assets, Net	12,000.80		12,000.80
Total Assets	652,599.17	-	652,599.17
LIABILITIES			
Liabilities			
Accounts Payable			-
Total Liabilities	-	-	-
NET POSITION			
Invested in Capital Assets, Net of Related Debt	12,000.80		12,000.80
Restricted	459,231.37		459,231.37
Unrestricted	181,367.00		181,367.00
Total Net Position	\$ 652,599.17	\$ -	\$ 652,599.17

CORBIN CITY SCHOOL DISTRICT
(A Component Unit of Corbin City)
Statement of Activities
For The Fiscal Year Ended June 30, 2016

Function/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Support Services							
Tuition	\$ 1,004,445.00	\$ -	\$ -	\$ -	\$ (1,004,445.00)	\$ -	\$ (1,004,445.00)
Student and Instruction	4,500.00				(4,500.00)		(4,500.00)
General Administration	17,057.94				(17,057.94)		(17,057.94)
Central Services	20,385.00				(20,385.00)		(20,385.00)
Plant Operations and Maintenance	156,254.00				(156,254.00)		(156,254.00)
Pupil Transportation	62,365.19				(62,365.19)		(62,365.19)
Unallocated Depreciation	1,714.40				(1,714.40)		(1,714.40)
Total Primary Government	\$ 1,266,721.53	\$ -	\$ -	\$ -	\$ (1,266,721.53)	\$ -	\$ (1,266,721.53)
General Revenues							
Tax Levy					510,842.00		510,842.00
Unrestricted Federal and State Aid					699,450.00		699,450.00
Investment Earnings					1,235.69		1,235.69
Other Income					-		-
Total General Revenues And Transfers					1,211,527.69	-	1,211,527.69
Change in Net Position					(55,193.84)	-	(55,193.84)
Net Position, July 1					707,793.01	-	707,793.01
Net Position, June 30					\$ 652,599.17	\$ -	\$ 652,599.17

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

CORBIN CITY SCHOOL DISTRICT
(A Component Unit of Corbin City)
Governmental Funds
Balance Sheet
June 30, 2016

See Accompanying Notes to the Basic Financial Statements

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
ASSETS				
Cash and Cash Equivalents	\$ 639,380.37	\$ -	\$ -	\$ 639,380.37
Accounts Receivable				
State of New Jersey	1,218.00			1,218.00
Total Assets	<u>\$ 640,598.37</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 640,598.37</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Total Liabilities	-	-	-	-
FUNDS BALANCES				
Restricted				
Emergency Reserve	250,000.00			250,000.00
Tuition Reserve	169,223.00			169,223.00
Excess Surplus	28,616.18			28,616.18
Assigned				
Designated for Subsequent Year's Expenditures	11,392.19			11,392.19
Unassigned	181,367.00			181,367.00
Total Fund Balance	640,598.37	-	-	640,598.37
Total Liabilities and Fund Balances	<u>\$ 640,598.37</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 640,598.37</u>
				\$ 640,598.37
				Total Governmental Fund Balances
				Reconciliation to Statement of Net Assets
				Capital Assets 17,144.00
				Accumulated Depreciation (5,143.20)
				Long-Term Liabilities -
				<u>\$ 652,599.17</u>
				Total Net Position - Governmental Activities

CORBIN CITY SCHOOL DISTRICT
(A Component Unit of Corbin City)
Governmental Funds
Statement of Revenues, Expenses and Changes in Fund Balances
For The Fiscal Year Ended June 30, 2016

See Accompanying Notes to the Basic Financial Statements

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
REVENUES				
Local Sources				
Local Tax Levy	\$ 510,842.00	\$ -	\$ -	\$ 510,842.00
Interest Earned	1,235.69			1,235.69
Miscellaneous				-
	<u>512,077.69</u>	-	-	<u>512,077.69</u>
State Sources	<u>699,450.00</u>			<u>699,450.00</u>
Total Revenues	<u>1,211,527.69</u>	-	-	<u>1,211,527.69</u>
EXPENDITURES				
Current				
Support Services				
Tuition	1,004,445.00			1,004,445.00
Student and Instruction	4,500.00			4,500.00
General Administration	17,057.94			17,057.94
Central Services	20,385.00			20,385.00
Plant Operations and Maintenance	156,254.00			156,254.00
Pupil Transportation	62,365.19			62,365.19
Capital Outlay				-
Total Expenditures	<u>1,265,007.13</u>	-	-	<u>1,265,007.13</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(53,479.44)</u>	-	-	<u>(53,479.44)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)				-
Total Other Financing Sources (Uses)	-	-	-	-
Net Changes in Fund Balance	(53,479.44)	-	-	(53,479.44)
Fund Balance, July 1	<u>694,077.81</u>	-	-	<u>694,077.81</u>
Fund Balance, June 30	<u>\$ 640,598.37</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 640,598.37</u>

CORBIN CITY SCHOOL DISTRICT
 (A Component Unit of Corbin City)
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance
 of Governmental Funds to the Statement of Activities**
For The Fiscal Year Ended June 30, 2016

See Accompanying Notes to the Basic Financial Statements

Total Net Change in Fund Balances - Governmental Funds	(B-2)	\$ (53,479.44)
<p>Amounts Reported for Governmental Activities in the Statement of Activities are different because:</p>		
<p>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.</p>		
Depreciation Expense		(1,714.40)
Capital Outlays		
<p>In the Statement of Activities, certain operating expenses, e.g., compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid).</p>		
(Increase) Decrease in Accrued Compensated Absences		-
Change in Net Position of Governmental Activities		<u>\$ (55,193.84)</u>

PROPRIETARY FUNDS
None

FIDUCIARY FUNDS

None

NOTES TO FINANCIAL STATEMENTS

**CORBIN CITY SCHOOL DISTRICT
(A Component Unit of Corbin City)
Notes to Financial Statements
June 30, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Introduction

The Corbin City School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of appointed officials and is responsible for the fiscal control of the District.

The financial statements of the Board of Education (Board) of the Corbin City School District (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. In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB). The more significant accounting policies established in (GAAP) and used by the District are discussed below.

Description of the Reporting Entity

The Corbin City School District (hereafter referred to as the "District") is a Type I district located in the County of Atlantic, State of New Jersey. As a Type I district, the School District functions independently through a Board of Education. The Board is comprised of five members appointed by the Mayor. The District serves an area of eight square miles. The purpose of the District is to provide education for all of Corbin City's students, grade K through 12. The District is a sending district and, therefore, does not have a school facility.

The primary criterion for including activities within the School District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- The organization is legally separate (can sue or be sued in their own name)
- The District holds corporate powers of the organization
- The District appoints a voting majority of the organization's Board
- The District is able to impose its will on the organization
- The organization has the potential to impose a financial benefit/burden on the District
- There is a fiscal dependency by the organization on the District

Based on the aforementioned criteria, the District has no component units however, as a Type I School District would be considered a component unit of the City of Corbin City.

Government-Wide and Fund Financial Statements

The District's basic financial statements consist of government-wide statements, and fund financial statements which provide a more detailed level of financial information.

The government-wide financial statements report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on charges for support.

CORBIN CITY SCHOOL DISTRICT
(A Component Unit of Corbin City)
Notes to Financial Statements
June 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. It is the policy of the District to not allocate indirect expenses to functions in the statement of activities. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes and other items not properly included among program revenues are reported instead as general revenues

In regards to the fund financial statements, the District segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a single column. Fiduciary funds are reported by fund type.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are deemed both available and measurable. Available means when revenues are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal year. Measurable means that the amount of revenue can be determined. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, tuition, reimbursable-type grants, and interest associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the District. It 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 noninstructional equipment which are classified in the Capital Outlay subfund.

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles 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

CORBIN CITY SCHOOL DISTRICT
(A Component Unit of Corbin City)
Notes to Financial Statements
June 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Measurement Focus, Basis of Accounting and Financial Statement Presentation

General Fund (Continued)

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

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes other than debt service or capital projects.

Capital Projects Fund - The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned expenditures for capital outlays, including acquisition or construction of capital facilities and other capital assets. The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Budgets and Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budgets are submitted to the county office for approval and are approved by the board of school estimates. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. 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.6A: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 as noted below. Unencumbered appropriations lapse at fiscal year end.

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. Open encumbrances in governmental funds, other than the special revenue fund, are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund, for which the District has received advances, are reflected in the balance sheet as deferred revenues 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

**CORBIN CITY SCHOOL DISTRICT
(A Component Unit of Corbin City)
Notes to Financial Statements
June 30, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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. 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. 17:9-41 et seq. establishes the requirements for the security of deposits of 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 institutional 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 amount of their deposits to the governmental units.

Prepaid Expenses

Prepaid expenses recorded on the government-wide financial statements represent payments made to vendors for services that will benefit periods beyond June 30, 2016.

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 District and that are due within one year. These amounts are eliminated in the governmental and business-type columns of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as interfunds receivable and / or interfunds payable.

Tuition Payable

Tuition charges payable for the fiscal year were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

**CORBIN CITY SCHOOL DISTRICT
(A Component Unit of Corbin City)
Notes to Financial Statements
June 30, 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 fixed assets are recorded at their fair market value as of the date received. The District maintains a capitalization threshold of \$2,000.00. 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 the 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

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 enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws 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.

The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

CORBIN CITY SCHOOL DISTRICT
(A Component Unit of Corbin City)
Notes to Financial Statements
June 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Balance

The District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The 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 a spendable form or are legally or contractually required to be maintained intact. The "not spendable form" criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

Restricted – The restricted 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 (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

Committed – The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority, which, for the District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. 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 (resolution) it employed to previously commit those amounts.

Assigned – The assigned fund balance classification includes amounts that are constrained by the 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. Such authority of the business administrator is established by way of a formal job description for the position, approved by the Board of Education.

Unassigned – The unassigned fund balance classification is the residual classification for the general fund. This classification 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 government 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 policy of the District to spend restricted fund balances first. Moreover, 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 District to spend fund balances, if appropriated, in the following order: committed, assigned, then unassigned.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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

CORBIN CITY SCHOOL DISTRICT
(A Component Unit of Corbin City)
Notes to Financial Statements
June 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchanged transactions between funds are reported as revenues in the seller funds and as expenditure / expense in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources / uses in governmental funds and after non-operating revenues / expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures / expenses to the funds that initially paid for them are not presented on the financial statements.

Recent Accounting Pronouncements

In August 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 77 "Tax Abatement Disclosures". This statement is effective for fiscal periods beginning after December 15, 2015, will not have any effect on the District's financial reporting.

In December 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 78 "Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans". This statement is effective for fiscal periods beginning after December 15, 2015, will not have any effect on the District's financial reporting.

In December 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 79 "Certain External Investment Pools and Pool Participants". This statement is effective for fiscal periods beginning after December 15, 2015, will not have any effect on the District's financial reporting.

In January 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 80 "Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14". This statement is effective for fiscal periods beginning after June 15, 2016, will not have any effect on the District's financial reporting.

In March 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 81 "Irrevocable Split-Interest Agreements". This statement is effective for fiscal periods beginning after June 30, 2016, will not have any effect on the District's financial reporting.

In March 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 82 "Pension Issues and amendment of GASB Statements No. 67, No. 68, and No. 73". This statement is effective for fiscal periods beginning after June 30, 2016. Although not determinable, the impact on this statement on the net position of the District is anticipated to not be significant.

**CORBIN CITY SCHOOL DISTRICT
(A Component Unit of Corbin City)
Notes to Financial Statements
June 30, 2016**

NOTE 2 CASH AND CASH EQUIVALENTS AND INVESTMENTS

Custodial Credit Risk Related to Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Districts' deposits might not be recovered. Although the 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 Act. 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 District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, athletic and student activity funds, or funds that may pass to the District relative to the happening of a future condition. Such funds are considered uninsured and uncollateralized. As of June 30, 2016, the District's bank balances of \$640,064.41 exposed to custodial credit risk as follows:

Insured FDIC	\$	250,000.00
Uninsured but collateralized with bank – GUDPA		390,064.41
		390,064.41
	\$	640,061.41

NOTE 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, 2015	\$	169,845.00
Deposits		
Board Approval		88,780.00
Withdrawals		
Approved at Election		89,402.00
Ending Balance; June 30, 20156	\$	169,223.00

NOTE 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, 2015	\$	250,000.00
Deposits		
Interest Earned		.00
Board Approval		.00
Withdrawals		
Approved at Election		.00
Ending Balance; June 30, 2016	\$	250,000.00

**CORBIN CITY SCHOOL DISTRICT
(A Component Unit of Corbin City)
Notes to Financial Statements
June 30, 2016**

NOTE 5 CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2016, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities				
Equipment	\$ 17,144.00.	\$.	\$	\$ 17,144.00
Less: Accumulated Depreciation	<u>3,428.80</u>	<u>1,714.40</u>	<u>_____</u>	<u>5,143.20</u>
Capital Assets, Net	<u>\$ 13,715.20</u>	<u>\$ 1,714.40</u>	<u>\$ _____</u>	<u>\$ 12,000.80</u>

NOTE 6 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.

NOTE 7 LEASE COMMITMENTS

The District entered into a lease for office space with the City of Corbin City. The lease covered the three years beginning July 1, 2015 to June 30, 2016. The amount of the lease was for a total of \$156,254.

NOTE 8 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.

NOTE 9 EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, the designation for Restricted Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2016 is \$28,616.18.

CORBIN CITY SCHOOL DISTRICT
(A Component Unit of Corbin City)
Notes to Financial Statements
June 30, 2016

NOTE 10 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: (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the District's fund balance are summarized as follows:

General Fund

For Excess Surplus - Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7 as amended. New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2016 is \$28,616.18.

For Emergency Reserve - As of June 30, 2016, the balance in the emergency reserve account was \$250,000.00. These funds are restricted for emergency expenditures.

For Tuition Reserve - As of June 30, 2016, the balance in the tuition reserve account was \$169,223.00. These 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 District's intent to be used for specific purposes, but are neither restricted nor committed. Specific assignments of the District's fund balance are summarized as follows:

General Fund

Designated for Subsequent Year's Expenditures - As of June 30, 2016, the District had \$11,392.19 designated for subsequent year's expenditures.

Unassigned

As stated in Note 1, the unassigned fund balance classification is the residual classification for the general fund. This classification 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 District's unassigned fund balance is summarized as follows:

General Fund

As of June 30, 2016, \$181,367.00 of general fund balance was unassigned.

CORBIN CITY SCHOOL DISTRICT
(A Component Unit of Corbin City)
Notes to Financial Statements
June 30, 2016

NOTE 11 CONTINGENT LIABILITIES

Federal and State Grants

The District participates in a number of federal and state grant programs. The grant programs are subject to program compliance audits by the grantors or their representatives. The District is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

General

Per confirmation by the District's legal counsel, there are no material pending litigation, claims, assessments or contingent liabilities against the District.

NOTE 12 SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions that occurred as of November 25, 2016, the date that the financial statements were issued for possible disclosure and recognition in the financial statements and no items were noted for disclosure or adjustment.

**REQUIRED SUPPLEMENTARY INFORMATION
PART II**

BUDGETARY COMPARISON SCHEDULES

CORBIN CITY SCHOOL DISTRICT
(A Component Unit of Corbin City)
General Fund
Budgetary Comparison Schedule
For The Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES					
Local Sources					
Local Tax Levy	\$ 510,842.00	\$ -	\$ 510,842.00	\$ 510,842.00	\$ -
Interest Earned on Investments	1,200.00	-	1,200.00	1,235.69	35.69
Interest Earned on Emergency Reserves		-			-
Miscellaneous		-			-
Total Local Sources	<u>512,042.00</u>	<u>-</u>	<u>512,042.00</u>	<u>512,077.69</u>	<u>35.69</u>
State Sources					
Equalization Aid	396,300.00	-	396,300.00	396,300.00	-
Categorical Transportation Aid	71,774.00	-	71,774.00	71,774.00	-
Categorical Special Education Aid	40,144.00	-	40,144.00	40,144.00	-
Categorical Security Aid	10,631.00	-	10,631.00	10,631.00	-
Adjustment Aid	178,412.00	-	178,412.00	178,412.00	-
PARCC Readiness Aid	620.00	-	620.00	620.00	-
Per Pupil Growth Aid	620.00	-	620.00	620.00	-
Nonpublic Transportation Aid		-		1,218.00	1,218.00
Total State Sources	<u>698,501.00</u>	<u>-</u>	<u>698,501.00</u>	<u>699,719.00</u>	<u>1,218.00</u>
Total Revenues	<u>1,210,543.00</u>	<u>-</u>	<u>1,210,543.00</u>	<u>1,211,796.69</u>	<u>1,253.69</u>

CORBIN CITY SCHOOL DISTRICT
(A Component Unit of Corbin City)
General Fund
Budgetary Comparison Schedule
For The Fiscal Year Ended June 30, 2016

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES					
Current Expense					
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State - Regular	923,328.00	-	923,328.00	923,328.00	-
Tuition to Other LEAs Within the State - Special		-			-
Tuition to County Vocational School - Regular	68,090.00	-	68,090.00	68,090.00	-
Tuition to County Vocational School - Special	10,596.00	-	10,596.00	10,595.50	0.50
Tuition to CSSD & Regular Day Schools	38,880.00	-	38,880.00	2,431.50	36,448.50
Total Undistributed Expenditures - Instruction	<u>1,040,894.00</u>	<u>-</u>	<u>1,040,894.00</u>	<u>1,004,445.00</u>	<u>36,449.00</u>
Other Support Services - Students - Related Services					
Purchased Professional-Educational Services	5,000.00	-	5,000.00	4,500.00	500.00
Total Undistributed Expenditures - Students - Related Services	<u>5,000.00</u>	<u>-</u>	<u>5,000.00</u>	<u>4,500.00</u>	<u>500.00</u>
Other Support Services - Students - Child Study Team					
Purchased Professional-Educational Services	600.00	-	600.00		600.00
Total Undistributed Expenditures - Child Study Team	<u>600.00</u>	<u>-</u>	<u>600.00</u>	<u>-</u>	<u>600.00</u>
Support Services - General Administration					
Salaries		-			-
Legal Services	6,000.00	-	6,000.00	4,000.00	2,000.00
Audit Fees	5,100.00	-	5,100.00	4,000.00	1,100.00
Other Purchased Services (400-500 series)	7,000.00	900.00	7,900.00	7,542.21	357.79
Supplies and Materials	18,000.00	(900.00)	17,100.00	446.98	16,653.02
Board of Education Other Purchased Services	500.00	-	500.00		500.00
Board of Education Training and Supplies	5,000.00	-	5,000.00		5,000.00
Board of Education Membership Dues and Fees	1,500.00	-	1,500.00	1,068.75	431.25
Total Undistributed Expenditures - Support Services - General Administration	<u>43,100.00</u>	<u>-</u>	<u>43,100.00</u>	<u>17,057.94</u>	<u>26,042.06</u>

CORBIN CITY SCHOOL DISTRICT
(A Component Unit of Corbin City)
General Fund
Budgetary Comparison Schedule
For The Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Central Services					
Purchased Professional Services	22,385.00	-	22,385.00	20,385.00	2,000.00
Miscellaneous Purchased Services (400-500 Series)	500.00	-	500.00		500.00
Total Undistributed Expenditures - Central Services	22,885.00	-	22,885.00	20,385.00	2,500.00
Custodial Services					
Rental of Land, Building & Other than Lease Purchase	156,254.00	-	156,254.00	156,254.00	-
Total Undistributed Expenditures - Custodial Services	156,254.00	-	156,254.00	156,254.00	-
Care and Upkeep of Grounds					
Cleaning, Repair, and Maintenance Services		-			-
Total Undistributed Expenditures - Care and Upkeep of Grounds	-	-	-	-	-
Security					
Purchased Professional and Technical Services		-			-
Total Undistributed Expenditures - Security	-	-	-	-	-
Total Undistributed Expenditures - Operations & Maintenance of Plant	156,254.00	-	156,254.00	156,254.00	-
Student Transportation Services					
Contracted Services - Aid In Lieu of Payment for Non-Public Students	7,072.00	-	7,072.00	6,188.00	884.00
Contracted Services - (Between Home and School) - Joint Agreements	51,024.00	-	51,024.00	45,949.82	5,074.18
Contracted Services - (Special Education Students) - Joint Agreements	55,782.00	-	55,782.00	10,227.37	45,554.63
Total Undistributed Expenditures - Student Transportation Services	113,878.00	-	113,878.00	62,365.19	51,512.81

CORBIN CITY SCHOOL DISTRICT
(A Component Unit of Corbin City)
General Fund
Budgetary Comparison Schedule
For The Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Personal Services - Unallocated Benefits - Employee Benefits Other Retirement Contributions - PERS	-	-	-	-	-
Total Personal Services - Employee Benefits	-	-	-	-	-
Total Undistributed Expenditures	1,382,611.00	-	1,382,611.00	1,265,007.13	117,603.87
Total Current Expense	1,382,611.00	-	1,382,611.00	1,265,007.13	117,603.87
Emergency Reserve increase in Current Expense Emergency Reserves Interest Deposit to Emergency Reserves	-	-	-	-	-
Total Emergency Reserve	-	-	-	-	-
Capital Outlay Undistributed Expenditures - General Administrative	-	-	-	-	-
Total Capital Outlay	-	-	-	-	-
TOTAL EXPENDITURES	1,382,611.00	-	1,382,611.00	1,265,007.13	117,603.87
Excess (Deficiency) of Revenues Over(Under) Expenditures	(172,068.00)	-	(172,068.00)	(53,210.44)	118,857.56
Other Financing Sources (Uses) Operating Transfer In (Out)	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-

CORBIN CITY SCHOOL DISTRICT
(A Component Unit of Corbin City)
General Fund
Budgetary Comparison Schedule
For The Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(172,068.00)	-	(172,068.00)	(53,210.44)	118,857.56
Fund Balance, July 1	763,659.81	-	763,659.81	763,659.81	-
Fund Balance, June 30	<u>\$ 591,591.81</u>	<u>\$ -</u>	<u>\$ 591,591.81</u>	<u>\$ 710,449.37</u>	<u>\$ 118,857.56</u>
Recapitulation					
Restricted Fund Balance					
Emergency Reserve				\$ 250,000.00	
Tuition Reserve				169,223.00	
Excess Surplus					
Current Year				18,859.37	
Designated for Subsequent Year's Expenditures				9,756.81	
Assigned Fund Balance					
Designated for Subsequent Year's Expenditures				11,392.19	
Unassigned Fund Balance				<u>251,218.00</u>	
				710,449.37	
Reconciliation to Governmental Funds Statements (GAAP)					
Last State Aid Payment Not Recognized on GAAP Basis				<u>(69,851.00)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 640,598.37</u>	

**NOTES TO REQUIRED
SUPPLEMENTARY INFORMATION**

CORBIN CITY SCHOOL DISTRICT
 (A Component Unit Corbin City)
 Required Supplementary Information
 Budgetary Comparison Schedule
 Note to RSI
 For The Fiscal Year Ended June 30, 2016

Note A - 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 Schedule	\$ 1,211,796.69	
Difference - Budget to GAAP		
Grant accounting Budgetary Basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized.		
Encumbrances		
June 30, 2015	-	
June 30, 2016	-	
State Aid payment recognized for budgetary purposes, not recognized for GAAP purposes.		
State Aid Payment		
June 30, 2015	69,582.00	
June 30, 2016	(69,851.00)	
Total revenues as reported on the Statements of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 1,211,527.69	\$ -
Uses/Outflows of Resources		
Actual amounts (Budgetary Basis) total outflows from the Budgetary Comparison Schedule	\$ 1,265,007.13	
Differences - Budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are recorded in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes		
Encumbrances		
June 30, 2015		-
June 30, 2016		-
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	\$ 1,265,007.13	\$ -

**REQUIRED SUPPLEMENTARY INFORMATION
PART III**

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

NONE

The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects.

CAPITAL PROJECTS FUND

NONE

The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

PROPRIETARY FUNDS

NONE

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent is that the costs of providing goods or services be financed through user charges.

FIDUCIARY FUNDS

NONE

Fiduciary Funds are used to account for funds received by the District for a specific purpose. Agency Funds are used to account for assets held by the District as an agent for individuals, private organizations, and other governments and/or other funds.

LONG-TERM DEBT

NONE

The District is a Type I School District, the City of Corbin City is responsible for the debt of the District.

STATISTICAL SECTION

CORBIN CITY SCHOOL DISTRICT
(A Component Unit of Corbin City)
Statistical Section
Introduction to the Statistical Section

Financial Trends

- J-1 These schedules contain trend information to help the reader understand how the
- J-2 District's financial performance and well being have changed over time.
- J-3
- J-4
- J-5

Revenue Capacity

- J-6 These schedules contain information to help the reader assess the District's most
- J-7 significant local revenue source, the property tax.
- J-8
- J-9

Debt Capacity

- J-10 These schedules present information to help the reader assess the affordability of the
- J-11 District's current levels of outstanding debt and the District's ability to issue additional
- J-12 debt in the future.
- J-13

Demographic and Economic Information

- J-14 These schedules offer demographic and economic indicators to help the reader
- J-15 understand the environment within which the District's financial activities take place.

Operating Information

- J-16 These schedules contain service and infrastructure data to help the reader understand
- J-17 how the information in the District's financial report relates to the services the District
- J-18 provides and the activities it performs.
- J-19
- J-20

Sources: *Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Report (CAFR) for the relevant year.*

FINANCIAL TRENDS

CORBIN CITY SCHOOL DISTRICT
(A Component Unit of Corbin City)
Net Position By Component
Source: CAFR A-1

Exhibit J-1
Unaudited

	Fiscal Year Ended									
	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2009	June 30, 2008	June 30, 2007
Governmental Activities										
Capital Assets, net of related debt	\$ 12,001	\$ 13,715	\$ 15,430	\$ 17,144	\$ -	\$ -	\$ 578,822	\$ 600,314	\$ 621,806	\$ 643,298
Restricted	459,231	512,268	581,904	484,543	349,128	213,185	120,467	171,773	224,878	252,673
Unrestricted	181,367	181,810	181,326	185,845	183,226	180,306	193,402	70,696	174,322	112,569
	<u>\$ 652,599</u>	<u>\$ 707,793</u>	<u>\$ 778,660</u>	<u>\$ 687,532</u>	<u>\$ 532,354</u>	<u>\$ 393,491</u>	<u>\$ 892,691</u>	<u>\$ 842,783</u>	<u>\$ 1,021,006</u>	<u>\$ 1,008,540</u>
Business-Type Activities										
Capital Assets, net of related debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-	-	-	-
	<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	\$ 12,001	\$ 13,715	\$ 15,430	\$ 17,144	\$ -	\$ -	\$ 578,822	\$ 600,314	\$ 621,806	\$ 643,298
Restricted	459,231	512,268	581,904	484,543	349,128	213,185	120,467	171,773	224,878	252,673
Unrestricted	181,367	181,810	181,326	185,845	183,226	180,306	193,402	70,696	174,322	112,569
	<u>\$ 652,599</u>	<u>\$ 707,793</u>	<u>\$ 778,660</u>	<u>\$ 687,532</u>	<u>\$ 532,354</u>	<u>\$ 393,491</u>	<u>\$ 892,691</u>	<u>\$ 842,783</u>	<u>\$ 1,021,006</u>	<u>\$ 1,008,540</u>

CORBIN CITY SCHOOL DISTRICT
(A Component Unit of Corbin City)
Changes in Net Position
Source: CAFR A-2

Exhibit J-2
Unaudited

	Fiscal Year Ended									
	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2009	June 30, 2008	June 30, 2007
Expenses										
Governmental Activities										
Instruction										
Regular	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Education	-	-	-	-	-	-	-	-	-	-
School Activities	-	-	-	-	-	-	-	-	-	-
Other Special	-	-	-	-	-	-	-	-	-	-
Support Services										
Tuition	1,004,445	830,414	821,603	888,108	966,321	1,258,548	1,348,789	1,489,028	1,418,429	1,425,008
Student and Instruction	4,500	3,802	-	675	4,955	3,165	-	1,600	4,010	1,860
General Administration	17,058	13,217	14,597	13,173	12,452	17,576	21,888	19,719	16,702	16,273
Central Services	20,385	20,385	20,385	20,390	20,390	20,385	20,388	20,577	20,385	20,402
Operations	156,254	352,203	195,000	62,004	-	48,541	24,882	6,048	5,515	5,817
Pupil Transportation	62,365	61,547	60,548	58,678	66,367	50,694	66,230	93,671	110,725	74,311
Employee Benefits	-	-	-	-	389	1,168	1,449	1,373	25,237	25,425
Unallocated Depreciation	1,714	1,714	1,714	-	-	-	21,492	21,492	21,492	21,492
	<u>1,266,722</u>	<u>1,283,282</u>	<u>1,113,847</u>	<u>1,043,027</u>	<u>1,070,874</u>	<u>1,400,076</u>	<u>1,505,118</u>	<u>1,653,508</u>	<u>1,622,495</u>	<u>1,591,088</u>
Total	<u>\$ 1,266,722</u>	<u>\$ 1,283,282</u>	<u>\$ 1,113,847</u>	<u>\$ 1,043,027</u>	<u>\$ 1,070,874</u>	<u>\$ 1,400,076</u>	<u>\$ 1,505,118</u>	<u>\$ 1,653,508</u>	<u>\$ 1,622,495</u>	<u>\$ 1,591,088</u>

CORBIN CITY SCHOOL DISTRICT
(A Component Unit of Corbin City)
Changes in Net Position (Continued)
Source: CAFR A-2

Exhibit J-2
Unaudited

	Fiscal Year Ended									
	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2009	June 30, 2008	June 30, 2007
Program Revenues										
Governmental Activities	-	-	-	-	-	-	-	-	-	-
Charges For Services	-	-	-	-	-	-	-	-	23,680	24,067
Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	-	-	-	-	-	-	-	-	23,680	24,067
Program Revenues	-	-	-	-	-	-	-	-	23,680	24,067
Net (Expense) Revenue										
Governmental Activities	(1,266,722)	(1,283,282)	(1,113,847)	(1,043,027)	(1,070,874)	(1,400,076)	(1,505,118)	(1,653,508)	(1,598,815)	(1,567,021)
Total	<u>\$ (1,266,722)</u>	<u>\$ (1,283,282)</u>	<u>\$ (1,113,847)</u>	<u>\$ (1,043,027)</u>	<u>\$ (1,070,874)</u>	<u>\$ (1,400,076)</u>	<u>\$ (1,505,118)</u>	<u>\$ (1,653,508)</u>	<u>\$ (1,598,815)</u>	<u>\$ (1,567,021)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities										
Local Tax Levy	\$ 510,842	\$ 510,842	\$ 510,842	\$ 510,842	\$ 510,842	\$ 786,464	\$ 786,464	\$ 786,464	\$ 759,100	\$ 763,006
Unrestricted Grants	699,450	700,168	692,916	686,115	696,312	684,536	755,257	721,645	732,190	711,022
Investment Earnings	1,236	1,405	1,217	1,244	1,988	4,323	3,709	4,291	5,733	5,372
Miscellaneous Income	-	-	-	-	594	4,377	9,596	885	114,258	90,010
Cancellation of Receivable	-	-	-	-	-	-	-	(38,000)	-	-
Transfers to Charter	-	-	-	-	-	-	-	-	-	(2,563)
Transfer of Capital Assets	-	-	-	-	-	(578,822)	-	-	-	-
Total Governmental Activities	<u>1,211,528</u>	<u>1,212,415</u>	<u>1,204,975</u>	<u>1,198,201</u>	<u>1,209,736</u>	<u>900,877</u>	<u>1,555,026</u>	<u>1,475,285</u>	<u>1,611,281</u>	<u>1,566,847</u>
Change in Net Position										
Governmental Activities	(55,194)	(70,867)	91,127	155,174	138,862	(499,199)	49,908	(178,223)	12,466	(174)
Total District-Wide	<u>\$ (55,194)</u>	<u>\$ (70,867)</u>	<u>\$ 91,127</u>	<u>\$ 155,174</u>	<u>\$ 138,862</u>	<u>\$ (499,199)</u>	<u>\$ 49,908</u>	<u>\$ (178,223)</u>	<u>\$ 12,466</u>	<u>\$ (174)</u>

CORBIN CITY SCHOOL DISTRICT
(A Component Unit of Corbin City)
Fund Balances - Governmental Funds
Source: CAFR B-1

Exhibit J-3
Unaudited

	Fiscal Year Ended									
	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2009	June 30, 2008	June 30, 2007
General Fund										
Restricted	\$ 447,839	\$ 486,085	\$ 524,731	\$ 432,724	\$ 330,289	\$ 194,877	\$ -	\$ -	\$ -	\$ -
Committed										
Assigned	11,392	26,183	57,174	51,819	2,020	18,308				
Unassigned	181,367	181,810	181,326	185,845	200,045	180,306				
Reserved							120,467	171,773	224,878	283,916
Unreserved							193,402	70,696	174,322	31,326
Total General Fund	\$ 640,598	\$ 694,078	\$ 763,230	\$ 670,388	\$ 532,354	\$ 393,491	\$ 313,869	\$ 242,469	\$ 399,200	\$ 365,242
All Other Governmental Funds										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved Reported in										
Special Revenue Fund	-	-	-	-	-	-	-	-	-	-
Capital Projects Fund	-	-	-	-	-	-	-	-	-	-
Debt Service Fund	-	-	-	-	-	-	-	-	-	-
Permanent Fund	-	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CORBIN CITY SCHOOL DISTRICT
(A component Unit of Corbin City)
Changes in Fund Balances - Governmental Funds
Source: CAFR B-2

Exhibit J-4
Unaudited

	Fiscal Year Ended									
	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2009	June 30, 2008	June 30, 2007
Revenues										
Local Tax Levy	\$ 510,842	\$ 510,842	\$ 510,842	\$ 510,842	\$ 510,842	\$ 786,464	\$ 786,464	\$ 786,464	\$ 759,100	\$ 763,006
Rent	-	-	-	-	-	-	-	-	96,000	90,000
Interest Earned	1,236	1,405	1,217	1,244	1,988	4,323	3,709	4,291	5,733	5,372
Miscellaneous	-	-	-	-	594	4,377	9,596	885	18,258	10
Federal Sources	-	-	-	-	-	-	108,448	-	-	-
State Sources	699,450	700,168	692,916	686,115	696,312	684,536	646,809	721,645	755,870	735,089
Total Revenues	1,211,528	1,212,415	1,204,975	1,198,201	1,209,736	1,479,699	1,555,026	1,513,285	1,634,961	1,593,477
Expenditures										
Instruction										
Regular	-	-	-	-	-	-	-	-	-	-
Support Services										
Tuition	1,004,445	830,414	821,603	888,108	966,321	1,258,548	1,348,789	1,489,028	1,418,429	1,425,008
Student and Instruction	4,500	3,802	-	675	4,955	3,165	-	1,600	4,010	1,860
General Administration	17,058	13,217	14,597	13,173	12,452	17,576	21,888	19,719	16,702	16,273
School Administrative	-	-	-	-	-	-	-	-	-	-
Central Services	20,385	20,385	20,385	20,385	20,390	20,385	20,388	20,577	20,385	20,402
Facility	156,254	352,203	195,000	62,004	-	48,541	24,882	6,048	5,515	5,817
Pupil Transportation	62,365	61,547	60,548	58,678	66,367	50,694	66,230	93,671	110,725	74,811
Other Support Services	-	-	-	-	-	-	-	-	-	-
Employee Benefits	-	-	-	-	389	1,168	1,449	1,373	25,237	25,425
Capital Outlay	-	-	-	17,144	-	-	-	-	-	-
Total Expenditures	1,265,007	1,281,568	1,112,133	1,060,166	1,070,874	1,400,076	1,483,626	1,632,016	1,601,003	1,569,596
Excess (Deficiency) of Revenues Over Expenditures	(53,479)	(69,153)	92,842	138,035	138,862	79,623	71,400	(118,731)	33,958	23,881
Other Financing Sources (Uses)										
Cancellation of Receivable	-	-	-	-	-	-	-	(38,000)	-	(2,563)
Transfers Out	-	-	-	-	-	-	-	-	-	(2,563)
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	(38,000)	-	(2,563)
Net Changes in Fund Balance	\$ (53,479)	\$ (69,153)	\$ 92,842	\$ 138,035	\$ 138,862	\$ 79,623	\$ 71,400	\$ (156,731)	\$ 33,958	\$ 21,318

CORBIN CITY SCHOOL DISTRICT
 (A Component Unit of Corbin City)
General Fund - Other Local Revenue By Source
Source: District Records

Exhibit J-5
Unaudited

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Interest on</u> <u>Investments</u>	<u>Prior Year</u> <u>Orders Cancelled</u>	<u>Rentals</u>	<u>Miscellaneous</u>	<u>Totals</u>
2007	5,372.00		90,000.00	10.00	95,382.00
2008	5,733.00		96,000.00	18,258.00	119,991.00
2009	4,291.00			885.00	5,176.00
2010	3,709.00			9,596.00	13,305.00
2011	4,322.71			4,376.75	8,699.46
2012	1,988.21			594.00	2,582.21
2013	1,243.83				1,243.83
2014	1,216.50				1,216.50
2015	1,404.98				1,404.98
2016	1,235.69				1,235.69

REVENUE CAPACITY

CORBIN CITY SCHOOL DISTRICT

(A Component Unit of Corbin City)

Assessed Value and Actual Value of Taxable Property

Source: Municipal Tax Assessor

Exhibit J-6

Unaudited

<u>Fiscal Year Ended June 30,</u>	<u>Vacant Land</u>	<u>Improvements</u>	<u>Total Taxable Value of Land & Improvements</u>	<u>Total Partial Exemptions & Abatements</u>	<u>Net Total Taxable Value of Land & Improvements</u>	<u>Taxable Value of Locally Assessed Personal Property</u>	<u>Net Valuation Taxable</u>	<u>Estimated Actual County Equalized Value</u>	<u>Total District School Tax Rate</u>
2007	1,753,500	27,671,300	29,424,800		29,424,800	74,674	29,499,474	46,915,878	2.573
2008	1,742,000	28,746,900	30,488,900		30,488,900	57,400	30,546,300	69,937,165	2.575
2009	1,727,000	30,246,100	31,973,100		31,973,100	80,200	32,053,300	56,382,917	2.454
2010	1,684,500	30,983,100	32,647,600		32,647,600	79,300	32,726,900	56,382,917	2.403
2011	9,904,400	23,446,600	33,351,000		33,351,000	69,700	33,420,700	48,979,498	1.528
2012	10,479,600	23,576,400	34,056,000		34,056,000	48,968	34,104,968	65,116,908	1.497
2013	10,530,800	23,725,200	34,256,000		34,256,000	72,728	34,328,728	55,831,499	1.488
2014	10,617,800	23,836,700	34,454,500		34,454,500	70,075	34,524,575	51,865,853	1.480
2015	10,314,700	23,901,000	34,215,700		34,215,700	-	34,215,700	51,476,902	1.493
2016			50,621,500		50,621,500	-	50,621,500	53,090,194	1.009

CORBIN CITY SCHOOL DISTRICT
 (A Component Unit of Corbin City)
Direct and Overlapping Property Tax Rates
 Source: Municipal Tax Collector

Exhibit J-7
Unaudited

Fiscal Year Ended June 30,	Corbin City School District			Overlapping Rates				Total Direct and Overlapping Tax Rates
	Basic Rate	Debt Service	Total	Local	County	Other	Total	
2007	2.573	0.000	2.573	0.287	0.489	0.000	0.776	3.349
2008	2.575	0.000	2.575	0.277	0.657	0.000	0.934	3.509
2009	2.454	0.000	2.454	0.207	0.526	0.000	0.733	3.187
2010	2.403	0.000	2.403	0.258	0.555	0.000	0.813	3.216
2011	1.528	0.000	1.528	0.458	0.509	0.000	0.967	2.495
2012	1.497	0.000	1.497	0.363	0.717	0.000	1.080	2.577
2013	1.488	0.000	1.488	0.364	0.765	0.000	1.129	2.617
2014	1.480	0.000	1.480	0.366	0.715	0.000	1.081	2.561
2015	1.493	0.000	1.493	0.367	0.751	0.000	1.118	2.611
2016	1.009	0.000	1.009	0.295	0.516	0.000	0.811	1.820

CORBIN CITY SCHOOL DISTRICT
 (A Component Unit of Corbin City)
Principal Property Taxpayers
 Source: Municipal Tax Assessor

Exhibit J-8
Unaudited

Taxpayer	2016		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Mar-Jer Inc	984,400	1	1.94%
Taxpayer 1	786,300	2	1.55%
SBA Towers LLC	751,600	3	1.48%
Taxpayer 2	675,500	4	1.33%
Taxpayer 3	577,200	5	1.14%
Taxpayer 4	532,700	6	1.05%
Taxpayer 5	526,000	7	1.04%
Taxpayer 6	516,900	8	1.02%
Surran Nurseries	506,000	9	1.00%
Taxpayer 7	502,400	10	0.99%

2007		
Taxable Assessed Value	Rank	% of Total District Net Assessed Value

INFORMATION NOT AVAILABLE

CORBIN CITY SCHOOL DISTRICT
 (A Component Unit of Corbin City)
Property Tax Levies and Collections
Source: District Records

Exhibit J-9
Unaudited

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>School Taxes</u> <u>Levied for</u> <u>the Fiscal Year</u>	<u>Current Tax</u> <u>Collections</u>	<u>Percentage of Tax</u> <u>Levy Collections</u>
2007	763,006.00	763,006.00	100.00%
2008	759,100.00	759,100.00	100.00%
2009	786,464.00	786,464.00	100.00%
2010	786,464.00	786,464.00	100.00%
2011	786,464.00	786,464.00	100.00%
2012	510,842.00	510,842.00	100.00%
2013	510,842.00	510,842.00	100.00%
2014	510,842.00	510,842.00	100.00%
2015	510,842.00	510,842.00	100.00%
2016	510,842.00	510,842.00	100.00%

DEBT CAPACITY

CORBIN CITY SCHOOL DISTRICT
 (A Component Unit of Corbin City)
Ratio of Outstanding Debt By Type
Source: District Records

Exhibit J-10
Unaudited

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

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

CORBIN CITY SCHOOL DISTRICT
 (A Component Unit of Corbin City)
Ratios of General Bonded Debt Outstanding
Source: District Records

Exhibit J-11
Unaudited

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>General</u> <u>Obligation 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 Property</u>	<u>Per Capita</u>
			-		
			-		
			-		

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)
Direct and Overlapping Governmental Activities Debt
 Source: District Records

Exhibit J-12
Unaudited

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Net Direct Debt of the School District	\$ -	100.00%	\$ -
Debt Repaid With Property Taxes Local Municipality	\$ 237,665.00	100.00%	237,665.00
Other Debt County of Atlantic	\$ 110,650,658.07	0.15%	<u>162,789.35</u>
Total Direct and Overlapping Debt			<u>\$ 400,454.35</u>

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
Source: District Records

Exhibit J-13
Unaudited

Year	Equalized Valuation Basis
2013	\$ 51,373,725
2014	51,717,953
2015	<u>53,090,194</u>
	<u>\$ 156,181,872</u>
Average Equalized Valuation of Taxable Property	<u>\$ 52,060,624</u>
School Borrowing Margin	
Average Equalized Valuation of Taxable Property	<u>\$ 52,060,624</u> 3.00%
	1,551,819
Net Bonded School Debt	<u>-</u>
Legal Debt Margin	<u>\$ 1,551,819</u>

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt Limit	\$ 1,038,763	\$ 1,429,553	\$ 1,685,073	\$ 1,762,782	\$ 1,559,086	\$ 1,647,900	\$ 1,647,900	\$ 1,702,700	\$ 1,583,774
Total Net Debt Applicable Limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal Debt Margin	<u>\$ 1,038,763</u>	<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>
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%

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.

DEMOGRAPHIC AND ECONOMIC INFORMATION

CORBIN CITY SCHOOL DISTRICT
 (A Component Unit of Corbin City)
 Demographic and Economic Statistics
 Source: NJ Department of Labor

Exhibit J-14
 Unaudited

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>School District</u> <u>Population</u>	<u>Personal</u> <u>Income</u>	<u>Per Capita</u> <u>Personal Income</u>	<u>Unemployment</u> <u>Rate</u>
2007	518	19,621,840	37,880	4.00%
2008	520	20,232,160	38,908	5.00%
2009	531	21,149,199	39,829	9.10%
2010	490	19,321,190	39,431	9.30%
2011	493	19,638,655	39,835	9.40%
2012	496	20,532,912	41,397	9.80%
2013	500	20,963,500	41,927	11.60%
2014	500	21,668,000	43,336	7.30%
2015	492	Not Available	Not Available	7.50%
2016	Not Available	Not Available	Not Available	Not Available

Source: Population information provided by the NJ Dept of Labor and Workforce Development

Information Not Available

Operating Information

CORBIN CITY SCHOOL DISTRICT
 (A Component Unit of Corbin City)
Full-Time Equivalent District Employees By Function/Program
 Source: District Personnel Records

Exhibit J-16
 Unaudited

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Instruction										
Regular										
Special Education										
Other Special Education										
Support Services										
Student Related										
General Administrative	2	2	1	1	1	-	-	-	-	-
School Administrative										
Business Administrative										
Plant Operation										
Other										
Food Service										
	<u>2</u>	<u>2</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

CORBIN CITY SCHOOL DISTRICT
 (A Component Unit of Corbin City)
Operating Statistics
 Source: District Records

Exhibit J-17
 Unaudited

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>K-12</u> <u>Enrollment</u>	<u>Operating</u> <u>Expenditures</u>	<u>Cost Per</u> <u>Pupil</u>	<u>%</u> <u>Change</u>	<u>Teaching</u> <u>Staff</u>	<u>Average Daily</u> <u>Enrollment</u>	<u>Average Daily</u> <u>Attendance</u>	<u>% Change in</u> <u>Average Daily</u> <u>Attendance</u>	<u>Student</u> <u>Attendance</u> <u>Percentage</u>
2007	93.0	1,569,596	16,877	33.50%	Not Applicable				
2008	96.0	1,601,003	16,677	-1.19%					
2009	97.0	1,632,016	16,825	0.89%					
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	1,113,847	16,625	8.38%					
2015	70.0	1,283,282	18,333	10.27%					
2016	71.0	1,265,008	17,817	-2.81%					

CORBIN CITY SCHOOL DISTRICT
(A. Component Unit of Corbin City)
School Building Information
Source: District Records

Exhibit J-18
Unaudited

<u>District Building</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
--------------------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------

During the 2010-2011 school year, the District transferred ownership of the Carl Road Schools and property to the City of Corbin City.

CORBIN CITY SCHOOL DISTRICT
 (A Component Unit of Corbin City)
Schedule of Required Maintenance for School Facilities
Source: District Records

Exhibit J-19
Unaudited

Undistributed Expenditures - Required Maintenance for School Facilities

Facilities	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Building	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total School Facilities	-	-	-	-	-	-	-	-	-	-
Other Facilities										
Grand Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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)
 Insurance Schedule
 Source: District Records

Exhibit J-20
 Unaudited

<u>Company</u>	<u>Type of Coverage</u>	<u>Amount of Coverage</u>	<u>Deductible</u>
NJ School Board Association 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	1,000
	Terrorism	1,000,000	
	Automobile		
	Comprehensive Automobile Liability	6,000,000	1,000
	Public Officials Bond		
	Business Administrator	5,000	500
	Board Secretary	110,000	1,000

SINGLE AUDIT SECTION

PREZIOSI·NICHOLSON

& ASSOCIATES PA

Certified Public Accountants

EXHIBIT K-1

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

INDEPENDENT AUDITORS' REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and 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 Division of Administration and 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, 2016, and the related notes to the financial statements, which collectively comprise the Corbin City School District's basic financial statements and have issued our report thereon dated November 25, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit, we 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 our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Compliance and Other Matters


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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

PREZIOSI • NICHOLSON & ASSOCIATES
Certified Public Accountants



James M. Preziosi
Certified Public Accountant
Public School Accountant No. CS 01141

November 25, 2016
Millville, NJ

CORBIN CITY SCHOOL DISTRICT
 (A Component Unit of Corbin City)
Schedule of Expenditures of Federal Awards
 Schedule A
 For The Fiscal Year Ended June 30, 2016

See Accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Program or Award Amount	Grant Period	Balance at June 30, 2015	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Balance at June 30, 2016	
									Accounts Receivable	Due to Grantor
No Federal Awards				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CORBIN CITY SCHOOL DISTRICT
(A Component Unit of Corbin City)
Schedule of Expenditures of State Financial Assistance
Schedule B
For The Fiscal Year Ended June 30, 2016

See Accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance

State Grantor/Program Title	Grant or Project Number	Grant Period	Program or Award Amount	Balance at June 30, 2015	Cash Received	Budgetary Expenditures	Balance at June 30, 2016		(MEMO) Delayed State Aid Payment
							(Accounts Receivable)	Due to Grantor	
State Department of Education									
General Fund									
Adjustment Aid	16-495-034-5120-085	07/01/15-06/30/16	\$ 178,412.00	\$ -	\$ 108,561.00	\$ 178,412.00	\$ (69,851.00)	\$ -	\$ (69,851.00)
Adjustment Aid	15-495-034-5120-085	07/01/14-06/30/15	178,412.00	(69,582.00)	\$ 69,582.00				
Equalization Aid	16-495-034-5120-078	07/01/15-06/30/16	396,300.00		396,300.00	396,300.00			
Security Aid	16-495-034-5120-084	07/01/15-06/30/16	10,631.00		10,631.00	10,631.00			
Transportation Aid	16-495-034-5120-014	07/01/15-06/30/16	71,774.00		71,774.00	71,774.00			
Special Education Aid	16-495-034-5120-089	07/01/15-06/30/16	40,144.00		40,144.00	40,144.00			
Nonpublic Transportation Aid	16-495-034-5120-014	07/01/15-06/30/16	1,218.00		-	1,218.00	(1,218.00)		
Nonpublic Transportation Aid	15-495-034-5120-014	07/01/14-06/30/15	1,392.00	(1,392.00)	1,392.00				
Per Pupil Growth Aid	16-495-034-5120-097	07/01/15-06/30/16	620.00		620.00	620.00			
PARCC Readiness Aid	16-495-034-5120-098	07/01/15-06/30/16	620.00		620.00	620.00			
Total State Financial Assistance				\$ (70,974.00)	\$ 699,624.00	\$ 699,719.00	\$ (71,069.00)	\$ -	\$ (69,851.00)

CORBIN CITY SCHOOL DISTRICT
(A Component Unit of Corbin City)
Notes to Schedules of Awards and Financial Assistance
June 30, 2016

NOTE 1 GENERAL

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

NOTE 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 District's financial statements. The information in this schedule is presented in accordance with requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award, therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3 RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

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

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

See Exhibit C-3, the Notes to Required Supplementary Information, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

CITY OF CORBIN CITY SCHOOL DISTRICT
(A Component Unit of Corbin City)
Notes to Schedules of Awards and Financial Assistance
June 30, 2016

NOTE 3 RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)

Awards and financial assistance revenues are reported in the basic financial statements on a GAAP basis as presented as follows:

	Federal	State	Total
General Fund	\$ -	\$ 699,450.00	\$ 699,450.00
Total GAAP	-	699,450.00	699,450.00
Budgetary Adjustments			
State Aid Payment			
Current Year		69,851.00	69,851.00
Prior Year		(69,582.00)	(69,582.00)
Total Budgetary	\$ -	\$ 699,719.00	\$ 699,719.00

NOTE 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.

NOTE 5 MAJOR PROGRAMS

Major programs are identified in the Summary of Auditor's Results section of the Schedule of Findings and Questioned Costs.

CORBIN CITY SCHOOL DISTRICT
(A Component Unit of Corbin City)
Schedule of Findings and Questioned Costs

For The Fiscal Year Ended June 30, 2016

PART 1 - SUMMARY OF AUDITORS' RESULTS

Financial Statements

- A. Type of auditors' report issued:
Unmodified

- B. Internal control over financial reporting:
 - 1. Material weakness(es) identified?
No

 - 2. Significant deficiency(ies) identified?
None Reported

- C. Noncompliance material to financial statements noted?
No

Federal Awards Section

This Section Not Applicable

State Financial Assistance

This Section Not Applicable

CORBIN CITY SCHOOL DISTRICT
(A Component Unit of Corbin City)
Schedule of Findings and Questioned Costs

For The Fiscal Year Ended June 30, 2016

PART 2 - SCHEDULE OF FINANCIAL STATEMENT FINDINGS

This section identifies 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 Division of Administration and Finance, Department of Education, State of New Jersey.

None

CORBIN CITY SCHOOL DISTRICT
(A Component Unit of Corbin City)
Schedule of Findings and Questioned Costs
For The Fiscal Year Ended June 30, 2016

PART 3 - SCHEDULE OF FEDERAL AND STATE AWARD FINDINGS AND QUESTIONED COSTS

This section identifies significant deficiencies, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major federal and state programs as required by 2 CFR 200 Section .516 of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and NJ OMB Circular 15-08

FEDERAL AWARDS

This Section Does Not Apply

STATE FINANCIAL ASSISTANCE

This Section Does Not Apply

CORBIN CITY SCHOOL DISTRICT
(A Component Unit of Corbin City)
Summary Schedule of Prior-Year Findings and
Questioned Costs as Prepared by Management
For The Fiscal Year Ended June 30, 2016

This section identifies the status of prior year findings related to the financial statements of Federal Awards and State Financial Assistance that are required to be reported in accordance with Government Auditing Standards, 2 CFR 200 Section of the Uniform Guidance and State of New Jersey Circulars 15-08.

FINANCIAL STATEMENT FINDINGS

None

FEDERAL AWARDS

None

STATE FINANCIAL ASSISTANCE PROGRAMS

None