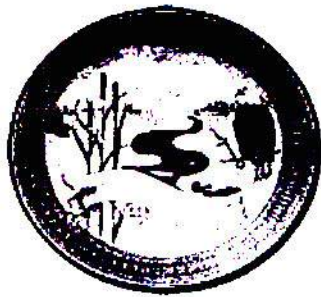


Board of Education



*Corbin City
School District*

County of Atlantic
Corbin City, New Jersey

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
For The Fiscal Year Ended June 30, 2017**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Fiscal Year Ended June 30, 2017

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)
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(A Component Unit of Corbin City)
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(A Component Unit of Corbin City)
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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, 2017, 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: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of the principal officials. The financial section includes the basic financial statements and schedules, management's discussion and analysis, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is not required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* and the New Jersey OMB Circular Letter 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments*. However, required information related to governmental auditing standards, including the auditor's report on internal control and compliance with applicable laws and regulations 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.

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 30th.

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

9) RISK MANAGEMENT

The 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 generally accepted governmental auditing standards. The auditor's reports related specifically to the government auditing standards are included in the governmental auditing 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

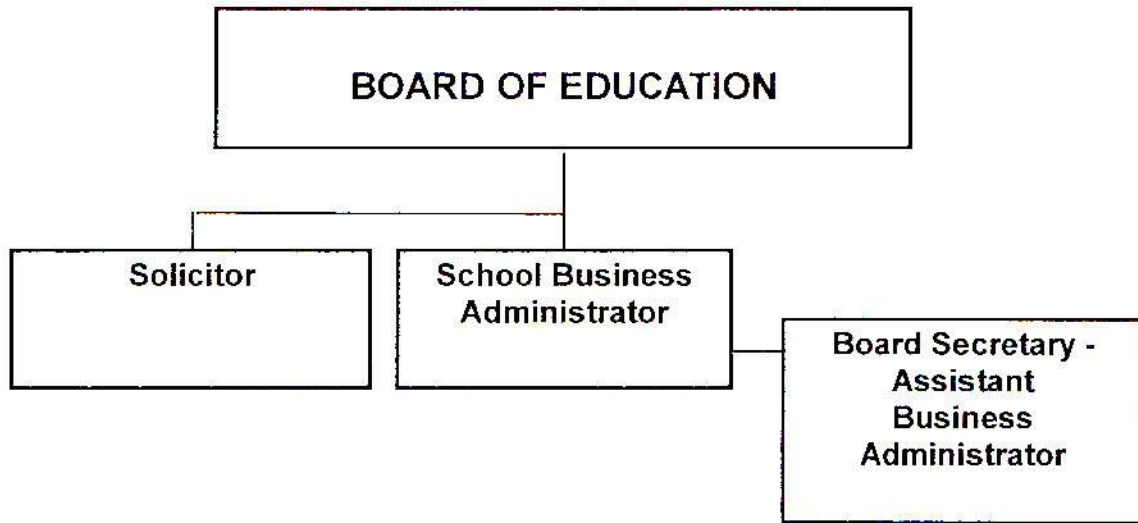
Dana Loder

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, 2017

Members of the Board of Education		Term Expires
Carol Iverson	President	2021
Patricia Lynn Tyszka	Vice-President	2020
Regina Kaufmann	Board Member	2022
Candice Ochs	Board Member	2018
Denise Kane	Board Member	2019

Other Officials

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

CORBIN CITY SCHOOL DISTRICT

Consultants and Advisors

Attorney

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

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

Insurance Agent

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

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 and each major fund 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, 2017, 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 and each major fund of the Corbin City School District in the County of Atlantic, State of New Jersey as of June 30, 2017, 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 17, 2017 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

A handwritten signature in black ink, appearing to read "James M. Preziosi". The signature is fluid and cursive, with a prominent initial "J" and "P".

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

November 17, 2017
Millville, NJ

**REQUIRED SUPPLEMENTARY INFORMATION
PART I**

CORBIN CITY SCHOOL DISTRICT

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2017

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, 2017. 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 2017 are as follows:

Exhibit A-1

Net Position for Governmental activities was \$635,219.

Exhibit A-2

Net Assets decreased by \$17,380.

Exhibit B-1

The General Fund, fund balance as of June 30, 2017 was \$624,933 an decrease of \$15,665 when compared with the beginning balance as of July 1, 2016 of \$640,598.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts – management's discussion and analysis (this section), the basic financial statements, required supplemental information, an optional section that presents combining statements for special revenue, capital projects, and fiduciary funds. The basic financial statements include two kinds of statements that present different views of the District.

1. The first two statements are government-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
2. The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operation in more detail than the government-wide statements.
 - a. 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.
 - b. Proprietary funds statements offer short-term and long-term financial information about the activities that the District operates like businesses.
 - c. Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others to whom the resources belong.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. Table A-1 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

CORBIN CITY SCHOOL DISTRICT

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2017

Table A-1 MAJOR FEATURES OF THE GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

	Government-Wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire District (except Fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as regular and special education, building maintenance and transportation	Activities the District operates similar to private businesses: Food Service Fund, School Age Child Care	Instances in which the District administers resources on behalf of someone else, such as scholarship programs and student activities
Required Financial Statements	Statements of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures, and Changes in Fund Balances	Statement of Net Position Statement of Revenues, Expenses, and Changes in Net Position Statement of Cash Flows	Statement of Net Position Statement of Changes in Net Position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

CORBIN CITY SCHOOL DISTRICT

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2017

Government-wide Statements

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

The two government-wide statements report the District's net position and how they have changed. Net position – the District's assets and deferred outflows of resources, less deferred inflows of resources and liabilities – is a measure of the District's financial health or position.

- Over a period of time, increases or decreases in the District's net position are an indicator of whether the financial position is improving or deteriorating, respectively.
- To assess the overall health of the District, additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities should be considered.

In the government-wide financial statements the District's activities are shown in two categories:

- *Governmental activities* – Most of the District's basic services are included here, such as regular and special education, transportation, administration, and maintenance. Aid from the State of New Jersey and from the Federal government along with local property taxes finances most of these activities.
- *Business-type activities* – The district charges fees to customers to help it cover the costs of certain services it provides. The District does not have any Business-Type Activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds – focusing on the most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by State law and by bond covenants.
- The District uses other funds, established in accordance with the State of New Jersey Uniform Chart of Accounts, to control and manage money for particular purposes (e.g., repaying its long-term debts) or to show that it is properly using certain revenues (e.g., federal grants).

The District has one kind of funds:

- **Governmental funds** – Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial 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 funds statements provide a detailed short-term view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statements that explain the relationship (or differences) between them.

CORBIN CITY SCHOOL DISTRICT

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2017

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

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, 2017	June 30, 2016
Comparative Summary of Net Position		
Assets		
Current and Other Assets	\$ 624,933	\$ 640,598
Capital Assets; net	10,286	12,001
Total Assets	635,219	652,599
Liabilities		
Other Liabilities	0	0
Total Liabilities	0	0
Net Position		
Invested in Capital Assets, Net of Debt	10,286	12,001
Restricted	447,639	459,231
Unrestricted	177,294	181,367
TOTAL NET POSITION	\$ 635,219	\$ 652,599

As required by New Jersey Statutes, the Unrestricted Net Position of the District are not permitted to exceed 2.0% of the total general fund expenditures of \$250,000, whichever is greater. Any excess must be appropriated as budgeted fund balance in the subsequent years' budget.

CORBIN CITY SCHOOL DISTRICT

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2017

DISTRICT-WIDE FINANCIAL ANALYSIS

Change in Net Position

COMPARATIVE SUMMARY OF CHANGE IN NET POSITION	Governmental Activities	
	June 30, 2017	June 30, 2016
General Revenues		
Property Taxes	\$ 510,842	\$ 510,842
Grants and Entitlements	701,741	699,450
Other	1,082	1,236
Total Revenues	1,213,665	1,211,528
Program Expenses		
Tuition	1,142,430	1,004,445
Student and Instruction	3,143	4,500
General and Administrative	16,231	17,058
Central Services	20,385	20,385
Plant Operations		156,254
Transportation	47,142	62,366
Depreciation	1,714	1,714
Total Expenses	1,231,045	1,266,722
Change in Net Position	(17,380)	(55,194)
Net Position, July 1	652,599	707,793
Net Position, June 30	\$ 635,219	\$ 652,599

CORBIN CITY SCHOOL DISTRICT

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2017

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, 2017</u>	<u>June 30, 2016</u>	<u>Change</u>
Restricted			
Emergency Reserve	\$ 250,000	\$ 250,000	\$ 0
Tuition Reserve	178,780	169,223	9,557
Excess Surplus	18,859	28,616	(9,757)
Assigned			
Budget		11,392	(11,392)
Unassigned			
General Fund	<u>177,294</u>	<u>181,367</u>	<u>(4,073)</u>
Total	<u>\$ 624,933</u>	<u>\$ 640,598</u>	<u>\$ (15,665)</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 \$1,212,972. Actual revenues were \$1,213,898.

Expenditures

The General Fund adopted expenditures were budgeted at \$1,327,893. Actual expenditures were \$1,229,330.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2017, the School District had \$10,286.40 (net of accumulated depreciation) invested in 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, 2017

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, 2017

See Accompanying Notes to the Basic Financial Statements

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 623,889.11	\$ -	\$ 623,889.11
Accounts Receivable			
State of New Jersey	1,044.00		1,044.00
Capital Assets, Net	10,286.40		10,286.40
Total Assets	635,219.51	-	635,219.51
LIABILITIES			
Liabilities			
Accounts Payable			-
Total Liabilities	-	-	-
NET POSITION			
Invested in Capital Assets, Net of Related Debt	10,286.40		10,286.40
Restricted	447,639.37		447,639.37
Unrestricted	177,293.74		177,293.74
Total Net Position	\$ 635,219.51	\$ -	\$ 635,219.51

CORBIN CITY SCHOOL DISTRICT
 (A Component Unit of Corbin City)
Statement of Activities
 For The Fiscal Year Ended June 30, 2017

Function/Programs	Program Revenues		Net (Expense) Revenue and Changes in Net Assets	
	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities
Governmental Activities				
Support Services		Capital Grants and Contributions		Total
Tuition	\$ 1,142,430.00	\$ -	\$ (1,142,430.00)	\$ (1,142,430.00)
Student and Instruction	3,142.50	-	(3,142.50)	(3,142.50)
General Administration	16,230.88	-	(16,230.88)	(16,230.88)
Central Services	20,385.00	-	(20,385.00)	(20,385.00)
Plant Operations and Maintenance	-	-	-	-
Pupil Transportation	47,141.51	-	(47,141.51)	(47,141.51)
Unallocated Depreciation	1,714.40	-	(1,714.40)	(1,714.40)
Total Primary Government	\$ 1,231,044.29	\$ -	\$ (1,231,044.29)	\$ (1,231,044.29)
General Revenues				
Tax Levy			510,842.00	510,842.00
Unrestricted Federal and State Aid			701,741.00	701,741.00
Investment Earnings			1,081.63	1,081.63
Other Income			-	-
Total General Revenues And Transfers			1,213,664.63	1,213,664.63
Change in Net Position			(17,379.66)	(17,379.66)
Net Position, July 1			652,599.17	652,599.17
Net Position, June 30			\$ 635,219.51	\$ 635,219.51

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

CORBIN CITY SCHOOL DISTRICT
 (A Component Unit of Corbin City)
 Governmental Funds
 Balance Sheet
 June 30, 2017

See Accompanying Notes to the Basic Financial Statements

	General Fund	Special Revenue Fund	Capital Projects Fund	Total
ASSETS				
Cash and Cash Equivalents	\$ 623,889.11	\$ -	\$ -	\$ 623,889.11
Accounts Receivable State of New Jersey	1,044.00			1,044.00
Total Assets	\$ 624,933.11	\$ -	\$ -	\$ 624,933.11
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Total Liabilities	-	-	-	-
FUNDS BALANCES				
Restricted				
Emergency Reserve	250,000.00			250,000.00
Tuition Reserve	178,780.00			178,780.00
Excess Surplus	18,859.37			18,859.37
Assigned				
Designated for Subsequent Year's Expenditures	-			-
Unassigned	177,293.74			177,293.74
Total Fund Balance	624,933.11	-	-	624,933.11
Total Liabilities and Fund Balances	\$ 624,933.11	\$ -	\$ -	\$ 624,933.11
Total Governmental Fund Balances				\$ 624,933.11
Reconciliation to Statement of Net Assets				
Capital Assets				17,144.00
Accumulated Depreciation				(6,857.60)
Long-Term Liabilities				-
Total Net Position - Governmental Activities				\$ 635,219.51

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, 2017

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	1,081.63			1,081.63
Miscellaneous				-
	<u>511,923.63</u>	<u>-</u>	<u>-</u>	<u>511,923.63</u>
State Sources	<u>701,741.00</u>			<u>701,741.00</u>
Total Revenues	<u>1,213,664.63</u>	<u>-</u>	<u>-</u>	<u>1,213,664.63</u>
EXPENDITURES				
Current				
Support Services				
Tuition	1,142,430.00			1,142,430.00
Student and Instruction	3,142.50			3,142.50
General Administration	16,230.88			16,230.88
Central Services	20,385.00			20,385.00
Plant Operations and Maintenance				-
Pupil Transportation	47,141.51			47,141.51
Capital Outlay				-
	<u>1,229,329.89</u>	<u>-</u>	<u>-</u>	<u>1,229,329.89</u>
Total Expenditures	<u>1,229,329.89</u>	<u>-</u>	<u>-</u>	<u>1,229,329.89</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(15,665.26)</u>	<u>-</u>	<u>-</u>	<u>(15,665.26)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In (Out)				-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balance	<u>(15,665.26)</u>	<u>-</u>	<u>-</u>	<u>(15,665.26)</u>
Fund Balance, July 1	<u>640,598.37</u>	<u>-</u>	<u>-</u>	<u>640,598.37</u>
Fund Balance, June 30	<u>\$ 624,933.11</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 624,933.11</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, 2017

See Accompanying Notes to the Basic Financial Statements

Total Net Change in Fund Balances - Governmental Funds	(B-2)	\$ (15,665.26)
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Amounts Reported for Governmental Activities in the Statement of Activities are different because:

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

Depreciation Expense		(1,714.40)
Capital Outlays		

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).

(Increase) Decrease in Accrued Compensated Absences		-
---	--	---

Change in Net Position of Governmental Activities		<u>\$ (17,379.66)</u>
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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, 2017

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 include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The District's general, special revenue, capital projects, and debt service are classified as Governmental Activities.

CORBIN CITY SCHOOL DISTRICT
(A Component Unit of Corbin City)
Notes to Financial Statements
June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements (Continued)

In the Government-wide Statement of Net Position, both the Governmental Activities columns (a) are presented on a consolidated basis by column, and (b) are reported on a full accrual, economic resource basis which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts: invested in capital assets, net of related debt; restricted net position; and net position. The District first utilizes restricted resources to finance qualifying activities.

The Government-wide Statement of Activities reports both the gross and net costs of each of the District's functions. The functions are also supported by general government revenues (property taxes, tuition, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenue, operating and capital grants. Program revenues must be directly associated with the function (regular instruction, vocational programs, student and instruction related services, etc.) or Business-type Activities. Operating grants include operating specific and discretionary (either operating or capital) grants while the capital grants column reflects capital specific grants.

The net costs (by function or Business-type Activity) are normally covered by general revenue (property taxes, tuition, interest income, etc.).

The government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues, and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The District reports the following Governmental Funds:

Governmental Funds

The focus of the Governmental Funds' measurement (in the fund statements) is upon determination of financial position and change in financial position (sources, uses and balances of financial resources) rather than upon net income. The following is a description of the Governmental Funds of the District.

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 included budgeted capital outlays 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, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements (Continued)

Governmental Funds (Continued)

General Fund (Continued)

Resources from 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. These resources can be transferred from and to Current Expense by Board resolution.

Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported on the financial statements. It also relates to the timing of the measurement made regardless of the measurement focus applied.

The Government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

The Governmental Funds financial statements are reported on the modified accrual basis of accounting. Under this method, revenues are recorded when they become susceptible to accrual; i.e. both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Proceeds of general obligation long-term debt, if any, is recognized when due.

Cash, Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, cash in banks, money market accounts, 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 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.

For purposes of determining cash equivalents the District considers all investments with an original maturity of three months or less as cash equivalents.

New Jersey School Districts are limited to the types of investments and types of financial institutions they may invest in. However, NJSA 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey School Districts.

Additionally, 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 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.

CORBIN CITY SCHOOL DISTRICT
(A Component Unit of Corbin City)
Notes to Financial Statements
June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash, Cash Equivalents and Investments (Continued)

NJSA 17:9-41 et seq. established the requirements for the security of deposits of Governmental Units. The statute requires that no Governmental Unit shall deposit public funds in a depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks), and savings banks; the deposits of which are federally insured. All public depositories must pledge collateral, having a market value of at least 5% of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

Tuition Payable

Tuition charges 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.

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

CORBIN CITY SCHOOL DISTRICT
(A Component Unit of Corbin City)
Notes to Financial Statements
June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

Net position represents the difference between assets and liabilities. Net positions invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The School District's policy is to first apply restricted resources when an expense is incurred for the purposes for which both restricted and unrestricted net position funds are available.

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.

CORBIN CITY SCHOOL DISTRICT
(A Component Unit of Corbin City)
Notes to Financial Statements
June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance (Continued)

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.

Revenues

Substantially all Governmental Fund revenue is accrued. Property taxes are susceptible to accrual and under New Jersey State statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". Subsidies and grants to proprietary funds, which finance either capital or current operations, are reported as non-operating revenue based on GASB No. 33. In applying GASB No. 33 to grant revenues, the provider recognizes liabilities and expenses and recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements, are met are reported as advances by the provider and deferred revenue by the recipient.

Expenditures

Expenses are recognized when the related fund liability is incurred.

Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the General Funds. The budgets are submitted to the county office for approval and are approved by the board of school estimate. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in NJAC 6:23-2(g). Budget amendments/transfers of appropriations must be made by School Board resolution at any time during the fiscal year and are subject to two-thirds majority vote by the School Board and under certain circumstances require approval by the County Superintendent of Schools. All budget amendments presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For Governmental Funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of one or more June state aid payments for budgetary purposes only and the Special Revenue Fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the Governmental Fund types. Unencumbered appropriations lapse at fiscal year-end.

CORBIN CITY SCHOOL DISTRICT
(A Component Unit of Corbin City)
Notes to Financial Statements
June 30, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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.

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

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.

Recent Accounting Pronouncements

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions". This statement, which is effective for fiscal periods beginning after June 15, 2017, the impact of this statement on the net position of the entity is anticipated to be significant.

In March 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 81 "Irrevocable Split-Interest Agreements". This statement, which is effective for fiscal periods beginning after December 15, 2016, will not have any effect on the District's financial reporting.

In November 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 83, "Certain Asset Retirement Obligations". This statement, which is effective for fiscal periods beginning after June 15, 2018, will not have any effect on the District's financial reporting.

In January 2017, the Governmental Accounting Standards Board (GASB) issued Statement 84, "Fiduciary Activities". This statement, which is effective for fiscal periods beginning after December 31, 2018, will not have any effect on the District's financial reporting.

In March 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 85, "Omnibus 2017". This statement, which is effective for fiscal periods beginning after December 31, 2018, will not have any effect on the District's financial reporting.

In May 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 86, "Certain Debt Extinguishment Issues". This statement, which is effective for fiscal periods beginning after June 15, 2017, will not have any effect on the District's financial reporting.

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, "Leases". This statement, which is effective for fiscal periods beginning after December 15, 2019, will not have any effect on the District's financial reporting.

CORBIN CITY SCHOOL DISTRICT
(A Component Unit of Corbin City)
Notes to Financial Statements
June 30, 2017

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, 2017, the District's bank balances of \$626,283.04 were exposed to custodial credit risk as follows:

Insured FDIC	\$	250,000.00
Uninsured but collateralized with bank – GUDPA		376,283.04
	\$	626,283.04

Interest Rate Risk – The District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, NJSA 18A:20-37 limits the length of time for most investments to 397 days.

Credit Risk – NJSA 18A:20-37 limits District investments to those specified in the Statutes. The type of allowable investments are: Bonds of the United States of America or of the District or the local units in which the District is located; obligations of Federal agencies not exceeding 397 days; Government Money Market Mutual Funds; the State of New Jersey Cash Management Plan; local Government investment pools; or repurchase of fully collateralized securities.

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

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, 2016	\$	169,223.00
Deposits Board Approval		90,000.00
Withdrawals Approved at Election		80,443.00
Ending Balance; June 30, 2017	\$	178,780.00

**CORBIN CITY SCHOOL DISTRICT
(A Component Unit of Corbin City)
Notes to Financial Statements
June 30, 2017**

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, 2016	\$	250,000.00
Deposits		
Interest Earned		
Board Approval		
Withdrawals		
Approved at Election		
Ending Balance; June 30, 2017	\$	250,000.00

NOTE 5 CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2017, 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	5,143.20	1,714.40		6,857.60
Capital Assets, Net	\$ 12,000.80	\$ 1,714.40	\$.	\$ 10,286.40

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, 2018. The amount of the lease was for a total of \$156,254.

CORBIN CITY SCHOOL DISTRICT
(A Component Unit of Corbin City)
Notes to Financial Statements
June 30, 2017

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, 2017 is \$18,859.37.

NOTE 10 FUND BALANCES

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 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, 2017 is \$18,859.37.

For Emergency Reserve - As of June 30, 2017, 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, 2017, the balance in the tuition reserve account was \$178,780.00. These funds are restricted for future tuition expenditures.

CORBIN CITY SCHOOL DISTRICT
(A Component Unit of Corbin City)
Notes to Financial Statements
June 30, 2017

NOTE 10 FUND BALANCES

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. Specific assignments of the District's fund balance are summarized as follows:

General Fund

Designated for Subsequent Year's Expenditures - As of June 30, 2017, the District had \$0 designated for subsequent year's expenditures.

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 District's unassigned fund balance is summarized as follows:

General Fund

As of June 30, 2017, \$177,293.74 of general fund balance was unassigned.

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 17, 2017, 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, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
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	1,081.63	(118.37)
Miscellaneous	-	-	-	-	-
Total Local Sources	512,042.00	-	512,042.00	511,923.63	(118.37)
State Sources					
Equalization Aid	397,218.00	-	397,218.00	397,218.00	-
Categorical Transportation Aid	71,890.00	-	71,890.00	71,890.00	-
Categorical Special Education Aid	40,858.00	-	40,858.00	40,858.00	-
Categorical Security Aid	10,640.00	-	10,640.00	10,640.00	-
Adjustment Aid	178,364.00	-	178,364.00	178,364.00	-
Professional Learning Aid	720.00	-	720.00	720.00	-
PARCC Readiness Aid	620.00	-	620.00	620.00	-
Per Pupil Growth Aid	620.00	-	620.00	620.00	-
Nonpublic Transportation Aid	-	1,044.00	1,044.00	1,044.00	-
Total State Sources	700,930.00	1,044.00	701,974.00	701,974.00	-
Total Revenues	1,212,972.00	1,044.00	1,214,016.00	1,213,897.63	(118.37)

CORBIN CITY SCHOOL DISTRICT
 (A Component Unit of Corbin City)
 General Fund

Budgetary Comparison Schedule
 For The Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES					
Current Expense					
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State - Regular	1,055,664.00	-	1,055,664.00	1,055,664.00	-
Tuition to Other LEAs Within the State - Special	54,800.00	-	54,800.00	54,800.00	-
Tuition to County Vocational School - Regular	18,802.00	-	18,802.00	18,802.00	-
Tuition to County Vocational School - Special	13,164.00	-	13,164.00	13,164.00	-
Total Undistributed Expenditures - Instruction	1,142,430.00	-	1,142,430.00	1,142,430.00	-
Other Support Services - Students - Related Services					
Purchased Professional-Educational Services	5,000.00	-	5,000.00	3,142.50	1,857.50
Total Undistributed Expenditures - Students - Related Services	5,000.00	-	5,000.00	3,142.50	1,857.50
Other Support Services - Students - Child Study Team					
Purchased Professional-Educational Services	600.00	-	600.00		600.00
Total Undistributed Expenditures - Child Study Team	600.00	-	600.00		600.00
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	-	7,000.00	6,657.53	342.47
Supplies and Materials	18,000.00	-	18,000.00	504.60	17,495.40
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	43,100.00	-	43,100.00	16,230.88	26,869.12

CORBIN CITY SCHOOL DISTRICT
(A Component Unit of Corbin City)
General Fund
Budgetary Comparison Schedule
For The Fiscal Year Ended June 30, 2017

	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	-	-	-	-	-
Total Undistributed Expenditures - Custodial Services	-	-	-	-	-
Care and Upkeep of Grounds					
Cleaning, Repair, and Maintenance Services	-	-	-	-	-
Total Undistributed Expenditures - Care and Upkeep of Grounds	-	-	-	-	-
Total Undistributed Expenditures - Operations & Maintenance of Plant	-	-	-	-	-
Student Transportation Services					
Contracted Services - Aid In Lieu of Payment for Non-Public Students	7,072.00	-	7,072.00	5,304.00	1,768.00
Contracted Services - (Between Home and School) - Joint Agreements	51,024.00	-	51,024.00	31,808.79	19,215.21
Contracted Services - (Special Education Students) - Joint Agreements	55,782.00	-	55,782.00	10,028.72	45,753.28
Total Undistributed Expenditures - Student Transportation Services	113,878.00	-	113,876.00	47,141.51	66,736.49
Personal Services - Unallocated Benefits - Employee Benefits					
Total Personal Services - Employee Benefits	-	-	-	-	-
Total Undistributed Expenditures	1,327,893.00	-	1,327,893.00	1,229,329.89	98,563.11
Total Current Expense	1,327,893.00	-	1,327,893.00	1,229,329.89	98,563.11

CORBIN CITY SCHOOL DISTRICT
(A Component Unit of Corbin City)
 General Fund
 Budgetary Comparison Schedule
 For The Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Capital Outlay					
Undistributed Expenditures - General Administrative					
Total Capital Outlay					
TOTAL EXPENDITURES	1,327,893.00	-	1,327,893.00	1,229,329.89	98,563.11
Excess (Deficiency) of Revenues Over (Under) Expenditures	(114,921.00)	1,044.00	(113,877.00)	(15,432.26)	98,444.74
Other Financing Sources (Uses)					
Operating Transfer In (Out)					
Total Other Financing Sources (Uses)					
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(114,921.00)	1,044.00	(113,877.00)	(15,432.26)	98,444.74
Fund Balance, July 1	710,449.37	-	710,449.37	710,449.37	-
Fund Balance, June 30	<u>\$ 595,528.37</u>	<u>\$ 1,044.00</u>	<u>\$ 596,572.37</u>	<u>\$ 695,017.11</u>	<u>\$ 98,444.74</u>

CORBIN CITY SCHOOL DISTRICT
 (A Component Unit of Corbin City)
 General Fund
 Budgetary Comparison Schedule
 For The Fiscal Year Ended June 30, 2017

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Recapitulation					
Restricted Fund Balance					
Emergency Reserve	\$ 250,000.00				
Tuition Reserve	178,780.00				
Excess Surplus					
Current Year					
Designated for Subsequent Year's Expenditures			18,859.37		
Assigned Fund Balance					
Designated for Subsequent Year's Expenditures					
Unassigned Fund Balance				247,377.74	
Reconciliation to Governmental Funds Statements (GAAP)					
Last State Aid Payment Not Recognized on GAAP Basis				695,017.11	
Fund Balance Per Governmental Funds (GAAP)				(70,084.00)	
				<u>\$ 624,933.11</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, 2017

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	\$ 1,213,897.63	
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, 2016	-	
June 30, 2017	-	
State Aid payment recognized for budgetary purposes, not recognized for GAAP purposes.		
State Aid Payment		
June 30, 2016	69,851.00	
June 30, 2017	(70,084.00)	
Total revenues as reported on the Statements of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 1,213,664.63	\$ -
Uses/Outflows of Resources		
Actual amounts (Budgetary Basis) total outflows from the Budgetary Comparison Schedule	\$ 1,229,329.89	
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, 2016	-	
June 30, 2017	-	
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	\$ 1,229,329.89	\$ -

**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, 2017	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
Governmental Activities										
Capital Assets, net of related debt	\$ 10,286	\$ 12,001	\$ 13,715	\$ 15,430	\$ 17,144	\$ -	\$ -	\$ 578,822	\$ 600,314	\$ 621,806
Restricted	447,639	459,231	512,268	581,904	484,943	349,128	213,185	120,467	171,773	224,878
Unrestricted	177,294	181,367	181,810	181,326	185,845	183,226	180,306	193,402	70,696	174,322
	\$ 635,220	\$ 652,599	\$ 707,793	\$ 778,660	\$ 687,532	\$ 532,354	\$ 393,491	\$ 892,691	\$ 842,783	\$ 1,021,006
Business-Type Activities										
Capital Assets, net of related debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-	-	-	-
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District-Wide										
Capital Assets, net of related debt	\$ 10,286	\$ 12,001	\$ 13,715	\$ 15,430	\$ 17,144	\$ -	\$ -	\$ 578,822	\$ 600,314	\$ 621,806
Restricted	447,639	459,231	512,268	581,904	484,943	349,128	213,185	120,467	171,773	224,878
Unrestricted	177,294	181,367	181,810	181,326	185,845	183,226	180,306	193,402	70,696	174,322
	\$ 635,220	\$ 652,599	\$ 707,793	\$ 778,660	\$ 687,532	\$ 532,354	\$ 393,491	\$ 892,691	\$ 842,783	\$ 1,021,006

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

	Fiscal Year Ended										
	June 30, 2017	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	
Expenses											
Governmental Activities											
Instruction											
Regular	\$ 1,142,430	\$ 1,004,445	\$ 830,414	\$ 821,603	\$ 888,108	\$ 966,321	\$ 1,258,548	\$ 1,348,789	\$ 1,489,028	\$ 1,418,429	
Special Education	3,143	4,500	3,802	-	675	4,955	3,165	-	1,600	4,010	
School Activities	16,231	17,058	13,217	14,597	13,173	12,452	17,576	21,888	19,719	16,702	
Other Special	20,385	20,385	20,385	20,385	20,380	20,390	20,385	20,388	20,577	20,385	
Support Services	-	156,254	352,203	195,000	62,004	-	48,541	24,882	6,048	5,515	
Tuition	47,142	62,365	61,547	60,548	58,678	66,367	50,694	66,230	93,671	110,725	
Student and Instruction	1,714	1,714	1,714	1,714	-	389	1,168	1,449	1,373	25,237	
General Administration	-	-	-	-	-	-	-	-	-	-	
Central Services	-	-	-	-	-	-	-	-	-	-	
Operations	-	-	-	-	-	-	-	-	-	-	
Pupil Transportation	-	-	-	-	-	-	-	-	-	-	
Employee Benefits	-	-	-	-	-	-	-	-	-	-	
Unallocated Depreciation	-	-	-	-	-	-	-	-	-	-	
	<u>1,231,044</u>	<u>1,266,721</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>	
Total	\$ 1,231,044	\$ 1,266,721	\$ 1,283,282	\$ 1,113,847	\$ 1,043,027	\$ 1,070,874	\$ 1,400,076	\$ 1,505,118	\$ 1,653,508	\$ 1,622,495	

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, 2017	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
Program Revenues										
Governmental Activities										
Charges For Services	-	-	-	-	-	-	-	-	-	-
Grants and Contributions	-	-	-	-	-	-	-	-	-	23,680
Total Governmental Activities										23,680
Program Revenues										
Net (Expense) Revenue										
Governmental Activities	(1,231,044)	(1,266,721)	(1,283,282)	(1,113,847)	(1,043,027)	(1,070,874)	(1,400,076)	(1,505,118)	(1,653,508)	(1,598,815)
Total	<u>\$ (1,231,044)</u>	<u>\$ (1,266,721)</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>
General Revenues and Other Changes in Net Position										
Governmental Activities										
Local Tax Levy	\$ 510,842	\$ 510,842	\$ 510,842	\$ 510,842	\$ 510,842	\$ 510,842	\$ 786,464	\$ 786,464	\$ 786,464	\$ 759,100
Unrestricted Grants	701,741	699,450	700,168	692,916	686,115	696,312	684,536	755,257	721,645	732,190
Investment Earnings	1,082	1,236	1,405	1,217	1,244	1,988	4,323	3,709	4,291	5,733
Miscellaneous Income	-	-	-	-	-	594	4,377	9,596	885	114,258
Cancellation of Receivable	-	-	-	-	-	-	-	-	(38,000)	-
Transfers to Charter	-	-	-	-	-	-	-	-	-	-
Transfer of Capital Assets	-	-	-	-	-	-	(578,822)	-	-	-
Total Governmental Activities	1,213,665	1,211,528	1,212,415	1,204,975	1,198,201	1,209,736	900,877	1,555,026	1,476,285	1,611,281
Change in Net Position										
Governmental Activities	(17,380)	(55,193)	(70,867)	91,127	155,174	138,862	(499,199)	49,908	(178,223)	12,466
Total District-Wide	<u>\$ (17,380)</u>	<u>\$ (55,193)</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>

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, 2017	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
General Fund	\$ 447,639	\$ 447,839	\$ 486,085	\$ 524,731	\$ 432,724	\$ 330,289	\$ 194,877	\$ -	\$ -	\$ -
Restricted	-	11,392	26,183	57,174	51,819	2,020	18,308	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	177,294	181,367	181,810	181,326	185,845	200,045	180,306	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Reserved	-	-	-	-	-	-	-	120,467	171,773	224,878
Unreserved	-	-	-	-	-	-	-	193,402	70,696	174,322
Total General Fund	\$ 624,933	\$ 640,598	\$ 694,078	\$ 763,230	\$ 670,388	\$ 532,354	\$ 393,491	\$ 313,869	\$ 242,469	\$ 399,200
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

	Fiscal Year Ended									
	June 30, 2017	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
Revenues										
Local Tax Levy	\$ 510,842	\$ 510,842	\$ 510,842	\$ 510,842	\$ 510,842	\$ 510,842	\$ 786,464	\$ 786,464	\$ 786,464	\$ 759,100
Rent	-	-	-	-	-	-	-	-	-	96,000
Interest Earned	1,082	1,236	1,405	1,217	1,244	1,988	4,323	3,709	4,291	5,733
Miscellaneous	-	-	-	-	-	594	4,377	9,596	885	18,258
Federal Sources	-	-	-	-	-	-	-	108,448	-	-
State Sources	701,741	699,450	700,168	692,916	686,115	696,312	684,536	646,809	721,645	755,870
Total Revenues	1,213,665	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
Expenditures										
Instruction	-	-	-	-	-	-	-	-	-	-
Regular	-	-	-	-	-	-	-	-	-	-
Support Services	-	-	-	-	-	-	-	-	-	-
Tuition	1,142,430	1,004,445	830,414	821,603	888,108	966,321	1,258,548	1,348,789	1,489,028	1,418,429
Student and Instruction	3,143	4,500	3,802	-	675	4,955	3,165	-	1,600	4,010
General Administration	16,231	17,058	13,217	14,597	13,173	12,452	17,576	21,888	19,719	16,702
School Administrative	-	-	-	-	-	-	-	-	-	-
Central Services	20,385	20,385	20,385	20,385	20,385	20,390	20,385	20,388	20,577	20,385
Facility	-	156,254	352,203	195,000	62,004	-	48,541	24,882	6,048	5,515
Pupil Transportation	47,142	62,365	61,547	60,548	58,678	66,367	50,694	66,230	93,671	110,725
Other Support Services	-	-	-	-	-	-	-	-	-	-
Employee Benefits	-	-	-	-	-	389	1,168	1,449	1,373	25,237
Capital Outlay	-	-	-	-	17,144	-	-	-	-	-
Total Expenditures	1,229,330	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
Excess (Deficiency) of Revenues Over Expenditures	(15,665)	(53,479)	(69,153)	92,842	138,035	138,862	79,623	71,400	(118,731)	33,958
Other Financing Sources (Uses)										
Cancellation of Receivable	-	-	-	-	-	-	-	-	(38,000)	-
Transfers Out	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	(38,000)	-
Net Changes in Fund Balance	\$ (15,665)	\$ (53,479)	\$ (69,153)	\$ 92,842	\$ 138,035	\$ 138,862	\$ 79,623	\$ 71,400	\$ (156,731)	\$ 33,958

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>
2008	5,733		96,000	18,258	119,991
2009	4,291			885	5,176
2010	3,709			9,596	13,305
2011	4,323			4,377	8,699
2012	1,988			594	2,582
2013	1,244				1,244
2014	1,217				1,217
2015	1,405				1,405
2016	1,236				1,236
2017	1,082				1,082

REVENUE CAPACITY

CORBIN CITY SCHOOL DISTRICT
(A Component Unit of Corbin City)
Assessed Value and Actual Value of Taxable Property
Source: Municipal Tax Assessor

Fiscal Year Ended June 30,	Vacant Land	Improvements	Total Taxable Value of Land & Improvements	Total Partial Exemptions & Abatements	Net Total Taxable Value of Land & Improvements	Taxable Value of Locally Assessed Personal Property	Net Valuation Taxable	Estimated Actual County Equalized Value	Total District School Tax Rate
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	30,963,100	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	89,700	33,420,700	46,979,498	1.528
2012	10,479,600	23,576,400	34,056,000		34,056,000	48,968	34,104,968	65,116,906	1.497
2013	10,530,600	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	23,901,600	34,215,700		34,215,700		34,215,700	50,595,411	1.493
2016	19,704,900	30,916,600	50,621,500		50,621,500		50,621,500	51,476,902	1.009
2017	19,505,600	31,352,700	50,858,300		50,858,300		50,858,300	53,448,388	1.004

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	
2008	2,575	0.000	2,575	0.277	0.657	0.000	0.934
2009	2,454	0.000	2,454	0.207	0.526	0.000	0.733
2010	2,403	0.000	2,403	0.258	0.555	0.000	0.813
2011	1,528	0.000	1,528	0.458	0.509	0.000	0.967
2012	1,497	0.000	1,497	0.383	0.717	0.000	1.080
2013	1,488	0.000	1,488	0.384	0.765	0.000	1.129
2014	1,480	0.000	1,480	0.366	0.715	0.000	1.081
2015	1,493	0.000	1,493	0.367	0.751	0.000	1.118
2016	1,009	0.000	1,009	0.295	0.516	0.000	0.811
2017	1,004	0.000	1,004	0.305	0.586	0.000	0.891

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

Exhibit J-8
Unaudited

Taxpayer	2016			2007		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Mar-Jer Inc Taxpayer 1	984,400	1	1.84%			
SBA Towers LLC Taxpayer 2	786,300	2	1.47%			
Taxpayer 3	751,600	3	1.41%			
Taxpayer 4	675,500	4	1.28%			
Taxpayer 5	577,200	5	1.08%			
Taxpayer 6	532,700	6	1.00%			
Taxpayer 7	526,000	7	0.98%			
Taxpayer 8	518,900	8	0.97%			
Surran Nurseries Taxpayer 9	506,000	9	0.95%			
Taxpayer 10	502,400	10	0.94%			

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>
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%
2017	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		Percentage of Personal Income	Per Capita Personal Income
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes		

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	\$ -	100.00%	-
Other Debt			
County of Atlantic	\$ 152,426,901.00	0.16%	<u>243,883.04</u>
Total Direct and Overlapping Debt			<u>\$ 243,883.04</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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	Year	Equalized Valuation Basis
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	2014	\$ 51,717,953
Total Net Debt Applicable Limit	-	-	-	-	-	-	-	-	-	2015	50,450,752
Legal Debt Margin	\$ 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	2016	53,090,194
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%		\$ 155,258,899
											\$ 51,752,966
											\$ 51,752,966
											\$ 51,752,966
											3.00%
											1,552,589
											\$ 1,552,589

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 Ended June 30,</u>	<u>School District Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2008	520	20,335,120	39,106	5.00%
2009	531	20,790,243	39,153	9.10%
2010	492	19,456,140	39,545	9.30%
2011	494	20,420,972	41,338	9.40%
2012	496	20,795,792	41,927	9.80%
2013	500	20,829,500	41,659	11.60%
2014	500	21,668,000	43,336	7.30%
2015	492	21,497,940	43,695	7.50%
2016	499	Not Available	Not Available	7.50%
2017	499	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	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Instruction										
Regular										
Special Education										
Other Special Education										
Support Services										
Student Related										
General Administrative	2	1	1	1						
School Administrative										
Business Administrative										
Plant Operation										
Other										
Food Service										
	2	1	1	1						

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

Fiscal Year Ended June 30	K-12 Enrollment	Operating Expenditures	Cost Per Pupil	% Change	Teaching Staff	Enrollment	Average Daily Attendance	% Change in Average Daily Attendance	Student Attendance Percentage
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	16,525	8.36%					
2015	70.0	1,283,282	18,333	10.27%					
2016	71.0	1,265,008	17,817	-2.81%					
2017	69.0	1,231,044	17,841	0.14%					

Not Applicable

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

Exhibit J-18
Unaudited

District Building	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
-------------------	------	------	------	------	------	------	------	------	------	------

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

Undistributed Expenditures - Required Maintenance for School Facilities

Facilities	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Building	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total School Facilities	-	-	-	-	-	-	-	-	-	-
Other Facilities	-	-	-	-	-	-	-	-	-	-
Grand Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

Exhibit J-20
 Unaudited

Company	Type of Coverage	Amount of Coverage	Deductible
NJ Schools Insurance Group	Crime		
	Public Employees' Faithful Performance	25,000	500
	Theft, Disappearance and Destruction	5,000	500
	Theft, Disappearance and Destruction	5,000	500
	Forgery or Alteration	25,000	500
	Comprehensive General Liability		
	Bodily Injury and Property Damage	6,000,000	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, 2017, 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 17, 2017.

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 17, 2017
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, 2017

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, 2016	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Accounts Receivable	Due to Grantor
No Federal Awards										
				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CORBIN CITY SCHOOL DISTRICT
 (A Component Unity of Corbin City)
Schedule of Expenditures of State Financial Assistance
Schedule B
 For The Fiscal Year Ended June 30, 2017

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, 2016	Cash Received	Budgetary Expenditures	Balance at June 30, 2017		(MEMO) Delayed State Aid Payment
							(Accounts Receivable)	Due to Grantor	
State Department of Education									
General Fund									
Adjustment Aid	17-495-034-5120-085	07/01/16-06/30/17	\$ 178,412.00	\$ -	\$ 108,280.00	\$ 178,364.00	\$ (70,084.00)	\$ -	\$ (70,084.00)
Adjustment Aid	16-495-034-5120-085	07/01/15-06/30/16		(69,851.00)	69,851.00				
Equalization Aid	17-495-034-5120-078	07/01/16-06/30/17	397,218.00		397,218.00	397,218.00			
Security Aid	17-495-034-5120-084	07/01/16-06/30/17	10,640.00		10,640.00	10,640.00			
Transportation Aid	17-495-034-5120-014	07/01/16-06/30/17	71,890.00		71,890.00	71,890.00			
Special Education Aid	17-495-034-5120-089	07/01/16-06/30/17	40,858.00		40,858.00	40,858.00			
Nonpublic Transportation Aid	17-495-034-5120-014	07/01/16-06/30/17	1,044.00		-	1,044.00	(1,044.00)		
Nonpublic Transportation Aid	16-495-034-5120-014	07/01/15-06/30/16		(1,218.00)	1,218.00				
Per Pupil Growth Aid	17-495-034-5120-097	07/01/16-06/30/17	620.00		620.00	620.00			
PARCC Readiness Aid	17-495-034-5120-098	07/01/16-06/30/17	620.00		620.00	620.00			
Professional Learning Aid	17-495-034-5120-101	07/01/16-06/30/17	720.00		720.00	720.00			
Total State Financial Assistance				\$ (71,069.00)	\$ 701,915.00	\$ 701,974.00	\$ (71,128.00)	\$ -	\$ (70,084.00)

CORBIN CITY SCHOOL DISTRICT
(A Component Unit of Corbin City)
Notes to Schedules of Awards and Financial Assistance
June 30, 2017

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. These bases of accounting are described in Note 1 to the District's 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. 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 fund.

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

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ -	\$ 701,741.00	\$ 701,741.00
Total GAAP	-	701,741.00	701,741.00
Budgetary Adjustments			
State Aid Payment			
Current Year		70,084.00	70,084.00
Prior Year		(69,851.00)	(69,851.00)
Total Budgetary	\$ -	\$ 701,974.00	\$ 701,974.00

CORBIN CITY SCHOOL DISTRICT
(A Component Unit of Corbin City)
Notes to Schedules of Awards and Financial Assistance
June 30, 2017

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.

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

For The Fiscal Year Ended June 30, 2017

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, 2017

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, 2017

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, 2017

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