

**BOARD OF EDUCATION**

**CITY OF ESTELL MANOR  
SCHOOL DISTRICT**

**County of Atlantic  
Estell Manor, New Jersey**

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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**CITY OF ESTELL MANOR  
BOARD OF EDUCATION**

**County of Atlantic  
Estell Manor, New Jersey**

**Prepared By  
City of Estell Manor Board of Education  
Finance Department**

# CITY OF ESTELL MANOR SCHOOL DISTRICT

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## INTRODUCTORY SECTION



## **ESTELL MANOR SCHOOL DISTRICT**

128 Cape May Avenue, Estell Manor, New Jersey 08319

**Phone: (609) 476-2267**

**Fax: (609) 476-4205**

Robert Garguilo  
Interim Superintendent of Schools

Rose Millar  
School Business Administrator

June 30, 2016

Honorable President and  
Members of the Board of Education  
City of Estell Manor School District  
Estell Manor, New Jersey

The comprehensive annual financial report of the City of Estell Manor School District (District) for the fiscal year ended June 30, 2016, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: Introductory, financial statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on multi-year basis. The District is required to undergo an annual single audit in conformity with provisions of Title 2 U.S. Code of Federal Regulation (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Requirements of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws, regulation, findings and recommendations, are included in the single audit section of this report.



## **1) REPORTING ENTITY AND ITS SERVICES**

The District is an independent reporting entity within the criteria adopted by the Government Standards Board (GASB). All major funds of the District are included in this report. The District provides a full range of educational services appropriate to grade levels K through 8. These included regular education, as well as special education for students with disabilities. The District completed the 2015-16 fiscal year with an enrollment of 169 students. The following charts the student enrollment of the District over the last ten years.

Fiscal Year	Student Enrollment	Percent Increase/Decrease
2015-2016	169	3.05%
2014-2015	164	-5.75%
2013-2014	174	-11.22%
2012-2013	196	1.02%
2011-2012	194	-0.50%
2010-2011	195	-1.20%
2009-2010	197	-4.80%
2008-2009	207	-9.20%
2007-2008	228	4.40%
2006-2007	218	0.40%

## **2) ECONOMIC CONDITION AND OUTLOOK**

The City of Estell Manor continues to experience a period of very little development.

## **3) MAJOR INITIATIVES**

The Department of Education has raised the minimum requirements in test score results. In coordination with these requirements, starting with the 2011-2012 school year, an expanded homework help program began and continues to be successful. All curricula have been updated and approved by the Board. Materials continue to be purchased that relate directly to the Common Core Standards. Textbooks have been researched and adopted that best meet these standards. Summer academic programs were instituted in 2014, 2015 and 2016. A major initiative regarding literacy is the unique Guided Reading program that allows flexibility for the students regarding advancement. The DRA2 instrument is utilized to assess students in the beginning, mid, and end of year.

Ongoing projects include HVAC upgrades, roof replacement and an emergency generator for the school facility. Regular Operating District (ROD) grants have been approved from the State of New Jersey for 40% funding for these projects. The District has mostly completed these projects during the 2015-16 school year. A bond referendum question was presented to the voters at the November 2014 election. The District completed a Local Government Energy Audit and qualified for New Jersey's Clean Energy Direct Install Program at 70% funding. The program enabled the District to replace roof top HVAC units in the 1995 section and upgrade to energy efficient lighting throughout the facility during the summer of 2014. The steam boiler was replaced with an energy efficient oil burner in November of 2010 and in 2011 the corresponding 55 year old pipes were replaced. The carpet in the 1955 section of the building has been replaced with vinyl tile in June of 2013. Safety and security of the facility has been enhanced with additional cameras, locks and exterior markings for all areas of the school for reference by State Police if the need should arise. A monitor for the security cameras has been installed in the main office for reference in the case of an emergency.

There continues to be a central supply system and due to purchasing from discount vendors, the District has maximized its buying power. Over the past ten years, the District has accumulated over 80 PC computers for students and staff. Annually obsolete equipment is replaced as funds allow. All the computers are part of the District network and all instructional areas have Internet access. A computer lab of 15 desktops has been installed in classroom number two for the use of students K - 4. Our facility is now WIFI enabled. We have been able to replace the dilapidated shed for storage purposes. Our message board is Variance approved and being used to its fullest extent. We have completed the installation of Smart Boards in classrooms as planned. (Every teacher has access to a Smart Board for instruction purposes.)

#### **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 accounting principles generally accepted in the United States of America (GAAP).

Internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal awards and state financial assistance, the District also is responsible for ensuring that adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. Internal control is also subject to periodic evaluation by the District management. As part of the District's single audit described earlier, tests are made to determine the adequacy of internal control, including that portion related to federal awards and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

#### **5) BUDGETARY CONTROLS**

In addition to internal accounting controls, the District maintains budgetary controls. The objectives of these budgetary controls are to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2016.

#### **6) ACCOUNTING SYSTEM AND REPORTS**

The District's accounting records reflect accounting principles generally accepted in the United States of America, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are 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) RISK MANAGEMENT**

The Board of Education is a member of the Atlantic and Cape May Counties School Business Officials Joint Insurance Fund (ACCASBOJIF). This fund was formed under the provisions of NJSA 18A: 18A 1-10. The fund commenced operations on July 1, 1991. The ACCASBOJIF provides members with a long-term alternative to the conventional insurance marketplace and is a means of stabilizing the otherwise cyclical nature of insurance expenditures.

The Fund provides the following coverage:

- Property, including buildings, contents, inland marine, crime, boiler and machinery and auto physical damage
- General Liability, including school board legal liability
- Automobile Liability
- Workers' Compensation

The Fund provides coverage to its members either directly or through the commercial insurance market, through one or more of the following vehicles: excess insurance, reinsurance or an excess property and casualty joint insurance fund.

The District also purchases Student Accident Insurance for all students and coverage for all school volunteers.

## **9) INDEPENDENT AUDIT**

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Preziosi Nicholson & Associates, CPA's 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 under the guidelines of Single Audit. The auditor's report on the basic financial statements and detailed schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.



**10) ACKNOWLEDGMENTS**

We would like to express our appreciation to the members of the City of Estell Manor 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,

*Robert Garguilo*

Robert Garguilo  
Interim Superintendent

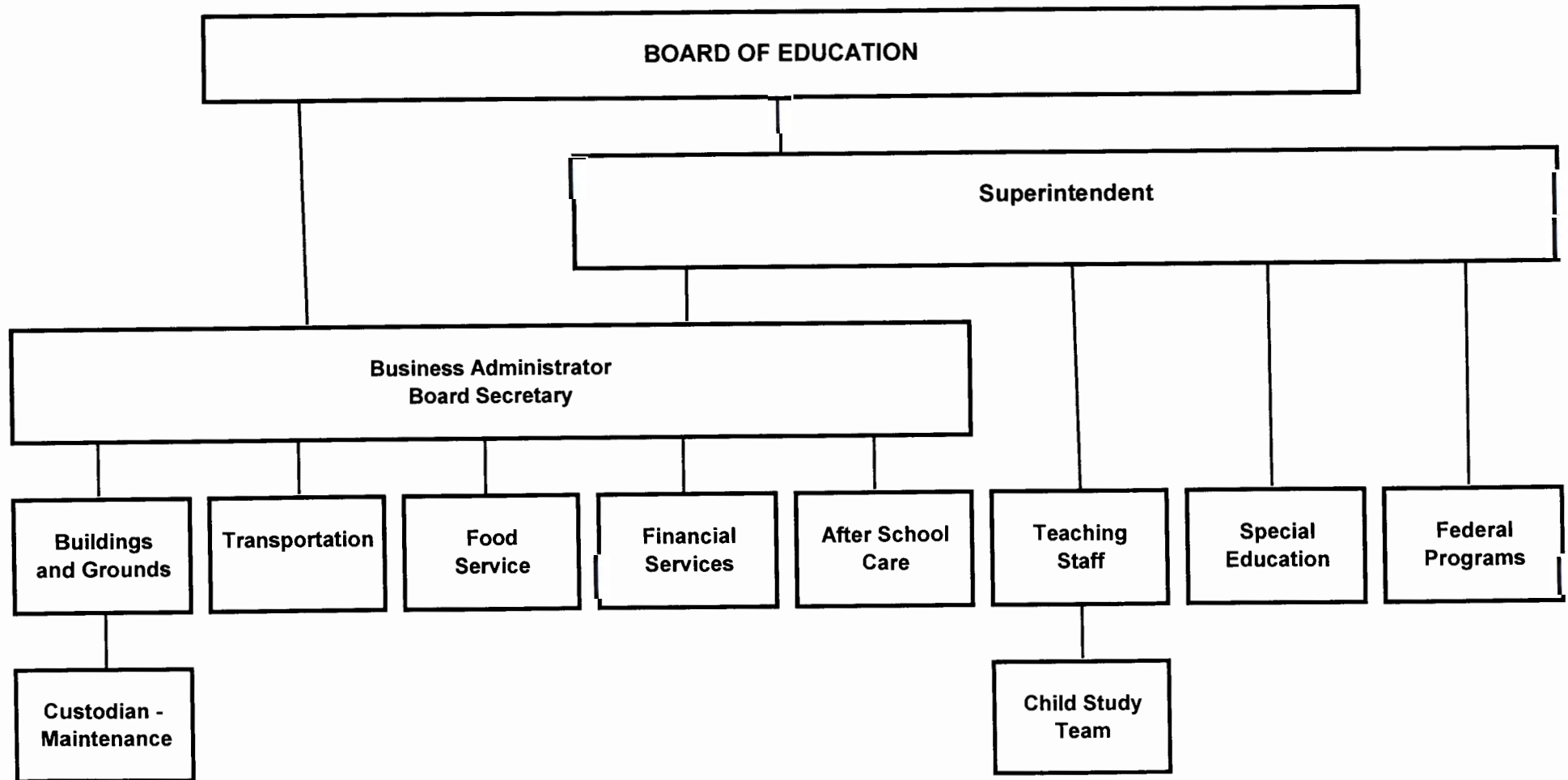
*Rose M. Millar*

Rose M. Millar  
Business Administrator/Board Secretary

**CITY OF ESTELL MANOR SCHOOL DISTRICT**

County of Atlantic  
Estell Manor, New Jersey

**ORGANIZATIONAL CHART**



**CITY OF ESTELL MANOR SCHOOL DISTRICT**

**County of Atlantic  
Estell Manor, New Jersey**

**ROSTER OF OFFICIALS**

**June 30, 2016**

<b>Members of the Board of Education</b>		<b>Term Expires</b>
Martin Klosek	President	2015
Robert Kellner	Vice-President	2016
John Cressey	Board Member	2017
Leah McDonnell	Board Member	2015
Brianne Seelman	Board Member	2017

**Other Officials**

Noelle Jacquelin	Superintendent
Rose M Millar	Business Administrator/Board Secretary
Debra D'Amore	Treasurer

**CITY OF ESTELL MANOR SCHOOL DISTRICT**

**Consultants and Advisors**

**Attorney**

Frank Cavallo, Esquire  
Parker McCay, P.A.  
9000 Midlantic Drive, Suite 300  
PO Box 5054  
Mount Laurel, New Jersey 08054-1539

**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**

Newfield National Bank  
3535 East Landis Ave  
Vineland, New Jersey 08361

**Risk Management Consultant**

Dennis M. Brown  
Glenn Insurance  
500 East Absecon Blvd.  
PO Box 365  
Absecon, New Jersey

## FINANCIAL SECTION



# PREZIOSI·NICHOLSON

& ASSOCIATES PA

Certified Public Accountants

## INDEPENDENT AUDITORS' REPORT

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

### Report on the Financial Statements

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

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Estell Manor School District in the County of Atlantic, State of New Jersey as of June 30, 2016, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Estell Manor 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 as required by Title 2 U.S. Code of Federal Regulation Part 200, *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the Schedule of State Financial Assistance as required by NJ OMB 15-08 and the introductory and statistical sections 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.

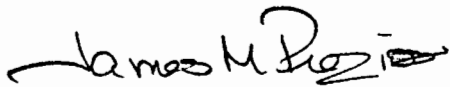
The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated November 22, 2016 on our consideration of the City of Estell Manor 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 City of Estell Manor School District's internal control over financial reporting and compliance.

Respectfully submitted,

**PREZIOSI • NICHOLSON & ASSOCIATES**  
Certified Public Accountants



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

November 22, 2016  
Millville, NJ

**REQUIRED SUPPLEMENTARY INFORMATION  
PART I**

## CITY OF ESTELL MANOR SCHOOL DISTRICT

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

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

#### FINANCIAL HIGHLIGHTS

Key financial highlights for 2016 are as follows:

Exhibit A-1

Net Position for Governmental Type activities was \$4,993,706.

Exhibit A-2

Net Assets for Governmental Type activities increased by \$1,302,361.

Exhibit B-1

The General Fund, fund balance as of June 30, 2016 was \$1,127,599 an increase of \$681,159 when compared with the beginning balance as of July 1, 2015 of \$446,440.

Exhibit I-1

The District's outstanding bonded debt at June 30, 2016 is \$1,462,000

#### OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of:

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

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

#### District-Wide Financial Statements

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

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

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



## CITY OF ESTELL MANOR SCHOOL DISTRICT

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

#### Fund Financial Statements

Fund financial statements focus on the individual parts of the District, reporting operations in more detail than the district-wide financial statements.

The governmental funds statements tell how basic services such as regular and special education were financed in short-term as well as what remains for future spending.

Proprietary funds statements offer short-term and long-term financial information about the activities that the District operates like businesses.

Fiduciary funds statements provide information about the financial relationship in which the District acts solely as a trustee or agent for the benefit of others to whom the resources belong.

The fund financial statements provide more detailed information about the District's most significant funds. The District has three kinds of funds:

- *Governmental Funds* - Most of the District's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.
- *Proprietary Funds* - Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information.
- *Fiduciary Funds* - The District is the trustee, or *fiduciary*, for certain funds. It is also responsible for other assets that - because of a trust arrangement - can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

## CITY OF ESTELL MANOR SCHOOL DISTRICT

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

#### DISTRICT-WIDE FINANCIAL ANALYSIS

##### Net Position

The Statement of Net Position reports all financial and capital resources. The statement presents the assets and liabilities in order of relative liquidity. The liabilities with average maturities greater than one year are reported in two components – the amount due within one year and the amount due in more than one year. The difference between the District's assets and liabilities is its net position.

Comparative Summary of Net Position	Governmental Activities		Business-Type Activities	
	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
<b>Assets</b>				
Current and Other Assets	\$ 2,096,613	\$ 595,072	\$ 28,337	\$ 17,805
Capital Assets; net	<u>6,013,479</u>	<u>4,234,642</u>	<u>3,135</u>	<u>3,582</u>
Total Assets	<u>8,110,092</u>	<u>4,829,714</u>	<u>31,472</u>	<u>21,387</u>
<b>Deferred Outflows of Resources</b>				
Pension Deferred Outflows	<u>109,319</u>	<u>66,210</u>		
<b>Liabilities</b>				
Current Liabilities	984,993	191,148	27,178	23,201
Other Liabilities	<u>2,189,994</u>	<u>972,221</u>		
Total Liabilities	<u>3,174,987</u>	<u>1,317,987</u>	<u>27,178</u>	<u>23,201</u>
<b>Deferred Inflows of Resources</b>				
Pension Deferred Inflows	<u>55,012</u>	<u>39,395</u>		
<b>Net Position</b>				
Invested in Capital Assets, Net of Debt	4,551,479	3,896,642	3,134	3,582
Restricted	1,205,296	458,793		
Unrestricted	<u>(767,363)</u>	<u>(662,275)</u>	<u>1,160</u>	<u>(5,396)</u>
<b>TOTAL NET POSITION</b>	<u>\$ 4,989,412</u>	<u>\$ 3,693,160</u>	<u>\$ 4,294</u>	<u>\$ (1,814)</u>

**CITY OF ESTELL MANOR SCHOOL DISTRICT**

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

**DISTRICT-WIDE FINANCIAL ANALYSIS**

**Change in Net Position**

	Governmental Activities		Business-Type Activities	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
<b>COMPARATIVE SUMMARY OF CHANGE IN NET POSITION</b>				
Program Revenues				
Charges for Services	\$ -	\$ -	\$ 67,604	\$ 64,706
Grants and Contributions	1,144,823	837,904	41,414	32,264
General Revenues				
Property Taxes	2,373,649	2,367,749		
Grants and Entitlements	2,966,087	1,617,440		
Other	<u>32,944</u>	<u>28,136</u>	<u>16</u>	<u>11</u>
Total Revenues	<u>6,517,503</u>	<u>4,851,229</u>	<u>109,034</u>	<u>96,981</u>
Program Expenses				
Instruction	2,655,263	1,877,605		
Support Services	2,345,527	2,582,268		
Charter School	16,738			
Unallocated Depreciation	134,504	130,500		
Interest on Debt	48,348	15,914		
Debt Service Assessment	14,871	14,871		
Enterprise			<u>108,926</u>	<u>104,593</u>
Total Expenses	<u>5,215,251</u>	<u>4,621,158</u>	<u>108,926</u>	<u>104,593</u>
Change in Net Assets	1,302,252	230,071	108	(7,612)
Transfers	(6,000)	(2,500)	6,000	2,500
Net Assets, July 1	<u>3,693,160</u>	<u>3,465,589</u>	<u>(1,814)</u>	<u>3,298</u>
Net Assets, June 30	<u>\$ 4,989,412</u>	<u>\$ 3,693,160</u>	<u>\$ 4,294</u>	<u>\$ (1,814)</u>



## CITY OF ESTELL MANOR SCHOOL DISTRICT

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

#### FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>Change</u>
Restricted			
Capital Reserve	\$ 606,565	\$ 206,565	\$ 400,000
Maintenance Reserve	85,000	85,000	
Capital Projects	135,421	74,395	61,026
Excess Surplus	87,534	73,900	13,634
Assigned			
Encumbrances	170,057	18,934	151,123
Excess Surplus	120,720		120,720
Unassigned			
General Fund	<u>57,723</u>	<u>62,040</u>	<u>(4,317)</u>
Total	<u>\$ 1,263,020</u>	<u>\$ 520,834</u>	<u>\$ 742,186</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.

Over the course of the year, the District revised the annual operating budget several times. Revisions in the budget were made to recognize revenues that were not anticipated and to prevent over-expenditures in specific line item accounts.

	<u>Original</u>	<u>Revised</u>	<u>Expended</u>
General Fund	<u>\$ 4,376,101</u>	<u>\$ 4,395,034</u>	<u>\$ 3,724,288</u>

## **CITY OF ESTELL MANOR SCHOOL DISTRICT**

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

#### **CAPITAL ASSETS AND DEBT ADMINISTRATION**

##### **Capital Assets**

At the end of fiscal year 2016, the School District had \$6,528,233 invested in land, building, furniture and equipment. Cost of capital assets did not increase from fiscal year 2016 to fiscal year 2015. For more detailed information, please refer to the Notes to the Financial Statements.

##### **Debt Administration**

At the end of fiscal year 2016, the School District had \$1,568,534 of outstanding debt. Of this amount, \$106,534 is for compensated absences and \$1,462,000 is for general obligation bonds.

#### **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 Estell Manor School District  
128 Cape May Avenue  
Estell Manor, NJ 08319  
609.476.2828

## **BASIC FINANCIAL STATEMENTS**

**DISTRICT-WIDE FINANCIAL STATEMENTS**

## CITY OF ESTELL MANOR SCHOOL DISTRICT

Statement of Net Position  
June 30, 2016

See Accompanying Notes to the Basic Financial Statements

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 369,548.74	\$ 22,667.98	\$ 392,216.72
Accounts Receivable			
Interfunds Receivable	73,202.12		73,202.12
State of New Jersey	933,487.70	60.31	933,548.01
Federal Government	28,809.21	2,304.03	31,113.24
Other			-
Inventory		3,305.17	3,305.17
Restricted Assets			
Cash Reserve Accounts	691,565.14		691,565.14
Capital Assets, Net	6,013,478.89	3,134.60	6,016,613.49
<b>Total Assets</b>	<b>8,110,091.80</b>	<b>31,472.09</b>	<b>8,141,563.89</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension Deferred Outflows	109,319.00		109,319.00
<b>Total Deferred Outflows of Resources</b>	<b>109,319.00</b>	<b>-</b>	<b>109,319.00</b>
<b>LIABILITIES</b>			
Liabilities			
Accounts Payable			-
Interfund Payable	44,629.04	27,177.88	71,806.92
Grantor Advances	5,963.87		5,963.87
Grant Anticipation Note	783,000.00		783,000.00
Accrued Interest Payable	41,400.40		41,400.40
Noncurrent Liabilities			
Due Within One Year	110,000.00		110,000.00
Due Beyond One Year	1,458,534.00		1,458,534.00
Net Pension Liability	731,459.00		731,459.00
<b>Total Liabilities</b>	<b>3,174,986.31</b>	<b>27,177.88</b>	<b>3,202,164.19</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension Deferred Inflows	55,012.00		55,012.00
<b>Total Deferred Inflows of Resources</b>	<b>55,012.00</b>	<b>-</b>	<b>55,012.00</b>
<b>NET POSITION</b>			
Invested in Capital Assets, Net of Related Debt	4,551,478.89	3,134.60	4,554,613.49
Restricted For			
Debt Service	(0.31)		(0.31)
Capital Projects	135,421.49		135,421.49
Other Purposes	1,069,875.82		1,069,875.82
Unrestricted	(767,363.40)	1,159.61	(766,203.79)
<b>Total Net Position</b>	<b>\$ 4,989,412.49</b>	<b>\$ 4,294.21</b>	<b>\$ 4,993,706.70</b>

**CITY OF ESTELL MANOR SCHOOL DISTRICT**  
**Statement of Activities**  
**For The Fiscal Year Ended June 30, 2016**

See Accompanying Notes to the Basic Financial Statements

Function/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities</b>							
Instruction							
Regular	\$ 2,355,644.42	\$ -	\$ -	\$ 640,305.99	\$ (1,715,338.44)	\$ -	\$ (1,715,338.44)
Special Education	224,132.84			220,276.50	(3,856.33)		(3,856.33)
School Sponsored Activities	75,486.07				(75,486.07)		(75,486.07)
Support Services							
Tuition	627,909.59				(627,909.59)		(627,909.59)
Student and Instruction	555,967.61			145,258.13	(410,709.48)		(410,709.48)
General Administration	194,727.03			46,072.13	(148,654.90)		(148,654.90)
School Administrative	200,323.95			47,396.36	(152,927.59)		(152,927.59)
Central Services	121,602.57				(121,602.57)		(121,602.57)
Plant Operations and Maintenance	377,311.42				(377,311.42)		(377,311.42)
Pupil Transportation	267,684.80			45,514.00	(222,170.80)		(222,170.80)
Transfer to Charter School	16,738.00				(16,738.00)		(16,738.00)
Debt Service Assessment	14,871.00				(14,871.00)		(14,871.00)
Interest on Long-Term Debt	48,348.38				(48,348.38)		(48,348.38)
Unallocated Depreciation	134,504.03				(134,504.03)		(134,504.03)
<b>Total Governmental Activities</b>	<b>5,215,251.71</b>	<b>-</b>	<b>-</b>	<b>1,144,823.11</b>	<b>(4,070,428.60)</b>	<b>-</b>	<b>(4,070,428.60)</b>
<b>Business-Type Activities</b>							
Enterprise Fund	108,925.75	67,604.30	41,413.84	-		92.39	92.39
<b>Total Business-Type Activities</b>	<b>108,925.75</b>	<b>67,604.30</b>	<b>41,413.84</b>	<b>-</b>	<b>-</b>	<b>92.39</b>	<b>92.39</b>
<b>Total Primary Government</b>	<b>\$ 5,324,177.46</b>	<b>\$ 67,604.30</b>	<b>\$ 41,413.84</b>	<b>\$ 1,144,823.11</b>	<b>(4,070,428.60)</b>	<b>92.39</b>	<b>(4,070,336.21)</b>
<b>General Revenues</b>							
Tax Levy							
Property Taxes, Levied for General Purposes					2,249,791.00		2,249,791.00
Taxes Levied for Debt Service					123,858.00		123,858.00
Unrestricted Federal and State Aid					2,966,086.87		2,966,086.87
Investment Earnings					50.00	15.85	65.85
Other Income					32,895.13		32,895.13
Transfers					(6,000.00)	6,000.00	
<b>Total General Revenues And Transfers</b>					<b>5,366,681.00</b>	<b>6,015.85</b>	<b>5,372,696.85</b>
<b>Change in Net Position</b>					<b>1,296,252.40</b>	<b>6,108.24</b>	<b>1,302,360.64</b>
<b>Net Position, July 1</b>					<b>3,693,160.09</b>	<b>(1,814.03)</b>	<b>3,691,346.06</b>
<b>Net Position, June 30</b>					<b>\$ 4,989,412.49</b>	<b>\$ 4,294.21</b>	<b>\$ 4,993,706.70</b>

## FUND FINANCIAL STATEMENTS

**GOVERNMENTAL FUNDS**



**CITY OF ESTELL MANOR SCHOOL DISTRICT**  
**Governmental Funds**  
**Balance Sheet**  
**June 30, 2016**

See Accompanying Notes to the Basic Financial Statements

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 169,710.96	\$ 21,186.25	\$ 178,651.53	\$ -	\$ 369,548.74
Accounts Receivable					73,202.12
Interfunds Receivable	73,202.12				73,202.12
Due from Other Governments	193,120.60	28,809.21	740,367.10		962,296.91
Restricted Cash and Cash Equivalents	691,565.14				691,565.14
<b>Total Assets</b>	<b>\$ 1,127,598.82</b>	<b>\$ 49,995.46</b>	<b>\$ 919,018.63</b>	<b>\$ -</b>	<b>\$ 2,096,612.91</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Grant Anticipation Notes			783,000.00		783,000.00
Grantor Advances		5,963.87			5,963.87
Interfunds Payable		44,031.59	597.14	0.31	44,629.04
<b>Total Liabilities</b>	<b>-</b>	<b>49,995.46</b>	<b>783,597.14</b>	<b>0.31</b>	<b>833,592.91</b>
<b>FUNDS BALANCES</b>					
<b>Restricted</b>					
Capital Reserve	606,565.14				606,565.14
Capital Projects			135,421.49		135,421.49
Maintenance Reserve	85,000.00				85,000.00
Debt Service				(0.31)	(0.31)
Excess Surplus - Current Year	13,633.32				13,633.32
Excess Surplus - Designated for Subsequent Year	73,899.51				73,899.51
<b>Assigned</b>					
Designated for Subsequent Year	120,720.49				120,720.49
Other Purposes	170,057.36				170,057.36
Unassigned	57,723.00				57,723.00
<b>Total Fund Balance</b>	<b>1,127,598.82</b>	<b>-</b>	<b>135,421.49</b>	<b>(0.31)</b>	<b>1,263,020.00</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,127,598.82</b>	<b>\$ 49,995.46</b>	<b>\$ 919,018.63</b>	<b>\$ -</b>	<b>\$ 2,096,612.91</b>

**CITY OF ESTELL MANOR SCHOOL DISTRICT**  
**Governmental Funds**  
**Balance Sheet**  
**June 30, 2016**

Total Governmental Fund Balances \$ 1,263,020.00

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds and consist of:

Construction in Progress	1,991,945.81
Cost of Capital Assets	6,517,171.08
Accumulated Depreciation	(2,495,638.00)

Deferred Outflows related to pension contributions subsequent to the Net Position Liability measurement date and other deferred items are not current financial resources and therefore are not reported in the fund statements	109,319.00
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Deferred Inflows related to pension actuarial gains from experience and differences in actual return and assumed returns and other deferred items are not reported as liabilities in the fund statements	(55,012.00)
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Long-term liabilities, including Net Pension Liability, are not due and payable in the current period and therefore are not reported as liabilities in the fund statements	(731,459.00)
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Long-Term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-Term liabilities consist of:	
Accrued Interest	(41,400.40)
Bond Payable	(1,462,000.00)
Compensated Absences Payable	(106,534.00)
	<u>(1,609,934.40)</u>

Total Net Position - Governmental Activities	<u><u>\$ 4,989,412.49</u></u>
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**CITY OF ESTELL MANOR SCHOOL DISTRICT**  
**Governmental Funds**  
**Statement of Revenues, Expenses and Changes in Fund Balances**  
**For The Fiscal Year Ended June 30, 2016**

See Accompanying Notes to the Basic Financial Statements

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total
<b>REVENUES</b>					
Local Sources					
Local Tax Levy	\$ 2,249,791.00	\$ -	\$ -	\$ 123,858.00	\$ 2,373,649.00
Interest Earned	50.00				50.00
Miscellaneous	32,894.43				32,894.43
	2,282,735.43	-	-	123,858.00	2,406,593.43
Federal Sources		102,209.34			102,209.34
State Sources	2,438,480.77		740,367.10		3,178,847.87
<b>Total Revenues</b>	<b>4,721,216.20</b>	<b>102,209.34</b>	<b>740,367.10</b>	<b>123,858.00</b>	<b>5,687,650.64</b>
<b>EXPENDITURES</b>					
Current					
Regular Instruction	1,088,431.65	88,492.34			1,176,923.99
Special Education Instruction	113,102.85				113,102.85
School Sponsored Activities	14,785.17				14,785.17
Other Instruction	60,700.90				60,700.90
Support Services					
Tuition	627,909.59				627,909.59
Student and Instruction	266,837.70	13,717.00			280,554.70
General Administration	98,263.97				98,263.97
School Administrative	101,088.31				101,088.31
Central Services	121,602.57				121,602.57
Plant Operations and Maintenance	377,311.42				377,311.42
Pupil Transportation	267,684.80				267,684.80
Employee Benefits	864,729.05				864,729.05
Transfer to Charter School	16,738.00				16,738.00
Debt Service					
Principal				110,000.00	110,000.00
Interest				13,858.00	13,858.00
Capital Outlay	14,871.00		1,913,340.11		1,928,211.11
<b>Total Expenditures</b>	<b>4,034,056.98</b>	<b>102,209.34</b>	<b>1,913,340.11</b>	<b>123,858.00</b>	<b>6,173,464.43</b>
Excess (Deficiency) of Revenues Over Expenditures	687,159.22	-	(1,172,973.01)	-	(485,813.79)
<b>OTHER FINANCING SOURCES (USES)</b>					
Bond Proceeds			1,234,000.00		1,234,000.00
Transfer to Cover Deficit in Food Service	(6,000.00)				(6,000.00)
<b>Total Other Financing Sources (Uses)</b>	<b>(6,000.00)</b>	<b>-</b>	<b>1,234,000.00</b>	<b>-</b>	<b>1,228,000.00</b>
<b>Net Changes in Fund Balance</b>	<b>681,159.22</b>	<b>-</b>	<b>61,026.99</b>	<b>-</b>	<b>742,186.21</b>
Fund Balance, July 1	446,439.60	-	74,394.50	(0.31)	520,833.79
<b>Fund Balance, June 30</b>	<b>\$ 1,127,598.82</b>	<b>\$ -</b>	<b>\$ 135,421.49</b>	<b>\$ (0.31)</b>	<b>\$ 1,263,020.00</b>

**CITY OF ESTELL MANOR SCHOOL DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**of Governmental Funds to the Statement of Activities**  
**For The Fiscal Year Ended June 30, 2016**

See Accompanying Notes to the Basic Financial Statements

Total Net Change in Fund Balances - Governmental Funds	(B-2)	\$ 742,186.21
<p>Amounts reported for Governmental Activities in the Statement of Activities are different because:</p>		
<p>Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current fiscal year.</p>		
Depreciation Expense		(134,504.03)
Capital Outlays		14,871.00
Debt Service Assessment Charged to Capital Outlay		(14,871.00)
Construction in Progress		1,913,340.81
<p>Pension contributions are reported in governmental funds as expenditures. However in the Statement of Activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumptions. This is the amount by which net pension liability and deferred inflows/outflows related to pensions changed during the period.</p>		
		(42,914.00)
<p>Repayment of bond principle is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets and is not reported in the Statement of Activities.</p>		
Repayments of Debt		110,000.00
<p>Proceeds from debt issues are a financing source in the government funds. They are not revenue in the Statement of Activities: issuing debt increases long-term liabilities in the Statement of Net Assets.</p>		
Proceeds from Long-Term Debt		(1,234,000.00)
<p>In the Statement of Activities, certain operating expenses, e.g., compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid).</p>		
(Increase) Decrease in Accrued Compensated Absences		(23,366.21)
<p>In the Statement of Activities, interest on long-term debt is accrued, regardless of when due. In the governmental funds, interest is reported when due.</p>		
(Increase) Decrease in Accrued Interest		(34,490.38)
Change in Net Position of Governmental Activities		\$ 1,296,252.40

## PROPRIETARY FUNDS

CITY OF ESTELL MANOR SCHOOL DISTRICT  
 Proprietary Funds  
 Statement of Net Position  
 June 30, 2016

See Accompanying Notes to the Basic Financial Statements

	Enterprise Fund		Total
	Food Service Fund	Playgroup Childcare	
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	\$ 8,962.18	\$ 13,705.80	22,667.98
Accounts Receivable			
State	60.31		60.31
Federal	2,304.03		2,304.03
Inventories	3,305.17		3,305.17
<b>Total Current Assets</b>	<u>14,631.69</u>	<u>13,705.80</u>	<u>28,337.49</u>
<b>Noncurrent Assets</b>			
Equipment	11,061.74		11,061.74
Less: Accumulated Depreciation	7,927.14		7,927.14
<b>Total Noncurrent Assets</b>	<u>3,134.60</u>	<u>-</u>	<u>3,134.60</u>
<b>Total Assets</b>	<u>17,766.29</u>	<u>13,705.80</u>	<u>31,472.09</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	-	-	-
Interfund Payable	11,329.16	15,848.72	27,177.88
<b>Total Current Liabilities</b>	<u>11,329.16</u>	<u>15,848.72</u>	<u>27,177.88</u>
<b>NET POSITION</b>			
Invested in Capital Assets Net of Related Debt	3,134.60		3,134.60
Unrestricted	3,302.53	(2,142.92)	1,159.61
<b>Total Net Position</b>	<u>\$ 6,437.13</u>	<u>\$ (2,142.92)</u>	<u>\$ 4,294.21</u>

**CITY OF ESTELL MANOR SCHOOL DISTRICT**  
**Proprietary Funds**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**For The Fiscal Year Ended June 30, 2016**

See Accompanying Notes to the Basic Financial Statements

	Enterprise Fund		
	Food Service Fund	Playgroup Childcare	Total
<b>OPERATING REVENUES</b>			
Charges For Services			
Daily Sales			
Reimbursable Programs	\$ 35,790.12	\$ -	\$ 35,790.12
Non-Reimbursable Programs	16,354.53		16,354.53
Community Service Activities		15,459.65	15,459.65
Total Operating Revenue	<u>52,144.65</u>	<u>15,459.65</u>	<u>67,604.30</u>
<b>OPERATING EXPENSES</b>			
Cost of Sales	45,593.25		45,593.25
Salaries	29,257.49	15,848.72	45,106.21
Employee Benefits	5,787.07		5,787.07
General Supplies	2,901.36	-	2,901.36
Management Fee	9,090.06		9,090.06
Depreciation	447.80		447.80
Total Operating Expenses	<u>93,077.03</u>	<u>15,848.72</u>	<u>108,925.75</u>
Operating Income (Loss)	<u>(40,932.38)</u>	<u>(389.07)</u>	<u>(41,321.45)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
State Sources			
State School Lunch and Breakfast Program	835.01		835.01
Federal Sources			
National School Lunch and Breakfast Program	32,717.25		32,717.25
Food Distribution Program	7,861.58		7,861.58
Interest on Investments	15.85	-	15.85
Total Nonoperating Revenues (Expenses)	<u>41,429.69</u>	<u>-</u>	<u>41,429.69</u>
Income (Loss) Before Contributions and Transfers	497.31	(389.07)	108.24
Transfers In/(Out)	6,000.00	-	6,000.00
Change in Net Position	6,497.31	(389.07)	6,108.24
Net Position, July 1	<u>(60.18)</u>	<u>(1,753.85)</u>	<u>(1,814.03)</u>
Net Position, June 30	<u>\$ 6,437.13</u>	<u>\$ (2,142.92)</u>	<u>\$ 4,294.21</u>



**CITY OF ESTELL MANOR SCHOOL DISTRICT**  
**Proprietary Funds**  
**Statement of Cash Flows**  
**For The Fiscal Year Ended June 30, 2016**

See Accompanying Notes to the Basic Financial Statements

	Enterprise Fund		Total
	Food Service Fund	Playgroup Childcare	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts From Customers and Other Funds	\$ 52,144.65	\$ 15,459.65	\$ 67,604.30
Payments to Employees	(35,044.56)	(15,848.72)	(50,893.28)
Payments to Suppliers	(57,644.51)	-	(57,644.51)
<b>Net Cash Provided By (Used In) Operating Activities</b>	<u>(40,544.42)</u>	<u>(389.07)</u>	<u>(40,933.49)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
State Sources	841.15		841.15
Federal Sources	40,327.24		40,327.24
Operating Subsidies and Transfers	6,000.00	3,976.72	9,976.72
<b>Net Cash Provided By (Used In) Noncapital Financing Activities</b>	<u>47,168.39</u>	<u>3,976.72</u>	<u>51,145.11</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchase of Capital Assets	-	-	-
<b>Net Cash Provided By (Used In) Capital and Related Financing Activities</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest on Investments	15.85	-	15.85
<b>Net Cash Provided By (Used In) Investing Activities</b>	<u>15.85</u>	<u>-</u>	<u>15.85</u>
<b>Net Increase (Decrease) In Cash and Cash Equivalents</b>	6,639.82	3,587.65	10,227.47
Cash and Cash Equivalents, July 1	2,322.36	10,118.15	12,440.51
Cash and Cash Equivalents, June 30	<u>\$ 8,962.18</u>	<u>\$ 13,705.80</u>	<u>\$ 22,667.98</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities</b>			
Operating Income (Loss)	\$ (40,932.38)	\$ (389.07)	\$ (41,321.45)
Adjustments to reconcile Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities			
Depreciation	447.80		447.80
(Increase) Decrease			
Accounts Receivable		-	-
Inventories	(59.84)		(59.84)
Other Current Assets			-
Increase (Decrease)			
Accounts Payable	-	-	-
Accrued Expenses			-
<b>Net Cash Provided By (Used In) Operating Activities</b>	<u>\$ (40,544.42)</u>	<u>\$ (389.07)</u>	<u>\$ (40,933.49)</u>



## FIDUCIARY FUNDS

CITY OF ESTELL MANOR SCHOOL DISTRICT  
Fiduciary Funds  
Statement of Fiduciary Net Position  
June 30, 2016

See Accompanying Notes to the Basic Financial Statements

	Trust Funds		Agency Fund
	Unemployment Compensation	Scholarship Trust	
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 12,060.73	\$ 4,722.18	\$ 12,038.40
Interfunds Receivable	-	-	-
<b>Total Assets</b>	<u>12,060.73</u>	<u>4,722.18</u>	<u>12,038.40</u>
<b>LIABILITIES</b>			
Interfunds Payable	-	-	1,395.20
Payroll Withholding Due to Student Groups	-	-	<u>10,643.20</u>
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>12,038.40</u>
<b>NET POSITION</b>			
Held in Trust	<u>12,060.73</u>	<u>4,722.18</u>	-
<b>Total Net Position</b>	<u>\$ 12,060.73</u>	<u>\$ 4,722.18</u>	<u>\$ -</u>

CITY OF ESTELL MANOR SCHOOL DISTRICT  
Fiduciary Funds  
Statement of Changes in Fiduciary Net Position  
For The Fiscal Year Ended June 30, 2016

See Accompanying Notes to the Basic Financial Statements

	Trust Funds		Total
	Unemployment Compensation	Scholarship Trust	
ADDITIONS			
Contributions	\$ -	\$ 1,650.00	\$ 1,650.00
Total Contributions	-	1,650.00	1,650.00
Investment Earnings			
Interest	12.03	4.84	16.87
Total Investment Earnings	12.03	4.84	16.87
Total Additions	12.03	1,654.84	1,666.87
DEDUCTIONS			
Quarterly Contribution Report			
Unemployment Claims	-		-
Administrative Expenses	7.98	3.21	11.19
Awards and Scholarships		1,150.00	1,150.00
Total Deductions	7.98	1,153.21	1,161.19
Change in Net Position	4.05	501.63	505.68
Net Position, July 1	12,056.68	4,220.55	16,277.23
Net Position, June 30	\$ 12,060.73	\$ 4,722.18	\$ 16,782.91

**NOTES TO FINANCIAL STATEMENTS**

**CITY OF ESTELL MANOR OF SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2016**

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Introduction**

The City of Estell Manor School District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials who are responsible for the fiscal control of the District. A Superintendent is appointed by the Board and is responsible for the administrative controls of the District.

The financial statements of the Board of Education (Board) of the City of Estell Manor 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 City of Estell Manor School District is a Type II district located in the County of Atlantic, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of five members elected to three year terms. The purpose of the District is to provide educational services for students in grades K-8. Students in grades 9-12 attend the Buena Regional High School.

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.

**Government-Wide and Fund Financial Statements**

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

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

**CITY OF ESTELL MANOR OF SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2016**

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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

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

The District reports the following major governmental funds:

**General Fund** - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the Capital Outlay subfund.

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.



**CITY OF ESTELL MANOR OF SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2016**

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

**General Fund (Continued)**

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

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

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

**Debt Service Fund** - The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

Proprietary funds are used to account for the District's ongoing organizations and activities, which are operated and financed in a manner similar to those found in the private sector. The measurement focus is upon the determination of net income. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All items not meeting this definition are reported as nonoperating revenues and expenses.

The District reports the following major proprietary funds:

**Food Service Fund** – This fund accounts for the financial transactions related to the food service operations of the District.

**Playground Childcare Program** – This fund accounts for the financial transactions related to the before and after school care operations.

Fiduciary funds are used to account for assets held by the District on behalf of outside related organizations or on behalf of other funds within the District. The fiduciary fund category is split into four classifications; pension trust funds, investment trust funds, private-purpose trust funds, and agency funds.



**CITY OF ESTELL MANOR OF SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2016**

**NOTE 1**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Budgets and Budgetary Control**

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budgets are submitted to the county office for approval. In accordance with P.L. 2011, c. 202, the District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November 2012, to be held simultaneously with the general election. As a result, a vote is not required on the District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C.6A:23A-16.2(f)1. Transfers of appropriations may be made by school board resolution at any time during the fiscal year in accordance with N.J.A.C.6A:23A-13.3.

Formal budgetary integration into the accounting system is employed as a management control device during the fiscal year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only and the special revenue fund as noted below. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the Special Revenue Fund are maintained on the budgetary basis. The budgetary basis differs from GAAP in that the budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports. Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in fund balances – governmental funds. Note that the District does not report encumbrances outstanding at fiscal year end as expenditures in the general fund since the general fund budget follows modified accrual basis, with the exception of the revenue recognition policy for the last state aid payment.

**Encumbrances**

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

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

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

**CITY OF ESTELL MANOR OF SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2016**

**NOTE 1**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Cash, Cash Equivalents and Investments**

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

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

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

**Inventories**

Inventory purchases, other than those recorded in the enterprise fund, are recorded as expenditures during the year of purchase. Enterprise fund inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method.

**Prepaid Expenses**

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

**Short-Term Interfund Receivables / Payables**

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

**CITY OF ESTELL MANOR OF SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2016**

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Capital Assets**

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally 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. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and the proprietary fund statement of net assets.

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. The District does not possess any infrastructure. 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:

<b>Asset Class</b>	<b>Estimated Useful</b>
Land Improvements	10-20 Years
Building and Improvements	10-50 Years
Furniture and Equipment	5-20 Years
Vehicles	5-10 Years

**Compensated Absences**

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

The entire compensate absence liability is reported on the government-wide financial statements. For governmental funds, the current portion of unpaid compensated absences is the amount that is normally expected to be paid with expendable available financial resources. In proprietary funds, the entire amount of compensated absences is recorded as a fund liability.

**Unearned Revenue**

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



**CITY OF ESTELL MANOR OF SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2016**

**NOTE 1            SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Accrued Liabilities and Long-term Obligations**

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary funds financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources. Bonds are recognized as a liability on the financial statements when due.

**Net Position**

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

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

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

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

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

**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.

**CITY OF ESTELL MANOR OF SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2016**

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Fund Balance (Continued)**

**Committed** – The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority, which, for the District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education, memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

**Assigned** – The assigned fund balance classification includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by either the Board of Education or by the business administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. Such authority of the business administrator is established by way of a formal job description for the position, approved by the Board of Education.

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

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

**Interfund Activity**

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

**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



**CITY OF ESTELL MANOR OF SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2016**

**NOTE 1            SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Recent Accounting Pronouncements**

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

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

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

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

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

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

**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.

**CITY OF ESTELL MANOR OF SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2016**

**NOTE 2 CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

As of June 30, 2016, the District's bank balances of \$1,333,826.18 were exposed to custodial credit risk as follows:

Insured FDIC	\$	250,000.00
Uninsured but collateralized with bank – GUDPA		1,083,826.18
		1,333,826.18
	\$	1,333,826.18

**NOTE 3 RESERVE ACCOUNT**

**Capital Reserve**

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

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23 A-5.1(d) 7, the balance in the account cannot at any time exceed the support costs of uncompleted capital projects in its approved LRFP.

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

Beginning Balance; July 1, 2015	\$	206,565.14
Deposits		
Board Approval		400,000.00
Withdrawals		
Approved at Election		(183,900.00)
Ending Balance; June 30, 2016	\$	606,565.14

**Maintenance Reserve**

Maintenance reserve accounts may be established by New Jersey school districts for the accumulation of funds for the use of required maintenance of a facility. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget. The activity of the reserve accounts for the year is as follows:

Beginning Balance; July 1, 2015	\$	85,000.00
Deposits		0.00
Board Approval		
Withdrawals		
Approved at Election		(0.00)
Ending Balance; June 30, 2016	\$	85,000.00



**CITY OF ESTELL MANOR OF SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2016**

**NOTE 4 CAPITAL ASSETS**

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

	<u>Beginning</u>	<u>Additions</u>	<u>Adjustments</u>	<u>Ending</u>
<b>Governmental Activities</b>				
Land	\$ 110,400.00	\$ ..	\$ -	\$ 110,400.00
Buildings	6,086,899.33			6,072,048.29
Equipment	<u>319,871.75</u>			<u>334,722.79</u>
Historical Costs	6,517,171.08			6,517,171.08
Accumulated Depreciation	<u>2,361,133.97</u>	<u>134,504.03</u>		<u>2,495,638.00</u>
Capital Assets, Net	<u>\$ 4,156,037.11</u>	<u>\$ (134,504.03)</u>	<u>\$ -</u>	<u>\$ 4,021,533.08</u>
<b>Business-Type Activities</b>				
Equipment	<u>\$ 11,061.74</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,061.74</u>
Historical Costs	11,061.74		-	11,061.74
Accumulated Depreciation	<u>7,479.34</u>	<u>447.80</u>	<u>-</u>	<u>7,927.14</u>
Capital Assets, Net	<u>\$ 3,582.40</u>	<u>\$ (447.80)</u>	<u>\$ -</u>	<u>\$ 3,134.60</u>

**NOTE 5 LONG-TERM OBLIGATIONS**

During the year ended June 30, 2016 the following changes occurred in long-term obligations:

	<u>Beginning</u>			<u>Ending</u>
	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
Compensated Absences	\$ 83,167.79	\$ 23,366.21	\$ -	\$ 106,534.00
Bonds Payable	<u>338,000.00</u>	<u>1,234,000.00</u>	<u>110,000.00</u>	<u>1,462,000.00</u>
	<u>\$ 421,167.79</u>	<u>\$ 1,257,366.21</u>	<u>\$ 110,000.00</u>	<u>\$ 1,568,534.00</u>

**Compensated Absences**

Compensated absences will be paid from the fund from which the employees' salaries are paid

**CITY OF ESTELL MANOR OF SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2016**

**NOTE 5      LONG-TERM OBLIGATIONS (CONTINUED)**

**Bonds Payable**

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired within the statutory period of usefulness.

On April 1, 2003 the District issued \$1,118,000 of School Bonds at an interest rate of 4.10% to fund the cost of various capital improvements. The final maturity of these bonds is January 2018.

On July 15, 2015 the District issued \$1,234,000 of School Bonds at an interest rate of 3.00% to 3.250% for the funding of various capital improvements. The final maturity of these bonds is July 2030.

As of June 30, 2016, debt service requirements in future years are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending June 30,			
2017	\$ 110,000.00	\$ 66,818.63	\$ 176,818.63
2018	168,000.00	42,401.76	210,401.76
2019	80,000.00	35,613.76	115,613.76
2020	84,000.00	33,153.76	117,153.76
2021	85,000.00	30,618.76	115,618.76
Thereafter	<u>935,000.00</u>	<u>149,384.42</u>	<u>1,084,384.42</u>
	<u>\$ 1,462,000.00</u>	<u>\$ 357,991.09</u>	<u>\$ 1,819,991.09</u>

**NOTE 6      PENSION PLANS**

**Description of Plans**

All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund which have been established by state statute and are administered by New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publically available financial report that includes the financial statements and required supplementary information for Public Employees Retirement System and Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pension and Benefits, PO Box 295, Trenton, New Jersey, 08625 or on the internet at <http://www.state.nj.us/treasury/pensions/annrpts.shtml>.

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

The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The PERS is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state administered retirement system or other state or local jurisdiction.

**CITY OF ESTELL MANOR OF SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2016**

**NOTE 6**

**PENSION PLANS (CONTINUED)**  
**Public Employees' Retirement System (PERS) (Continued)**

*Summary of Significant Accounting Policies* – For Purposes of measuring net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension* - At June 30, 2016, the District reported a liability of \$731,459 for its proportionate share of net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2014, rolled forward to June 30, 2015. The District's proportion of the net pension liability is based on the ration of the contributions as an individual employer to total contributions to the PERS during the year ended June 30, 2015. At June 30, 2015, the District's proportion was 0.0032584% which was a decrease of .00027% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the District recognized pension expense of \$41,819. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 17,450	\$ -
Changes of Assumptions	78,553	
Net Differences Between Projected and Actual Earnings on Investments		11,760
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	13,316	43,252
Total	\$ 109,319	\$ 55,012

**CITY OF ESTELL MANOR OF SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2016**

**NOTE 6**

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

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

June 30,		
2016	\$	10,152
2017		10,152
2018		10,152
2019		15,238
2020		8,613
	\$	54,307

	June 30,	
	2015	2014
Collective Deferred Outflows of Resources	\$ 3,578,755,666	\$ 952,194,675
Collective Deferred Inflows of Resources	\$ 999,410,455	\$ 1,479,224,662
Collective Net Pension Liability (Local Group)	\$ 22,447,996,119	\$ 18,722,735,003
District's Portion of Net Pension Liability	\$ 731,459	\$ 661,053
District's Proportion Percentage	0.00325845%	0.0035307%

*Actuarial Assumptions* – The total pension liability for the July 1, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015 using the following assumptions:

Inflation:	3.04%
Salary Increase:	
2012-2021	2.15%-4.40% based on age
Thereafter	3.15%-5.40% based on age
Investment Rate of Return:	7.90%

Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Table (setback 1 year for females) with adjustments for, mortality improvements from the base year of 2012 Based on Projection Scale AA.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011.



**CITY OF ESTELL MANOR OF SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2016**

**NOTE 6**

**PENSION PLANS**

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

*Long Term Expected Rate of Return* – In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of investments and Division of pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocations as of June 30, 2015 are summarized in the following table:

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

*Discount Rate* – The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9% and a municipal bond rate of 3.80% as of June 30, 2015, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the five years of recommended contributions.

Based on those assumptions, the plan's fiduciary net position was projected to be available to make future benefit payments of current plan members through 2033. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033, and the municipal bond rate was applied to projected benefit payments after that due date in determining the total pension liability.

*Sensitivity of the District's Proportionate Share of Net Pension Liability to Changes in the Discount Rate* – The following presents the District's proportionate share of the net pension liability as of June 30, 2015, calculated using the discount rate of 4.90%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage –point lower (3.90%) or 1-percentage-point higher (5.90%) than the current rate:

**CITY OF ESTELL MANOR OF SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2016**

**NOTE 6**

**PENSION PLANS**

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

	1% Decrease (3.90%)	Current Discount Rate (4.90%)	1% Increase (5.90%)
District's Proportionate Share of Net Pension Liability	\$ 909,114	\$ 731,459	\$ 582,514

*Pension Plan Fiduciary Net Position* – Detailed information about the pension plan's fiduciary net position is available in the separately issued State of New Jersey Division of pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rpts-home-shtml>.

**Teacher's Pension and Annuity Fund (TPAF)**

The Teachers' Pension and Annuity Fund (TPAF) was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement, death, and disability, and medical benefits to certain qualified members. The TPAF is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, 100% of employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners and employees at the Department of Education who have titles that are unclassified, professional and certified.

*Summary of Significant Accounting Policies* – For purposes of measuring the net pension liability, deferred outflows and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the TPAF and additions to/deductions from TPAF's fiduciary net position have been determined on the same basis as they are reported by TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions* - The employer contributions for the district are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, the District employer) is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployed contributing entity. Since the District (employer) does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the District. However, the State's portion of the net pension liability that was associated with the District was \$9,629,640 as measured on June 30, 2015.

For the year ended June 30, 2016, the District recognized pension expense of \$500,369 and revenue of \$500,369 for support provided by the State. The measurement period for the pension expense and revenue reported in the District's financial statements (A-2) at June 30, 2016 is based upon changes in the collective net pension liability with a measurement period of June 30, 2016 through June 30, 2015. Accordingly, the pension expense and the related revenue associated with the support provided by the State is based upon changes in the collective net pension liability between July 1, 2014 and June 30, 2015.

**CITY OF ESTELL MANOR OF SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2016**

**NOTE 6**

**PENSION PLANS (CONTINUED)**  
**Teacher's Pension and Annuity Fund (TPAF) (Continued)**

Although the District does not report net pension liability or deferred outflows or inflows to the TPAF, the following schedule illustrates the collective net pension liability and deferred items and the State's portion of the net pension liability associated with the District. The collective amounts are the total of all New Jersey local governments participating in the TPAF plan.

	June 30,	
	2015	2014
Collective Deferred Outflows of Resources	\$ 7,200,153,386	\$ 2,306,623,861
Collective Deferred Inflows of Resources	\$ 544,399,005	\$ 1,763,205,593
Collective Net Pension Liability		
Nonemployer-State of New Jersey	\$ 63,577,864,440	\$ 53,446,745,367
State's Portion of the Net Pension Liability		
Associated with the District	\$ 8,194,839	\$ 6,450,153
State's Portion of Net Pension Liability		
Associated with the District as a		
Percentage of the Collective Net Pension		
Liability	0.0129656409%	0.0120683542%

*Actuarial Assumptions* – The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014, which was rolled forward to June 30, 2015. The actuarial valuation used the following assumptions, applied to all periods in the measurement:

Inflation:	2.5%
Salary Increases	
2012 – 2021:	Varies based on Experience
Investment Rate of Return:	7.90%

Mortality rates were based on the RP-2000 Health Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.



**CITY OF ESTELL MANOR OF SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2016**

**NOTE 6**

**PENSION PLANS**

**Teacher's Pension and Annuity Fund (TPAF) (Continued)**

*Long-Term Expected Rate of Return* – In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pension and Benefits, the Board of Trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2015 are summarized in the following table:

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

*Discount Rate* – The discount rate used to measure the State's total pension liability was 4.13% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plans investments of 7.9% and a municipal bond rate of 3.80% as of June 30, 2015, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at current member contribution rates and that contributions from employers (State of New Jersey) will be made based on an average of the last five years. Based on those assumption, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit pay.

**CITY OF ESTELL MANOR OF SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2016**

**NOTE 6**

**PENSION PLANS**

**Teacher's Pension and Annuity Fund (TPAF) (Continued)**

*Sensitivity of the District's proportionate share of net pension liability to change in the discount rate* – Since the District has no proportionate share in the net person liability of the special funding situation, the District would not be sensitive to any changes in the discount rate. Detailed information about the pension plan's sensitivity of the collective net pension liability to changes in the discount rate is available in the separately issued State of New Jersey Division of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pesion/pdf/financial/gasb68-tpaf15.pdf>.

*Pension plan fiduciary net position* – Detailed information about the plan's fiduciary net position is available in the separately issued State of New Jersey Divisions of Pensions and Benefits financial report at <http://www.nj.gov/treasury/pensions/financial-rprts-home.shtml>.

**Defined Contribution Retirement Program (DCRP)**

The Defined Contribution Retirement Program ("DCRP") established on July 1, 2007 under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.S.A. 45:15C-1 et seq.). The DCRP is a cost sharing multiple-employer defined contribution pension fund. The DCRP provides eligible members, and their beneficiaries with tax-sheltered, defined contribution retirement benefits, along with life insurance and disability coverage. Vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et seq.

The contribution requirements of plan members are determined by state statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. The State Treasurer has the right under current law to make temporary reductions in member rates based on the existence of surplus plan assets in the retirement system; however statute also requires the return to normal rate when such surplus pension assets no longer exist.

**PERS and TPAF Vesting and Benefit Provisions**

The vesting and benefits provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/60 of the final average salary for each year of service credit, as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age.

The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the System. Members are always vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

**CITY OF ESTELL MANOR OF SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2016**

**NOTE 6 PENSION PLANS (CONTINUED)**

**Contribution Requirements**

The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 (PERS) and N.J.S.A. 18:66 (TPAF) requires contributions by active members and contributing employees. Plan member and employer contributions may be amended by State of New Jersey legislation. TPAF and PERS provide for employee contributions of 6.78% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both TPAF and PERS. The current TPAF rate is 6.78% and the PERS rate is 6.78% of covered payroll.

**Three Year Trend Information for TPAF (Paid On-Behalf on the District)**

<u>Year of Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>
June 30, 2016	\$ 101,582	100%
June 30, 2015	\$ 70,097	100%
June 30, 2014	\$ 134,761	100%

**Three Year Trend Information for PERS**

<u>Year of Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>
June 30, 2016	\$ 28,104	100%
June 30, 2015	\$ 29,107	100%
June 30, 2014	\$ 25,842	100%

During the fiscal year ended June 30, 2016, the State of New Jersey did contribute \$266,328 to the TPAF for pension and post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$99,511.89, during the year ended June 30, 2016, for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. The PERS amounts have been included in the fund based statements as pension expense and the TPAF on-behalf amounts have been included in fund based statements as revenues and expenses. The PERS and TPAF amounts have been modified and included in the District-wide financial statements in accordance with GASB No. 68.

*Summary of Significant Accounting Policies* – For purposes of measuring the net pension liability, deferred outflows and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the TPAF and additions to/deductions from TPAF's fiduciary net position have been determined on the same basis as they are reported by TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.



**CITY OF ESTELL MANOR OF SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2016**

**NOTE 7            POST-RETIREMENT BENEFITS**

P.L. 1987, c. 384 and P.L. 1990,c.6 required Teachers' Pension and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2015, there were 107,314 retirees receiving post-retirement medical benefits, and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994 c.62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides free health to members of PERS, and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 19,056 eligible retired members in fiscal year 2015.

**NOTE 8            DEFERRED COMPENSATION**

The Board offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

L Lincoln Investment Planning, Inc. • Vanguard  
Metropolitan Life • Thomas Seely Agency • Investors Fiduciary Trust Co.

**NOTE 9            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.

**New Jersey Unemployment Compensation Insurance**

During 2015, the District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Contributory Method". The District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to employees who were employed by the District at the time the District changed funding methods.

**CITY OF ESTELL MANOR OF SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2016**

**NOTE 9 RISK MANAGEMENT**

**New Jersey Unemployment Compensation Insurance (Continued)**

The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and previous four years:

	<u>District</u> <u>Contributions</u>	<u>Employee</u> <u>Contributions</u>	<u>Earnings</u> <u>Less</u> <u>Cost</u>	<u>Ending</u> <u>Balance</u>
Year Ended June 30,				
2016	\$	\$	\$ 4.05	\$ 12,060.73
2015	\$	\$	\$ 6.14	\$ 12,056.68
2014	\$	\$	\$ (100.81)	\$ 12,050.54

**NOTE 10 INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances remained on the balance sheet at June 30, 2016:

<u>Fund</u>	<u>Interfund</u> <u>Receivable</u>	<u>Interfund</u> <u>Payable</u>
General Fund	\$ 73,202.12	\$
Special Revenue Fund		44,031.59
Debt Service Fund		.31
Capital Projects		597.14
Payroll Agency		1,395.20
Fiduciary Fund		27,177.88
Total	<u>\$ 73,202.12</u>	<u>\$ 73,202.12</u>

**NOTE 11 INVENTORY**

Inventory in the Food Service Fund at June 30, 2016 consisted of the following:

Food	\$ 2,802.32
Supplies	<u>502.85</u>
	<u>\$ 3,305.17</u>

The value of Federal donated commodities as reflected on Schedule A is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of nonoperating revenue in the financial statements.

**NOTE 12 DEFICIT UNRESTRICTED NET ASSETS**

The governmental activities has a deficit in unrestricted net assets of \$767,363.40. This deficit is attributable to the allocation of compensated absences balances payable, accrued interest payable and net pension liability.

**CITY OF ESTELL MANOR OF SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2016**

**NOTE 13      FUND BALANCES**

**Restricted**

As stated in Note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes, such restrictions, or constraints, are placed on the use of resources by either of the following: (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the District's fund balance are summarized as follows:

**General Fund**

**For Excess Surplus** - Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7 as amended. New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. At June 30, 2016, excess created in the prior year of \$73,899.51 will be utilized for expenditures in the 2016-2017 budget, while excess surplus created in the current year of \$13,633.32 will be utilized for expenditures in the 2017-2018 budget.

**For Capital and Maintenance Reserve** - As of June 30, 2016, the balance in the capital reserve accounts were \$691,565.14. These funds are restricted for future expenditures.

**Debt Service Fund** - The Debt Service Fund deficit restricted fund balance of \$0.31, as of June 30, 2016,

**Assigned**

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

**General Fund**

**Other Purposes** - As of June 30, 2016, the District had \$170,057.36 of encumbrances outstanding for purchase orders and contracts signed by the District, but not completed, as of the close of the fiscal year.

**Designated for Subsequent Year's Expenditures** - the District has appropriated and included as an anticipated revenue for the fiscal year ending June 30, 2016, \$120,720.49 of general fund balance at June 30, 2016.

**Unassigned**

As stated in Note 1, the unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The District's unassigned fund balance is summarized as follows:

**General Fund**

As of June 30, 2016, \$57,723.00 of general fund balance was unassigned.

**CITY OF ESTELL MANOR OF SCHOOL DISTRICT**  
**Notes to Financial Statements**  
**June 30, 2016**

**NOTE 14      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 15      SUBSEQUENT EVENTS**

Management has reviewed and evaluated all events and transactions that occurred as of November 22, 2016, the date that the financial statements were issued for possible disclosure and recognition in the financial statements and no items were noted for disclosure or adjustment.



**REQUIRED SUPPLEMENTARY INFORMATION  
PART II**

**BUDGETARY COMPARISON SCHEDULES**

CITY OF ESTELL MANOR SCHOOL DISTRICT  
General Fund  
Budgetary Comparison Schedule  
For The Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES</b>					
Local Sources					
Local Tax Levy	\$ 2,249,791.00	\$ -	\$ 2,249,791.00	\$ 2,249,791.00	\$ -
Tuition				3,289.14	3,289.14
Interest Earned on Investments	50.00		50.00	50.00	-
Miscellaneous	1,150.00		1,150.00	29,605.29	28,455.29
<b>Total Local Sources</b>	<b>2,250,991.00</b>	<b>-</b>	<b>2,250,991.00</b>	<b>2,282,735.43</b>	<b>31,744.43</b>
State Sources					
Equalization Aid	1,604,758.00		1,604,758.00	1,604,758.00	
Special Education Categorical Aid	167,247.00		167,247.00	167,247.00	
Security Aid	36,675.00		36,675.00	36,675.00	
School Choice Aid	247,240.00		247,240.00	247,240.00	
Adjustment Aid	19,046.00		19,046.00	19,046.00	
Transportation Aid	45,514.00		45,514.00	45,514.00	
Nonpublic Transportation Aid				696.00	696.00
Extraordinary Aid					
Per Pupil Growth Aid	2,340.00		2,340.00	2,340.00	
PARCC Readiness Aid	2,340.00		2,340.00	2,340.00	
On-Behalf Non-Budgeted					
Teacher's Pension Contribution				101,582.00	101,582.00
Teacher's Post Retirement Medical				120,957.00	120,957.00
Reimbursed TPAF Social Security Contributions				93,229.77	93,229.77
<b>Total State Sources</b>	<b>2,125,160.00</b>	<b>-</b>	<b>2,125,160.00</b>	<b>2,441,624.77</b>	<b>316,464.77</b>
<b>Total Revenues</b>	<b>4,376,151.00</b>	<b>-</b>	<b>4,376,151.00</b>	<b>4,724,360.20</b>	<b>348,209.20</b>

CITY OF ESTELL MANOR SCHOOL DISTRICT  
 General Fund  
 Budgetary Comparison Schedule  
 For The Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES</b>					
Current Expense					
Regular Programs - Instruction					
Kindergarten - Salaries of Teachers	106,358.00	5,913.98	112,271.98	112,271.98	
Grades 1-5 - Salaries of Teachers	489,960.00	35,694.32	525,654.32	519,749.45	5,904.87
Grades 6-8 - Salaries of Teachers	226,936.00	135,901.77	362,837.77	361,757.40	1,080.37
Regular Programs - Home Instruction					
Salaries of Teachers	7,500.00		7,500.00	1,138.50	6,361.50
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction					
Other Purchased Services (400-500 series)	15,000.00		15,000.00	12,564.47	2,435.53
General Supplies	50,000.00	56,880.63	106,880.63	61,493.75	45,386.88
Textbooks	35,000.00		35,000.00	19,456.10	15,543.90
Other Objects					
<b>Total Regular Programs - Instruction</b>	<b>930,754.00</b>	<b>234,390.70</b>	<b>1,165,144.70</b>	<b>1,088,431.65</b>	<b>76,713.05</b>
Resource Room/Resource Center					
Salaries of Teachers	122,229.00	(58,606.75)	63,622.25	63,622.25	
Other Salaries for Instruction	60,638.00		60,638.00	49,310.60	11,327.40
Other Purchased Services (400-500 series)	2,925.00		2,925.00		2,925.00
General Supplies	3,000.00		3,000.00	170.00	2,830.00
Textbooks					
<b>Total Resource Room/Resource Center</b>	<b>188,792.00</b>	<b>(58,606.75)</b>	<b>130,185.25</b>	<b>113,102.85</b>	<b>17,082.40</b>
Home Instruction					
Salaries of Teachers	26,906.00	(24,558.06)	2,347.94		2,347.94
Other Objects					
<b>Total Basic Skills/Remedial - Instruction</b>	<b>26,906.00</b>	<b>(24,558.06)</b>	<b>2,347.94</b>	<b>-</b>	<b>2,347.94</b>
<b>Total Special Education - Instruction</b>	<b>215,698.00</b>	<b>(83,164.81)</b>	<b>132,533.19</b>	<b>113,102.85</b>	<b>19,430.34</b>

**CITY OF ESTELL MANOR SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For The Fiscal Year Ended June 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Basic Skills/Remedial - Instruction					
Salaries of Teachers	62,092.00		62,092.00	60,700.90	1,391.10
Other Objects					
<b>Total Basic Skills/Remedial - Instruction</b>	<b>62,092.00</b>	<b>-</b>	<b>62,092.00</b>	<b>60,700.90</b>	<b>1,391.10</b>
School-Sponsored Co curricular Activities - Instruction					
Salaries	8,000.00	(331.90)	7,668.10	5,916.95	1,751.15
Other Objects		3,172.47	3,172.47	3,172.47	
<b>Total School-Sponsored Co curricular Activities - Instruction</b>	<b>8,000.00</b>	<b>2,840.57</b>	<b>10,840.57</b>	<b>9,089.42</b>	<b>1,751.15</b>
School-Sponsored Athletics - Instruction					
Salaries	2,000.00	400.00	2,400.00	2,400.00	
Other Purchased Services (400-500 series)	1,800.00		1,800.00	411.00	1,389.00
General Supplies		5,611.41	5,611.41	2,884.75	2,726.66
<b>Total School-Sponsored Athletics - Instruction</b>	<b>3,800.00</b>	<b>6,011.41</b>	<b>9,811.41</b>	<b>5,695.75</b>	<b>4,115.66</b>
Summer School - Instruction					
Salaries					
<b>Total Summer School - Instruction</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Instruction and At-Risk Programs</b>	<b>1,220,344.00</b>	<b>160,077.87</b>	<b>1,380,421.87</b>	<b>1,277,020.57</b>	<b>103,401.30</b>
Undistributed Expenditures - Instruction					
Tuition to Other LEAs Within the State - Regular		21,171.07	21,171.07	21,171.07	
Tuition to Other LEAs Within the State - Special					
Tuition to County Vocational School - Regular	423,215.00		423,215.00	423,215.00	
Tuition to CSSD and Regional Day Schools	472,966.00	(328,611.86)	144,354.14	126,606.60	17,747.54
Tuition to Private Schools for the Disabled - Within State	181,246.00	(41,595.06)	139,650.94	54,080.24	85,570.70
Tuition to State Facilities		2,836.68	2,836.68	2,836.68	
<b>Total Undistributed Expenditures - Instruction</b>	<b>1,077,427.00</b>	<b>(346,199.17)</b>	<b>731,227.83</b>	<b>627,909.59</b>	<b>103,318.24</b>



CITY OF ESTELL MANOR SCHOOL DISTRICT  
 General Fund  
 Budgetary Comparison Schedule  
 For The Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Attendance and Social Work					
Salaries	16,850.00	140.00	16,990.00	16,219.63	770.37
Purchased Professional and Technical Services	1,000.00	5,475.00	6,475.00	6,475.00	
Other Purchased Services (400-500 series)	2,500.00	(140.00)	2,360.00		2,360.00
<b>Total Undistributed Expenditures - Attendance and Social Work</b>	<b>20,350.00</b>	<b>5,475.00</b>	<b>25,825.00</b>	<b>22,694.63</b>	<b>3,130.37</b>
Undistributed Expenditures - Health Services					
Salaries	52,026.00		52,026.00	46,108.00	5,918.00
Purchased Professional and Technical Services	4,249.00		4,249.00	92.50	4,156.50
Other Purchased Services (400-500 series)	4,000.00		4,000.00	2,272.50	1,727.50
Supplies and Materials	4,000.00		4,000.00	2,516.29	1,483.71
<b>Total Undistributed Expenditures - Health Services</b>	<b>64,275.00</b>	<b>-</b>	<b>64,275.00</b>	<b>50,989.29</b>	<b>13,285.71</b>
Other Support Services - Students - Related Services					
Salaries	76,812.00	(20,000.00)	56,812.00	50,553.25	6,258.75
Purchased Professional - Educational Services	9,000.00	(1,000.00)	8,000.00	948.00	7,052.00
Supplies and Materials		1,000.00	1,000.00	386.90	613.10
<b>Total Support Services - Students - Related Services</b>	<b>85,812.00</b>	<b>(20,000.00)</b>	<b>65,812.00</b>	<b>51,888.15</b>	<b>13,923.85</b>
Undistributed Expenditures - Guidance					
Salaries of Other Professional Staff	40,685.00	(15,386.65)	25,298.35	22,191.00	3,107.35
Supplies and Materials	1,000.00		1,000.00	389.00	611.00
<b>Total Undistributed Expenditures - Guidance</b>	<b>41,685.00</b>	<b>(15,386.65)</b>	<b>26,298.35</b>	<b>22,580.00</b>	<b>3,718.35</b>

CITY OF ESTELL MANOR SCHOOL DISTRICT  
General Fund  
Budgetary Comparison Schedule  
For The Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Child Study Teams					
Salaries of Other Professional Staff	91,010.00	780.70	91,790.70	75,698.60	16,092.10
Salaries of Secretarial and Clerical Assistants	16,231.00		16,231.00	13,116.31	3,114.69
Purchased Professional - Educational Services	7,500.00		7,500.00	650.00	6,850.00
Other Purchased Professional and Technical Services	42,750.00	(780.70)	41,969.30	10,478.38	31,490.92
Supplies and Materials	1,200.00	718.89	1,918.89	1,718.49	200.40
<b>Total Undistributed Expenditures - Child Study Teams</b>	<b>158,691.00</b>	<b>718.89</b>	<b>159,409.89</b>	<b>101,661.78</b>	<b>57,748.11</b>
Undistributed Expenditures - Improvement of Instructional Services					
Other Salaries		8,000.00	8,000.00	6,268.61	1,731.39
<b>Total Undistributed Expenditures - Improvement of Instructional Services</b>	<b>-</b>	<b>8,000.00</b>	<b>8,000.00</b>	<b>6,268.61</b>	<b>1,731.39</b>
Undistributed Expenditures - Educational Media Services/School Library					
Salaries					
Purchased Professional and Technical Services	5,063.00		5,063.00	1,017.36	4,045.64
Other Purchased Services (400-500 Series)	3,000.00		3,000.00	1,450.00	1,550.00
Supplies and Materials	9,750.00	6,114.73	15,864.73	5,419.43	10,445.30
Other Objects					
<b>Total Undistributed Expenditures - Educational Media Services/School Library</b>	<b>17,813.00</b>	<b>6,114.73</b>	<b>23,927.73</b>	<b>7,886.79</b>	<b>16,040.94</b>
Undistributed Expenditures - Instructional Staff Training Services					
Purchased Professional - Educational Services	3,500.00		3,500.00	2,309.00	1,191.00
Other Purchased Services (400-500 Series)	7,500.00	392.76	7,892.76	559.45	7,333.31
<b>Total Undistributed Expenditures - Instructional Staff Training Services</b>	<b>11,000.00</b>	<b>392.76</b>	<b>11,392.76</b>	<b>2,868.45</b>	<b>8,524.31</b>

**CITY OF ESTELL MANOR SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For The Fiscal Year Ended June 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Undistributed Expenditures - Support Services - General Administration</b>					
Salaries	29,689.00	1,290.28	30,979.28	30,979.28	
Legal Services	9,300.00	11,821.55	21,121.55	21,121.55	
Audit Fees	8,500.00	600.00	9,100.00	9,100.00	
Other Purchased Professional Services	1,500.00		1,500.00	824.00	676.00
Communications/Telephone	10,000.00	12,813.61	22,813.61	22,577.24	236.37
Board of Education Other Purchased Services	2,500.00	3,385.00	5,885.00	5,885.00	
Miscellaneous Purchased Services (400-500 Series Other Than 530/585)	1,500.00	(735.25)	764.75	764.75	
General Supplies	500.00	(500.00)			
Miscellaneous Expenditures	2,500.00	3,578.05	6,078.05	2,106.55	3,971.50
Board of Education Membership Dues and Fees	3,000.00	1,905.60	4,905.60	4,905.60	
<b>Total Undistributed Expenditures - Support Services - General Administration</b>	<b>68,989.00</b>	<b>34,158.84</b>	<b>103,147.84</b>	<b>98,263.97</b>	<b>4,883.87</b>
<b>Undistributed Expenditures - Support Services - School Administration</b>					
Salaries of Principals/Assistant Principals/Program Directors	79,566.00	1,195.05	80,761.05	78,168.30	2,592.75
Salaries of Secretarial and Clerical Assistants	14,350.00	8,403.97	22,753.97	22,753.97	
Supplies and Materials	500.00		500.00	166.04	333.96
Other Objects	1,000.00	1,369.86	2,369.86		2,369.86
<b>Total Undistributed Expenditures - Support Services - School Administration</b>	<b>95,416.00</b>	<b>10,968.88</b>	<b>106,384.88</b>	<b>101,088.31</b>	<b>5,296.57</b>
<b>Undistributed Expenditures - Central Services</b>					
Salaries	98,410.00	7,254.60	105,664.60	105,664.60	
Purchased Technical Services	10,200.00	3,985.00	14,185.00	12,674.31	1,510.69
Miscellaneous Purchased Services (400-500 Series)	-	1,500.00	1,500.00	1,500.00	
Supplies and Materials	750.00		750.00		750.00
Miscellaneous Expenditures	1,200.00	563.66	1,763.66	1,763.66	
<b>Total Undistributed Expenditures - Central Services</b>	<b>110,560.00</b>	<b>13,303.26</b>	<b>123,863.26</b>	<b>121,602.57</b>	<b>2,260.69</b>

CITY OF ESTELL MANOR SCHOOL DISTRICT  
 General Fund  
 Budgetary Comparison Schedule  
 For The Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Required Maintenance for School Facilities					
Salaries	75,767.00	5,868.20	81,635.20	79,110.50	2,524.70
Cleaning, Repair, and Maintenance Services	40,933.00		40,933.00	34,166.41	6,766.59
General Supplies	8,200.00		8,200.00	5,771.87	2,428.13
Other Objects	1,500.00		1,500.00	375.00	1,125.00
<b>Total Undistributed Expenditures -Required Maintenance for School Facilities</b>	<b>126,400.00</b>	<b>5,868.20</b>	<b>132,268.20</b>	<b>119,423.78</b>	<b>12,844.42</b>
Undistributed Expenditures - Custodial Services					
Salaries	106,973.00	1,998.27	108,971.27	83,697.98	25,273.29
Other Salaries					
Purchased Professional and Technical Services	8,750.00		8,750.00	1,684.00	7,066.00
Cleaning, Repair and Maintenance Services	28,750.00		28,750.00	14,869.58	13,880.42
Insurance	25,009.00		25,009.00	24,854.00	155.00
General Supplies	32,000.00	19,130.51	51,130.51	15,933.99	35,196.52
Energy - Electricity	82,000.00	24,094.00	106,094.00	96,183.69	9,910.31
Energy - Oil	12,500.00		12,500.00	9,984.30	2,515.70
Energy - Natural Gas	4,500.00		4,500.00	820.10	3,679.90
<b>Total Undistributed Expenditures - Custodial Services</b>	<b>300,482.00</b>	<b>45,222.78</b>	<b>345,704.78</b>	<b>248,027.64</b>	<b>97,677.14</b>
Undistributed Expenditures - Care and Upkeep of Grounds					
Purchased Professional and Technical Services	6,000.00	3,860.00	9,860.00	9,860.00	
<b>Total Undistributed Expenditures - Care and Upkeep of Grounds</b>	<b>6,000.00</b>	<b>3,860.00</b>	<b>9,860.00</b>	<b>9,860.00</b>	<b>-</b>
<b>Total Undistributed Expenditures - Operations &amp; Maintenance Of Plant</b>	<b>432,882.00</b>	<b>54,950.98</b>	<b>487,832.98</b>	<b>377,311.42</b>	<b>110,521.56</b>

CITY OF ESTELL MANOR SCHOOL DISTRICT  
General Fund  
Budgetary Comparison Schedule  
For The Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures - Student Transportation Services					
Salaries For Pupil Transportation (Between Home and School) - Regular	33,105.00	5.83	33,110.83	33,110.83	
Contracted Services - Aid In Lieu of Payment for Non-Public Students	8,840.00		8,840.00	8,840.00	
Contracted Services - Aid In Lieu of Payment for Charter Sch	1,768.00		1,768.00		1,768.00
Contracted Services - Aid In Lieu of Payment for Choice Sch	2,652.00		2,652.00		2,652.00
Contracted Services - (Between Home and School) - Vendors	4,000.00	3,173.02	7,173.02	3,633.70	3,539.32
Contracted Services - (Between Home and School) - Joint Agreements	267,137.00	(14,135.05)	253,001.95	160,019.76	92,982.19
Contracted Services - (Special Education Students) - Joint Agreements	81,920.00	(2,000.00)	79,920.00	56,721.55	23,198.45
Other Objects		5,358.96	5,358.96	5,358.96	
<b>Total Undistributed Expenditures - Student Transportation Services</b>	<b>399,422.00</b>	<b>(7,597.24)</b>	<b>391,824.76</b>	<b>267,684.80</b>	<b>124,139.96</b>
Unallocated Benefits					
Unemployment Compensation	12,500.00		12,500.00	7,416.90	5,083.10
Social Security Contributions	38,987.00	2,039.62	41,026.62	41,026.62	
Other Retirement Contributions - Regular	29,107.00	4,997.00	34,104.00	32,203.25	1,900.75
Health Benefits	430,062.00	43,850.87	473,912.87	454,865.14	19,047.73
Tuition Reimbursement	9,000.00	3,000.00	12,000.00	12,000.00	
Other Employee Benefits	250.00	1,198.37	1,448.37	1,448.37	
<b>Total Unallocated Benefits</b>	<b>519,906.00</b>	<b>55,085.86</b>	<b>574,991.86</b>	<b>548,960.28</b>	<b>26,031.58</b>
On-Behalf Contributions					
Teacher's Pension Contribution				101,582.00	(101,582.00)
Teacher's Post Retirement Medical				120,957.00	(120,957.00)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				93,229.77	(93,229.77)
<b>Total On-Behalf Contributions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>315,768.77</b>	<b>(315,768.77)</b>
<b>Total Personal Services - Employee Benefits</b>	<b>519,906.00</b>	<b>55,085.86</b>	<b>574,991.86</b>	<b>864,729.05</b>	<b>(289,737.19)</b>
<b>Total Undistributed Expenditures</b>	<b>3,104,228.00</b>	<b>(200,013.86)</b>	<b>2,904,214.14</b>	<b>2,725,427.41</b>	<b>178,786.73</b>
<b>Total Current Expense</b>	<b>4,324,572.00</b>	<b>(39,935.99)</b>	<b>4,284,636.01</b>	<b>4,002,447.98</b>	<b>282,188.03</b>



CITY OF ESTELL MANOR SCHOOL DISTRICT  
 General Fund  
 Budgetary Comparison Schedule  
 For The Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Capital Outlay					
Equipment					
Instruction					
Undistributed Expenditures - Required Maintenance for School Facilities					
Special Schools					
Total Equipment	-	-	-	-	-
Facilities Acquisition and Construction Services					
Assessment for Debt Service	14,871.00		14,871.00	14,871.00	
Other Objects		58,868.94	58,868.94		58,868.94
Total Facilities Acquisition and Construction Services	14,871.00	58,868.94	73,739.94	14,871.00	58,868.94
Assets Acquired Under Capital Leases (Non-Budgeted)					
Undistributed Expenditures					
Assets Acquired Under Capital Leases (non-budgeted)	-	-	-	-	-
Total Capital Outlay	14,871.00	58,868.94	73,739.94	14,871.00	58,868.94
Transfer of Funds to Charter School	30,658.00	-	30,658.00	16,738.00	13,920.00
<b>TOTAL EXPENDITURES</b>	<b>4,370,101.00</b>	<b>18,932.95</b>	<b>4,389,033.95</b>	<b>4,034,056.98</b>	<b>354,976.97</b>
Excess (Deficiency) of Revenues Over(Under) Expenditures	6,050.00	(18,932.95)	(12,882.95)	690,303.22	703,186.17
Other Financing Sources (Uses)					
Operating Transfer In (Out)					
Transfer to Capital Reserve					
Transfer to Capital Projects					
Transfer to Food Service Fund - Board Contribution	(6,000.00)		(6,000.00)	(6,000.00)	-
Total Other Financing Sources (Uses)	(6,000.00)	-	(6,000.00)	(6,000.00)	-

**CITY OF ESTELL MANOR SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For The Fiscal Year Ended June 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	50.00	(18,932.95)	(18,882.95)	684,303.22	703,186.17
Fund Balance, July 1	636,268.60		636,268.60	636,268.60	-
Fund Balance, June 30	\$ 636,318.60	\$ (18,932.95)	\$ 617,385.65	\$ 1,320,571.82	\$ 703,186.17
Recapitulation					
Restricted Fund Balance				\$ 606,565.14	
Capital Reserve				85,000.00	
Maintenance Reserve					
Excess Surplus				13,633.32	
Current Year				73,899.51	
Designated for Subsequent Year's Expenditures					
Assigned Fund Balances				170,057.36	
Year End Encumbrances				120,720.49	
Designated for Subsequent Year's Expenditures				250,696.00	
Unassigned Fund Balance				1,320,571.82	
Reconciliation to Governmental Funds Statements (GAAP)					
Last State Aid Payment not recognized on GAAP Basis				(192,973.00)	
Fund Balance per Governmental Funds (GAAP)				\$ 1,127,598.82	

**CITY OF ESTELL MANOR SCHOOL DISTRICT  
Special Revenue Fund  
Budgetary Comparison Schedule  
For The Fiscal Year Ended June 30, 2016**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES</b>					
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources					
Federal Sources	82,932.00	19,766.21	102,698.21	102,698.21	-
<b>Total Revenues</b>	<u>82,932.00</u>	<u>19,766.21</u>	<u>102,698.21</u>	<u>102,698.21</u>	<u>-</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries of Teachers	82,932.00	(74,772.76)	8,159.24	8,159.24	-
Purchased Professional Technical Services		7,791.80	7,791.80	7,791.80	-
Tuition		58,619.00	58,619.00	58,619.00	-
Supplies and Materials		14,411.17	14,411.17	14,411.17	-
<b>Total Instruction</b>	<u>82,932.00</u>	<u>6,049.21</u>	<u>88,981.21</u>	<u>88,981.21</u>	<u>-</u>
Support Services					
Salaries					-
Employee Benefits					-
Purchased Professional Technical Services					-
Other Purchased Services					-
Supplies and Materials		13,717.00	13,717.00	13,717.00	-
<b>Total Support Services</b>	<u>-</u>	<u>13,717.00</u>	<u>13,717.00</u>	<u>13,717.00</u>	<u>-</u>
Facilities Acquisition and Construction Services:					
Instructional Equipment					-
<b>Total Facilities Acquisition and Construction Services</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Expenditures</b>	<u>82,932.00</u>	<u>19,766.21</u>	<u>102,698.21</u>	<u>102,698.21</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources					
Operating Transfers					-
<b>Total Other Financing Sources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NOTES TO REQUIRED  
SUPPLEMENTARY INFORMATION**

CITY OF ESTELL MANOR SCHOOL DISTRICT  
 Required Supplementary Information  
 Budgetary Comparison Schedule  
 Note to RSI  
 For The Fiscal Year Ended June 30, 2016

Note A - Explanation of Differences Between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>Sources/Inflows of Resources</b>		
Actual amounts (Budgetary Basis) revenue from the Budgetary Comparison Schedule	\$ 4,724,360.20	\$ 102,698.21
Difference - Budget to GAAP Grant accounting Budgetary Basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized.		
Encumbrances		
June 30, 2015		
June 30, 2016		(488.87)
State Aid payment recognized for budgetary purposes, not recognized for GAAP purposes.		
State Aid Payment		
June 30, 2015	189,829.00	
June 30, 2016	<u>(192,973.00)</u>	
Total revenues as reported on the Statements of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 4,721,216.20</u>	<u>\$ 102,209.34</u>
<b>Uses/Outflows of Resources</b>		
Actual amounts (Budgetary Basis) total outflows from the Budgetary Comparison Schedule	\$ 4,034,056.98	\$ 102,698.21
Differences - Budget to GAAP Encumbrances for supplies and equipment ordered but not received are recorded in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes		
Encumbrances		
June 30, 2015		-
June 30, 2016		<u>(488.87)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	<u>\$ 4,034,056.98</u>	<u>\$ 102,209.34</u>



**REQUIRED SUPPLEMENTARY INFORMATION  
PART III**

**CITY OF ESTELL MANOR SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Schedule of the School District's Proportionate Share of Net Pension Liability**  
**Public Employees' Retirement System (PERS)**  
**Last Three Fiscal Years**

	Measurement Date Ending June 30,		
	2015	2014	2013
School District's Proportion of the Net Pension Liability	0.0032584580%	0.0035307508%	0.0034296882%
School District's Proportionate Share of the Net Pension Liability	\$ 731,459.00	\$ 661,053.00	\$ 655,482.00
School District's Covered Employee Payroll	\$ 587,983.29	\$ 584,197.54	\$ 520,359.57
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	124.40%	113.16%	125.97%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	47.93%	52.08%	48.72%

Note - This schedule is presented to illustrate the requirement for 10 years.  
However, until a full 10-year trend is compiled, this presentation will only include information  
for those years for which information is available.

**CITY OF ESTELL MANOR SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Schedule of School District's Contributions**  
**Public Employees' Retirement System (PERS)**  
**Last Three Fiscal Years**

	Measurement Date Ending June 30,		
	2015	2014	2013
Contractually Required Contribution	\$ 50,005.00	\$ 29,107.00	\$ 25,842.00
Contributions in Relation to the Contractually Required Contribution	<u>50,005.00</u>	<u>29,107.00</u>	<u>25,842.00</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Employee Payroll	\$ 587,983.29	\$ 584,197.54	\$ 520,359.57
Contributions as a Percentage of Covered Employee Payroll	8.50%	4.98%	4.97%

Note - This schedule is presented to illustrate the requirement for 10 years. However, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

**CITY OF ESTELL MANOR SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Schedule of School District's Proportionate Share of the Net Pension Liability**  
**Teachers' Pension and Annuity Fund (TPAF)**  
**Last Three Fiscal Years**

	Measurement Date Ending June 30,		
	2015	2014	2013
School District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%
State's Proportion of the Net Pension Liability Associated with the School District	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
School District's Proportionate of the Net Pension Liability	\$ -	\$ -	\$ -
State's Proportionate of the Net Pension Liability Associated with the School District	<u>8,194,839.00</u>	<u>6,450,153.00</u>	<u>6,166,012.00</u>
	<u>\$ 8,194,839.00</u>	<u>\$ 6,450,153.00</u>	<u>\$ 6,166,012.00</u>
School District's Covered Employee Payroll	\$ 1,265,356.11	\$ 1,202,581.55	\$ 1,296,712.86
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	28.71%	33.64%	33.76%

Note - This schedule is presented to illustrate the requirement for 10 years.  
However, until a full 10-year trend is compiled, this presentation will only include information  
for those years for which information is available.

**OTHER SUPPLEMENTARY INFORMATION**



**SCHOOL BASED BUDGET SCHEDULES**

**SPECIAL REVENUE FUND**

**CITY OF ESTELL MANOR SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues and Expenditures**  
**Budgetary Basis**  
**For The Fiscal Year Ended June 30, 2016**

	I.A.S.A		I.D.E.A. Part B		Rural Education Achievement	Community Grant	Total
	Title 1 Part A	Title II Part A	Basic	Preschool			
<b>REVENUES</b>							
Federal Sources	\$ 24,316.15	\$ 4,493.06	\$ 58,619.00	\$ 1,553.00	\$ 13,717.00	\$ -	\$ 102,698.21
Local Sources							-
<b>Total Revenues</b>	<u>\$ 24,316.15</u>	<u>\$ 4,493.06</u>	<u>\$ 58,619.00</u>	<u>\$ 1,553.00</u>	<u>\$ 13,717.00</u>	<u>\$ -</u>	<u>\$ 102,698.21</u>
<b>EXPENDITURES</b>							
Instruction							
Salaries of Teachers	\$ 7,658.98	\$ 500.26	\$ -	\$ -	\$ -	\$ -	\$ 8,159.24
Purchased Professional Technical Services	3,799.00	3,992.80					7,791.80
Tuition			58,619.00				58,619.00
Supplies and Materials	12,858.17			1,553.00			14,411.17
<b>Total Instruction</b>	<u>24,316.15</u>	<u>4,493.06</u>	<u>58,619.00</u>	<u>1,553.00</u>	<u>-</u>	<u>-</u>	<u>88,981.21</u>
Support Services							
Employee Benefits							-
Purchased Professional Technical Services							-
Other Purchased Services							-
Supplies and Materials					13,717.00		13,717.00
<b>Total Support Services</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,717.00</u>	<u>-</u>	<u>13,717.00</u>
Facilities Acquisition							
Instructional Equipment							-
<b>Total Facilities Acquisition</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Expenditures</b>	<u>\$ 24,316.15</u>	<u>\$ 4,493.06</u>	<u>\$ 58,619.00</u>	<u>\$ 1,553.00</u>	<u>\$ 13,717.00</u>	<u>\$ -</u>	<u>\$ 102,698.21</u>

**CAPITAL PROJECTS FUND**

**CITY OF ESTELL MANOR SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Summary Schedule of Project Expenditures**  
**For The Fiscal Year Ended June 30, 2016**

Project Title	Revised Budgetary Appropriations	Totals		
		Sources of Funds	Uses of Funds	Balance
HVAC Replacement 1410-050-14-1001-G04	\$ 1,420,934.01	\$ 1,420,934.01	\$ 1,377,008.90	\$ 43,925.11
Roof Replacement 1410-050-14-1002-G04	534,181.05	534,181.05	455,538.89	78,642.16
Emergency Generator 1410-050-14-1003-G04	172,252.44	172,252.44	159,398.22	12,854.22
	<u>\$ 2,127,367.50</u>	<u>\$ 2,127,367.50</u>	<u>\$ 1,991,946.01</u>	<u>\$ 135,421.49</u>



CITY OF ESTELL MANOR SCHOOL DISTRICT  
 Capital Projects Fund  
 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance  
 For The Fiscal Year Ended June 30, 2016

REVENUES AND OTHER FINANCING SOURCES	\$ 740,367.10
State Sources	
Interest Earned	1,234,000.00
Sale of Bonds	
Transfer from Capital Reserve	<u>                    </u>
Total Revenues and Other Financing Sources	<u>1,974,367.10</u>
EXPENDITURES AND OTHER FINANCING USES	87,204.15
Purchased Professional and Technical Services	1,805,310.96
Construction Services	<u>20,825.00</u>
General Supplies	
Total Expenditures and Other Financing Uses	<u>1,913,340.11</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	61,026.99
Fund Balance, July 1	<u>74,394.50</u>
Fund Balance, June 30	<u>\$ 135,421.49</u>

CITY OF ESTELL MANOR SCHOOL DISTRICT  
Capital Projects Fund  
Schedule of Project Revenues, Expenditures, Balance and Status  
For The Fiscal Year Ended June 30, 2016

	Prior Year	Current Year	Totals	Revised Authorized Costs
HVAC Replacement	1410-050-14-1001-G04			
Roof Replacement	1410-050-14-1002-G04			
Emergency Generator	1410-050-14-1003-G04			
<b>REVENUES AND OTHER FINANCING SOURCES</b>				
State Sources	\$ -	\$ 740,367.10	\$ 740,367.10	\$ 740,367.10
Bond Proceeds		1,234,000.00	1,234,000.00	1,234,000.00
Transfer from Capital Reserve	153,000.00		153,000.00	153,000.00
<b>Total Revenues and Other Financing Sources</b>	<b>153,000.00</b>	<b>1,974,367.10</b>	<b>2,127,367.10</b>	<b>2,127,367.10</b>
<b>EXPENDITURES AND OTHER FINANCING USES</b>				
Purchased Professional and Technical Services	78,377.53	87,204.15	165,581.68	132,925.00
Construction Services		1,805,310.96	1,805,310.96	1,649,681.20
Miscellaneous	227.97	20,825.00	21,052.97	344,760.90
<b>Total Expenditures and Other Financing Uses</b>	<b>78,605.50</b>	<b>1,913,340.11</b>	<b>1,991,945.61</b>	<b>2,127,367.10</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 74,394.50</u>	<u>\$ 61,026.99</u>	<u>\$ 135,421.49</u>	<u>\$ -</u>

**Project Information**

Date Authorized	November 4, 2014	
Bonds Authorized	\$ 1,234,000.00	
Bonds Issued	\$ 1,234,000.00	Issued On July 1, 2015
Original Authorized Cost	\$ 2,170,994.00	
Adjustment to Authorized Cost	\$ (43,626.90)	
Revised Authorized Cost	\$ 2,127,367.10	

Percentage Increase Over Original Authorized Cost	-2.01%
Percentage Completion	93.63%

**PROPRIETARY FUND**

**ENTERPRISE FUND**

**CITY OF ESTELL MANOR SCHOOL DISTRICT**  
**Enterprise Funds**  
**Combining Statement of Net Position**  
**June 30, 2016**

	Food Service Fund	Playgroup Childcare Program	Total
<b>ASSETS</b>			
Current Assets			
Cash and Cash Equivalents	\$ 8,962.18	\$ 13,705.80	\$ 22,667.98
Accounts Receivable			
State	60.31		60.31
Federal	2,304.03		2,304.03
Inventories	3,305.17		3,305.17
	14,631.69	13,705.80	28,337.49
Total Current Assets			
Noncurrent Assets			
Equipment	11,061.74		11,061.74
Less: Accumulated Depreciation	7,927.14		7,927.14
	3,134.60	-	3,134.60
Total Noncurrent Assets			
Total Assets	17,766.29	13,705.80	31,472.09
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable			
Interfund Payable	11,329.16	15,848.72	27,177.88
	11,329.16	15,848.72	27,177.88
Total Current Liabilities			
NET POSITION			
Invested in Capital Assets Net of Related Debt	3,134.60		3,134.60
Unrestricted	3,302.53	(2,142.92)	1,159.61
	6,437.13	(2,142.92)	4,294.21
Total Net Position	\$ 6,437.13	\$ (2,142.92)	\$ 4,294.21

**CITY OF ESTELL MANOR SCHOOL DISTRICT**  
**Enterprise Funds**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**For The Fiscal Year Ended June 30, 2016**

	Food Service Fund	Playgroup Childcare Program	Total
<b>OPERATING REVENUES</b>			
Charges For Services			
Daily Sales			
Reimbursable Programs	\$ 35,790.12	\$ -	\$ 35,790.12
Non-Reimbursable Programs	16,354.53		16,354.53
Community Service Activities		15,459.65	15,459.65
<b>Total Operating Revenue</b>	<b>52,144.65</b>	<b>15,459.65</b>	<b>67,604.30</b>
<b>OPERATING EXPENSES</b>			
Cost of Sales	45,593.25		45,593.25
Salaries	29,257.49	15,848.72	45,106.21
Employee Benefits	5,787.07		5,787.07
General Supplies	2,901.36		2,901.36
Management Fee	9,090.06		9,090.06
Depreciation	447.80		447.80
<b>Total Operating Expenses</b>	<b>93,077.03</b>	<b>15,848.72</b>	<b>108,925.75</b>
<b>Operating Income (Loss)</b>	<b>(40,932.38)</b>	<b>(389.07)</b>	<b>(41,321.45)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
State Sources			
State School Lunch and Breakfast Program	835.01		835.01
Federal Sources			
National School Lunch and Breakfast Program	32,717.25		32,717.25
Food Distribution Program	7,861.58		7,861.58
Interest on Investments	15.85		15.85
<b>Total Nonoperating Revenues (Expenses)</b>	<b>41,429.69</b>	<b>-</b>	<b>41,429.69</b>
<b>Income (Loss) Before Contributions and Transfers</b>	<b>497.31</b>	<b>(389.07)</b>	<b>108.24</b>
Board Contribution	6,000.00		6,000.00
<b>Change in Net Position</b>	<b>6,497.31</b>	<b>(389.07)</b>	<b>6,108.24</b>
Net Position, July 1	(60.18)	(1,753.85)	(1,814.03)
<b>Net Position, June 30</b>	<b>\$ 6,437.13</b>	<b>\$ (2,142.92)</b>	<b>\$ 4,294.21</b>



**CITY OF ESTELL MANOR SCHOOL DISTRICT**  
**Enterprise Funds**  
**Combining Statement of Cash Flows**  
**For The Fiscal Year Ended June 30, 2016**

	<u>Food Service Fund</u>	<u>Playgroup Childcare Program</u>	<u>Total</u>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts From Customers and Other Funds	\$ 52,144.65	\$ 15,459.65	\$ 67,604.30
Payments to Employees	(35,044.56)	(15,848.72)	(50,893.28)
Payments to Suppliers	(57,644.51)		(57,644.51)
<b>Net Cash Provided By (Used In) Operating Activities</b>	<u>(40,544.42)</u>	<u>(389.07)</u>	<u>(40,933.49)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
State Sources	841.15		841.15
Federal Sources	40,327.24		40,327.24
Operating Subsidies and Transfers	6,000.00	3,976.72	9,976.72
<b>Net Cash Provided By (Used In) Noncapital Financing Activities</b>	<u>47,168.39</u>	<u>3,976.72</u>	<u>51,145.11</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchase of Capital Assets			
<b>Net Cash Provided By (Used In) Capital and Related Financing Activities</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest on Investments	15.85		15.85
<b>Net Cash Provided By (Used In) Investing Activities</b>	<u>15.85</u>	<u>-</u>	<u>15.85</u>
<b>Net Increase (Decrease) In Cash and Cash Equivalents</b>	6,639.82	3,587.65	10,227.47
Cash and Cash Equivalents, July 1	2,322.36	10,118.15	12,440.51
<b>Cash and Cash Equivalents, June 30</b>	<u>\$ 8,962.18</u>	<u>\$ 13,705.80</u>	<u>\$ 22,667.98</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities</b>			
Operating Income (Loss)	\$ (40,932.38)	\$ (389.07)	\$ (41,321.45)
Adjustments to reconcile Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities			
Depreciation	447.80		447.80
(Increase) Decrease			
Accounts Receivable			
Inventories	(59.84)		(59.84)
Other Current Assets			
Increase (Decrease)			
Accounts Payable			
Accrued Expenses			
<b>Net Cash Provided By (Used In) Operating Activities</b>	<u>\$ (40,544.42)</u>	<u>\$ (389.07)</u>	<u>\$ (40,933.49)</u>

**INTERNAL SERVICE FUND**

## FIDUCIARY FUNDS

**CITY OF ESTELL MANOR SCHOOL DISTRICT**  
**Fiduciary Funds**  
**Combining Statement of Fiduciary Net Assets**  
**June 30, 2016**

	Trust		Total Trust Funds	Student Activity	Agency	
	Unemployment Compensation	Scholarship Trust			Payroll	Total Agency Funds
<b>ASSETS</b>						
Cash	\$ 12,060.73	\$ 4,722.18	\$ 16,782.91	\$ 10,643.20	\$ 1,395.20	\$ 12,038.40
Interfunds Receivable			-			
<b>Total Assets</b>	<u>12,060.73</u>	<u>4,722.18</u>	<u>16,782.91</u>	<u>10,643.20</u>	<u>1,395.20</u>	<u>12,038.40</u>
<b>LIABILITIES</b>						
Interfunds Payable					1,395.20	1,395.20
Payroll Withholding Due to Student Groups				10,643.20		10,643.20
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,643.20</u>	<u>1,395.20</u>	<u>12,038.40</u>
<b>NET ASSETS</b>						
Held in Trust	<u>12,060.73</u>	<u>4,722.18</u>	<u>16,782.91</u>			
<b>Total Net Assets</b>	<u>\$ 12,060.73</u>	<u>\$ 4,722.18</u>	<u>\$ 16,782.91</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF ESTELL MANOR SCHOOL DISTRICT  
Fiduciary Funds  
Combining Statement of Changes in Fiduciary Net Position  
For The Fiscal Year Ended June 30, 2016

	Unemployment Compensation Trust	Scholarship Trust	Total
ADDITIONS			
Contributions	\$ -	\$ 1,650.00	\$ 1,650.00
Total Contributions	<u>-</u>	<u>1,650.00</u>	<u>1,650.00</u>
Investment Earnings			
Interest	12.03	4.84	16.87
Total Investment Earnings	<u>12.03</u>	<u>4.84</u>	<u>16.87</u>
Total Additions	<u>12.03</u>	<u>1,654.84</u>	<u>1,666.87</u>
DEDUCTIONS			
Unemployment Claims	-		-
Administrative Expenses	7.98	3.21	11.19
Awards		1,150.00	1,150.00
Total Deductions	<u>7.98</u>	<u>1,153.21</u>	<u>1,161.19</u>
Change in Net Assets	4.05	501.63	505.68
Net Position, July 1	<u>12,056.68</u>	<u>4,220.55</u>	<u>16,277.23</u>
Net Position, June 30	<u>\$ 12,060.73</u>	<u>\$ 4,722.18</u>	<u>\$ 16,782.91</u>

CITY OF ESTELL MANOR SCHOOL DISTRICT  
 Student Activity Funds  
 Schedule of Receipts and Disbursements  
 For The Fiscal Year Ended June 30, 2016

	Balance June 30, 2015	Cash Receipts	Cash Disbursements	Balance June 30, 2016
Elementary School	\$ 6,628.46	\$ 27,204.62	\$ 23,189.88	\$ 10,643.20



**CITY OF ESTELL MANOR SCHOOL DISTRICT**  
**Payroll Agency Fund**  
**Schedule of Receipts and Disbursements**  
**For The Fiscal Year Ended June 30, 2016**

	<u>Balance June 30, 2015</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2016</u>
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 2,591.80	\$ 2,037,829.72	\$ 2,039,026.32	\$ 1,395.20
<b>Total Assets</b>	<u>\$ 2,591.80</u>	<u>\$ 2,037,829.72</u>	<u>\$ 2,039,026.32</u>	<u>\$ 1,395.20</u>
<b>LIABILITIES</b>				
Net Payroll	\$ -	\$ 1,195,747.99	\$ 1,195,747.99	\$ -
Payroll Deductions and Withholding	1,207.93	842,040.60	843,248.53	
Interfunds Payable	<u>1,383.87</u>	<u>41.13</u>	<u>29.80</u>	<u>1,395.20</u>
<b>Total Liabilities</b>	<u>\$ 2,591.80</u>	<u>\$ 2,037,829.72</u>	<u>\$ 2,039,026.32</u>	<u>\$ 1,395.20</u>

**LONG-TERM DEBT**

**CITY OF ESTELL MANOR SCHOOL DISTRICT**  
**Long-Term Debt**  
**Schedule of Bonds Payable**  
**For The Fiscal Year Ended June 30, 2016**

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance June 30, 2015	Issued	Retired	Balance June 30, 2016
			Date	Amount					
School Additions	4/1/2003	\$ 1,118,000.00	1/1/2017	110,000.00	4.100%	\$ 338,000.00	\$ -	\$ 110,000.00	\$ 228,000.00
			1/1/2018	118,000.00	4.100%				
School Additions	7/15/2015	1,234,000.00	7/15/2017	50,000.00	3.000%		1,234,000.00		1,234,000.00
			7/15/2018	80,000.00	3.000%				
			7/15/2019	84,000.00	3.000%				
			7/15/2020	85,000.00	3.000%				
			7/15/2021	90,000.00	3.000%				
			7/15/2022	90,000.00	3.000%				
			7/15/2023	95,000.00	3.125%				
			7/15/2024	95,000.00	3.125%				
			7/15/2025	95,000.00	3.125%				
			7/15/2026	95,000.00	3.125%				
			7/15/2027	95,000.00	3.125%				
			7/15/2028	95,000.00	3.250%				
			7/15/2029	95,000.00	3.250%				
7/15/2030	90,000.00	3.250%							
						<u>\$ 338,000.00</u>	<u>\$ 1,234,000.00</u>	<u>\$ 110,000.00</u>	<u>\$ 1,462,000.00</u>

CITY OF ESTELL MANOR SCHOOL DISTRICT  
Debt Service Fund  
Budgetary Comparison Schedule  
For The Fiscal Year Ended June 30, 2016

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES					
Local Sources					
Local Tax Levy	\$ 123,858.00	\$ -	\$ 123,858.00	\$ 123,858.00	\$ -
Total Local Sources	123,858.00	-	123,858.00	123,858.00	-
State Sources					
Debt Service Aid Type I					
Debt Service Aid Type II					
Total State Sources	-	-	-	-	-
Total Revenues	123,858.00	-	123,858.00	123,858.00	-
EXPENDITURES					
Regular Debt Service					
Interest	13,858.00		13,858.00	13,858.00	
Redemption of Principal	110,000.00		110,000.00	110,000.00	
Total Expenditures	123,858.00	-	123,858.00	123,858.00	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Other Financing Sources					
Operating Transfers In					
Interest Earned in Capital Projects Fund					
Total Other Financing Sources	-	-	-	-	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1	(0.31)		(0.31)	(0.31)	
Fund Balance, June 30	\$ (0.31)	\$ -	\$ (0.31)	\$ (0.31)	\$ -

**STATISTICAL SECTION**

## CITY OF ESTELL MANOR SCHOOL DISTRICT

### 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 debt
- J-12 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

CITY OF ESTELL MANOR SCHOOL DISTRICT

Net Position By Component

Source: CAFR A-1

Exhibit J-1

Unaudited

	Fiscal Year Ended									
	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2009	June 30, 2008	June 30, 2007
<b>Governmental Activities</b>										
Capital Assets, net of debt	\$ 4,551,478.89	\$ 3,896,642.11	\$ 3,804,962.59	\$ 3,838,599.81	\$ 3,865,591.95	\$ 3,859,969.04	\$ 3,889,950.26	\$ 3,794,630.51	\$ 3,809,556.43	\$ 3,669,786.88
Restricted	1,205,297.00	458,793.79	335,383.64	218,012.66	103,010.22	85,429.98	16,324.66	85,884.25	93,384.82	88,473.11
Unrestricted	(767,363.40)	(662,275.81)	(48,753.95)	(98,857.70)	(77,473.02)	(240,344.26)	(305,516.92)	(103,443.65)	181,707.17	57,512.23
<b>Total</b>	<b>\$ 4,989,412.49</b>	<b>\$ 3,693,160.09</b>	<b>\$ 4,091,592.28</b>	<b>\$ 3,957,754.77</b>	<b>\$ 3,891,129.15</b>	<b>\$ 3,705,054.76</b>	<b>\$ 3,600,758.00</b>	<b>\$ 3,777,071.11</b>	<b>\$ 4,084,648.42</b>	<b>\$ 3,815,772.22</b>
<b>Business-Type Activities</b>										
Capital Assets, net of debt	\$ 3,134.60	\$ 3,582.40	\$ 4,030.20	\$ 4,478.00	\$ 60.42	\$ 245.34	\$ 430.26	\$ 1,990.15	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	1,159.61	(5,396.43)	(732.86)	(3,961.15)	15,335.03	7,591.92	2,089.42	1,615.97	6,566.24	1,972.20
<b>Total Business</b>	<b>\$ 4,294.21</b>	<b>\$ (1,814.03)</b>	<b>\$ 3,297.34</b>	<b>\$ 516.85</b>	<b>\$ 15,395.45</b>	<b>\$ 7,837.26</b>	<b>\$ 2,519.68</b>	<b>\$ 3,606.12</b>	<b>\$ 6,566.24</b>	<b>\$ 1,972.20</b>
<b>District-Wide</b>										
Capital Assets, net of debt	\$ 4,554,613.49	\$ 3,900,224.51	\$ 3,808,992.79	\$ 3,843,077.81	\$ 3,865,652.37	\$ 3,860,214.38	\$ 3,890,380.52	\$ 3,796,620.66	\$ 3,809,556.43	\$ 3,669,786.88
Restricted	1,205,297.00	458,793.79	335,383.64	218,012.66	103,010.22	85,429.98	16,324.66	85,884.25	93,384.82	88,473.11
Unrestricted	(766,203.79)	(667,672.24)	(49,486.81)	(102,818.85)	(62,137.99)	(232,752.34)	(303,427.50)	(101,827.68)	188,273.41	59,484.43
<b>Total</b>	<b>\$ 4,993,706.70</b>	<b>\$ 3,691,346.06</b>	<b>\$ 4,094,889.62</b>	<b>\$ 3,958,271.62</b>	<b>\$ 3,906,524.60</b>	<b>\$ 3,712,892.02</b>	<b>\$ 3,603,277.68</b>	<b>\$ 3,780,677.23</b>	<b>\$ 4,091,214.66</b>	<b>\$ 3,817,744.42</b>

**CITY OF ESTELL MANOR SCHOOL DISTRICT**

**Changes in Net Position**

Source: CAFR A-2

Exhibit J-2

Unaudited

	Fiscal Year Ended									
	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2009	June 30, 2008	June 30, 2007
<b>Expenses</b>										
<b>Governmental Activities</b>										
Instruction										
Regular	\$ 2,355,644.42	\$ 1,540,622.84	\$ 1,408,027.19	\$ 1,488,612.63	\$ 1,306,253.29	\$ 1,021,870.00	\$ 1,488,179.84	\$ 1,585,339.53	\$ 1,411,012.82	\$ 1,314,495.30
Special Education	224,132.84	322,622.20	319,473.64	312,958.79	254,445.38	388,007.28	252,001.62	259,474.20	151,160.90	148,473.96
School Activities	75,486.07	14,360.29	10,223.98	7,880.00	7,832.50	5,000.00	6,868.94	8,183.18	67,039.17	47,349.24
Support Services										
Tuition	627,909.59	1,122,655.39	1,246,322.16	1,262,352.68	1,414,965.83	1,669,982.83	1,496,011.21	1,226,701.03	1,106,270.46	1,373,335.37
Student and Instruction	555,967.61	426,668.67	452,117.02	441,465.78	451,728.67	420,594.97	472,506.41	445,192.44	361,151.70	336,790.37
General Administration	194,727.03	149,014.56	110,359.14	116,421.10	109,534.24	103,602.70	94,875.02	97,208.39	84,878.35	76,923.85
School Administrative	200,323.95	135,615.21	122,362.71	144,505.43	145,981.89	147,156.44	150,979.57	145,716.90	133,379.99	121,035.38
Central Services	121,602.57	114,117.36	106,801.12	111,659.62	105,489.24	89,995.58	112,781.37	125,468.53	137,279.67	152,905.58
Facility	377,311.42	384,794.25	480,158.62	469,028.04	340,122.21	302,302.72	323,007.18	379,252.53	535,526.38	414,380.96
Pupil Transportation	267,684.80	249,402.21	243,779.47	201,293.67	226,035.78	270,457.71	303,017.13	312,891.19	325,502.73	326,279.08
Charter School	16,738.00									
Debt Assessment	14,871.00	14,871.00	14,871.00	9,644.00	7,027.00	11,622.00				
Interest on Debt	48,348.38	15,913.62	24,113.62	24,113.61	28,213.62	32,313.62	36,413.62	40,513.62	48,670.15	58,791.47
Depreciation	134,504.03	130,499.62	133,637.22	133,033.14	135,648.09	143,138.05	138,100.20	136,716.13		
<b>Total</b>	<b>5,215,251.71</b>	<b>4,621,157.22</b>	<b>4,672,246.89</b>	<b>4,722,968.49</b>	<b>4,533,277.74</b>	<b>4,606,043.90</b>	<b>4,874,742.11</b>	<b>4,762,657.67</b>	<b>4,361,872.32</b>	<b>4,370,760.56</b>
<b>Business-Type Activities</b>										
Food Service Fund	108,925.75	104,593.00	87,691.10	99,458.12	96,161.87	95,555.27	87,275.21	93,473.32	107,155.51	110,667.42
<b>Total</b>	<b>108,925.75</b>	<b>104,593.00</b>	<b>87,691.10</b>	<b>99,458.12</b>	<b>96,161.87</b>	<b>95,555.27</b>	<b>87,275.21</b>	<b>93,473.32</b>	<b>107,155.51</b>	<b>110,667.42</b>
<b>Total District-Wide</b>	<b>\$ 5,324,177.46</b>	<b>\$ 4,725,750.22</b>	<b>\$ 4,759,937.99</b>	<b>\$ 4,822,426.61</b>	<b>\$ 4,629,439.61</b>	<b>\$ 4,701,599.17</b>	<b>\$ 4,962,017.32</b>	<b>\$ 4,856,130.99</b>	<b>\$ 4,469,027.83</b>	<b>\$ 4,481,427.98</b>

CITY OF ESTELL MANOR SCHOOL DISTRICT

Changes in Net Assets (Continued)

Source: CAFR A-2

Exhibit J-2

Unaudited

	Fiscal Year Ended									
	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2009	June 30, 2008	June 30, 2007
<b>Program Revenues</b>										
<b>Governmental Activities</b>										
Charges For Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Grants and Contributions	1,144,823.11	837,903.93	382,807.78	428,562.76	525,106.65	498,768.03	987,832.30	402,769.89	174,775.11	147,765.00
<b>Total</b>	<b>1,144,823.11</b>	<b>837,903.93</b>	<b>382,807.78</b>	<b>428,562.76</b>	<b>525,106.65</b>	<b>498,768.03</b>	<b>987,832.30</b>	<b>402,769.89</b>	<b>174,775.11</b>	<b>147,765.00</b>
<b>Business-Type Activities</b>										
Charges For Services	67,604.30	64,706.35	54,804.60	67,105.38	68,119.82	62,365.66	44,281.34	58,503.39	67,212.57	70,023.97
Grants and Contributions	41,413.84	32,264.11	31,295.49	33,070.79	24,936.00	29,059.87	36,894.48	26,786.37	22,327.15	20,066.42
<b>Total</b>	<b>109,018.14</b>	<b>96,970.46</b>	<b>86,100.09</b>	<b>100,176.17</b>	<b>93,055.82</b>	<b>91,425.53</b>	<b>81,175.82</b>	<b>85,289.76</b>	<b>89,539.72</b>	<b>90,090.39</b>
<b>Total</b>	<b>\$ 1,253,841.25</b>	<b>\$ 934,874.39</b>	<b>\$ 468,907.87</b>	<b>\$ 528,738.93</b>	<b>\$ 618,162.47</b>	<b>\$ 590,193.56</b>	<b>\$ 1,069,008.12</b>	<b>\$ 488,059.65</b>	<b>\$ 264,314.83</b>	<b>\$ 237,855.39</b>
<b>Net (Expense) Revenue</b>										
Governmental Activities	\$ (4,070,428.60)	\$ (3,783,253.29)	\$ (4,289,439.11)	\$ (4,294,405.73)	\$ (4,008,171.09)	\$ (4,107,275.87)	\$ (3,886,909.81)	\$ (4,359,887.78)	\$ (4,187,097.21)	\$ (4,222,995.56)
Business-Type Activities	92.39	(7,622.54)	(1,591.01)	718.05	(3,106.05)	(4,129.74)	(6,099.39)	(8,183.56)	(17,615.79)	(20,577.03)
<b>Total District-Wide</b>	<b>\$ (4,070,336.21)</b>	<b>\$ (3,790,875.83)</b>	<b>\$ (4,291,030.12)</b>	<b>\$ (4,293,687.68)</b>	<b>\$ (4,011,277.14)</b>	<b>\$ (4,111,405.61)</b>	<b>\$ (3,893,009.20)</b>	<b>\$ (4,368,071.34)</b>	<b>\$ (4,204,713.00)</b>	<b>\$ (4,243,572.59)</b>

CITY OF ESTELL MANOR SCHOOL DISTRICT

Changes in Net Assets (Continued)

Source: CAFR A-2

Exhibit J-2

Unaudited

	Fiscal Year Ended									
	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2009	June 30, 2008	June 30, 2007
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental Activities										
Local Tax Levy	\$ 2,373,649.00	\$ 2,367,749.00	\$ 2,375,949.00	\$ 2,375,949.00	\$ 2,356,613.00	\$ 2,430,006.00	\$ 2,161,608.00	\$ 2,087,896.00	\$ 2,090,870.00	\$ 2,085,631.00
Unrestricted Grants	2,966,086.87	1,617,439.80	2,021,503.00	1,965,957.00	1,820,009.00	1,774,301.00	1,531,385.00	1,922,494.41	2,410,098.47	2,346,594.17
Investment Earnings	50.00	321.70	73.96	1,150.33	975.00	2,039.63	1,963.61	3,648.20	11,993.06	26,663.83
Miscellaneous Income	32,895.13	27,813.78	30,124.06	2,361.74	27,302.80	14,671.88	20,652.62	43,404.06	8,840.29	1,658.45
Transfers	(6,000.00)	(2,500.00)	(4,373.40)	15,613.27	(10,654.32)	(9,445.58)	(5,012.85)	(5,132.19)	(65,828.41)	(22,446.00)
<b>Total</b>	<b>5,366,681.00</b>	<b>4,010,824.28</b>	<b>4,423,276.62</b>	<b>4,361,031.34</b>	<b>4,194,245.48</b>	<b>4,211,572.93</b>	<b>3,710,596.38</b>	<b>4,052,310.48</b>	<b>4,455,973.41</b>	<b>4,435,161.45</b>
Business-Type Activities										
Investment Earnings	15.85	11.17	1.10	16.62	9.89	1.74	0.10	91.25	119.36	368.76
Transfers	6,000.00	2,500.00	4,373.40	(15,613.27)	10,654.32	9,445.58	5,012.85	5,132.19	22,090.47	14,800.00
<b>Total</b>	<b>6,015.85</b>	<b>2,511.17</b>	<b>4,374.50</b>	<b>(15,596.65)</b>	<b>10,664.21</b>	<b>9,447.32</b>	<b>5,012.95</b>	<b>5,223.44</b>	<b>22,209.83</b>	<b>15,168.76</b>
<b>Total District-Wide General Revenues and Other Changes in Net Assets</b>	<b>\$ 5,372,696.85</b>	<b>\$ 4,013,335.45</b>	<b>\$ 4,427,651.12</b>	<b>\$ 4,345,434.69</b>	<b>\$ 4,204,909.69</b>	<b>\$ 4,221,020.25</b>	<b>\$ 3,715,609.33</b>	<b>\$ 4,057,533.92</b>	<b>\$ 4,478,183.24</b>	<b>\$ 4,454,330.21</b>
<b>Change in Net Assets</b>										
Governmental Activities	\$ 1,296,252.40	\$ 227,570.99	\$ 133,837.51	\$ 66,625.61	\$ 186,074.39	\$ 104,297.06	\$ (176,313.43)	\$ (307,577.30)	\$ 268,876.20	\$ 216,165.89
Business-Type Activities	6,108.24	(5,111.37)	2,783.49	(14,878.60)	7,558.16	5,317.58	(1,086.44)	(2,960.12)	4,594.04	(5,408.27)
<b>Total District-Wide</b>	<b>\$ 1,302,360.64</b>	<b>\$ 222,459.62</b>	<b>\$ 136,621.00</b>	<b>\$ 51,747.01</b>	<b>\$ 193,632.55</b>	<b>\$ 109,614.64</b>	<b>\$ (177,399.87)</b>	<b>\$ (310,537.42)</b>	<b>\$ 273,470.24</b>	<b>\$ 210,757.62</b>

CITY OF ESTELL MANOR SCHOOL DISTRICT

Fund Balances - Governmental Funds

Source: CAFR B-1

Exhibit J-3

Unaudited

	Fiscal Year Ended									
	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2009	June 30, 2008	June 30, 2007
General Fund										
Restricted	\$ 779,097.97	\$ 365,464.65	\$ 315,868.57	\$ 184,762.62	\$ 58,459.19	\$ 16,015.14				
Committed										
Assigned	290,777.85	18,934.95	19,515.38	33,250.35	44,551.34	69,415.15				
Unassigned	57,723.00	62,040.00	45,769.94	72,115.00	69,764.00	(14,273.70)				
Reserved							16,324.66	76,931.48	93,384.82	88,473.11
Unreserved							(51,985.10)	99,310.44	359,321.72	198,189.91
<b>Total</b>	<b>\$ 1,127,598.82</b>	<b>\$ 446,439.60</b>	<b>\$ 381,153.89</b>	<b>\$ 290,127.97</b>	<b>\$ 172,774.53</b>	<b>\$ 71,156.59</b>	<b>\$ (35,660.44)</b>	<b>\$ 176,241.92</b>	<b>\$ 452,706.54</b>	<b>\$ 286,663.02</b>
All Other Governmental Funds										
Restricted	\$ 135,421.18	\$ 74,394.19	\$ (0.31)	\$ (0.31)	\$ (0.31)	\$ (0.31)	\$ -	\$ -	\$ -	\$ -
Committed										
Assigned										
Unassigned										
Reserved								1.69	1.63	(7,491.81)
Unreserved										
Special Revenue										
Capital Projects								11,876.42	13,192.02	81,947.31
Debt Service							(0.31)			
General										
<b>Total</b>	<b>\$ 135,421.18</b>	<b>\$ 74,394.19</b>	<b>\$ (0.31)</b>	<b>\$ (0.31)</b>	<b>\$ (0.31)</b>	<b>\$ (0.31)</b>	<b>\$ (0.31)</b>	<b>\$ 11,878.11</b>	<b>\$ 13,193.65</b>	<b>\$ 74,455.50</b>



**CITY OF ESTELL MANOR SCHOOL DISTRICT**  
**Changes in Fund Balances - Governmental Funds**  
Source: CAFR B-2

**Exhibit J-4**  
**Unaudited**

	Fiscal Year Ended									
	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012	June 30, 2011	June 30, 2010	June 30, 2009	June 30, 2008	June 30, 2007
<b>Revenues</b>										
Local Tax Levy	\$ 2,373,649.00	\$ 2,367,749.00	\$ 2,375,949.00	\$ 2,375,949.00	\$ 2,356,613.00	\$ 2,430,006.00	\$ 2,161,608.00	\$ 2,087,896.00	\$ 2,090,870.00	\$ 2,086,691.00
Interest Earned	50.00	321.70	73.96	1,150.33	975.00	2,039.63	1,963.61	3,648.20	11,993.06	26,663.83
Miscellaneous	32,894.43	27,813.78	30,124.06	2,361.74	27,302.80	14,671.88	20,652.62	43,404.06	8,840.29	1,658.45
Federal Sources	102,209.34	102,878.43	109,249.57	125,659.24	140,913.01	187,145.75	474,214.00	129,996.81	135,897.00	128,037.00
State Sources	3,178,847.87	2,352,465.30	2,295,061.21	2,268,860.52	2,204,202.64	2,085,923.28	2,045,003.29	2,195,267.49	2,453,226.47	2,365,722.17
<b>Total Revenues</b>	<b>5,687,650.64</b>	<b>4,851,228.21</b>	<b>4,810,457.80</b>	<b>4,773,980.83</b>	<b>4,730,006.45</b>	<b>4,719,786.54</b>	<b>4,703,441.52</b>	<b>4,460,212.56</b>	<b>4,700,826.82</b>	<b>4,609,372.45</b>
<b>Expenditures</b>										
Instruction										
Regular	1,176,923.99	1,090,031.43	1,107,898.40	1,041,760.57	936,522.31	746,505.31	1,075,375.28	1,166,415.06	1,124,685.86	1,084,106.02
Special Education	113,102.85	227,961.24	238,759.30	223,853.91	174,656.59	276,571.30	185,937.47	192,716.15	120,486.88	122,451.19
Other Instruction	75,486.07	14,360.29	10,223.98	7,880.00	7,832.50	5,000.00	6,868.94	8,183.18	53,435.39	39,050.42
Support Services										
Tuition	627,909.59	1,122,655.39	1,246,322.16	1,262,352.68	1,414,965.83	1,669,982.83	1,496,011.21	1,226,701.03	881,782.74	1,132,633.30
Student and Instruction	280,554.70	301,479.32	337,890.61	315,772.70	310,075.94	299,799.78	348,635.25	330,652.42	292,115.60	277,761.71
General Administration	98,263.97	105,292.02	82,477.14	83,273.96	75,186.58	73,847.93	70,002.81	72,198.42	67,654.58	63,441.54
School Administrative	101,088.31	95,824.19	91,448.03	103,362.19	100,205.00	104,893.00	111,399.12	108,226.56	106,314.12	99,821.72
Central Services	121,602.57	114,117.36	106,801.12	111,659.62	105,489.24	89,995.58	112,781.37	125,468.53	109,422.47	126,106.09
Facility	377,311.42	384,794.25	467,443.62	469,028.04	340,122.21	302,302.72	323,007.18	379,252.53	426,855.76	341,753.14
Pupil Transportation	267,684.80	249,402.21	243,779.47	201,293.67	226,035.78	270,457.71	303,017.13	312,891.19	259,450.74	269,092.72
Employee Benefits	864,729.05	748,121.66	628,270.65	703,760.32	729,399.79	605,030.94	636,472.06	647,851.69	746,686.72	692,174.67
Charter School	16,738.00									
Debt Service	123,858.00	117,958.00	126,158.00	126,158.00	130,258.00	134,358.00	138,458.00	142,558.00	266,137.50	261,147.50
Capital Outlay	1,928,211.11	137,050.64	27,586.00	22,085.00	66,984.42	24,778.83	112,868.66	19,745.83	75,188.33	57,095.00
<b>Total Expenditures</b>	<b>6,173,464.43</b>	<b>4,709,048.00</b>	<b>4,715,058.48</b>	<b>4,672,240.66</b>	<b>4,617,734.19</b>	<b>4,603,523.93</b>	<b>4,920,834.48</b>	<b>4,732,860.59</b>	<b>4,530,216.69</b>	<b>4,566,635.02</b>
Revenues Over (Under) Expenditures	(485,813.79)	142,180.21	95,399.32	101,740.17	112,272.26	116,262.61	(217,392.96)	(272,648.03)	170,610.13	42,737.43
Other Sources (Uses)										
Bond Proceeds	1,234,000.00									
Transfers In (Out)	(6,000.00)	(2,500.00)	(4,373.40)	(10,654.32)	(10,654.32)	(9,445.58)	(6,387.82)	(5,132.19)	(65,828.41)	(22,446.00)
	1,228,000.00	(2,500.00)	(4,373.40)	(10,654.32)	(10,654.32)	(9,445.58)	(6,387.82)	(5,132.19)	(65,828.41)	(22,446.00)
<b>Net Changes</b>	<b>\$ 742,186.21</b>	<b>\$ 139,680.21</b>	<b>\$ 91,025.92</b>	<b>\$ 91,085.85</b>	<b>\$ 101,617.94</b>	<b>\$ 106,817.03</b>	<b>\$ (223,780.78)</b>	<b>\$ (277,780.22)</b>	<b>\$ 104,781.72</b>	<b>\$ 20,291.43</b>

**CITY OF ESTELL MANOR SCHOOL DISTRICT**  
**General Fund - Other Local Revenue By Source**  
*Source: District Records*

**Exhibit J-5**  
*Unaudited*

Fiscal Year Ended									
<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>	<u>June 30, 2013</u>	<u>June 30, 2012</u>	<u>June 30, 2011</u>	<u>June 30, 2010</u>	<u>June 30, 2009</u>	<u>June 30, 2008</u>	<u>June 30, 2007</u>

**Detail Provided on Exhibit J-4**

## REVENUE CAPACITY

**CITY OF ESTELL MANOR SCHOOL DISTRICT**  
**Assessed Value and Actual Value of Taxable Property**  
*Source: Municipal Tax Assessor*

**Exhibit J-6**  
**Unaudited**

<u>Fiscal Year Ended June 30,</u>	<u>Vacant Land</u>	<u>Improvements</u>	<u>Total Taxable Value of Land &amp; Improvements</u>	<u>Total Partial Exemptions &amp; Abatements</u>	<u>Net Total Taxable Value of Land &amp; Improvements</u>	<u>Taxable Value of Locally Assessed Personal Property</u>	<u>Net Valuation Taxable</u>	<u>Estimated Actual County Equalized Value</u>	<u>Total District School Tax Rate</u>
2007	39,943,700	76,025,900	115,969,600		115,969,600	398,342	116,367,942	199,636,202	1.797
2008	39,784,400	77,600,500	117,384,900		117,384,900	396,565	117,781,465	215,942,279	1.773
2009	39,713,500	78,759,400	118,472,900		118,472,900	414,123	118,887,023	226,106,928	1.818
2010	39,708,500	79,288,600	118,997,100		118,997,100	427,499	119,424,599	214,560,903	2.035
2011	39,633,100	79,452,500	119,085,600		119,085,600	382,112	119,467,712	191,426,642	1.972
2012	39,361,300	79,340,200	118,701,500		118,701,500	370,539	119,072,039	184,865,888	1.995
2013	38,431,500	79,384,000	117,815,500		117,815,500	339,362	118,154,862	175,530,386	2.007
2014	49,899,900	104,098,900	153,998,800		153,998,800	383,296	154,382,096	163,726,382	1.534
2015	50,024,100	104,105,500	154,129,600		154,129,600	385,512	154,515,112	164,116,482	1.536
2016			154,610,600		154,610,600	385,739	154,996,339	160,421,553	1.528

**CITY OF ESTELL MANOR SCHOOL DISTRICT**  
**Direct and Overlapping Property Tax Rates**  
*Source: Municipal Tax Collector*

**Exhibit J-7**  
**Unaudited**

Fiscal Year Ended June 30,	School District			Overlapping Rates				Total Direct and Overlapping Tax Rates
	Basic Rate	Debt Service	Total	Local	County	Other	Total	
2007	1.797		1.797	0.171	0.527	0.000	0.698	2.495
2008	1.773		1.773	0.135	0.527	0.000	0.662	2.435
2009	1.818		1.818	0.135	0.571	0.000	0.706	2.524
2010	2.035		2.035	0.282	0.575	0.000	0.857	2.892
2011	1.972		1.972	0.282	0.581	0.000	0.863	2.835
2012	1.995		1.995	0.282	0.582	0.000	0.864	2.859
2013	2.007		2.007	0.281	0.699	0.000	0.980	2.987
2014	1.534		1.534	0.253	0.507	0.000	0.760	2.294
2015	1.536		1.536	0.299	0.530	0.000	0.829	2.365
2016	1.528		1.528	0.308	0.559	0.000	0.867	2.395

CITY OF ESTELL MANOR SCHOOL DISTRICT  
 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
Campground of Pleasant Valley LP	\$ 1,875,000	1	1.17%	1,233,500	2	1.60%
Homeowner 1	1,646,200	2	1.03%			
MHC Mays Landing LLC	1,189,700	3	0.74%	1,028,600	3	0.88%
RFB Properties LLC	972,100	4	0.61%			
Four B's	716,800	5	0.45%	700,000	5	0.60%
Homeowner 2	699,000	6	0.44%			
Federal Nat Mortg	590,000	7	0.37%			
Homeowner 3	579,400	8	0.36%			
Homeowner 4	569,300	9	0.35%			
M.H.S., LLC	567,300	10	0.35%	431,300	8	0.37%
Crown Financial				2,396,000	1	2.06%
Homeowner 1				920,900	4	0.79%
Gem Refrigeration				835,500	6	0.72%
Homeowner 3				497,100	7	0.43%
Homeowner 5				408,700	9	0.35%
Homeowner 6				394,900	10	0.34%



**CITY OF ESTELL MANOR SCHOOL DISTRICT**  
**Property Tax Levies and Collections**  
*Source: District Records*

**Exhibit J-9**  
**Unaudited**

<u>Fiscal Year Ended June 30,</u>	<u>School Taxes Levied for the Fiscal Year</u>	<u>Current Tax Collections</u>	<u>Percentage of Tax Levy Collections</u>
2007	2,086,691.00	2,086,691.00	100.00%
2008	2,090,870.00	2,090,870.00	100.00%
2009	2,087,896.00	2,087,896.00	100.00%
2010	2,161,608.00	2,161,608.00	100.00%
2011	2,430,006.00	2,430,006.00	100.00%
2012	2,356,613.00	2,356,613.00	100.00%
2013	2,375,949.00	2,375,949.00	100.00%
2014	2,375,949.00	2,375,949.00	100.00%
2015	2,367,749.00	2,367,749.00	100.00%
2016	2,373,649.00	2,373,649.00	100.00%

## DEBT CAPACITY

**CITY OF ESTELL MANOR SCHOOL DISTRICT**  
**Ratio of Outstanding Debt By Type**  
*Source: District Records*

**Exhibit J-10**  
**Unaudited**

Fiscal Year Ended June 30,	Governmental Activities				Business-Type	Total District	Percentage of Personal Income	Per Capita Personal Income
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes	Capital Leases			
2007	1,252,000					1,252,000	1.89%	733
2008	1,038,000					1,038,000	1.53%	606
2009	938,000					938,000	1.38%	544
2010	838,000					838,000	1.22%	483
2011	738,000					738,000	1.03%	425
2012	638,000					638,000	0.87%	368
2013	538,000					538,000	0.73%	310
2014	438,000					438,000	0.58%	252
2015	338,000					338,000	Not Available	
2016	1,462,000					1,462,000	Not Available	

**CITY OF ESTELL MANOR SCHOOL DISTRICT**  
**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>
2007	1,252,000		1,252,000	1.07%	733
2008	1,038,000		1,038,000	0.89%	606
2009	938,000		938,000	0.79%	544
2010	838,000		838,000	0.70%	483
2011	738,000		738,000	0.62%	426
2012	638,000		638,000	0.54%	368
2013	538,000		538,000	0.46%	310
2014	438,000		438,000	0.28%	252
2015	338,000		338,000	0.22%	Not Available
2016	1,462,000		1,462,000	0.94%	Not Available

**CITY OF ESTELL MANOR SCHOOL DISTRICT**  
**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	\$ 1,462,000.00	100.00%	\$ 1,462,000.00
Debt Repaid With Property Taxes Local Municipality	\$ 1,572,000.00	100.00%	1,572,000.00
Other Debt County of Atlantic	\$ 110,650,658.07	0.46%	<u>508,465.38</u>
Total Direct and Overlapping Debt			<u><u>\$ 3,542,465.38</u></u>

CITY OF ESTELL MANOR SCHOOL DISTRICT  
 Legal Debt Margin Information  
 Source: District Records

Exhibit J-13  
 Unaudited

Year	Equalized Valuation Basis
2013	\$ 171,069,406
2014	163,238,075
2015	<u>166,626,595</u>
	<u>\$ 500,934,076</u>
Average Equalized Valuation of Taxable Property	<u>\$ 166,978,025</u>
School Borrowing Margin	
Average Equalized Valuation of Taxable Property	\$ 166,978,025
	<u>3.00%</u>
	5,009,341
Net Bonded School Debt	<u>1,462,100</u>
Legal Debt Margin	<u>\$ 3,547,341</u>

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt Limit	\$ 3,717,091	\$ 5,757,116	\$ 6,351,122	\$ 6,487,334	\$ 6,269,545	\$ 5,879,344	\$ 5,879,344	\$ 5,318,157	\$ 5,103,963
Total Net Debt Applicable Limit	<u>1,252,000</u>	<u>1,038,000</u>	<u>938,000</u>	<u>838,000</u>	<u>738,000</u>	<u>638,000</u>	<u>538,000</u>	<u>438,000</u>	<u>338,000</u>
Legal Debt Margin	<u>\$ 2,465,091</u>	<u>\$ 4,719,116</u>	<u>\$ 5,413,122</u>	<u>\$ 5,649,334</u>	<u>\$ 5,531,545</u>	<u>\$ 5,241,344</u>	<u>\$ 5,341,344</u>	<u>\$ 4,880,157</u>	<u>\$ 4,765,963</u>
Total Net Debt Applicable to the Limit as a % of Debt Limit	33.68%	18.03%	14.77%	12.92%	11.77%	10.85%	9.15%	8.24%	6.62%



## DEMOGRAPHIC AND ECONOMIC INFORMATION

**CITY OF ESTELL MANOR SCHOOL DISTRICT**  
**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>
2007	1,708	66,248,196	38,787	6.30%
2008	1,714	68,061,226	39,709	7.00%
2009	1,724	67,734,236	39,289	9.00%
2010	1,735	68,898,585	39,711	13.80%
2011	1,734	71,418,258	41,187	14.10%
2012	1,734	72,999,666	42,099	14.80%
2013	1,737	73,692,225	42,425	12.00%
2014	1,741	75,447,976	43,336	10.10%
2015	1,731	Not Available	Not Available	8.60%
2016	Not Available	Not Available	Not Available	Not Available

Information Not Available

## Operating Information

**CITY OF ESTELL MANOR SCHOOL DISTRICT**  
**Full-Time Equivalent District Employees By Function/Program**  
*Source: District Personnel Records*

**Exhibit J-16**  
**Unaudited**

<u>Function/Program</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Instruction										
Regular	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0
Special Education	2.4	2.4	2.4	1.6	1.6	1.8	1.8	2.0	2.0	2.0
Other Special Education										
Other										
Support Services										
Student Related	3.8	3.8	3.8	3.8	2.1	2.2	2.2	2.2	2.2	2.2
General Administrative	2.6	2.6	2.6	2.6	0.3	1.3	1.3	1.3	1.3	1.3
School Administrative	1.0	1.0	1.0	1.0	0.8	1.8	1.8	1.8	1.8	1.8
Business Administrative	1.0	1.0	1.0	1.0	0.8	1.0	1.0	1.0	1.0	1.0
Plant Operation	3.5	3.5	3.5	3.5	2.5	3.1	3.1	3.1	3.1	3.1
Other					0.3					
Food Service										
Child Care	0.9	0.9	0.9		0.6	0.4	0.4			
	<u>32.2</u>	<u>32.2</u>	<u>32.2</u>	<u>30.5</u>	<u>26.0</u>	<u>28.6</u>	<u>28.6</u>	<u>28.4</u>	<u>28.4</u>	<u>28.4</u>

CITY OF ESTELL MANOR SCHOOL DISTRICT

Operating Statistics

Source: District Records

Exhibit J-17

Unaudited

Fiscal Year Ended June 30,	Enrollment (a)	Operating Expenditures	Cost Per Pupil	% Change	Teaching Staff	Average Daily		% Change in Average Daily Attendance	Student Attendance Percentage
						Enrollment (b)	Attendance (b)		
2007	330	4,248,393	12,874	4.43%	19.4	218	204	4.31%	93.58%
2008	330	4,188,891	12,694	-1.40%	19.4	225	216	5.88%	96.00%
2009	314	4,570,557	14,556	14.67%	19.4	218	199	-7.87%	91.28%
2010	319	4,669,508	14,638	0.56%	18.6	205	197	-1.01%	96.10%
2011	285	4,444,387	15,594	6.53%	18.6	193	190	-3.55%	98.45%
2012	275	4,420,492	16,075	3.08%	18.8	194	174	-8.68%	89.43%
2013	252	4,523,997	17,952	11.68%	18.8	189	185	6.63%	97.88%
2014	272	4,561,314	16,770	-6.59%	19.0	177	168	-9.19%	94.92%
2015	263	4,454,039	16,936	0.99%	19.0	164	155	-7.74%	94.51%
2016	257	4,127,395	16,060	-5.17%	19.0	171	162	4.52%	94.74%

(a) Includes Grades K-12

(b) Includes Grades K-8



CITY OF ESTELL MANOR SCHOOL DISTRICT  
 School Building Information  
 Source: District Records

Exhibit J-18  
 Unaudited

District Building	2007	2008	2009	2010	2011	2012	2013	2014	2015	2015
Estell Manor Elementary School										
Square Feet	43,366	43,366	43,366	43,366	43,366	43,366	43,366	43,366	43,366	43,366
Capacity	877	877	877	877	877	877	877	877	877	877
Enrollment	218	228	207	197	193	194	196	177	164	171

CITY OF ESTELL MANOR SCHOOL DISTRICT  
 Schedule of Required Maintenance for School Facilities  
 Source: District Records

Exhibit J-19  
 Unaudited

Undistributed Expenditures - Required Maintenance for School Facilities

<u>Facilities</u>	<u>Project Number</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Estell Manor School	N/A	<u>\$ 91,000</u>	<u>\$ 139,284</u>	<u>\$ 142,609</u>	<u>\$ 90,449</u>	<u>\$ 93,490</u>	<u>\$ 94,694</u>	<u>\$ 206,347</u>	<u>\$ 116,305</u>	<u>\$ 116,671</u>	<u>\$ 119,423</u>

**CITY OF ESTELL MANOR SCHOOL DISTRICT**  
**Insurance Schedule**  
Source: District Records

**Exhibit J-20**  
**Unaudited**

Company	Type of Coverage	Amount of Coverage	Deductible	
Atlantic and Cape May Counties School Business Officials Joint Insurance Fund	Property, Inland Marine and Automobile Physical Damages			
	Limit of Liability - Per Occurrence	\$ 150,000,000		
	ACCASBOJIF Self Insured Retention - Per Occurrence	250,000		
	Member District Deductible		\$ 500	
	Property Valuation			
	Buildings and Contents	Replacement Cost		
	Contractors Equipment	Actual Cash Value		
	Automobiles	Replacement Cost		
	Boiler and Machinery			
	Limit of Liability	125,000,000		
	ACCASBOJIF Self Insured Retention	None		
	Member District Deductible		1,000	
	Crime			
	Limit of Liability	500,000		
	ACCASBOJIF Self Insured Retention	250,000		
	Member District Deductible		500	
	General and Automobile Liability			
	Limit of Liability	15,000,000		
	ACCASBOJIF Self Insured Retention	250,000		
	Member District Deductible		-	
	Workers Compensation			
	Limit of Liability	Statutory		
ACCASBOJIF Self Insured Retention	250,000			
Member District Deductible		-		
Educator's Legal Liability				
Limit of Liability	15,000,000			
ACCASBOJIF Self Insured Retention	175,000			
Member District Deductible		-		
Pollution Legal Liability				
Limit of Liability	3,000,000			
ACCASBOJIF Self Insured Retention	None			
Member District Deductible		25,000		
Cyber Liability				
Limit of Liability	1,000,000			
ACCASBOJIF Self Insured Retention	None			
Member District Deductible		25,000		
Western Surety Company	Surety Bonds			

**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  
City of Estell Manor School District  
County of Atlantic  
Dorothy, 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 City of Estell Manor School District, in the County of Atlantic, State of New Jersey, as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Estell Manor School District's basic financial statements and have issued our report thereon dated November 22, 2016.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City of Estell Manor 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**

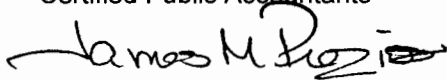
As part of obtaining reasonable assurance about whether the City of Estell Manor School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could 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*.

### **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 Division of Administration and 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 22, 2016  
Millville, NJ

# PREZIOSI·NICHOLSON

& ASSOCIATES PA

Certified Public Accountants

EXHIBIT K-2

**REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON  
THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS  
AND STATE FINANCIAL ASSISTANCE REQUIRED BY UNIFORM ADMINISTRATIVE  
REQUIREMENTS, COST PRINCIPLES, AUDIT REQUIREMENTS FOR FEDERAL  
AWARDS (UNIFORM GUIDANCE) AND NEW JERSEY OMB'S CIRCULAR 15-08**

## INDEPENDENT AUDITORS' REPORT

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

### Report on Compliance for Each Major State Program

We have audited the City of Estell Manor School District's compliance with the types of compliance requirements described in the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on the District's major state programs for the fiscal year ended June 30, 2016. The District's major state programs are identified in the *Summary of Auditor's Results* section of the accompanying *Schedule of Findings and Questioned Costs*.

### Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs

### Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; Title 2 U.S. Code of Federal Regulations part 200, uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and NJ OMB15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, the Uniform Guidance and State of New Jersey OMB's Circular 15-08, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.



We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination on the District's compliance.

### **Opinion on Each Major State Program**

In our opinion, the City of Estell Manor School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2016.

### **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with Uniform Guidance and the New Jersey OMB's Circular 15-08 and which are described in the accompanying schedule of findings and questioned costs as item 2016-1. Our opinion on each major state program is not modified with respect to these matters.

### **Report on Internal Control Over Compliance**

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance and State of New Jersey OMB's Circulars 15-08. Accordingly, this report is not suitable for any other purpose.

**Report on Schedules of Expenditures of Federal Awards Required and State Financial Assistance Required by Uniform Guidance and New Jersey OMB's Circular 15-08**

We have audited the financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund of the City of Estell Manor School District as of and for the year ended June 30, 2016, and have issued our report thereon dated November 22, 2016, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole.

The accompanying schedules of expenditures of Federal Awards and State Financial Assistance are presented for the purposes of additional analysis as required by Uniform Guidance and NJ OMB's Circular 15-08 and are not a required part of the financial statements. Such information is the responsibility of management and was not derived from and relates directly to the underlying accounting and the other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards and state financial assistance is fairly stated in all material respects in relation to the financial statements as a whole.

Respectfully submitted,

**PREZIOSI • NICHOLSON & ASSOCIATES**  
Certified Public Accountants



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

November 22, 2016  
Millville, NJ

**CITY OF ESTELL MANOR SCHOOL DISTRICT**  
**Schedule of Expenditures of Federal Awards**  
**Schedule A**  
**For The Fiscal Year Ended June 30, 2016**

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

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Program or Award Amount	Grant Period	Balance at June 30, 2015	Cash Received	Budgetary Expenditures	Adjustments	Balance at June 30, 2016	
								Accounts Receivable	Due to Grantor
U.S. Department of Education									
Passed-through State Department of Education									
Special Revenue Fund:									
Title I	84.010	24,316.15	7/1/15 - 6/30/16			(24,316.15)		(24,316.15)	
Title I	84.010	17,877.51	7/1/14 - 6/30/15	(17,877.51)	17,877.51				
Title II A	84.367	4,493.06	7/1/15 - 6/30/16			(4,493.06)		(4,493.06)	
Title II A	84.367	8,310.49	7/1/14 - 6/30/15	\$ (8,310.49)	8,310.49				
I.D.E.A. Part B, Basic Regular	84.027	58,619.00	7/1/15 - 6/30/16		58,619.00	(58,619.00)			
I.D.E.A. Part B, Preschool	84.395	1,553.00	7/1/15 - 6/30/16		1,553.00	(1,553.00)			
Title VI REAP	84.358	13,717.00	7/1/15 - 6/30/16		13,717.00	(13,717.00)			
<b>Total Special Revenue Fund</b>				<u>(26,188.00)</u>	<u>100,077.00</u>	<u>(102,698.21)</u>	<u>-</u>	<u>(28,809.21)</u>	<u>-</u>
U.S. Department of Agriculture									
Passed-through State Department of Education									
Enterprise Fund:									
Food Distribution Program	10.555	7,861.58	7/1/15 - 6/30/16		7,861.58	(7,861.58)			
School Breakfast Program	10.553	9,220.48	7/1/15 - 6/30/16		8,579.71	(9,220.48)		(640.77)	
School Breakfast Program	10.553	5,375.96	7/1/14 - 6/30/15	(386.40)	386.40				
National School Lunch Program	10.555	23,496.77	7/1/15 - 6/30/16		21,833.51	(23,496.77)		(1,663.26)	
National School Lunch Program	10.555	17,538.90	7/1/14 - 6/30/15	(935.16)	935.16				
<b>Total Enterprise Fund</b>				<u>(1,321.56)</u>	<u>39,596.36</u>	<u>(40,578.83)</u>	<u>-</u>	<u>(2,304.03)</u>	<u>-</u>
<b>Total Federal Financial Awards</b>				<u>\$ (27,509.56)</u>	<u>\$ 139,673.36</u>	<u>\$ (143,277.04)</u>	<u>\$ -</u>	<u>\$ (31,113.24)</u>	<u>\$ -</u>



**CITY OF ESTELL MANOR SCHOOL DISTRICT**  
**Schedule of Expenditures of State Financial Assistance**  
**Schedule B**  
**For The Fiscal Year Ended June 30, 2016**

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

State Grantor/Program Title	Grant or Project Number	Grant Period	Program or Award Amount	Balance at June 30, 2015	Cash Received	Budgetary Expenditures	Balance at June 30, 2016		(MEMO) Delayed State Payment
							Accounts Receivable	Deferred Revenue	
<b>State Department of Education</b>									
<b>General Fund</b>									
Equalization Aid	16-495-034-5120-078	07/01/15-06/30/16	\$ 1,604,758.00	\$ -	\$ 1,411,785.00	\$ (1,604,758.00)	\$(192,973.00)	\$ -	\$(192,973.00)
Equalization Aid	15-495-034-5120-078	07/01/14-06/30/15	1,604,758.00	(189,829.00)	189,829.00				
Special Education Categorical Aid	16-495-034-5120-089	07/01/15-06/30/16	167,247.00		167,247.00	(167,247.00)			
School Choice Aid	16-495-034-5120-068	07/01/15-06/30/16	247,240.00		247,240.00	(247,240.00)			
Security Aid	16-495-034-5120-084	07/01/15-06/30/16	36,675.00		36,675.00	(36,675.00)			
Transportation Aid	16-495-034-5120-014	07/01/15-06/30/16	45,514.00		45,514.00	(45,514.00)			
Adjustment Aid	16-495-034-5120-085	07/01/15-06/30/16	19,046.00		19,046.00	(19,046.00)			
Nonpublic Transportation Aid	16-495-034-5120-014	07/01/15-06/30/16	696.00			(696.00)	(696.00)		
Nonpublic Transportation Aid	15-495-034-5120-014	07/01/14-06/30/15	870.00	(870.00)	870.00				
Extraordinary Aid	15-100-034-5120-473	07/01/14-06/30/15	999.00	(999.00)	999.00				
Per Pupil Growth Aid	16-495-034-5120-097	07/01/15-06/30/16	2,340.00		2,340.00	(2,340.00)			
PARCC Readiness Aid	16-495-034-5120-098	07/01/15-06/30/16	2,340.00		2,340.00	(2,340.00)			
<b>On Behalf TPAF</b>									
Pension Contributions	16-495-034-5095-006	07/01/15-06/30/16	222,539.00		222,539.00	(222,539.00)			
Social Security Contributions	16-495-034-5095-002	07/01/15-06/30/16	93,229.77		88,287.67	(93,229.77)	(4,942.10)		
Social Security Contributions	15-495-034-5095-002	07/01/14-06/30/15	88,346.30	(6,282.58)	6,282.58				
<b>Total General Fund</b>				<b>(197,980.58)</b>	<b>2,440,994.25</b>	<b>(2,441,624.77)</b>	<b>(198,611.10)</b>	<b>-</b>	<b>(192,973.00)</b>
<b>Capital Projects Fund</b>									
SDA Grant - HVA	G5-4792	07/01/15-06/30/16	501,481.00			(501,481.00)	(501,481.00)		
SDA Grant - Roof	G5-4793	07/01/15-06/30/16	196,235.10			(196,235.10)	(196,235.10)		
SDA Grant - Emergency Generator	G5-6155	07/01/15-06/30/16	42,651.00			(42,651.00)	(42,651.00)		
<b>Total Capital Projects Fund</b>				<b>-</b>	<b>-</b>	<b>(740,367.10)</b>	<b>(740,367.10)</b>	<b>-</b>	<b>-</b>
<b>U.S. Department of Agriculture</b>									
<b>Passed-through State Department of Education</b>									
<b>Enterprise Fund:</b>									
National School Lunch Program	16-100-010-3360-067	07/01/15-06/30/16	835.01		774.70	(835.01)	(60.31)		
National School Lunch Program	15-100-010-3360-067	07/01/14-06/30/15	755.70	(66.45)	66.45				
<b>Total Enterprise Fund</b>				<b>(66.45)</b>	<b>841.15</b>	<b>(835.01)</b>	<b>(60.31)</b>	<b>-</b>	
<b>Total State Financial Assistance</b>				<b>\$(198,047.03)</b>	<b>\$ 2,441,835.40</b>	<b>(3,182,826.88)</b>	<b>\$(939,038.51)</b>	<b>\$ -</b>	<b>\$(192,973.00)</b>
Less: On-Behalf TPAF Pension Contributions						222,539.00			
<b>Total for State Financial Assistance</b>						<b>\$(2,960,287.88)</b>			

**CITY OF ESTELL MANOR SCHOOL DISTRICT**  
**Notes to Schedules of Awards and Financial Assistance**  
**June 30, 2016**

**NOTE 1           GENERAL**

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

**NOTE 2           BASIS OF ACCOUNTING**

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the District's financial statements. The information in this schedule is presented in accordance with requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award, therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE 3           RELATIONSHIP TO 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, payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

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

**CITY OF ESTELL MANOR SCHOOL DISTRICT**  
**Notes to Schedules of Awards and Financial Assistance**  
**June 30, 2016**

**NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS (CONTINUED)**

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	\$ .00	\$ 3,178,847.87	\$ 3,178,847.87
Special Revenue Fund	102,209.34		102,209.34
Enterprise Fund	40,578.83	835.01	41,413.84
	<hr/>		
Total GAAP	142,788.17	3,179,682.88	3,322,471.05
Budgetary Adjustment			
State Aid Payment			
Current Year		192,973.00	192,973.00
Prior Year		( 189,829.00)	( 189,829.00)
Encumbrances			
Current Year	488.87		488.87
Prior Year			.00
	<hr/>		
Total Budgetary	\$ 143,277.04	\$ 3,182,826.88	\$ 3,326,103.92

**NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 5 ADJUSTMENTS**

No adjustment were reported.

**NOTE 6 OTHER**

Revenues and expenditures reported under the U.S.D.A. Commodities Program represents current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2016. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2016.

**NOTE 7 MAJOR PROGRAMS**

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



**CITY OF ESTELL MANOR SCHOOL DISTRICT  
Schedule of Findings and Questioned Costs**

For The Fiscal Year Ended June 30, 2016

**PART 1 - SUMMARY OF AUDITORS' RESULTS**

**Financial Statements**

A. Type of auditors' report issued:

**Unmodified**

B. Internal control over financial reporting:

1. Material weakness(es) identified?

**No**

2. Were significant deficiency(ies) identified?

**None Reported**

C. Noncompliance material to general purpose financial statements noted?

**No**

**Federal Awards Section**

**This Section Does Not Apply**

**State Financial Assistance**

A. Dollar threshold used to determine Type A and Type B programs.

**\$750,000.00**

B. Auditee qualified as low-risk auditee?

**Yes**

C. Type of auditors' report issued on compliance for major programs.

**Unmodified**

D. Internal control over compliance.

1. Material weakness(es) identified?

**No**

2. Were significant deficiency(ies) identified that were not considered to be material weaknesses?

**No**

E. Any audit findings disclosed that are required to be reported in accordance with New Jersey OMB's Circular 15-08 ?

**Yes**

F. Identification of major programs.

<u>GMIS Number(s)</u>	<u>Program Type</u>	<u>Name of State Program</u>
		<b>State Aid Public</b>
495-034-5120-078	A	Equalization Aid
495-034-5120-089	B	Special Education Categorical Aid
495-034-5120-084	B	Security Aid
495-034-5120-068	B	School Choice Aid
495-034-5120-085	B	Adjustment Aid
495-034-5120-097	B	Per Pupil Growth Aid
495-034-5120-098	B	PARCC Readiness Aid



**CITY OF ESTELL MANOR SCHOOL DISTRICT**  
**Schedule of Findings and Questioned Costs**

For The Fiscal Year Ended June 30, 2016

**PART 2 - SCHEDULE OF FINANCIAL STATEMENT FINDINGS**

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

**None Noted**

CITY OF ESTELL MANOR SCHOOL DISTRICT  
Schedule of Findings and Questioned Costs

For The Fiscal Year Ended June 30, 2016

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

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

**FEDERAL AWARDS**

This Section Not Applicable

**STATE FINANCIAL ASSISTANCE**

**Finding No. 2016-1**

**State Aid - Public**

Equalization Aid  
Special Education Categorical Aid  
Security Aid  
School Choice Aid  
Adjustment Aid  
Per Pupil Growth Aid  
PARCC Readiness Aid

**Criteria or Specific Requirement**

N.J.A.C. 6A:23A-13.3(g) requires Districts to receive Executive County Approval for any transfer to an advertised appropriation account identified as administration that exceeds, on a cumulative basis, ten percent (10%) of the amount of the account included in the District's budget certified for taxes.

**Condition**

The District transferred an amount that on a cumulative basis exceeded ten percent (10%) of the total amount included in the original budget without Executive County Superintendent Approval.

**Context**

The District requested a transfer of \$25,552 to General Administration account 11-000-230-XXX for legal and communication expenditures. The transfer was not approved by the County due to the District exceeding the administrative cost limit.

**Effect**

The District did not comply with N.J.A.C. 6A:23A-13.3(g) requirements.

**Cause**

Unknown

**Recommendation**

Executive County Superintendent approval must be granted in compliance with N.J.A.C. 6A:23A-13.3(g) for any transfer from an advertised appropriation account which is cumulatively more than ten percent (10%) of that amount.

**Management's Response**

The responsible officials agree with the finding and will address the matter as part of their corrective action.

**CITY OF ESTELL MANOR SCHOOL DISTRICT  
Summary Schedule of Prior-Year Findings and  
Questioned Costs as Prepared by Management  
For The Fiscal Year Ended June 30, 2016**

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

**STATUS OF PRIOR YEAR FINDINGS**

**Financial Statement Findings**

**Finding No. 2015-1**

**Condition**

The District transferred an amount that on a cumulative basis exceeded 10 percent of the total amount included in the original budget without Executive County Superintendent Approval.

**Current Status**

The condition has not been corrected

**Federal Awards**

There were no prior year audit findings.

**State Financial Assistance Programs**

There were no prior year audit findings.