

**Elk Township School District
Board of Education
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2011**

ELK TOWNSHIP SCHOOL DISTRICT

AURA, NEW JERSEY

**Elk Township School Board of Education
Aura, New Jersey**

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2011**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

Of the

**Elk Township School Board of Education
Aura, New Jersey**

For the Fiscal Year Ended June 30, 2011

Prepared by:

**Elk Township School
Board of Education Administration**

OUTLINE OF CAFR

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	1
Organizational Chart	2-7
Roster of Officials	8
Consultants and Advisors	9
	10
FINANCIAL SECTION	
	11
Independent Auditor's Report	12-13
Required Supplementary Information –Part I Management's Discussion and Analysis	14 15-25
Basic Financial Statements	26
A. District-Wide Financial Statements:	27
A-1 Statement of Net Assets	28
A-2 Statement of Activities	29
B. Fund Financial Statements:	30
Governmental Funds:	
B-1 Balance Sheet	31
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	32
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	33
Proprietary Funds:	
B-4 Statement of Net Assets	34
B-5 Statement of Revenues, Expenses, and Changes in Fund Net Assets	35
B-6 Statement of Cash Flows	36
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Assets	37
B-8 Statement of Changes in Fiduciary Net Assets	38
Notes to the Financial Statements	39-58
Required Supplementary Information – Part II	59
C. Budgetary Comparison Schedules:	60
C-1 Budgetary Comparison Schedule – General Fund	61-66
C-1a Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual (if applicable)	N/A
C-1b Education Jobs Fund Program – Budget and Actual (if applicable)	N/A
C-2 Budgetary Comparison Schedule – Special Revenue Fund	67
Notes to the Required Supplementary Information	68
C-3 Budget-to-GAAP Reconciliation	69

	<u>Page</u>
Other Supplementary Information	70
D. School Based Budget Schedules (if applicable):	N/A
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund – Schedule of Expenditures Allocated by Resource Type – Actual	N/A
D-3 Blended Resource Fund – Schedule of Blended Expenditures – Budget and Actual	N/A
E. Special Revenue Fund:	71
E-1 Combining Schedule of Program Revenues and Expenditures – Budgetary Basis	72-74
E-2 Preschool Education Aid Schedule(s) of Expenditures – Budgetary Basis	75
F. Capital Projects Fund:	76
F-1 Summary Schedule of Project Expenditures	77
F-2 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budgetary Basis	78
F-2(x) Schedule(s) of Project Revenues, Expenditures, Project Balance, and Project Status – Budgetary Basis	79
G. Proprietary Funds:	80
Enterprise Fund:	
G-1 Combining Schedule of Net Assets	81
G-2 Combining Schedule of Revenues, Expenses, and Changes in Fund Net Assets	82
G-3 Combining Schedule of Cash Flows	83
Internal Service Fund:	
G-4 Combining Schedule of Net Assets	84
G-5 Combining Schedule of Revenues, Expenses, and Changes in Fund Net Assets	84
G-6 Combining Schedule of Cash Flows	85
H. Fiduciary Funds:	86
H-1 Combining Statement of Fiduciary Net Assets	87
H-2 Combining Statement of Changes in Fiduciary Net Assets	88
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	99
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	89
I. Long-Term Debt:	90
I-1 Schedule of Serial Bonds	91
I-2 Schedule of Obligations under Capital Leases	92
I-3 Debt Service Fund Budgetary Comparison Schedule	93

STATISTICAL SECTION (Unaudited)		<u>Page</u>
		94
Introduction to the Statistical Section		95
Financial Trends		
J-1	Net Assets by Component	96
J-2	Changes in Net Assets	97-99
J-3	Fund Balances – Governmental Funds	100
J-4	Changes in Fund Balances – Governmental Funds	101-102
J-5	General Fund Other Local Revenue by Source	103
Revenue Capacity		
J-6	Assessed Value and Estimated Actual Value of Taxable Property	104
J-7	Direct and Overlapping Property Tax Rates	105
J-8	Principal Property Taxpayers	106
J-9	Property Tax Levies and Collections	107
Debt Capacity		
J-10	Ratios of Outstanding Debt by Type	108
J-11	Ratios of General Bonded Debt Outstanding	109
J-12	Direct and Overlapping Governmental Activities Debt	110
J-13	Legal Debt Margin Information	111
Demographic and Economic Information		
J-14	Demographic and Economic Statistics	112
J-15	Principal Employers	113
Operating Information		
J-16	Full-time Equivalent District Employees by Function/Program	114
J-17	Operating Statistics	115
J-18	School Building Information	116
J-19	Schedule of Required Maintenance Expenditures by School Facility	117
J-20	Insurance Schedule	118
SINGLE AUDIT SECTION		119
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 <i>Government Auditing Standards</i>	120-121
K-2	Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance with O.M.B. Circular A-133 and New Jersey O.M.B. Circular Letter 04-04	122-123
K-3	Schedule of Expenditures of Federal Awards, Schedule A	124
K-4	Schedule of Expenditures of State Financial Assistance, Schedule B	125
K-5	Notes to the Schedules of Awards and Financial Assistance	126-127
K-6	Schedule of Findings and Questioned Costs	128-129
K-7	Summary Schedule of Prior Audit Findings	130

INTRODUCTORY SECTION

BOARD OF EDUCATION OF ELK TOWNSHIP

98 Unionville Road
Glassboro, New Jersey 08028
(856) 881-6889 * Fax: (856) 881-3674
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EDWIN D. PEARSON
PRESIDENT

JOSEPH M. COLLINS
BUSINESS ADMINISTRATOR
BOARD SECRETARY

DR. PIERA GRAVENOR
SUPERINTENDENT

November 3, 2011

Honorable President and
Members of the Board of Education
Elk Township School District
98 Unionville Road
Glassboro, New Jersey 08028

Dear Board Members and Constituents:

The comprehensive annual financial report of the Elk Township School District for the fiscal year ended June 30, 2011, 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. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections:

- The Introductory Section contains a table of contents, letter of transmittal, list of principal officials, and an organizational chart of the District;
- The Financial Section begins with the Independent Auditors' Report and includes the Management's Discussion and Analysis, the basic financial statements, and notes providing an overview of the District's financial position and operating results, and other schedules providing detailed budgetary information;
- The Statistical Section includes selected economic and demographic information, financial trends, and the fiscal capacity of the District, generally presented on a multi-year basis;
- The Single Audit Section – The District is required to undergo an annual audit in conformity with the provisions of the Single Audit Act of 1986, as amended, the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations," and the New Jersey O.M.B. Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments.

- The Single Audit Section – (Continued) Information related to this single audit, including the auditors' reports on the internal control structure and compliance with applicable laws and regulations, and findings and recommendations, if any, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES:

The Elk Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (G.A.S.B.) as established by Statement No. 14. All funds and account groups of the District are included in this report.

The Elk Township Board of Education and its school, constitutes the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 6. These include regular, as well as special education for handicapped youngsters. The District completed the 2010-11 fiscal year with an average daily enrollment of 384 students, which is 4 students less than the previous year's enrollment.

The teaching staff consists of approximately forty-two faculty members, plus nine instructional classroom aides. The District's administrative structure includes a shared superintendent, a shared business administrator, and a district supervisor responsible for the child study team, curriculum, and technology. The District has one elementary school with a building principal. The nine member board of education is an elected body of Elk Township residents.

The District is committed to create a nurturing community of life-long learners who are socially responsible thinkers that embrace cultural diversity. The District's instructional strategies and processes support the achievement of the New Jersey Core Curriculum Content Standards for all students. When students complete their elementary education in the District, they will have the foundations needed in their journey to becoming productive, self-sufficient, civic minded citizens of the world. The school district staff, involved parents, and community members are integral to the accomplishment of this goal.

A Gifted and Talented pullout program is provided to students in grades four through six. Identified students in grades kindergarten through three are provided with in-class activities.

A strong basic skills curriculum in reading and math is available for students who are identified based on their standardized test scores and/or teacher recommendation. The District employs four basic skills teachers whose purpose is to ensure that the students receive a remedial program appropriate to their needs. After school tutoring is provided to at-risk students.

The Elk Township School District offers a caring, nurturing atmosphere conducive to the student's academic, social, and emotional growth.

All pre-kindergarten through sixth grade students receive a program designed to enlighten their skills in language arts, math, science, social studies, health/physical education, library, music, foreign language and computer technology.

1) REPORTING ENTITY AND ITS SERVICES: (CONTINUED)

Students receive ninety minutes of instructional time daily in language arts, sixty minutes in mathematics and forty-five minutes in science and social studies. Spanish, library, art, music, physical education, and computer take place weekly.

2) ECONOMIC CONDITION AND OUTLOOK:

The total land area in Elk Township is approximately 22 square miles. The land consists of many farms and fruit orchards. A few small locally operated businesses are located in the community. There are many minor and major subdivisions planned for the community. The impact of this increase on our facility may be substantial, and may require reconfiguration of district educational delivery capacity, including the need for construction of an additional building or buildings.

Elk Township currently consists of one school building. The original building was constructed in 1927 with additions added in 1956, 1976, 1992 and 2002. A major bond referendum was approved by the voters in 2008 for the restoration of several areas in and outside the building.

3) MAJOR INITIATIVES:

The District continues to supply an enhanced educational program for our students through the upgrading of our elementary facilities, innovative educational programs and activities, and a comprehensive curriculum which addresses students' needs from basic skills to enrichment.

Literacy and Math

The District continues to utilize research based math and literacy programs. These programs consist of an in-class delivery system that provides team teaching with special education and regular education in developmental classrooms in grades kindergarten through fifth. Our sixth grade is departmentalized in all subject areas with team teaching taking place for at-risk students. Reading Recovery is used to provide individualized instruction to first grade students that are experiencing difficulty in learning to read. We use the accelerated reading program in grades kindergarten through sixth for our students who need to be challenged in literacy. Our gifted students in grades four, five, and six attend weekly enrichment classes. Gifted students in the lower grades receive in-class instruction.

Technology

Technology in the Elk Township School District is viewed as critical to school reform because of its capacity to support improvement in the educational process. Interaction via email, the web, and Internet research leads to problem solving and is revolutionizing the way our students learn. Technology has been integrated into every aspect of our curriculum. Professional development is provided to our teachers to continually upgrade their skills. The District's facility is equipped with four computers in each classroom, six Smartboards, and four wireless laptop carts. We currently have placed in the building. Technology is incorporated into our library media program weekly with a research class held every other week.

3) MAJOR INITIATIVES: (CONTINUED)

The Arts

The District offers weekly art and music classes to students in kindergarten through sixth grade. Chorus, beginning and advanced band is offered to students in grades four through six. Concerts and art shows take place semiannually. There is an annual family trunk or treat event, a family math night and a family wellness night.

Professional Development

The District participates with Delsea Regional School District and the Franklin Township School District in offering comprehensive professional development opportunities to the staff. A professional development committee, consisting of staff and administrators, meets regularly to assess the needs of the educational community. Evaluation forms are given to staff members after each professional development event to evaluate the effectiveness of the program.

4) INTERNAL ACCOUNTING CONTROLS:

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

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

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 objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the General Fund, the Special Revenue Fund, 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 re-appropriations of fund balance in the subsequent year.

5) BUDGETARY CONTROLS: (CONTINUED)

Those amounts to be re-appropriated are reported as reservations of fund balance at year end.

6) ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (G.A.S.B.). The accounting system of the District is organized on the basis of funds and account groups which are converted from governmental fund balances to net assets.

7) MANAGEMENT'S DISCUSSION AND ANALYSIS:

G.A.A.P. requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a management's discussion and analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in connection with it. The District's MD&A can be found immediately following the report of the independent auditors.

8) CASH MANAGEMENT:

The investment policy of the District is guided in large part by the state statute as detailed in "Notes to the Financial Statements," Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provision of the Governmental Unit Deposit Protection Act ("G.U.D.P.A."). G.U.D.P.A. 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.

9) RISK MANAGEMENT:

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

10) INDEPENDENT AUDIT:

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Petroni & Associates LLC was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 and the related O.M.B. Circular A-133 and New Jersey O.M.B.'s Circular 04-04. The auditor's report on the basic financial statements and combining and individual fund statements and 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.

11) AWARDS – EDUCATIONAL:

Sixth grade Elk Township students participate in the Coriell Institute Science Fair each year. Students received third place in math and honorable mention in science/botany.

12) ACKNOWLEDGMENTS:

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

Respectfully Submitted,

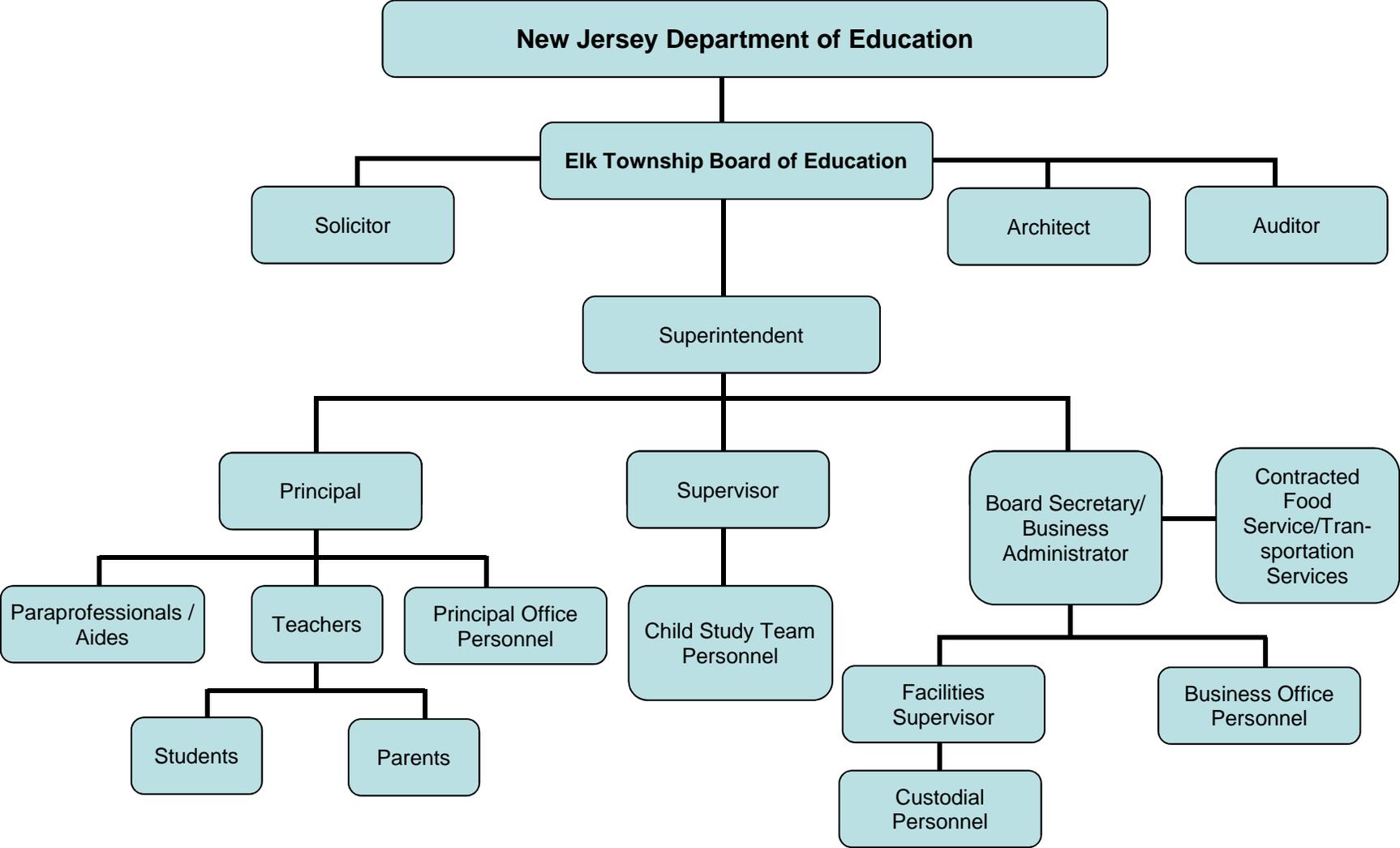
Dr. Piera Gravenor

Dr. Piera Gravenor
Superintendent

Joseph M. Collins, CPA

Joseph M. Collins, CPA
Business Administrator/Board Secretary

ELK TOWNSHIP SCHOOL DISTRICT ADMINISTRATIVE STAFF ORGANIZATION



ELK TOWNSHIP BOARD OF EDUCATION

Elk Township, New Jersey

ROSTER OF OFFICIALS

June 30, 2011

<u>MEMBERS OF THE BOARD OF EDUCATION</u>	<u>Term Expires</u>
Edwin D. Pearson, President	2014
Thomas J. Carrocino, Vice President	2014
Jessica J. Dadak	2012
H. Douglas Gominger	2012
J. Wilson Hughes, Jr.	2012
Karen Myers	2013
Cheryl L. Potter	2014
Mary Spring	2012
Jennifer Wirtz	2013

OTHER OFFICIALS

Dr. Piera Gravenor, Superintendent

Joseph M. Collins, Business Administrator/Board Secretary

Stephen Considine, Treasurer

Wayne A. Streitz, Esq., Solicitor

ELK TOWNSHIP BOARD OF EDUCATION

CONSULTANTS AND ADVISORS

ARCHITECTS

Wayne A. Neville, A.I.A.
430 Commerce Lane, Suite C
West Berlin, NJ 08091

AUDIT FIRM

Petroni & Associates LLC
21 W. High Street
Glassboro, NJ 08028

ATTORNEY

Wayne A. Streitz, Esq.
10 Pitman Avenue
Pitman, NJ 08071

OFFICIAL DEPOSITORY

First National Bank of Elmer
S. Main & Broad Street
Elmer, NJ 08318

FINANCIAL SECTION

PETRONI & ASSOCIATES LLC

Certified Public Accountants • Registered Municipal Accountants
21 W. High Street • P.O. Box 279 • Glassboro, NJ 08028
(856) 881-1600 • Fax (856) 881-6860

MEMBER: AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

Nick L. Petroni, CPA, RMA

Mary A. Carey, RMA
Wendy G. Fama, CPA
Denise R. Nevico, CPA
Deanna L. Roller, CPA, RMA

INDEPENDENT AUDITOR'S REPORT

Honorable President and
Members of the Board of Education
Elk Township School District
98 Unionville Road
Glassboro, New Jersey 08028

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Elk Township School District in the County of Gloucester, State of New Jersey, as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Elk Township Board of Education's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used, and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Elk Township Board of Education, in the County of Gloucester, State of New Jersey, as of June 30, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2011 on our consideration of the Elk Township Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and Budgetary Comparison information referenced in the outline of C.A.F.R. are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. 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 inquires of management about the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Elk Township School Board of Education's basic financial statements. The introductory section, combining and individual fund financial statements, long-term debt schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedules of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey O.M.B.'s Circular 04-04 *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid* respectively, and is also not a required part of the basic financial statements. The combining and individual fund financial statements and the schedules of federal awards and state financial assistance have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on them.

PETRONI & ASSOCIATES LLC



Nick L. Petroni
Certified Public Accountant
Licensed Public School Accountant #542

November 16, 2011

Required Supplementary Information – Part I

**Elk Township Board of Education
Aura, NJ**

**Management's Discussion & Analysis
Fiscal Year ended June 30, 2011
Unaudited**

This section of Elk Township Public School District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2011. Comparative financial data is presented. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

Financial Areas of Interest

Key financial highlights for 2011 are as follows:

- In total, net assets increased \$386,839, which represents a 14% increase from fiscal year 2010.
- General revenues accounted for \$5,416,537 in revenue or 94.2% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$493,322 or 5.8% of total revenues of \$5,909,859.
- The District had \$5,523,021 in expenses; only \$493,322 of these expenses was offset by program specific charges for services, grants or contributions. General revenues (primarily taxes and state aid) of \$5,416,537 were adequate to provide for these programs.
- Among governmental funds, the General Fund, the District's most significant fund, had \$5,211,344 in revenues and \$4,739,889 in expenditures (see Exhibit B-2). The fund balance for the General Fund increased \$451,576 over fiscal year 2010. This increase was partially due to excess tuition revenue of \$260,769.

Using this Comprehensive Annual Financial Report (C.A.F.R.)

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Elk Township School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The General Fund is by far the most significant fund.

Reporting the School District as a Whole

Statement of Net Assets and the Statement of Activities

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole, looks at all financial transactions and asks the question, "How did we do financially during 2010-2011?" The Statement of Net Assets and the Statement of Activities answer this question.

**Elk Township Board of Education
Aura, NJ**

**Management's Discussion & Analysis
Fiscal Year ended June 30, 2011
Unaudited**

Statement of Net Assets and the Statement of Activities (Continued)

These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector businesses. These bases of accounting take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the School District as a whole, the financial position of the School District and whether it has improved or diminished. The causes of this change may be the result of many factors, some financial and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Assets and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- Governmental activities – All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.
- Business-Type Activities – This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service Enterprise Fund is reported as a business activity.

Reporting the School District's Most Significant Funds

Fund Financial Statements

Fund financial reports provide detailed information about the School District's funds. The School District uses many funds to account for a multitude of financial transactions. The School District's governmental funds are the General Fund, Special Revenue Fund, Capital Projects Fund, and Debt Service Fund.

Governmental Funds

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in future years. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs.

**Elk Township Board of Education
Aura, NJ**

**Management's Discussion & Analysis
Fiscal Year ended June 30, 2011
Unaudited**

Governmental Funds (Continued)

The relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Enterprise Fund

The Enterprise Funds use the same basis of accounting as business-type activities; therefore, these statements are essentially the same.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. This information is information that has not been presented on the face of the financial statements, for reasons of practicality, but is essential for the financial statements to be fairly presented.

The School District as a Whole

The Statement of Net Assets provides the perspective of the School District as a whole. Net assets may serve over time as a useful indicator of a government's financial position. The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

Table 1 provides a summary of the School District's net assets for fiscal years 2011 and 2010.

Table 1

Elk Township School District's Net Assets

	Business-		Business-		School District Total	
	Governmental Activities 2011	Type 2011	Governmental Activities 2010	Type 2010	Total 2011	Total 2010
Assets:						
Current and other assets	\$ 1,029,445	\$ 33,802	\$ 589,328	\$ 27,500	\$ 1,063,247	\$ 616,828
Capital assets	3,994,266	13,230	4,170,560	7,431	4,007,496	4,177,991
Total assets	5,023,711	47,032	4,759,888	34,931	5,070,743	4,794,819
Liabilities:						
Long-term liabilities	1,872,207		1,809,934		1,872,207	1,809,934
Other liabilities	82,305	2,092	254,684	2,901	84,397	257,585
Total liabilities	1,954,512	2,092	2,064,618	2,901	1,956,604	2,067,519
Net Assets:						
Invested in capital assets, Net of related debt	2,238,938	13,230	2,289,560	7,431	2,252,168	2,296,991
Restricted	883,616		481,780		883,616	481,780
Unrestricted	(53,356)	31,710	(76,070)	24,599	(21,646)	(51,471)
Total net assets	\$ 3,069,198	\$ 44,940	\$ 2,695,270	\$ 32,030	\$ 3,114,138	\$ 2,727,300

**Elk Township Board of Education
Aura, NJ**

**Management's Discussion & Analysis
Fiscal Year ended June 30, 2011
Unaudited**

The School District as a Whole (Continued)

The District's combined net assets were \$3,114,138 on June 30, 2011. This was a 14% increase from the prior year.

Total assets increased \$275,924. There was an increase in current and other assets due mainly to the withholding of state aid and a slight decrease in capital assets due to the depreciation.

Total liabilities decreased \$110,915 due mainly to a decrease in bonds payable.

Table 2 shows changes in net assets for fiscal years 2011 and 2010.

Table 2

**Elk Township School District's
Changes in Net Assets**

	Business-		Business-		Total	
	Governmental Activities	Type	Governmental Activities	Type	2011	2010
	2011		2010			
Revenues:						
Program revenues						
Charges for services	\$ 6,150	\$ 78,632	\$ 33,296	\$ 61,670	\$ 84,782	\$ 94,966
Operating grants and contributions	330,028	78,512	365,988	76,788	408,540	442,776
General revenues						-
Property taxes	2,365,100		2,327,311		2,365,100	2,327,311
Federal and state aid not restricted	2,739,306		2,708,106		2,739,306	2,708,106
Other	310,043	2,088	148,608	50	312,131	148,658
Total revenue	5,750,627	159,232	5,583,309	138,508	5,909,859	5,721,817
Expenses:						
Instruction	2,177,120		3,558,947		2,177,120	3,558,947
Student support services	733,670		710,587		733,670	710,587
School administration	166,393		233,479		166,393	233,479
General & bus. administration	253,659		325,861		253,659	325,861
Plant operations & maintenance	381,382		481,198		381,382	481,198
Pupil transportation	263,367		340,483		263,367	340,483
Unallocated benefits	1,086,946				1,086,946	
Special schools	1,958				1,958	-
Food service		152,982		169,098	152,982	169,098
Childcare		13,340			13,340	
Unallocated depreciation	194,401		64,941		194,401	64,941
Other	97,803		69,054		97,803	69,054
Total expenses	5,356,699	166,322	5,784,550	169,098	5,523,021	5,953,648
Transfers:	(20,000)	20,000	(34,000)	34,000		
Increase (decrease) in net assets	\$ 373,928	\$ 12,910	\$ (235,241)	\$ 3,410	\$ 386,838	\$ (231,831)

**Elk Township Board of Education
Aura, NJ**

**Management's Discussion & Analysis
Fiscal Year ended June 30, 2011
Unaudited**

The School District as a Whole (Continued)

Program revenues include charges for services and operating grants and contributions. The increase in program revenues is primarily the result of an increase in grant revenues.

General revenues include property taxes, federal and state aids, and other revenues, with federal and state aids being the predominant source of revenue for the District. Other revenues include revenues from tuition, interest on investments, and other miscellaneous sources.

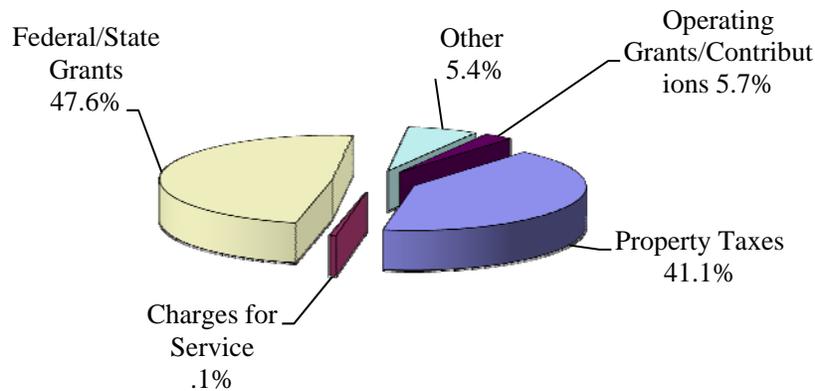
There was an increase in property taxes of \$37,789. The unique nature of property taxes in New Jersey creates the legal requirements to annually seek voter approval for the District budget and related tax levy. The 2010-11 budget was passed by the voters, 251 yes, 175 no.

In accordance with state law, defeated budgets are reviewed by the municipality within which the student population resides, and budget cuts are recommended.

Governmental Activities

The District's total revenues for governmental activities were \$5,744,477 (see Exhibit B-2) for the year ended June 30, 2011. Federal and state aid accounted for 47.6% of revenues. Property taxes made up 41.1% of revenues for governmental activities.

**Table 3
Sources of Revenue for Fiscal Year 2011**

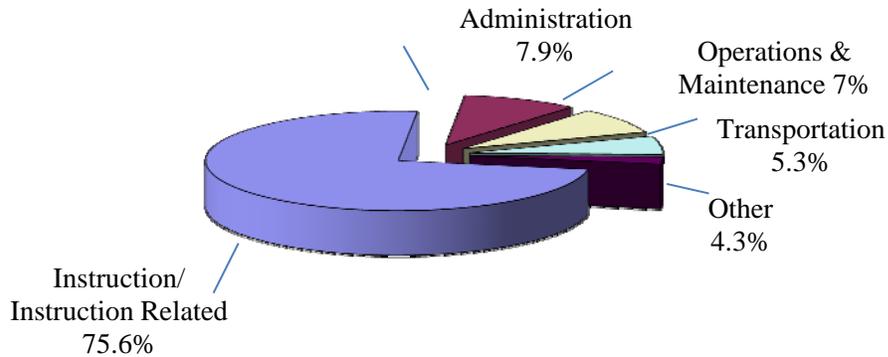


The total cost of all programs and services was \$5,288,460. Instruction and instruction related activities account for 75.6% of District expenses.

**Elk Township Board of Education
Aura, NJ**

**Management's Discussion & Analysis
Fiscal Year ended June 30, 2011
Unaudited**

**Table 4
Expenses for Fiscal Year 2011**



Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and student, including extracurricular activities.

Instruction related activities are those activities which support the instruction process, and include attendance, nursing, related and extraordinary services for special education student, guidance, child study, curriculum, staff development, and educational media services.

Administration includes general, school, and business administration, and includes expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities involve keeping the school grounds, buildings, and equipment in an effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by State law.

“Other” includes unallocated depreciation, interest on debt, amortization of bond issuance costs, and special schools.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 5 shows, for governmental activities, the total cost of services and the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

**Elk Township Board of Education
Aura, NJ**

**Management's Discussion & Analysis
Fiscal Year ended June 30, 2011
Unaudited**

Table 5

	<u>Total Cost of Services 2011</u>	<u>Net Cost of Services 2011</u>	<u>Total Cost of Services 2010</u>	<u>Net Cost of Services 2010</u>
Instruction	\$ 2,177,120	\$ 1,947,068	\$ 3,558,947	\$ 3,277,407
Support services:				
Pupils and instructional staff	733,670	653,621	710,587	600,264
School administration	166,393	166,393	233,479	233,479
General & business admin.	253,659	253,659	325,861	325,861
Plant operations & maintenance	381,382	375,232	481,198	473,777
Pupil transportation	263,367	263,367	340,483	340,483
Unallocated benefits	1,086,946	1,067,019		
Other	294,162	294,162	133,995	133,995
Total expenses	<u>\$ 5,356,699</u>	<u>\$ 5,020,521</u>	<u>\$ 5,784,550</u>	<u>\$ 5,385,266</u>

Of the \$5,356,699 total cost of services for fiscal year 2011, \$5,020,520 is for activities which are not self-supporting, and are supported by tax revenue and unrestricted aid.

Business-Type Activities

Business-type activities include the food service and childcare operation. These programs had revenues of \$157,144 and expenses of \$166,322 for fiscal year 2011. The District received 50% of its revenues from grants from the Federal and State reimbursable lunch and breakfast programs. Revenues from Federal and State grant programs are driven by participation. The Food Service Fund also received a transfer from the General Fund in the amount of \$20,000 to eliminate a deficit in the program. Because program revenues are not adequate to cover the cost of running the food service program, the Board of Education can elected to raise the prices of student and adult lunches.

The School District's Funds

All governmental funds (i.e., General Fund, Special Revenue Fund, Capital Projects Fund and Debt Service Fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$5,744,477 and expenditures were \$5,288,460. The schedules included in the financial section of this report demonstrate that the District continues to meet its responsibility for sound financial management.

The following schedules present a summary of the revenues of the governmental funds for the fiscal year ended June 30, 2011, and the amount and percentage of increases and decreases in relation to prior year revenues. The Capital Projects Fund is not included in the schedule because revenue in this fund is infrequent and cannot be compared to the prior year.

**Elk Township Board of Education
Aura, NJ**

**Management's Discussion & Analysis
Fiscal Year ended June 30, 2011
Unaudited**

Table 6

Revenue	Amount	Percent of Total	Increase (Decrease) from 2010	Percent of Increase (Decrease)
Local sources	\$ 2,676,469	46.59%	\$ 201,070	8.12%
State sources	2,798,264	48.71%	361,390	14.83%
Federal sources	269,744	4.70%	(366,923)	-57.63%
	<u>\$ 5,744,477</u>	<u>100.00%</u>	<u>\$ 195,537</u>	3.55%

The increase in federal sources is due mainly to the receipt of A.R.R.A. Federal Stimulus funds in the prior year. The increase in state sources is the result of changes in state aid calculations.

The following schedule presents a summary of General Fund, Special Revenue Fund, and Debt Service Fund expenditures for the fiscal year ended June 30, 2011, and the amount and percentage of increases and decreases in relation to prior year expenditures.

Table 7

Expenditures	Amount	Percent of Total	Increase (Decrease) from 2010	Percent of Increase (Decrease)
Current expense:				
Instruction	\$ 2,165,005	40.94%	\$ (194,032)	-8.23%
Undistributed	2,899,288	54.82%	(228,365)	-7.30%
Debt Service	202,984	3.84%	(205,961)	-50.36%
Capital Outlay	21,183	0.40%	2,733	14.81%
	<u>\$ 5,288,460</u>	<u>100.00%</u>	<u>\$ (625,625)</u>	-10.58%

The largest portion of General Fund expenditures is for salaries and benefits. The District is a service entity and as such is labor intensive. This is typical for a service industry in both the public sector and private industry.

General Fund Budgeting Highlights

The School 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. Many of the amendments are due to changes in expenditure priorities. The District uses program based budgeting and the budgeting systems are designed to tightly control program budgets but provide flexibility for program management.

**Elk Township Board of Education
Aura, NJ**

**Management's Discussion & Analysis
Fiscal Year ended June 30, 2011
Unaudited**

General Fund Budgeting Highlights (Continued)

Revisions in the budget were made to prevent over-expenditures in specific line item accounts. Budget revisions were made to adjust for staffing changes based on student needs, and an unanticipated increase in health and unemployment benefit costs.

For the General Fund, total revenues, on the budget basis, were \$5,181,835. The State contribution for T.P.A.F. members for pension and social security is neither a revenue item nor an expenditure to the District, but is required to be reflected in the financial statements; elimination of this item will provide a more accurate comparison of budget to actual revenues and expenditures. The total revenues represent an increase of \$607,084 over the final budget amount. This was mainly due to the unanticipated decrease in state aid during the school year caused by the decision of the state to withhold state aid from all school districts in the amount of prior year excess surplus plus 25% of reserve balances.

Total expenditures, on the budget basis, were \$4,739,889. Expenditures were \$138,271 less than the final budget amount. The final budget includes amounts encumbered in the prior year to be expended in the current year. Expenditures were less than anticipated due to tight budgetary controls.

Capital Assets

At the end of fiscal year 2011, the School District had \$4,007,496, invested in land, buildings, and machinery and equipment. Table 8 shows fiscal year 2011 balances compared to 2010.

Table 8

Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land and improvements	\$ 356,722	\$ 374,796			\$ 356,722	\$ 374,796
Buildings and improvements	3,480,677	3,614,974			3,480,677	3,614,974
Machinery and equipment	156,867	180,790	13,230	7,431	170,097	188,221
Total	\$ 3,994,266	\$ 4,170,560	\$ 13,230	\$ 7,431	\$ 4,007,496	\$ 4,177,991

Debt Administration

At June 30, 2011, the School District had \$1,872,208 of outstanding debt. Of this amount, \$132,208 is for compensated absences; \$15,000 for a capital lease and \$1,725,000 for bonds payable. The District continues to pay down its debt, decreasing bonds and capital leases of \$141,000 in fiscal year 2011. There was no new debt issued during the year.

**Elk Township Board of Education
Aura, NJ**

**Management's Discussion & Analysis
Fiscal Year ended June 30, 2011
Unaudited**

Table 9

Outstanding Debt at Year End

	2011	2010
2006 general obligation bonds	70,000	\$ 101,000
2008 general obligation bonds	1,655,000	1,750,000
2006 capital lease	15,000	30,000
Compensated absences payable	132,208	122,963
Total	\$ 1,872,208	\$ 2,003,963

For the Future

The Elk Township School District has continued to maintain the highest standards of service to our students, parents, and community. We strive to be a community center and will continue to offer facilities and services that will be a source of pride for our community.

Elk Township is a rural community, with very little industry, thus the burden of tax increases is born by the homeowners. A major concern is the continued increase in the costs of operating the District without an increase in State aid. The voters defeated the 2009-10 budget in April of 2009, and also defeated the 2010-11 budget in April of 2010.

Maintenance of the school building is a priority of the District. The District successfully passed a bond referendum in March of 2008, for renovation/repairs of the existing facility in the amount of \$1,750,000. The project includes roof repairs, electrical and H.V.A.C. renovations, removal of asbestos tiles and replacement of carpeting, bathroom and library renovations, and site improvements.

The District has experienced a decrease in enrollment over the past five years, but the District could experience an increase in the future. Housing projects have been approved in the Township on land that was previously used for agricultural purposes. A drastic increase in the growth rate would necessitate an expansion of existing facilities, or the construction of a new facility.

The District continues to investigate and implement shared service agreements to decrease costs while providing quality services. Recently the District signed shared service agreements with the constituent high school district for the provision of numerous services including superintendent, business administrator, transportation, child study team, technology and purchasing services. Through a committee of the Board, meetings are being held with the regional high school district and constituent elementary district to discuss additional opportunities for the sharing of services and personnel. The areas of concentration have been suggested by the Executive County Superintendent, who by law has been charged with the task of studying and assisting the School District in consolidating administrative services. The suggested areas are curriculum, transportation, child study team services, and maintenance of facilities.

**Elk Township Board of Education
Aura, NJ**

**Management's Discussion & Analysis
Fiscal Year ended June 30, 2011
Unaudited**

For the Future (Continued)

The ability of the District to continue as a separate entity may be in jeopardy based on laws that were recently passed by the legislature. The law mandates the submission of a plan by the Executive County Superintendent, within a three year period, to consolidate local public school districts within the county into comprehensive consolidated or regional school districts, with a focus on the consolidation of limited purpose regional school districts with the local public school districts of the constituent municipalities. The plan was submitted by the Executive County Superintendent in March of 2010, and indicated a full purpose regional school district comprised of the municipalities of Franklin, Elk, Newfield, and possibly Clayton, would be advantageous. The ultimate decision to create a full purpose regional school district and eliminate the constituent elementary districts resides with the taxpayers of the affected municipalities.

Subsequent to the release of the regionalization/consolidation plan by the Executive County Superintendent, the Franklin Township School District, which, along with Elk Township School District, comprise the Delsea Regional High School District, presented in June of 2010, the results of a feasibility study conducted by the Franklin Township School District. Of the options discussed in the study, the Franklin Township School District made the decision to endorse the option of withdrawing from the Delsea Regional High School District, and passed a resolution to that effect. In accordance with law, the resolution was forwarded to the Executive County Superintendent for review. Based on the review of the Executive County Superintendent, a recommendation will be made to the Commissioner of Education, who has the authority to authorize a question to be submitted to the voters in the municipalities of Franklin and Elk to allow the withdraw of Franklin from the Delsea Regional High School District. Because there are only two districts that comprise the regional district, a withdraw of Franklin would be a defacto dissolution of the regional district. The Elk Township School District passed a resolution and forwarded it to the Commissioner of Education protesting the withdraw of Franklin based on this fact.

In conclusion, the Elk Township School District has committed itself to financial excellence for many years. The District plans to continue its sound fiscal management to meet the challenges of the future.

Contacting the School District's Financial Management

This financial report is designed to provide the taxpayers, investors, creditors and other interested parties with a general overview of the District's finances and to show the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact Dr. Piera Gravenor, Superintendent, or Joseph M. Collins, Business Administrator/Board Secretary at the address below or visit our web-site at www.elk.k12.nj.us.

Elk Township Board of Education
98 Unionville Road
Glassboro, New Jersey 08028
(856) 881-6889

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

ELK TOWNSHIP BOARD OF EDUCATION
Statement of Net Assets
June 30, 2011

	Governmental Activities	Business-type Activities	Total
ASSETS:			
Cash and cash equivalents	552,583	23,827	576,410
Receivables, net	268,162	855	269,017
Interfund receivable	4,961	6,000	10,961
Inventory		3,120	3,120
Restricted assets:			
Cash and cash equivalents	10,789		10,789
Capital reserve account - cash	173,068		173,068
Deferred bond issuance costs, net	19,882		19,882
Capital assets:			
Non-depreciable	45,404		45,404
Assets net of depreciation	3,948,862	13,230	3,962,092
Total assets	<u>5,023,711</u>	<u>47,032</u>	<u>5,070,743</u>
LIABILITIES:			
Accounts payable	40,674		40,674
Accrued interest payable	35,210		35,210
Deferred revenue	421	894	1,315
Deposits payable		1,198	1,198
Interfund payable	6,000		6,000
Noncurrent liabilities:			
Due within one year	176,792		176,792
Due beyond one year	1,695,416		1,695,416
Total liabilities	<u>1,954,513</u>	<u>2,092</u>	<u>1,956,605</u>
NET ASSETS:			
Invested in capital assets, net of related debt	2,238,938	13,230	2,252,168
Restricted for:			
Debt service	1		1
Capital projects	176,448		176,448
Other purposes	707,167		707,167
Unrestricted	(53,356)	31,710	(21,646)
Total net assets	<u><u>3,069,198</u></u>	<u><u>44,940</u></u>	<u><u>3,114,138</u></u>

See accompanying notes to the basic financial statements.

ELK TOWNSHIP BOARD OF EDUCATION
Statement of Activities
For the Year Ended June 30, 2011

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
Governmental activities:						
Instruction						
Regular	1,518,030				(1,518,030)	(1,518,030)
Special education	506,028		230,052		(275,976)	(275,976)
Other special instruction	140,666				(140,666)	(140,666)
Other instruction	12,396				(12,396)	(12,396)
Support services						
Tuition	236,184				(236,184)	(236,184)
Student & instructional related services	497,486		80,049		(417,437)	(417,437)
School administrative services	166,393				(166,393)	(166,393)
General & business administrative services	253,659				(253,659)	(253,659)
Plant operations & maintenance	381,382	6,150			(375,232)	(375,232)
Pupil transportation	263,367				(263,367)	(263,367)
Unallocated benefits	1,086,946		19,927		(1,067,019)	(1,067,019)
Special schools	1,958				(1,958)	(1,958)
Interest on long-term debt	93,070				(93,070)	(93,070)
Amortization of bond issuance costs	1,657				(1,657)	(1,657)
Capital outlay	3,076				(3,076)	(3,076)
Unallocated depreciation	194,401				(194,401)	(194,401)
Total governmental activities	<u>5,356,699</u>	<u>6,150</u>	<u>330,028</u>		<u>(5,020,521)</u>	<u>(5,020,521)</u>
Business-type activities:						
Food service	152,982	57,367	78,512		(17,103)	(17,103)
Childcare	13,340	21,265			7,925	7,925
Total business-type activities	<u>166,322</u>	<u>78,632</u>	<u>78,512</u>		<u>(9,178)</u>	<u>(9,178)</u>
Total primary government	<u>5,523,021</u>	<u>84,782</u>	<u>408,540</u>		<u>(5,020,521)</u>	<u>(5,029,699)</u>
General revenues:						
Taxes:						
Property taxes, levied for general purposes				2,247,237		2,247,237
Taxes levied for debt service				117,863		117,863
Federal and State aid not restricted				2,739,306		2,739,306
Tuition received				290,769		290,769
Investment earnings				7,917	75	7,992
Miscellaneous Income				11,357		11,357
Contributed capital - fixed assets					3,279	3,279
Loss on disposal of assets					(1,266)	(1,266)
Transfers				(20,000)	20,000	
Total general revenues, special items, extraordinary items and transfers				<u>5,394,449</u>	<u>22,088</u>	<u>5,416,537</u>
Change in net assets				<u>373,928</u>	<u>12,910</u>	<u>386,838</u>
Net assets - beginning				<u>2,695,270</u>	<u>32,030</u>	<u>2,727,300</u>
Net assets - end				<u>3,069,198</u>	<u>44,940</u>	<u>3,114,138</u>

See accompanying notes to the basic financial statements.

FUND FINANCIAL STATEMENTS

ELK TOWNSHIP BOARD OF EDUCATION
Balance Sheet
Governmental Funds
June 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS:					
Cash and cash equivalents	552,390		10,788	1	563,179
Receivables from other governments	46,355	85,955			132,310
Other receivables	135,852				135,852
Interfund accounts receivable	89,006				89,006
Restricted cash and cash equivalents	173,068				173,068
Total assets	996,671	85,955	10,788	1	1,093,415
LIABILITIES AND FUND BALANCES:					
Liabilities:					
Accounts payable	25,013	15,661			40,674
Interfund accounts payable	6,000	76,637	7,408		90,045
Deferred revenue		421			421
Total liabilities	31,013	92,719	7,408		131,140
Fund Balances:					
Restricted for					
Capital reserve account	173,068				173,068
Excess surplus - prior year - designated for subsequent year's expenditures	5,195				5,195
Excess surplus - current year	456,167				456,167
Assigned fund balance					
Other purposes	46,611				46,611
Designated by the BOE for for subsequent year's expenditures	245,805				245,805
Unassigned Fund Balance:					
General Fund	38,812				38,812
Special Revenue Fund		(6,764)			(6,764)
Debt Service Fund				1	1
Capital Projects Fund			3,380		3,380
Total fund balances	965,658	(6,764)	3,380	1	962,275
Total liabilities and fund balances	996,671	85,955	10,788	1	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of assets is \$6,991,618 and the accumulated depreciation is \$2,997,352 (See Note 7).	3,994,266
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 (See Note 8).	(1,872,208)
Internal service funds are used by management to charge the costs of certain activities, such as custodial services to other governments. Assets and liabilities of the Internal Service Fund of \$193 are included in the Statement of Net Assets.	193
The costs associated with the issuance of bonds are expensed in the governmental funds in the year the bonds are issued but are capitalized on the statement of nets assets. The bond issuance cost is \$24,853 and accumulated amortization is \$4,971.	19,882
Interest on long-term debt in the statement of activities is accrued, regardless of when due.	(35,210)
Net assets of governmental activities	3,069,198

See accompanying notes to the basic financial statements.

ELK TOWNSHIP BOARD OF EDUCATION
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local sources					
Local tax levy	2,247,237			117,863	2,365,100
Tuition	290,769				290,769
Interest earned on investments	6,503		121		6,624
Interest earned on capital reserve funds	1,293				1,293
Miscellaneous	11,357	1,326			12,683
	<u>2,557,159</u>	<u>1,326</u>	<u>121</u>	<u>117,863</u>	<u>2,676,469</u>
State sources	2,645,500	67,643		85,121	2,798,264
Federal sources	8,685	261,059			269,744
Total revenues	<u>5,211,344</u>	<u>330,028</u>	<u>121</u>	<u>202,984</u>	<u>5,744,477</u>
EXPENDITURES:					
Current					
Regular instruction	1,506,904				1,506,904
Special education instruction	275,707	230,052			505,759
Other special instruction	139,946				139,946
Other instruction	12,396				12,396
Support					
Tuition	236,184				236,184
Student & instruction related services	429,242	80,049			509,291
School administrative services	164,994				164,994
Other administrative services	250,899				250,899
Plant operations and maintenance	371,307				371,307
Pupil transportation	278,367				278,367
Unallocated benefits	1,066,361	19,927			1,086,288
Special schools	1,958				1,958
Debt service					
Principal				126,000	126,000
Interest				76,984	76,984
Capital outlay	5,624		15,559		21,183
Total expenditures	<u>4,739,889</u>	<u>330,028</u>	<u>15,559</u>	<u>202,984</u>	<u>5,288,460</u>
Excess (deficiency) of revenues over expenditures	<u>471,455</u>		<u>(15,438)</u>		<u>456,017</u>
Other financing sources (uses):					
Transfers in	121				121
Transfers out	(20,000)		(121)		(20,121)
Total other financing sources (uses)	<u>(19,879)</u>		<u>(121)</u>		<u>(20,000)</u>
Net change in fund balances	451,576		(15,559)		436,017
Fund balance - July 1	514,082	(6,764)	18,939	1	526,258
Fund balance - June 30	<u>965,658</u>	<u>(6,764)</u>	<u>3,380</u>	<u>1</u>	<u>962,275</u>

See accompanying notes to the basic financial statements.

ELK TOWNSHIP BOARD OF EDUCATION
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
 of Governmental Funds to the Statement of Activities
 For the Year Ended June 30, 2011

Total net change in fund balances - governmental funds (from B-2)		436,017
<p>Amounts reported for governmental activities in the statement of activities (A-2) 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 period.</p>		
Depreciation expense		(194,401)
Capital outlays		18,107
		(176,294)
<p>Repayment of debt principal 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>		
Bond principal		126,000
Capital lease obligation principal		15,000
<p>Internal service funds are used by management to charge the costs of certain activities, such as custodial services. The operating income of \$193 are included in the governmental activities in the Statement of Activities</p>		
		193
<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. The accrued interest is a reduction in the reconciliation.</p>		
		(16,086)
<p>Bond issuance costs are reported in the governmental funds as expenditures in the year the bonds are issued. However, on the statement of activities, the costs are amortize over the life of the bonds.</p>		
		(1,657)
<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). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount the difference is an addition to the reconciliation.</p>		
		(9,245)
Change in net assets of governmental activities		373,928

ELK TOWNSHIP BOARD OF EDUCATION
Statement of Net Assets
Proprietary Funds
June 30, 2011

	Business-type Activites		Governmental
	Enterprise Funds		Activities -
	Food Service	Childcare	Internal Service Fund
ASSETS:			
Current assets:			
Cash and cash equivalents	15,902	7,925	193
Accounts receivable:			
Other	855		
Interfund accounts receivable	6,000		
Inventory	3,120		
Total current assets	<u>25,877</u>	<u>7,925</u>	<u>193</u>
Noncurrent assets:			
Furniture, machinery & equipment	49,304		
Less accumulated depreciation	(36,074)		
Total noncurrent assets	<u>13,230</u>		
Total assets	<u><u>39,107</u></u>	<u><u>7,925</u></u>	<u><u>193</u></u>
LIABILITIES:			
Current liabilities:			
Deferred revenue	894		
Deposits payable	1,198		
Total current liabilities	<u>2,092</u>		
NET ASSETS:			
Invested in capital assets net of related debt	13,230		
Unrestricted	23,785	7,925	193
Total net assets	<u><u>37,015</u></u>	<u><u>7,925</u></u>	<u><u>193</u></u>

See accompanying notes to the basic financial statements.

ELK TOWNSHIP BOARD OF EDUCATION
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2011

	Business-type Activities Enterprise Funds		Governmental Activities - Internal Service Fund
	Food Service	Childcare	
Operating revenues:			
Charges for services			
Daily sales - reimbursable programs	47,162		
Daily sales - non-reimbursable programs	6,132		
Tuition		21,265	
Special functions	4,073		
Services provided to other governmental entities			6,150
Total operating revenues	<u>57,367</u>	<u>21,265</u>	<u>6,150</u>
Operating expenses:			
Salaries	60,820	13,090	5,843
Employee benefits	19,676		
Purchased property services	602		
Other purchased services	14,614		
Supplies and materials	3,680	250	114
Cost of sales	51,876		
Depreciation	1,714		
Total operating expenses	<u>152,982</u>	<u>13,340</u>	<u>5,957</u>
Operating income (loss)	<u>(95,615)</u>	<u>7,925</u>	<u>193</u>
Nonoperating revenues (expenses):			
Interest earned	75		
State sources:			
State school lunch program	1,606		
Federal sources:			
School breakfast program	14,898		
National school lunch program	52,724		
School milk program	992		
Food distribution program	8,292		
Contributed capital - fixed assets	3,279		
Loss on disposal of assets	(1,266)		
Total nonoperating revenues (expenses)	<u>80,600</u>		
Income (loss) before operating transfers	(15,015)	7,925	193
Transfers in	20,000		
Change in net assets	4,985	7,925	
Total net assets - beginning	<u>32,030</u>		
Total net assets - ending	<u><u>37,015</u></u>	<u><u>7,925</u></u>	<u><u>193</u></u>

See accompanying notes to the basic financial statements.

ELK TOWNSHIP BOARD OF EDUCATION
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2011

	Business-type Activities		Governmental
	Enterprise Funds		Activities -
	Food Service	Childcare	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers	57,644	21,265	6,150
Payments to employees	(60,820)	(13,090)	(5,843)
Payments for employee benefits	(19,676)		
Payments to suppliers	(62,778)	(250)	(114)
Net cash provided by (used for) operating activities	<u>(85,630)</u>	<u>7,925</u>	<u>193</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Payments from General Fund	20,000		
Federal and state reimbursements	74,720		
(Increase) decrease in interfund receivable	(3,897)		
Net cash provided by (used for) non-capital financing activities	<u>90,823</u>		
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest earned	75		
Net cash provided by investing activities	<u>75</u>		
Net increase (decrease) in cash and cash equivalents	5,268	7,925	193
Balances - beginning of year	10,634		
Balances - end of year	<u>15,902</u>	<u>7,925</u>	<u>193</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	(95,615)	7,925	193
Adjustment to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	1,714		
Food distribution program	8,292		
(Increase) decrease in accounts receivable	277		
(Increase) decrease in inventory	(298)		
Net cash provided by (used for) operating activities	<u>(85,630)</u>	<u>7,925</u>	<u>193</u>

See accompanying notes to the basic financial statements.

ELK TOWNSHIP BOARD OF EDUCATION
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2011

	Unemployment Compensation Trust	Scholarship Fund	Agency Fund
	<u> </u>	<u> </u>	<u> </u>
ASSETS:			
Cash and cash equivalents	9,416	1,359	32,496
Total assets	<u>9,416</u>	<u>1,359</u>	<u>32,496</u>
LIABILITIES:			
Payroll deductions and withholdings			19,889
Due to student groups			7,646
Interfund payables			4,961
Total liabilities			<u>32,496</u>
NET ASSETS:			
Held in trust for unemployment claims	<u>9,416</u>		
Nonexpendable trust		<u>1,359</u>	

See accompanying notes to the basic financial statements.

ELK TOWNSHIP BOARD OF EDUCATION
 Statement of Changes in Fiduciary Net Assets
 Fiduciary Funds
 For the Year Ended June 30, 2011

	Unemployment Compensation Trust	Scholarship Fund
ADDITIONS:		
Contributions:		
Plan member	5,201	
Contribution from general fund	49,761	
	54,962	
Investment earnings:		
Interest	28	10
	54,990	10
DEDUCTIONS:		
Unemployment claims	47,057	
Scholarships awarded		
	47,057	
Change in net assets	7,933	10
Net assets - beginning of year	1,483	1,349
Net assets - end of year	9,416	1,359

See accompanying notes to the basic financial statements.

NOTES TO THE FINANCIAL STATEMENTS

ELK TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Introduction

The Elk Township 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 control of the District.

The financial statements of the Board of Education of Elk Township School District have been prepared in conformity with accounting principles generally accepted in the United States of America (G.A.A.P.) as applied to governmental units. The Governmental Accounting Standards Board (G.A.S.B.) 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 (G.A.S.B.) and the pronouncements of the Financial Accounting Standards Board (F.A.S.B.) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict (G.A.S.B.) pronouncements. Although the District has the option to apply (F.A.S.B.) pronouncements issued after that date to its business-type activities and enterprise funds, the District has chosen not to do so. The more significant accounting policies established in (G.A.A.P.) and used by the District are discussed below.

A. Reporting Entity

The Elk Township School District is a Type II district located in the County of Gloucester, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. The purpose of the District is to educate students in grades K–6.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the G.A.S.B. 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 the 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.

B. Basis of Presentation

The School District's basic financial statements consist of District-wide statements, including a Statement of Net Assets and a Statement of Activities, and fund financial statements, which provide a more detailed level of financial information.

ELK TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

District-Wide Statements:

The Statement of Net Assets and Statement of Activities display information about the District as a whole. These statements include the financial activities of the overall District except for fiduciary funds. These statements distinguish between governmental and business-type activities of the School District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The Statement of Net Assets presents the financial condition of the governmental and business-type activity of the School District at fiscal year end. The Statement of Activities presents a comparison between direct expenses and program revenues for the business-type activity of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs; and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function or business segment is self-financing or draws from the general revenues of the School District.

Fund Financial Statements:

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The New Jersey Department of Education (N.J.D.O.E.) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in G.A.S.B. No. 34, paragraph 76. The N.J.D.O.E. believes that the presentation of all funds as major is important for public interest and to promote consistency among District financial reporting models.

GOVERNMENTAL FUNDS

The focus of governmental fund measurement is on determination of financial position and changes of financial position, (sources, uses and balances of financial resources) rather than on net income. The District reports the following 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 non-instructional equipment which are classified in the Capital Outlay subfund.

ELK TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

General Fund (Continued) - As required by the New Jersey State Department of Education, the District included 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.

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. These resources can be transferred from and to current expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal governments, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). 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 the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

PROPRIETARY FUNDS

The focus of proprietary fund measurement is on determination of net income, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The District reports the following proprietary funds:

Enterprise Fund - The Enterprise Funds account for all revenues and expenses pertaining to the Board's operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e. expenses including depreciation and indirect costs) of providing goods or services on a continuing basis are financed or recovered primarily through user charges.

The District's Enterprise Funds are comprised of the Food Service Fund and Child Care.

Internal Service Fund - The internal service fund has been established to account for the financing of services provided by the District to other governmental entities. Services are provided on a cost-reimbursement basis.

ELK TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)
FIDUCIARY FUNDS

Fiduciary funds include private purpose trust funds and agency funds. The private purpose trust funds consist of expendable trust funds and nonexpendable trust funds. The measurement focus of the expendable trust funds is the same as for governmental funds. The measurement focus of the nonexpendable trust funds is similar to proprietary funds. Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations. The District reports the following fiduciary funds:

Private Purpose Trust Funds – The private purpose trust funds consist of expendable trust funds. The expendable trust funds are accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. The expendable trust funds account for assets where both the principal and interest may be spent. The expendable trust funds include the unemployment compensation insurance fund and a scholarship fund.

Agency Funds – The agency funds are used to account for the assets that the District holds on behalf of others as their agent. The agency funds are custodial in nature and do not involve measurement of results of operations. The agency funds include the payroll, payroll agency, and student activities funds.

C. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements.

Governmental Fund Financial Statements:

Governmental Funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they become both measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

District-wide, Proprietary, and Fiduciary Fund Financial Statements:

The District-wide financial statements are prepared using the accrual basis of accounting. Governmental Funds use the modified accrual basis of accounting; the Proprietary and Fiduciary Funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

ELK TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Governmental Fund Financial Statements: (Continued)

Ad Valorem (property) taxes are susceptible to accrual and under New Jersey State statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year.

The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable."

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue and Debt Service Funds. The budgets are submitted to the county office for approval and are voted upon at the annual school election on the third Tuesday in April. 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. 6:23-2.2 f(1). All budget amendments and transfers of appropriations must be made by School Board resolution at any time during the fiscal year. All budget amendments presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Appropriations, except remaining project appropriations, encumbrances, and unexpended grant appropriations, lapse at the end of each fiscal year.

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

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

E. Encumbrance Accounting

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 yearend as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

ELK TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Encumbrance Accounting (Continued)

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.

F. Cash and Cash Equivalents

Cash and cash equivalents include petty cash, change funds, cash in banks, money market accounts and all highly liquid investments with a maturity of three months or less at the time of purchase.

U.S. Treasury agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost.

New Jersey school districts are limited to the types of investments and types of financial institutions they may invest in. New Jersey statute provides a list of permissible investments that may be purchased by New Jersey school districts.

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of Governmental Unit Deposit Protection Act (G.U.D.P.A.). G.U.D.P.A. was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a depository unless such funds are secured in accordance with the Act. Public depositories include savings and loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value of at least 5% of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

G. Tuition Receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

H. 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 (F.I.F.O.) method.

I. Interfund Receivables/Payables

Transfers between governmental and business-type activities on the district-wide statements are reported in the same manner as general revenues. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers.

ELK TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Interfund Receivables/Payables (Continued)

Interfund transfers are reported as other financing sources/uses in Governmental Funds and after non-operating revenues/expenses in the Enterprise Fund. Repayment from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the Statement of Net Assets, except for amounts due between governmental and business-type activities or Governmental and Agency Funds, which are presented as internal balances.

J. Capital Assets

The District has established a formal system of accounting for its capital assets. Purchased or constructed capital assets are reported at cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal repairs and maintenance are not capitalized. The capitalization threshold used by school districts in the State of New Jersey is \$2,000.

All reported capital assets except for land and construction in progress are depreciated. Depreciation is computed using the straight-line method under the half-year convention over the estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Site improvements	20
Building & improvements	20-50
Machinery & equipment	5-20

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the Governmental Fund upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the fund financial statements.

K. Accrued Salaries and Wages

None of the School District employees who provide services to the District over the ten month academic year, have the option to have their salaries evenly disbursed during the entire twelve month year.

L. Compensated Absences

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (G.A.S.B. 16), "Accounting for Compensated Absences." A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policies. Upon termination, employees are paid for accrued vacation.

ELK TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Compensated Absences (Continued)

The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

The liability for compensated absences was accrued using the termination payment method, whereby the liability is calculated based on the amount of sick leave that is expected to become eligible for payment upon termination. The District estimates its accrued compensated absences liability based on the accumulated sick and vacation days at the balance sheet date by those employees who are currently eligible to receive termination payments. Salary-related payments for the employer's share of social security and Medicare taxes are included.

For the District-wide Statements, the current portion is the amount estimated to be used in the following year. In accordance with G.A.A.P., for the governmental funds, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore, are not a fund liability and represents a reconciling item between the fund level and District-wide presentations.

M. Deferred Revenue

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

N. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the district-wide 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, contractually required pension contributions and compensated absences that are paid from Governmental Funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Bonds are recognized as a liability on the fund financial statements when due.

O. Net Assets

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

P. Fund Balance Reserves

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

ELK TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Fund Balance Reserves (Continued)

Nonspendable - The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

Restricted - The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

Committed - The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District’s highest level of decision-making authority, which, for the School 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 School District’s *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the business administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. 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 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; the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available; the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

Q. Revenues – Exchange and Non-exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

ELK TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Revenues – Exchange and Non-exchange Transactions (Continued)

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its District the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the amount is both measurable and available. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal yearend: property taxes available as an advance, interest, and tuition.

R. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the Proprietary Fund. For the School District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the fund.

S. Allocation of Indirect Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses are allocated to functions and are reported with direct expenses in the Statement of Activities. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function. Depreciation expense that could not be attributed to a specific function is considered an indirect expense and is reported separately on the Statement of Activities. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

T. Extraordinary and Special Items

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. There were no extraordinary or special items in the 2010-2011 fiscal year.

U. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Accordingly, actual results could differ from those estimates.

ELK TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2011

NOTE 2: CASH AND CASH EQUIVALENTS AND INVESTMENTS

Deposits

Custodial Credit Risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's policy is based on New Jersey statutes requiring cash to be deposited only in New Jersey banking institutions that participate in the Governmental Unit Depository Protection Act (G.U.D.P.A.) or in qualified investments established in New Jersey Statutes N.J.S.A. 18A:20-37 that are treated as cash equivalents. The carrying amount of the District's cash and cash equivalents at June 30, 2011 and 2010, was \$803,538 and \$431,225. As of June 30, 2011 and 2010, \$0 of the District's bank balance of \$950,793 and \$634,843, respectively, was exposed to Custodial Credit Risk.

NOTE 3: INVESTMENTS

As of June 30, 2011 and 2010, the District did not have any investments.

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

Credit Risk - New Jersey statute N.J.S.A. 18A:20-37 limits District investments to those specified in the Statutes. The type of allowable investments are: Bonds of the United States of America or of the District or the local units in which the District is located; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

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

NOTE 4: RECEIVABLES

Receivables at June 30, 2011, (see Exhibit B-1 and B-4) consisted of intergovernmental and property taxes receivable. All receivables are considered collectible in full. A summary of the principal items of the intergovernmental receivables are as follows:

	Governmental Activities	Business- Type Activities
State aid	35,466	
Other	141,772	855
Federal aid	90,924	
	268,162	855

ELK TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2011

NOTE 5: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remain on the balance sheet at June 30, 2011:

	Interfund	
	Receivable	Payable
General Fund	\$ 89,006	\$ 6,000
Special Revenue Fund		76,637
Capital Projects Fund		7,408
Enterprise Fund	6,000	
Trust and Agency Fund		4,961
	\$ 95,006	\$ 95,006

Interfunds were the result of credit balances in the cash and cash equivalents at the end of the year.

NOTE 6: INVENTORY

Inventory in the Food Service Fund at June 30, 2011, consisted of the following:

Food	\$ 1,811
Commodities	\$ 894
Supplies	415
	\$ 3,120

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Act of 1996, as revised) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

ELK TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2011

NOTE 7: CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2011, was as follows:

Capital assets not being depreciated				
Sites (land)	\$	45,404		\$ 45,404
Total capital assets not being depreciated		<u>45,404</u>		<u>45,404</u>
Assets that are being depreciated:				
Site improvements		377,719		377,719
Building & building improvements		5,710,033	15,762	5,725,795
Vehicles		391,680		391,680
Machinery & equipment		448,675	2,345	451,020
Totals at historical cost		<u>6,928,107</u>	<u>18,107</u>	<u>6,946,214</u>
Less: accumulated depreciation				
Site improvements		(48,327)	(18,074)	(66,401)
Building & building improvements		(2,095,059)	(150,059)	(2,245,118)
Vehicles		(303,527)	(11,712)	(315,239)
Machinery & equipment		(356,038)	(14,556)	(370,594)
Total accumulated depreciation		<u>(2,802,951)</u>	<u>(194,401)</u>	<u>(2,997,352)</u>
Governmental activities capital assets, net		<u>\$ 4,170,560</u>	<u>\$ (176,294)</u>	None
Business-type activities:				
Machinery & equipment	\$	48,244	8,779	\$ 7,719
Less: accumulated depreciation		(40,813)	\$ (1,714)	6,453
Business-type capital assets, net	<u>\$</u>	<u>7,431</u>	<u>\$ 7,065</u>	<u>\$ 14,172</u>
				<u>\$ 13,230</u>

NOTE 8: GENERAL LONG-TERM DEBT

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the board are general obligation bonds.

A. Defeased Debt

On August 15, 2006, the District issued general obligation bonds of \$191,000 (par value) with interest rates ranging from 4.20% to 4.45%. Maturities of the 2006 bonds range from 2008 to 2013. The remaining balance at June 30, 2011, was \$70,000.

The Board sold general obligation bonds on June 26, 2008, with an issue date of July 15, 2008, in the amount of \$1,750,000. The bonds have an interest rate ranging from 4.25% to 4.375% and mature from 2010 to 2023. The remaining balance at June 30, 2011, was \$1,655,000.

ELK TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2011

NOTE 8: GENERAL LONG-TERM DEBT (CONTINUED)

B. Long-term Obligation Activity

Changes in long-term obligations for the fiscal year ended June 30, 2011, are as follows:

	Balance June 30, 2010	Additions	Deductions	Balance June 30, 2011	Due in One year
Compensated absences					
Governmental	\$ 122,963	\$ 21,953	\$ 12,708	\$ 132,208	26,792
Bonds payable	1,851,000		126,000	1,725,000	135,000
Capital leases	30,000		15,000	15,000	15,000
	<u>\$ 2,003,963</u>	<u>\$ 21,953</u>	<u>\$ 153,708</u>	<u>\$ 1,872,208</u>	<u>\$ 176,792</u>

C. Bonds Payable

Principal and interest due on serial bonds outstanding is as follows:

Year Ended June 30	Principal	Interest	Total
2012	135,000	71,491	206,491
2013	135,000	65,701	200,701
2014	130,000	59,265	189,265
2015	130,000	53,732	183,732
2016	130,000	48,206	178,206
2017-2021	650,000	158,157	808,157
2022-2024	415,000	27,547	442,547
	<u>\$ 1,725,000</u>	<u>\$ 484,099</u>	<u>\$ 2,209,099</u>

D. Bonds Authorized but Not Issued

As of June 30, 2011, the Board has \$0 of bonds authorized but not issued.

E. Other

Interest paid on debt issued by the District is exempt from federal income tax. Because of this, bond holders are willing to accept a lower interest rate than they would on taxable debt. The District temporarily reinvests the proceeds of such debt in higher-yielding taxable securities, especially during construction projects. The federal tax code refers to this as arbitrage.

Earnings in excess of the yield on the debt issue are rebated to the federal government based on the requirements in the Internal Revenue Code. Arbitrage rebate payable represents amounts due to the Internal Revenue Service for interest earned on unspent bond proceeds that exceeds legally allowable returns.

Rebatable arbitrage liabilities related to District debt are not recorded in governmental funds. There is no recognition in the balance sheet or income statement until rebatable amounts are due and payable to the federal government. Thus, rebatable arbitrage liabilities related to governmental debt will be accrued as incurred at least annually (at fiscal yearend) on the District-wide financial statements.

For the year ended June 30, 2011, it is not necessary for the Board to establish a liability for arbitrage rebate.

ELK TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2011

NOTE 8: GENERAL LONG-TERM DEBT (CONTINUED)

F. Capital Lease Payable

The District has entered into a lease purchase agreement for the acquisition of a school bus. The lease agreement is for five years and carries an interest rate of 4.00%-5.00%. The following is a schedule of future minimum lease payments under the capital lease, together with the net present value of the minimum lease payments as of June 30, 2011.

Year Ended	Principal	Interest	Total
June 30			
2012	15,000	375	15,375

NOTE 9: OPERATING LEASES

The District has commitments to lease copiers under five year non-cancelable operating leases. Total lease payments made during the year ended June 30, 2011, amounted to \$12,906. Future minimum lease payments are as follows:

Year Ended	
June 30	
2012	11,962
2013	11,648
2014	8,662
Total future minimum lease payments	<u>\$ 32,272</u>

NOTE 10: 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 the 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 publicly available financial report that includes the financial statements and required supplementary information for the Public Employees' Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625, or can be accessed on the internet at http://www.state.nj.us/treasury/pensions/annrpts_archieve.htm.

Teachers' Pension and Annuity Fund (T.P.A.F.) - The Teachers' Pension and Annuity Fund (T.P.A.F.) was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing, multiple-employer plan with a special funding situation, as under current statute, all 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 of the Department of Education who have titles that are unclassified, professional and certified titles.

ELK TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 10: PENSION PLANS (CONTINUED)

Public Employees' Retirement System (P.E.R.S.) - The Public Employees' Retirement System (P.E.R.S.) was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing, multiple-employer, plan. Membership is generally required as a condition of employment for most 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.

Funding Policy - The contribution policy is set by N.J.S.A. 43:15A, Chapter 62, P.L. of 1994, Chapter 115, P.L. of 1997 and N.J.S.A. 18:66, and requires contributions by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. T.P.A.F. and P.E.R.S. provide for employee contributions of 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both T.P.A.F. and P.E.R.S. The current T.P.A.F. rate is 5.5% and the P.E.R.S. rate is 5.5% of covered payroll. The School District's contributions to T.P.A.F. for the years ending June 30, 2011, 2010 and 2009, were \$171,664, \$173,575 and \$148,060 respectively, and paid by the State of New Jersey on behalf of the board, equal to the required contributions for each year. The School District's contributions to P.E.R.S. for the years ending June 30, 2011, 2010 and 2009, were \$54,684, \$46,262 and \$50,603 respectively, equal to the required contributions for each year.

During the fiscal years ended June 30, 2011, 2010 and 2009, the State of New Jersey contributed \$171,664, \$173,575 and \$148,060, respectively, to the T.P.A.F. for normal and post-retirement medical benefits on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$167,716, \$191,773 and \$182,169 during the same fiscal years for the employer's share of social security contributions for T.P.A.F. members as calculated on their base salaries. These amounts, which are not required to be budgeted, have been included in the financial statements, and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance in G.A.S.B. 27.

Defined Contribution Retirement Program – The Defined Contribution Retirement Program (D.C.R.P.) is a cost-sharing, multiple-employer defined contribution pension fund which was established on July 1, 2007, under provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 (N.J.A.C. 43:15C-1 et. seq.). The D.C.R.P. provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting and benefit provision 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 the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, state statute also requires the return to the normal rate when such surplus pension assets no longer exist. In addition to the employee contributions, the School District's contributes amounts for each pay period to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period. The School District required contributions for the fiscal year 2011, is \$257.

ELK TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 11 – POST RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required Teachers' Pensions and Annuity Fund (T.P.A.F.) and the Public Employees' Retirement System (P.E.R.S.), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the T.P.A.F. and P.E.R.S. 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, 2010, there were 87,288 retirees eligible for post-retirement medical benefits. 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 benefits to members of P.E.R.S. and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$126.3 million toward Chapter 126 benefits for 14,050 eligible retired members in fiscal year 2010.

NOTE 12: 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 permit 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 administrator is Lincoln Investment Planning, Inc.

NOTE 13: 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. Any potential liability of the District with respect to loss claims would be equal to the deductibles associated with policies and events which may exceed coverage limits. There have not been any significant reductions in insurance coverage amounts.

New Jersey Unemployment Compensation Insurance

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method." Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. This District is billed quarterly for amounts due to the State. 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 two years:

ELK TOWNSHIP BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2011

NOTE 13: RISK MANAGEMENT (CONTINUED)

New Jersey Unemployment Compensation Insurance (Continued)

Fiscal Year	District Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2010-2011	\$ 49,761	\$ 5,201	\$ 47,057	\$ 9,416
2009-2010	\$ 29,000	\$ 5,583	\$ 46,323	\$ 1,483
2008-2009	10,000	5,460	12,878	13,198

NOTE 14: CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the District during fiscal year 1995 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 (L.R.F.P.). Upon submission of the L.R.F.P. to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A-23-2.13(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved L.R.F.P.

The activity of the capital reserve for the July 1, 2010, to June 30, 2011, fiscal year is as follows:

Beginning balance, July 1, 2010	\$ 171,775
Interest earnings	1,293
Ending balance, June 30, 2011	<u>\$ 173,068</u>

The June 30, 2011, L.R.F.P. balance of local support costs of uncompleted capital projects is \$1,712,782.

NOTE 15: ECONOMIC DEPENDENCY

The District is heavily reliant on federal and state sources to fund the District operations. Federal and state sources funded approximately 49% of the District's 2010-2011 governmental operations.

ELK TOWNSHIP BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 16: FUND BALANCE APPROPRIATED

General Fund – (Exhibit B-1) Of the \$965,658 fund balance in the General Fund at June 30, 2011, \$46,611 is reserved for encumbrances; \$461,362 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$5,195 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2012); \$173,068 is reserved in the capital reserve account, \$245,805 has been appropriated and included as anticipated revenue for the year ending June 30, 2012, and \$38,812 is unassigned.

NOTE 17: CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (C.E.I.F.A.). New Jersey school districts are required to reserve General Fund, fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2011 and 2010, is \$461,362 and \$291,064 respectively.

NOTE 18: DEFICIT IN FUND BALANCE

The District has a deficit fund balance of \$6,764 in the Special Revenue Fund as of June 30, 2011 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the delayed one or more June state aid payments as revenue, for budget purposes only, in the current school budget year. The law provides legal authority for districts to recognize this revenue in the current budget year. For intergovernmental transactions, G.A.S.B. Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes the asset, the other government recognizes the liability. Since the State is recording the June state aid payments in the subsequent fiscal year, the District cannot recognize the June state aid payments on the G.A.A.P. financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the Special Revenue Fund balance deficit does not alone indicate that the District is facing financial difficulties.

NOTE 19: CONTINGENT LIABILITIES

The School District participates in federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The School 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.

It is the opinion of the administration and legal counsels, there exists no litigation or contingent liability that may be pending against the Elk Township School District that would have a material or adverse effect on the Board or the financial position of the District.

Required Supplementary Information – Part II

BUDGETARY COMPARISON SCHEDULES

ELK TOWNSHIP BOARD OF EDUCATION
 Budgetary Comparison Schedule
 General Fund
 For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local tax levy	2,247,237		2,247,237	2,247,237	
Tuition	30,000		30,000	290,769	260,769
Interest on investments	4,000		4,000	6,503	2,503
Interest earned on capital reserve funds	300		300	1,293	993
Miscellaneous	5,000		5,000	11,357	6,357
Total - local sources	<u>2,286,537</u>		<u>2,286,537</u>	<u>2,557,159</u>	<u>270,622</u>
State Sources:					
Extraordinary aid	39,058		39,058	27,706	(11,352)
Categorical special education aid	179,377		179,377	179,377	
Equalization aid	1,898,933		1,898,933	1,898,933	
Categorical security aid	60,810		60,810	60,810	
Categorical transportation aid	103,865		103,865	103,865	
Reimbursed nonpublic school transportation costs				5,920	5,920
T.P.A.F. - post retirement medical (on-behalf non-budgeted)				163,945	163,945
Teachers' pension & annuity fund (on-behalf non-budgeted)				7,719	7,719
Reimbursed T.P.A.F. social security contributions (non-budgeted)				167,716	167,716
Total - state sources	<u>2,282,043</u>		<u>2,282,043</u>	<u>2,615,991</u>	<u>333,948</u>
Federal sources:					
Medical assistance program	6,171		6,171	8,685	2,514
Total - federal sources	<u>6,171</u>		<u>6,171</u>	<u>8,685</u>	<u>2,514</u>
Total revenues	<u><u>4,574,751</u></u>		<u><u>4,574,751</u></u>	<u><u>5,181,835</u></u>	<u><u>607,084</u></u>

ELK TOWNSHIP BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
Current expense:					
Regular programs - instruction					
Preschool - salaries of teachers	17,757	(1,056)	16,701	16,202	499
Kindergarten - salaries of teachers	169,610	29,943	199,553	199,226	327
Grades 1-5 - salaries of teachers	935,928	77,201	1,013,129	1,012,711	418
Grades 6-8 - salaries of teachers	227,067	(50,167)	176,900	176,806	94
Regular programs - home instruction					
Salaries of teachers	500		500	330	170
Purchased professional - educational services	1,500	(1,464)	36		36
Regular programs - undistributed instruction					
Other salaries for instruction	21,389	18,068	39,457	38,819	638
Other purchased services	19,450	(3,212)	16,238	16,078	160
General supplies	50,000	8,672	58,672	46,588	12,084
Textbooks	6,000	(5,724)	276	144	132
Total regular programs - instruction	1,449,201	72,261	1,521,462	1,506,904	14,558
Special education instruction					
Resource room/resource center					
Salaries of teachers	218,694	661	219,355	219,355	
General supplies	500	1,602	2,102	365	1,737
Total resource room/resource center	219,194	2,263	221,457	219,720	1,737
Preschool disabilities - part time					
Salaries of teachers	46,661	3,719	50,380	50,078	302
Other salaries for instruction	11,994	(5,624)	6,370	5,909	461
Total preschool disabilities - part time	58,655	(1,905)	56,750	55,987	763
Home instruction:					
Purchased professional - educational services	500	781	1,281		1,281
Total home instruction	500	781	1,281		1,281
Total special education - instruction	278,349	1,139	279,488	275,707	3,781
Basic skills/remedial - instruction					
Salaries of teachers	215,395	(73,028)	142,367	137,756	4,611
Other salaries for instruction	4,438	(2,227)	2,211	2,000	211
General supplies	2,300	(1,525)	775	190	585
Total basic skills/remedial - instruction	222,133	(76,780)	145,353	139,946	5,407
School-spon. cocurricular activities - inst.					
Salaries	4,000		4,000	3,560	440
General supplies	100		100		100
Total school-spon. cocurricular activities - inst.	4,100		4,100	3,560	540
Before/after school programs - instruction					
Salaries of teachers	1,000	(1,000)			
Summer school - instruction:					
Salaries of teachers	1,500	6,827	8,327	7,685	642
Other salaries for instruction	1,000	151	1,151	1,151	
General supplies	500	(500)			
Total summer school - instruction	3,000	6,478	9,478	8,836	642
Total instructions	1,957,783	2,098	1,959,881	1,934,953	24,928

ELK TOWNSHIP BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undistributed expenditures - instruction					
Tuition to other L.E.A.s within the state - regular		9,543	9,543	7,634	1,909
Tuition to C.S.S.D. & regional day schools	100,890	3,763	104,653	104,653	
Tuition to private schools for the disabled - within state	128,768	(4,871)	123,897	123,897	
Total undistributed expenditures - instruction	229,658	8,435	238,093	236,184	1,909
Undistributed expenditures - attendance and social work					
Salaries	10,107	152	10,259	10,259	
Purchased professional/technical services	1,500		1,500	1,125	375
Total undistributed expenditures - attendance and social work	11,607	152	11,759	11,384	375
undistributed expenditures - health services					
Salaries	62,993	1,567	64,560	64,560	
Purchased professional/technical services	5,000	(1,000)	4,000	3,971	29
Other purchased services	100		100		100
Supplies and materials	1,000	300	1,300	966	334
Total undistributed expenditures - health services	69,093	867	69,960	69,497	463
Undist. expend. - speech, OT, PT & related services:					
Salaries	66,639	204	66,843	66,630	213
Purchased professional/educational services	12,600	23,976	36,576	20,963	15,613
Supplies and materials	300		300	222	78
Total undist. expend. - speech, OT, PT & related serv.	79,539	24,180	103,719	87,815	15,904
Undist. expend. - other supp. serv. students - extra. serv.					
Supplies and materials	1,000	1,225	2,225	2,225	
Undist. expend. - guidance					
Salaries of other professional staff		16,142	16,142	16,142	
Purchased professional/technical services	3,500	(1,498)	2,002	1,125	877
General supplies	1,750	(1,750)			
Total undist. expend. - guidance	5,250	12,894	18,144	17,267	877
Undist. expend. - child study teams					
Salaries of other professional staff	68,284	(18,545)	49,739	34,126	15,613
Salaries of secretarial and clerical assistants	26,996	7,521	34,517	34,166	351
Purchased professional - educational services	5,000	4,905	9,905	9,905	
Miscellaneous purchased services	3,200		3,200	1,931	1,269
Supplies and materials	1,100	(175)	925	845	80
Total undist. expend. - child study teams	104,580	(6,294)	98,286	80,973	17,313
Undistributed expenditures - improvement of inst. services:					
Salaries of supervisors of instruction	42,438	636	43,074	43,074	
Salaries of other professional staff	2,500	(2,203)	297	297	
Other purchased services	500	(500)			
Other objects	350	(350)			
Total undistributed expenditures - improvement of inst. services	45,788	(2,417)	43,371	43,371	
Undist. expend. - edu. media serv./sch. library:					
Salaries	74,768	1,527	76,295	76,230	65
Salaries of technology coordinators	14,146	212	14,358	14,358	
Other purchased services	2,300	1,268	3,568	3,559	9
Supplies and materials	20,083	12,117	32,200	21,087	11,113
Total undist. expend. - edu. media serv./sch. library	111,297	15,124	126,421	115,234	11,187
Undist. expend. - instructional staff training					
Purchased professional/educational services	1,000		1,000	60	940
Other purchased services	2,000		2,000	1,416	584
Supplies and materials	500		500		500
Total undist. expend. - instructional staff training	3,500		3,500	1,476	2,024

ELK TOWNSHIP BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. expend. - supp. serv. - general administration					
Salaries	44,292	(12,721)	31,571	10,711	20,860
Legal services	7,500	(2,736)	4,764	3,478	1,286
Audit fees	12,000		12,000	11,300	700
Architectural/engineering services		30	30	30	
Other purchased professional services	45,000		45,000	45,000	
Purchased technical services	2,395		2,395	2,395	
Communications/telephone	4,000	2,218	6,218	6,218	
BOE other purchased services	1,750		1,750		1,750
Other purchased services	15,600	(2,875)	12,725	8,852	3,873
General supplies	300		300	289	11
BOE in-house training/meeting supplies	100		100		100
Miscellaneous expenditures	300	14	314	285	29
BOE membership dues and fees	3,375		3,375	3,074	301
Total undist. expend. - supp. serv. - general administration	136,612	(16,070)	120,542	91,632	28,910
Undist. expend. - supp. serv. - school administration					
Salaries of principals/assistant principals	83,519	1,143	84,662	84,662	
Salaries of other professionals	37,722	566	38,288	38,288	
Salaries of secretarial and clerical assistants	31,022	814	31,836	31,836	
Purchased professional/technical services	2,800	1,250	4,050	2,773	1,277
Other purchased services	3,200	53	3,253	3,253	
Supplies and materials	3,000	(458)	2,542	2,497	45
Other objects	1,685		1,685	1,685	
Total undist. expend. - supp. serv. - school administration	162,948	3,368	166,316	164,994	1,322
Undist. expend. - central services					
Salaries	79,426	1,191	80,617	80,617	
Purchased professional services	42,500	4,000	46,500	46,500	
Purchased technical services	12,800	4,649	17,449	17,449	
Miscellaneous purchased services	2,840	(1,442)	1,398	1,398	
Supplies and materials	2,000	1,172	3,172	3,172	
Interest on lease purchase agreements	1,050	28	1,078	1,078	
Miscellaneous expenditures	25	2,456	2,481	2,481	
Total undist. expend. - central services	140,641	12,054	152,695	152,695	
Undist. expend. - admin. info. tech.					
Purchased technical services	6,000	(1,911)	4,089	4,000	89
Other purchased services		4,531	4,531	1,750	2,781
Supplies and materials	2,500	(1,370)	1,130	822	308
Total undist. expend. - admin. info. tech.	8,500	1,250	9,750	6,572	3,178
Undist. expend. - required maintenance for school facilities					
Cleaning, repair and maintenance services	40,586	(3,279)	37,307	15,315	21,992
General supplies	6,505		6,505	4,455	2,050
Total undist. expend. - required maintenance for school facilities	47,091	(3,279)	43,812	19,770	24,042
Undist. expend. - custodial services					
Salaries	64,072		64,072	64,072	
Salaries of non-instructional aides	23,000		23,000	20,863	2,137
Other salaries	117,919		117,919	107,740	10,179
Purchased professional/technical services	1,750	500	2,250	2,211	39
Cleaning, repair and maintenance services	24,600	(949)	23,651	21,691	1,960
Insurance	16,826		16,826	16,022	804
Other purchased property		449	449	449	
Miscellaneous purchased services	1,450	(500)	950	774	176
General supplies	32,485	(2,345)	30,140	24,262	5,878
Energy (electricity)	55,000		55,000	53,991	1,009
Energy (oil)	37,500		37,500	33,048	4,452
Other objects	1,500		1,500	1,269	231
Total undist. expend. - custodial services	376,102	(2,845)	373,257	346,392	26,865

ELK TOWNSHIP BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. expend. - care and upkeep of grounds					
Cleaning, repair and maintenance services	4,000	900	4,900	4,900	
General supplies	1,000	(400)	600	245	355
Total undist. expend. - care and upkeep of grounds	5,000	500	5,500	5,145	355
Total undist. expend. - oper. & maint. of plant services	428,193	(5,624)	422,569	371,307	51,262
Undist. expend. - student transportation services					
Lease purchase payments - school buses	15,000		15,000	14,997	3
Contract services (other than bet. home & school) vendors	2,500	352	2,852	2,852	
Contract services (bet. home & sch) joint agrmnts	303,308	(7,584)	295,724	205,403	90,321
Contract services (sp. ed. students) joint agrmnts	50,000	(12,368)	37,632	35,535	2,097
Contract services - aid in lieu of payments	17,680	1,900	19,580	19,580	
Total undist. expend. - student transportation services:	388,488	(17,700)	370,788	278,367	92,421
Unallocated benefits - employee benefits					
Social security contributions	43,680	7,200	50,880	46,773	4,107
Other retirement contributions - regular	48,520	6,164	54,684	54,684	
Unemployment compensation	180,800	(57,093)	123,707	49,761	73,946
Workmen's compensation	25,900		25,900	24,484	1,416
Health benefits	667,557	(20,531)	647,026	537,585	109,441
Tuition reimbursement	6,000		6,000	5,130	870
Other employee benefits	13,470	25,094	38,564	8,564	30,000
Total unallocated benefits - employee benefits	985,927	(39,166)	946,761	726,981	219,780
On-behalf contributions					
On-behalf T.P.A.F. pensions contributions (non-budgeted)				7,719	(7,719)
On-behalf T.P.A.F. O.P.E.B. (post retire. medical) contrib. (non-budgeted)				163,945	(163,945)
Reimbursed T.P.A.F. social security contributions (non-budgeted)				167,716	(167,716)
Total On-Behalf Contributions				339,380	(339,380)
Total Personal Services - Employee Benefits	985,927	(39,166)	946,761	1,066,361	(119,600)
Total undistributed expenditures	2,912,621	(7,722)	2,904,899	2,797,354	107,545
Total general current expense	4,870,404	(5,624)	4,864,780	4,732,307	132,473
Capital outlay					
Interest deposit to capital reserve	300		300		300
Equipment					
Undist. expend. - required maint for school fac.		5,624	5,624	5,624	
Facilities acquisition and construction					
Other objects	2,456		2,456		2,456
Total capital outlay	2,756	5,624	8,380	5,624	2,756
Special schools					
Summer school - instructions					
Salaries of teachers	4,500		4,500	1,958	2,542
General supplies	500		500		500
Total summer school - instruction	5,000		5,000	1,958	3,042
Total special schools	5,000		5,000	1,958	3,042
Total expenditures	4,878,160		4,878,160	4,739,889	138,271

ELK TOWNSHIP BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Excess (deficiency) of revenues over (under) expenditures	(303,409)		(303,409)	441,946	468,813
Other financing sources:					
Operating transfer in					
Transfer from capital projects fund				121	121
Operating transfer out					
Transfer to food service fund - board contribution	(27,000)		(27,000)	(20,000)	7,000
Total other financing sources	(27,000)		(27,000)	(19,879)	7,121
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing sources (uses)	(330,409)		(330,409)	422,067	475,934
Fund balance, July 1	760,699		760,699	760,699	
Fund balance, June 30	430,290		430,290	1,182,766	475,934
Recapitulation:					
Restricted Fund Balance:					
Capital reserve				173,068	
Excess surplus - designated for subsequent year's expenditures				5,195	
Excess surplus - current year				456,167	
Assigned Fund Balance:					
Year-end encumbrances				46,611	
Designated for subsequent year's expenditures				245,805	
Unassigned Fund Balance				255,920	
				1,182,766	
Reconciliation to governmental fund statements (G.A.A.P.):					
Last state aid payment not recognized on G.A.A.P. Basis				(217,108)	
Fund balance per governmental funds (G.A.A.P.)				965,658	

ELK TOWNSHIP BOARD OF EDUCATION
 Budgetary Comparison Schedule
 Special Revenue Fund
 For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Federal sources	201,553	78,691	280,244	262,242	(18,002)
State sources	67,643		67,643	67,643	
Other sources		8,247	8,247	1,326	(6,921)
Total revenues	<u>269,196</u>	<u>86,938</u>	<u>356,134</u>	<u>331,211</u>	<u>(24,923)</u>
EXPENDITURES:					
Instruction:					
Salaries of teachers	113,569	29,270	142,839	140,383	2,456
Other salaries for instruction	80,910	(12,528)	68,382	68,382	
Tuition	7,016	12,984	20,000	20,000	
Other purchased services	3,705	(3,705)			
Supplies and materials	64	6,481	6,545	2,220	4,325
Total instruction	<u>205,264</u>	<u>32,502</u>	<u>237,766</u>	<u>230,985</u>	<u>6,781</u>
Support services:					
Personal services - employee benefits	19,616	434	20,050	19,927	123
Purchased professional/technical services	38,100	31,236	69,336	64,761	4,575
Other purchased services	4,675	10,411	15,086	8,563	6,523
Supplies and materials	1,541	12,355	13,896	6,975	6,921
Total support services	<u>63,932</u>	<u>54,436</u>	<u>118,368</u>	<u>100,226</u>	<u>18,142</u>
Total expenditures	<u>269,196</u>	<u>86,938</u>	<u>356,134</u>	<u>331,211</u>	<u>24,923</u>

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

ELK TOWNSHIP BOARD OF EDUCATION
 Required Supplementary Information
 Budgetary Comparison Schedule
 Note to RSI
 For the Fiscal Year Ended June 30, 2011

Note A: Explanation of Differences between Budgetary Inflows and Outflows and G.A.A.P. Revenues and Expenditures

	General Fund	Special Revenue Fund
Sources/inflows of resources:		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule.	5,181,835	331,211
Difference - budget to G.A.A.P.:		
Grant accounting budgetary basis differs from G.A.A.P. in that encumbrances are recognized as expenditures, and the related revenue is recognized.		(1,183)
State aid payment recognized for G.A.A.P. statements in the current year, previously recognized for budgetary purposes.	246,617	6,764
State aid payment recognized for budgetary purposes, not recognized for G.A.A.P. statements until the following year.	(217,108)	(6,764)
	<u>5,211,344</u>	<u>330,028</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>5,211,344</u>	<u>330,028</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	4,739,889	331,211
Difference - budget to G.A.A.P.:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		(1,183)
	<u>4,739,889</u>	<u>330,028</u>
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	<u>4,739,889</u>	<u>330,028</u>

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND

ELK TOWNSHIP BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2011

	Total Brought Forward (Exhibit E-1a)	Title I Part A Regular	Title I Part A FY 2010	ARRA - Title I Part A	Title II Part A	Total
REVENUES:						
Federal sources	164,293	72,385	1,691	6,957	16,916	262,242
State sources	67,643					67,643
Other sources	1,326					1,326
Total revenues	<u>233,262</u>	<u>72,385</u>	<u>1,691</u>	<u>6,957</u>	<u>16,916</u>	<u>331,211</u>
EXPENDITURES:						
Instruction:						
Salaries of teachers	85,071	40,313		6,463	8,536	140,383
Other salaries for instruction	47,187	21,195				68,382
Tuition	20,000					20,000
Supplies and materials	2,077	143				2,220
Total instruction	<u>154,335</u>	<u>61,651</u>		<u>6,463</u>	<u>8,536</u>	<u>230,985</u>
Support services:						
Personal services-employees benefits	8,042	9,684		494	1,707	19,927
Purchased professional/technical services	62,261	300			2,200	64,761
Other purchased services	6,122	750	1,691			8,563
Supplies and materials	2,502				4,473	6,975
Total support services	<u>78,927</u>	<u>10,734</u>	<u>1,691</u>	<u>494</u>	<u>8,380</u>	<u>100,226</u>
Total expenditures	<u>233,262</u>	<u>72,385</u>	<u>1,691</u>	<u>6,957</u>	<u>16,916</u>	<u>331,211</u>

ELK TOWNSHIP BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2011

	Total Brought Forward (Exhibit E-1b)	Health & Wellness Grant	IDEA Part B Basic Regular	IDEA Part B Basic Summer	IDEA Part B Basic ARRA	Title II Part A FY 2010	Total Carried Forward
REVENUES:							
Federal sources	34,465		100,953	3,805	21,691	3,379	164,293
State sources	67,643						67,643
Other sources	747	579					1,326
Total revenues	<u>102,855</u>	<u>579</u>	<u>100,953</u>	<u>3,805</u>	<u>21,691</u>	<u>3,379</u>	<u>233,262</u>
EXPENDITURES:							
Instruction:							
Salaries of teachers	81,536			3,535			85,071
Other salaries for instruction	13,872		32,398		917		47,187
Tuition			20,000				20,000
Supplies and materials	2,047		30				2,077
Total instruction	<u>97,455</u>		<u>52,428</u>	<u>3,535</u>	<u>917</u>		<u>154,335</u>
Support services							
Personal services-employees benefits	5,224		2,478	270	70		8,042
Purchased professional/technical services	132		46,047		16,082		62,261
Other purchased services					4,622	1,500	6,122
Supplies and materials	44	579				1,879	2,502
Total support services	<u>5,400</u>	<u>579</u>	<u>48,525</u>	<u>270</u>	<u>20,774</u>	<u>3,379</u>	<u>78,927</u>
Total expenditures	<u>102,855</u>	<u>579</u>	<u>100,953</u>	<u>3,805</u>	<u>21,691</u>	<u>3,379</u>	<u>233,262</u>

ELK TOWNSHIP BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2011

	Preschool Education Aid (Exhibit E-2)	GCSSDJIF Safety Award/ Other	Rural Education Achievement Program	Teaching Title II Part D	IDEA Preschool	IDEA Preschool ARRA	Total Carried Forward
REVENUES:							
Federal sources			30,123	176	2,892	1,274	34,465
State sources	67,643						67,643
Other sources		747					747
Total revenues	<u>67,643</u>	<u>747</u>	<u>30,123</u>	<u>176</u>	<u>2,892</u>	<u>1,274</u>	<u>102,855</u>
EXPENDITURES:							
Instruction:							
Salaries of teachers	56,433		25,103				81,536
Other salaries for instruction	11,210				2,662		13,872
Supplies and materials		747			26	1,274	2,047
Total instruction	<u>67,643</u>	<u>747</u>	<u>25,103</u>		<u>2,688</u>	<u>1,274</u>	<u>97,455</u>
Support services:							
Personal services-employees benefits			5,020		204		5,224
Purchased professional/technical services				132			132
Supplies and materials				44			44
Total support services			<u>5,020</u>	<u>176</u>	<u>204</u>		<u>5,400</u>
Total expenditures	<u>67,643</u>	<u>747</u>	<u>30,123</u>	<u>176</u>	<u>2,892</u>	<u>1,274</u>	<u>102,855</u>

ELK TOWNSHIP BOARD OF EDUCATION
 Special Revenue Fund
 Statement of Preschool Education Aid
 Budgetary Basis
 For the Fiscal Year Ended June 30, 2011

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES:			
Instruction:			
Salaries of Teachers	56,433	56,433	
Other Salaries for Instruction	11,210	11,210	
Total instruction	<u>67,643</u>	<u>67,643</u>	
Total expenditures	<u><u>67,643</u></u>	<u><u>67,643</u></u>	

CALCULATION OF BUDGET & CARRYOVER

Total revised 2010-11 Preschool Education Aid Allocation	67,643
Add: Actual E.C.P.A. Carryover (June 30, 2010)	None
	<u>67,643</u>
Total Preschool Education Aid Funds Available for 2010-11 Budget	67,643
Less: 2010-11 budgeted Preschool Education Aid (including prior year budgeted carryover)	(67,643)
	<u>None</u>
Available and unbudgeted Preschool Education Aid Funds as of June 30, 2011.	None
Add: June 30, 2011 Unexpended Preschool Education Aid	None
	<u>None</u>
2010-11 Carryover - Preschool Education Aid	<u>None</u>
2010-11 Preschool Education Aid carryover budgeted for Preschool Program in 2011-12	<u>None</u>

CAPITAL PROJECTS FUND

ELK TOWNSHIP BOARD OF EDUCATION
 Capital Projects Fund
 Summary Schedule of Project Expenditures
 For the Fiscal Year Ended June 30, 2011

Project Title/Issue	Approval Date	Revised Budgetary Appropriation	G.A.A.P.		Unexpended Appropriations June 30, 2011
			Prior Year	Expenditures to Date Current Year	
Aura Elementary School Renovations	6/26/08	1,750,578	1,731,639	15,559	3,380

ELK TOWNSHIP BOARD OF EDUCATION
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis
For the Year Ended June 30, 2011

Revenues and other financing sources	
Interest earnings	<u>121</u>
Expenditures and other financing uses	
Construction services	15,559
Transfer to general fund	121
Total expenditures	<u>15,680</u>
Excess (deficiency) of revenues over (under) expenditures	(15,559)
Fund balance - beginning	<u>18,939</u>
Fund balance - ending	<u><u>3,380</u></u>

ELK TOWNSHIP BOARD OF EDUCATION
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures, Project Balance, and Project Status - Budgetary Basis
 Aura Elementary School Renovations
 From Inception and for the Year Ended June 30, 2011

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond proceeds	1,750,000		1,750,000	1,750,000
Authorized but unissued bonds	578		578	578
Total revenues	<u>1,750,578</u>		<u>1,750,578</u>	<u>1,750,578</u>
Expenditures and Other Financing Uses				
Salaries	16,550		16,550	
Legal services	15,653		15,653	50,000
Other professional/technical services	138,590		138,590	128,000
Construction services	1,512,088	15,559	1,527,647	1,386,738
Non-instructional equipment	45,900		45,900	
Other objects	2,858		2,858	185,840
Total expenditures	<u>1,731,639</u>	<u>15,559</u>	<u>1,747,198</u>	<u>1,750,578</u>
Excess (deficiency) of revenues over (under) expenditures	<u>18,939</u>	<u>(15,559)</u>	<u>3,380</u>	
Additional Project Information:				
Bond authorization date	6/26/08			
Bonds authorized	1,750,578			
Bonds issued	1,750,000			
Original authorized cost	1,750,578			
Additional authorized cost				
Revised authorized cost	1,750,578			
Percentage increase over original authorized cost	0%			
Percentage completion	99%			
Original target completion date	August 2009			
Revised target completion date	August 2010			

PROPRIETARY FUNDS

ELK TOWNSHIP BOARD OF EDUCATION
Enterprise Funds
Combining Schedule of Net Assets
For the Fiscal Year Ended June 30, 2011

	Food Service Fund	Childcare	Total FY 2011
ASSETS:			
Cash and cash equivalents	15,902	7,925	23,827
Accounts receivable:			
Other	855		855
Interfund accounts receivable	6,000		6,000
Inventory	3,120		3,120
Capital assets, net	13,230		13,230
Total assets	<u>39,107</u>	<u>7,925</u>	<u>47,032</u>
LIABILITIES:			
Deferred revenue	894		894
Deposits payable	1,198		1,198
Total current liabilities	<u>2,092</u>		<u>2,092</u>
NET ASSETS:			
Investment in capital assets	13,230		13,230
Unrestricted	23,785	7,925	31,710
Total net assets	<u><u>37,015</u></u>	<u><u>7,925</u></u>	<u><u>44,940</u></u>

ELK TOWNSHIP BOARD OF EDUCATION
Enterprise Funds
Combining Schedule of Revenues, Expenses, and Changes in Fund Net Assets
For the Fiscal Year Ended June 30, 2011

	Food Service Fund	Childcare	Total FY 2011
Operating Revenues:			
Charges for Services			
Daily sales - reimbursable programs	47,162		47,162
Daily sales - non-reimbursable programs	6,132		6,132
Tuition		21,265	21,265
Special functions	4,073		4,073
Total operating revenue	<u>57,367</u>	<u>21,265</u>	<u>78,632</u>
Operating Expenses:			
Salaries	60,820	13,090	73,910
Employee benefits	19,676		19,676
Purchased property services	602		602
Other purchased services	14,614		14,614
Supplies and materials	3,680	250	3,930
Cost of sales	51,876		51,876
Depreciation	1,714		1,714
Total operating expenses	<u>152,982</u>	<u>13,340</u>	<u>166,322</u>
Operating income (loss)	<u>(95,615)</u>	<u>7,925</u>	<u>(87,690)</u>
Nonoperating revenues (expenses):			
Interest earned	75		75
State sources:			
State school lunch program	1,606		1,606
Federal sources:			
School breakfast program	14,898		14,898
National school lunch program	52,724		52,724
School milk program	992		992
Food distribution program commodities	8,292		8,292
Contributed capital - fixed assets	3,279		3,279
Loss on disposal of assets	(1,266)		(1,266)
Total nonoperating revenues (expenses)	<u>80,600</u>		<u>80,600</u>
Income (loss) before operating transfers	<u>(15,015)</u>	<u>7,925</u>	<u>(7,090)</u>
Transfers in (out)	<u>20,000</u>		<u>20,000</u>
Change in net assets	4,985	7,925	12,910
Total net assets - beginning	<u>32,030</u>		<u>32,030</u>
Total net assets - ending	<u><u>37,015</u></u>	<u><u>7,925</u></u>	<u><u>44,940</u></u>

ELK TOWNSHIP BOARD OF EDUCATION
Enterprise Funds
Combining Schedule of Cash Flows
For the Fiscal Year Ended June 30, 2011

	Food Service Fund	Childcare	Total FY 2011
Cash flows from operating activities:			
Receipts from customers	57,644	21,265	78,909
Payments to employees	(60,820)	(13,090)	(73,910)
Payments for employee benefits	(19,676)		(19,676)
Payments to suppliers	(62,778)	(250)	(63,028)
Net cash provided by (used for) operating activities	<u>(85,630)</u>	<u>7,925</u>	<u>(77,705)</u>
Cash flows from non-capital financing activities:			
Payments from General Fund	20,000		20,000
Federal and state reimbursements	74,720		74,720
(Increase) decrease in interfund receivable	(3,897)		(3,897)
Net cash provided by non-capital financing activities	<u>90,823</u>		<u>90,823</u>
Cash flows from investing activities			
Interest earned	75		75
Net cash provided by investing activities	<u>75</u>		<u>75</u>
Net increase (decrease) in cash and cash equivalents	5,268	7,925	13,193
Balance - beginning of year	10,634		10,634
Balance - end of year	<u>15,902</u>	<u>7,925</u>	<u>23,827</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	(95,615)	7,925	(87,690)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation	1,714		1,714
Food distribution program	8,292		8,292
(Increase) decrease in accounts receivable	277		277
(Increase) decrease in inventory	(298)		(298)
Net cash provided by (used for) operating activities	<u>(85,630)</u>	<u>7,925</u>	<u>(77,705)</u>

EXHIBIT G-4

ELK TOWNSHIP BOARD OF EDUCATION
 Internal Service Fund
 Combining Schedule of Net Assets
 For the Fiscal Year Ended June 30, 2011

	<u>Custodial Services</u>
ASSETS:	
Current assets:	
Cash in bank	<u>193</u>
NET ASSETS:	
Unrestricted	<u>193</u>

EXHIBIT G-5

ELK TOWNSHIP BOARD OF EDUCATION
 Internal Service Fund
 Combining Schedule of Revenues, Expenses,
 and Changes in Fund Net Assets
 For the Fiscal Year Ended June 30, 2011

	<u>Custodial Services</u>
Operating Revenues:	
Services provided to other governmental entities	<u>6,150</u>
Operating Expenses:	
Salaries	5,843
Supplies and materials	114
Total operating expenses	<u>5,957</u>
Change in net assets	<u>193</u>
Total net assets - ending	<u>193</u>

ELK TOWNSHIP BOARD OF EDUCATION
Internal Service Fund
Combining Schedule of Cash Flows
For the Fiscal Year Ended June 30, 2011

	Custodial Services
Cash flows from operating activities:	
Receipts from customers	6,150
Payments to suppliers	(114)
Payments to employees	(5,843)
	193
Net cash provided by (used for) operating activities	193
Net increase (decrease) in cash and cash equivalents	193
Balance - end of year	193
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	193
Net cash provided by (used for) operating activities	193

FIDUCIARY FUNDS

ELK TOWNSHIP BOARD OF EDUCATION
Combining Statement of Fiduciary Net Assets
For the Fiscal Year Ended June 30, 2011

	Trust		Agency		Total FY 2011
	Unemployment Compensation Trust	Scholarship Fund	Student Activities	Payroll	
ASSETS:					
Cash and cash equivalents	9,416	1,359	7,646	24,850	43,271
Total assets	<u>9,416</u>	<u>1,359</u>	<u>7,646</u>	<u>24,850</u>	<u>43,271</u>
LIABILITIES:					
Payroll deductions and withholdings				19,889	19,889
Due to student groups			7,646		7,646
Interfund payables:					
General Fund				4,961	4,961
Total liabilities			<u>7,646</u>	<u>24,850</u>	<u>32,496</u>
NET ASSETS:					
Held in trust for unemployment claims	9,416				9,416
Nonexpendable trust		1,359			1,359
Total net assets	<u>9,416</u>	<u>1,359</u>			<u>10,775</u>

ELK TOWNSHIP BOARD OF EDUCATION
Combining Statement of Changes in Fiduciary Net Assets
Trust Funds
For the Fiscal Year Ended June 30, 2011

	Unemployment Compensation Trust	Scholarship Fund	Total <u>FY 2011</u>
ADDITIONS:			
Contributions:			
Plan member	5,201		5,201
Contribution from General Fund	49,761		49,761
Total Contributions	<u>54,962</u>		<u>54,962</u>
Investment earnings:			
Interest	28	10	38
Total additions	<u>54,990</u>	<u>10</u>	<u>55,000</u>
DEDUCTIONS:			
Unemployment claims	47,057		47,057
Total deductions	<u>47,057</u>		<u>47,057</u>
Change in net assets	7,933	10	7,943
Net assets - beginning	<u>1,483</u>	<u>1,349</u>	<u>2,832</u>
Net assets - end	<u><u>9,416</u></u>	<u><u>1,359</u></u>	<u><u>10,775</u></u>

ELK TOWNSHIP BOARD OF EDUCATION
 Student Activity Agency Fund
 Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2011

	<u>Balance July 1, 2010</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Balance June 30, 2011</u>
ACTIVITIES:				
Aura School	<u>7,232</u>	<u>18,271</u>	<u>17,857</u>	<u>7,646</u>

ELK TOWNSHIP BOARD OF EDUCATION
 Payroll Agency Fund
 Schedule of Receipts and Disbursements
 For the Fiscal Year Ended June 30, 2011

	<u>Balance July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2011</u>
ASSETS:				
Cash and cash equivalents	<u>26,189</u>	<u>3,118,693</u>	<u>3,120,032</u>	<u>24,850</u>
Total assets	<u>26,189</u>	<u>3,118,693</u>	<u>3,120,032</u>	<u>24,850</u>
LIABILITIES:				
Accrued salaries and wages		1,854,251	1,854,251	
Payroll deductions and withholdings	24,293	1,260,252	1,264,656	19,889
Interfund payable	1,896	4,190	1,125	4,961
Total liabilities	<u>26,189</u>	<u>3,118,693</u>	<u>3,120,032</u>	<u>24,850</u>

LONG-TERM DEBT

ELK TOWNSHIP BOARD OF EDUCATION
 Schedule of Serial Bonds
 June 30, 2011

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2010	Retired	Balance June 30, 2011
			Date	Amount				
Roof Replacement	8/15/06	191,000	1/15/12	35,000	4.400%	101,000	31,000	70,000
			1/15/13	35,000	4.450%			
Aura School/Grounds Renovations	7/15/08	1,750,000	7/15/11-12	100,000	4.250%	1,750,000	95,000	1,655,000
			7/15/13-21	130,000	4.250%			
			7/15/22	140,000	4.250%			
			7/15/23	145,000	4.375%			
						<u>1,851,000</u>	<u>126,000</u>	<u>1,725,000</u>

ELK TOWNSHIP BOARD OF EDUCATION
 Schedule of Obligations Under Capital Leases
 For the Fiscal Year Ended June 30, 2011

Purpose	Date of Lease	Term of Lease	<u>Amount of Original Lease</u>		Interest Rate	Balance June 30, 2010	Retired	Balance June 30, 2011
			Principal	Interest				
School Bus	12/18/06	5 Years	65,000	8,333	4%-5%	30,000	15,000	15,000

ELK TOWNSHIP BOARD OF EDUCATION
 Budgetary Comparison Schedule
 Debt Service Fund
 For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local sources:					
Local tax levy	117,863		117,863	117,863	
State sources:					
Debt service aid type II	85,121		85,121	85,121	
Total revenues	202,984		202,984	202,984	
EXPENDITURES:					
Regular debt service:					
Interest	76,984		76,984	76,984	
Redemption of principal	126,000		126,000	126,000	
Total expenditures	202,984		202,984	202,984	
Excess (deficiency) of revenues over (under) expenditures					
Fund balance, July 1	1		1	1	
Fund balance, June 30	1		1	1	

INTRODUCTION TO THE STATISTICAL SECTION

ELK TOWNSHIP SCHOOL DISTRICT
Statistical Section

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well being have changed over time.	96-103
Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue source, the property tax.	104-107
Debt Capacity These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	108-111
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	112-113
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	114-118

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (C.A.F.R.) for the relevant year. The district implemented G.A.S.B. Statement 34 in the fiscal year ending June 30, 2004; schedules presenting district-wide information include information beginning in that year.

ELK TOWNSHIP BOARD OF EDUCATION
 Net Assets by Component
 Last Eight Fiscal Years
 Unaudited

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities:								
Invested in capital assets, net of related debt	1,449,100	1,496,370	1,675,658	1,687,501	206,296	1,809,749	2,289,560	2,238,938
Restricted	325,516	513,253	492,861	347,481	2,256,182	1,153,832	481,780	855,910
Unrestricted	(3,901)	(56,813)	(28,140)	283,143	190,814	(33,070)	(76,070)	(25,649)
Total governmental activities net assets	<u>1,770,715</u>	<u>1,952,810</u>	<u>2,140,379</u>	<u>2,318,125</u>	<u>2,653,292</u>	<u>2,930,511</u>	<u>2,695,270</u>	<u>3,069,199</u>
Business-type activities:								
Invested in capital assets, net of related debt	19,445	17,305	22,484	11,702	10,118	8,841	7,431	13,230
Unrestricted	13,998	20,969	72,856	(495)	19,332	19,779	24,599	31,710
Total governmental activities net assets	<u>33,443</u>	<u>38,274</u>	<u>95,340</u>	<u>11,207</u>	<u>29,450</u>	<u>28,620</u>	<u>32,030</u>	<u>44,940</u>
District-wide:								
Invested in capital assets, net of related debt	1,468,545	1,513,675	1,698,142	1,699,203	216,414	1,818,590	2,296,991	2,252,168
Restricted	325,516	513,253	492,861	347,481	2,256,182	1,153,832	481,780	855,910
Unrestricted	10,097	(35,844)	44,716	282,648	210,146	(13,291)	(51,471)	6,061
Total district-wide net assets	<u>1,804,158</u>	<u>1,991,084</u>	<u>2,235,719</u>	<u>2,329,332</u>	<u>2,682,742</u>	<u>2,959,131</u>	<u>2,727,300</u>	<u>3,114,139</u>

Source: District records.

ELK TOWNSHIP BOARD OF EDUCATION
Changes in Net Assets
Last Eight Fiscal Years
Unaudited

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
Expenses:								
Governmental activities:								
Instruction:								
Regular	1,358,986	1,520,478	1,608,272	1,134,363	2,057,323	2,255,231	2,416,307	1,518,029
Special education	242,049	273,357	220,017	649,867	244,042	463,190	471,806	506,028
Other special instruction	5,448	67,377	112,713	226,276	621,397	367,528	473,059	140,666
Other instruction	3,300	3,233	3,450		3,977	5,022	8,065	12,396
Support services:								
Tuition	112,054	84,685	155,010	107,233	34,374	88,370	189,710	236,184
Student & instructional related services	524,260	525,760	438,091	482,103	682,920	660,251	710,587	497,486
School administration services	168,639	167,931	155,862	276,782	246,359	250,464	233,479	166,393
General & business administrative services	209,142	265,253	270,115	166,221	455,470	338,441	325,861	253,659
Plant operations & maintenance	293,865	291,754	308,436	371,268	513,518	473,721	481,198	381,382
Pupil transportation	244,586	327,072	353,573	376,006	398,689	347,231	340,483	263,367
Unallocated benefits	942,036	1,023,277	1,081,652	1,217,941				1,086,946
Special schools								1,958
Capital outlay	5,949		87,206	193,001		89,126	67,397	3,076
Interest on long-term debt	98,088	43,590	34,735	26,355	36,224	6,869		93,070
Amortization of bond issue costs						1,657	1,657	1,657
Unallocated depreciation	203,512	119,950	151,880	159,314	27,032	36,157	64,941	194,401
Total governmental activities expenses	<u>4,411,914</u>	<u>4,713,717</u>	<u>4,981,012</u>	<u>5,386,730</u>	<u>5,321,325</u>	<u>5,383,258</u>	<u>5,784,550</u>	<u>5,356,698</u>
Business-type activities:								
Food service	143,817	164,347	149,050	208,814	182,948	177,622	169,098	152,982
Childcare								13,340
Total business-type activities expenses	<u>143,817</u>	<u>164,347</u>	<u>149,050</u>	<u>208,814</u>	<u>182,948</u>	<u>177,622</u>	<u>169,098</u>	<u>166,322</u>
Total district-wide expenses	<u><u>4,555,731</u></u>	<u><u>4,878,064</u></u>	<u><u>5,130,062</u></u>	<u><u>5,595,544</u></u>	<u><u>5,504,273</u></u>	<u><u>5,560,880</u></u>	<u><u>5,953,648</u></u>	<u><u>5,523,020</u></u>

ELK TOWNSHIP BOARD OF EDUCATION
Changes in Net Assets
Last Eight Fiscal Years
Unaudited

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
Program revenues:								
Governmental activities:								
Charges for services					21,934	23,936	33,296	6,150
Operating grants & contributions	562,580	546,470	541,877	569,702	598,201	326,873	365,988	330,028
Total governmental activities program revenues	562,580	546,470	541,877	569,702	620,135	350,809	399,284	336,178
Business-type activities:								
Charges for services:								
Food service	45,667	46,428	65,150	63,679	68,487	66,763	61,670	57,367
Childcare								21,265
Operating grants & contributions	49,534	67,887	70,680	65,717	66,421	68,888	76,788	78,512
Total business-type activities revenues	95,201	114,315	135,830	129,396	134,908	135,651	138,458	157,144
Total district program revenues	657,781	660,785	677,707	699,098	755,043	486,460	537,742	493,322
Net (expense)/revenue:								
Governmental activities	(3,849,334)	(4,167,247)	(4,439,135)	(4,817,028)	(4,701,190)	(5,032,449)	(5,385,266)	(5,020,520)
Business-type activities	(48,616)	(50,032)	(13,220)	(79,418)	(48,040)	(41,971)	(30,640)	(9,178)
Total district-wide net expense	(3,897,950)	(4,217,279)	(4,452,355)	(4,896,446)	(4,749,230)	(5,074,420)	(5,415,906)	(5,029,698)
General revenues & other changes in net assets:								
Governmental activities:								
Property taxes levied for general purposes	1,367,982	1,494,175	1,739,385	1,846,000	1,919,840	1,996,634	2,103,308	2,247,237
Taxes levied for debt service	198,744	202,825	139,503	194,845	179,916	174,559	224,003	117,863
Unrestricted grants & contributions	2,598,967	2,680,907	2,676,147	2,778,718	2,895,668	2,900,211	2,708,106	2,739,306
Tuition received	27,396	20,425	53,044	1,621	54,949	37,597	127,022	290,769
Transportation fees	31,594	54,157	61,954	74,164				
Investment earnings	4,682	3,924	5,608	30,110	36,136	26,367	7,305	7,917
Miscellaneous income	208	11,177	21,325	8,087	16,850	30,544	14,281	11,357
Transfers	(93,468)	(54,786)	(70,262)	(3,771)	(66,000)	(41,000)	(34,000)	(20,000)
Loss on disposal of assets		(63,462)						
Proceeds from capital lease				65,000				
Cost of issuance	(37,744)							
Bonds authorized not issued					578			
Premiums received on sale of bonds	11,034							
Accrued interest	2,728							
Interest expense	(7,596)				(1,579)			
Prior year asset correction						184,756		
Total governmental activities	4,104,527	4,349,342	4,626,704	4,994,774	5,036,358	5,309,668	5,150,025	5,394,449

ELK TOWNSHIP BOARD OF EDUCATION
Changes in Net Assets
Last Eight Fiscal Years
Unaudited

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
Business-type activities:								
Miscellaneous income	28	77	24	7	282	141	50	75
Investment earnings				149				
Loss on retirement of asset				(8,643)				(1,266)
Contributed capital - fixed assets								3,279
Transfers	93,468	54,786	70,262	3,771	66,000	41,000	34,000	20,000
Total business-type activities	<u>93,496</u>	<u>54,863</u>	<u>70,286</u>	<u>(4,716)</u>	<u>66,282</u>	<u>41,141</u>	<u>34,050</u>	<u>22,088</u>
Total district-wide	<u>4,198,023</u>	<u>4,404,205</u>	<u>4,696,990</u>	<u>4,990,058</u>	<u>5,102,640</u>	<u>5,350,809</u>	<u>5,184,075</u>	<u>5,416,537</u>
Change in net assets:								
Governmental activities	255,193	182,095	187,569	177,746	335,168	277,219	(235,241)	373,929
Business-type activities	44,880	4,831	57,066	(84,134)	18,242	(830)	3,410	12,910
Total district-wide	<u>300,073</u>	<u>186,926</u>	<u>244,635</u>	<u>93,612</u>	<u>353,410</u>	<u>276,389</u>	<u>(231,831)</u>	<u>386,839</u>

Source: District records.

ELK TOWNSHIP BOARD OF EDUCATION
Fund Balances, Governmental Funds
Last Eight Fiscal Years
Unaudited

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
General fund:								
Reserved	196,563	106,234	228,565	412,705	555,762	814,306	503,949	899,140
Unreserved	180,464	308,981	294,023	271,335	294,087	97,629	10,133	66,518
Total general fund	<u>377,027</u>	<u>415,215</u>	<u>522,588</u>	<u>684,040</u>	<u>849,849</u>	<u>911,935</u>	<u>514,082</u>	<u>965,658</u>
All other governmental funds:								
Reserved						274,193	7,500	
Unreserved, reported in:								
Special revenue fund	(14,229)	(14,229)	(14,229)	(14,229)	(16,804)	(6,545)	(6,764)	(6,764)
Capital projects fund	29,635	29,635	29,635	81,283	1,700,419	73,391	11,439	3,380
Debt service fund	10,710	102,411	22		1	1	1	1
Total all other governmental funds	<u>26,116</u>	<u>117,817</u>	<u>15,428</u>	<u>67,054</u>	<u>1,683,616</u>	<u>341,040</u>	<u>12,176</u>	<u>(3,383)</u>

Source: District records.

ELK TOWNSHIP BOARD OF EDUCATION
 Changes in Fund Balances, Governmental Funds
 Last Ten Fiscal Years
 Unaudited

	Fiscal Year Ending June 30,									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues:										
Tax levy	1,183,526	1,309,347	1,566,726	1,697,000	1,878,888	2,040,845	2,099,756	2,171,193	2,327,311	2,365,100
Tuition charges	19,312	7,757	27,396	20,425	53,044	1,621	54,949	37,597	127,022	290,769
Transportation fees	33,302	65,660	31,594	54,157	61,954	74,164				
Interest earnings	24,079	9,976	4,682	3,924	5,608	30,110	36,136	26,367	7,305	7,917
Miscellaneous	30,464	4,329	208	11,177	21,325	3,645	38,784	53,710	14,834	12,683
State sources	2,963,523	2,733,798	2,893,295	2,968,156	2,968,923	2,919,329	3,228,293	2,966,378	2,436,874	2,798,264
Federal sources	213,284	181,527	268,252	259,221	249,101	287,025	265,576	260,206	636,667	269,744
Total revenue	4,467,490	4,312,394	4,792,153	5,014,060	5,238,843	5,356,739	5,723,494	5,515,451	5,550,013	5,744,477
Expenditures:										
Instruction:										
Regular instruction	557,775	906,689	905,497	1,043,215	1,146,141	1,068,691	1,448,198	1,579,201	1,698,581	1,506,904
Special education instruction	1,093,976	702,558	695,509	755,556	685,412	649,867	175,962	341,042	336,082	505,759
Other	24,745	37,369	5,448	67,377	112,713	222,826	480,879	272,051	318,490	139,946
School sponsored/other instructional	15,150	9,550	3,300	3,233	3,450	3,450	2,775	3,450	5,884	12,396
Total instruction	1,691,646	1,656,166	1,609,754	1,869,381	1,947,716	1,944,834	2,107,814	2,195,744	2,359,037	2,165,005
Undistributed:										
Instruction	41,267	157,306	112,054	84,685	155,010	107,233	34,374	88,370	189,710	236,184
Student & instruction related services	439,899	566,080	524,260	525,760	438,091	480,953	460,874	499,423	517,332	509,291
General administration services	154,966	161,248	168,639	167,931	155,862	156,406	169,288	148,930	127,098	91,632
School administrative services	111,034	104,888	209,142	128,585	139,475	152,771	160,240	165,572	174,713	164,994
Central services				120,335	112,726	141,760	150,411	142,246	145,826	152,695
Administration information technology				16,333	17,914	24,461	19,030	7,134	6,521	6,572
Operations and maintenance	259,901	283,463	293,865	291,754	308,436	263,451	427,736	377,702	389,797	371,307
Student transportation	221,733	300,113	254,803	337,754	364,741	387,683	370,697	342,302	343,772	278,367
Business and other support services:										
Employee benefits	676,289	742,889	644,861	699,203	718,714	711,186	756,222	789,915	867,536	746,908
On-behalf T.P.A.F. pension contribution		81,329	162,323	170,656	210,062	344,889	358,647	148,060	173,575	171,664
Reimbursed T.P.A.F. social security	142,336	149,824	134,852	153,418	152,876	161,866	172,578	182,169	191,773	167,716
Total undistributed	2,047,425	2,547,140	2,504,799	2,696,414	2,773,907	2,932,659	3,080,097	2,891,823	3,127,653	2,897,330

ELK TOWNSHIP BOARD OF EDUCATION
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
Unaudited

	Fiscal Year Ending June 30,									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Capital outlay	72,645	890,846	38,169		87,206	177,075	116,419	1,350,619	347,095	21,183
Special schools								6,869		1,958
Debt service expenditures:										
Principal	230,000	240,000	250,000	220,000	320,000	315,000	290,000	290,000	285,000	126,000
Interest	122,247	110,428	98,088	43,590	34,735	26,355	29,792	19,886	123,945	76,984
Total expenditures	4,163,963	5,444,580	4,500,810	4,829,385	5,163,564	5,395,923	5,624,122	6,754,941	6,242,730	5,288,460
Excess (Deficiency) of revenues over (under) expenditures	303,527	(1,132,186)	291,343	184,675	75,279	(39,184)	99,372	(1,239,490)	(692,717)	456,017
Other financing sources (uses):										
Proceeds from borrowing			13,422			256,000	1,750,578			
Extraordinary item	322,922	16,887					(1,579)			
Transfers out			(93,468)	(54,786)	(70,262)	(3,771)	(66,000)	(41,000)	(34,000)	(20,000)
Total other financing sources (uses)	322,922	16,887	(80,046)	(54,786)	(70,262)	252,229	1,682,999	(41,000)	(34,000)	(20,000)
Net change in fund balance	626,449	(1,115,299)	211,297	129,889	5,017	213,045	1,782,371	(1,280,490)	(726,717)	436,017
Debt service as a percentage of noncapital expenditures	8.61%	7.70%	7.80%	5.46%	6.99%	6.54%	5.81%	5.73%	6.94%	3.85%

Source: District records.

ELK TOWNSHIP SCHOOL DISTRICT
 General Fund - Other Local Revenue by Source
 Last Ten Fiscal Years
 Unaudited

Fiscal Year Ended June 30	Refunds	Miscellaneous	Summer Program	Sale of Assets	Services Provided Other LEA's	Annual Totals
2002		30,464				30,464
2003		4,329				4,329
2004		208				208
2005		11,177				11,177
2006		21,325				21,325
2007		3,645				3,645
2008	7,462	8,888			21,934	38,284
2009	11,515	19,029			22,666	53,210
2010	2,793	6,656		4,832		14,281
2011	2,574	5,737	3,046			11,357
	<u>24,344</u>	<u>111,458</u>	<u>3,046</u>	<u>4,832</u>	<u>44,600</u>	<u>188,280</u>

Source: District records.

ELK TOWNSHIP BOARD OF EDUCATION
 Assessed Value and Actual Value of Taxable Property
 Last Ten Fiscal Years
 Unaudited

Fiscal Year Ended June 30	Vacant Land	Residential	Farmland	Q Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate
2002	9,005,700	11,717,600	11,859,000	4,334,100	14,311,600	1,883,100		53,111,100	985,711	54,096,811	174,730,282	0.833
2003	11,078,200	123,501,100	11,450,800	4,279,000	15,641,100	813,500	74,500	166,838,200	1,093,359	167,931,559	195,675,027	0.909
2004	12,685,600	128,384,100	11,051,300	4,329,900	16,117,000	813,500		173,381,400	1,030,878	174,412,278	207,586,433	0.957
2005	10,854,400	139,700,900	11,109,300	4,352,800	16,383,900	813,500		183,214,800	929,096	184,143,896	236,387,595	0.954
2006	10,166,200	152,623,400	11,737,100	4,262,400	16,223,400	813,500		195,826,000	770,469	196,596,469	277,462,206	0.988
2007	23,642,500	301,100,300	24,557,900	4,295,700	25,429,300	1,137,400		380,163,100	1,126,105	381,289,205	326,320,260	0.542
2008	24,226,600	304,093,100	25,243,000	4,324,100	25,485,800	1,137,400		384,510,000	1,310,507	385,820,507	368,937,053	0.562
2009	23,663,000	311,873,900	25,622,600	4,369,000	27,731,500	1,137,400		394,397,400	1,421,103	395,818,503	368,937,053	0.588
2010	21,249,300	314,651,800	25,981,400	4,396,300	24,901,100	1,137,400		392,317,300	1,421,103	393,738,403	368,937,053	0.600
2011	21,291,000	317,066,800	26,197,200	4,501,700	26,812,600	1,137,400		397,006,700	1,406,464	398,413,164	391,638,213	0.604

Source: Municipal Tax Assessor.

ELK TOWNSHIP BOARD OF EDUCATION
 Direct and Overlapping Property Tax Rates
 (Rate Per \$100 of Assessed Value)
 Last Ten Fiscal Years
 Unaudited

Fiscal Year Ended June 30	Elk Township School District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Delsea Regional School District	Elk Township	Gloucester County	
2002	0.641	0.180	0.821	0.833	0.714	0.729	3.097
2003	0.765	0.168	0.933	0.909	0.728	0.778	3.348
2004	0.832	0.141	0.973	0.957	0.735	0.786	3.451
2005	0.882	0.139	1.021	0.954	0.721	0.876	3.572
2006	0.955	0.083	1.038	0.988	0.721	0.896	3.643
2007	0.493	0.058	0.551	0.542	0.444	0.509	2.046
2008	0.508	0.054	0.562	0.558	0.512	0.567	2.199
2009	0.531	0.057	0.588	0.575	0.549	0.586	2.298
2010	0.570	0.030	0.600	0.613	0.549	0.596	2.358
2011	0.574	0.030	0.604	0.634	0.574	0.575	2.387

Source: Municipal Tax Collector.

ELK TOWNSHIP BOARD OF EDUCATION
Principal Property Taxpayers
Current Year and Nine Years Ago
Unaudited

	2011		2002	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
Laux Lakeview Park Inc.	4,294,700	1.08%	2,954,400	1.91%
Paparone at Silver Lake Estates LLC	2,587,200	0.65%		
SCP 2007-C27, LLC (CVS Caremark)	2,000,000	0.50%		
Silvergate Associates	1,932,500	0.49%	608,100	0.40%
Valley Del Sol	1,844,900	0.46%		
Verizon New Jersey	1,406,464	0.35%	758,080	0.50%
Clayton Associates	1,223,200	0.31%	813,500	0.54%
Individual Taxpayer 1	1,181,300	0.30%		
Western Oilfields Supply co.	1,140,600	0.29%	1,375,000	0.91%
Christy Enterprises LLC	1,037,800	0.26%		
Individual Taxpayer 2			675,000	0.45%
First National Bank of Elmer			669,000	0.44%
Individual Taxpayer 3			650,000	0.43%
NER Auction Systems of NJ			532,100	0.35%
	<u>18,648,664</u>	<u>4.68%</u>	<u>9,035,180</u>	<u>5.93%</u>

Source: District C.A.F.R. and Municipal Tax Assessor.

ELK TOWNSHIP BOARD OF EDUCATION
Property Tax Levies and Collections
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2002	1,183,526	1,183,526	100.00%	
2003	1,309,347	1,309,347	100.00%	
2004	1,566,726	1,566,726	100.00%	
2005	1,697,000	1,697,000	100.00%	
2006	1,878,888	1,878,888	100.00%	
2007	2,040,845	2,040,845	100.00%	
2008	2,099,756	2,099,756	100.00%	
2009	2,171,193	2,171,193	100.00%	
2010	2,327,311	2,327,311	100.00%	
2011	2,365,100	2,365,100	100.00%	

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

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

ELK TOWNSHIP BOARD OF EDUCATION
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30	Governmental Activities		Total District	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Capital Leases			
2002	2,075,000		2,075,000	1.90%	585
2003	1,835,000	43,744	1,878,744	1.66%	521
2004	1,630,000	33,527	1,663,527	1.37%	452
2005	1,410,000	22,845	1,432,845	1.10%	378
2006	1,090,000	11,677	1,101,677	0.78%	284
2007	966,000	65,000	1,031,000	0.69%	262
2008	2,426,000	55,000	2,481,000	1.58%	624
2009	2,136,000	45,000	2,181,000	1.38%	545
2010	1,851,000	30,000	1,881,000	N/A	N/A
2011	1,725,000	15,000	1,740,000	N/A	N/A

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

N/A = Not available at the time of C.A.F.R. completion.

ELK TOWNSHIP BOARD OF EDUCATION
 Ratios of Net General Bonded Debt Outstanding
 Last Ten Fiscal Years
 Unaudited

Fiscal Year Ended June 30	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Deductions			
2002	2,075,000		2,075,000	1.48%	585
2003	1,835,000		1,835,000	1.30%	509
2004	1,630,000		1,630,000	1.09%	443
2005	1,410,000		1,410,000	0.93%	372
2006	1,090,000		1,090,000	0.77%	281
2007	966,000		966,000	0.55%	246
2008	2,426,000		2,426,000	0.25%	610
2009	2,136,000		2,136,000	0.63%	533
2010	1,851,000		1,851,000	0.54%	N/A
2011	1,725,000		1,725,000	N/A	N/A

Note Details regarding the District's outstanding debt can be found in the notes to the financial statements.

N/A = Not available at the time of C.A.F.R. completion.

ELK TOWNSHIP BOARD OF EDUCATION
 Direct and Overlapping Governmental Activities Debt
 As of June 30, 2011
 Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Township of Elk	2,710,750	100.00%	2,710,750
Delsea Regional High School District	4,619,583	20.74%	957,963
Gloucester County General Obligation Debt	308,779,932	1.36%	4,202,706
Subtotal, overlapping debt			<u>7,871,419</u>
Township of Elk School District			<u>1,725,000</u>
Total direct and overlapping debt			<u><u>9,596,419</u></u>

Sour Assessed value data used to estimate applicable percentages provided by the Gloucester County Board of Taxation. Debt outstanding provided by each government unit.

Note Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Franklin and Elk Townships. This process recognized that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping payment.

ELK TOWNSHIP BOARD OF EDUCATION
Legal Debt Margin Information
Last Ten Fiscal Years
Unaudited

Equalized valuation basis	
2008	380,627,598
2009	398,099,727
2010	384,813,438
	<u>1,163,540,763</u>
Average equalized valuation of taxable property	<u>387,846,921</u>
Debt limit (2.5% of average equalized value)	9,696,173
Total net debt applicable to limit	<u>1,725,000</u>
Legal debt margin	<u>7,971,173</u>

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit	4,276,188	4,596,173	5,038,513	3,444,187	6,785,509	6,629,294	7,799,990	8,819,963	9,511,743	7,971,173
Total net debt applicable to limit	2,075,000	1,835,000	1,630,000	1,410,000	1,090,000	966,000	2,426,000	2,136,000	1,851,000	1,725,000
Legal debt margin	<u>2,201,188</u>	<u>2,761,173</u>	<u>3,408,513</u>	<u>2,034,187</u>	<u>5,695,509</u>	<u>5,663,294</u>	<u>5,373,990</u>	<u>6,683,963</u>	<u>7,660,743</u>	<u>6,246,173</u>
Total net debt applicable to the limit as a percentage of debt limit	48.52%	39.92%	32.35%	40.94%	16.06%	14.57%	31.10%	24.22%	19.46%	21.64%

Source: Equalized valuation basis were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.

ELK TOWNSHIP BOARD OF EDUCATION
Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2002	3,548	109,015,848	30,726	4.90%
2003	3,604	112,866,468	31,317	5.20%
2004	3,682	121,093,616	32,888	4.90%
2005	3,787	130,170,551	34,373	4.80%
2006	3,878	141,163,078	36,401	5.20%
2007	3,932	148,448,728	37,754	4.70%
2008	3,974	156,591,496	39,404	6.10%
2009	4,005	158,561,955	39,591	9.00%
2010	N/A	N/A	N/A	9.50%
2011	N/A	N/A	N/A	N/A

Sour Data regarding School District population and per capita personal income was provided by the Department of Education.

N/A = Not available at the time of C.A.F.R. completion.

ELK TOWNSHIP BOARD OF EDUCATION
Principal Employers
Current Year and Nine Years Ago
Unaudited

<u>Employer</u>	<u>2011</u>		<u>2002</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>
Underwood Memorial Hospital	1,825	N/A	N/A	N/A
Washington Township School District	1,648	N/A	N/A	N/A
County of Gloucester	1,500	N/A	N/A	N/A
Rowan University	1,300	N/A	N/A	N/A
Kennedy Hospital	1,200	N/A	N/A	N/A
Missa Bay, LLC	950	N/A	N/A	N/A
Monroe Township School District	741	N/A	N/A	N/A
U.S. Foodservices	725	N/A	N/A	N/A
DGI Services	600	N/A	N/A	N/A
Delaware Valley Wholesale Florist	500	N/A	N/A	N/A
	<u>10,989</u>			

Source: Gloucester County Department of Economic Development and Employer Directly.

Note: The information provided is for the County of Gloucester, information at the municipal level is not readily available.

N/A = Information not available.

ELK TOWNSHIP SCHOOL DISTRICT
Full-time Equivalent District Employees by Function/Program
Last Ten Fiscal Years
Unaudited

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Instruction										
Regular	24	25	22	22.0	24	24.5	31.0	30.0	29.1	25.6
Special education/Other special	3	3	3	2	2	9.5	12.5	13.5	13.5	8.0
Support Services										
Student & instruction related services	12	12	12	11	12	11	6.7	7.2	7.2	6.0
General administration	2	2	1	1	1	1.5	1.5	1.0	1.0	1.0
School administrative services	2	2	2	2	2	2	2.2	2.2	2.2	2.0
Business administrative/technology services	3	3	2	2	2	2	1.9	1.9	2.0	2.0
Plant operations & maintenance	3	3	3	3	3	9	6.5	6.0	6.0	13.7
Pupil transportation	7	7	7	7	7					
Food Service	4	4	4	4	4	1	0.2	0.2		
Total	<u>60</u>	<u>61</u>	<u>56</u>	<u>54</u>	<u>57</u>	<u>60.5</u>	<u>62.5</u>	<u>62.0</u>	<u>61.0</u>	<u>58.3</u>

Source: District Personnel Records.

ELK TOWNSHIP BOARD OF EDUCATION
 Operating Statistics
 Last Ten Fiscal Years
 Unaudited

Fiscal Year Ended June 30	Enrollment	Operating Expenditures (a)	Cost per Pupil	Percentage Change	Pupil/Teacher Ratio		Average Daily Enrollment (ADE) (c)	Average Daily Attendance (ADA) (c)	% Change Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff (b)	Elementary				
2002	384	3,739,071	9,737	10.54%	35	1:11.7	384	365	0.79%	95.05%
2003	383	4,203,306	10,975	12.71%	36	1:11.9	383	364	-0.26%	95.04%
2004	377	4,114,553	10,914	-0.55%	31	1:12.4	377	357	-1.57%	94.69%
2005	383	4,565,795	11,921	9.23%	30	1:12.9	383	365	1.59%	95.30%
2006	365	4,721,623	12,936	8.51%	33	1:11.7	365	349	-4.70%	95.62%
2007	368	4,877,493	13,254	2.46%	34	1:11.3	368	353	0.82%	95.92%
2008	373	5,187,911	13,909	4.94%	37	1:11.1	377	360	2.45%	95.49%
2009	376	5,094,436	13,549	-2.59%	36	1:11.2	377	361	0.00%	95.76%
2010	388	5,486,690	13,478	-0.52%	36	1:11.2	387	370	2.65%	95.61%
2011	388	5,064,293	14,141	4.92%	39	N/A	384	365	-0.72%	95.05%

Sour District records.

Note Enrollment based on annual October district count.

- (a) Operating expenditures equal total expenditures less debt service and capital outlay
- (b) Teaching staff includes only full-time equivalents of certificated staff.
- (c) Average daily enrollment and average daily attendance are obtained from the School Register Summary (S.R.S.).

N/A = Not available from School District

ELK TOWNSHIP BOARD OF EDUCATION
 School Building Information
 Last Ten Fiscal Years
 Unaudited

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<u>Aura Elementary School</u>										
Square Feet	48,532	48,532	51,532	51,532	51,532	51,532	51,532	51,532	51,532	51,532
Capacity (students)	462	462	522	522	522	522	522	522	522	522
Enrollment	384	383	311	383	365	368	373	376	388	384

Number of Schools at June 30, 2011
 Elementary = 1

Source: District Office.

ELK TOWNSHIP BOARD OF EDUCATION
 General Fund
 Schedule of Required Maintenance Expenditures by School Facility
 Last Ten Fiscal Years Ending June 30
 Unaudited

UNDISTRIBUTED EXPENDITURES - REQUIRED
 MAINTENANCE FOR SCHOOL FACILITIES
 11-000-261-xxx

* School Facilities	Gross Square Footage	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Total
Aura School	51,532	79,239	76,295	112,960	88,149	49,470	120,293	95,891	28,593	51,867	19,770	722,527

* School facilities as defined under E.F.C.F.A.
 (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6:24-1.3)

ELK TOWNSHIP BOARD OF EDUCATION
Insurance Schedule
June 30, 2011
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
Selective Insurance Company of America		
Property/Inland Marine/Auto Physical Damage	50,000,000	
Commercial General Liability	3,000,000	
Crime	100,000	
Commercial Inland Marine	207,000	100
Data Processing Coverage	177,000	100
Commercial Automobile Liability	1,000,000	1,000
Commercial Umbrella	10,000,000	10,000
 Educational Risk Insurance Consortium South		
Workers' Compensation	2,000,000	
 Markel Insurance Company		
Student Accident Insurance	Varies	
 Public employees' faithful performance bonds -		
Ohio Casualty		
Surety Bond - Treasurer	160,000	
Surety Bond - Board Secretary/Business Administrator	20,000	

Source: District records.

SINGLE AUDIT SECTION

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Wendy G. Fama, CPA
Denise R. Nevico, CPA
Deanna L. Roller, CPA, RMA

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

The Honorable President and
Members of the Board of Education
Elk Township School District
98 Unionville Road
Glassboro, New Jersey 08028

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Elk Township School District, in the County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2011, which collectively comprise the Elk Township School District's basic financial statements and have issued our report thereon dated November 16, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

Management of the Elk Township School District, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Elk Township School District's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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

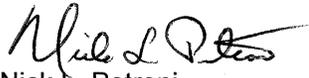
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

This report is intended solely for the information and use of management, the Elk Township School District Board of Education, the New Jersey State Department of Education and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

PETRONI & ASSOCIATES LLC



Nick L. Petroni
Certified Public Accountant
Licensed Public School Accountant #542

November 16, 2011

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REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH O.M.B. CIRCULAR A-133 AND NEW JERSEY O.M.B. CIRCULAR 04-04

The Honorable President and
Members of the Board of Education
Elk Township School District
98 Unionville Road
Glassboro, New Jersey 08028

Compliance

We have audited the compliance of the Board of Education of the Elk Township School District, in the County of Gloucester, State of New Jersey, with the types of compliance requirements described in the U.S. Office of Management and Budget (O.M.B.) Circular A-133 *Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* 04-04, that are applicable to each of its major federal and state programs for the year ended June 30, 2011. Elk Township School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Elk Township School District's management. Our responsibility is to express an opinion on the Elk Township School District's compliance based on our audit.

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; O.M.B. Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; the audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey; and New Jersey O.M.B.'s Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, O.M.B. Circular A-133 and New Jersey O.M.B.'s Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Elk Township School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Elk Township School District's compliance with those requirements.

In our opinion, the Elk Township School District, in the County of Gloucester, State of New Jersey, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the year ended June 30, 2011.

Internal Control over Compliance

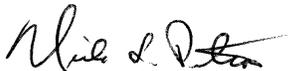
Management of the Elk Township School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered Elk Township School District's internal control over compliance with the requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with O.M.B. Circular A-133, and New Jersey O.M.B.'s Circular 04-04, 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 federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Elk Township School District Board of Education, the New Jersey Department of Education and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

PETRONI & ASSOCIATES LLC



Nick L. Petroni
Certified Public Accountant
Licensed Public School Accountant #542

November 16, 2011

ELK TOWNSHIP BOARD OF EDUCATION
Schedule of Expenditures of Federal Awards
for the Fiscal Year ended June 30, 2011

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2010	Carryover (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2011			MEMO Cumulative Total Expenditures
				From	To							Accounts Receivable	Deferred Revenue	Due to Grantor	
U.S.Department of Education															
General Fund:															
Medical Assistance Program (SEMI)	93.778	N/A	8,685	7/1/10	6/30/11			4,969	(8,685)			(3,716)			8,685
Total General Fund								4,969	(8,685)			(3,716)			8,685
U.S.Department of Education															
Passed-through State Department of Education															
Special Revenue Fund:															
Title I, Part A	84.010	NCLB133011	79,069	9/1/10	8/31/11			47,993	(72,385)			(24,392)			72,385
Title I, Part A	84.010	NCLB133010	86,373	9/1/09	8/31/10	(24,042)		24,942	(1,691)			(791)			86,373
ARRA - Title I, Part A	84.389	ARRA133010	20,099	9/1/09	8/31/11	(66)		2,547	(6,957)			(4,476)			16,515
IDEA Part B, Basic Regular	84.027	FT133011	102,219	9/1/10	8/31/11			73,835	(100,953)			(27,118)			100,953
IDEA Part B, Basic Regular	84.027	FT133010	97,651	9/1/09	8/31/10	(26,808)		26,808	(3,805)			(3,805)			97,651
ARRA - IDEA Part B, Basic Regular	84.391	ARRA133010	81,314	9/1/09	8/31/11	(1)		16,653	(21,691)			(5,039)			76,351
IDEA Part B, Preschool	84.173	FT133011	2,892	9/1/10	8/31/11			2,073	(2,892)			(819)			2,892
IDEA Part B, Preschool	84.173	FT133010	2,715	9/1/09	8/31/10	(531)		531							2,715
ARRA - IDEA Part B, Preschool	84.392	ARRA133010	2,931	9/1/09	8/31/11			368	(1,274)			(906)			2,931
Title II Part A	84.367	NCLB133011	18,421	9/1/10	8/31/11			8,043	(16,916)			(8,873)			16,916
Title II Part A	84.367	NCLB133010	18,088	9/1/09	8/31/10	(4,904)		4,904	(3,379)			(3,379)			18,088
Title II Part D	84.318	NCLB133011	176	9/1/10	8/31/11				(176)			(176)			176
Title II Part D	84.318	NCLB133010	872	9/1/09	8/31/10	(654)		654							872
Title IV	84.186	NCLB133010	1,479	9/1/09	8/31/10	(538)		538							1,479
Rural Education Achievement Program	84.358	S358A021526	30,123	7/1/10	6/30/11			22,759	(30,123)			(7,364)			30,123
Rural Education Achievement Program	84.358	S358A021526	29,322	7/1/09	6/30/10	(3,738)		3,738							29,322
Total Special Revenue Fund						(61,282)		236,386	(262,242)			(87,138)			555,742
U.S.Department of Agriculture															
Passed-through State Department of Education:															
Enterprise Fund:															
Food Distribution Program	10.550	N/A	8,293	7/1/10	6/30/11			8,293	(7,399)				894		
Food Distribution Program	10.550	N/A	11,818	7/1/09	6/30/10	1,703			(1,703)						11,818
School Breakfast Program	10.553	N/A	14,898	7/1/10	6/30/11			14,898	(14,898)						14,898
School Breakfast Program	10.553	N/A	15,175	7/1/09	6/30/10	(1,209)		1,209							15,175
National School Lunch Program	10.555	N/A	52,724	7/1/10	6/30/11			52,724	(52,724)						52,724
National School Lunch Program	10.555	N/A	46,542	7/1/09	6/30/10	(2,995)		2,995							46,542
Special Milk Program	10.556	N/A	992	7/1/10	6/30/11			992	(992)						992
Special Milk Program	10.556	N/A	809	7/1/09	6/30/10	(56)		56							809
Total Enterprise Fund						(2,557)		81,167	(77,716)				894		142,958
Total Federal Financial Awards						(63,839)		322,522	(348,643)			(90,854)	894		707,385

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

ELK TOWNSHIP BOARD OF EDUCATION
Schedule of Expenditures of State Financial Assistance
for the Fiscal Year ended June 30, 2011

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance June 30, 2010			Cash Received	Budgetary Expenditures	Adjustments/Repayment of Prior Years' Balances	Balance June 30, 2011			MEMO	
			From	To	Deferred Revenue (Accounts Receivable)	Due to Grantor	Carryover (Walkover) Amount				Accounts Receivable	Deferred Revenue/Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education															
General Fund:															
Extraordinary Aid	11-100-034-5120-473	27,706	7/1/10	6/30/11				(27,706)			(27,706)				27,706
Extraordinary Aid	10-100-034-5120-473	39,058	7/1/09	6/30/10	(39,058)		39,058								39,058
Categorical Special Education Aid	11-495-034-5120-089	179,377	7/1/10	6/30/11			179,377	(179,377)					17,937		179,377
Equalization Aid	11-495-034-5120-078	1,898,933	7/1/10	6/30/11			1,898,933	(1,898,933)					182,703		1,898,933
Categorical Security Aid	11-495-034-5120-084	60,810	7/1/10	6/30/11			60,810	(60,810)					6,081		60,810
Categorical Transportation Aid	11-495-034-5120-014	103,865	7/1/10	6/30/11			103,865	(103,865)					10,387		103,865
Reimbursement of Nonpublic Transportation	N/A	5,920	7/1/10	6/30/11							(5,920)				5,920
Reimbursement of Nonpublic Transportation	N/A	3,319	7/1/09	6/30/10	(3,319)		3,319								3,319
On-behalf TPAF Pension Contribution	11-495-034-5095-006	7,719	7/1/10	6/30/11			7,719	(7,719)							7,719
On-behalf TPAF Postretirement Contribution	11-495-034-5095-001	163,945	7/1/10	6/30/11			163,945	(163,945)							163,945
Reimbursed TPAF Social Security Aid	11-495-034-5095-002	167,716	7/1/10	6/30/11			159,956	(167,716)			(7,760)				167,716
Reimbursed TPAF Social Security Aid	10-495-034-5095-002	191,773	7/1/09	6/30/10	(9,363)		9,363								191,773
Total General Fund					(51,740)		2,626,345	(2,615,991)			(41,386)		217,108		2,850,141
Special Revenue Fund:															
Preschool Education Act	11-495-034-5120-086	67,643	7/1/10	6/30/11			67,643	(67,643)					6,764		67,643
Debt Services Fund:															
Debt Service Aid Type II	11-495-034-5120-017	85,121	7/1/10	6/30/11			85,121	(85,121)							85,121
Total Debt Service Fund							85,121	(85,121)							85,121
State Department of Agriculture															
Enterprise Fund:															
School Breakfast Program (State Share)	10-100-010-3350-021	1,111	7/1/09	6/30/10	(87)		87								1,105
National School Lunch Program (State Share)	11-100-010-3350-023	1,606	7/1/10	6/30/11			1,606	(1,606)							1,606
National School Lunch Program (State Share)	10-100-010-3350-023	2,372	7/1/09	6/30/10	(153)		153								2,229
Total Enterprise Fund					(240)		1,846	(1,606)							4,940
Total State Financial Assistance					(51,980)		2,780,955	(2,770,361)			(41,386)		223,872		3,007,845

a = Prior year encumbrance canceled

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

ELK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF
AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2011

NOTE 1: GENERAL

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

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on 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 Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of O.M.B. Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey Circular Letter 04-04. 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 BASIC FINANCIAL STATEMENTS

The basic financial statements present the General Fund and Special Revenue Fund on a G.A.A.P. basis. Budgetary comparison statements or schedules (R.S.I.) 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 G.A.A.P. 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 the last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44-.2. For G.A.A.P. purposes, that, payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The Special Revenue Fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the G.A.A.P. basis does not. The Special Revenue Fund also recognizes the last state aid payment in the current budget year, consistent with N.J.S.A. 18A:22-4-.2.

ELK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF
AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2011

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (CONTINUED)

The net adjustment to reconcile from the budgetary basis to the G.A.A.P. basis is \$29,509 for the General Fund and (\$1,183) for the Special Revenue Fund. See Note 1 (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the General and Special Revenue Funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a G.A.A.P. basis as presented:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	8,685	2,645,500	2,654,185
Special Revenue Fund	261,059	67,643	328,702
Debt Service Fund		85,121	85,121
Food Service Fund	76,906	1,606	78,512
Total Financial Assistance	<u>346,650</u>	<u>2,799,870</u>	<u>3,146,520</u>

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: FOOD DISTRIBUTION PROGRAM

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. Non-monetary assistance is reported in the schedule at the market value of the commodities received and disbursed. At June 30, 2011, Elk Township School District has food commodities totaling \$894 in inventory.

NOTE 6: OTHER

The amount reported as T.P.A.F. Pension Contributions represents the amount paid by the State on behalf of the District for the year ended June 30, 2011. T.P.A.F. Social Security Contributions represents the amount reimbursed by the State for the employer's share of social security contributions for T.P.A.F. members for the year ended June 30, 2011.

ELK TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Section I – Summary of Auditor’s Results

Financial Statements:

Type of auditor’s report issued: Unqualified

Internal control over financial reporting:

1. Material weakness(es) identified? _____ Yes X No

2. Significant deficiencies identified that are not considered to be material weaknesses? _____ Yes X None reported

Noncompliance material to basic financial statements noted? _____ Yes X No

Federal awards

N/A

Internal control over major programs:

1. Material weakness(es) identified? _____ Yes _____ No

2. Significant deficiencies identified that are not considered to be material weaknesses? _____ Yes _____ None reported

Type of auditor’s report issued on compliance for major programs:

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

Identification of major programs:

CFDA Number

Name of Federal Program or Cluster

N/A

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

Auditee qualified as low-risk auditee? _____ Yes _____ No

ELK TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Section I – Summary of Auditor’s Results

State awards

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

Auditee qualified as low-risk auditee? X Yes No

Internal control over major programs:

1. Material weakness(es) identified? Yes X No

2. Significant deficiencies identified that are not considered to be material weaknesses? Yes X None reported

Type of auditor’s report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with N.J.O.M.B. Circular Letter 04-04? Yes X No

Identification of major programs:

<u>GMIS Numbers</u>	<u>Name of State Program</u>
495-034-5120-089	Special Education Aid
495-034-5120-078	Equalization Aid
495-034-5120-084	Security Aid
100-034-5095-002	Social Security Tax

Section II – Financial Statement Findings

None

Section III – Federal Financial Assistance Findings and Questioned Costs

None

Section III – State Financial Assistance Findings and Questioned Costs

None

ELK TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

No matters were reported.