

ELK TOWNSHIP SCHOOL DISTRICT

Elk Township, New Jersey
County of Gloucester

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

OF THE

ELK TOWNSHIP SCHOOL DISTRICT

ELK TOWNSHIP, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Prepared by

**Elk Township School District
Board of Education Administrator**

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INTRODUCTORY SECTION

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ELK TOWNSHIP SCHOOL DISTRICT
Aura Elementary School
900 Clems Run • Glassboro, NJ 08028 • P. 856-881-4551 • F. 856-881-3674/3278 • www.elk.k12.nj.us
Dr. Piera Gravenor, Superintendent • Dr. Anthony Fitzpatrick, Assistant Superintendent • Joseph Collins, Business Administrator
Wayne Murschell, Principal • Jackie Scerbo, Director of Special Services/CST

March 9, 2022

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

Dear Board Members and Constituents:

The annual comprehensive financial report of the Elk Township School District for the fiscal year ended June 30, 2021, is hereby submitted. Responsibility for both the accuracy of the data and the 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 respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the district as of June 30, 2021, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

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;



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- The Single Audit Section - The District is required to undergo an annual single audit in conformity with the requirements of the Uniform Guidance and New Jersey OMB's Circular 15-08. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES:

The Elk Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB) 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 youth. The District completed the 2020-21 fiscal year with an average daily enrollment of 313 students, which is 7 students less than the previous year's enrollment.

The teaching staff consists of approximately thirty-five faculty members, plus instructional classroom aides. The District's administrative structure includes a shared superintendent, a shared business administrator, a shared director of curriculum and instruction, a shared technology coordinator and a shared child study team director. 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 fostering a nurturing community of lifelong learners who are socially responsible thinkers that embrace cultural diversity. The District's instructional strategies and processes support the achievement of the New Jersey Student Learning Standards for all students. When students complete their elementary education in the District, they will have the foundations needed in their journey to become 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 program is provided to students in grades four through six that is thematic based and occurs during Academic Enrichment. Students will work with programming and coding and the Stock Market as they engage in problem solving and creative thinking. Identified students in grades kindergarten through three are provided with in-class activities to differentiate instruction and literacy activities through the Accelerated Reader program. They also participate in a STEAM program which occurs during extended learning time.

A strong basic skills curriculum in reading and math is available for students who are identified based on their standardized/commercial test scores, district assessment, grades, and/or teacher recommendation. The District employs five basic skills teachers whose purpose is to ensure that the students receive a targeted



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remedial program appropriate to their needs. A summer program usually occurs that focuses on improving students' ELA and math skills, but due to the pandemic was not able to run this past summer.

The Elk Township School District offers a caring, nurturing atmosphere conducive to the students' academic, social, and emotional growth. Due to the district's partnership with their secondary district, Elk was included in the MS Culture and Climate grant that was recently awarded by the Federal government, providing the district with professional development, programs, and resources over the next three years.

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, art, world languages and computer technology.

Students receive ninety minutes of instructional time daily in language arts, sixty minutes in mathematics and forty-five minutes in science and social studies. Art, music, physical education, and computers 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 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 second. The core program in ELA is American Reading Company's ARC Core, which features high quality authentic text, a strong foundational skills component, and student writing products as a culminating unit assessment. The core program in mathematics is Ready Math. It privileges mathematical discourse and hands-on



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manipulatives while supporting student progress with an adaptive online assessment tool. Grades K-6 also have push-in instructional support/intervention in ELA and mathematics. Our ELA intervention and support programs are Achieve3000, Read180, System44 and Language Literacy Intervention. Our math intervention program is Bridges Math Intervention. Our fifth and sixth grades are departmentalized in all subject areas with team teaching taking place for at-risk students. Read 180 and System 44 are used to provide individualized instruction to third through sixth grade students that are experiencing difficulty in learning to read. iREAD and SmartyAnts is used with Kindergarten through second grade for those struggling beginning readers. We use the Accelerated Reading program in grades kindergarten through sixth for all students. Our gifted students in grades four, five, and six participate in rigorous thematic programs. Gifted students in the lower grades receive differentiated in-class instruction and literacy enrichment as well as participate in a STEAM program. All students in kindergarten through sixth grades take the Achieve3000 Level Set, ARC IRLA, and DIBELS diagnostic assessments to assess students' math and ELA abilities periodically throughout the school year, adjust grouping, enhance learning, and provide remediation/enrichment.

Technology

Technology in the Elk Township School District is viewed as critical to school reform because of its capacity to support and enhance learning and instruction. Interaction via a multitude of educational software programs, a 1:1 ChromeBook initiative in grades four through six, Google Suite for Education, email, and the Internet leads to 21st Century Learning and is revolutionizing the way Aura 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 computers in each classroom and four wireless laptop/netbook carts. In addition, kindergarten through third grade classrooms all have Chromebooks for each student. Again, in 2014, the Elk Township Board of Education made a major financial commitment to the improvement of the technology infrastructure. Wireless hotspots have been increased throughout the building to increase connectivity. Students take weekly technology classes in the school's computer lab and every classroom is equipped with an interactive Promethean Board so that technology is woven into instruction on a daily basis. In order to prepare students for 21st Century Readiness, Aura Elementary School recognizes that it is more than purchasing devices or increasing teacher professional development. Enhancing learning and increasing opportunities for success requires a diligent commitment to shifting thoughts about teaching and learning while increasing equity and access. The district offers a robust environment that challenges students and staff to remain current with technology while continuing to be progressive with our objectives.

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 semi-annually.



Professional Development

The District participates with the Delsea Regional 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. Staff are surveyed following professional development events to evaluate the effectiveness of the program. This year professional development is focused on technology, shifting learning from static to dynamic as well as increasing staff learning with G Suite for Education. The district has also begun to focus on equity and access through PD activities, workshops, and conversations. Google Classroom is used to monitor and inform staff professional development.

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

As a recipient of 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.



6) ACCOUNTING SYSTEM AND REPORTS:

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

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

7) MANAGEMENT'S DISCUSSION AND ANALYSIS:

GAAP 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 ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

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.



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Aura Elementary School

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10) INDEPENDENT AUDIT:

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Holt McNally & Associates, Inc., 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. 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:

The district, in partnership with three other districts, was awarded a 2.4 million federal grant over four years focused on culture and climate. This grant will allow the district to implement culturally responsive PBIS, restorative justice, student voice, and climate initiatives.

Sixth grade Elk Township students participate annually in a school-wide Science Fair and the Coriell Institute Science Fair. In previous years we have had some notable achievements in this area: Aura students have placed first in the Chemistry category, second in the Physics category, second in the Medicine and Health category, and an honorable mention in the Consumer Science category.

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 operations. 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

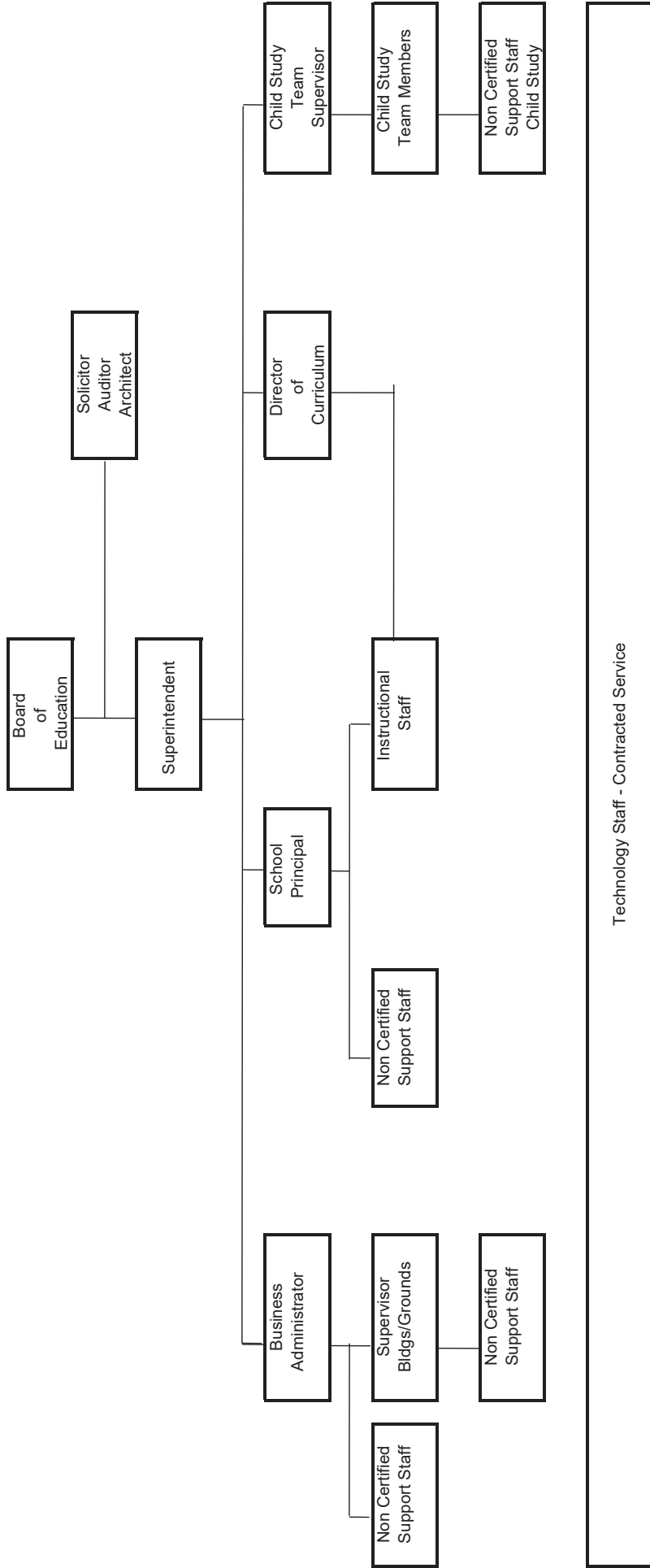
Joseph M. Collins, CPA

Dr. Piera Gravenor
Superintendent

Joseph M. Collins, CPA
Business Administrator/Board Secretary

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**ELK TOWNSHIP BOARD OF EDUCATION
ORGANIZATIONAL CHART**



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ELK TOWNSHIP SCHOOL DISTRICT
900 Clems Run
Glassboro, NJ 08028

ROSTER OF OFFICIALS

June 30, 2021

MEMBERS OF THE BOARD OF EDUCATION	TERM EXPIRES
J. Wilson Hughes, Jr., President	2021
Jennifer Wirtz, Vice President	2022
Cheryl L. Potter	2023
Mary Snively	2023
Joyce Massott-Burnett	2023
Sara Ruczynski	2022
Courtney Vance	2022
Danielle Bland	2021
Angelique Stoney-Siplin	2021

OTHER OFFICIALS

Dr. Piera Gravenor, Superintendent

Joseph M. Collins, CPA, Business Administrator/Board Secretary

Stephen Considine, Treasurer

Frank P. Cavallo, Jr., Esquire, Solicitor

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**ELK TOWNSHIP SCHOOL DISTRICT
ELK TOWNSHIP, NEW JERSEY**

CONSULTANTS AND ADVISORS

ARCHITECTS

Garrison Architects
713 Creek Road
Bellmawr, NJ 08031

AUDIT FIRM

Michael Holt, CPA, PSA
Holt McNally & Associates, Inc.
618 Stokes Road
Medford, New Jersey 08055

ATTORNEY

Frank P. Cavallo, Jr., Esq.
Three Greentree Centre
7001 Lincoln Drive West
Marlton, NJ 08053-0974

OFFICIAL DEPOSITORY

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

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FINANCIAL SECTION

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HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Elk Township School District
County of Gloucester
Elk Township, New Jersey

Report on the Financial Statements

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 Elk Township School District, County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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www.hmacpainc.com

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Elk Township School District, County of Gloucester, State of New Jersey, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 1 to the financial statements, during the fiscal year ended June 30, 2021 the District adopted new accounting guidance, *GASB Statement No. 84, Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Prior Period Restatement

Due to the implementation of GASB Statement No. 84, fund balance as of July 1, 2020 on the statement of activities and the statement of revenues, expenditures, and changes in fund balances has been restated, as discussed in Note 21 to the financial statements. Our opinion is not modified with respect to this matter.

Due to a correction for GASB Statement No. 68, fund balance as of July 1, 2020, on the statement of activities and the statement of revenues, expenditures, and changes in fund balances has been restated, as discussed in Note 21 to the financial statements. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Elk Township School District's basic financial statements. The introductory section, combining and individual fund statements, long-term debt schedules and statistical section, are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, as required by New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also not a required part of the basic financial statements.

The combining and individual fund financial statements, long-term debt schedules and the schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements, long-term debt schedules and the schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 9, 2022 on our consideration of the District'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 effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC.
Certified Public Accountants & Advisors

Michael Holt
Certified Public Accountant
Public School Accountant, No. 1148

Medford, New Jersey
March 9, 2022

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

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TOWNSHIP OF ELK SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited)

As management of the Township of Elk School District, New Jersey (School District), we offer readers of the School District's financial statements this narrative overview and analysis of the School District for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the School District's basic financial statements. Comparison to the prior year's activity is provided in this document. The basic financial statements are comprised of three components:

- 1) Government-Wide financial statements, 2) Fund financial statements, and 3) Notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

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

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

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

Both of the government-wide financial statements distinguish functions of the School District that are supported from taxes and intergovernmental revenues (*governmental activities*) and other functions that are intended to recover most of their costs from user fees and charges (*business-type activities*). Governmental activities consolidate governmental funds including the General Fund, Special Revenue Fund, Capital Projects Fund, Debt Service Fund, and Internal Service Fund. Business-type activities reflect the Food Service Fund and Childcare Fund.

Fund Financial Statements

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

TOWNSHIP OF ELK SCHOOL DISTRICT
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited) (Continued)

Overview of the Basic Financial Statements (continued)

Fund Financial Statements (continued)

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

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

The School District maintains four individual governmental funds. The major funds are the General Fund, the Special Revenue Fund, the Capital Projects Fund, and the Debt Service Fund. They are presented separately in the fund financial statements.

The School District adopts an annual appropriated budget for the General Fund, Special Revenue Fund and the Debt Service Fund. A budgetary comparison statement has been provided for each of these funds to demonstrate compliance with budgetary requirements.

Proprietary funds are used to present the same functions as the business-type activities presented in the government-wide financial statements. The School District maintains one type of proprietary fund – the Enterprise Fund. The fund financial statements of the enterprise fund provide the same information as the government-wide financial statements, only in more detail.

The School District’s two enterprise funds (Food Service Fund and Childcare Fund) are listed individually and considered to be major funds.

Notes to the Basic Financial Statements

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

Financial Analysis of the School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole (governmental and business-type activities). Net position may serve over time as a useful indicator of a government’s financial position.

The School District’s financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt and other long-term liabilities, the acquisition and disposal of capital assets, and the depreciation of capital assets.

As described in Note 1 to the financial statements “Adopted Accounting Pronouncements”, the School District has adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, for the year ended June 30, 2021. The School District also has a restatement of deferred inflows/outflows related to pension (GASB 68). These resulted in a restatement of the School District’s opening net position as of July 1, 2020 in the amount of \$128,800, as indicated in Note 21 to the Financial Statements.

TOWNSHIP OF ELK SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited) (Continued)

Financial Analysis of the School District as a Whole (continued)

Table 1 provides a summary of the School Districts net position for the fiscal years 2021 compared to fiscal year 2020.

Table 1
Summary of Net Position

	June 30, <u>2021</u>	June 30, <u>2020</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Current & Other Assets	\$ 3,445,701	\$ 3,121,162	\$ 324,539	10.4%
Capital Assets, Net	<u>2,790,652</u>	<u>2,978,083</u>	<u>(187,431)</u>	<u>-6.3%</u>
Total Assets	<u>6,236,353</u>	<u>6,099,245</u>	<u>137,108</u>	<u>2.2%</u>
Deferred Outflow of Resources	<u>190,842</u>	<u>65,079</u>	<u>125,763</u>	<u>193.2%</u>
Current and other Liabilities	133,856	1,622,181	(1,488,325)	-91.7%
Noncurrent Liabilities	<u>1,386,812</u>	<u>783,688</u>	<u>603,124</u>	<u>77.0%</u>
Total Liabilities	<u>1,520,668</u>	<u>2,405,869</u>	<u>(885,201)</u>	<u>-36.8%</u>
Deferred Inflow of Resources	<u>544,377</u>	<u>358,391</u>	<u>185,986</u>	<u>100.0%</u>
Net Position:				
Net Investment in Capital Assets	2,343,947	2,347,590	(3,643)	-0.2%
Restricted	2,718,747	2,038,691	680,056	33.4%
Unrestricted (Deficit)	<u>(700,544)</u>	<u>(986,217)</u>	<u>285,673</u>	<u>-29.0%</u>
Total Net Position	<u>\$ 4,362,150</u>	<u>\$ 3,400,064</u>	<u>\$ 962,086</u>	<u>28.3%</u>

TOWNSHIP OF ELK SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited) (Continued)

Financial Analysis of the School District as a Whole (continued)

Table 2 shows the changes in net position for fiscal year 2021 compared to fiscal year 2020.

Table 2
Summary of Changes in Net Position

	June 30, <u>2021</u>	June 30, <u>2020</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Revenues:				
Program Revenues:				
Charges for Services	\$ 47,299	\$ 115,772	\$ (68,473)	-59.1%
Operating Grants & Contributions	2,311,468	346,500	1,964,968	567.1%
General Revenues:				
Property Taxes	3,493,406	3,429,833	63,573	1.9%
Federal & State Aid	2,726,934	3,521,542	(794,608)	-22.6%
Other General Revenues	308,826	90,162	218,664	242.5%
Total Revenues	<u>8,887,933</u>	<u>7,503,809</u>	<u>1,384,124</u>	<u>18.4%</u>
Function/Program Expenditures:				
Regular Instruction	1,789,699	1,811,193	(21,494)	-1.2%
Special Education Instruction	638,156	652,374	(14,218)	-2.2%
Other Instruction	15,643	15,079	564	3.7%
Tuition	246,345	249,580	(3,235)	-1.3%
Student & Instruction Related Services	783,717	778,942	4,775	0.6%
General Administrative Services	224,342	170,018	54,324	32.0%
School Administrative Services	229,997	135,505	94,492	69.7%
Plant Operations & Maintenance	406,827	471,990	(65,163)	-13.8%
Pupil Transportation	405,400	460,127	(54,727)	-11.9%
Unallocated Benefits	2,819,095	1,953,195	865,900	44.3%
Interest & Other Charges	22,836	143,534	(120,698)	-84.1%
Unallocated Depreciation	222,862	234,780	(11,918)	-100.0%
Food Service	249,728	99,987	149,741	149.8%
Childcare	-	33,528	(33,528)	-100.0%
Total Expenditures	<u>8,054,647</u>	<u>7,209,832</u>	<u>878,343</u>	<u>12.2%</u>
Change In Net Position	833,286	293,977	539,309	183.5%
Net Position - Beginning, as restated	<u>3,528,864</u>	<u>3,106,087</u>	<u>422,777</u>	<u>13.6%</u>
Net Position - Ending	<u>\$ 4,362,150</u>	<u>\$ 3,400,064</u>	<u>\$ 962,086</u>	<u>28.3%</u>

Governmental Activities

During the fiscal year 2021, the net position of governmental activities increased by \$975,818 or 27.65%. The primary reason for the increase was related to decrease of expenditures in the current year.

The assets and deferred outflows of the primary government activities exceeded liabilities and deferred inflows by \$3,963,216, with an unrestricted deficit balance of (\$1,044,706). The deficit in unrestricted net position is primarily due to accounting treatment for compensated absences payable, GASB 68 net pension liability, and the last two state aid payments. In addition, state statutes prohibit school districts from maintaining more than 4% of its adopted budget as unassigned fund balance.

**TOWNSHIP OF ELK SCHOOL DISTRICT
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited) (Continued)**

Governmental Activities (continued)

The School District’s governmental activities unrestricted net position had GASB 68 pension not been implemented would have been as follows:

**Table 3
GASB 68 Effect on Unrestricted Net Position**

Unrestricted Net Position (With GASB 68)	\$	(1,044,706)
Add back: PERS Pension Liability		780,838
Less: Deferred Outflows related to pensions		(187,530)
Add back: Deferred Inflows related to pensions		544,377
Unrestricted Net Position (Without GASB 68)	<u>\$</u>	<u>92,979</u>

Business-type Activities

During the fiscal year 2021, the net position of business-type activities decreased by \$142,532 or 26.32%.

The assets and deferred outflows of the business-type activities exceeded liabilities and deferred inflows by \$398,934.

General Fund Budgeting Highlights

Final budgeted revenues were \$5,989,644, which was no change from the original budget. Excluding nonbudgeted revenues, the School District’s budgeted revenues exceeded actual revenues by \$143,475.

Final budgeted appropriations were \$6,691,862, which was an increase of \$81,498 from the original budget. The increase is primarily due to prior year reserve for encumbrances, which increase the budget appropriations in the subsequent fiscal year’s budget. Excluding nonbudgeted expenditures, the School District’s budget appropriations exceeded actual expenditures by \$1,259,221.

The School District’s general fund balance – budgetary basis (Exhibit C-1) was \$3,246,767 at June 30, 2021, an increase of \$934,467 from the prior year.

Governmental Funds

At the end of the current fiscal year, the School District’s governmental funds reported a combined ending fund balance of \$3,031,983, an increase of \$715,399 from the prior year.

General fund - During the current fiscal year, the fund balance of the School District’s general fund increased by \$949,232 or 45.93% to \$3,015,763 at June 30, 2021. The primary factor(s) affecting the change in fund balance of the general fund is that the District is making more of an effort to control spending.

Special revenue fund – During the current fiscal year, the fund balance of the School District’s special revenue fund decreased by \$3,833 to \$12,835 at June 30, 2021. The primary factor(s) affecting

TOWNSHIP OF ELK SCHOOL DISTRICT
Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited) (Continued)

Governmental Funds (continued)

the change in fund balance of the special revenue fund is the final state aid payments.

Capital projects fund - There was no change in fund balance for the capital projects fund.

Debt service fund – There was no change in fund balance for the debt service fund.

Proprietary Funds

Food service fund - During the current fiscal year, the net position of the School District’s food service fund decreased by \$143,440 or 81.53% to \$175,933 at June 30, 2021. The primary factor(s) affecting the change in net position of the food service fund is cancellation of prior year accounts receivable and decrease in operating revenues.

Childcare fund - During the current fiscal year, the net position of the School District’s childcare fund increased by \$908 or 0.41% to \$223,001 at June 30, 2021.

Capital Assets

The School District’s capital assets for its governmental and business-type activities as of June 30, 2021, totaled \$2,790,652 (net of accumulated depreciation). Capital assets includes land, land improvements, buildings and improvements and equipment. The School Districts “Net Investment in Capital Assets” component of net position represents capital assets, net of accumulated depreciation less any outstanding debt associated with the capital assets. There was a net decrease in the School District’s investment in capital assets for the current fiscal year in the amount of \$3,643. This decrease is primarily due to current year retirement of capital assets and pay down of debt being less than current year depreciation. Table 4 shows fiscal 2021 balances compared to 2020.

Table 4
Summary of Capital Assets

<u>Capital Asset (Net of Depreciation):</u>	June 30, <u>2021</u>	June 30, <u>2020</u>	Increase/ <u>(Decrease)</u>	Percentage <u>Change</u>
Land	\$ 45,404	\$ 311,362	\$ (265,958)	-85.4%
Construction in Progress	40,000	265,935	(225,935)	100.0%
Building and Improvements	2,565,709	2,166,855	398,854	18.4%
Equipment	139,539	233,931	(94,392)	-40.4%
	<u>\$ 2,790,652</u>	<u>\$ 2,978,083</u>	<u>\$ (187,431)</u>	<u>-6.3%</u>

Depreciation expense for the year was \$227,431. Additional information on the School District’s capital assets can be found in the notes to the basic financial statements (Note 5) of this report.

TOWNSHIP OF ELK SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
(Unaudited) (Continued)

Debt Administration

Long-term debt – At the end of the current fiscal year, the School District had total bonded debt outstanding of \$415,000, which is a decrease of \$130,000 from the prior year.

Additional information on the School District's long-term obligations can be found in the notes to the basic financial statements (Note 7) of this report.

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.

The District is committed to preparing its students for the future. A major concern however, is the continued increase in the costs of operating the District along with the reduction in State aid and the District's limited ability to increase revenue.

The Elk Township School District receives a majority of its revenue from two sources, state aid and local property taxes. State Aid has decreased the past two years with more decreases expected and a 2% mandated cap on property tax increases has created several challenges for the District to move forward with its curriculum.

The District's enrollment has varied over the past several years, however, in 2012-2013 the Choice School designation brought a limited number of new students to Aura School. These new students were easily absorbed by the school but with several new housing projects approved in Elk Township, the potential for a significant increase in enrollment could create a need for the District to expand and build. Elk Township is a rural community, with very little industry, thus the burden of tax increases is borne by the homeowners. This new construction would increase the burden on the taxpayers of our District.

While voter approval is no longer needed for budget approval, the Board is painfully cognizant of the financial burden on the community and works to effectively maximize available funds.

The District continues to investigate and implement shared service agreements to decrease costs while providing quality services. The District signed shared service agreements with the constituent high school district for the provision of numerous services including: Superintendent, Business Administrator, Director of Curriculum and Instruction, Director of Child Study Team, Transportation Coordinator and Services, Facilities Manager, Technology Coordinator, Instructional Coaches, and purchasing services. The District will continue to examine opportunities to share services.

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 Elk Township Board of Education, 900 Clems Run, Glassboro, NJ 08028.

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BASIC FINANCIAL STATEMENTS

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A. District-Wide Financial Statements

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ELK TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Cash & Cash Equivalents	\$ 1,613,770	\$ 335,478	\$ 1,949,248
Receivables, Net (Note 4)	538,509	6,503	545,012
Internal Balances	1,638	(1,638)	-
Inventory	-	8,166	8,166
Restricted Cash & Cash Equivalents	943,275	-	943,275
Capital Assets, Net (Note 5)			
Non-Depreciable	85,404	-	85,404
Depreciable	2,650,476	54,772	2,705,248
	<hr/>	<hr/>	<hr/>
Total Assets	5,833,072	403,281	6,236,353
DEFERED OUTFLOW OF RESOURCES			
Related to Loss on Debt Refunding	3,312	-	3,312
Related to Pensions (Note 8)	187,530	-	187,530
	<hr/>	<hr/>	<hr/>
Total Deferred Outflow of Resources	190,842	-	190,842
	<hr/>	<hr/>	<hr/>
Total Assets and Deferred Outflow of Resources	6,023,914	403,281	6,427,195
LIABILITIES			
Accounts Payable	53,919	-	53,919
Accrued Interest Payable	8,167	-	8,167
Due to Other Governments	57,158	-	57,158
Unearned Revenue	10,265	4,347	14,612
Noncurrent Liabilities (Note 7):			
Due Within One Year	159,057	-	159,057
Due Beyond One Year	1,227,755	-	1,227,755
	<hr/>	<hr/>	<hr/>
Total Liabilities	1,516,321	4,347	1,520,668
DEFERED INFLOW OF RESOURCES			
Deferred Inflows Related to Pensions (Note 8)	544,377	-	544,377
	<hr/>	<hr/>	<hr/>
Total Deferred Inflow of Resources	544,377	-	544,377
	<hr/>	<hr/>	<hr/>
Total Liabilities and Deferred Inflow of Resources	2,060,698	4,347	2,065,045
NET POSITION			
Net Investment in Capital Assets	2,289,175	54,772	2,343,947
Restricted For:			
Capital Projects	778,500	-	778,500
Debt Service	5	-	5
Excess Surplus	1,752,715	-	1,752,715
Maintenance Reserve	150,000	-	150,000
Unemployment Compensation	18,155	-	18,155
Scholarships	1,201	-	1,201
Student Activities	18,171	-	18,171
Unrestricted	(1,044,706)	344,162	(700,544)
	<hr/>	<hr/>	<hr/>
Total Net Position	\$ 3,963,216	\$ 398,934	\$ 4,362,150

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

**ELK TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR FISCAL YEAR ENDED JUNE 30, 2021**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	TOTAL
Governmental Activities:						
Instruction:						
Regular	\$ 1,789,699	\$ -	\$ -	(1,789,699)	\$ -	\$ (1,789,699)
Special Education	638,156	-	190,584	(447,572)	-	(447,572)
Other Instruction	15,643	-	-	(15,643)	-	(15,643)
Support Services:						
Tuition	246,345	-	-	(246,345)	-	(246,345)
Student & Instruction Related Services	783,717	-	182,837	(600,880)	-	(600,880)
Health Services	92,475	-	-	(92,475)	-	(92,475)
Educational Media Services/School Library	1,247	-	-	(1,247)	-	(1,247)
School Administrative Services	136,275	-	-	(136,275)	-	(136,275)
General Administration	114,448	-	-	(114,448)	-	(114,448)
Central Services	109,894	-	-	(109,894)	-	(109,894)
Administrative Information Technology	30,360	-	-	(30,360)	-	(30,360)
Plant Operations & Maintenance	376,467	-	-	(376,467)	-	(376,467)
Pupil Transportation	405,400	43,207	-	(362,193)	-	(362,193)
Unallocated Benefits	2,819,095	3,003	1,832,611	(983,481)	-	(983,481)
Interest and Charges on Long-Term Debt	22,836	-	-	(22,836)	-	(22,836)
Unallocated Depreciation	222,862	-	-	(222,862)	-	(222,862)
Total Governmental Activities	7,804,919	46,210	2,206,032	(5,552,677)	-	(5,552,677)

ELK TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR FISCAL YEAR ENDED JUNE 30, 2021

FUNCTIONS/PROGRAMS	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		TOTAL
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	
Business-Type Activities:					
Food Service	89,728	605	105,436	-	16,313
Childcare	-	484	-	-	484
Total Business-Type Activities	89,728	1,089	105,436	-	16,797
Total Primary Government	\$ 7,894,647	\$ 47,299	\$ 2,311,468	(5,552,677)	16,797
					(5,535,880)
General Revenues:					
Taxes:					
Property Taxes, Levied for General Purposes				3,405,977	3,405,977
Property Taxes, Levied for Debt Service				87,429	87,429
Federal & State Aid Not Restricted				2,663,782	2,663,782
Federal & State Aid Restricted				63,152	63,152
Tuition Charges				63,212	63,212
Investment Earnings				300	547
Miscellaneous Income				14,643	14,643
Cancellation of Accounts Receivable				-	(160,000)
Cancellation of Accounts Payable				230,000	424
Total General Revenues, Special Items, Extraordinary Items & Transfers				6,528,495	(159,329)
Change In Net Position				975,818	(142,532)
Net Position - Beginning, restated				2,987,398	541,466
Net Position - Ending				\$ 3,963,216	\$ 398,934
					\$ 4,362,150

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

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B. Fund Financial Statements

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Governmental Funds

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**ELK TOWNSHIP SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2021**

ASSETS	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL
Cash & Cash Equivalents	\$ 1,590,972	\$ 19,372	\$ 3,421	\$ 5	\$ 1,613,770
Receivables from Other Governments	201,955	215,629	-	-	417,584
Other Accounts Receivable	76,894	-	-	-	76,894
Interfund Accounts Receivable	248,336	-	-	-	248,336
Restricted Cash & Cash Equivalents	943,275	-	-	-	943,275
Total Assets	\$ 3,061,432	\$ 235,001	\$ 3,421	\$ 5	\$ 3,299,859
LIABILITIES & FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 41,222	\$ 8,176	\$ -	\$ -	\$ 49,398
Interfund Accounts Payable	-	203,725	41	-	203,766
Payroll Deductions and Withholdings Payable	4,447	-	-	-	4,447
Unearned Revenue	-	10,265	-	-	10,265
Total Liabilities	45,669	222,166	41	-	267,876
Fund Balances:					
Restricted for:					
Maintenance Reserve	150,000	-	-	-	150,000
Capital Reserve Account	775,120	-	-	-	775,120
Excess Surplus - Designated					
for Subsequent Year's Expenditures	807,987	-	-	-	807,987
Excess Surplus	944,728	-	-	-	944,728
Unemployment Fund	18,155	-	-	-	18,155
Capital Projects Fund	-	-	3,380	-	3,380
Debt Service Fund	-	-	-	5	5
Scholarships	-	1,201	-	-	1,201
Student Activities	-	18,171	-	-	18,171
Assigned to:					
Other Purposes	184,550	-	-	-	184,550
Designated for Subsequent Year	13,965	-	-	-	13,965
Unassigned:					
General Fund	121,258	-	-	-	121,258
Special Revenue Fund	-	(6,537)	-	-	(6,537)
Total Fund Balances	3,015,763	12,835	3,380	5	3,031,983
Total Liabilities & Fund Balances	\$ 3,061,432	\$ 235,001	\$ 3,421	\$ 5	

Amounts reported for *governmental activities* in the statement of Net Position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$7,811,439 and the accumulated depreciation is \$5,075,559. \$ 2,735,880

Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds. (8,167)

Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refunding are applicable to future reporting periods and therefore are not reported in the funds.

Deferred Outflows related to pensions	187,530
Deferred Inflows related to pensions	(544,377)
Deferred Outflow related to the loss on bond refunding of debt	3,312

Internal service funds are used by the School District to charge the costs transportation to other governments. The assets and liabilities of the internal service fund are included with governmental activities. 1,025

Accrued pension contributions for the June 30, 2021 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position. (57,158)

Long-term liabilities, including net pension liability and bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (1,386,812)

Net position of Governmental Activities \$ 3,963,216

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

**ELK TOWNSHIP SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL FUNDS
Revenues:					
Local Sources:					
Local Tax Levy	\$ 3,405,977	\$ -	\$ -	\$ 87,429	\$ 3,493,406
Tuition	63,212	-	-	-	63,212
Interest Earned on Capital Reserve Funds	300	-	-	-	300
Miscellaneous	14,633	5,347	10	-	19,990
Total Local Sources	<u>3,484,122</u>	<u>5,347</u>	<u>10</u>	<u>87,429</u>	<u>3,576,908</u>
State Sources	3,682,648	62,690	-	63,152	3,808,490
Federal Sources	2,368	305,384	-	-	307,752
Total Revenues	<u>7,169,138</u>	<u>373,421</u>	<u>10</u>	<u>150,581</u>	<u>7,693,150</u>
Expenditures:					
Current Expense:					
Regular Instruction	1,840,176	-	-	-	1,840,176
Special Education Instruction	443,739	194,417	-	-	638,156
Other Instruction	15,643	-	-	-	15,643
Support Services:					
Tuition	246,345	-	-	-	246,345
Student & Instruction Related Services	600,880	182,837	-	-	783,717
Health Services	92,475	-	-	-	92,475
Educational Media Services/					
School Library	1,247	-	-	-	1,247
Instructional Staff Training	2,232	-	-	-	2,232
General Administrative	112,216	-	-	-	112,216
School Administrative Services	136,275	-	-	-	136,275
Central Services	109,894	-	-	-	109,894
Administrative Information Technology	30,360	-	-	-	30,360
Plant Operations & Maintenance	376,467	-	-	-	376,467
Pupil Transportation	366,152	-	-	-	366,152
Employee Benefits	1,015,410	-	-	-	1,015,410
On Behalf TPAF Pension and Social Security Contributions	1,021,234	-	-	-	1,021,234
Debt Service:					
Principal	-	-	-	130,000	130,000
Interest & Other Charges	3,130	-	-	20,581	23,711
Capital Outlay	40,000	-	-	-	40,000
Total Expenditures	<u>6,453,875</u>	<u>377,254</u>	<u>-</u>	<u>150,581</u>	<u>6,981,710</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>715,263</u>	<u>(3,833)</u>	<u>10</u>	<u>-</u>	<u>711,440</u>
Other Financing Sources/(Uses):					
Transfers In	3,969	-	-	-	3,969
Transfers Out	-	-	(10)	-	(10)
Cancellation of Prior Year Accounts Payable	230,000	-	-	-	230,000
Total Other Financing Sources & Uses	<u>233,969</u>	<u>-</u>	<u>(10)</u>	<u>-</u>	<u>233,959</u>
Net Change in Fund Balances	949,232	(3,833)	-	-	945,399
Fund Balances, July 1, as restated	<u>2,066,531</u>	<u>16,668</u>	<u>3,380</u>	<u>5</u>	<u>2,086,584</u>
Fund Balances June 30,	<u>\$ 3,015,763</u>	<u>\$ 12,835</u>	<u>\$ 3,380</u>	<u>\$ 5</u>	<u>\$ 3,031,983</u>

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

**ELK TOWNSHIP SCHOOL DISTRICT
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, 2021**

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$	945,399
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.		
Depreciation Expense	(222,862)	
Capital Outlays	40,000	(182,862)
Repayment of long-term debt principal and obligation of lease purchase agreements are an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		
		130,000
In the statement of activities, the reduction for Capital Leases should not be an expenditure. Thus the change in net position will differ from the change in fund balance by the cost of the asset removed.		
		50,477
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation.		
		2,532
Governmental funds report the effect of premiums, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these transactions is as follows:		
		(1,657)
Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.		
		34,691
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) 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 reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		
		(2,762)
Change in Net Position of Governmental Activities	\$	975,818

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

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Proprietary Funds

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**ELK TOWNSHIP SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 FOR FISCAL YEAR ENDED JUNE 30, 2021**

ASSETS	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS			TOTAL	GOVERNMENTAL ACTIVITIES- INTERNAL SERVICE FUND
	FOOD SERVICE FUND	CHILD CARE			
Current Assets:					
Cash & Cash Equivalents	\$ 112,477	\$ 223,001	\$ 335,478	\$ -	
Receivables from Other					
Governments	6,402	-	6,402	44,031	
Other Receivable	101	-	101	-	
Inventories	8,166	-	8,166	-	
Total Current Assets	127,146	223,001	350,147	44,031	
Fixed Assets:					
Equipment	106,951	-	106,951	-	
Accumulated Depreciation	(52,179)	-	(52,179)	-	
Total Fixed Assets	54,772	-	54,772	-	
Total Assets	181,918	223,001	404,919	44,031	
LIABILITIES					
Current Liabilities:					
Accounts Payable	-	-	-	74	
Unearned Revenue	4,347	-	4,347	-	
Interfund Payable	1,638	-	1,638	42,932	
Total Current Liabilities	5,985	-	5,985	43,006	
Total Liabilities	5,985	-	5,985	43,006	
NET POSITION					
Investment in Capital Assets	54,772	-	54,772	-	
Unrestricted	121,161	223,001	344,162	1,025	
Total Net Position	\$ 175,933	\$ 223,001	\$ 398,934	\$ 1,025	

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

**ELK TOWNSHIP SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND			TOTAL	GOVERNMENTAL ACTIVITIES-
	FOOD SERVICE FUND	CHILD CARE			INTERNAL SERVICE FUND
Operating Revenue:					
Daily Sales - Nonreimbursable Programs	\$ 605	\$ -	\$ 605	\$ -	
Services Provided to Other Governmental Entities	-	-	-	46,210	
Miscellaneous Income	-	484	484	-	
Total Operating Revenues	605	484	1,089	46,210	
Operating Expenses:					
Salaries	23,897	-	23,897	39,248	
Employee Benefits	5,344	-	5,344	3,003	
Supplies and Materials	1,491	-	1,491	-	
Other Purchased Services	16,789	-	16,789	-	
Depreciation	4,569	-	4,569	-	
Miscellaneous Other Expenses	9,286	-	9,286	-	
Cost of Sales - Reimbursable Programs	28,352	-	28,352	-	
Total Operating Expenses	89,728	-	89,728	42,251	
Operating (Loss)/Gain	(89,123)	484	(88,639)	3,959	
Nonoperating Revenues/(Expenses):					
State Sources:					
State School Lunch Program	2,968	-	2,968	-	
Federal Sources:					
National School Lunch Program	55,382	-	55,382	-	
Healthy Hunger-Free Kids Act	1,098	-	1,098	-	
Food Distribution Program	11,869	-	11,869	-	
National Breakfast Program	34,119	-	34,119	-	
Interest Revenue	247	-	247	-	
Cancellation of Accounts Receivable	(160,000)	-	(160,000)	-	
Cancellation of Accounts Payable	-	424	424	-	
Transfer Out	-	-	-	(3,959)	
Total Nonoperating Revenues/(Expenses):	(54,317)	424	(53,893)	(3,959)	
Change in Net Position	(143,440)	908	(142,532)	-	
Net Position - Beginning of Year	319,373	222,093	541,466	1,025	
Total Net Position - End of Year	\$ 175,933	\$ 223,001	\$ 398,934	\$ 1,025	

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

**ELK TOWNSHIP SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND			TOTAL	GOVERNMENTAL ACTIVITIES-
	FOOD SERVICE FUND	SUMMER CAMPS			INTERNAL SERVICE FUND
Cash Flows From Operating Activities:					
Receipts from Customers	\$ 167,753	\$ 484	\$ 168,237	\$	36,174
Payments to Employees	(23,897)	-	(23,897)	\$	(32,215)
Payments for Employee Benefits	(5,344)	-	(5,344)		-
Payments to Suppliers	(55,706)	(1,295)	(57,001)		-
Net Cash Provided/(Used) by Operating Activities	82,806	(811)	81,995		3,959
Cash Flows From Noncapital Financing Activities:					
Cancellation of Board Contribution	(160,000)	-	(160,000)		-
Transfer Out	-	-	-		(3,959)
Cash Received From State & Federal Reimbursements	105,436	-	105,436		-
Net Cash Provided by Noncapital Financing Activities	(54,564)	-	(54,564)		(3,959)
Cash Flows From Investing Activities:					
Interest & Dividends	247	-	247		-
Net Cash Provided by Investing Activities	247	-	247		-
Net Increase/(Decrease) in Cash & Cash Equivalents	28,489	(811)	27,678		-
Cash & Cash Equivalents, July 1	83,988	223,812	307,800		-
Cash & Cash Equivalents, June 30	\$ 112,477	\$ 223,001	\$ 335,478	\$	-

RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES:

Cash Provided/(Used) by Operating Activities:					
Operating Income/(Loss)	\$ (89,123)	\$ 484	\$ (88,639)	\$	3,959
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:					
Depreciation Expense	4,569	-	4,569		-
Change in Assets & Liabilities:					
(Increase)/Decrease in Accounts Receivable	167,025	-	167,025		(10,036)
(Increase)/Decrease in Inventory	(997)	-	(997)		-
Increase/(Decrease) in Unearned Revenue	123	-	123		-
Increase/(Decrease) in Accounts Payable	1,209	(1,295)	(86)		10,036
Total Adjustments	171,929	(1,295)	170,634		-
Net Cash Provided/(Used) by Operating Activities	\$ 82,806	\$ (811)	\$ 81,995	\$	3,959

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

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ELK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

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ELK TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Elk Township School District (hereafter referred to as the “School District”) have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

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. These terms are staggered so that three members’ terms expire each year. The purpose of the School District is to educate students in grades kindergarten through eighth at its three schools. The School District has an approximate enrollment at June 30, 2021 of 313 students.

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

- ◆ the organization is legally separate (can sue or be sued in their own name);
- ◆ the School District holds the corporate powers of the organization;
- ◆ the School District appoints a voting majority of the organization’s board
- ◆ the School District is able to impose its will on the organization;
- ◆ the organization has the potential to impose a financial benefit/burden on the School District
- ◆ there is a fiscal dependency by the organization on the School District.

There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

Component Units

GASB Statement No.14. The Financial Reporting Entity, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, GASB Statement No. 61, *The Financial Reporting Entity: Omnis - an amendment of GASB Statements No. 14 and No. 34*, GASB Statement No. 80, *Blending Requirements for certain component units – and Amendment of GASB Statement No. 14* and GASB Statement No. 90, *Majority Equity Interests – An amendment of GASB Statements No. 14 and No. 61*. The District had no component units as of or for the year ended June 30, 2021.

Basis of Accounting, Measurement Focus and Financial Statement Presentation

The accounts of the School District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

ELK TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021 (continued)

Note 1. Summary of Significant Accounting Policies (continued):

Government-Wide Financial Statements

The School District's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the School District accompanied by a total column.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the School District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the School District are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule (Exhibit B-3) is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide financial statements. The School District has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or "current financial resources" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The School District's deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the School District, are property tax and intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated. A column representing internal service funds is also presented in these statements. However, internal service funds balances and activities have been combined with the governmental activities in the Government-Wide financial statements.

ELK TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021 (continued)

Note 1. Summary of Significant Accounting Policies (continued):

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

While government-wide and fund financial statements are presented separately, they are interrelated. The governmental activities column of the government wide statements incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the School District’s enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the School District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, charges for services, licenses, and interest on notes receivable associated with the current fiscal period are all considered to be susceptible to accrual and accordingly have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all eligibility requirements have been met, and the amount is received during the period or within the availability period

ELK TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021 (continued)

Note 1. Summary of Significant Accounting Policies (continued):

for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available when cash is received.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Food Service Fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, employee salaries and benefits, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the School District's policy to use restricted resources first, then unrestricted resources as they are needed.

Internal service funds are used to account for those operations which provide benefits to other funds, departments, or agencies of the primary government and its component unit. Although internal service funds are reported as a proprietary fund in the fund financial statements, it is incorporated into governmental activities in the government-wide financial statements.

The School District reports the following major governmental funds:

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

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

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

ELK TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021 (continued)

Note 1. Summary of Significant Accounting Policies (continued):

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.

The School District reports the following major proprietary funds:

Food Service Fund – This fund accounts for the revenues and expenses pertaining to the School District’s cafeteria operations.

Childcare Fund – This fund accounts for the revenues and expenses pertaining to the School District’s childcare operations.

Internal Service Fund – The internal service funds are used in order to account for various shared services provided to other local school districts.

During the course of operations, the School District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

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. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the School District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2-2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2-11.

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 last state aid payment for budgetary purposes only and the special revenue

ELK TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021 (continued)

Note 1. Summary of Significant Accounting Policies (continued):

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 GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The budget, as detailed on Exhibit C-1, Exhibit C-2, and Exhibit I-3, includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the General Fund Budgetary Comparison Schedules and the Special Revenue Fund Budgetary Comparison Schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds. Note that the School District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

Encumbrances

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

Open encumbrances in the special revenue fund for which the School District has received advances are reflected in the balance sheet as a reduction of the accounts receivables or as unearned revenue at fiscal year-end.

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

Cash and Cash Equivalents

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

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

Additionally, the School District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit

ELK TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 1. Summary of Significant Accounting Policies (continued):

Protection Act (“GUDPA”). GUDPA was enacted in 1970 to protect Governmental Units from 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 public 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 at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

Tuition Payable/Receivable

Tuition rates for the fiscal year end June 30, 2021 were established by the receiving district based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

Inventories

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

Interfund Receivables/Payables

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the School District and that are due within one year. The amounts are eliminated in the governmental and business-type activities, which are presented as Internal Balances.

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair value at the date of donation. The School District has established a threshold of \$2,000 for capitalization of depreciable assets.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the School District are depreciated or amortized using the straight-line method over the following estimated lives:

Site improvements	20 Years
Buildings & improvements	20 – 50 Years
Machinery & equipment	5 – 20 Years

ELK TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021 (continued)

Note 1. Summary of Significant Accounting Policies (continued):

Compensated Absences

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

The entire compensated absences liability is reported on the government-wide financial statements and proprietary fund financial statements. Compensated absences liability is not recorded in the governmental funds. Instead expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of resignations or retirements.

Unearned Revenue

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

Accrued Liabilities and Long-Term Obligations

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

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumption that affect certain reported amounts reported in the financial statements and accompanying note disclosures. Actual results could differ from those estimates.

Interfund Activity

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

ELK TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021 (continued)

Note 1. Summary of Significant Accounting Policies (continued):

Deferred Outflows and Deferred Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future periods and so will not be recognized as an inflow of resources (revenue) until that time.

Bond Premiums, Discounts and Issuance Costs

In the government-wide financial statements and in the proprietary fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when bonds are issued.

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the pension plan's fiduciary net position of the Public Employees' Retirement System (PERS) and Teacher's Pension and Annuity Fund (TPAF) and additions to/deductions from the PERS's and TPAF's fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Fund Balance

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the School District classifies governmental fund balances as follows:

- **Non-spendable** – This 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. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- **Restricted** – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

ELK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 1. Summary of Significant Accounting Policies (continued):

- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These 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) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The School Board did not have any committed resources as of June 30, 2021.
- Assigned – This classification includes amounts that are constrained by the School District’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.
- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the School District’s policy to consider restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, it is the School District’s policy to consider amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Net Position

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

- Net Investment in Capital Assets – This components represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.
- Restricted – Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- Unrestricted – Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended June 30, 2021:

ELK TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 1. Summary of Significant Accounting Policies (continued):

Statement No. 84, *Fiduciary Activities*. The Statement intends to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. To that end, Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments and clarifies whether and how business-type activities should report their fiduciary activities. Statement No. 84 is effective for reporting periods beginning after December 15, 2019. Management has implemented this Statement in the School District’s financial statements for year end June 30, 2021 with a prior period restatement to beginning net position. See Note 21 for further details.

Recently Issued Accounting Pronouncements

The GASB has issued the following Statements which will become effective in future years as shown below:

Statement No. 87, *Leases*. Statement No. 87 establishes a single approach to accounting for and reporting leases by state and local governments. The GASB based the new standard on the principle that leases are financing of the right to use an underlying asset. Statement No. 87 is effective for reporting periods beginning after June 15, 2021. Management has not yet determined the potential impact on the School District’s financial statements.

Note 2. Deposits and Investments

Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board’s deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity fund or other funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2021, the School District’s bank balance of \$3,277,346 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$ 3,254,906
Uninsured and Uncollateralized	<u>22,440</u>
	<u>\$ 3,277,346</u>

Investments

The School District had no investments at June 30, 2021.

ELK TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 3. Reserve Accounts

Capital Reserve

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 (LRFP). Upon submission of the LRFP to the department, a District may increase the balance in the capital reserve by appropriating funds in the annual General Fund budget certified for taxes 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 NJSA 19:60-2. Pursuant to NJAC 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 LRFP.

The activity of the capital reserve for the July 1, 2020 to June 30, 2021 fiscal year is as follows:

Beginning Balance, July 1, 2020	\$	525,120
Increased by:		
Interest Earnings		300
Deposits approved by Board		<u>249,700</u>
Ending Balance, June 30, 2021	\$	<u>775,120</u>

The June 30, 2021 LRFP balance of local support costs of uncompleted capital projects at June 30, 2021 is \$911,812.

Maintenance Reserve

Elk Township School District established a Maintenance Reserve Account for the accumulation of Funds for use as maintenance expenditures in subsequent fiscal years. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Beginning Balance, July 1, 2020	\$	-
Increased by:		
Deposits approved by Board		<u>150,000</u>
Ending Balance, June 30, 2021	\$	<u>150,000</u>

ELK TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 4. Accounts Receivable

Accounts receivable at June 30, 2021 consisted of accounts and intergovernmental grants. All state and federal receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds. Accounts receivable as of fiscal year end for the School District's individual major funds, in the aggregate, are as follows:

<u>Description</u>	<u>Governmental Funds</u>				<u>Proprietary Funds</u>	
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Internal Service Fund</u>	<u>Total Governmental Activities</u>	<u>Food Service Fund</u>	<u>Total Business-Type Activities</u>
Federal Awards	\$ -	\$ 215,629	\$ -	\$ 215,629	\$ 5,822	\$ 5,822
State Awards	201,955	-	-	201,955	580	580
Other	76,894	-	44,031	120,925	101	101
Total	\$ 278,849	\$ 215,629	\$ 44,031	\$ 538,509	\$ 6,503	\$ 6,503

Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2021 was as follows:

	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	<u>Balance June 30, 2021</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 45,404	\$ -	\$ -	\$ 45,404
Construction in Progress	265,935	40,000	(265,935)	40,000
Total Capital Assets not being depreciated	311,339	40,000	(265,935)	85,404
Capital Assets being depreciated:				
Site improvements	510,957	-	-	510,957
Buildings and building improvements	5,838,487	-	265,935	6,104,422
Vehicles	387,980	-	-	387,980
Machinery & equipment	722,676	-	-	722,676
Total Capital Assets being depreciated	7,460,100	-	265,935	7,726,035
Less: Accumulated Depreciation:				
Site improvements	(244,999)	(24,480)	-	(269,479)
Buildings and building improvements	(3,671,632)	(152,882)	44,323	(3,780,191)
Vehicles	(355,681)	-	-	(355,681)
Machinery & equipment	(580,385)	(45,500)	(44,323)	(670,208)
Total Accumulated Depreciation	(4,852,697)	(222,862)	-	(5,075,559)
Total Capital Assets being depreciated, net	2,607,403	(222,862)	265,935	2,650,476
Total Governmental Activities Capital Assets, net	\$ 2,918,742	\$ (182,862)	\$ -	\$ 2,735,880

ELK TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 5. Capital Assets (continued):

	Balance July 1, <u>2020</u>	<u>Additions</u>	<u>Retirements and Transfers</u>	Balance June 30, <u>2021</u>
Business-Type Activities:				
Machinery & equipment	\$ 106,951	\$ -	\$ -	\$ 106,951
	<u>106,951</u>	<u>-</u>	<u>-</u>	<u>106,951</u>
Less: Accumulated Depreciation:				
Machinery & equipment	(47,610)	(4,569)	-	(52,179)
	<u>(47,610)</u>	<u>(4,569)</u>	<u>-</u>	<u>(52,179)</u>
Total Business-Type Activities Capital Assets, net	<u>\$ 59,341</u>	<u>\$ (4,569)</u>	<u>\$ -</u>	<u>\$ 54,772</u>

Depreciation was charged as an unallocated expense since it could not be specifically identified to one program/function for Governmental Activities.

Note 6. Interfund Receivables, Payables and Transfers

Individual fund receivables/payables balances at June 30, 2021 are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 248,336	\$ -
Special Revenue Fund	-	203,725
Capital Projects Fund	-	41
Food Service Fund	-	1,638
Internal Service Fund	<u>-</u>	<u>42,932</u>
	<u>\$ 248,336</u>	<u>\$ 248,336</u>

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

Interfund transfers during the year were as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 3,969	\$ -
Capital Projects Fund	-	10
Internal Service Fund	<u>-</u>	<u>3,959</u>
	<u>\$ 3,969</u>	<u>\$ 3,969</u>

ELK TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 7. Long-Term Obligations

During the fiscal year-ended June 30, 2021 the following changes occurred in long-term obligations for the governmental and business-type activities:

	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2021</u>	<u>Balance Due Within One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 545,000	\$ -	\$ 130,000	\$ 415,000	\$ 130,000
Capital Leases	85,494	-	50,477	35,017	29,057
Compensated Absences	153,195	2,762	-	155,957	-
Net Pension Liability	1,026,198	-	245,360	780,838	-
	<u>\$ 1,809,887</u>	<u>\$ 2,762</u>	<u>\$ 425,837</u>	<u>\$ 1,386,812</u>	<u>\$ 159,057</u>

For governmental activities, the bonds payable are liquidated from the School District’s debt service fund. Capital leases, compensated absences and net pension liability are liquidated by the general fund.

Bonds Payable

The voters of the municipality through referendums authorize bonds in accordance with State Law. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the School District are general obligation bonds. At June 30, 2021, bonds payable consisted of the following individual issues:

On July 15, 2008, the School District issued \$1,750,000 of School Bonds with interest rates ranging from 4.25% to 4.375%. The bonds mature on July 15, 2023.

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

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 130,000	\$ 15,056	\$ 145,056
2023	140,000	9,319	149,319
2024	145,000	3,172	148,172
	<u>\$ 415,000</u>	<u>\$ 27,547</u>	<u>\$ 442,547</u>

Bonds Authorized But Not Issued:

As of June 30, 2021, the School District had no authorized but not issued bonds.

Capital Lease Payable

The District has entered into lease purchase agreements for the acquisition of computers. The lease agreements range from three to five years and carry interest rates ranging from 3.880% to 7.850%. The following is a schedule of future minimum lease payments under capital leases, together with the net present value of the minimum lease payments as of June 30, 2021.

ELK TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 7. Long-Term Obligations (continued):

Fiscal Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 29,057	\$ 1,612	\$ 30,669
2023	5,960	128	6,088
	<u>\$ 35,017</u>	<u>\$ 1,740</u>	<u>\$ 36,757</u>

Note 8. Pension Plans

A. Public Employees’ Retirement System (PERS)

Plan Description - The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's annual financial statements, which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

The vesting and benefit provisions are set by *N.J.S.A. 43:15A*. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions - The contribution policy for PERS is set by *N.J.S.A. 15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability.

ELK TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2021, the School District reported a liability of \$780,838 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2019, to the measurement date of June 30, 2020. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2020. The School District's proportion measured as of June 30, 2020, was 0.00479%, which was a decrease of 0.00091% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the School District recognized full accrual pension expense of \$17,690 in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2020 measurement date. At June 30, 2021 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 14,218	\$ 2,761
Changes of Assumptions	25,331	326,944
Net Difference between Projected and Actual Earnings on Pension Plan Investments	26,690	-
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	64,133	214,672
School District Contributions Subsequent to Measurement Date	57,158	-
	<u>\$ 187,530</u>	<u>\$ 544,377</u>

ELK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 8. Pension Plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

\$57,158 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is based on the amount payable to the State due April 1, 2022 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending	
<u>Dec 31,</u>	<u>Amount</u>
2021	\$ (132,389)
2022	(156,848)
2023	(90,075)
2024	(59,519)
2025	<u>24,826</u>
	<u>\$ (414,005)</u>

The amortization of the above other deferred outflows of resources and deferred inflows of resources related to pensions will be over the following number of years:

ELK TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2014	-	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	5.63	-
June 30, 2019	5.21	-
June 30, 2020	5.16	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	-
June 30, 2015	5.72	-
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2014	-	5.00
June 30, 2015	-	5.00
June 30, 2016	5.00	-
June 30, 2017	5.00	-
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-
Changes in Proportion and Differences between Contributions and Proportionate Share of Contributions		
Year of Pension Plan Deferral:		
June 30, 2014	6.44	6.44
June 30, 2015	5.72	5.72
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21
June 30, 2020	5.16	5.16

ELK TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

Actuarial Assumptions – The collective total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following assumptions:

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 - 6.00% Based on Years of Service
Thereafter	3.00 - 7.00% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	
	Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2020
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2014 - June 30, 2018

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

ELK TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 3.50% as of June 30, 2019 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 70% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the School District's proportionate share of the net pension liability as of June 30, 2020, calculated using the discount rate of 7.00% as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease <u>(6.00%)</u>	Current Discount Rate <u>(7.00%)</u>	1% Increase <u>(8.00%)</u>
District's Proportionate Share of the Net Pension Liability	<u>\$ 990,674</u>	<u>\$ 780,838</u>	<u>\$ 614,136</u>

ELK TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

A. Public Employees' Retirement System (PERS) (continued)

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2021 and 2020:

Balances at June 30, 2021 and June 30, 2020

	<u>6/30/2021</u>	<u>6/29/2020</u>
Actuarial valuation date (including roll forward)	June 30, 2020	June 30, 2019
Collective Deferred Outflows of Resources	\$ 1,383,360,202	\$ 2,122,619,897
Collective Deferred Inflows of Resources	6,885,723,332	6,618,184,855
Collective Net Pension Liability	16,435,616,426	18,143,832,135
District's portion of the Plan's total Net Pension Liability	0.00479%	0.00570%

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description - The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more

ELK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 8. Pension Plans (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

years of service credit, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions - The contribution policy for TPAF is set by *N.J.S.A 18A:66* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2020, the State's pension contribution was less than the actuarial determined amount.

As mentioned previously, the employer contributions for local participating employers are legally required to be funded by the State in accordance with *N.J.S.A 18:66-33*. Therefore, the School District is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the School District does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers.

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2020 was \$14,196,328. The School District's proportionate share was \$-0-.

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2020, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.02156%, which was a decrease of 0.00018% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the School District recognized \$882,788 in on-behalf pension expense and revenue in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense and revenue was based on the pension plans June 30, 2020 measurement date.

Actuarial Assumptions – The total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

ELK TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55 - 4.45% Based on Years of Service
Thereafter	2.75 - 5.65% Based on Years of Service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

Long-Term Expected Rate of Return - In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2020 are summarized in the following table:

ELK TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
U.S. Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%

Discount Rate - The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. The single blended discount rate was based on long-term expected rate of return on pension plan investments of 7.00%, and a municipal bond rate of 2.21% as of June 30, 2020, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipals bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 78% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. The following represents the State's proportionate share of the net pension liability, attributable to the School District calculated using the discount rate of 5.40% as well as what the State's proportionate share of the net pension liability, attributable to the School District's would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

ELK TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 8. Pension Plans (continued)

B. Teachers' Pension and Annuity Fund (TPAF) (continued)

	1% Decrease (4.40%)	Current Discount Rate (5.40%)	1% Increase (6.40%)
Elk Township School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Elk Township School District	16,675,248	14,196,328	12,137,999
	<u>\$ 16,675,248</u>	<u>\$ 14,196,328</u>	<u>\$ 12,137,999</u>

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

Additional Information – The following is a summary of the collective balances of the local group at June 30, 2020 and 2019:

Balances at June 30, 2021 and June 30, 2020

	<u>6/30/2020</u>	<u>6/30/2019</u>
Actuarial valuation date (including roll forward)		
Collective Deferred Outflows of Resources	\$ 9,458,881,999	\$ 9,932,767,606
Collective Deferred Inflows of Resources	14,424,322,612	17,539,845,423
Collective Net Pension Liability	65,993,498,688	61,519,112,443
District's portion of the Plan's total Net Pension Liability	0.02156%	0.02174%

C. Defined Contribution Plan (DCRP)

Plan Description - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of N.J.S.A. 43:15C-1 et seq. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage

Individuals eligible for membership in the DCRP include:

- State or local officials who are elected or appointed on or after July 1, 2007;
- Employees enrolled in the Public Employees' Retirement System (PERS) or Teachers' Pension and Annuity Fund (TPAF) on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits;

ELK TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021 (continued)

Note 8. Pension Plans (continued)

C. Defined Contribution Plan (DCRP) (continued)

- Employees enrolled in the Police and Firemen's Retirement System (PFRS) or State Police Retirement System (SPRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits;
- Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually. The minimum salary in 2021 is \$8,400 and is subject to adjustment in future years.
- Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually. The minimum number is 35 hours per week for State employees, or 32 hours per week for local government or local education employees.

Contributions - The contribution policy is set by N.J.S.A. 43:15C-3 and requires active members and contribution employers. When enrolled in the DCRP, members are required to contribute 5.5% of their base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3% contribution from the School District.

For the year ended June 30, 2021, employee contributions totaled \$6,114 and the School District recognized pension expense of \$3,335.

Note 9. Other Post-Retirement Benefits

General Information about the OPEB Plan

The State of New Jersey reports a liability as a result of its statutory requirements to pay other postemployment (health) benefits for State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. According to N.J.S.A 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more

ELK TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 9. Other Post-Retirement Benefits (continued):

years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree’s annual retirement benefit and level of coverage.

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits is the responsibility of the individual local education employers.

Basis of Presentation

The Schedule presents the State of New Jersey’s obligation under NJSA 52:14-17.32f. The Schedule does not purport to be a complete presentation of the financial position or changes in financial position of the State Health Benefit Local Education Retired Employees Plan or the State of New Jersey. The accompanying Schedule was prepared in accordance with U.S. generally accepted accounting principles.

Such preparation requires management of the State of New Jersey to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2020, was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Total Nonemployer OPEB Liability: \$ 67,809,962,608

Inflation Rate: 2.5%

	TPAF/ABP	PERS	PFRS
Salary Increases:			
Through 2026	1.55 - 4.45% based on years of service	2.00 - 6.00% based on years of service	3.25 - 15.25% based on years of service
Thereafter	1.55 - 4.45% based on years of service	3.00 - 7.00% based on years of service	Applied to all future years

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.

ELK TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021 (continued)

Note 9. Other Post-Retirement Benefits (continued):

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018, July 1, 2014 – June 30, 2018, and July 1, 2013 – June 30, 2018 for TPAF, PERS and PFRS, respectively.

OPEB Obligation and OPEB Expense - The State's proportionate share of the total Other Post Employment Benefits Obligations, attributable to the School District as of June 30, 2020 was \$18,653,685. The School District's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2020, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The State's proportionate share of the OPEB Obligation associated with the District was based on projection of the State's long-term contributions to the OPEB plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2020, the State proportionate share of the OPEB Obligation attributable to the School District was 0.02751%, which was a decrease of 0.00058% from its proportion measured as of June 30, 2019.

For the fiscal year ended June 30, 2021, the State of New Jersey recognized an OPEB expense in the amount of \$775,219 for the State's proportionate share of the OPEB expense attributable to the School District. This OPEB expense was based on the OPEB plans June 30, 2020 measurement date.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount Rate

The discount rate for June 30, 2020 was 2.21%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of Total Nonemployer OPEB Liability to changes in discount rate

The following presents the total nonemployer OPEB liability as of June 30, 2020, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

ELK TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 9. Other Post-Retirement Benefits (continued):

	June 30, 2020		
	At 1% Decrease (1.21%)	At Discount Rate (2.21%)	At 1% Increase (3.21%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 22,487,980	\$ 18,653,685	\$ 15,655,636
State of New Jersey's Total Non- employer Liability	\$ 81,748,410,002	\$ 67,809,962,608	\$ 56,911,439,160

Sensitivity of Total Nonemployer OPEB Liability to changes in the healthcare trend rate

The following presents the total nonemployer OPEB liability as of June 30, 2020, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2020		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 15,057,884	\$ 18,653,685	\$ 22,935,485
State of New Jersey's Total Nonemployer OPEB Liability	\$ 54,738,488,540	\$ 67,809,962,608	\$ 83,375,182,975

* See Healthcare Cost Trend Assumptions for details of rates.

Additional Information

Collective balances of the Local Group at June 30, 2020 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Proportion Differences between Expected & Actual Experience	\$ 10,295,318,750	\$ (9,170,703,615)
Change in Assumptions	-	-
Contributions Made in Fiscal Year Year Ending 2020 After June 30, 2019 Measurement Date **	11,534,251,250	(7,737,500,827)
	TBD	-
	<u>\$ 21,829,570,000</u>	<u>\$ (16,908,204,442)</u>

ELK TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 9. Other Post-Retirement Benefits (continued):

** Employer Contributions made after June 30, 2020 are reported as a deferred outflow of resources, but are not amortized in expense.

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

Fiscal Year Ending June 30,	
2021	\$ 43,440,417
2022	43,440,417
2023	43,440,417
2024	43,440,417
2025	43,440,417
Thereafter	<u>4,704,163,473</u>
	<u><u>\$ 4,921,365,558</u></u>

Plan Membership

At June 30, 2019, the Program membership consisted of the following:

	<u>June 30, 2019</u>
Active Plan Members	216,804
Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	<u>149,304</u>
	<u><u>366,108</u></u>

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2021 (measurement date June 30, 2020) is as follows:

Total OPEB Liability

Service Cost	\$ 1,790,973,822
Interest Cost	1,503,341,357
Difference Between Expected & Actual Experience	11,544,750,637
Changes of Assumptions	12,386,549,981
Contributions: Member	35,781,384
Gross Benefit Payments	<u>(1,180,515,618)</u>
Net Change in Total OPEB Liability	26,080,881,563
Total OPEB Liability (Beginning)	<u>41,729,081,045</u>
Total OPEB Liability (Ending)	<u><u>\$ 67,809,962,608</u></u>
Total Covered Employee Payroll	\$ 14,267,738,658
Net OPEB Liability as a Percentage of Payroll	475%

ELK TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 10. On-Behalf Payments for Fringe Benefits and Salaries

As previously mentioned, the School District receives on-behalf payments from the State of New Jersey for normal costs and post-retirement medical costs related to the Teachers’ Pension and Annuity Fund (TPAF) pension plan. The School District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2021, the on-behalf payments for pension, social security, post-retirement medical costs, and long-term disability were \$644,617, \$174,357, \$202,013 and \$247, respectively.

Note 11. Risk Management

The School 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.

New Jersey Unemployment Compensation Insurance – The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan the School 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. The School District is billed quarterly for amounts due to the State.

The following is a summary of School District contributions, reimbursements to the State for benefits paid and the ending balance of the School District’s trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>School District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2020-2021	\$ -	\$ 7,539	\$ 43	\$ 2,758	\$ 18,155
2019-2020	-	7,092	29	2,752	13,331
2018-2019	20,000	7,025	-	32,475	8,962

Property and Liability Insurance – The School 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.

Joint Insurance Pool – The School District also participates in the Gloucester County Joint Insurance Fund and, public entity risk pool. The Pool provides its members with the following coverage:

Property – Blanket Building & Grounds	General & Automobile Liability
Environmental Impairment Liability	Workers’ Compensation
School Board Legal Liability	Excess Liability
Employers Liability	Comprehensive Crime Coverage

Note 12. Contingencies

State and Federal Grantor Agencies - The School District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the School District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2021 may be impaired. In the opinion of the School District, there are no significant contingent liabilities

ELK TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021 (continued)

Note 12. Contingencies (continued):

relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

Litigation – The School District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the School Districts’ attorney that resolution of these matters will not have a material adverse effect on the financial condition of the School District.

Economic Dependency – The School District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, could have an effect on the School District’s programs and activities.

Note 13. Deferred Compensation

The School District offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, which are administered by the entities listed below, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

The Vanguard Group
Lincoln Investment Planning
AXA Equitable

Note 14. Compensated Absences

The School District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 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.

School District employees are granted varying amount of vacation and sick leave in accordance with the School District's personnel policies. Upon termination, employees are paid for accrued vacation. The School District 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 School District for the unused sick leave in accordance with School Districts’ agreements with the various employee unions.

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. At June 30, 2021, the liability for compensated absences reported on the government-wide Statement of Net Position was \$155,957.

Note 15. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB) Statement No. 77, a tax abatement is an agreement between a government and an individual or entity in which the government promises to

ELK TOWNSHIP SCHOOL DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)**

Note 15. Tax Abatements (continued):

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

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

Note 16. Operating Leases

The District has commitments to lease copy machines under non-cancelable operating leases spanning 48 months. Total lease payments made during the year ended June 30, 2021, amounted to \$7,251. Future minimum lease payments are as follows:

Fiscal Year Ending	
<u>June 30,</u>	
2022	\$ 7,251
Total Minimum Lease Payments	<u>\$ 7,251</u>

Note 17. Calculation of Excess Surplus

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A.18A:7F-7. New Jersey school districts are required to reserve General Fund balance at the fiscal year-end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2021 was \$944,728.

Note 18. Fund Balances

General Fund – Of the \$3,015,763 General Fund balance at June 30, 2021, \$775,120 has been restricted for the Capital Reserve Account; \$150,000 has been restricted for the Maintenance Reserve Account; \$18,155 has been restricted for Unemployment Compensation, \$944,728 is restricted for current year excess surplus; \$807,987 is restricted for prior year excess surplus – designated for subsequent year's expenditures, \$184,550 has been assigned for other purposes, \$13,965 is assigned for subsequent year's expenditures and \$121,258 is unassigned.

Special Revenue Fund – Of the \$12,835 Special Revenue Fund balance at June 30, 2021, \$1,201 is restricted for scholarships; \$18,171 is restricted for student activities; and (\$6,537) is unassigned.

ELK TOWNSHIP SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2021 (continued)

Note 18. Fund Balances (continued):

Capital Projects Fund – Of the \$3,380 Capital Projects Fund balance at June 30, 2021, \$3,380 is restricted for future capital projects approved by the School District.

Debt Service Fund – Of the \$5 Debt Service Fund balance at June 30, 2021, \$5 is restricted for future debt service payments.

Note 19. Deficit in Fund Balances

The School District has a deficit fund balance of \$(6,537) in the Special Revenue Fund as of June 30, 2021 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 bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the June state aid payment(s) in the subsequent fiscal year, the school district cannot recognize the June state aid payment(s) (on the GAAP financial statements) until the year the State records the payable. Due to the timing difference of recording the June state aid payment(s), the Special Revenue Fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned fund balance that is reported as a direct result from a delay in the June payment(s) of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District deficit in the fund statements (modified accrual basis) of \$6,537 is the last state aid payment.

Note 20. Deficit in Net Position

Unrestricted Net Position – The School District's governmental activities had a deficit in unrestricted net position in the amount of \$1,044,706 at June 30, 2021. The deficit is caused by the implementation of GASB 68 which requires the School District to report their proportionate share of the net pension liability for the Public Employee's Retirement System (PERS) as of June 30, 2021.

Note 21. Prior Period Adjustment/Restatement of Net Position and Fund Balance

During the year ended June 30, 2021 the School District adopted GASB Statement No. 84, *Fiduciary Activities* (See Note 1). The School District adjusted its beginning balances to reflect all newly adopted standards for its Prior Period Adjustment to Net Position and Restricted Fund Balance for New Jersey Unemployment Trust Fund, Scholarships and Student Activities. In addition, the prior year Deferred Inflows and Outflows related to Pension for GASB 68 required restatement. The beginning balances as of July 1, 2020 were adjusted as follows:

ELK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021 (continued)

Note 21. Prior Period Adjustment/Restatement of Net Position and Fund Balance (continued):

Prior Period Adjustment to Net Position (Exhibit A-2)

Balance, July 1, 2020 prior to Adjustment	\$ 2,858,598
Add:	
Restatement of Deferred Inflows/Outflows related to Pension (GASB 68)	94,944
New Jersey Unemployment Trust	13,331
Scholarship	1,197
Student Activities	<u>19,328</u>
Balance, July 1, 2020 Restated	<u>\$ 2,987,398</u>

Prior Period Adjustment to Fund Balance (General Fund)

Balance, July 1, 2020 prior to Adjustment	\$ 2,053,200
Add:	
New Jersey Unemployment Trust	<u>13,331</u>
Balance, July 1, 2020 Restated	<u>\$ 2,066,531</u>

Prior Period Adjustment to Fund Balance (Special Revenue Fund)

Balance, July 1, 2020 prior to Adjustment	\$ (3,857)
Add:	
Scholarship	1,197
Student Activities	<u>19,328</u>
Balance, July 1, 2020 Restated	<u>\$ 16,668</u>

Note 22. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2021 and March 9, 2022, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements, and no items have come to the attention of the School District that would require disclosure other than the following.

The COVID-19 pandemic is ongoing. Because of the evolving nature of the outbreak and federal, state and local responses, it cannot be predicted how the outbreak will impact the financial condition or operations of the District, or if there will be any impact on the assessed values of property within the School District or deferral of tax payments to municipalities. To date the School District has not been materially and adversely affected financially due to the virus.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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**ELK TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBERS	JUNE 30, 2021				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:						
Local Tax Levy	10-1210	\$ 3,405,977	\$ -	\$ 3,405,977	\$ 3,405,977	\$ -
Tuition from Other LEA's Within the State	10-1320	30,000	-	30,000	63,212	33,212
Interest on Capital Reserve Funds	10-1511	300	-	300	300	-
Miscellaneous Revenues	10-1990	9,000	-	9,000	14,633	5,633
Total Local Sources		3,445,277	-	3,445,277	3,484,122	38,845
State Sources:						
Equalization Aid	10-3176	1,921,984	-	1,921,984	1,921,984	-
Categorical Security Aid	10-3177	66,201	-	66,201	66,201	-
Categorical Transportation Aid	10-3121	148,655	-	148,655	148,655	-
Categorical Special Education Aid	10-3132	195,091	-	195,091	195,091	-
School Choice Aid	10-3116	152,456	-	152,456	152,456	-
Extraordinary Aid	10-3131	60,000	-	60,000	155,882	95,882
Non-Public Transportation Aid	10-3190	-	-	-	6,380	6,380
Nonbudgeted:						
On-Behalf TPAF Pension Contributions		-	-	-	644,617	644,617
On-Behalf TPAF Post-Retirement Medical Contributions		-	-	-	202,013	202,013
On-Behalf TPAF Long Term Disability Insurance Contributions		-	-	-	247	247
Reimbursed TPAF Social Security Contribution		-	-	-	174,357	174,357
Total State Sources		2,544,387	-	2,544,387	3,667,883	1,123,496
Federal Sources:						
Medicaid Reimbursement		-	-	-	2,368	2,368
Total Federal Sources		-	-	-	2,368	2,368
Total Revenues		5,989,664	-	5,989,664	7,154,373	1,164,709
Expenditures:						
Current Expense:						
Instruction - Regular Programs:						
Salaries of Teachers:						
Preschool	11-105-100-101	95,998	-	95,998	67,152	28,846
Kindergarten	11-110-100-101	288,492	(30,936)	257,556	201,880	55,676
Grades 1-5	11-120-100-101	1,145,384	30,936	1,176,320	1,176,320	-
Grades 6-8	11-130-100-101	206,267	-	206,267	200,719	5,548
Home Instruction:						
Salaries of Teachers	11-150-100-101	1,000	-	1,000	-	1,000
Purchased Professional/Education Services	11-150-100-320	1,000	-	1,000	-	1,000
Regular Programs - Undistributed Instruction:						
Purchased Professional Educational Services	11-190-100-320	300,460	(50,000)	250,460	105,463	144,997
Other Purchased Services	11-190-100-500	86,949	-	86,949	62,963	23,986
General Supplies	11-190-100-610	59,897	50,649	110,546	25,679	84,867
Textbooks	11-190-100-640	100,000	-	100,000	-	100,000
Total Regular Programs		2,285,447	649	2,286,096	1,840,176	445,920
Special Education:						
Learning and/or Language Disabilities:						
Salaries of Teachers	11-204-100-101	98,161	(10,827)	87,334	87,334	-
Total Learning and/or Language Disabilities		98,161	(10,827)	87,334	87,334	-

**ELK TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBERS	JUNE 30, 2021			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Auditory Impairments:						
Salaries of Teachers	11-207-100-101	11,247	(84)	11,163	10,121	1,042
Total Auditory Impairments		11,247	(84)	11,163	10,121	1,042
Multiple Disabilities:						
Salaries of Teachers	11-212-100-101	13,512	-	13,512	12,406	1,106
Purchased Professional/Education Services	11-212-100-320	5,620	(5,123)	497	-	497
General Supplies	11-212-100-610	336	-	336	-	336
Total Multiple Disabilities		19,468	(5,123)	14,345	12,406	1,939
Resource Room:						
Salaries of Teachers	11-213-100-101	-	-	-	-	-
Purchased Professional/Education Services	11-213-100-320	4,000	(3,832)	168	-	168
General Supplies	11-213-100-610	443	(4)	439	232	207
Total Resource Room		4,443	(3,836)	607	232	375
Autism:						
Salaries of Teachers	11-214-100-101	4,334	1,233	5,567	5,567	-
Total Autism		4,334	1,233	5,567	5,567	-
Pre-School Disability - Part-Time:						
General Supplies	11-215-100-610	1,000	(507)	493	-	493
Total Pre-School Disability - Part-Time		1,000	(507)	493	-	493
Basic Skills/Remedial Instruction:						
Salaries of Teachers	11-230-100-101	326,066	-	326,066	322,087	3,979
Purchased Professional/Education Services	11-230-100-320	8,276	-	8,276	5,992	2,284
General Supplies	11-230-100-610	1,312	-	1,312	-	1,312
Total Basic Skills/Remedial Instruction		335,654	-	335,654	328,079	7,575
Total Special Education		474,307	(19,144)	455,163	443,739	11,424
School Sponsored Co-Curricular Activities:						
Salaries	11-401-100-100	11,475	-	11,475	5,000	6,475
General Supplies	11-401-100-600	1,000	-	1,000	-	1,000
Total School Sponsored Co-Curricular Activities		12,475	-	12,475	5,000	7,475
Before/After School Programs - Instruction:						
Salaries	11-421-100-101	2,300	-	2,300	-	2,300
Total Before/After School Programs - Instruction		2,300	-	2,300	-	2,300
Total Other Instructional Programs		14,775	-	14,775	5,000	9,775
Summer School - Instruction:						
Salaries of Teachers	11-422-100-101	25,000	-	25,000	10,491	14,509
Other Salaries of Instruction	11-422-100-106	5,000	-	5,000	-	5,000
General Supplies	11-422-100-610	2,000	-	2,000	152	1,848
Total Summer School - Instruction		32,000	-	32,000	10,643	21,357
Total Instruction		2,806,529	(18,495)	2,788,034	2,299,558	488,476

**ELK TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBERS	JUNE 30, 2021			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Undistributed Expenditures:						
Instruction :						
Tuition to County Special Services District/Regional Day Schools	11-000-100-565	134,660	46,608	181,268	150,496	30,772
Tuition to Private School for the Handicapped - State	11-000-100-566	144,492	3,392	147,884	95,849	52,035
Total Undistributed Expenditures - Instruction		279,152	50,000	329,152	246,345	82,807
Attendance & Social Work Services:						
Salaries	11-000-211-100	13,440	-	13,440	13,440	-
Purchased Professional/Education Services	11-000-211-320	1,668	-	1,668	1,173	495
Other Purchased Services	11-000-211-500	800	-	800	163	637
Total Attendance & Social Work Services		15,908	-	15,908	14,776	1,132
Health Services:						
Salaries	11-000-213-100	86,684	-	86,684	82,184	4,500
Purchased Professional & Technical Services	11-000-213-300	4,500	-	4,500	4,457	43
Other Purchased Services	11-000-213-500	1,150	-	1,150	-	1,150
Supplies and Materials	11-000-213-600	6,025	-	6,025	5,834	191
Total Health Services		98,359	-	98,359	92,475	5,884
Other Support Services - Students - Related Services:						
Purchased Professional/Education Services	11-000-216-320	65,000	644	65,644	59,050	6,594
Supplies and Materials	11-000-216-600	4,000	(2,011)	1,989	1,674	315
Total Other Support Services - Students - Related Services		69,000	(1,367)	67,633	60,724	6,909
Other Support Services - Students - Extra Services:						
Purchased Professional/Education Services	11-000-217-320	226,800	26,923	253,723	235,088	18,635
Supplies and Materials	11-000-217-600	5,000	(3,767)	1,233	1,233	-
Other Objects	11-000-217-800	800	(366)	434	-	434
Total Other Support Services - Students - Extra Services		232,600	22,790	255,390	236,321	19,069
Other Support Services - Students - Regular:						
Purchased Professional and Technical Services	11-000-218-390	1,960	-	1,960	1,420	540
Supplies and Materials	11-000-218-600	1,000	-	1,000	-	1,000
Total Other Support Services - Students - Regular		2,960	-	2,960	1,420	1,540
Other Support Services - Students - Special Services:						
Salaries of Other Professional Staff	11-000-219-104	134,237	-	134,237	130,128	4,109
Salaries of Secretarial & Clerical Assistants	11-000-219-105	55,571	-	55,571	55,571	-
Purchased Professional/Education Services	11-000-219-320	24,500	1,567	26,067	23,376	2,691
Miscellaneous Purchased Services	11-000-219-592	1,355	-	1,355	848	507
Supplies and Materials	11-000-219-600	3,122	(1,567)	1,555	480	1,075
Total Other Support Services - Students - Special Services		218,785	-	218,785	210,403	8,382
Improvement of Instruction Services/Other Support Services - Instructional Staff:						
Salaries of Supervisors of Instruction	11-000-221-102	25,000	(3,728)	21,272	-	21,272
Salaries of Other Professional Staff	11-000-221-104	27,041	11,440	38,481	37,801	680
Salaries of Secretarial & Clerical Assistants	11-000-221-105	30,936	(5,000)	25,936	25,936	-
Purchased Professional/Education Services	11-000-221-320	12,500	-	12,500	12,500	-
Supplies and Materials	11-000-221-600	5,715	(2,712)	3,003	999	2,004
Total Improvement of Instruction Services/Other Support Services - Instructional Staff		101,192	-	101,192	77,236	23,956

**ELK TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

ACCOUNT NUMBERS	JUNE 30, 2021				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL	
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL		
Educational Media Services/School Library:						
Other Purchased Services	11-000-222-500	800	-	800	-	800
Supplies and Materials	11-000-222-600	3,562	-	3,562	1,247	2,315
Total Educational Media Services/School Library		4,362	-	4,362	1,247	3,115
Support Services Instructional Staff Training Service:						
Other Salaries	11-000-223-110	2,000	-	2,000	-	2,000
Other Purchased Services	11-000-223-500	3,338	-	3,338	2,232	1,106
Total Support Services Instructional Staff Training Services		5,338	-	5,338	2,232	3,106
Support Services General Administration:						
Salaries	11-000-230-100	13,541	-	13,541	13,527	14
Legal Services	11-000-230-331	10,000	7,619	17,619	17,619	-
Audit Services	11-000-230-332	13,500	-	13,500	13,300	200
Architectural/Engineering Services	11-000-230-334	3,000	(2,000)	1,000	-	1,000
Other Purchased Professional Services	11-000-230-339	45,000	-	45,000	45,000	-
Purchased Technical Services	11-000-230-340	7,000	(2,952)	4,048	3,545	503
Communications/Telephone	11-000-230-530	9,925	(1,207)	8,718	1,569	7,149
BOE Other Purchased Professional Services	11-000-230-585	1,200	-	1,200	801	399
Other Purchased Services	11-000-230-590	13,623	-	13,623	12,839	784
Supplies & Materials	11-000-230-610	500	-	500	449	51
BOE In-House Training/Meeting Supplies	11-000-230-630	250	-	250	-	250
Miscellaneous Expenditures	11-000-230-890	1,100	-	1,100	493	607
BOE Membership Dues & Fees	11-000-230-895	6,500	(1,460)	5,040	3,074	1,966
Total Support Services General Administration		125,139	-	125,139	112,216	12,923
Support Services School Administration:						
Salaries of Principals & Assistant Principals	11-000-240-103	81,122	-	81,122	81,121	1
Salaries of Secretarial & Clerical Assistants	11-000-240-105	40,319	-	40,319	40,318	1
Purchased Technical Services	11-000-240-300	12,250	-	12,250	10,423	1,827
Other Purchased Services	11-000-240-500	9,097	-	9,097	2,146	6,951
Supplies and Materials	11-000-240-600	5,694	-	5,694	1,098	4,596
Other Objects	11-000-240-800	2,000	-	2,000	1,169	831
Total Support Services School Administration		150,482	-	150,482	136,275	14,207
Central Services:						
Salaries	11-000-251-100	43,846	352	44,198	44,198	-
Purchased Professional Services	11-000-251-330	46,900	806	47,706	46,500	1,206
Purchased Technical Services	11-000-251-340	8,396	-	8,396	6,522	1,874
Other Purchased Services	11-000-251-592	11,100	(1,158)	9,942	6,600	3,342
Supplies & Materials	11-000-251-600	1,500	208	1,708	1,708	-
Interest on Lease Purchase Agreements	11-000-251-832	4,880	(208)	4,672	4,366	306
Total Central Services		116,622	-	116,622	109,894	6,728
Administrative Information Technology:						
Purchased Technical Services	11-000-252-340	27,500	(1,500)	26,000	24,800	1,200
Other Purchased Services	11-000-252-500	15,150	5,000	20,150	2,379	17,771
Supplies & Materials	11-000-252-600	10,180	(3,500)	6,680	3,181	3,499
Total Administrative Information Technology		52,830	-	52,830	30,360	22,470
Allowance Maintenance for School Facilities:						
Cleaning, Repair & Maintenance Services	11-000-261-420	68,185	9,554	77,739	69,632	8,107
General Supplies	11-000-261-610	5,000	-	5,000	3,845	1,155
Total Allowance Maintenance for School Facilities		73,185	9,554	82,739	73,477	9,262

**ELK TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBERS	JUNE 30, 2021				POSITIVE/ (NEGATIVE)
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL
Other Operation & Maintenance of Plant Services:						
Salaries	11-000-262-100	178,945	813	179,758	179,687	71
Purchased Professional & Technical Services	11-000-262-300	16,000	(813)	15,187	10,434	4,753
Cleaning, Repair & Maintenance Services	11-000-262-420	151,000	(84,294)	66,706	14,462	52,244
Other Purchased Property Services	11-000-262-490	1,000	-	1,000	-	1,000
Insurance	11-000-262-520	9,688	-	9,688	9,688	-
Other Purchased Services	11-000-262-590	20,000	-	20,000	1,110	18,890
General Supplies	11-000-262-610	35,000	3,930	38,930	14,703	24,227
Energy (Natural Gas)	11-000-262-621	-	-	-	-	-
Energy (Electricity)	11-000-262-622	53,000	(156)	52,844	42,426	10,418
Energy (Oil)	11-000-262-624	20,000	1,030	21,030	21,030	-
Other Objects	11-000-262-800	3,500	277	3,777	3,777	-
Total Other Operation & Maintenance of Plant Services		488,133	(79,213)	408,920	297,317	111,603
Care & Upkeep of Grounds:						
Cleaning, Repair & Maintenance Services	11-000-263-420	8,000	-	8,000	3,627	4,373
General Supplies	11-000-263-610	3,000	-	3,000	2,046	954
Total Care & Upkeep of Grounds		11,000	-	11,000	5,673	5,327
Total Operation & Maintenance of Plant Services		572,318	(69,659)	502,659	376,467	126,192
Student Transportation Services:						
Aid in Lieu of Payments - Nonpublic	11-000-270-503	20,000	14,160	34,160	24,500	9,660
Contracted Services (Other Than Between Home & School) - Vendors	11-000-270-512	2,000	-	2,000	-	2,000
Contracted Services (Other Than Between Home & School) - Joint Agreements	11-000-270-513	444,494	(27,500)	416,994	181,390	235,604
Contracted Services (Special Education Students) - Joint Agreements	11-000-270-515	150,000	20,000	170,000	160,262	9,738
Total Student Transportation Services		616,494	6,660	623,154	366,152	257,002
Unallocated Benefits - Employee Benefits:						
Social Security	11-000-291-220	36,564	3,456	40,020	36,495	3,525
Other Retirement Benefits - PERS	11-000-291-241	60,000	-	60,000	52,381	7,619
Unemployment Compensation	11-000-291-250	40,000	-	40,000	-	40,000
Worker's Compensation	11-000-291-260	29,063	-	29,063	29,063	-
Health Benefits	11-000-291-270	939,611	(6,111)	933,500	879,021	54,479
Tuition Reimbursement	11-000-291-280	10,000	(4,595)	5,405	-	5,405
Other Employee Benefits	11-000-291-290	11,200	7,250	18,450	18,450	-
Total Unallocated Benefits - Employee Benefits		1,126,438	-	1,126,438	1,015,410	111,028
Nonbudgeted:						
On-Behalf TPAF Pension Contribution		-	-	-	644,617	(644,617)
On-Behalf TPAF Post-Retirement Medical Contribution		-	-	-	202,013	(202,013)
On-Behalf TPAF Long Term Disability Insurance Contribution		-	-	-	247	(247)
Reimbursed TPAF Social Security Contribution		-	-	-	174,357	(174,357)
Total Nonbudgeted		-	-	-	1,021,234	(1,021,234)
Total Undistributed Expenditures		3,787,979	8,424	3,796,403	4,111,187	(314,784)
Total Expenditures - Current Expense		6,594,508	(10,071)	6,584,437	6,410,745	173,692
Capital Outlay:						
Equipment:						
Increase in Capital Reserve	10-604	300	-	300	-	300
Increase in Maintenance Reserve	10-606	12,426	-	12,426	-	12,426
Undistributed Expenditures:						
Administration Information Technology	12-000-252-730	-	22,500	22,500	-	22,500
Custodial Services	12-000-262-730	-	4,069	4,069	-	4,069
Total Equipment		12,726	26,569	39,295	-	39,295

**ELK TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ACCOUNT NUMBERS	JUNE 30, 2021			ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Facilities Acquisition & Construction Services:						
Assessment for Debt Service on						
Construction Services	12-000-400-450	-	65,000	65,000	40,000	25,000
SDA Funding	12-000-400-896	3,130	-	3,130	3,130	-
Total Facilities Acquisition & Construction Services		3,130	65,000	68,130	43,130	25,000
Total Capital Outlay		15,856	91,569	107,425	43,130	64,295
Total Expenditures		6,610,364	81,498	6,691,862	6,453,875	237,987
Excess/(Deficiency) of Revenues Over/(Under)						
Expenditures		(620,700)	(81,498)	(702,198)	700,498	1,402,696
Other Financing Sources/(Uses):						
Transfer from Other Funds		-	-	-	3,969	3,969
Cancellation of Prior Year Accounts Payable		-	-	-	230,000	230,000
Total Other Financing Sources/(Uses)		-	-	-	233,969	233,969
Excess/(Deficiency) of Revenues & Other Financing Sources						
Over/(Under) Expenditures & Other Financing						
Sources/(Uses)		(620,700)	(81,498)	(702,198)	934,467	1,636,665
Fund Balances, July 1 - as restated		2,312,300	-	2,312,300	2,312,300	-
Fund Balances, June 30		\$ 1,691,600	\$ (81,498)	\$ 1,610,102	\$ 3,246,767	\$ 1,636,665

RECAPITULATION OF BUDGET TRANSFERS

Prior Year Encumbrances	<u>\$ 81,498</u>
Total	<u>\$ 81,498</u>

RECAPITULATION OF FUND BALANCE:

Restricted for:	
Capital Reserve	\$ 775,120
Maintenance Reserve	150,000
Excess Surplus	944,728
Excess Surplus Designated for Subsequent Year's Expenditures	807,987
Unemployment Compensation	18,155
Assigned to:	
Year-End Encumbrances	184,550
Designated for Subsequent Year's Expenditures	13,965
Unassigned Fund Balance	<u>352,262</u>
Subtotal	3,246,767
Reconciliation to Governmental Fund Statements (GAAP):	
Last Two State Aid Payments Not Recognized on GAAP Basis	<u>(231,004)</u>
Fund Balance Per Governmental Funds (GAAP)	<u>\$ 3,015,763</u>

**ELK TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Revenues:					
Federal Sources	\$ 202,209	\$ 572,978	\$ 775,187	\$ 305,604	\$ (469,583)
State Sources	65,370	-	65,370	65,370	-
Local Sources	-	-	-	5,347	5,347
Total Revenues	267,579	572,978	840,557	376,321	(464,236)
Expenditures:					
Instruction:					
Salaries of Teachers	178,356	(49,161)	129,195	78,883	50,312
Tuition	86,758	15,116	101,874	101,874	-
General Supplies	-	111,279	111,279	7,160	104,119
Student Activities	-	-	-	6,500	(6,500)
Total Instruction	265,114	77,234	342,348	194,417	147,931
Support Services:					
Salaries	-	13,979	13,979	12,211	1,768
Personal Services - Employee Benefits	-	5,922	5,922	1,952	3,970
Purchased Professional Services	2,465	219,410	221,875	84,790	137,085
Other Purchased Services	-	49,508	49,508	31,711	17,797
Travel	-	538	538	538	-
Supplies and Materials	-	106,933	106,933	51,855	55,078
Total Support Services	2,465	396,290	398,755	183,057	215,698
Facilities Acquisition & Construction Services:					
Non-Instructional Equipment	-	99,454	99,454	-	99,454
Total Facilities Acquisition & Construction Services	-	99,454	99,454	-	99,454
Total Expenditures	267,579	572,978	840,557	377,474	463,083
Total Outflows	267,579	572,978	840,557	377,474	463,083
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	-	-	-	(1,153)	(1,153)
Fund Balances, July 1, as previously stated	-	-	-	-	-
Prior Period Adjustment	20,525	-	20,525	20,525	-
Fund Balances, July 1, as restated	20,525	-	20,525	20,525	-
Fund Balances, June 30	\$ 20,525	\$ -	\$ 20,525	\$ 19,372	\$ (1,153)

Recapitulation of Fund Balance:

Restricted for:	
Scholarships	\$ 1,201
Student Activities	<u>18,171</u>
Total Fund Balance	<u><u>\$ 19,372</u></u>

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II

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**ELK TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR FISCAL YEAR ENDED JUNE 30, 2021**

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

	GENERAL FUND	SPECIAL REVENUE FUND	
Sources/Inflows of Resources:			
Actual Amounts (Budgetary Basis) "Revenue"			
From the Budgetary Comparison Schedule (C-Series)	\$ 7,154,373	\$ 376,321	
Difference - Budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
Current Year	-	(220)	
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	245,769	3,857	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(231,004)	(6,537)	
	<u> </u>	<u> </u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u>\$ 7,169,138</u>	<u>\$ 373,421</u>	
Uses/outflows of resources:			
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 6,453,875	\$ 377,474	
Differences - budget to GAAP			
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.			
General Supplies	-	(220)	
	<u> </u>	<u> </u>	
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	<u>\$ 6,453,875</u>	<u>\$ 377,254</u>	

N-1 The general fund budget uses GAAP basis therefore no reconciliation is necessary.

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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L. Schedules Related to Accounting and Reporting for Pensions (GASB 68)

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**ELK TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)
LAST EIGHT FISCAL YEARS***

	2021	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.00479%	0.00570%	0.00562%	0.00557%	0.00642%	0.00403%	0.00439%	0.00511%
School District's proportionate share of the net pension liability	\$ 780,838	\$ 1,026,198	\$ 1,106,672	\$ 1,297,233	\$ 1,902,175	\$ 904,231	\$ 821,235	\$ 976,704
District's covered-employee payroll	\$ 368,646	\$ 380,417	\$ 377,183	\$ 358,454	\$ 386,080	\$ 379,591	\$ 281,230	N/A
School District's proportionate share of the net pension liability as a percentage of its covered payroll	211.81%	269.76%	293.40%	361.90%	492.69%	238.21%	292.02%	N/A
Plan fiduciary net position as a percentage of the total pension liability	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

*The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**ELK TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)
LAST EIGHT FISCAL YEARS**

	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 52,381	\$ 55,398	\$ 55,907	\$ 51,625	\$ 57,057	\$ 34,631	\$ 36,160	\$ 38,506
Contributions in relation to the contractually required contribution	(52,381)	(55,398)	(55,907)	(51,625)	(57,057)	(34,631)	(36,160)	(38,506)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 380,417	\$ 377,183	\$ 358,454	\$ 386,080	\$ 379,591	\$ 281,230	N/A	N/A
Contributions as a percentage of covered-employee payroll	13.77%	14.69%	15.60%	13.37%	15.03%	12.31%	N/A	N/A

**This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is

ELK TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' PENSION AND ANNUITY FUND (TPAF)
LAST EIGHT FISCAL YEARS*

	2021	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
School District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	14,196,328	13,342,334	13,302,225	14,101,342	17,750,378	13,529,077	11,857,744	11,444,789
District's covered-employee payroll	\$ 14,196,328	\$ 13,342,334	\$ 13,302,225	\$ 14,101,342	\$ 17,750,378	\$ 13,529,077	\$ 11,857,744	\$ 11,444,789
School District's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

*The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**ELK TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND (TPAF)
LAST TEN FISCAL YEARS**

This schedule is not applicable. There is a special funding situation where the State of New Jersey pays 100% of the required contributions associated with the School District.

M. Schedules Related to Accounting and Reporting for Pensions (GASB 68)

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ELK TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (OPEB)
LAST FOUR FISCAL YEARS*

	2021	2020	2019	2018
Total OPEB Liability Associated with the District				
Service Cost	\$ 431,409	\$ 406,077	\$ 471,056	\$ 570,899
Interest Cost	419,888	517,601	558,469	486,313
Differences between Expected and Actual	2,988,426	(2,169,372)	(1,337,434)	-
Changes of Assumptions	3,407,387	174,768	(1,508,059)	(2,081,311)
Contributions: Member	9,843	10,666	12,145	13,046
Gross Benefit Payments	(324,745)	(359,814)	(351,400)	(354,306)
Net Change in Total OPEB Liability Associated with District	6,932,208	(1,420,074)	(2,155,223)	(1,365,359)
Total OPEB Liability Associated with District (Beginning)	11,721,477	13,141,551	15,296,774	16,662,133
Total OPEB Liability Associated with District (Ending)	<u>\$ 18,653,685</u>	<u>\$ 11,721,477</u>	<u>\$ 13,141,551</u>	<u>\$ 15,296,774</u>
District's Covered Employee Payroll	2,787,140	2,898,125	2,741,634	2,771,784
Net OPEB Liability Associated with District as a Percentage of Payroll	669.28%	404.45%	479.33%	551.87%

Note - The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

**ELK TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 5.60% as of June 30, 2019, to 5.40% as of June 30, 2020.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 6.28% as of June 30, 2019, to 7.00% as of June 30, 2020.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 3.50% as of June 30, 2019, to 2.21% as of June 30, 2020.

OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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**ELK TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	PRESCHOOL EDUCATION AID	IDEA PRESCHOOL	IDEA BASIC	TITLE I	TITLE II
Revenues:					
Federal Sources	\$ -	\$ 2,841	\$ 101,874	\$ 84,498	\$ 6,257
State Sources	65,370	-	-	-	-
Total Revenues	\$ 65,370	\$ 2,841	\$ 101,874	\$ 84,498	\$ 6,257
Expenditures:					
Instruction:					
Salaries of Teachers	\$ 65,370	\$ -	\$ -	\$ -	\$ -
Tuition	-	-	101,874	-	-
General Supplies	-	-	-	7,160	-
Total Instruction	65,370	-	101,874	7,160	-
Support Services:					
Salaries	-	-	-	6,480	5,116
Employee Benefits	-	-	-	496	391
Purchased Professional Services	-	2,841	-	69,921	750
Other Purchased Services	-	-	-	180	-
Supplies & Materials	-	-	-	261	-
Total Support Services	-	2,841	-	77,338	6,257
Total Expenditures	\$ 65,370	\$ 2,841	\$ 101,874	\$ 84,498	\$ 6,257
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-
Prior Period Adjustment	-	-	-	-	-
Fund Balance, July 1 (Restated)	-	-	-	-	-
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

**ELK TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2021**

	CLIMATE GRANT	RURAL EDUCATION	CARES	COVID REFLIEF FUNDS	DIGITAL DIVIDE	STUDENT ACTIVITIES	SCHOLARSHIPS	2021
Revenues:								
State Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,370
Federal Sources	32,979	3,600	33,113	16,608	23,834	-	-	305,604
Local Sources	-	-	-	-	-	5,343	4	5,347
Total Revenues	\$ 32,979	\$ 3,600	\$ 33,113	\$ 16,608	\$ 23,834	\$ 5,343	\$ 4	\$ 376,321
Expenditures:								
Instruction:								
Salaries of Teachers	\$ -	\$ 2,985	\$ 10,528	\$ -	\$ -	\$ -	\$ -	\$ 78,883
Tuition	-	-	-	-	-	-	-	101,874
General Supplies	-	-	-	-	-	-	-	7,160
Student Activities	-	-	-	-	-	6,500	-	6,500
Total Instruction	-	2,985	10,528	-	-	6,500	-	194,417
Support Services:								
Salaries	-	615	-	-	-	-	-	12,211
Employee Benefits	489	-	576	-	-	-	-	1,952
Purchased Professional Services	-	-	11,278	-	-	-	-	84,790
Other Purchased Services	31,531	-	-	-	-	-	-	31,711
Travel	538	-	-	-	-	-	-	538
Supplies & Materials	421	-	10,731	16,608	23,834	-	-	51,855
Total Support Services	32,979	615	22,585	16,608	23,834	-	-	183,057
Total Expenditures	32,979	3,600	33,113	16,608	23,834	6,500	-	377,474
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	(1,157)	4	(1,153)
Fund Balance, July 1	-	-	-	-	-	-	-	-
Prior Period Adjustment	-	-	-	-	-	19,328	1,197	20,525
Fund Balance, July 1 (Restated)	-	-	-	-	-	19,328	1,197	20,525
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,171	\$ 1,201	\$ 19,372

**ELK TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION EXPANSION AID
STATEMENT OF EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	2021		
	BUDGETED	ACTUAL	VARIANCE
Expenditures:			
Instruction:			
Salaries of Teachers	\$ 65,370	\$ 65,370	\$ -
Total Instruction	65,370	65,370	-
Total Expenditures	\$ 65,370	\$ 65,370	\$ -

CALCULATION OF BUDGET AND CARRYOVER

Total Revised 2020-2021 Preschool Education Expansion Aid Allocation	\$ 65,370
Add: Actual Preschool Education Expansion Aid Carryover June 30, 2020	<u>1</u>
Total Preschool Education Expansion Aid Funds Available for 2020-2021 Budget	65,371
Less: 2020-2021 Budgeted Preschool Education Expansion Aid (Prior Year Budget Carryover)	<u>(65,370)</u>
Available & Unbudgeted Preschool Education Expansion Aid Funds June 30, 2021	1
Add: June 30, 2021 Unexpended Preschool Education Expansion Aid	<u>-</u>
Total Actual Preschool Education Expansion Aid Carryover	<u>\$ 1</u>
2020-2021 Preschool Education Expansion Aid Carryover Budgeted in 2021-2022	<u>\$ -</u>

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F. Capital Projects Fund

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**ELK TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR FISCAL YEAR ENDED JUNE 30, 2021**

PROJECT TITLE	ORIGINAL DATE	APPROPRIATIONS	EXPENDITURES		UNEXPENDED BALANCE JUNE 30, 2021
			PRIOR YEAR	CURRENT YEAR	
Aura Elementary School Renovations	06/26/08	\$ 1,750,578	\$ 1,747,198	\$ -	\$ 3,380
Total		\$1,750,578	\$ 1,747,198	\$ -	\$ 3,380

**ELK TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-BUDGETARY BASIS
YEAR ENDED JUNE 30, 2021**

Revenues and Other Financing Sources:	
Bond Proceeds and Transfers	\$ <u>10</u>
Total Revenues	<u>10</u>
Expenditures & Other Financing Uses:	
Other Financing Sources/(Uses):	
Transfer to General Fund	<u>10</u>
Total Expenditures & Other Financing Sources/(Uses)	<u>10</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	-
Fund Balance - Beginning	<u>3,380</u>
Fund Balance - Ending	<u><u>\$ 3,380</u></u>

**ELK TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
AURA ELEMENTARY SCHOOL RENOVATIONS
YEAR ENDED JUNE 30, 2021**

	PRIOR PERIODS	CURRENT YEAR	TOTALS	REVISED AUTHORIZED COST
Revenues & Other Financing Sources:				
Bond Proceeds & Transfers	\$ 1,750,000	\$ -	\$ 1,750,000	\$ 1,750,000
Authorized but Unissued Bonds	578		578	578
Total Revenues	1,750,578	-	1,750,578	1,750,578
Expenditures & 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	1,527,647	-	1,527,647	1,386,738
Non-Instructional Equipment	45,900	-	45,900	-
Other Objects	2,858	-	2,858	185,840
Cancellation of Prior Year AP	-	-	-	-
Total Expenditures	1,747,198	-	1,747,198	1,750,578
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 3,380	\$ -	\$ 3,380	\$ -

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	0.00%
Percentage Completion	99.81%
Original Target Completion Date	8/2009
Revised Target Completion Date	8/2010

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G. Proprietary Funds

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Enterprise Funds

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**ELK TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2021**

ASSETS	BUSINESS-TYPE ACTIVITIES		
	FOOD SERVICE FUND	CHILDCARE	TOTAL
Current Assets:			
Cash & Cash Equivalents	\$ 112,477	\$ 223,001	\$ 335,478
Accounts Receivable:			
State	580	-	580
Federal	5,822	-	5,822
Other	101	-	101
Inventory	8,166	-	8,166
Total Current Assets	127,146	223,001	350,147
Noncurrent Assets:			
Furniture, Machinery & Equipment	106,951	-	106,951
Less: Accumulated Depreciation	(52,179)	-	(52,179)
Total Noncurrent Assets	54,772	-	54,772
Total Assets	181,918	223,001	404,919
LIABILITIES			
Current Liabilities:			
Accounts Payable	-	-	-
Unearned Revenue	4,347	-	4,347
Interfund Payable	1,638	-	1,638
Total Current Liabilities	5,985	-	5,985
Total Liabilities	5,985	-	5,985
NET POSITION			
Investment in Capital Assets	54,772	-	54,772
Unrestricted	121,161	223,001	344,162
Total Net Position	\$ 175,933	\$ 223,001	\$ 398,934

**ELK TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
AS OF JUNE 30, 2021**

	<u>BUSINESS-TYPE ACTIVITIES</u>		
	FOOD		
	SERVICE		
	FUND	CHILDCARE	TOTAL
Local Sources:			
Daily Sales Nonreimbursable Programs	\$ 605	\$ -	\$ 605
Tuition	-	484	484
	<hr/>		
Total Operating Revenue	605	484	1,089
	<hr/>		
Operating Expenses:			
Salaries	23,897	-	23,897
Employee Benefits	5,344	-	5,344
Supplies and Materials	1,491	-	1,491
Other Purchased Services	16,789	-	16,789
Depreciation	4,569	-	4,569
Miscellaneous	9,286	-	9,286
Cost of Sales - Reimbursable Programs	28,352	-	28,352
	<hr/>		
Total Operating Expenses	89,728	-	89,728
	<hr/>		
Operating/(Loss)/Gain	(89,123)	484	(88,639)
	<hr/>		
Nonoperating Revenues/(Expenses):			
State Sources:			
State School Lunch Program	2,968	-	2,968
Federal Sources:			
National School Lunch Program	55,382	-	55,382
Healthy Hunger-Free Kids Act	1,098	-	1,098
Food Distribution Program	11,869	-	11,869
National School Breakfast Program	34,119	-	34,119
Interest & Investment Revenue	247	-	247
Cancellation of Accounts Receivable	(160,000)	-	(160,000)
Cancellation of Accounts Payable	-	424	424
	<hr/>		
Total Nonoperating Revenues/ (Expenses)	(54,317)	424	(53,893)
	<hr/>		
Net Income/(Loss)	(143,440)	908	(142,532)
Net Position - Beginning,	319,373	222,093	541,466
	<hr/>		
Total Net Position - Ending	\$ 175,933	\$ 223,001	\$ 398,934
	<hr/>		

**ELK TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
AS OF JUNE 30, 2021**

	<u>BUSINESS-TYPE ACTIVITIES</u>		
	FOOD SERVICE FUND	CHILDCARE	TOTAL
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 167,753	\$ 484	\$ 168,237
Payments to Suppliers	(55,706)	(1,295)	(57,001)
Payments to Employees	(23,897)	-	(23,897)
Payments for Employee Benefits	(5,344)	-	(5,344)
	<hr/>		
Net Cash Provided/(Used) by Operating Activities	82,806	(811)	81,995
	<hr/>		
Cash Flows From Non-Capital Financing Activities:			
Cancellation of Board Contribution	(160,000)	-	(160,000)
Cash Received from State & Federal Reimbursements	105,436	-	105,436
	<hr/>		
Net Cash Provided by Non-Capital Financing Activities	(54,564)	-	(54,564)
	<hr/>		
Cash Flows From Investing Activities:			
Interest Income	247	-	247
	<hr/>		
Net Cash Provided by Investing Activities	247	-	247
	<hr/>		
Net Increase/(Decrease) in Cash & Cash Equivalents	28,489	(811)	27,678
Cash & Cash Equivalents, July 1	83,988	223,812	307,800
	<hr/>		
Cash & Cash Equivalents, June 30	\$ 112,477	\$ 223,001	\$ 335,478
	<hr/>		

RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED/(USED) BY OPERATING A

Operating Income/(Loss)	\$ (89,123)	\$ 484	\$ (88,639)
Adjustments to Reconcile Operating Income/(Loss) in Cash Provided/(Used) by Operating Activities:			
Depreciation Expense	4,569	-	4,569
Change in Assets & Liabilities:			
(Increase)/Decrease in Accounts Receivable	167,025	-	167,025
(Increase)/Decrease in Inventory	(997)	-	(997)
Increase/(Decrease) in Unearned Revenue	123	-	123
Increase/(Decrease) in Accounts Payable	1,209	(1,295)	(86)
	<hr/>		
Total Adjustments	171,929	(1,295)	170,634
	<hr/>		
Net Cash Provided/(Used) by Operating Activities	\$ 82,806	\$ (811)	\$ 81,995
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Internal Service Fund

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**ELK TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2021**

ASSETS	<u>INTERNAL SERVICE FUND</u>	TOTAL
Current Assets:		
Intergovernmental Accounts Receivable	\$ 44,031	\$ 44,031
Total Assets	<u>44,031</u>	<u>44,031</u>
 LIABILITIES		
Interfund Payable	42,932	42,932
Accounts Payable	74	74
Total Liabilities	<u>43,006</u>	<u>43,006</u>
 NET POSITION		
Unrestricted	<u>1,025</u>	<u>1,025</u>
Total Net Position	<u>\$ 1,025</u>	<u>\$ 1,025</u>

**ELK TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
AS OF JUNE 30, 2021**

	INTERNAL SERVICE FUND	TOTAL
OPERATING REVENUES:		
Local Sources:		
Services Provided to Other Governmental Entities	\$ 46,210	\$ 46,210
Total Operating Revenue	<u>46,210</u>	<u>46,210</u>
OPERATING EXPENSES:		
Salaries	2,552	2,552
Data Coordinator	36,696	36,696
Benefits	<u>3,003</u>	<u>3,003</u>
Total Operating Expenses	<u>42,251</u>	<u>42,251</u>
NON-OPERATING REVENUES/(EXPENSES)		
Transfer Out	<u>(3,959)</u>	<u>(3,959)</u>
Total Non-Operating Revenues/(Expenses)	<u>(3,959)</u>	<u>(3,959)</u>
Net Income/(Loss)	-	-
Total Net Position - July 1	<u>1,025</u>	<u>1,025</u>
Total Net Position - June 30	<u>\$ 1,025</u>	<u>\$ 1,025</u>

**ELK TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING STATEMENT OF CASH FLOWS
AS OF JUNE 30, 2021**

	<u>INTERNAL SERVICE FUND</u>		<u>TOTAL</u>
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 36,174	\$	36,174
Payments to Employees	(32,215)		(32,215)
Net Cash Provided/(Used) by Operating Activities	3,959		3,959
Cash Flows From Non-Capital Financing Activities:			
Transfer Out	(3,959)		(3,959)
Net Cash Provided/(Used) by Non-Capital Financing Activities	(3,959)		(3,959)
Net Increase/(Decrease) in Cash & Cash Equivalents	-		-
Cash & Cash Equivalents, July 1	-		-
Cash & Cash Equivalents, June 30	\$ -	\$	-

RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES

Reconciliation of Operating Income (Loss) to Cash Provided/(Used) by Operating Activities:	\$ 3,959	\$	3,959
Operating Income (Loss)			
Adjustments to Reconcile Operating Income/(Loss) in Cash Provided/(Used) by Operating Activities:			
Change in Assets & Liabilities:			
(Increase)/Decrease in Accounts Receivable	(10,036)		(10,036)
Increase/(Decrease) in Accounts Payable	(2,793)		(2,793)
Increase/(Decrease) in Interfund Payable	12,829		12,829
Total Adjustments	-		-
Net Cash Provided/(Used) by Operating Activities	\$ 3,959	\$	3,959

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I. Long-Term Debt

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**ELK TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
JUNE 30, 2021**

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITY DATE	ANNUAL MATURITY AMOUNT	INTEREST RATE	BALANCE	
						JUNE 30, 2020	JUNE 30, 2021
Aura School/Grounds Renovations	7/15/08	\$ 1,750,000	July 15, 2022	130,000	4.250%	\$ 545,000	\$ 415,000
			2023	140,000	4.250%		
			2024	145,000	4.250%		
Total						\$ 545,000	\$ 415,000

**ELK TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
JUNE 30, 2021**

SERIES	DATE OF LEASE	TERM OF LEASE	AMOUNT OF ORIGINAL LEASE		INTEREST RATE PAYABLE	AMOUNT OUTSTANDING JUNE 30, 2020	ISSUED CURRENT YEAR	RETIRED CURRENT YEAR	AMOUNT OUTSTANDING JUNE 30, 2021
			PRINCIPAL	INTEREST					
Computers	7/1/2016	5 years	\$ 56,408	\$ 5,584	4.85%	\$ 11,814	\$ -	\$ 11,814	\$ -
Server	7/1/2017	5 years	7,484	718	4.70%	3,058	-	1,493	1,565
Dell Networking	7/1/2018	5 years	27,679	2,763	3.94%	17,199	-	5,508	11,691
Chromebooks	7/1/2019	3 years	29,189	2,312	7.85%	9,710	-	9,710	-
Optiplex	7/1/2019	3 years	17,339	1,362	3.88%	11,777	-	5,777	6,000
Chromebooks	7/1/2019	3 years	19,160	1,496	7.74%	12,275	-	5,901	6,374
Target Cases	7/1/2019	3 years	30,697	2,412	7.79%	19,661	-	10,274	9,387
Total						\$ 85,494	\$ -	\$ 50,477	\$ 35,017

**ELK TOWNSHIP SCHOOL DISTRICT
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	JUNE 30, 2021				POSITIVE/ NEGATIVE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:					
Local Sources:					
Local Tax Levy	\$ 87,429	\$ -	\$ 87,429	\$ 87,429	\$ -
State Sources:					
Debt Service Aid Type II	63,152	-	63,152	63,152	-
Total Revenues	150,581	-	150,581	150,581	-
Expenditures:					
Regular Debt Service:					
Interest	20,583	-	20,583	20,581	2
Principal	130,000	-	130,000	130,000	-
Total Expenditures	150,583	-	150,583	150,581	2
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(2)	-	(2)	-	2
Fund Balance, July 1	5	-	5	5	-
Fund Balance, June 30	\$ 3	\$ -	\$ 3	\$ 5	\$ 2

**ELK TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF COMPENSATED ABSENCES
JUNE 30, 2021**

	OUTSTANDING BALANCE			OUTSTANDING BALANCE	
	2020	ADDITIONS	DELETIONS	2021	
Governmental Compensated Absences	\$ 153,195	\$ 2,762	\$ -	\$ 155,957	
Total Compensated Absences	<u>\$ 153,195</u>	<u>\$ 2,762</u>	<u>\$ -</u>	<u>\$ 155,957</u>	

STATISTICAL SECTION (Unaudited)

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ELK TOWNSHIP SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
FISCAL YEAR ENDING JUNE 30,										
Governmental Activities:										
Net Investment in,										
Capital Assets	\$ 2,289,175	\$ 2,288,249	\$ 2,291,079	\$ 2,361,620	\$ 2,395,282	\$ 2,096,843	\$ 2,138,946	\$ 2,169,289	\$ 2,250,655	\$ 2,195,725
Restricted	2,718,747	2,038,691	1,883,098	1,279,186	1,221,735	1,083,250	607,856	634,209	878,670	993,766
Unrestricted	(1,044,706)	(1,468,342)	(1,446,713)	(18,734,340)	(1,305,450)	(1,028,413)	(1,024,838)	(75,247)	(127,673)	(121,764)
Total Governmental Activities	\$ 3,963,216	\$ 2,858,598	\$ 2,727,464	\$ (15,093,534)	\$ 2,311,567	\$ 2,151,680	\$ 1,721,964	\$ 2,728,251	\$ 3,001,652	\$ 3,067,727
Business-Type Activities:										
Net Investment in,										
Capital Assets	\$ 54,772	\$ 59,341	\$ 7,936	\$ 8,892	\$ 9,851	\$ 10,810	\$ 11,768	\$ 12,999	\$ 14,871	\$ 17,104
Unrestricted	344,162	482,125	370,687	330,992	291,138	242,175	176,712	113,467	60,543	49,483
Total Business-Type Activities	\$ 398,934	\$ 541,466	\$ 378,623	\$ 339,884	\$ 300,989	\$ 252,985	\$ 188,480	\$ 126,466	\$ 75,414	\$ 66,587
District-Wide:										
Net Investment in,										
Capital Assets	\$ 2,343,947	\$ 2,347,590	\$ 2,299,015	\$ 2,370,512	\$ 2,405,133	\$ 2,107,653	\$ 2,150,714	\$ 2,182,288	\$ 2,265,526	\$ 2,212,829
Restricted	2,718,747	2,038,691	1,883,098	1,279,186	1,221,735	1,083,250	607,856	634,209	878,670	993,766
Unrestricted	(700,544)	(986,217)	(1,076,026)	(18,403,348)	(1,014,312)	(786,238)	(848,126)	38,220	(67,130)	(72,281)
Total District Net Position	\$ 4,362,150	\$ 3,400,064	\$ 3,106,087	\$ (14,753,650)	\$ 2,612,556	\$ 2,404,665	\$ 1,910,444	\$ 2,854,717	\$ 3,077,066	\$ 3,134,314

**ELK TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
FISCAL YEAR ENDING JUNE 30.										
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 1,789,699	\$ 1,811,193	\$ 1,747,688	\$ 1,850,643	\$ 1,760,745	\$ 1,665,514	\$ 1,846,653	\$ 1,701,843	\$ 1,670,014	\$ 1,635,316
Special Education	638,156	224,533	269,473	458,884	495,460	525,692	600,813	548,104	503,887	543,727
Other Special Instruction	-	427,841	418,304	121,525	121,749	114,304	162,459	179,045	175,643	114,200
Other Instruction	15,643	15,079	21,284	30,637	27,301	28,690	39,615	32,368	18,256	13,379
Support Services:										
Tuition	246,345	249,580	91,434	197,509	185,221	99,616	214,315	206,930	182,979	177,061
Student & Instruction Related Services	783,717	778,942	851,333	892,623	841,573	606,004	650,703	645,071	587,307	550,064
Health Services	92,475									
Educational Media Services/School Library	1,247									
School Administrative Services	136,275	135,505	140,926	124,925	133,198	124,419	152,562	120,174	177,742	181,412
General Administrative	114,448	170,018	136,763	161,765	254,681	251,928	303,872	286,205	259,619	258,720
Central Services	109,894									
Administrative Information Technology	30,360									
Plant Operations & Maintenance	376,467	471,990	462,327	445,767	356,323	355,016	366,163	434,181	336,384	387,251
Pupil Transportation	405,400	460,127	466,731	578,000	443,715	433,490	514,572	546,722	460,161	352,529
Employee Benefits	2,819,095	1,953,195	2,439,342	2,509,218	1,712,709	1,405,894	1,306,877	1,237,419	1,303,994	1,288,605
Interest on Long-Term Debt	22,836	23,574	29,100	34,624	40,149	45,674	50,023	56,609	62,950	68,749
Capital Outlay	-	118,303	3,130	3,130	30,765	55,320	3,130	72,874	2,029	35,409
Unallocated Depreciation	222,862	234,780	207,766	207,690	197,398	207,714	204,556	204,832	203,407	190,940
Amortization of Debt Issuance Costs	-	1,657	1,657	1,657	1,657	1,657	1,657	1,657	1,657	1,657
Total Governmental Activities Expenses	\$7,804,919	\$7,076,317	\$7,287,258	\$7,618,597	\$6,602,644	\$5,920,932	\$6,417,970	\$6,274,034	\$5,946,029	\$5,799,019
Business-Type Activities:										
Food Service	89,728	99,987	116,547	118,398	109,316	109,097	121,299	127,683	174,829	164,136
Childcare	-	33,528	26,221	21,906	17,439	14,375	16,221	16,820	14,222	10,886
Total Business-Type Activities Expense	89,728	133,515	142,768	140,304	126,755	123,472	137,520	144,503	189,051	175,022
Total District Expenses	\$ 7,894,647	\$ 7,209,832	\$ 7,430,026	\$ 7,758,901	\$ 6,729,399	\$ 6,044,404	\$ 6,555,490	\$ 6,418,537	\$ 6,135,080	\$ 5,974,041

**ELK TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	FISCAL YEAR ENDING JUNE 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Program Revenues:										
Governmental Activities:										
Charges for Services	46,210	46,097	40,773	61,930	6,099	3,239	4,046	4,388	5,095	5,921
Operating Grants & Contributions	2,206,032	280,195	280,836	258,011	293,375	285,723	327,471	258,464	277,986	325,318
Total Governmental Activities Program Revenues	2,252,242	326,292	321,609	319,941	299,474	288,962	331,517	262,852	283,081	331,239
Business-Type Activities:										
Charges for Services:										
Food Service	605	30,336	49,373	52,219	42,546	44,222	44,284	47,777	67,008	58,327
Childcare	484	39,339	55,763	46,276	64,217	40,164	47,701	37,697	33,030	20,976
Operating Grants & Contributions	105,436	66,305	75,393	80,359	67,667	71,372	75,528	78,038	79,779	84,690
Total Business Type Activities Program Revenues	106,525	135,980	180,529	178,854	174,430	155,758	167,513	163,512	179,817	163,993
Total District Program Revenues	\$ 2,358,767	\$ 462,272	\$ 502,138	\$ 498,795	\$ 473,904	\$ 444,720	\$ 499,030	\$ 426,364	\$ 462,898	\$ 495,232
Net/(Expense)/Revenue:										
Governmental Activities	\$ (5,552,677)	\$ (6,750,025)	\$ (6,965,649)	\$ (7,298,656)	\$ (6,303,170)	\$ (5,631,970)	\$ (6,086,453)	\$ (6,011,182)	\$ (5,662,948)	\$ (5,467,780)
Business-Type Activities	16,797	2,465	37,761	38,550	47,675	32,286	29,993	19,009	(9,234)	(11,029)
Total District-Wide Net Expense	\$ (5,535,880)	\$ (6,747,560)	\$ (6,927,888)	\$ (7,260,106)	\$ (6,255,495)	\$ (5,599,684)	\$ (6,056,460)	\$ (5,992,173)	\$ (5,672,182)	\$ (5,478,809)

**ELK TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCURAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
FISCAL YEAR ENDING JUNE 30.										
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 3,405,977	\$ 3,339,193	\$ 3,339,193	\$ 2,922,506	\$ 2,819,022	\$ 2,763,747	\$ 2,652,801	\$ 2,415,831	\$ 2,369,005	\$ 2,332,830
Taxes Levied for Debt Service	87,429	90,640	93,848	97,048	100,261	103,469	106,678	109,887	116,539	119,902
Unrestricted Grants & Contributions	2,663,782	3,521,542	3,994,372	3,361,851	3,292,233	3,208,109	3,143,232	3,065,739	3,032,415	2,978,663
Restricted Grants & Contributions	63,152	-	-	-	-	-	-	-	-	-
Tuition Received	63,212	80,657	102,810	176,453	93,687	48,854	211,209	115,521	78,610	51,320
Investment Earnings	300	6,889	5,612	5,133	4,230	4,349	2,942	3,497	4,832	9,579
Miscellaneous Income	14,643	2,238	18,914	3,223	153,624	5,611	4,003	59,306	14,466	8,264
Loss on Disposal of Assets	-	-	-	-	-	-	-	-	-	-
Prior Year Payable Cancelled	230,000	-	-	-	-	-	-	-	-	-
Prior Year Receivable Cancelled	-	-	(8,229)	(10,526)	-	(40,453)	-	-	(994)	-
Transfers	-	-	-	-	-	(32,000)	(104,501)	(32,000)	(18,000)	(27,000)
Total Governmental Activities	6,528,495	6,881,159	7,546,520	6,555,688	6,463,057	6,061,686	6,016,364	5,737,781	5,596,873	5,466,309
Business-Type Activities:										
Miscellaneous Income	247	378	355	345	329	219	21	43	61	86
Prior Year Cancelled Payables	424	-	623	-	-	-	-	-	-	-
Contributed Capital - Fixed Assets	-	-	-	-	-	-	-	-	-	-
Transfers/Other	(160,000)	160,000	-	-	-	32,000	32,000	32,000	18,000	27,000
Total Business-Type Activities	(159,329)	160,378	978	345	329	32,219	32,021	32,043	18,061	32,676
Total District-Wide	\$ 6,369,166	\$ 7,041,537	\$ 7,547,498	\$ 6,556,033	\$ 6,463,386	\$ 6,093,905	\$ 6,048,385	\$ 5,769,824	\$ 5,614,934	\$ 5,498,985
Change in Net Position:										
Governmental Activities	\$ 975,818	\$ 131,134	\$ 580,871	\$ (742,968)	\$ 159,887	\$ 429,716	\$ (70,089)	\$ (273,401)	\$ (66,075)	\$ (1,471)
Business-Type Activities	(142,532)	162,843	38,739	38,895	48,004	64,505	62,014	51,052	8,827	21,647
Total District	\$ 833,286	\$ 293,977	\$ 619,610	\$ (704,073)	\$ 207,891	\$ 494,221	\$ (8,075)	\$ (222,349)	\$ (57,248)	\$ 20,176

ELK TOWNSHIP SCHOOL DISTRICT
FUND BALANCES AND GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

	FISCAL YEAR ENDING JUNE 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Fund:										
Restricted	\$ 2,894,505	\$ 1,940,421	\$ 1,622,844	\$ 1,120,083	\$ 1,087,638	\$ 733,134	\$ 354,080	\$ 353,780	\$ 433,497	\$ 889,364
Assigned	-	94,885	256,872	155,723	130,712	346,731	250,391	277,044	441,790	101,020
Unrestricted	121,258	17,894	18,618	53,753	7,438	4,945	33,931	23,420	35,485	58,753
Total General Fund	\$ 3,015,763	\$ 2,053,200	\$ 1,898,334	\$ 1,329,559	\$ 1,225,788	\$ 1,084,810	\$ 638,402	\$ 654,244	\$ 910,772	\$ 1,049,137
All Other Governmental Funds:										
Restricted	\$ 22,757	\$ 3,385	\$ 3,382	\$ 3,380	\$ 3,385	\$ 3,385	\$ 33,385	\$ 3,385	\$ 3,383	\$ 3,382
Unrestricted, Reported in:										
Special Revenue Fund	(6,537)	(3,857)	(5,069)	(4,161)	(5,409)	(4,177)	(5,187)	(4,993)	(6,892)	(6,366)
Capital Projects Fund	-	-	-	-	-	-	-	-	-	-
Debt Service Fund	-	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	\$ 16,220	\$ (472)	\$ (1,687)	\$ (781)	\$ (2,024)	\$ (792)	\$ 28,198	\$ (1,608)	\$ (3,509)	\$ (2,984)

**ELK TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues:										
Taxes Local	3,493,406	3,429,833	3,433,041	3,019,554	2,919,283	2,867,216	2,759,479	2,525,718	2,485,544	2,452,732
Tuition Charges	63,212	80,657	102,810	176,433	93,687	48,854	211,209	115,521	78,610	51,320
Interest Earnings	300	6,889	5,612	4,833	4,230	4,349	2,941	3,497	4,832	9,579
Miscellaneous	19,990	2,238	18,914	3,523	155,672	5,611	5,003	59,306	16,881	16,764
State Sources	3,808,400	3,555,407	3,541,358	3,398,189	3,331,423	3,228,690	3,164,035	3,104,520	3,079,311	2,952,749
Federal Sources	307,752	246,330	238,299	221,673	252,137	265,142	307,668	219,683	228,675	342,732
Total Revenue	7,693,150	7,321,354	7,340,034	6,824,225	6,756,432	6,419,862	6,450,335	6,028,245	5,893,853	5,825,876
Expenditures:										
Instruction:										
Regular Instructor	1,840,176	1,884,184	1,836,833	1,892,557	1,798,364	1,687,805	1,858,416	1,767,585	1,666,784	1,604,871
Special Education Instructor	638,156	224,173	271,768	456,477	495,595	524,962	600,633	548,144	506,165	543,823
Other Special Instructor		429,324	403,431	120,625	117,631	114,972	161,784	179,220	175,468	131,827
Other Instruction	15,643	15,079	21,284	30,637	27,301	28,690	39,615	32,368	18,256	13,379
Undistributed:										
Tuition	246,345	249,580	91,434	197,509	185,221	99,616	214,315	206,930	182,979	177,061
Attendance & Social Work Service:										
Health Services	14,776	-	-	-	-	-	-	-	-	-
Related Services	92,475	-	-	-	-	-	-	-	-	-
Extraordinary Services	243,561	-	-	-	-	-	-	-	-	-
Support Services - Students:	236,321	-	-	-	-	-	-	-	-	-
Regular	1,420	797,724	801,334	779,171	841,573	606,004	650,703	645,071	598,563	538,830
Special	210,403	-	-	-	-	-	-	-	-	-
Improvement of Instructor	77,236	-	-	-	-	-	-	-	-	-
Educational Media Services	1,247	-	-	-	-	-	-	-	-	-
Instructional Staff Training	2,232	-	-	-	-	-	-	-	-	-
General Administrator	112,216	96,384	89,511	113,452	91,473	99,745	97,348	93,308	109,976	95,916
School Administrator	136,275	134,763	140,926	124,925	130,682	120,350	146,749	131,762	174,873	169,286
Central Administrator	109,894	110,997	104,904	119,785	118,573	112,744	150,851	144,840	151,809	148,619
Administration Information Technology	30,360	55,036	39,075	38,557	47,993	36,980	44,547	48,057	11,319	11,393
Allowable Maintenance for School Facilities	73,477	-	-	-	-	-	-	-	-	-
Operation & Maintenance of Plant Service	302,990	427,197	419,037	382,108	352,605	347,296	355,965	433,960	375,489	394,589
Student Transportation	366,152	460,127	466,731	578,000	443,715	433,490	514,572	546,722	465,300	367,529
Unallocated Benefits	1,015,410	1,113,061	1,096,211	1,007,808	961,932	895,121	870,960	823,054	831,959	888,788
On Behalf TPAF Pension and Social Security Contributions	1,021,234	833,876	804,384	682,177	604,284	552,180	452,125	424,088	474,124	396,776
Capital Outlay	40,000	118,303	43,120	47,157	396,602	61,830	19,555	106,251	69,984	54,160
Debt Service Expenditures:										
Principal	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	135,000	135,000
Interest	23,711	26,106	31,632	37,156	42,681	48,206	53,732	59,256	65,701	71,491
Total Expenditures	6,981,710	7,105,914	6,791,615	6,738,101	6,786,225	5,899,991	6,361,870	6,320,616	6,013,749	5,743,338
Excess (Deficiency) of Revenues Over/(Under) Expenditures	711,440	215,440	548,419	86,124	(29,793)	519,871	88,465	(292,371)	(119,896)	82,538
Other Financing Sources/(Uses):										
Capital Leases (Non-Budgeted)	-	96,384	27,679	29,416	169,539	-	-	-	-	28,340
Prior Year Receivables Cancelled	-	-	(8,229)	(10,526)	-	(40,453)	(72,501)	-	-	-
Prior Year Payables Cancelled	230,000	-	(10)	(10)	-	(32,010)	(32,000)	(32,010)	(19,006)	(27,000)
Transfers Out	(10)	(160,010)	(10)	(10)	-	10	-	69,754	12	-
Transfers In	3,969	4,267	10	10	-	-	-	-	-	-
Total Other Financing Sources/(Uses)	233,959	(59,359)	19,450	18,890	169,539	(72,453)	(104,501)	37,744	(18,994)	1,340
Net Change in Fund Balances	\$945,399	\$156,081	\$567,869	\$105,014	\$139,746	\$447,418	(\$16,036)	(\$254,627)	(\$138,890)	\$83,878
Debt Service as a Percentage of Noncapital Expenditures	2.21%	2.23%	2.40%	2.50%	2.70%	3.05%	2.90%	3.05%	3.38%	3.63%

Source: District Records

ELK TOWNSHIP SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

FISCAL YEAR ENDING JUNE 30,	Refunds	Miscellaneous	Summer Program	Sale of Assets	TOTAL
2021	\$ 72	\$ 14,561	\$ -	\$ -	\$ 14,633
2020	-	2,238	-	-	2,238
2019	1,500	17,414	-	-	18,914
2018	-	3,223	-	-	3,223
2017	942	152,682	-	-	153,624
2016	4,170	1,441	-	-	5,611
2015	309	4,694	-	-	5,003
2014	10,055	49,251	-	-	59,306
2013	12,471	1,995	-	-	14,466
2012	5,549	600	50	2,065	8,264

Source: District records

**ELK TOWNSHIP SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	FARM REG.	QFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	PUBLIC UTILITIES	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE	ESTIMATED ACTUAL (COUNTY EQUALIZED) VALUE
2021	16,679,800	300,723,500	23,894,800	3,491,900	31,239,900	1,189,200	N/A	377,219,100	1,163,273	378,382,373	0.940	411,819,926
2020	16,957,500	298,289,900	23,295,800	3,658,500	29,711,400	1,189,200	N/A	373,102,300	1,208,985	374,311,285	0.934	394,336,341
2019	16,910,800	296,901,200	23,690,400	3,789,000	29,037,900	1,189,200	N/A	371,518,500	1,065,004	372,583,504	0.921	390,369,066
2018	17,934,500	293,890,500	22,894,800	4,119,600	29,913,100	1,189,200	N/A	369,941,700	1,077,657	371,019,357	0.925	383,914,044
2020	19,532,500	284,780,900	23,915,600	4,314,500	30,934,200	1,189,200	N/A	364,666,900	1,007,309	365,674,209	0.823	382,130,867
2016	17,933,400	275,905,100	24,150,100	4,349,300	30,344,300	1,189,200	N/A	353,871,400	1,088,181	354,959,581	0.822	368,583,465
2015	14,240,600	277,730,900	22,274,100	4,378,200	30,307,000	1,189,200	N/A	350,120,000	1,109,178	351,229,178	0.816	360,723,805
2014	14,194,800	276,047,800	22,896,000	4,398,500	30,622,800	1,189,200	N/A	349,349,100	1,093,377	350,442,477	0.810	359,865,466
2013	14,151,800	275,989,300	23,117,900	4,313,700	31,157,500	1,189,200	N/A	349,919,400	1,231,905	351,151,305	0.714	374,101,341
2012	19,466,400	320,339,500	26,458,300	4,412,100	27,936,500	1,137,400	N/A	399,750,200	1,336,575	401,086,775	0.616	382,547,020

b. Tax rates are per \$100

**ELK TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate per \$100 of Assessed Value)**

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES				TOTAL DIRECT AND OVERLAPPING TAX RATE
	BASIC RATE	GENERAL OBLIGATION DEBT SERVICES	TOTAL DIRECT SCHOOL TAX RATE	DELSEA REGIONAL SCHOOL DISTRICT	ELK TOWNSHIP	GLOUCESTER COUNTY		
2021	0.915	0.025	0.940	1.064	0.917	0.796	3.717	
2020	0.909	0.025	0.934	1.060	0.905	0.782	3.681	
2019	0.896	0.025	0.921	0.979	0.903	0.764	3.567	
2018	0.895	0.030	0.925	0.945	0.876	0.755	3.501	
2020	0.795	0.028	0.823	0.949	0.876	0.753	3.401	
2016	0.791	0.031	0.822	0.922	0.876	0.750	3.370	
2015	0.783	0.033	0.816	0.875	0.861	0.721	3.273	
2014	0.775	0.035	0.810	0.838	0.794	0.681	3.123	
2013	0.681	0.033	0.714	0.801	0.764	0.687	2.966	
2012	0.586	0.030	0.616	0.658	0.642	0.565	2.481	

**ELK TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS,
CURRENT YEAR AND NINE YEARS AGO**

TAXPAYER	2021		2012	
	TAXABLE ASSESSED VALUE	% OF TOTAL DISTRICT NET ASSESSED VALUATION	TAXABLE ASSESSED VALUE	% OF TOTAL DISTRICT NET ASSESSED VALUATION
Individual Taxpayer 1	\$ 6,356,300	1.69%	\$ 1,181,300	0.30%
Laux Lakeview Park Inc.	4,139,600	1.10%	4,294,700	1.08%
Aura Investors LLC	3,154,100	0.84%	-	-
SCP 2007-C27, LLC (CVS Caremark)	2,449,900	0.65%	2,000,000	0.50%
Clayton Associates	1,189,200	0.32%	1,223,200	0.31%
Verizon New Jersey	1,148,777	0.30%	1,406,464	0.35%
Copart of Connecticut Inc.	1,102,000	0.29%	-	-
Aura Development Group LLC	1,082,700	0.29%	-	-
Robinson Property Holdings	1,052,200	0.28%	-	-
Christy Enterprises LLC	1,029,600	0.27%	1,037,800	0.26%
Paparone at Silver Lake	-	-	2,587,200	0.65%
Western Oilfields Supply Co	-	-	1,140,600	0.29%
Silvergate Associates	-	-	1,932,500	0.49%
Valley Del Sol	-	-	1,844,900	0.46%
Total	\$ 22,704,377	6.02%	\$ 18,648,664	4.69%

**ELK TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

YEAR ENDED DECEMBER 31	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITH THE FISCAL YEAR		COLLECTIONS IN SUBSEQUENT YEAR
		AMOUNT	PERCENT OF LEVY	
2021	\$ 3,493,406	\$ 3,493,406	100.00%	-
2020	3,429,833	3,429,833	100.00%	-
2019	3,433,041	3,433,041	100.00%	-
2018	3,019,554	3,019,554	100.00%	-
2020	2,919,283	2,919,283	100.00%	-
2016	2,867,216	2,867,216	100.00%	-
2015	2,759,479	2,759,479	100.00%	-
2014	2,525,718	2,525,718	100.00%	-
2013	2,485,544	2,485,544	100.00%	-
2012	2,452,732	2,452,732	100.00%	-

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

**ELK TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 20,	GOVERNMENTAL ACTIVITIES				TOTAL DISTRICT	PERCENTAGE OF PER CAPITA INCOME
	GENERAL OBLIGATION BONDS	CERTIFICATES OF PARTICIPATION	CAPITAL LEASES			
2021	\$ 415,000	N/A	\$ 50,477	\$ 465,477	N/A	
2020	545,000	N/A	85,494	630,494	N/A	
2019	675,000	N/A	72,277	747,277	7.56%	
2018	805,000	N/A	98,810	903,810	6.01%	
2020	935,000	N/A	123,105	1,058,105	2.21%	
2016	1,065,000	N/A	-	1,065,000	2.30%	
2015	1,195,000	N/A	29,101	1,224,101	2.61%	
2014	1,325,000	N/A	56,889	1,381,889	2.66%	
2013	1,455,000	N/A	16,978	1,471,978	3.27%	
2012	1,590,000	N/A	22,117	1,612,117	3.62%	

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

**ELK TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	GENERAL BONDED DEBT OUTSTANDING			PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
	GENERAL OBLIGATION BONDS	DEDUCTIONS	NET GENERAL BONDED DEBT OUTSTANDING		
2021	\$ 415,000	\$ -	\$ 415,000	0.11%	N/A
2020	545,000	-	545,000	0.31%	131
2019	675,000	-	675,000	0.40%	162
2018	805,000	-	805,000	0.48%	193
2020	935,000	-	935,000	0.66%	225
2016	1,065,000	-	1,065,000	0.66%	260
2015	1,195,000	-	1,195,000	0.73%	292
2014	1,325,000	-	1,325,000	0.74%	322
2013	1,455,000	-	1,455,000	0.87%	353
2012	1,590,000	-	1,590,000	1.20%	385

**ELK TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2021**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	PERCENTAGE APPLICABLE	OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Township of Elk	\$1,506,400	100.00%	\$1,506,400
Gloucester County General Obligation Debt	173,810,000	1.42%	2,460,029
Regional School Debt	8,651,000	22.00%	<u>1,903,220</u>
Total Direct & Overlapping Debt			<u><u>\$5,869,649</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the Gloucester County Board of Taxation.

Debt outstanding data provided by each governmental 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 the above Townships. This process recognizes 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.

a. For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another government unit's taxable value that is within the District's boundaries and dividing it by each unit's total taxable value.

**ELK TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Debt Limit	\$9,772,073	\$9,623,995	\$9,442,997	\$9,242,305	9,087,277	8,998,952	9,053,541	9,217,017	9,434,871	9,672,724
Total Net Debt Applicable to Limit	415,000	545,000	675,000	805,000	935,000	1,065,000	1,195,000	1,325,000	1,455,000	1,590,000
Legal Debt Margin	\$9,357,073	\$9,078,995	\$8,767,997	\$8,437,305	\$8,152,277	\$7,933,952	\$7,858,541	\$7,892,017	\$7,979,871	\$8,082,724
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	4.25%	5.66%	7.15%	8.71%	10.29%	11.83%	13.20%	14.38%	15.42%	16.44%

Legal Debt Margin Calculation for Fiscal Year 2021

	Equalized Valuation Basis Total
Average Equalized Valuation of Taxable Property	394,571,243
Debt Limit (2.5% of Average Equalization Value)	390,989,792
Net Bonded School Debt	387,087,777
Legal Debt Margin	\$1,172,648,812
	\$390,882,937
	\$9,772,073
	415,000
	\$9,357,073

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

**ELK TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

YEAR	POPULATION (a)	PERSONAL INCOME	PER CAPITA PERSONAL INCOME (c)	UNEMPLOYMENT RATE (d)
2021	N/A	N/A	N/A	N/A
2020	4,172	N/A	N/A	8.1%
2019	4,176	235,939,824	56,499	3.6%
2018	4,180	227,157,920	54,344	4.3%
2017	4,157	218,225,872	52,496	4.7%
2016	4,099	208,245,596	50,804	4.6%
2015	4,095	203,181,615	49,617	6.6%
2014	4,110	194,670,150	47,365	14.9%
2013	4,119	188,971,482	45,878	9.5%
2012	4,135	185,711,120	44,912	9.5%

Source:

^a Population information provided by the NJ Dept of Labor and Workforce Development

^b Personal income

^c Per Capita

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

**ELK TOWNSHIP SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

EMPLOYER	2021		
	EMPLOYEES	RANK (OPTIONAL)	PERCENTAGE OF TOTAL EMPLOYMENT
Amazon	4,500	1	N/A
Rowan University	3,500	2	N/A
Inspira Health	2,051	3	N/A
Jefferson Health	2,015	4	N/A
Washington Township School District	1,515	5	N/A
Shop Rite	1,300	6	N/A
County of Gloucester	1,200	7	N/A
U.S. Food Services	1,014	8	N/A
Monroe Township School District	841	9	N/A
Walmart - Turnersville	800	10	N/A
	18,736		

EMPLOYER	2012		
	EMPLOYEES	RANK (OPTIONAL)	PERCENTAGE OF TOTAL EMPLOYMENT
Rowan University	1,300	1	N/A
Underwood Memorial Hospital	1,825	2	N/A
Washington Township School District	1,648	3	N/A
County of Gloucester	1,500	4	N/A
Kennedy Health Alliance	1,200	5	N/A
Missa Bay, LLC	950	6	N/A
Monroe Township School District	725	7	N/A
U.S Foodservices	741	8	N/A
DGI Services	600	9	N/A
Delaware Valley Wholesale Florist	500	10	N/A
	10,989		

Source: Information provided by the Gloucester County Office of Economic Development and Employer Directly.

**ELK TOWNSHIP SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function/Program	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Instruction:										
Regular	25.4	25.0	25.0	26.1	27.0	27.6	26.6	25.8	26.6	28.1
Special Education	7.6	7.0	7.0	5.6	5.0	5.4	9.4	9.0	7.4	13.2
Support Services:										
Student & Instruction Related Service	5.2	6.2	6.2	7.5	7.2	7.2	3.2	5.0	7.0	6.9
General Administration	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.5	0.5	0.1
School Administration	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.0	1.0	2.2
Business Administrative/Technology	1.0	1.0	1.0	1.0	2.0	2.0	2.0	1.5	1.5	2.0
Plants Operations & Maintenance	5.0	5.0	5.0	5.0	5.0	5.0	5.0	4.0	4.0	6.5
Total	46.0	46.0	46.0	47.0	48.0	49.0	48.0	46.8	48.0	59.0

Source: District Personnel Records

**ELK TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS**

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	PUPIL/TEACHER RATIO	AVERAGE DAILY ENROLLMENT (ADA) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
2021	313	\$ 6,410,745	20,482	-4.06%	35	319.0	307.0	-0.93%	96.24%
2020	320	6,831,505	21,348	0.57%	35	322.0	309.0	-7.47%	95.96%
2019	352	6,586,863	18,713	5.78%	35	348.0	329.0	-6.70%	94.54%
2018	371	6,523,788	17,584	1.75%	36	373.0	351.0	10.68%	94.10%
2020	336	6,216,942	18,503	7.44%	36	337.0	319.0	-1.75%	94.66%
2016	347	5,659,955	16,311	4.33%	36	343.0	327.0	-2.00%	95.34%
2015	354	6,158,583	17,397	2.61%	37	350.0	332.0	-1.13%	94.86%
2014	356	6,025,109	16,924	1.54%	36	354.0	335.0	-2.75%	94.63%
2013	388	5,482,687	14,131	7.06%	37	364.0	346.0	-8.54%	95.05%
2012	394	5,064,293	12,854	-9.10%	39	398.0	384.0	3.59%	96.48%

Sources: 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 (SRS)

**ELK TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS**

DISTRICT BUILDINGS	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Elementary School:										
Aura Elementary:										
Square Feet	51,532	51,532	51,532	51,532	51,532	51,532	51,531	51,532	51,532	51,532
Capacity (Students)	522	522	522	522	522	522	522	522	522	522
Enrollment	313	320	352	371	336	347	354	356	388	398

Number of Schools at June 30, 2021:

- Elementary School = 1
- Middle School = 0
- Senior High School = 0
- Other = 0

Source: District Facilities Office

Note: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of and additions. Enrollment is based on the annual October district count.

**ELK TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS**

**UNDISTRIBUTED EXPENDITURES - REQUIRED
MAINTENANCE FOR SCHOOL FACILITIES**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
GROSS SQUARE * FOOTAGE										
Aura School	\$ 73,477	\$ 66,905	\$ 55,917	\$ 84,569	\$ 65,557	\$ 45,282	\$ 46,084	\$ 88,851	\$ 42,425	\$ 46,424
Total School Facilities	\$ 73,477	\$ 66,905	\$ 55,917	\$ 84,569	\$ 65,557	\$ 45,282	\$ 46,084	\$ 88,851	\$ 42,425	\$ 46,424

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

Source: District records

**ELK TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2021**

	COVERAGE	DEDUCTIBLE
Selective Insurance Company of America		
Property/Inland Marine/Auto Physical Damage	\$ 175,000,000	\$ 500
Crime	500,000	500
General Liability/Auto Liability	2,000,000	
Workmen's Compensation	Statutory	
Educator's Legal Liability	20,000,000	
Firemans' Fund Insurance Company		
Commercial Umbrella	50,000,000	
Lexington Insurance Company, Inc.		
Cyber Liability	2,000,000	50,000 - 100,000
Lloyd's of London		
Violent Malicious Acts	1,000,000	15,000
Disaster Management Services	2,000,000	10,000
Travelers Insurance Company		
Boiler & Machinery	125,000,000	1,000
Commerce and Industry Insurance Company		
Commercial Pollution and Mold Legal Liability	3,000,000	100000 - 250,000
Public Employees' Faithful Performance Bonds -		
Selective Insurance Company of America		
Surety Bond - Treasurer	168,000	
Surety Bond - Board Secretary/Business Administrator	20,000	

Source: District Records.

SINGLE AUDIT SECTION

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HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

EXHIBIT K-1

INDEPENDENT AUDITOR’S 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

Honorable President and Members
of the Board of Education
Elk Township School District
County of Gloucester
Elk Township, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Elk Township School District (the “School District”) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District’s basic financial statements, and have issued our report thereon dated March 9, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School District’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the School District’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School District's financial statements are free from 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Purpose of this Report

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

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC.
Certified Public Accountants & Advisors

Michael Holt
Certified Public Accountant
Public School Accountant, No. 1148

Medford, New Jersey
March 9, 2022



HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

EXHIBIT K-2

INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08

Honorable President and Members
of the Board of Education
Elk Township School District
County of Gloucester
Elk Township, New Jersey

Report on Compliance for Each Major State Program

We have audited the Elk Township School District’s (the “School District”) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the School District’s major state programs for the fiscal year ended June 30, 2021. The School District’s major state programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor’s Responsibility

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

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

Opinion on Each Major State Program

In our opinion, the School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School District's internal control over compliance with the types of requirements that could have a direct and material effect on each state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB's Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School 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 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 state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

Purpose of this Report

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

Respectfully Submitted,

HOLT MCNALLY & ASSOCIATES, INC.
Certified Public Accountants & Advisors

Michael Holt
Certified Public Accountant
Public School Accountant, No. 1148

Medford, New Jersey
March 9, 2022

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ELK TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED JUNE 30, 2021

FEDERAL AGENCY ASSISTANCE LISTING NUMBER	FEDERAL AGENCY IDENTIFICATION NUMBER	PASS THROUGH IDENTIFYING NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2020	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	ADJUSTMENTS	(ACCOUNTS RECEIVABLE)	DUPLICATE TO GRANTEE	UNEARNED REVENUE
U.S. DEPARTMENT OF AGRICULTURE												
Passed Through New Jersey Department of Agriculture:												
Child Nutrition Cluster:												
10.553	211N304N1099	100-010-3350-100	34,119	7/1/20-6/30/21	\$ -	\$ 32,013	\$ (34,119)	\$ -	\$ -	\$ (2,106)	\$ -	\$ -
10.555	201N304N1099	100-010-3350-098	45,650	7/1/19-6/30/20	(3,063)	3,063	-	-	-	-	-	-
10.555	211N304N1099	100-010-3350-098	55,382	7/1/20-6/30/21	(63)	51,739	(55,382)	-	-	(3,643)	-	-
10.555	201N304N1099	100-010-3350-098	63	7/1/19-6/30/20	(63)	1,025	(1,098)	-	-	(73)	-	-
10.555	211N304N1099	100-010-3350-098	1,098	7/1/20-6/30/21	Unavailable	11,992	(8,082)	-	-	-	-	3,910
10.555	201N304N1099	Unavailable	11,992	7/1/20-6/30/21	Unavailable	3,787	(3,787)	-	-	-	-	-
Total Child Nutrition Cluster												
					661	99,895	(102,468)	-	-	(5,822)	-	3,910
Total Enterprise Fund					661	99,895	(102,468)	-	-	(5,822)	-	3,910
U.S. DEPARTMENT OF TREASURY PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:												
Special Revenue Fund:												
21.019	SL70007	100-034-5120-515	18,873	3/1/20-12/31/21	-	18,873	(16,608)	-	-	-	-	2,265
COVID-19 School Re-Opening and Remote Learning												
COVID-19 Digital Divide												
21.019	SL70007	100-034-5120-516	23,834	7/1/20-10/31/20	-	23,834	(23,834)	-	-	-	-	-
Total COVID Relief Funds Cluster												
					-	18,873	(16,608)	-	-	-	-	2,265
					-	18,873	(16,608)	-	-	-	-	2,265
Total Special Revenue Fund												
					-	42,707	(40,442)	-	-	-	-	2,265
					-	42,707	(40,442)	-	-	-	-	2,265
U.S. DEPARTMENT OF AGRICULTURE PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:												
General Fund:												
93.778	206N51MAP	100-054-7540-211	2,368	7/1/20-6/30/21	-	2,368	(2,368)	-	-	-	-	-
Medical Assistance Program												
Total General Fund												
					-	2,368	(2,368)	-	-	-	-	-
Special Revenue Fund:												
84.010	S010A190030	100-034-5064-194	99,089	7/1/19-9/30/20	(67,727)	67,727	-	-	-	(84,498)	-	-
84.010	S010A20030	100-034-5064-194	95,906	7/1/20-9/30/21	-	-	(84,498)	-	-	-	-	-
Subtotal												
					-	67,727	(84,498)	-	-	(84,498)	-	-
84.367	S567A190029	100-034-5065-290	21,727	7/1/19-9/30/20	(10,975)	10,975	-	-	-	-	-	-
84.367	S567A20029	100-034-5065-290	8,190	7/1/20-9/30/21	-	-	(6,257)	-	-	(6,257)	-	-
Subtotal												
					(10,975)	10,975	-	-	-	-	-	-
84.365	S565A190009	100-034-5064-187	555	7/1/19-9/30/20	(16)	-	-	-	-	(16)	-	-
Subtotal												
					(16)	-	-	-	-	(16)	-	-
84.184	S184G190252	Unavailable	4,768	7/1/19-6/30/20	(3,741)	3,741	-	-	-	-	-	-
84.184	S184G200252	Unavailable	32,982	7/1/20-6/30/21	-	20,219	(32,979)	-	-	(12,760)	-	-
Subtotal												
					(3,741)	23,960	(32,979)	-	-	(12,760)	-	-
84.358	S538A141526	Unavailable	28,111	7/1/19-9/30/20	(58)	-	-	-	-	(58)	-	-
84.358	S538A141526	Unavailable	32,131	7/1/20-9/30/21	-	-	(3,600)	-	-	(3,600)	-	-
Subtotal												
					(58)	-	(3,600)	-	-	(3,658)	-	-
CARES Cluster:												
84.425D	S425D200027	100-034-5120-513	75,970	5/1/20-9/30/22	(50)	29,217	(33,113)	-	-	(3,946)	-	-
COVID-19 CARES Emergency Relief Grant												
					(50)	29,217	(33,113)	-	-	(3,946)	-	-
Total CARES Cluster:												
					(50)	29,217	(33,113)	-	-	(3,946)	-	-
Special Education Cluster:												
84.027	H027A190100	100-034-5065-016	102,068	7/1/19-9/30/20	(102,068)	102,068	-	-	-	-	-	-
84.027	H027A200100	100-034-5065-016	101,874	7/1/20-9/30/21	-	-	(101,874)	-	-	(101,874)	-	-
Subtotal												
					(102,068)	102,068	(101,874)	-	-	(101,874)	-	-
84.173	H173A200114	100-034-5065-016	2,841	7/1/20-9/30/21	-	-	(2,841)	-	-	(2,841)	-	-
Subtotal												
					-	-	(2,841)	-	-	(2,841)	-	-
Total Special Education Cluster												
					(102,068)	102,068	(104,715)	-	-	(104,715)	-	-
Total Special Revenue Fund												
					(184,635)	233,947	(265,162)	-	-	(215,890)	-	-
Total Federal Financial Assistance												
					\$ (185,974)	\$ 378,917	\$ (410,440)	\$ -	\$ -	\$ (221,672)	\$ -	\$ 6,175

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

**ELK TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF STATE FINANCIAL ASSISTANCE
FOR FISCAL YEAR ENDED JUNE 30, 2021**

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2020	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	REPAYMENT OF PRIOR YEARS BALANCES	MEMO		CUMULATIVE TOTAL
									BALANCE, JUNE 30, 2021	BUDGETARY RECEIVABLE	
State Department of Education:											
General Fund:											
State Aid Public:											
Equalization Aid	495-034-5120-078	1,921,984	7/1/20-6/30/21	\$ -	1,921,984	(1,921,984)	-	\$ -	\$ -	178,710	\$ 1,921,984
Special Education Categorical Aid	495-034-5120-089	195,091	7/1/20-6/30/21	-	195,091	(195,091)	-	-	-	18,140	195,091
Security Aid	495-034-5120-084	66,201	7/1/20-6/30/21	-	66,201	(66,201)	-	-	-	6,156	66,201
School Choice Aid	495-034-5120-085	152,456	7/1/20-6/30/21	-	152,456	(152,456)	-	-	-	14,176	152,456
Total State Aid Public					2,335,732	(2,335,732)				217,182	2,335,732
Transportation Aid	495-034-5120-014	148,655	7/1/20-6/30/21	-	148,655	(148,655)	-	-	-	13,822	148,655
Additional Nonpublic Transportation Aid	495-034-5120-014	6,380	7/1/20-6/30/21	-	-	(6,380)	-	-	(6,380)	-	6,380
Additional Nonpublic Transportation Aid	495-034-5120-014	1,450	7/1/19-6/30/20	(1,450)	1,450	-	-	-	-	-	-
Extraordinary Aid	495-034-5120-044	148,648	7/1/20-6/30/21	-	7,234	(155,882)	-	-	(148,648)	-	155,882
Extraordinary Aid	495-034-5120-044	72,214	7/1/19-6/30/20	(72,214)	72,214	-	-	-	-	-	-
Reimbursed TPAF Social Security	100-034-5094-003	174,357	7/1/20-6/30/21	-	162,948	(174,357)	-	-	(11,409)	-	174,357
Reimbursed TPAF Social Security	100-034-5094-003	173,975	7/1/19-6/30/20	(8,660)	8,660	-	-	-	-	-	-
Noncash Assistance:											
TPAF - Post Retirement Medical	495-034-5094-001	202,013	7/1/20-6/30/21	-	202,013	(202,013)	-	-	-	-	202,013
TPAF - Pension Contributions	495-034-5094-002	644,617	7/1/20-6/30/21	-	644,617	(644,617)	-	-	-	-	644,617
TPAF - Long-Term Disability Insurance	495-034-5094-004	247	7/1/20-6/30/21	-	247	(247)	-	-	-	-	247
Total General Fund Assistance				(82,324)	3,583,770	(3,667,883)			(166,437)	231,004	3,667,883
Special Revenue Fund:											
Preschool Education Aid	495-034-5120-086	65,370	7/1/20-6/30/21	-	65,370	(65,370)	-	-	-	6,537	65,370
Subtotal State Financial Assistance					65,370	(65,370)				6,537	65,370
State Department of Education:											
Debt Service Fund:											
Debt Service Aid Type II	495-034-5120-075	63,152	7/1/20-6/30/21	-	63,152	(63,152)	-	-	-	-	63,152
Total General Fund Assistance					63,152	(63,152)					63,152
State Department of Agriculture:											
Enterprise Fund:											
National School Lunch Program	100-010-3360-067	936	7/1/19-6/30/20	(49)	49	-	-	-	-	-	-
National School Lunch Program	100-010-3360-067	2,968	7/1/20-6/30/21	-	2,388	(2,968)	-	-	(580)	-	2,968
Total Enterprise Fund Assistance				(49)	2,437	(2,968)			(580)		2,968
Grand Total State Financial Assistance				\$ (82,373)	\$ 3,714,729	\$ (3,799,373)			\$ (167,017)	\$ 237,541	\$ 3,799,373
State Financial Assistance Programs Not Subject to Calculation for Major Program Determination:											
TPAF - Post Retirement Medical (Noncash Assistance)	202,013	7/1/20-6/30/21				202,013					
TPAF - Pension Contributions (Noncash Assistance)	644,617	7/1/20-6/30/21				644,617					
TPAF - Long-Term Disability Insurance (Noncash Assistance)	247	7/1/20-6/30/21				247					
Total State Financial Assistance subject to Major Program Determination						\$ (2,952,496)					

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

**ELK TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Note 1. Basis of Presentation

The accompanying schedules of expenditures of federal awards and state financial assistance present the activity of all federal awards and state financial assistance programs of the Elk Township School District. The School District is defined in Note 1 of the basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. 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. Summary of Significant Accounting Policies

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the following exception: programs recorded in the enterprise fund are presented using the accrual basis of accounting and programs recorded in the capital projects fund are presented using the modified accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The School District did not elect the 10-percent de minimis indirect cost rate as discussed in 2 CFR 200.414.

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the School District for the year ended June 30, 2021. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2021.

Note 3. Relationship to Basic Financial Statements

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

**ELK TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Note 3. Relationship to Basic Financial Statements (continued)

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A.* 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with *N.J.S.A.* 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$14,765 for the general fund and (\$2,900) for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, 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 expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 2,368	\$ 3,682,648	\$ 3,685,016
Special Revenue Fund	305,384	62,690	368,074
Debt Service Fund	-	63,152	63,152
Food Service Fund	102,468	2,968	105,436
	<u>102,468</u>	<u>2,968</u>	<u>105,436</u>
Total Awards & Financial Assistance	<u>\$ 410,220</u>	<u>\$ 3,811,458</u>	<u>\$ 4,221,678</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. Federal and State Loans Outstanding

The Elk Township School District had no loan balances outstanding at June 30, 2021.

**ELK TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified? yes X no

2) Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards - NOT APPLICABLE

Internal control over major programs:

1) Material weakness(es) identified? yes no

2) Significant deficiency(ies) identified? 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 2 CFR 200 section .516(a) of Uniform Guidance? yes no

Identification of major programs:

CFDA Number(s) FAIN Number(s) Name of Federal Program or Cluster

NOT APPLICABLE

Dollar threshold used to determine Type A programs _____

Auditee qualified as low-risk auditee? yes no

**ELK TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Section II – Financial Statement Findings

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

None.

Section III – Federal Awards & State Financial Assistance Findings & Questioned Costs

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey OMB's Circular 15-08.

FEDERAL AWARDS – N/A

STATE FINANCIAL ASSISTANCE – None.

**ELK TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

Financial Statement Findings – None.

Federal Awards – N/A

State Financial Assistance – None.