

ELK TOWNSHIP SCHOOL DISTRICT

Elk Township, New Jersey
County of Gloucester

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2025



ANNUAL COMPREHENSIVE FINANCIAL REPORT

OF THE

ELK TOWSHIP SCHOOL DISTRICT

ELK TOWNSHIP, NEW JERSEY

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Prepared by

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

OUTLINE OF ACFR

PAGE

INTRODUCTORY SECTION

Letter of Transmittal	1
Organizational Chart	8
Roster of Officials	9
Consultants and Advisors	10

FINANCIAL SECTION

Independent Auditors' Report	12
------------------------------	----

REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion & Analysis	17
------------------------------------	----

BASIC FINANCIAL STATEMENTS

A. Government-Wide Financial Statements:	
A-1 Statement of Net Position	27
A-2 Statement of Activities	28

B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	31
B-2 Statement of Revenues, Expenditures & Changes in Fund Balance	32
B-3 Reconciliation of the Statement of Revenues, Expenditures & Changes in Fund Balance of Governmental Funds to the Statement of Activities	33
Proprietary Funds:	
B-4 Statement of Net Position	35
B-5 Statement of Revenues, Expenditures & Changes in Fund Net Position	36
B-6 Statement of Cash Flows	37

Notes to Financial Statements	39
-------------------------------	----

REQUIRED SUPPLEMENTARY INFORMATION - PART II

C. Budgetary Comparison Schedules:	
C-1 Budgetary Comparison Schedule - General Fund	81
C-1a Combining Schedule of Revenue, Expenditures & Changes in Fund Balance - Budget & Actual	N/A
C-1b Education Jobs Fund Program - Budget & Actual	N/A
C-2 Budgetary Comparison Schedule - Special Revenue Fund	87

Notes to the Required Supplementary Information - Part II	
C-3 Budget-to-GAAP Reconciliation	89

REQUIRED SUPPLEMENTARY INFORMATION - PART III

L. Schedules Related to Accounting and Reporting for Pensions (GASB 68):	
L-1 Schedule of the District's Proportionate Share of the Net Pension Liability - PERS	92
L-2 Schedule of District Contributions - PERS	93
L-3 Schedule of the District's Proportionate Share of the Net Pension Liability - TPAF	94
L-4 Schedule of School District Contributions	95
M. Schedules Related to Accounting and Reporting for Other Post-Employment Benefits (GASB 75):	
M-1 Schedule of Change in the Net OPEB Liability and Related Ratios - OPEB	97
Notes to the Required Supplementary Information - Part III	98
D. School Based Budget Schedules Fund:	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund - Schedule of Expenditures Allocated by Resource Type - Actual	N/A
D-3 Blended Resource Fund - Schedule of Blended Expenditures - Budget & Actual	N/A
E. Special Revenue Fund:	
E-1 Combining Schedule of Revenues & Expenditures - Special Revenue Fund - Budgetary Basis	102
E-2 Preschool Education Aid Schedule(s) of Expenditures - Budgetary Basis	104
F. Capital Projects Fund:	
F-1 Summary Statement of Project Expenditures	106
F-2 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis	107
F-2a Schedule of Revenues, Expenditures, Project Balance & Project Status - Budgetary Basis	108
G. Proprietary Funds:	
Enterprise Funds:	
G-1 Combining Statement of Net Position	111
G-2 Combining Statement of Revenues, Expenses & Changes in Fund Net Position	112
G-3 Combining Statement of Cash Flows	113
Internal Service Funds:	
G-4 Combining Statement of Net Position	115
G-5 Combining Statement of Revenues, Expenses & Changes in Fund Net Position	116
G-6 Combining Statement of Cash Flows	117
I. Long-Term Debt:	
I-1 Schedule of Serial Bonds	N/A
I-2 Schedule of Financed Purchases	119
I-3 Debt Service Fund Budgetary Comparison Schedule	N/A

STATISTICAL SECTION (unaudited)

Financial Trends:

J-1 Net Position by Component	122
J-2 Changes in Net Position	123
J-3 Fund Balances - Governmental Funds	126
J-4 Changes in Fund Balance - Governmental Funds	127
J-5 Other Local Revenue by Source - General Fund	129

Revenue Capacity:

J-6 Assessed Value & Estimated Actual Value of Taxable Property	130
J-7 Direct & Overlapping Property Tax Rates	131
J-8 Principal Property Taxpayers	132
J-9 Property Tax Levies & Collections	133

Debt Capacity:

J-10 Ratios of Outstanding Debt by Type	135
J-11 Ratios of General Bonded Debt Outstanding	136
J-12 Direct & Overlapping Governmental Activities Debt	137
J-13 Legal Debt Margin Information	138

Demographic & Economic Information:

J-14 Demographic & Economic Statistics	140
J-15 Principal Employers	141

Operating Information:

J-16 Full-Time Equivalent District Employees by Function/Program	143
J-17 Operating Statistics	144
J-18 School Building Information	145
J-19 Schedule of Required Maintenance	146
J-20 Insurance Schedule	147

SINGLE AUDIT SECTION

K-1 Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	149
K-2 Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance and New Jersey OMB Circular 15-08	151
K-3 Schedule of Expenditures of Federal Awards, Schedule A	155
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	156
K-5 Notes to Schedules of Awards and Financial Assistance	157
K-6 Schedule of Findings & Questioned Costs	160
K-7 Summary Schedule of Prior Audit Findings	164

INTRODUCTORY SECTION



Elk Township School District
AURA ELEMENTARY SCHOOL

900 Clems Run • Glassboro, NJ 08028 • 856-881-4551 • www.auraelementary.us

Fran Ciociola, Superintendent • Dr. Anthony Fitzpatrick, Assistant Superintendent • Joseph Collins, Business Administrator
Dr. Brian Madden, Principal • Mary Beth Warfield, Director of Special Services/CST

November 24, 2025

Honorable President and
Members of the Board of Education
Elk Township School District
900 Clems Run
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, 2025, 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, 2025, 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 audit in conformity with the provisions of the Single Audit Act of 1984, as amended, the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations," and the New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments. Information related to this single audit, including the auditors' reports on the internal control structure and compliance with applicable laws and regulations, and findings and recommendations, if any, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES:

The Elk Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (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 2024-25 fiscal year with an average daily enrollment of 362 students, which is the same number of students as the previous year's enrollment.

The teaching staff consists of approximately thirty-six 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 American Reading Company CORE program. They also participate in a STEAM program which occurs during extended learning time.



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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 remedial program appropriate to their needs. A summer program occurs that focuses on improving students' ELA and math skills.

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.

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 one-hundred and twenty minutes of instructional time daily in language arts, eighty minutes in mathematics and forty minutes in science and social studies. Art, music, physical education, and computers take place weekly and additional choice electives in the related arts provide opportunities beyond the minimum access to state standards and requirements..

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.



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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 manipulatives while supporting student progress with an adaptive online assessment tool. Grades K-6 also have push-in and pull-out instructional support/intervention in ELA and mathematics. Our ELA intervention and support programs are Achieve3000, Orton-Gillingham, 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. Lalilo is used with Kindergarten through second grade for those struggling beginning readers. 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.



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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 enhancing writing instruction, high effect-size instructional strategies, 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.



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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.

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 was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 and the related OMB Circular A-133 and New Jersey OMB's Circular 15-08. The auditor's report on the basic financial statements and combining and individual fund statements



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and schedules are 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,

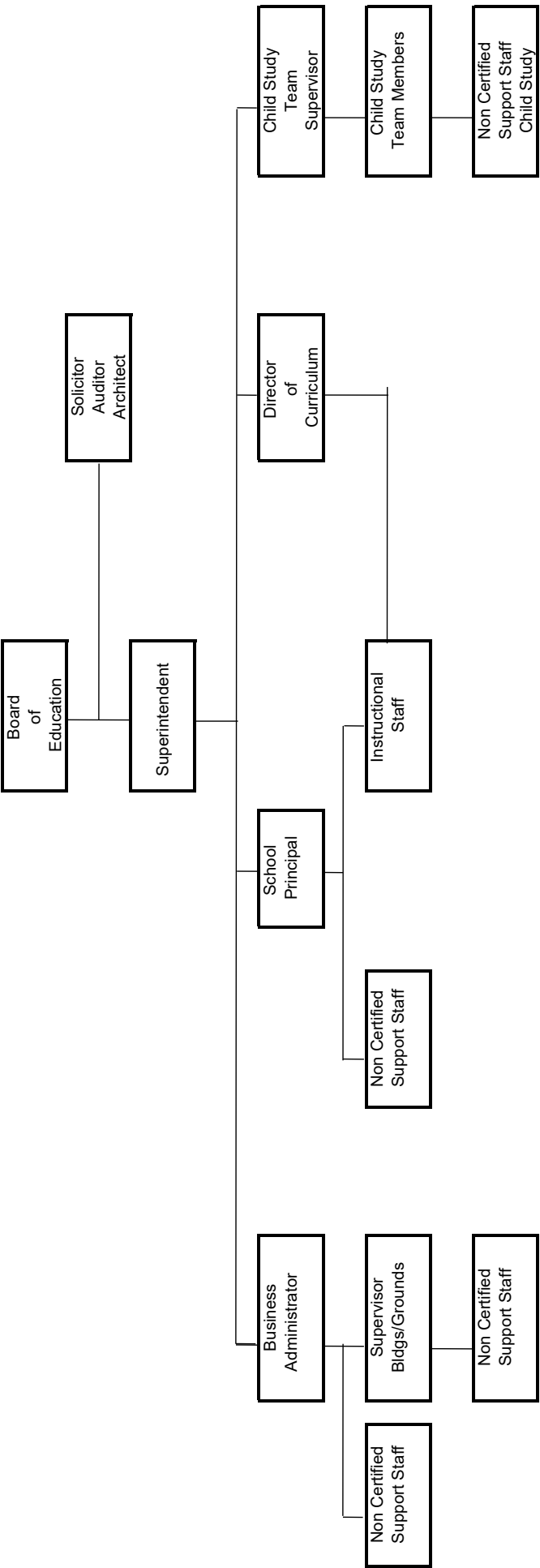
Francis Ciociola

Francis Ciociola
Superintendent

Joseph M. Collins

Joseph M. Collins, CPA
Business Administrator/Board Secretary

ELK TOWNSHIP BOARD OF EDUCATION
ORGANIZATIONAL CHART



Technology Staff - Contracted Service

ELK TOWNSHIP SCHOOL DISTRICT
900 Clems Run
Glassboro, NJ 08028

ROSTER OF OFFICIALS

June 30, 2025

MEMBERS OF THE BOARD OF EDUCATION

TERM EXPIRES

Joyce Massott-Burnett, President	2026
Angelique Stoney-Siplin, Vice President	2027
Clleen Barbaro	2027
J. Wilson Hughes, Jr.	2027
Lynette Peterson	2025
Cheryl L . Potter	2026
Eugene Thomas	2025
Sara Ruczynski	2025
Jacqueline Wraight	2026

OTHER OFFICIALS

Mr. Francis Ciociola, Superintendent

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

Stephen Considine, Treasurer

Frank P. Cavallo, Jr., Esquire, Solicitor

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

CONSULTANTS AND ADVISORS

ARCHITECTS

Garrison Architects
713 Creek Road
Bellmawr, NJ 08031

AUDIT FIRM

Andrew Lee, CPA, PSA
Holt McNally & Associates, Inc.
105 Atsion Road, Suite I
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

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

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

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Elk Township School District, County of Gloucester, State of New Jersey, as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

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 and each major fund of the Elk Township School District, County of Gloucester, State of New Jersey, as of June 30, 2025, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School District, and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any current known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* and in accordance with accounting principles and practices prescribed by the Office of School Finance, Department of Education, State of New Jersey will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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 and other post-employment benefits, as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The combining and individual fund statements and long-term debt schedules are presented for purposes of additional analysis, as required by the Office of School 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State of New Jersey Circular 15-08-OMB, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, are also presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 statements and related major fund supporting statements and schedules, and 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with the audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 24, 2025 on our consideration of the School 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 School 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 School District's internal control over financial reporting and compliance.

Respectfully submitted,

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

Andrew Lee
Certified Public Accountant
Public School Accountant, No. 2737

Medford, New Jersey
November 24, 2025

REQUIRED SUPPLEMENTARY INFORMATION - PART I

TOWNSHIP OF ELK SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(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, 2025. 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.

TOWNSHIP OF ELK SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited) (Continued)

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*.

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.

TOWNSHIP OF ELK SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited) (Continued)

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

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.

Table 1 provides a summary of the School Districts net position for the fiscal years 2025 compared to fiscal year 2024.

Table 1
Summary of Net Position

	June 30, 2025	June 30, 2024	Increase/ (Decrease)	Percentage Change
Current & Other Assets	\$ 3,299,716	\$ 3,992,089	\$ (692,373)	-17.3%
Capital Assets, Net	2,597,183	2,658,014	(60,831)	-2.3%
Total Assets	<u>5,896,899</u>	<u>6,650,103</u>	<u>(753,204)</u>	-11.3%
Deferred Outflow of Resources	<u>138,199</u>	<u>154,598</u>	<u>(16,399)</u>	-10.6%
Current and other Liabilities	139,635	200,752	(61,117)	-30.4%
Noncurrent Liabilities	1,122,949	1,315,053	(192,104)	-14.6%
Total Liabilities	<u>1,262,584</u>	<u>1,515,805</u>	<u>(253,221)</u>	-16.7%
Deferred Inflow of Resources	<u>50,334</u>	<u>95,599</u>	<u>(45,265)</u>	100.0%
Net Position:				
Net Investment in Capital Assets	2,530,375	2,535,594	(5,219)	-0.2%
Restricted	2,342,102	2,747,334	(405,232)	-14.8%
Unrestricted (Deficit)	(150,297)	(89,631)	(60,666)	67.7%
Total Net Position	<u>\$ 4,722,180</u>	<u>\$ 5,193,297</u>	<u>\$ (471,117)</u>	-9.1%

TOWNSHIP OF ELK SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited) (Continued)

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

Table 2 shows the changes in net position for fiscal year 2025 compared to fiscal year 2024.

Table 2
Summary of Changes in Net Position

	June 30, 2025	June 30, 2024	Increase/ (Decrease)	Percentage Change
Revenues:				
Program Revenues:				
Charges for Services	\$ 111,357	\$ 138,412	\$ (27,055)	-19.5%
Operating Grants & Contributions	2,430,886	2,382,165	48,721	2.0%
General Revenues:				
Property Taxes	3,723,332	3,651,015	72,317	2.0%
Federal & State Aid	2,549,751	2,656,896	(107,145)	-4.0%
Other General Revenues	382,322	277,492	104,830	37.8%
Total Revenues	<u>9,197,648</u>	<u>9,105,980</u>	<u>91,668</u>	<u>1.0%</u>
Function/Program Expenditures:				
Regular Instruction	2,112,406	1,825,475	286,931	15.7%
Special Education Instruction	1,199,920	1,314,833	(114,913)	-8.7%
Other Instruction	7,909	8,697	(788)	-9.1%
Tuition	495,044	617,654	(122,610)	-19.9%
Student & Instruction Related Services	1,853,630	1,461,053	392,577	26.9%
General Administrative Services	231,305	278,772	(47,467)	-17.0%
School Administrative Services	350,867	338,369	12,498	3.7%
Plant Operations & Maintenance	618,569	574,974	43,595	7.6%
Pupil Transportation	1,035,899	693,567	342,332	49.4%
Unallocated Benefits	1,339,465	1,396,277	(56,812)	-4.1%
Interest & Other Charges	7,702	3,394	4,308	126.9%
Unallocated Depreciation	214,232	222,466	(8,234)	-100.0%
Food Service	201,817	177,092	24,725	14.0%
Total Expenditures	<u>9,668,765</u>	<u>8,912,623</u>	<u>756,142</u>	<u>8.5%</u>
Change In Net Position	(471,117)	193,357	(664,474)	-343.7%
Net Position - Beginning	<u>5,193,297</u>	<u>4,999,940</u>	<u>193,357</u>	<u>3.9%</u>
Net Position - Ending	<u>\$ 4,722,180</u>	<u>\$ 5,193,297</u>	<u>\$ (471,117)</u>	<u>-9.1%</u>

Governmental Activities

During the fiscal year 2025, the net position of governmental activities decreased by \$460,785. The assets and deferred outflows of the primary government activities exceeded liabilities and deferred inflows by \$4,319,965, with an unrestricted deficit balance of (\$452,804). 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 2% 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, 2025
(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)	\$ (452,804)
Add back: PERS Pension Liability	728,403
Less: Deferred Outflows related to pensions	(138,199)
Add back: Deferred Inflows related to pensions	<u>50,334</u>
Unrestricted Net Position (Without GASB 68)	<u>\$ 187,734</u>

Business-type Activities

During the fiscal year 2025, the net position of business-type activities decreased by \$10,332.

The assets and deferred outflows of the business-type activities exceeded liabilities and deferred inflows by \$402,215.

General Fund Budgeting Highlights

Final budgeted revenues were \$6,135,937, which was no change from the original budget. Excluding nonbudgeted revenues, the School District's budgeted revenues exceeded actual revenues by \$467,314.

Final budgeted appropriations were \$7,451,584, which was an increase of \$399,263 from the original budget. The increase is 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 \$301,013.

The School District's general fund balance – budgetary basis (Exhibit C-1) was \$3,004,471 at June 30, 2025, an decrease of \$547,310 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 \$2,699,528, a decrease of \$503,784 from the prior year.

General fund - During the current fiscal year, the fund balance of the School District's general fund decreased by \$495,650 to \$2,800,150 at June 30, 2025.

TOWNSHIP OF ELK SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited) (Continued)

Governmental Funds (continued)

Special revenue fund - During the current fiscal year, the fund balance of the School District's special revenue fund decreased by \$8,134 to \$(104,002) at June 30, 2025.

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

Proprietary Funds

Food service fund - During the current fiscal year, the net position of the School District's food service fund decreased by \$10,332 to \$179,214 at June 30, 2025.

Childcare fund - There was no change in net position for the Childcare fund.

Capital Assets

The School District's capital assets for its governmental and business-type activities as of June 30, 2025, totaled \$2,597,183 (net of accumulated depreciation). Capital assets includes land, land improvements, buildings and improvements and equipment. The School District's "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 capital assets for the current fiscal year in the amount of \$(60,831). Table 4 shows fiscal 2025 balances compared to 2024.

Table 4
Summary of Capital Assets

	June 30, 2025	June 30, 2024	Increase/ (Decrease)	Percentage Change
Capital Asset (Net of Depreciation):				
Land	\$ 45,404	\$ 45,404	\$ -	0.0%
Building and Improvements	2,096,033	2,298,680	(202,647)	-8.8%
Equipment	455,746	313,930	141,816	45.2%
	<u>\$ 2,597,183</u>	<u>\$ 2,658,014</u>	<u>\$ (60,831)</u>	-2.3%

Depreciation expense for the year was \$221,381. 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, 2025
(Unaudited) (Continued)

Debt Administration

Long-term debt – At the end of the current fiscal year, the School District had total bonded debt outstanding of \$0.

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.

**TOWNSHIP OF ELK SCHOOL DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025
(Unaudited) (Continued)**

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 Francis Ciociola, Superintendent, or Joseph M. Collins, Business Administrator/Board Secretary at Elk Township Board of Education, 900 Clems Run, Glassboro, NJ 08028

BASIC FINANCIAL STATEMENTS

A. District-Wide Financial Statements

**ELK TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025**

ASSETS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Cash & Cash Equivalents	\$ 761,402	\$ 366,576	\$ 1,127,978
Receivables, Net (Note 4)	713,463	5,486	718,949
Inventory	-	3,240	3,240
Other Current Assets	62,139	-	62,139
Restricted Cash & Cash Equivalents	1,158,681	-	1,158,681
Right to Use Asset (Note 19)	228,729	-	228,729
Capital Assets, Net (Note 5)			
Non-Depreciable	45,404	-	45,404
Depreciable	2,452,071	99,708	2,551,779
Total Assets	5,421,889	475,010	5,896,899
DEFERED OUTFLOW OF RESOURCES			
Related to Pensions (Note 8)	138,199	-	138,199
Total Deferred Outflow of Resources	138,199	-	138,199
Total Assets and Deferred Outflow of Resources	5,560,088	475,010	6,035,098
LIABILITIES			
Accounts Payable	19,366	27,896	47,262
Internal Balances	(42,500)	42,500	-
Due to Other Governments	71,708	-	71,708
Unearned Revenue	18,266	2,399	20,665
Noncurrent Liabilities (Note 7):			
Due Within One Year	132,232	-	132,232
Due Beyond One Year	990,717	-	990,717
Total Liabilities	1,189,789	72,795	1,262,584
DEFERED INFLOW OF RESOURCES			
Deferred Inflows Related to Pensions (Note 8)	50,334	-	50,334
Total Deferred Inflow of Resources	50,334	-	50,334
Total Liabilities and Deferred Inflow of Resources	1,240,123	72,795	1,312,918
NET POSITION			
Net Investment in Capital Assets	2,430,667	99,708	2,530,375
Restricted For:			
Capital Projects	829,100	-	829,100
Excess Surplus	1,162,995	-	1,162,995
Maintenance Reserve	300,200	-	300,200
Unemployment Compensation	32,761	-	32,761
Scholarships	1,215	-	1,215
Student Activities	15,831	-	15,831
Unrestricted	(452,804)	302,507	(150,297)
Total Net Position	\$ 4,319,965	\$ 402,215	\$ 4,722,180

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, 2025**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		TOTAL
		CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES	
Governmental Activities:						
Instruction:						
Regular	\$ 2,112,406	\$ -	\$ -	\$ (2,112,406)	\$ -	\$ (2,112,406)
Special Education	1,199,920	-	755,175	(444,745)	-	(444,745)
Other Instruction	7,909	-	-	(7,909)	-	(7,909)
Support Services:						
Tuition	495,044	-	-	(495,044)	-	(495,044)
Student & Instruction Related Services	1,853,630	-	1,002,613	(851,017)	-	(851,017)
Health Services	104,228	-	-	(104,228)	-	(104,228)
Educational Media Services/School Library	2,523	-	-	(2,523)	-	(2,523)
School Administrative Services	138,775	-	-	(138,775)	-	(138,775)
General Administration	124,554	-	-	(124,554)	-	(124,554)
Central Services	127,970	-	-	(127,970)	-	(127,970)
Administrative Information Technology	84,122	-	-	(84,122)	-	(84,122)
Plant Operations & Maintenance	618,569	-	-	(618,569)	-	(618,569)
Pupil Transportation	1,035,899	41,902	-	(993,997)	-	(993,997)
Unallocated Benefits	1,339,465	3,198	548,354	(787,913)	-	(787,913)
Interest and Charges on Long-Term Debt	7,702	-	-	(7,702)	-	(7,702)
Unallocated Depreciation	214,232	-	-	(214,232)	-	(214,232)
 Total Governmental Activities	 9,466,948	 45,100	 2,306,142	 (7,115,706)	 -	 (7,115,706)
Business-Type Activities:						
Food Service	201,817	66,257	124,744	-	(10,816)	(10,816)
 Total Business-Type Activities	 201,817	 66,257	 124,744	 -	 (10,816)	 (10,816)
 Total Primary Government	 \$ 9,668,765	 \$ 111,357	 \$ 2,430,886	 (7,115,706)	 (10,816)	 (7,126,522)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes				3,723,332	-	3,723,332
Federal & State Aid Not Restricted				2,549,751	-	2,549,751
Tuition Charges				187,548	-	187,548
Investment Earnings				-	484	484
Miscellaneous Income				194,290	-	194,290
 Total General Revenues, Special Items, Extraordinary Items & Transfers				 6,654,921	 484	 6,655,405
Change In Net Position				(460,785)	(10,332)	(471,117)
Net Position - Beginning				<u>4,780,750</u>	<u>412,547</u>	<u>5,193,297</u>
Net Position - Ending				<u>\$ 4,319,965</u>	<u>\$ 402,215</u>	<u>\$ 4,722,180</u>

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

B. Fund Financial Statements

Governmental Funds

**ELK TOWNSHIP SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2025**

ASSETS	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	TOTAL
Cash & Cash Equivalents	\$ 740,894	\$ 17,046	\$ 3,462	\$ 761,402
Receivables from Other Governments	393,225	275,138	-	668,363
Interfund Accounts Receivable	457,595	-	-	457,595
Other Assets	62,139	-	-	62,139
Restricted Cash & Cash Equivalents	1,158,681	-	-	1,158,681
Total Assets	\$ 2,812,534	\$ 292,184	\$ 3,462	\$ 3,108,180

LIABILITIES & FUND BALANCES

Liabilities:				
Accounts Payable	\$ 12,384	\$ 6,909	\$ -	\$ 19,293
Interfund Accounts Payable	-	371,011	82	371,093
Unearned Revenue	-	18,266	-	18,266
Total Liabilities	12,384	396,186	82	408,652

Fund Balances:

Restricted for:				
Maintenance Reserve	300,200	-	-	300,200
Capital Reserve Account	825,720	-	-	825,720
Excess Surplus - Designated for Subsequent Year's Expenditures	725,151	-	-	725,151
Excess Surplus	437,844	-	-	437,844
Unemployment Fund	32,761	-	-	32,761
Capital Projects Fund	-	-	3,380	3,380
Scholarships	-	1,215	-	1,215
Student Activities	-	15,831	-	15,831
Assigned to:				
Other Purposes	167,169	-	-	167,169
Designated for Subsequent Year	110,941	-	-	110,941
Unassigned:				
General Fund	200,364	-	-	200,364
Special Revenue Fund	-	(121,048)	-	(121,048)
Total Fund Balances	2,800,150	(104,002)	3,380	2,699,528
Total Liabilities & Fund Balances	\$ 2,812,534	\$ 292,184	\$ 3,462	

**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 \$8,476,455 and the accumulated depreciation is \$5,978,980.	\$ 2,497,475
Right to use leased assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$392,107 and the accumulated amortization is \$163,378.	228,729
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	138,199
Deferred Inflows related to pensions	(50,334)
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, 2025 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.	(71,708)
Long-term liabilities, including net pension liability, loans payable and bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(1,122,949)
Net position of Governmental Activities	\$ 4,319,965

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, 2025**

	GENERAL FUND	SPECIAL REVENUE FUND	CAPITAL PROJECTS FUND	TOTAL
Revenues:				
Local Sources:				
Local Tax Levy	\$ 3,723,332	\$ -	\$ -	\$ 3,723,332
Tuition	187,548	-	-	187,548
Miscellaneous	194,280	13,042	10	207,332
Total Local Sources	4,105,160	13,042	10	4,118,212
State Sources	3,948,025	1,171,725	-	5,119,750
Federal Sources	-	573,021	-	573,021
Total Revenues	8,053,185	1,757,788	10	9,810,983
Expenditures:				
Current Expense:				
Regular Instruction	2,168,018	-	-	2,168,018
Special Education Instruction	373,129	826,791	-	1,199,920
Other Instruction	7,909	-	-	7,909
Support Services:				
Tuition	495,044	-	-	495,044
Student & Instruction Related Services	851,017	1,002,613	-	1,853,630
Health Services	104,228	-	-	104,228
Educational Media Services/ School Library	2,523	-	-	2,523
Instructional Staff Training	4,177	-	-	4,177
General Administrative	120,377	-	-	120,377
School Administrative Services	138,775	-	-	138,775
Central Services	127,970	-	-	127,970
Administrative Information Technology	84,122	-	-	84,122
Plant Operations & Maintenance	618,569	-	-	618,569
Pupil Transportation	993,997	-	-	993,997
Employee Benefits	880,304	-	-	880,304
On Behalf TPAF Pension and Social Security Contributions	1,398,274	-	-	1,398,274
Debt Service:				
Interest & Other Charges	3,130	-	-	3,130
Capital Outlay	25,972	87,828	-	113,800
Total Expenditures	8,397,535	1,917,232	-	10,314,767
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(344,350)	(159,444)	10	(503,784)
Other Financing Sources/(Uses):				
Transfers In	10	151,310	-	151,320
Transfers Out	(151,310)	-	(10)	(151,320)
Total Other Financing Sources & Uses	(151,300)	151,310	(10)	-
Net Change in Fund Balances	(495,650)	(8,134)	-	(503,784)
Fund Balances, July 1	3,295,800	(95,868)	3,380	3,203,312
Fund Balances June 30	<u>\$ 2,800,150</u>	<u>\$ (104,002)</u>	<u>\$ 3,380</u>	<u>\$ 2,699,528</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, 2025**

Total Net Change in Fund Balances - Governmental Funds (From B-2)	\$	(503,784)
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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	(214,232)	
Capital Outlays	113,800	(100,432)

Repayment of long-term debt principal, capital leases 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.	80,189
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In the statement of activities, the reduction for financed purchases 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.	55,612
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Governmental funds recognize the right to use leased assets as a revenue when the lease is first entered, whereas these amount are deferred and amortized in the statement of activities.	(84,761)
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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.	75,813
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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 (+).	16,578
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Change in Net Position of Governmental Activities	\$	(460,785)
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The accompanying Notes to Financial Statements are an integral part of this statement.

Proprietary Funds

**ELK TOWNSHIP SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
FOR FISCAL YEAR ENDED JUNE 30, 2025**

ASSETS	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		TOTAL	GOVERNMENTAL ACTIVITIES-
	FOOD SERVICE FUND	CHILD CARE		INTERNAL SERVICE FUND
Current Assets:				
Cash & Cash Equivalents	\$ 143,575	\$ 223,001	\$ 366,576	\$ -
Receivables from Other Governments	5,486	-	5,486	45,100
Inventories	3,240	-	3,240	-
Total Current Assets	152,301	223,001	375,302	45,100
Fixed Assets:				
Equipment	173,400	-	173,400	-
Accumulated Depreciation	(73,692)	-	(73,692)	-
Total Fixed Assets	99,708	-	99,708	-
Total Assets	252,009	223,001	475,010	45,100
LIABILITIES				
Current Liabilities:				
Accounts Payable	27,896	-	27,896	73
Unearned Revenue	2,399	-	2,399	-
Interfund Payable	42,500	-	42,500	44,002
Total Current Liabilities	72,795	-	72,795	44,075
Total Liabilities	72,795	-	72,795	44,075
NET POSITION				
Investment in Capital Assets	99,708	-	99,708	-
Unrestricted	79,506	223,001	302,507	1,025
Total Net Position	\$ 179,214	\$ 223,001	\$ 402,215	\$ 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, 2025**

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND			GOVERNMENTAL ACTIVITIES- INTERNAL SERVICE FUND
	FOOD SERVICE FUND	CHILD CARE	TOTAL	
Operating Revenue:				
Daily Sales - Reimbursable Programs	\$ 28,060	\$ -	\$ 28,060	\$ -
Daily Sales - Nonreimbursable Programs	34,010	-	34,010	-
Services Provided to Other Governmental Entities	-	-	-	45,100
Special Functions	4,187	-	4,187	-
Total Operating Revenues	66,257	-	66,257	45,100
Operating Expenses:				
Salaries	60,259	-	60,259	41,902
Employee Benefits	11,751	-	11,751	3,198
Supplies and Materials	6,215	-	6,215	-
Other Purchased Services	19,450	-	19,450	-
Depreciation	7,149	-	7,149	-
Miscellaneous Other Expenses	14,626	-	14,626	-
Cost of Sales - Reimbursable Programs	38,712	-	38,712	-
Cost of Sales - Non-Reimbursable Programs	43,655	-	43,655	-
Total Operating Expenses	201,817	-	201,817	45,100
Operating (Loss)/Gain	(135,560)	-	(135,560)	-
Nonoperating Revenues/(Expenses):				
State Sources:				
State School Lunch Program	1,847	-	1,847	-
Working Class Families State Supplement	160	-	160	-
State School Breakfast Program	218	-	218	-
Summer EBT Program for Children	322	-	322	-
Breakfast After the Bell	114	-	114	-
Federal Sources:				
National School Lunch Program	54,688	-	54,688	-
Healthy Hunger-Free Kids Act	1,817	-	1,817	-
Local Food for Schools Cooperative Agreement Program	697	-	697	-
Food Distribution Program	19,612	-	19,612	-
National Breakfast Program	21,807	-	21,807	-
Supply Chain Assistance Funds	23,140	-	23,140	-
Pandemic EBT	322	-	322	-
Interest Revenue	484	-	484	-
Total Nonoperating Revenues/(Expenses):	125,228	-	125,228	-
Change in Net Position	(10,332)	-	(10,332)	-
Net Position - Beginning of Year	189,546	223,001	412,547	1,025
Total Net Position - End of Year	\$ 179,214	\$ 223,001	\$ 402,215	\$ 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, 2025**

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUND			GOVERNMENTAL ACTIVITIES- INTERNAL SERVICE FUND
	FOOD SERVICE FUND	CHILD CARE	TOTAL	
Cash Flows From Operating Activities:				
Receipts from Customers	\$ 40,092	\$ -	\$ 40,092	\$ 77,900
Payments to Employees	(60,259)	-	(60,259)	(77,900)
Payments for Employee Benefits	(11,751)	-	(11,751)	-
Payments to Suppliers	(70,901)	-	(70,901)	-
Net Cash Provided/(Used) by Operating Activities	(102,819)	-	(102,819)	-
Cash Flows From Capital Financing Activities:				
Purchase of Equipment	(46,750)	-	(46,750)	-
Net Cash Used by Capital Financing Activities	(46,750)	-	(46,750)	-
Cash Flows From Noncapital Financing Activities:				
Cash Received From State & Federal Reimbursements	122,706	-	122,706	-
Net Cash Provided by Noncapital Financing Activities	122,706	-	122,706	-
Cash Flows From Investing Activities:				
Interest & Dividends	484	-	484	-
Net Cash Provided by Investing Activities	484	-	484	-
Net Increase/(Decrease) in Cash & Cash Equivalents	(26,379)	-	20,371	-
Cash & Cash Equivalents, July 1	169,954	223,001	392,955	-
Cash & Cash Equivalents, June 30	\$ 143,575	\$ 223,001	\$ 413,326	\$ -

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

Cash Provided/(Used) by Operating Activities:				
Operating Income/(Loss)	\$(135,560)	\$ -	\$(135,560)	\$ -
Adjustments to Reconcile Operating Income/(Loss) to Cash Provided/(Used) by Operating Activities:				
Depreciation Expense	7,149	-	7,149	-
Change in Assets & Liabilities:				
(Increase)/Decrease in Accounts Receivable	-	-	-	32,800
(Increase)/Decrease in Interfund Receivable	-	-	-	-
(Increase)/Decrease in Inventory	1,143	-	1,143	-
Increase/(Decrease) in Unearned Revenue	(26,165)	-	(26,165)	-
Increase/(Decrease) in Accounts Payable	16,205	-	16,205	(32,800)
	34,409	-	34,409	-
Total Adjustments	32,741	-	32,741	-
Net Cash Provided/(Used) by Operating Activities	<u>\$ (102,819)</u>	<u>\$ -</u>	<u>\$ (102,819)</u>	<u>\$ -</u>

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

ELK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2025

**ELK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

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, 2025 of 362 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, 2025.

**ELK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

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

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.

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

**ELK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

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

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.

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.

**ELK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

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

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 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.

**ELK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

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

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).

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.

**ELK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

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

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 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.

**ELK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

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

The budget, as detailed on Exhibit C-1 and Exhibit C-2, 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 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.

**ELK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

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

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, 2025 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, 2025 (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.

**ELK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

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

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.

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.

**ELK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

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

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.
- 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, 2025.
- 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.

**ELK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

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

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

Statement No. 101, *Compensated Absences*, aligns the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Statement No. 101 is effective for reporting periods beginning after December 15, 2023. Management has implemented this standard for the fiscal year ended June 30, 2025, see Note 14.

**ELK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

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

Statement No. 102, *Certain Risk Disclosures*, requires a School District to disclose information about concentrations or constraints and related events that have occurred or have begun to occur that make a District vulnerable to a substantial impact. The standard will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. Statement No. 102 is effective for reporting periods beginning after June 15, 2024. Management has implemented this standard for the fiscal year ended June 30, 2025 and determined it has no material impact on the financial statements.

Recently Issued Accounting Pronouncements

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

Statement No. 103, *Financial Reporting Model Improvements*, requires that the information presented in the management's discussion and analysis (MD&A) be limited to the related topics discussed in five sections: 1) Overview of the Financial Statements, 2) Financial Summary, 3) Detailed Analyses, 4) Significant Capital Asset and Long-Term Financing Activity, and 5) Currently Known Facts, Decisions, or Conditions. The Statement emphasizes that the analysis provided in the MD&A should avoid unnecessary duplication by not repeating explanations that may be relevant to multiple sections and that boilerplate discussion should be avoided by presenting only the most relevant information. Statement No. 103 is effective for reporting periods beginning after June 15, 2025. Management has not yet determined the potential impact on the District's financial statements.

Statement No. 104, *Disclosure of Certain Capital Assets*, requires certain types of capital assets to be disclosed separately in the capital assets note disclosures. Lease assets recognized in accordance with Statement No. 87, intangible right-to-use assets recognized in accordance with Statement No. 94 and subscription assets recognized in accordance with Statement No. 96 should be disclosed separately by major class of underlying asset in the capital asset note disclosures. Statement No. 104 is effective for reporting periods beginning after June 15, 2025. Management has not yet determined the potential impact on the District's financial statements.

**ELK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

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, 2025, the School District's bank balance of \$2,904,397 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$ 2,887,919
Uninsured and Uncollateralized	<u>16,478</u>
	<u>\$ 2,904,397</u>

Investments

The School District had no investments at June 30, 2025.

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.

Capital Reserve

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.

**ELK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

Note 3. Reserve Accounts

The activity of the capital reserve for the July 1, 2024 to June 30, 2025 fiscal year is as follows:

Beginning Balance, July 1, 2024	\$ 825,720
Ending Balance, June 30, 2025	<u>\$ 825,720</u>

The June 30, 2025 LRFP balance of local support costs of uncompleted capital projects at June 30, 2025 was greater than the capital reserve balance.

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, 2024	\$ 300,200
Ending Balance, June 30, 2025	<u>\$ 300,200</u>

Note 4. Accounts Receivable

Accounts receivable at June 30, 2025 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:

Description	<u>Governmental Funds</u>			Total Governmental Activities	<u>Proprietary Funds</u>	
	General Fund	Special Revenue Fund	Internal Service Fund		Food Service Fund	Total Business-Type Activities
Federal Awards	\$ -	\$ 275,138	\$ -	\$ 275,138	\$ 5,354	\$ 5,354
State Awards	393,225	-	-	393,225	132	132
Other	-	-	45,100	45,100	-	-
Total	<u>\$ 393,225</u>	<u>\$ 275,138</u>	<u>\$ 45,100</u>	<u>\$ 713,463</u>	<u>\$ 5,486</u>	<u>\$ 5,486</u>

**ELK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2025 was as follows:

	Balance July 1, 2024	Additions	Retirements and Transfers	Balance June 30, 2025
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 45,404	\$ -	\$ -	\$ 45,404
Total Capital Assets not being depreciated	45,404	-	-	45,404
Capital Assets being depreciated:				
Site improvements	909,929	-	-	909,929
Buildings and building improvements	6,104,422	-	-	6,104,422
Machinery & equipment	1,302,900	113,800	-	1,416,700
Total Capital Assets being depreciated	8,317,251	113,800	-	8,431,051
Less: Accumulated Depreciation:				
Site improvements	(362,869)	(32,459)	-	(395,328)
Buildings and building improvements	(4,352,802)	(170,188)	-	(4,522,990)
Machinery & equipment	(1,049,077)	(11,585)	-	(1,060,662)
Total Accumulated Depreciation	(5,764,748)	(214,232)	-	(5,978,980)
Total Capital Assets being depreciated, net	2,552,503	(100,432)	-	2,452,071
Total Governmental Activities Capital Assets, net	\$ 2,597,907	\$ (100,432)	\$ -	\$ 2,497,475
Business-Type Activities:				
Machinery & equipment	\$ 126,650	\$ 46,750		\$ 173,400
	126,650	46,750	-	173,400
Less: Accumulated Depreciation:				
Machinery & equipment	(66,543)	(7,149)	-	(73,692)
	(66,543)	(7,149)	-	(73,692)
Total Business-Type Activities Capital Assets, net	\$ 60,107	\$ 39,601	\$ -	\$ 99,708

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

**ELK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

Note 6. Interfund Receivables, Payables and Transfers

Individual fund receivables/payables balances at June 30, 2025 are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 457,595	\$ -
Special Revenue Fund	-	371,011
Capital Projects Fund	-	82
Food Service Fund	-	42,500
Internal Service Fund	-	44,002
	<u>\$ 457,595</u>	<u>\$ 457,595</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	\$ 10	\$ 151,310
Special Revenue Fund	151,310	-
Capital Projects Fund	-	10
	<u>\$ 151,320</u>	<u>\$ 151,320</u>

The purpose of interfund transfers were for the transfer of interest earnings and local contributions for the preschool program.

Note 7. Long-Term Obligations

During the fiscal year-ended June 30, 2025 the following changes occurred in long-term obligations for the governmental and business-type activities:

	<u>Balance July 1, 2024</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2025</u>	<u>Balance Due Within One Year</u>
Governmental Activities:					
Financed Purchases	\$ 122,420	\$ -	\$ 55,612	\$ 66,808	\$ 50,439
Capital Lease	313,490	-	80,189	233,301	81,793
Compensated Absences	111,015	-	16,578	94,437	-
Net Pension Liability	768,128	-	39,725	728,403	-
	<u>\$ 1,315,053</u>	<u>\$ -</u>	<u>\$ 192,104</u>	<u>\$ 1,122,949</u>	<u>\$ 132,232</u>

**ELK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

Note 7. Long-Term Obligations

Financed purchases, compensated absences and net pension liability are liquidated by the general fund.

Bonds Payable

As of June 30, 2025, the School District had no outstanding bonds payable.

Bonds Authorized But Not Issued:

As of June 30, 2025, the School District had no authorized but not issued bonds.

Financed Purchases

The District has entered into financed purchase agreements for the acquisition of computers and technology equipment. The agreements range from three to five years and carry interest rates ranging from 3.17% to 4.41%. The following is a schedule of future minimum payments, together with the net present value of the minimum payments as of June 30, 2025.

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	\$ 50,439	\$ 4,141	\$ 54,580
2027	16,369	1,297	17,666
	<u>\$ 66,808</u>	<u>\$ 5,438</u>	<u>\$ 72,246</u>

Leases Payable

The School District has entered into a facility rental agreement. The lease agreements qualify as other than short-term leases under GASB 87, and therefore, have been recorded at present value of future minimum lease payments as of the date of their inception.

The future minimum lease obligations as of June 30, 2025 were as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2026	\$ 81,793	\$ 6,999	\$ 88,792
2027	83,429	4,545	87,974
2028	68,079	2,042	70,121
	<u>\$ 233,301</u>	<u>\$ 13,587</u>	<u>\$ 246,888</u>

**ELK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

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

**ELK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

Note 8. Pension Plans (continued):

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

an amortization of the unfunded accrued liability. Funding for the noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2024, the State's pension contribution was more 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 have determined 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 is 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, 2025, the School District reported a liability of \$728,403 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2024. 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, 2023, to the measurement date of June 30, 2024. 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, 2024. The School District's proportion measured as of June 30, 2024, was 0.00536%, which was an decrease of 0.000057% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the School District recognized full accrual pension expense/(benefit) of \$(2,868) in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2024 measurement date. At June 30, 2025 the School District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

**ELK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

Note 8. Pension Plans (continued):

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 14,591	\$ 1,939
Changes of Assumptions	905	8,288
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	33,774
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	50,995	6,333
School District Contributions Subsequent to Measurement Date	71,708	-
	<u>\$ 138,199</u>	<u>\$ 50,334</u>

\$138,199 reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is based on the estimated amount payable to the State due April 1, 2026 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. 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 June 30,	Amount
2025	\$ 17,651
2026	9,852
2027	(13,767)
2028	2,464
2029	(43)
	<u>\$ 16,157</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, 2025 (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, 2019	5.21	-
June 30, 2020	5.16	-
June 30, 2021	-	5.13
June 30, 2022	-	5.04
June 30, 2023	5.08	-
June 30, 2024	5.08	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2019	-	5.21
June 30, 2020	-	5.16
June 30, 2021	5.13	-
June 30, 2022	-	5.04
June 30, 2023	-	-
June 30, 2024	-	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2019	-	-
June 30, 2020	-	5.00
June 30, 2021	-	5.00
June 30, 2022	-	5.00
June 30, 2023	-	5.00
June 30, 2024	-	5.00
Changes in Proportion and Differences between Contributions and Pro Year of Pension Plan Deferral:		
June 30, 2019	5.21	5.21
June 30, 2020	5.16	5.16
June 30, 2021	5.13	5.13
June 30, 2022	5.04	5.04
June 30, 2023	5.08	5.08
June 30, 2024	5.08	5.08

**ELK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

Note 8. Pension Plans (continued):

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

Actuarial Assumptions – The collective total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following assumptions:

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases	2.75%-6.55% based on years of service
Investment Rate of Return	7.00%
Period of Actuarial Experience	
Study upon which Actuarial	
Assumptions were Based	July 1, 2018 - June 30, 2021

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-2021.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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, 2024) 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.

**ELK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

Note 8. Pension Plans (continued):

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

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, 2024 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.63%
Non-U.S. Developed Markets Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Markets Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. 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 100% 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. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments in determining the total pension liability.

**ELK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

Note 8. Pension Plans (continued):

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

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, 2024, 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 (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's Proportionate Share of the Net Pension Liability	\$ 976,016	\$ 728,403	\$ 529,035

Special Funding Situation – Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, are Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under the legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under the legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows of resources to report in the financial statements of the local participating employers related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employers as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

The State's proportionate share of the PERS net pension liability associated with the special funding situation is \$-0- as of June 30, 2025. The State's proportionate share of the contribution associated with the special funding situation was \$2,348 as of June 30, 2025. These are based on measurements as of June 30, 2024.

**ELK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

Note 8. Pension Plans (continued):

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 Annual Comprehensive Financial Report (ACFR) 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 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.

**ELK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

Note 8. Pension Plans (continued):

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

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 2024, the State's pension contribution was more than the actuarial determined amount.

Special Funding Situation - 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. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

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, 2024 was \$10,214,235 The School District's proportionate share was \$-0-.

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. The State's proportionate share of the net pension liability associated with the School District was based on projection of the State's long-term contributions to the pension plan associated with the School District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2024, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.020666%, which was a decrease of 0.000967% from its proportion measured as of June 30, 2023.

**ELK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

Note 8. Pension Plans (continued):

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

For the fiscal year ended June 30, 2025, the School District recognized \$(37,260) in on-behalf pension expense/(benefit) and revenue in the government-wide financial statements, for the State of New Jersey on-behalf TPAF pension contributions. This pension expense/(benefit) and revenue was based on the pension plans June 30, 2024 measurement date.

Actuarial Assumptions – The total pension liability for the June 30, 2024 measurement date was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	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-2021.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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, 2024) 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

**ELK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

Note 8. Pension Plans (continued):

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

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, 2024 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.63%
Non-U.S. Developed Markets Equity	12.75%	8.85%
International Small Cap Equity	1.25%	8.85%
Emerging Markets Equity	5.50%	10.66%
Private Equity	13.00%	12.40%
Real Estate	8.00%	10.95%
Real Assets	3.00%	8.20%
High Yield	4.50%	6.74%
Private Credit	8.00%	8.90%
Investment Grade Credit	7.00%	5.37%
Cash Equivalents	2.00%	3.57%
U.S. Treasuries	4.00%	3.57%
Risk Mitigation Strategies	3.00%	7.10%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2024. 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 100% 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. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments in determining the total pension liability.

**ELK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

Note 8. Pension Plans (continued):

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

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 7.00% 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:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	12,141,064	10,214,235	8,591,480
	<u>\$ 12,141,064</u>	<u>\$ 10,214,235</u>	<u>\$ 8,591,480</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.

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.

**ELK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

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

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 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 of total nonemployer OPEB liability (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, 2024, was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. 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: \$ 59,650,630,530

	TPAF/ABP	PERS	PFRS
Salary Increases:	2.75 - 5.65% based on years of service	2.75 - 6.55% based on years of service	3.25 - 16.25% based on years of service

ELK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)

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

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-2021. 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-2021. 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-2021 for current disabilities. Future disabled retirees was based on the Pub-2010 "Safety" (PFRS), "General" (PERS), and "Teachers" (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Actuarial assumptions used in the July 1, 2023 valuation were based on the results of TPAF, PERS and PFRS experience studies prepared for July 1, 2018 to June 30, 2021.

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, 2024 was \$16,504,260. The School District's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2024, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2023, which was rolled forward to June 30, 2024. 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, 2024, the State proportionate share of the OPEB Obligation attributable to the School District was 0.02767%, which was an decrease of 0.00018% from its proportion measured as of June 30, 2023.

For the fiscal year ended June 30, 2025, the State of New Jersey recognized an OPEB expense in the amount of \$368,980 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, 2024 measurement date.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 7.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 medical benefits PPO, the trend is increasing to 19.36% in fiscal year 2027 and decreased to 4.50% in fiscal year 2034. For HMO the trend is increasing to 22.88% in fiscal year 2027 and decreases to 4.50% in fiscal year 2034. For prescription drug benefits, the initial trend rate is 12.25% and decreased to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

**ELK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

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

Discount Rate

The discount rate for June 30, 2024 was 3.93%. 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, 2024, 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:

	June 30, 2024		
	At 1% Decrease (2.93%)	At Discount Rate (3.93%)	At 1% Increase (4.93%)
State of New Jersey's Proportionate Share of Total Obligations Associated with the School District	\$ 19,330,023	\$ 16,504,260	\$ 14,231,760
State of New Jersey's Total Non- employer Liability	\$ 69,863,663,542	\$ 59,650,630,530	\$ 51,437,232,141

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, 2023, 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, 2024		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 13,748,169	\$ 16,504,260	\$ 20,094,251
State of New Jersey's Total Nonemployer OPEB Liability	\$ 49,689,409,509	\$ 59,650,630,530	\$ 72,625,778,279

* See Healthcare Cost Trend Assumptions for details of rates.

**ELK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

Note 9. Other Post-Retirement Benefits (continued)

Additional Information

Collective balances of the Local Group at June 30, 2024 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Proportion	\$ -	\$ -
Differences between Expected & Actual Experience	6,378,932,312	(11,139,706,892)
Change in Assumptions	10,004,978,073	(11,662,607,882)
Contributions Made in Fiscal Year Year Ending 6/30/2024		
After Measurement Date	TBD	N/A
	<u>\$ 16,383,910,385</u>	<u>\$ (22,802,314,774)</u>

** Employer Contributions made after June 30, 2024 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,	
2025	\$ (2,115,877,507)
2026	(1,774,175,666)
2027	(842,677,045)
2028	221,470,185
2029	(1,537,725,697)
Thereafter	(369,418,659)
	<u>\$ (6,418,404,389)</u>

Plan Membership

At June 30, 2023, the Program membership consisted of the following:

	June 30, 2023
Active Plan Members	219,185
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	153,556
	<u>372,741</u>

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2025 (measurement date June 30, 2024) is as follows:

**ELK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

Note 9. Other Post-Retirement Benefits (continued)

Total OPEB Liability

Service Cost	\$ 2,152,062,729
Interest Cost	1,963,557,443
Difference Between Expected & Actual Experience	158,934,425
Changes of Assumptions	4,462,660,491
Contributions: Member	51,347,810
Gross Benefit Payments	<u>(1,499,600,607)</u>
Net Change in Total OPEB Liability	7,288,962,291
Total OPEB Liability (Beginning)	<u>52,361,668,239</u>
Total OPEB Liability (Ending)	<u><u>\$ 59,650,630,530</u></u>
Total Covered Employee Payroll	\$ 15,845,935,573
Net OPEB Liability as a Percentage of Payroll	376%

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, 2025, the on-behalf payments for pension, social security, post-retirement medical costs, and long-term disability were \$914,440, \$216,348, \$267,200 and \$286, 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.

**ELK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

Note 11. Risk Management (continued)

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:

Fiscal Year	School District Contributions	Employee Contributions	Interest Earnings	Amount Reimbursed	Ending Balance
2024-2025	\$ -	\$ 9,434	\$ 84	\$ 2,879	\$ 32,761
2023-2024	-	11,127	64	4,697	26,122
2022-2023	-	8,213	69	11,605	19,628

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 Annual Comprehensive 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, 2025 may be impaired. In the opinion of the School District, there are no significant contingent liabilities 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 District's 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.

ELK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)

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. 101 (GASB 101), "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, 2025, the liability for compensated absences reported on the government-wide Statement of Net Position was \$94,437, which represents a decrease of \$16,578 from the prior year.

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 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.

**ELK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

Note 15. Tax Abatements (continued)

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. 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, 2025 was \$437,844.

Note 17. Fund Balances

General Fund – Of the \$2,800,150 General Fund balance at June 30, 2025, \$825,720 has been restricted for the Capital Reserve Account; \$300,200 has been restricted for the Maintenance Reserve Account; \$32,761 has been restricted for Unemployment Compensation, \$437,844 is restricted for current year excess surplus; \$725,151 is restricted for prior year excess surplus – designated for subsequent year's expenditures, \$167,169 has been assigned for other purposes, \$110,941 is assigned for subsequent year's expenditures and \$200,364 is unassigned.

Special Revenue Fund – Of the \$(104,002) Special Revenue Fund balance at June 30, 2025, \$1,215 is restricted for scholarships; \$15,831 is restricted for student activities and \$(121,048) is unassigned.

Capital Projects Fund – Of the \$3,380 Capital Projects Fund balance at June 30, 2025, \$3,380 is restricted for future capital projects approved by the School District.

**ELK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

Note 18. Deficit in Fund Balances

The School District has a deficit fund balance of \$104,002 in the Special Revenue Fund as of June 30, 2025 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 \$104,002 is less than the last state aid payment.

Note 19. Right to Use Assets

The School District has recorded right to use lease assets as a result of implementing GASB 87. The asset is a right to use asset for a facility rental. The related lease is discussed in the Leases subsection of Note 7, Long-Term Obligations. The right to use lease asset is amortized on a straight-line basis over the terms of the related lease.

	Balance as of June 30, 2024	Increases	Decreases	Balance as of June 30, 2025
Right to use assets				
Facility Rental	\$ 392,107	\$ -	\$ -	\$ 392,107
Total right to use assets	<u>392,107</u>	<u>-</u>	<u>-</u>	<u>392,107</u>
Less accumulated amortization				
Leased Facility Rental	(78,617)	(84,761)	-	(163,378)
Total accumulated amortization	<u>(78,617)</u>	<u>(84,761)</u>	<u>-</u>	<u>(163,378)</u>
Right to use assets, net	<u>\$ 313,490</u>	<u>\$ (84,761)</u>	<u>\$ -</u>	<u>\$ 228,729</u>

**ELK TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025 (continued)**

Note 20. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2025 and November 24, 2025, 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.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

C. Budgetary Comparison Schedules

ELK TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

		JUNE 30, 2025				POSITIVE/ (NEGATIVE)
ACCOUNT NUMBERS		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	FINAL TO ACTUAL
Revenues:						
Local Tax Levy	10-1210	\$ 3,723,332	\$ -	\$ 3,723,332	\$ 3,723,332	\$ -
Tuition from Other LEA's Within the State	10-1320	60,000	-	60,000	187,548	127,548
Interest on Capital Reserve Funds	10-1511	300	-	300	-	(300)
Interest on Maintenance Reserve Funds	10-1512	200	-	200	-	(200)
Miscellaneous Revenues	10-1990	8,699	-	8,699	194,280	185,581
Total Local Sources		3,792,531	-	3,792,531	4,105,160	312,629
State Sources:						
Equalization Aid	10-3176	1,559,623	-	1,559,623	1,559,623	-
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	287,900	-	287,900	287,900	-
School Choice Aid	10-3116	221,027	-	221,027	221,027	-
Extraordinary Aid	10-3131	60,000	-	60,000	123,755	63,755
Non-Public Transportation Aid	10-3190	-	-	-	9,807	9,807
Stabilization Aid		-	-	-	81,123	81,123
Nonbudgeted:						
On-Behalf TPAF Pension Contributions		-	-	-	914,440	914,440
On-Behalf TPAF Post-Retirement Medical Contributions		-	-	-	267,200	267,200
On-Behalf TPAF Long Term Disability Insurance Contributions		-	-	-	286	286
Reimbursed TPAF Social Security Contribution		-	-	-	216,348	216,348
Total State Sources		2,343,406	-	2,343,406	3,896,365	1,552,959
Total Revenues		6,135,937	-	6,135,937	8,001,525	1,865,588
Expenditures:						
Current Expense:						
Instruction - Regular Programs:						
Salaries of Teachers:						
Local Contribution - Transfer to Special Revenue - Inclusion	11-105-100-936	151,310	-	151,310	151,310	-
Kindergarten	11-110-100-101	306,309	15,765	322,074	316,767	5,307
Grades 1-5	11-120-100-101	1,376,733	(111,827)	1,264,906	1,263,985	921
Grades 6-8	11-130-100-101	76,475	(13,757)	62,718	62,718	-
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	200	1,200	200	1,000
Regular Programs - Undistributed Instruction:						
Purchased Professional Educational Services	11-190-100-320	344,960	59,969	404,929	398,656	6,273
Other Purchased Services	11-190-100-500	123,879	(13,902)	109,977	105,655	4,322
General Supplies	11-190-100-610	20,675	2,367	23,042	20,037	3,005
Total Regular Programs		2,402,341	(61,185)	2,341,156	2,319,328	21,828

ELK TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	ACCOUNT NUMBERS	JUNE 30, 2025				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Resource Room:						
Salaries of Teachers	11-213-100-101	140,473	-	140,473	140,473	-
Purchased Professional/Education Services	11-213-100-320	35,000	(25,000)	10,000	3,752	6,248
General Supplies	11-213-100-610	1,012	-	1,012	34	978
Total Resource Room		176,485	(25,000)	151,485	144,259	7,226
Basic Skills/Remedial Instruction:						
Salaries of Teachers	11-230-100-101	230,432	-	230,432	228,870	1,562
Total Basic Skills/Remedial Instruction		230,432	-	230,432	228,870	1,562
Total Special Education		406,917	(25,000)	381,917	373,129	8,788
School Sponsored Co-Curricular Activities:						
Salaries	11-401-100-100	11,475	-	11,475	6,000	5,475
General Supplies	11-401-100-600	1,000	-	1,000	-	1,000
Total School Sponsored Co-Curricular Activities		12,475	-	12,475	6,000	6,475
Before/After School Programs - Instruction:						
Salaries	11-421-100-101	7,000	-	7,000	-	7,000
Supplies and Materials	11-421-100-600	500	-	500	-	500
Total Before/After School Programs - Instruction		7,500	-	7,500	-	7,500
Total Other Instructional Programs		19,975	-	19,975	6,000	13,975
Summer School - Instruction:						
Salaries of Teachers	11-422-100-101	13,800	(5,598)	8,202	1,909	6,293
Other Salaries of Instruction	11-422-100-106	4,800	-	4,800	-	4,800
General Supplies	11-422-100-610	2,000	-	2,000	-	2,000
Total Summer School - Instruction		20,600	(5,598)	15,002	1,909	13,093
Total Instruction		2,849,833	(91,783)	2,758,050	2,700,366	57,684

ELK TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	ACCOUNT NUMBERS	JUNE 30, 2025				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Undistributed Expenditures:						
Instruction :						
Tuition to Other LEAs Within the State - Special	11-000-100-562	111,154	(8,064)	103,090	103,090	-
Tuition to County Special Services District/Regional Day Schools	11-000-100-565	359,580	(30,922)	328,658	327,522	1,136
Tuition to Private School for the Handicapped - State	11-000-100-566	132,938	(19,676)	113,262	52,990	60,272
Tuition - State Facilities	11-000-100-568	-	11,442	11,442	11,442	-
Total Undistributed Expenditures - Instruction		603,672	(47,220)	556,452	495,044	61,408
Attendance & Social Work Services:						
Salaries	11-000-211-100	10,350	-	10,350	10,350	-
Purchased Professional and Technical Services	11-000-211-300	3,941	(1,673)	2,268	-	2,268
Supplies and Materials	11-000-211-600	600	-	600	110	490
Total Attendance & Social Work Services		14,891	(1,673)	13,218	10,460	2,758
Health Services:						
Salaries	11-000-213-100	99,729	(6,419)	93,310	90,249	3,061
Purchased Professional & Technical Services	11-000-213-300	5,250	71	5,321	5,321	-
Other Purchased Services	11-000-213-500	1,500	4,067	5,567	5,567	-
Supplies and Materials	11-000-213-600	5,867	(2,165)	3,702	3,091	611
Total Health Services		112,346	(4,446)	107,900	104,228	3,672
Other Support Services - Students - Related Services:						
Purchased Professional/Education Services	11-000-216-320	105,000	31,982	136,982	136,982	-
Supplies and Materials	11-000-216-600	3,500	(2,420)	1,080	375	705
Total Other Support Services - Students - Related Services		108,500	29,562	138,062	137,357	705
Other Support Services - Students - Extra Services:						
Purchased Professional/Education Services	11-000-217-320	232,000	32,358	264,358	264,358	-
Supplies and Materials	11-000-217-600	2,000	-	2,000	1,031	969
Total Other Support Services - Students - Extra Services		234,000	32,358	266,358	265,389	969
Other Support Services - Students - Regular:						
Purchased Professional and Technical Services	11-000-218-390	20,941	-	20,941	20,928	13
Supplies and Materials	11-000-218-600	250	-	250	-	250
Total Other Support Services - Students - Regular		21,191	-	21,191	20,928	263
Other Support Services - Students - Special Services:						
Salaries of Other Professional Staff	11-000-219-104	147,813	3,246	151,059	150,699	360
Purchased Professional/Education Services	11-000-219-320	15,000	71,710	86,710	80,460	6,250
Other Purchased Professional & Technical Services	11-000-219-390	12,500	20,286	32,786	32,786	-
Miscellaneous Purchased Services	11-000-219-592	22,589	3,573	26,162	26,162	-
Supplies and Materials	11-000-219-600	1,258	(907)	351	229	122
Total Other Support Services - Students - Special Services		199,160	97,908	297,068	290,336	6,732
Improvement of Instruction Services/Other Support Services - Instruction Staff:						
Salaries of Supervisors of Instruction	11-000-221-102	29,613	5,786	35,399	35,399	-
Salaries of Other Professional Staff	11-000-221-104	24,015	(24,015)	-	-	-
Salaries of Secretarial & Clerical Assistants	11-000-221-105	33,561	17,143	50,704	50,704	-
Other Salaries	11-000-221-110	7,510	(7,030)	480	480	-
Purchased Professional/Education Services	11-000-221-320	30,000	29,964	59,964	39,964	20,000
Supplies and Materials	11-000-221-600	2,000	(1,879)	121	-	121
Total Improvement of Instruction Services/Other Support Services - Instructional Staff		126,699	19,969	146,668	126,547	20,121

ELK TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	ACCOUNT NUMBERS	JUNE 30, 2025				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Educational Media Services/School Library:						
Other Purchased Services	11-000-222-500	1,885	-	1,885	984	901
Supplies and Materials	11-000-222-600	3,000	-	3,000	1,539	1,461
Total Educational Media Services/School Library		4,885	-	4,885	2,523	2,362
Support Services Instructional Staff Training Service:						
Other Salaries	11-000-223-110	500	-	500	-	500
Other Purchased Services	11-000-223-500	4,500	-	4,500	4,085	415
Supplies and Materials	11-000-223-800	1,000	(908)	92	92	-
Total Support Services Instructional Staff Training Services		6,000	(908)	5,092	4,177	915
Support Services General Administration:						
Salaries	11-000-230-100	17,125	-	17,125	14,951	2,174
Legal Services	11-000-230-331	7,500	-	7,500	6,826	674
Audit Services	11-000-230-332	35,000	1,500	36,500	36,500	-
Architectural/Engineering Services	11-000-230-334	4,000	(1,500)	2,500	695	1,805
Other Purchased Professional Services	11-000-230-339	45,000	-	45,000	45,000	-
Purchased Technical Services	11-000-230-340	5,000	1,000	6,000	-	6,000
Communications/Telephone	11-000-230-530	18,277	(663)	17,614	-	17,614
BOE Other Purchased Professional Services	11-000-230-585	1,500	200	1,700	1,700	-
Other Purchased Services	11-000-230-590	8,951	-	8,951	8,680	271
Supplies & Materials	11-000-230-610	1,000	(618)	382	154	228
BOE In-House Training/Meeting Supplies	11-000-230-630	500	(200)	300	279	21
Miscellaneous Expenditures	11-000-230-890	500	1,284	1,784	1,784	-
BOE Membership Dues & Fees	11-000-230-895	6,500	-	6,500	3,808	2,692
Total Support Services General Administration		150,853	1,003	151,856	120,377	31,479
Support Services School Administration:						
Salaries of Principals & Assistant Principals	11-000-240-103	88,838	-	88,838	86,583	2,255
Salaries of Secretarial & Clerical Assistants	11-000-240-105	31,050	-	31,050	31,050	-
Purchased Technical Services	11-000-240-300	13,122	(955)	12,167	11,543	624
Other Purchased Services	11-000-240-500	1,061	1,161	2,222	2,222	-
Supplies and Materials	11-000-240-600	6,000	(405)	5,595	4,005	1,590
Other Objects	11-000-240-800	2,000	1,372	3,372	3,372	-
Total Support Services School Administration		142,071	1,173	143,244	138,775	4,469
Central Services:						
Salaries	11-000-251-100	55,098	-	55,098	55,097	1
Purchased Professional Services	11-000-251-330	56,500	(1,374)	55,126	55,095	31
Purchased Technical Services	11-000-251-340	7,056	-	7,056	7,008	48
Other Purchased Services	11-000-251-592	5,287	(2,389)	2,898	2,848	50
Supplies & Materials	11-000-251-600	-	1,952	1,952	1,952	-
Interest on Lease Purchase Agreements	11-000-251-832	6,575	(605)	5,970	5,970	-
Other Objects	11-000-251-890	200	(200)	-	-	-
Total Central Services		130,716	(2,616)	128,100	127,970	130
Administrative Information Technology:						
Purchased Technical Services	11-000-252-340	57,000	7,758	64,758	64,758	-
Other Purchased Services	11-000-252-500	9,000	(4,950)	4,050	4,050	-
Supplies & Materials	11-000-252-600	15,750	-	15,750	15,314	436
Total Administrative Information Technology		81,750	2,808	84,558	84,122	436
Allowance Maintenance for School Facilities:						
Cleaning, Repair & Maintenance Services	11-000-261-420	73,218	14,568	87,786	64,720	23,066
General Supplies	11-000-261-610	6,000	1,213	7,213	5,568	1,645
Total Allowance Maintenance for School Facilities		79,218	15,781	94,999	70,288	24,711

ELK TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	ACCOUNT NUMBERS	JUNE 30, 2025				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Other Operation & Maintenance of Plant Services:						
Salaries	11-000-262-100	225,788	4,093	229,881	228,691	1,190
Purchased Professional & Technical Services	11-000-262-300	50,000	(38,090)	11,910	11,910	-
Cleaning, Repair & Maintenance Services	11-000-262-420	80,000	(14,393)	65,607	59,179	6,428
Rental of Land & Building - Other Than Lease Purchase	11-000-262-490	-	52,900	52,900	52,899	1
Insurance	11-000-262-520	20,369	-	20,369	20,369	-
Other Purchased Services	11-000-262-590	4,000	-	4,000	700	3,300
General Supplies	11-000-262-610	30,000	(13,695)	16,305	11,192	5,113
Energy (Natural Gas)	11-000-262-621	22,000	(22,000)	-	-	-
Energy (Electricity)	11-000-262-622	65,000	(5,971)	59,029	55,674	3,355
Energy (Oil)	11-000-262-624	-	28,283	28,283	28,283	-
Other Objects	11-000-262-800	4,000	(1,610)	2,390	2,233	157
Total Other Operation & Maintenance of Plant Services		501,157	(10,483)	490,674	471,130	19,544
Care & Upkeep of Grounds:						
Cleaning, Repair & Maintenance Services	11-000-263-420	6,100	-	6,100	6,086	14
General Supplies	11-000-263-610	4,000	1,907	5,907	5,327	580
Total Care & Upkeep of Grounds		10,100	1,907	12,007	11,413	594
Security:						
Purchased Professional and Technical Services	11-000-266-300	64,463	(260)	64,203	63,350	853
	11-000-266-390	-	2,647	2,647	2,388	259
Total Security		64,463	2,387	66,850	65,738	1,112
Total Operation & Maintenance of Plant Services		654,938	9,592	664,530	618,569	45,961
Student Transportation Services:						
Aid in Lieu of Payments - Nonpublic	11-000-270-503	22,000	27,513	49,513	18,640	30,873
Contracted Services (Other Than Between Home & School) - Vendors	11-000-270-512	2,000	(2,000)	-	-	-
Contracted Services (Other Than Between Home & School) - Joint Agreements	11-000-270-513	475,000	448,067	923,067	923,067	-
Contracted Services (Special Education Students) - Joint Agreements	11-000-270-515	110,000	(42,663)	67,337	52,290	15,047
Total Student Transportation Services		609,000	430,917	1,039,917	993,997	45,920
Unallocated Benefits - Employee Benefits:						
Social Security	11-000-291-220	49,438	(11,353)	38,085	30,116	7,969
Other Retirement Benefits - PERS	11-000-291-241	72,000	944	72,944	72,944	-
Unemployment Compensation	11-000-291-250	15,000	(10,724)	4,276	-	4,276
Worker's Compensation	11-000-291-260	31,557	-	31,557	31,557	-
Health Benefits	11-000-291-270	736,191	(12,044)	724,147	722,374	1,773
Tuition Reimbursement	11-000-291-280	10,000	9,532	19,532	19,532	-
Other Employee Benefits	11-000-291-290	84,000	(79,708)	4,292	3,781	511
Total Unallocated Benefits - Employee Benefits		998,186	(103,353)	894,833	880,304	14,529
Nonbudgeted:						
On-Behalf TPAF Pension Contribution		-	-	-	914,440	(914,440)
On-Behalf TPAF Post-Retirement Medical Contribution		-	-	-	267,200	(267,200)
On-Behalf TPAF Long Term Disability Insurance Contribution		-	-	-	286	(286)
Reimbursed TPAF Social Security Contribution		-	-	-	216,348	(216,348)
Total Nonbudgeted		-	-	-	1,398,274	(1,398,274)
Total Undistributed Expenditures		4,198,858	465,074	4,663,932	5,819,377	(1,155,445)
Total Expenditures - Current Expense		7,048,691	373,291	7,421,982	8,519,743	(1,097,761)
Capital Outlay:						
Equipment:						
Increase in Capital Reserve	10-604	300	-	300	-	300
Increase in Maintenance Reserve	10-606	200	-	200	-	200
Undistributed Expenditures:						
Custodial Services	12-000-262-730	-	25,972	25,972	25,972	-
Total Equipment		500	25,972	26,472	25,972	500

ELK TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	ACCOUNT NUMBERS	JUNE 30, 2025				POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Facilities Acquisition & Construction Services: Assessment for Debt Service on SDA Funding	12-000-400-896	3,130	-	3,130	3,130	-
Total Facilities Acquisition & Construction Services		3,130	-	3,130	3,130	-
Total Capital Outlay		3,630	25,972	29,602	29,102	500
Total Expenditures		7,052,321	399,263	7,451,584	8,548,845	(1,097,261)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures		(916,384)	(399,263)	(1,315,647)	(547,320)	768,327
Other Financing Sources/(Uses): Transfer from Other Funds		-	-	-	10	10
Total Other Financing Sources/(Uses)		-	-	-	10	10
Excess/(Deficiency) of Revenues & Other Financing Sources Over/(Under) Expenditures & Other Financing Sources/(Uses)		(916,384)	(399,263)	(1,315,647)	(547,310)	768,337
Fund Balances, July 1		3,551,781	-	3,551,781	3,551,781	-
Fund Balances, June 30		\$ 2,635,397	\$ (399,263)	\$ 2,236,134	\$ 3,004,471	\$ 768,337

RECAPITULATION OF BUDGET TRANSFERS

Prior Year Encumbrances	\$ 399,263
Total	\$ 399,263

RECAPITULATION OF FUND BALANCE:

Restricted for:	
Capital Reserve	\$ 825,720
Maintenance Reserve	300,200
Excess Surplus	437,844
Excess Surplus Designated for Subsequent Year's Expenditures	725,151
Unemployment Compensation	32,761
Assigned to:	
Year-End Encumbrances	167,169
Designated for Subsequent Year's Expenditures	110,941
Unassigned Fund Balance	404,685
Subtotal	3,004,471
Reconciliation to Governmental Fund Statements (GAAP):	
Last Two State Aid Payments Not Recognized on GAAP Basis	(204,321)
Fund Balance Per Governmental Funds (GAAP)	\$ 2,800,150

**ELK TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	POSITIVE/ (NEGATIVE) FINAL TO ACTUAL
Revenues:					
Federal Sources	\$ 147,127	\$ (147,127)	\$ -	\$ 468,952	\$ 468,952
State Sources	1,210,480	(1,210,480)	-	1,178,373	1,178,373
Local Sources	10,000	(10,000)	-	13,042	13,042
Total Revenues	1,367,607	(1,367,607)	-	1,660,367	1,660,367
Expenditures:					
Instruction:					
Salaries of Teachers	439,714	(439,714)	-	399,665	(399,665)
Other Salaries for Instruction	8,560	(8,560)	-	615	(615)
Purchased Professional Services	201,538	(201,538)	-	202,375	(202,375)
Tuition	64,000	(64,000)	-	109,609	(109,609)
Other Purchased Services	12,056	(12,056)	-	44,203	(44,203)
General Supplies	20,000	(20,000)	-	61,296	(61,296)
Other Objects	24,101	(24,101)	-	-	-
Student Activities	10,000	(10,000)	-	9,028	(9,028)
Total Instruction	779,969	(779,969)	-	826,791	(826,791)
Support Services:					
Salaries	-	-	-	113,087	(113,087)
Salaries of Other Professional Staff	87,555	(87,555)	-	89,550	(89,550)
Salaries of Secretaries & Clerical Assistants	77,250	(77,250)	-	77,775	(77,775)
Personal Services - Employee Benefits	124,429	(124,429)	-	132,897	(132,897)
Purchased Professional Services	-	-	-	45,489	(45,489)
Other Purchased Professional Services	30,000	(30,000)	-	-	-
Other Purchased Services	409,714	(409,714)	-	311,595	(311,595)
Supplies and Materials	10,000	(10,000)	-	128,151	(128,151)
Total Support Services	738,948	(738,948)	-	898,544	(898,544)
Facilities Acquisition & Construction Services:					
Instructional Equipment	-	-	-	87,828	(87,828)
Total Facilities Acquisition & Construction Services	-	-	-	87,828	(87,828)
Total Expenditures	1,518,917	(1,518,917)	-	1,813,163	(1,813,163)
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(151,310)	151,310	-	(152,796)	3,473,530
Other Financing Sources/(Uses):					
Transfer from Operating Budget - Pre K	151,310	-	151,310	151,310	-
Total Other Financing Sources/(Uses)	151,310	-	151,310	151,310	-
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	-	151,310	151,310	(1,486)	3,473,530
Fund Balances, July 1	18,532	-	18,532	18,532	-
Fund Balances, June 30	\$ 18,532	\$ 151,310	\$ 169,842	\$ 17,046	\$ 3,473,530

Recapitulation of Fund Balance:

Restricted for:	
Scholarships	\$ 1,215
Student Activities	15,831
Total Fund Balance	<u>\$ 17,046</u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II

**ELK TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR FISCAL YEAR ENDED JUNE 30, 2025**

**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)	\$ 8,001,525	\$ 1,660,367
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	-	104,069
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	255,981	114,400
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	(204,321)	(121,048)
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u>\$ 8,053,185</u>	<u>\$ 1,757,788</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule	\$ 8,548,845	\$ 1,813,163
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	-	104,069
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	<u>\$ 8,548,845</u>	<u>\$ 1,917,232</u>

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

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

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

	Measurement Date Ending June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
School District's proportion of the net pension liability	0.00536%	0.00530%	0.00479%	0.00479%	0.00570%	0.00562%	0.00557%	0.00642%	0.00403%	0.00439%
School District's proportionate share of the net pension liability	\$ 728,403	\$ 768,128	\$ 756,299	\$ 578,185	\$ 780,838	\$1,026,198	\$1,106,672	\$1,297,233	\$ 1,902,175	\$ 904,231
District's covered-employee payroll	\$ 411,698	\$ 401,711	\$ 397,388	\$ 368,646	\$ 380,417	\$ 377,183	\$ 358,454	\$ 386,080	\$ 379,591	\$ 281,230
School District's proportionate share of the net pension liability as a percentage of its covered payroll	176.93%	191.21%	190.32%	156.84%	205.26%	272.07%	308.73%	336.00%	501.11%	321.53%
Plan fiduciary net position as a percentage of the total pension liability	68.22%	65.23%	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%

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

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

	Fiscal Year Ending June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 72,943	\$ 70,878	\$ 63,197	\$ 57,158	\$ 52,381	\$ 55,398	\$ 55,907	\$ 51,625	\$ 57,057	\$ 34,631
Contributions in relation to the contractually required contribution	(72,943)	(70,878)	(63,197)	(57,158)	(52,381)	(55,398)	(55,907)	(51,625)	(57,057)	(34,631)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 434,042	\$ 411,698	\$ 401,711	\$ 397,388	\$ 368,646	\$ 380,417	\$ 377,183	\$ 358,454	\$ 386,080	\$ 379,591
Contributions as a percentage of covered-employee payroll	16.81%	17.22%	15.73%	14.38%	14.21%	14.56%	14.82%	14.40%	14.78%	9.12%

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

	Measurement Date Ending June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
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%	0.00%	0.00%
School District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability	10,214,235	11,039,952	11,290,180	10,461,896	14,196,328	13,342,334	13,302,225	14,101,342	17,750,378	13,529,077
associated with the School District	\$ 10,214,235	\$ 11,039,952	\$ 11,290,180	\$ 10,461,896	\$ 14,196,328	\$ 13,342,334	\$ 13,302,225	\$ 14,101,342	\$ 17,750,378	\$ 13,529,077
District's covered-employee payroll	\$ 2,744,458	\$ 2,419,164	\$ 2,446,320	\$ 2,418,494	\$ 2,364,451	\$ 2,312,718	\$ 2,265,212	\$ 2,166,663	\$ 2,114,426	\$ 2,222,062
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%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	37.99%	34.68%	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%

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

**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)

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 EIGHT FISCAL YEARS*

	Measurement Date Ending June 30,							
	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability Associated with the District								
Service Cost	\$ 481,637	\$ 488,952	\$ 645,662	\$ 742,765	\$ 431,409	\$ 406,077	\$ 471,056	\$ 570,899
Interest Cost	543,281	513,593	373,666	430,173	419,888	517,601	558,469	486,313
Change in Benefit Terms	-	-	-	(17,650)	-	-	-	-
Differences between Expected and Actual	62,373	(161,835)	638,679	(2,914,744)	2,988,426	(2,169,372)	(1,337,434)	-
Changes of Assumptions	1,234,738	29,393	(3,782,458)	16,360	3,407,387	174,768	(1,508,059)	(2,081,311)
Contributions: Member	14,207	13,162	11,874	10,997	9,843	10,666	12,145	13,046
Gross Benefit Payments	(414,913)	(400,354)	(370,127)	(338,856)	(324,745)	(359,814)	(351,400)	(354,306)
Net Change in Total OPEB Liability Associated with District	1,921,323	482,911	(2,482,704)	(2,070,955)	6,932,208	(1,420,074)	(2,155,223)	(1,365,359)
Total OPEB Liability Associated with District (Beginning)	14,582,937	14,100,026	16,582,730	18,653,685	11,721,477	13,141,551	15,296,774	16,662,133
Total OPEB Liability Associated with District (Ending)	<u>\$ 16,504,260</u>	<u>\$ 14,582,937</u>	<u>\$ 14,100,026</u>	<u>\$ 16,582,730</u>	<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	3,156,156	2,820,875	2,843,708	2,787,140	2,744,868	2,689,901	2,623,666	2,552,743
Net OPEB Liability Associated with District as a Percentage of Payroll	522.92%	516.97%	495.83%	594.97%	679.58%	435.76%	500.89%	599.23%

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, 2025**

Teachers Pension and Annuity Fund (TPAF)

Changes in Benefit Terms - None.

Changes in Assumptions - None.

Public Employees' Retirement System (PERS)

Changes in Benefit Terms - None.

Changes in Assumptions - None.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes in Benefit Terms - None.

Changes in Assumptions - The discount rate changed from 3.65% as of June 30, 2023, to 3.93% as of June 30,

OTHER SUPPLEMENTARY INFORMATION

D. School Based Budget Schedules

Not Applicable

E. Special Revenue Fund

ELK TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR FISCAL YEAR ENDED JUNE 30, 2025

	Preschool Education Aid	IDEA Preschool	IDEA Basic	REAP	Title I	Title II	Title III	Title IV
Revenues:								
Federal Sources	\$ -	\$ 3,138	\$ 109,609	\$ 616	\$ 78,768	\$ 10,967	\$ 7	\$ 10,458
State Sources	1,103,373	-	-	-	-	-	-	-
Total Revenues	1,103,373	3,138	109,609	616	78,768	10,967	7	10,458
Expenditures:								
Instruction:								
Salaries of Teachers	399,665	-	-	-	-	-	-	-
Other Salaries for Instruction	615	-	-	-	-	-	-	-
Purchased Professional Services	199,237	3,138	-	-	-	-	-	-
Tuition	-	-	109,609	-	-	-	-	-
Other Purchase Services	44,203	-	-	-	-	-	-	-
General Supplies	15,304	-	-	-	31,892	-	-	6,703
Total Instruction	659,024	3,138	109,609	-	31,892	-	-	6,703
Support Services:								
Salaries	-	-	-	-	43,046	1,217	-	-
Salaries of Principals/Asst. Principals	89,550	-	-	-	-	-	-	-
Teacher Coach Salary	77,775	-	-	-	-	-	-	-
Employee Benefits	124,429	-	-	-	3,293	73	-	-
Purchased Professional Services	37,738	-	-	-	-	3,366	-	-
Other Purchased Services	258,404	-	-	-	-	979	7	-
Supplies & Materials	7,763	-	-	616	537	5,332	-	3,755
Total Support Services	595,659	-	-	616	46,876	10,967	7	3,755
Total Expenditures	1,254,683	3,138	109,609	616	78,768	10,967	7	10,458
Excess (Deficiency) of Revenues Over (Under) Expenditures	(151,310)	-	-	-	-	-	-	-
Other Financing Sources/(Uses):								
Transfer from Operating Budget - Pre-K	151,310	-	-	-	-	-	-	-
Total Other Financing Sources/(Uses)	151,310	-	-	-	-	-	-	-
Fund Balance, July 1	-	-	-	-	-	-	-	-
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, 2025

	Teacher Climate and Innovative Grant	ESSER III	ESSER III Accelerated Learning	ESSER III Summer	ESSER II Mental Health	ESSER III After School	High Impact Tutoring	OTHER LOCAL	STUDENT ACTIVITIES	SCHOLARSHIPS	2025
Revenues:											
State Sources	\$ 75,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 117,837
Federal Sources	-	87,828	30,050	39,925	45,000	38,670	13,916	-	-	-	468,952
Local Sources	-	-	-	-	-	-	-	5,500	7,539	3	13,042
Total Revenues	75,000	87,828	30,050	39,925	45,000	38,670	13,916	5,500	7,539	3	1,660,367
Expenditures:											
Instruction:											
Salaries of Teachers	-	-	-	-	-	-	-	-	-	-	399,665
Other Salaries for Instruction	-	-	-	-	-	-	-	-	-	-	615
Purchased Professional Services	-	-	-	-	-	-	-	-	-	-	202,375
Tuition	-	-	-	-	-	-	-	-	-	-	109,609
Other Purchased Services	-	-	-	-	-	-	-	-	-	-	44,203
General Supplies	-	-	-	-	-	-	7,397	-	-	-	61,296
Scholarships	-	-	-	-	-	-	-	-	9,028	-	9,028
Total Instruction	-	-	-	-	-	-	7,397	-	9,028	-	826,791
Support Services:											
Salaries	66,690	-	-	-	-	-	2,134	-	-	-	113,087
Salaries Principal/Asst. Principal	-	-	-	-	-	-	-	-	-	-	89,550
Teach Coach Salary	-	-	-	-	-	-	-	-	-	-	77,775
Employee Benefits	5,102	-	-	-	-	-	-	-	-	-	132,897
Purchased Professional Services	-	-	-	-	-	-	4,385	-	-	-	45,489
Other Purchased Services	1,615	-	-	5,590	45,000	-	-	-	-	-	311,595
Supplies & Materials	1,593	-	30,050	34,335	-	38,670	-	5,500	-	-	128,151
Total Support Services	75,000	-	30,050	39,925	45,000	38,670	6,519	5,500	-	-	898,544
Facilities Acquisition & Construction Services:											
Construction	-	87,828	-	-	-	-	-	-	-	-	87,828
Total Facilities Acquisition & Construction Services	-	87,828	-	-	-	-	-	-	-	-	87,828
Total Expenditures	75,000	87,828	30,050	39,925	45,000	38,670	13,916	5,500	9,028	-	1,813,163
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-	-	-	-	-	-	(1,489)	3	(152,796)
Other Financing Sources/(Uses):											
Transfer from Operating Budget - Pre-K	-	-	-	-	-	-	-	-	-	-	151,310
Total Other Financing Sources/(Uses)	-	-	-	-	-	-	-	-	-	-	151,310
Fund Balance, July 1	-	-	-	-	-	-	-	-	17,320	1,212	18,532
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,831	\$ 1,215	\$ 17,046

**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, 2025**

	2025		
	BUDGETED	ACTUAL	VARIANCE
Expenditures:			
Instruction:			
Salaries of Teachers	\$ 399,665	\$ 399,665	\$ -
Other Salaries for Instruction	615	615	-
Purchased Professional Services	199,237	199,237	-
Other Purchased Services	151,310	44,203	107,107
Supplies	15,304	15,304	-
Total Instruction	766,131	659,024	107,107
Support Services:			
Salaries of Principals	89,550	89,550	-
Teacher Coach Salary	77,775	77,775	-
Employee Benefits	124,429	124,429	-
Purchased Professional Educational Services	37,738	37,738	-
Other Purchased Services	258,404	258,404	-
General Supplies	7,763	7,763	-
Total Support Services	595,659	595,659	-
Total Expenditures	\$ 1,361,790	\$ 1,254,683	\$ 107,107

CALCULATION OF BUDGET AND CARRYOVER

Total Revised 2024-25 Preschool Education Expansion Aid Allocation	\$ 1,210,480
Add: Budgeted Transfer from General Fund	151,310
Add: Actual Preschool Education Expansion Aid Carryover June 30, 2024	-
Total Preschool Education Expansion Aid Funds Available for 2024-25 Budget	1,361,790
Less: 2024-25 Budgeted Preschool Education Expansion Aid (Prior Year Budget Carryover)	(1,361,790)
Available & Unbudgeted Preschool Education Expansion Aid Funds June 30, 2025	-
Add: June 30, 2025 Unexpended Preschool Education Expansion Aid	107,107
Total Actual Preschool Education Expansion Aid Carryover	\$ 107,107
2024-25 Preschool Education Expansion Aid Carryover Budgeted in 2025-26	\$ -

F. Capital Projects Fund

EXHIBIT F-1

ELK TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR FISCAL YEAR ENDED JUNE 30, 2025

PROJECT TITLE	ORIGINAL DATE	APPROPRIATIONS	EXPENDITURES		UNEXPENDED BALANCE JUNE 30, 2025
			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

EXHIBIT F-2

**ELK TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE-BUDGETARY BASIS
YEAR ENDED JUNE 30, 2025**

Revenues and Other Financing Sources:

Bond Proceeds and Transfers	\$ 10
-----------------------------	-------

Total Revenues	<u>10</u>
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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>
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**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, 2025**

	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	-
Total Revenues	1,750,578	-	1,750,578	1,750,000
Expenditures & Other Financing Uses:				
Salaries	16,550	-	16,550	-
Legal Services	15,653	-	15,653	-
Other Professional/Technical Services	138,590	-	138,590	-
Construction Services	1,527,647	-	1,527,647	-
Non-Instructional Equipment	45,900	-	45,900	-
Other Objects	2,858	-	2,858	-
Total Expenditures	1,747,198	-	1,747,198	-
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures	\$ 3,380	\$ -	\$ 3,380	\$ 1,750,000

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

G. Proprietary Funds

Enterprise Funds

**ELK TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2025**

ASSETS	<u>BUSINESS-TYPE ACTIVITIES</u>		
	FOOD SERVICE FUND	CHILDCARE	<u>TOTAL</u>
Current Assets:			
Cash & Cash Equivalents	\$ 143,575	\$ 223,001	\$ 366,576
Accounts Receivable:			
State	132	-	132
Federal	5,354	-	5,354
Inventory	3,240	-	3,240
Total Current Assets	152,301	223,001	375,302
Noncurrent Assets:			
Furniture, Machinery & Equipment	173,400	-	173,400
Less: Accumulated Depreciation	(73,692)	-	(73,692)
Total Noncurrent Assets	99,708	-	99,708
Total Assets	252,009	223,001	475,010
LIABILITIES			
Current Liabilities:			
Accounts Payable	27,896	-	27,896
Unearned Revenue	2,399	-	2,399
Interfund Payable	42,500	-	42,500
Total Current Liabilities	72,795	-	72,795
Total Liabilities	72,795	-	72,795
NET POSITION			
Investment in Capital Assets	99,708	-	99,708
Unrestricted	79,506	223,001	302,507
Total Net Position	\$ 179,214	\$ 223,001	\$ 402,215

**ELK TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
AS OF JUNE 30, 2025**

	BUSINESS-TYPE ACTIVITIES		
	FOOD SERVICE FUND	CHILD CARE	TOTAL
Local Sources:			
Daily Sales - Reimbursable Programs	\$ 28,060	\$ -	\$ 28,060
Daily Sales Nonreimbursable Programs	34,010	-	34,010
Miscellaneous	4,187	-	4,187
Total Operating Revenue	66,257	-	66,257
Operating Expenses:			
Salaries	60,259	-	60,259
Employee Benefits	11,751	-	11,751
Supplies and Materials	6,215	-	6,215
Other Purchased Services	19,450	-	19,450
Depreciation	7,149	-	7,149
Miscellaneous	14,626	-	14,626
Cost of Sales - Reimburseable Programs	38,712	-	38,712
Cost of Sales - Non-Reimburseable Programs	43,655	-	43,655
Total Operating Expenses	201,817	-	201,817
Operating/(Loss)/Gain	(135,560)	-	(135,560)
Nonoperating Revenues/(Expenses):			
State Sources:			
State School Lunch Program	1,847	-	1,847
Working Class Families State Suuplement	160	-	160
State School Breakfast Program	218	-	218
Summer EBT Program for Children	322	-	322
Breakfast After the Bell	114	-	114
Federal Sources:			
National School Lunch Program	54,688	-	54,688
Healthy Hunger-Free Kids Act	1,817	-	1,817
Local Food for Schools Cooperative Agreement Program	697	-	697
Food Distribution Program	19,612	-	19,612
National School Breakfast Program	21,807	-	21,807
Supply Chain Assistance Funds	23,140	-	23,140
Pandemic EBT Admin Cost	322	-	322
Interest & Investment Revenue	484	-	484
Total Nonoperating Revenues/(Expenses)	125,228	-	125,228
Net Income/(Loss)	(10,332)	-	(10,332)
Net Position - Beginning,	189,546	223,001	412,547
Total Net Position - Ending	\$ 179,214	\$ 223,001	\$ 402,215

**ELK TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
AS OF JUNE 30, 2025**

	BUSINESS-TYPE ACTIVITIES		
	FOOD SERVICE FUND	CHILDCARE	TOTAL
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 40,092	\$ -	\$ 40,092
Payments to Suppliers	(70,901)	-	(70,901)
Payments to Employees	(60,259)	-	(60,259)
Payments for Employee Benefits	(11,751)	-	(11,751)
Net Cash Provided/(Used) by Operating Activities	(102,819)	-	(102,819)
Cash Flows From Capital Financing Activities:			
Purchase of Equipment	(46,750)	-	(46,750)
Net Cash Used by Capital Financing Activities	(46,750)	-	(46,750)
Cash Flows From Non-Capital Financing Activities:			
Cash Received from State & Federal Reimbursements	122,706	-	122,706
Net Cash Provided by Non-Capital Financing Activities	122,706	-	122,706
Cash Flows From Investing Activities:			
Interest Income	484	-	484
Net Cash Provided by Investing Activities	484	-	484
Net Increase/(Decrease) in Cash & Cash Equivalents	(26,379)	-	(26,379)
Cash & Cash Equivalents, July 1	169,954	223,001	392,955
Cash & Cash Equivalents, June 30	\$ 143,575	\$ 223,001	\$ 366,576

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

Operating Income/(Loss)	\$ (135,560)	\$ -	\$ (135,560)
Adjustments to Reconcile Operating Income/(Loss) in Cash Provided/(Used) by Operating Activities:			
Depreciation Expense	7,149	-	7,149
Change in Assets & Liabilities:			
(Increase)/Decrease in Inventory	1,143	-	1,143
Increase/(Decrease) in Unearned Revenue	(26,165)	-	(26,165)
Increase/(Decrease) in Accounts Payable	16,205	-	16,205
Increase/(Decrease) in Interfund Payable	34,409	-	34,409
Total Adjustments	32,741	-	32,741
Net Cash Provided/(Used) by Operating Activities	\$ (102,819)	\$ -	\$ (102,819)

Internal Service Fund

**ELK TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2025**

ASSETS	INTERNAL SERVICE FUND	<u>TOTAL</u>
Current Assets:		
Intergovernmental Accounts Receivable	\$ 45,100	\$ 45,100
Total Assets	<u>45,100</u>	<u>45,100</u>
LIABILITIES		
Interfund Payable	44,002	44,002
Accounts Payable	<u>73</u>	<u>73</u>
Total Liabilities	<u>44,075</u>	<u>44,075</u>
NET POSITION		
Unrestricted	<u>1,025</u>	<u>1,025</u>
Total Net Position	<u><u>\$ 1,025</u></u>	<u><u>\$ 1,025</u></u>

EXHIBIT G-5

**ELK TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
AS OF JUNE 30, 2025**

	INTERNAL SERVICE FUND	<u>TOTAL</u>
OPERATING REVENUES:		
Local Sources:		
Services Provided to Other Governmental Entities	\$ 45,100	\$ 45,100
Total Operating Revenue	<u>45,100</u>	<u>45,100</u>
OPERATING EXPENSES:		
Data Coordinator	41,902	41,902
Benefits	<u>3,198</u>	<u>3,198</u>
Total Operating Expenses	<u>45,100</u>	<u>45,100</u>
Net Income/(Loss)	-	-
Total Net Position - July 1	<u>1,025</u>	<u>1,025</u>
Total Net Position - June 30	<u><u>\$ 1,025</u></u>	<u><u>\$ 1,025</u></u>

**ELK TOWNSHIP SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING STATEMENT OF CASH FLOWS
AS OF JUNE 30, 2025**

	INTERNAL SERVICE FUND	TOTAL
Cash Flows From Operating Activities:		
Receipts from Customers	\$ 77,900	\$ 77,900
Payments to Employees	(77,900)	(77,900)
Net Cash Provided/(Used) by Operating Activities	-	-
Net Increase/(Decrease) in Cash & Cash Equivalents	-	-
Cash & Cash Equivalents, July 1	-	-
Cash & Cash Equivalents, June 30	<u>\$ -</u>	<u>\$ -</u>

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:	\$ -	\$ -
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	32,800	32,800
Increase/(Decrease) in Interfund Payable	(32,800)	(32,800)
Total Adjustments	-	-
Net Cash Provided/(Used) by Operating Activities	<u>\$ -</u>	<u>\$ -</u>

I. Long-Term Debt

ELK TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES AND FINANCED PURCHASES
JUNE 30, 2025

FINANCED PURCHASES

SERIES	ORIGINAL DATE	TERM	AMOUNT OF ORIGINAL LOAN		INTEREST RATE PAYABLE	AMOUNT OUTSTANDING JUNE 30, 2024		ISSUED CURRENT YEAR	RETIRED CURRENT YEAR	AMOUNT OUTSTANDING JUNE 30, 2025	
			PRINCIPAL	INTEREST							
Dell Optiplex	7/1/2021	5 Years	17,385	2,433	5.41%	\$	7,165	\$	-	\$	3,461
Dell Optiplex	7/1/2021	5 Years	60,298	5,888	3.17%		25,012	-		12,512	
Chromebooks	7/1/2022	4 Years	22,355	1,348	3.98%		7,443	-		7,443	-
Chromebooks	7/1/2022	4 Years	74,516	5,654	3.73%		37,211	-		18,143	19,068
Chromebooks	7/1/2023	4 Years	63,255	7,408	3.94%		45,589	-		14,053	31,536
Total						\$	122,420	\$	-	\$	55,612
											\$ 66,808

CAPITAL LEASES

School Building	7/1/2023	48 months	392,107	22,991	3.00%	\$	313,490	\$	-	\$	80,189	\$ 233,301
						\$	313,490	\$	-	\$	80,189	\$ 233,301

STATISTICAL SECTION (Unaudited)

Financial Trends Information

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance. The Exhibits are presented for the last ten fiscal years.

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

	FISCAL YEAR ENDING JUNE 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Governmental Activities:										
Net Investment in,										
Capital Assets	\$ 2,430,667	\$ 2,475,487	\$ 2,626,314	\$ 2,292,905	\$ 2,289,175	\$ 2,288,249	\$ 2,291,079	\$ 2,361,620	\$ 2,395,282	\$ 2,096,843
Restricted	2,342,102	2,747,334	2,825,250	3,125,329	2,718,747	2,038,691	1,883,098	1,279,186	1,221,735	1,083,250
Unrestricted	(452,804)	(442,071)	(883,177)	(868,628)	(1,044,706)	(1,468,342)	(1,446,713)	(18,734,340)	(1,305,450)	(1,028,413)
Total Governmental Activities										
Net Position	\$ 4,319,965	\$ 4,780,750	\$ 4,568,387	\$ 4,549,606	\$ 3,963,216	\$ 2,858,598	\$ 2,727,464	\$ (15,093,534)	\$ 2,311,567	\$ 2,151,680
Business-Type Activities:										
Net Investment in,										
Capital Assets	\$ 99,708	\$ 60,107	\$ 45,633	\$ 50,203	\$ 54,772	\$ 59,341	\$ 7,936	\$ 8,892	\$ 9,851	\$ 10,810
Unrestricted	302,507	352,440	385,920	398,185	344,162	482,125	370,687	330,992	291,138	242,175
Total Business-Type Activities										
Net Position	\$ 402,215	\$ 412,547	\$ 431,553	\$ 448,388	\$ 398,934	\$ 541,466	\$ 378,623	\$ 339,884	\$ 300,989	\$ 252,985
District-Wide:										
Net Investment in,										
Capital Assets	\$ 2,530,375	\$ 2,535,594	\$ 2,671,947	\$ 2,343,108	\$ 2,343,947	\$ 2,347,590	\$ 2,299,015	\$ 2,370,512	\$ 2,405,133	\$ 2,107,653
Restricted	2,342,102	2,747,334	2,825,250	3,125,329	2,718,747	2,038,691	1,883,098	1,279,186	1,221,735	1,083,250
Unrestricted	(150,297)	(89,631)	(497,257)	(470,443)	(700,544)	(986,217)	(1,076,026)	(18,403,348)	(1,014,312)	(786,238)
Total District Net Position	\$ 4,722,180	\$ 5,193,297	\$ 4,999,940	\$ 4,997,994	\$ 4,362,150	\$ 3,400,064	\$ 3,106,087	\$ (14,753,650)	\$ 2,612,556	\$ 2,404,665

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 2,112,406	\$ 1,825,475	\$ 1,979,347	\$ 1,989,328	\$ 1,789,699	\$ 1,811,193	\$ 1,747,688	\$ 1,850,643	\$ 1,760,745	\$ 1,665,514
Special Education	1,199,920	1,314,833	653,974	965,822	638,156	224,533	269,473	458,884	495,460	525,692
Other Special Instruction	-	-	-	-	-	427,841	418,304	121,525	121,749	114,304
Other Instruction	7,909	8,697	5,904	8,089	15,643	15,079	21,284	30,637	27,301	28,690
Support Services:										
Tuition	495,044	617,654	396,462	348,488	246,345	249,580	91,434	197,509	185,221	99,616
Student & Instruction Related Services	1,853,630	1,461,053	855,074	892,193	783,717	778,942	851,333	892,623	841,573	606,004
Health Services	104,228	106,895	100,312	103,579	92,475	-	-	-	-	-
Educational Media Services/School Library	2,523	62,068	87,578	4,616	1,247	-	-	-	-	-
School Administrative Services	138,775	154,103	150,070	144,274	136,275	135,505	140,926	124,925	133,198	124,419
General Administrative	124,554	109,809	107,660	110,701	114,448	170,018	136,763	161,765	254,681	251,928
Central Services	127,970	100,795	119,998	115,331	109,894	-	-	-	-	-
Administrative Information Technology	84,122	83,471	56,722	48,391	30,360	-	-	-	-	-
Plant Operations & Maintenance	618,569	574,974	513,912	458,603	376,467	471,990	462,327	445,767	356,323	355,016
Pupil Transportation	1,035,899	693,567	611,382	596,460	405,400	460,127	466,731	578,000	443,715	433,490
Employee Benefits	1,339,465	1,396,277	1,545,244	1,884,115	2,819,095	1,953,195	2,439,342	2,509,218	1,712,709	1,405,894
Interest on Long-Term Debt	7,702	3,394	11,377	17,311	22,836	23,574	29,100	34,624	40,149	45,674
Capital Outlay	-	-	-	-	-	118,303	3,130	3,130	30,765	55,320
Unallocated Depreciation	214,232	222,466	238,092	228,631	222,862	234,780	207,766	207,690	197,398	207,714
Amortization of Debt Issuance Costs	-	-	-	-	-	1,657	1,657	1,657	1,657	1,657
Total Governmental Activities Expenses	\$9,466,948	\$8,735,531	\$7,433,108	\$7,915,932	\$7,804,919	\$7,076,317	\$7,287,258	\$7,618,597	\$6,602,644	\$5,920,932
Business-Type Activities:										
Food Service	201,817	177,092	167,880	162,937	89,728	99,987	116,547	118,398	109,316	109,097
Childcare	-	-	-	-	-	33,528	26,221	21,906	17,439	14,375
Total Business-Type Activities Expense	201,817	177,092	167,880	162,937	89,728	133,515	142,768	140,304	126,755	123,472
Total District Expenses	\$ 9,668,765	\$ 8,912,623	\$ 7,600,988	\$ 8,078,869	\$ 7,894,647	\$ 7,209,832	\$ 7,430,026	\$ 7,758,901	\$ 6,729,399	\$ 6,044,404

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Program Revenues:										
Governmental Activities:										
Charges for Services	45,100	77,900	-	43,568	46,210	46,097	40,773	61,930	6,099	3,239
Operating Grants & Contributions	2,306,142	2,285,095	1,237,713	2,011,026	2,206,032	280,195	280,836	258,011	293,375	285,723
Total Governmental Activities Program Revenues	2,351,242	2,362,995	1,237,713	2,054,594	2,252,242	326,292	321,609	319,941	299,474	288,962
Business-Type Activities:										
Charges for Services:										
Food Service	66,257	60,512	52,493	20,845	605	30,336	49,373	52,219	42,546	44,222
Childcare	-	-	-	-	484	39,339	55,763	46,276	64,217	40,164
Operating Grants & Contributions	124,744	97,070	98,205	191,254	105,436	66,305	75,393	80,359	67,667	71,372
Total Business Type Activities Program Revenues	191,001	157,582	150,698	212,099	106,525	135,980	180,529	178,854	174,430	155,758
Total District Program Revenues	\$ 2,542,243	\$ 2,520,577	\$ 1,388,411	\$ 2,266,693	\$ 2,358,767	\$ 462,272	\$ 502,138	\$ 498,795	\$ 473,904	\$ 444,720
Net/(Expense)/Revenue:										
Governmental Activities	\$ (7,115,706)	\$ (6,372,536)	\$ (6,195,395)	\$ (5,861,338)	\$ (5,552,677)	\$ (6,750,025)	\$ (6,965,649)	\$ (7,298,656)	\$ (6,303,170)	\$ (5,631,970)
Business-Type Activities	(10,816)	(19,510)	(17,182)	49,162	16,797	2,465	37,761	38,550	47,675	32,286
Total District-Wide Net Expense	\$ (7,126,522)	\$ (6,392,046)	\$ (6,212,577)	\$ (5,812,176)	\$ (5,535,880)	\$ (6,747,560)	\$ (6,927,888)	\$ (7,260,106)	\$ (6,255,495)	\$ (5,599,684)

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 3,723,332	\$ 3,564,985	\$ 3,495,083	\$ 3,474,097	\$ 3,405,977	\$ 3,339,193	\$ 3,339,193	\$ 2,922,506	\$ 2,819,022	\$ 2,763,747
Taxes Levied for Debt Service	-	86,030	86,695	84,219	87,429	90,640	93,848	97,048	100,261	103,469
Unrestricted Grants & Contributions	2,549,751	2,594,755	2,454,681	2,602,921	2,663,782	3,521,542	3,994,372	3,361,851	3,292,233	3,208,109
Restricted Grants & Contributions	-	62,141	62,622	60,835	63,152	-	-	-	-	-
Tuition Received	187,548	214,070	163,942	142,161	63,212	80,657	102,810	176,453	93,687	48,854
Investment Earnings	-	800	10,060	10,561	300	6,889	5,612	5,133	4,230	4,349
Miscellaneous Income	194,290	62,118	17,471	72,934	14,643	2,238	18,914	3,223	153,624	5,611
Loss on Disposal of Assets	-	-	-	-	-	(160,000)	-	-	-	-
Prior Year Payable Cancelled	-	-	-	-	230,000	-	(8,229)	(10,526)	-	(40,453)
Prior Year Receivable Cancelled	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	(32,000)
Total Governmental Activities	6,654,921	6,584,899	6,290,554	6,447,728	6,528,495	6,881,159	7,546,520	6,555,688	6,463,057	6,061,686
Business-Type Activities:										
Miscellaneous Income	484	504	347	292	247	378	355	345	329	219
Prior Year Cancelled Payables	-	-	-	-	424	-	623	-	-	-
Transfers/Other	-	-	-	-	(160,000)	160,000	-	-	-	32,000
Total Business-Type Activities	484	504	347	292	(159,329)	160,378	978	345	329	32,219
Total District-Wide	\$ 6,655,405	\$ 6,585,403	\$ 6,290,901	\$ 6,448,020	\$ 6,369,166	\$ 7,041,537	\$ 7,547,498	\$ 6,556,033	\$ 6,463,386	\$ 6,093,905
Change in Net Position:										
Governmental Activities	\$ (460,785)	\$ 212,363	\$ 95,159	\$ 586,390	\$ 975,818	\$ 131,134	\$ 580,871	\$ (742,968)	\$ 159,887	\$ 429,716
Business-Type Activities	(10,332)	(19,006)	(16,835)	49,454	(142,532)	162,843	38,739	38,895	48,004	64,505
Total District	\$ (471,117)	\$ 193,357	\$ 78,324	\$ 635,844	\$ 833,286	\$ 293,977	\$ 619,610	\$ (704,073)	\$ 207,891	\$ 494,221

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
FISCAL YEAR ENDING JUNE 30,										
General Fund:										
Restricted	\$ 2,599,786	\$ 2,725,422	\$ 3,011,598	\$ 3,323,822	\$ 2,894,505	\$ 1,940,421	\$ 1,622,844	\$ 1,120,083	\$ 1,087,638	\$ 733,134
Assigned	-	467,418	-	-	-	94,885	256,872	155,723	130,712	346,731
Unrestricted	200,364	102,960	100,040	101,414	121,258	17,894	18,618	53,753	7,438	4,945
Total General Fund	\$ 2,800,150	\$ 3,295,800	\$ 3,111,638	\$ 3,425,236	\$ 3,015,763	\$ 2,053,200	\$ 1,898,334	\$ 1,329,559	\$ 1,225,788	\$ 1,084,810
All Other Governmental Funds:										
Restricted	\$ 20,426	\$ 21,912	\$ 23,088	\$ 23,345	\$ 22,757	\$ 3,385	\$ 3,382	\$ 3,380	\$ 3,385	\$ 3,385
Unrestricted, Reported in:										
Special Revenue Fund	(121,048)	(114,400)	(5,420)	(2,216)	(6,537)	(3,857)	(5,069)	(4,161)	(5,409)	(4,177)
Total All Other Governmental Funds	\$ (100,622)	\$ (92,488)	\$ 17,668	\$ 21,129	\$ 16,220	\$ (472)	\$ (1,687)	\$ (781)	\$ (2,024)	\$ (792)

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenues:										
Taxes Local	\$ 3,723,332	\$ 3,651,015	\$ 3,581,778	\$ 3,358,316	\$ 3,493,406	\$ 3,429,833	\$ 3,433,041	\$ 3,019,554	\$ 2,919,283	\$ 2,867,216
Tuition Charges	187,548	214,070	163,942	142,161	63,212	80,657	102,810	176,453	93,687	48,854
Interest Earnings	-	800	10,060	10,561	300	6,889	5,612	4,833	4,230	4,349
Miscellaneous	207,332	74,421	28,555	75,205	19,990	2,238	18,914	3,523	155,672	5,611
State Sources	5,119,750	5,032,502	3,876,417	3,996,609	3,808,490	3,555,407	3,541,358	3,398,189	3,331,423	3,228,690
Federal Sources	573,021	541,485	435,748	830,676	307,752	246,330	238,299	221,673	252,137	265,142
Total Revenue	9,810,983	9,514,293	8,096,500	8,413,528	7,693,150	7,321,354	7,340,034	6,824,225	6,756,432	6,419,862
Expenditures:										
Instruction:										
Regular Instruction	2,168,018	1,890,062	2,034,804	2,018,385	1,840,176	1,884,184	1,836,833	1,892,557	1,798,364	1,687,805
Special Education Instruction	1,193,920	1,314,833	653,974	965,822	638,156	224,173	271,768	456,477	495,595	524,962
Other Special Instruction	-	-	-	-	-	429,324	403,431	120,625	117,631	114,972
Other Instruction	7,909	8,697	5,904	8,089	15,643	15,079	21,284	30,637	27,301	28,890
Undistributed:										
Tuition	495,044	617,654	396,462	348,488	246,345	249,580	91,434	197,509	185,221	99,616
Attendance & Social Work Services	10,460	14,112	15,494	15,702	14,776	-	-	-	-	-
Health Services	104,228	106,895	100,312	103,579	92,475	-	-	-	-	-
Related Services	1,139,970	989,821	327,180	340,431	243,561	-	-	-	-	-
Extraordinary Services	265,389	178,120	201,268	235,046	236,321	-	-	-	-	-
Support Services - Students:										
Regular	20,928	3,203	445	10,110	14,200	797,724	801,334	779,171	841,573	606,004
Special	290,336	183,761	196,994	215,568	210,403	-	-	-	-	-
Improvement of Instruction	126,547	92,036	113,693	75,336	77,236	-	-	-	-	-
Educational Media Services	2,523	62,068	87,578	4,616	12,447	-	-	-	-	-
Instructional Staff Training	4,177	2,725	2,795	2,675	2,232	-	-	-	-	-
General Administration	120,377	107,084	104,865	108,026	112,216	96,384	89,511	113,452	91,473	99,745
School Administration	138,775	154,103	150,070	144,274	136,275	134,763	140,926	124,925	130,682	120,350
Central Administration	127,970	100,795	119,998	115,331	109,894	110,997	104,904	119,785	118,573	112,744
Administration Information Technology	84,122	83,471	56,722	48,391	30,360	55,036	39,075	38,557	47,993	36,980
Allowable Maintenance for School Facilities	70,288	45,180	77,179	63,735	73,477	-	-	-	-	-
Operation & Maintenance of Plant Services	548,281	529,794	436,733	394,868	302,990	427,197	419,037	382,108	352,605	347,296
Student Transportation	993,997	621,192	611,382	569,483	366,152	460,127	466,731	578,000	443,490	433,490
Unallocated Benefits	880,304	835,741	950,067	895,882	1,015,410	1,113,061	1,096,211	1,007,808	961,932	895,121
On Behalf TPAF Pension and Social Security Contributions	1,398,274	1,340,586	1,308,114	1,306,689	1,021,234	833,876	804,384	682,177	604,284	552,180
Capital Outlay	113,800	462,414	405,948	74,961	40,000	118,303	43,120	47,157	396,602	61,830
Debt Service Expenditures:										
Principal	-	145,000	140,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000
Interest	3,130	6,302	12,449	18,186	23,711	26,106	31,632	37,156	42,681	48,206
Total Expenditures	10,314,767	9,895,649	8,510,430	8,213,673	6,981,710	7,105,914	6,791,615	6,738,101	6,786,225	5,899,991
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(503,784)	(381,356)	(413,930)	199,855	711,440	215,440	548,419	86,124	(29,793)	519,871
Other Financing Sources/(Uses):										
Capital Leases (Non-Budgeted)	-	392,107	-	-	-	96,384	27,679	29,416	169,539	-
Prior Year Receivables Cancelled	-	-	-	-	-	-	(8,229)	(10,526)	-	(40,453)
Prior Year Payables Cancelled	-	63,255	96,871	-	230,000	-	-	-	-	-
Transfers Out	(151,320)	(10)	(11)	(10)	(10)	(160,010)	(10)	(10)	-	(32,010)
Transfers In	151,320	10	11	14,537	3,969	4,267	10	10	-	10
Total Other Financing Sources/(Uses)	-	455,362	96,871	14,527	233,959	(59,359)	19,450	18,890	169,539	(72,453)
Net Change in Fund Balances	(\$503,784)	\$74,006	(\$317,059)	\$214,382	\$945,399	\$156,081	\$567,869	\$105,014	\$139,746	\$447,418
Debt Service as a Percentage of Noncapital Expenditures	0.03%	1.60%	1.88%	1.82%	2.21%	2.23%	2.40%	2.50%	2.70%	3.05%
Source: District Records										

Revenue Capacity Information

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the School District's ability to generate revenues. Please refer to the following exhibits for a historical view of these factors and how they relate to the School District's ability to generate revenues.

EXHIBIT J-5

**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	<u>TOTAL</u>
2025	\$ 34,554	\$ 159,726	\$ 194,280
2024	24,378	37,730	62,108
2023	17,460	-	17,460
2022	59,407	13,517	72,924
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

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
2025	14,259,700	314,514,400	25,562,600	3,868,200	31,692,800	1,189,200	N/A	391,086,900	-	391,086,900	0.990	610,119,969
2024	14,601,900	311,925,400	25,480,200	3,809,600	31,872,200	1,189,200	N/A	388,878,500	-	388,878,500	0.957	545,105,831
2023	14,204,700	308,813,500	24,968,800	3,715,500	31,692,800	1,189,200	N/A	384,584,500	-	384,584,500	0.949	480,550,419
2022	15,078,400	304,610,300	24,543,700	3,559,500	30,667,300	1,189,200	N/A	379,648,400	1,110,641	380,759,041	0.941	440,722,136
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
2017	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

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	
2025	0.990		0.990	0.990	0.950	0.758	3.688
2024	0.936	0.021	0.957	0.952	0.936	0.750	3.595
2023	0.924	0.025	0.949	0.994	0.936	0.750	3.629
2022	0.916	0.025	0.941	1.034	0.911	0.787	3.673
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
2017	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

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

TAXPAYER	2025		2016	
	TAXABLE ASSESSED VALUE	% OF TOTAL DISTRICT NET ASSESSED VALUATION	TAXABLE ASSESSED VALUE	% OF TOTAL DISTRICT NET ASSESSED VALUATION
Individual Taxpayer 1	\$ 6,190,300	1.58%	\$ 6,044,900	1.71%
Laux Lakeview Park Inc.	4,352,700	1.11%	4,142,000	1.17%
SCP 2007-C27, LLC (CVS Caremark)	2,449,900	0.63%	2,449,900	0.69%
AURA Investors LLC % Moat Scs	2,319,300	0.59%	-	-
Ewan 77 LLC	1,690,000	0.43%	-	-
RIC AURA LLC C/O Cole Schotz PC	1,546,200	0.40%	-	-
Copart of Connecticut Inc %Tax Dept	1,317,400	0.34%	1,102,000	0.31%
Clayton Associates	1,208,800	0.31%	1,189,200	0.34%
Robinson Property Holdings	1,052,200	0.27%	-	-
Christy Enterprises LLC	1,029,600	0.26%	-	-
Verizon New Jersey	-	-	1,088,181	0.31%
Aura Development Group LLC	-	-	3,538,700	1.00%
Western Oilfields Supply Co	-	-	1,052,200	0.30%
PCI REO 6 LLC	-	-	1,051,700	0.30%
C&C Development Co LLC	-	-	1,047,400	0.30%
Total	<u>\$ 23,156,400</u>	<u>5.92%</u>	<u>\$ 22,706,181</u>	<u>6.42%</u>

**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		PERCENT OF LEVY	COLLECTIONS IN SUBSEQUENT YEAR
			AMOUNT			
2025	\$	3,723,332	\$	3,723,332	100.00%	-
2024		3,651,015		3,651,015	100.00%	-
2023		3,581,778		3,581,778	100.00%	-
2022		3,558,316		3,558,316	100.00%	-
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%	-
2017		2,919,283		2,919,283	100.00%	-
2016		2,867,216		2,867,216	100.00%	-

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

Debt Capacity Information

Debt capacity information is intended to assist users in understanding and assessing the School District's debt burden and its ability to issue additional debt. Please refer to the following exhibits for a historical view of the school District's outstanding debt and its debt capacity.

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

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES				PERCENTAGE OF PER CAPITA INCOME
	GENERAL OBLIGATION BONDS	CERTIFICATES OF PARTICIPATION	FINANCED PURCHASES	TOTAL DISTRICT	
2025	\$ -	N/A	\$ 66,808	\$ 66,808	N/A
2024	-	N/A	122,420	122,420	N/A
2023	285,000	N/A	123,752	408,752	16.16%
2022	415,000	N/A	82,338	630,494	9.93%
2021	545,000	N/A	35,017	747,277	8.35%
2020	675,000	N/A	85,494	903,810	6.49%
2019	805,000	N/A	72,277	1,058,105	5.23%
2018	935,000	N/A	98,810	1,065,000	4.98%
2017	1,065,000	N/A	123,105	1,224,101	4.18%
2016	1,195,000	N/A	-	1,381,889	3.58%

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		
2025	\$ -	\$ -	\$ -	N/A	N/A
2024	-	-	-	N/A	N/A
2023	145,000	-	415,000	0.11%	93
2022	285,000	-	545,000	0.14%	122
2021	415,000	-	675,000	0.18%	152
2020	545,000	-	805,000	0.22%	193
2019	675,000	-	935,000	0.25%	224
2018	805,000	-	1,065,000	0.29%	255
2017	935,000	-	1,195,000	0.33%	287
2016	1,065,000	-	1,325,000	0.37%	323

**ELK TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2025**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	PERCENTAGE APPLICABLE	OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Township of Elk	\$1,552,807	100.00%	\$1,552,807
Gloucester County General Obligation Debt	140,088,000	1.30%	1,821,144
Regional School Debt	7,056,000	22.00%	1,552,320
Total Direct & Overlapping Debt			\$4,926,271

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

	FISCAL YEAR									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Debt Limit	\$ 13,501,201	\$ 9,978,175	\$ 9,772,073	\$ 9,623,995	\$ 9,442,997	\$ 9,242,305	\$ 9,087,277	\$ 8,998,952	\$ 9,053,541	\$ 9,217,017
Total Net Debt Applicable to Limit	-	285,000	415,000	545,000	675,000	805,000	935,000	1,065,000	1,195,000	1,325,000
Legal Debt Margin	\$ 13,501,201	\$ 9,693,175	\$ 9,357,073	\$ 9,078,995	\$ 8,767,997	\$ 8,437,305	\$ 8,152,277	\$ 7,933,952	\$ 7,858,541	\$ 7,892,017
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit		2.86%	4.25%	5.66%	7.15%	8.71%	10.29%	11.83%	13.20%	14.38%

Legal Debt Margin Calculation for Fiscal Year 2025

	Equalized Valuation Basis	
	Total	
	2024	\$ 606,674,727
	2023	539,086,768
	2022	474,382,607
		<u>\$1,620,144,102</u>
Average Equalized Valuation of Taxable Property		<u>\$540,048,034</u>
Debt Limit (2.5% of Average Equalization Value) Net Bonded School Debt		<u>\$13,501,201</u>
Legal Debt Margin		<u>\$13,501,201</u>

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

Demographic and Economic Information

Demographic and Economic information is intended to (1) to assist users in understanding the socioeconomic environment within which the School District operates and (2) to provide information that facilitates comparisons of financial information over time and among school districts. Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District's operates.

**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)
2025	N/A	N/A	N/A	N/A
2024	4,506	N/A	N/A	5.2%
2023	4,473	295,490,853	66,061	4.6%
2022	4,459	279,048,679	62,581	4.0%
2021	4,442	277,105,286	62,383	6.1%
2020	4,172	244,533,436	58,613	8.4%
2019	4,176	231,037,200	55,325	3.7%
2018	4,180	221,698,840	53,038	4.5%
2017	4,157	212,485,055	51,115	4.9%
2016	4,099	202,847,213	49,487	4.9%

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	2025		PERCENTAGE OF TOTAL EMPLOYMENT
	EMPLOYEES	RANK (OPTIONAL)	
Rowan University	3,500	1	N/A
Inspira Health Network	1,222	2	N/A
Gloucester County Personnel	1,200	3	N/A
Jefferson Health Washington Twp	670	4	N/A
Aryzta LaBrea Bakery, Inc.	500	5	N/A
Keller Williams Realty	500	6	N/A
Honda of Turnersville	499	7	N/A
Paulsboro Refinery LLC	402	8	N/A
Washington Township High School	400	9	N/A
Johnson Matthey, Inc.	379	10	N/A
	<u>9,272</u>		<u>N/A</u>

EMPLOYER	2016		PERCENTAGE OF TOTAL EMPLOYMENT
	EMPLOYEES	RANK (OPTIONAL)	
Inspira Health Network	1,825	1	N/A
Kennedy Health Alliance	1,675	2	N/A
Washington Township School District	1,631	3	N/A
Rowan University	1,483	4	N/A
County of Gloucester	1,398	5	N/A
Missa Bay, LLC	950	6	N/A
Monroe Township School District	807	7	N/A
U.S Foodservices	725	8	N/A
Exxon Mobile Research & Development	540	9	N/A
LeBrea Bakery	525	10	N/A
	<u>11,559</u>		<u>N/A</u>

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

Operation Information

Operating information is intended to provide contextual information about the School District's operations and resources to assist readers in using financial information to understand and assess the School District's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the School District's operations.

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

Function/Program	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Instruction:										
Regular	29.0	31.0	26.1	22.6	25.4	25.0	25.0	26.1	27.0	27.6
Special Education	3.0	5.0	6.0	6.1	7.6	7.0	7.0	5.6	5.0	5.4
Support Services:										
Student & Instruction Related Services	4.4	5.3	6.1	7.0	5.2	6.2	6.2	7.5	7.2	7.2
General Administration	0.3	0.3	0.3	1.8	0.3	0.3	0.3	0.3	0.3	0.3
School Administration	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Business Administrative/Technology	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0
Plants Operations & Maintenance	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Total	44.2	49.1	46.0	46.0	46.0	47.0	48.0	49.0	48.0	46.8

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
					STAFF	SCHOOL RATIO				
2025	362	\$ 8,519,743	23,535	12.35%	36	10.1	348.0	328.0	-1.69%	94.25%
2024	362	7,582,970	20,947	-6.94%	35	10.5	354.0	334.0	5.04%	94.35%
2023	335	7,540,742	22,510	9.90%	35	10.5	337.0	313.0	2.43%	92.88%
2022	334	7,135,326	20,482	-4.06%	35	10.5	329.0	306.0	3.13%	93.01%
2021	313	6,410,745	21,348	0.57%	35	9.1	319.0	307.0	-0.93%	96.24%
2020	320	6,831,505	18,713	5.78%	35	9.1	322.0	309.0	-7.47%	95.96%
2019	352	6,586,863	17,584	1.75%	35	9.9	348.0	329.0	-6.70%	94.54%
2018	371	6,523,788	18,503	7.44%	36	9.7	373.0	351.0	10.68%	94.10%
2017	336	6,216,942	16,311	4.33%	36	9.3	337.0	319.0	-1.75%	94.66%
2016	347	5,659,955	17,397	2.61%	36	10.4	343.0	327.0	-2.00%	95.34%

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	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Elementary School:										
Aura Elementary:										
Square Feet	51,532	51,532	51,532	51,532	51,532	51,532	51,532	51,532	51,531	51,532
Capacity (Students)	522	522	522	522	522	522	522	522	522	522
Enrollment	362	362	335	334	313	320	352	371	336	347

Number of Schools at June 30, 2025:
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													
		2025	2024	2023	2022	2022	2022	2021	2020	2019	2018	2017	2016
	GROSS SQUARE * FOOTAGE												
Aura School	51,532	\$ 70,288	\$ 60,461	\$ 77,179	\$ 63,735	\$ 73,477	\$ 66,905	\$ 55,917	\$ 84,569	\$ 65,557	\$ 45,282	\$ 46,084	
Total School Facilities		\$ 70,288	\$ 60,461	\$ 77,179	\$ 63,735	\$ 73,477	\$ 66,905	\$ 55,917	\$ 84,569	\$ 65,557	\$ 45,282	\$ 46,084	

* 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, 2025**

	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	27,000,000	
Workmen's Compensation	Statutory	
Educator's Legal Liability	27,000,000	
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	10,000
Lloyd's of London		
Disaster Management Services	1,000,000	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	25,000
		500,000 - 250,000
Public Employees' Faithful Performance Bonds -		
Selective Insurance Company of America		
Surety Bond - Treasurer	175,000	
Surety Bond - Board Secretary/Business Administrator	20,000	
Source: District Records.		

SINGLE AUDIT SECTION



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
Aurora, 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, business-type activities, and each major fund of the Hainesport Township School District (the "School District") as of and for the year ended June 30, 2025, 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 November 24, 2025.

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.

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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.

Report on 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

Andrew Lee
Certified Public Accountant
Public School Accountant, No. 2737

Medford, New Jersey
November 24, 2025

EXHIBIT K-2

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM AND REPORT 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
Aurora, New Jersey

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Elk Township School District's (the "School District") compliance with the types of compliance requirements identified as subject to audit 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, 2025. 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.

In our opinion, the School District complied, in all material respects, with the 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, 2025.

Basis for Opinion on Each Major State Program

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the School District and to meet our ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not

provide a legal determination of the School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the School District's state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America; *Government Auditing Standards*, Uniform Guidance, New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individual or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the School District's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted accounting standards, *Government Auditing Standards*, Uniform Guidance and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, but not for the purpose of expressing an opinion on the effectiveness of School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Andrew Lee
Certified Public Accountant
Public School Accountant, No. 2737

Medford, New Jersey
November 24, 2025

ELK TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR FISCAL YEAR ENDED JUNE 30, 2025

FEDERAL GRANTOR/PASS THROUGH GRANTOR/ PROGRAM TITLE OR CLUSTER	ASSISTANCE LISTING NUMBER	FEDERAL AWARD IDENTIFICATION NUMBER	PASS THROUGH ENTITY IDENTIFYING NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2024	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	ADJUSTMENTS	BALANCE, JUNE 30, 2025	
											(ACCOUNTS RECEIVABLE)	DUE TO GRANTOR REVENUE
U.S. DEPARTMENT OF AGRICULTURE PASSED-THROUGH STATE DEPARTMENT OF AGRICULTURE:												
Child Nutrition Cluster:												
School Breakfast Program	10.553	24INJ304N1099	100-010-3350-028	15,242	7/1/23-6/30/24	\$	(897)	\$	897	\$	-	\$ -
School Breakfast Program	10.553	25INJ304N1099	100-010-3350-028	21,807	7/1/24-6/30/25	-	-	(21,807)	-	-	(1,574)	-
National School Lunch Program	10.555	24INJ304N1099	100-010-3350-026	48,342	7/1/23-6/30/24	(2,316)	-	2,316	-	-	-	-
National School Lunch Program	10.555	25INJ304N1099	100-010-3350-026	54,688	7/1/24-6/30/25	-	-	(54,688)	-	-	(3,660)	-
Healthy Hunger-Free Kids Act	10.555	24INJ304N1099	100-010-3350-026	1,817	7/1/24-6/30/25	-	-	(1,817)	-	-	(120)	-
Healthy Hunger-Free Kids Act	10.555	24INJ304N1099	100-010-3350-026	1,611	7/1/23-6/30/24	(75)	-	75	-	-	-	-
COVID-19 Supply Chain Assistance	10.555	23INJ304N1099	100-010-3350-118	42,123	7/1/23-6/30/25	23,140	-	(23,140)	-	-	-	-
Food Distribution Program (Noncash Assistance)	10.555	24INJ304N1099	Unavailable	19,347	7/1/23-6/30/24	2,641	-	(2,641)	-	-	-	-
Food Distribution Program (Noncash Assistance)	10.555	25INJ304N1099	Unavailable	17,947	7/1/24-6/30/25	-	17,947	(16,971)	-	-	-	976
Total Child Nutrition Cluster												
COVID-19 Pandemic EBT Food Benefit Program	10.649	23INJ304S9009	100-010-3350-115	322	7/1/24-6/30/25	-	322	(322)	-	-	-	-
Subtotal						-	-	322	-	-	-	-
Local Food for Schools Cooperative Agreement Program	10.185	AM22CPLFS000C091	100-010-3350-123	697	7/1/24-6/30/25	-	697	(697)	-	-	-	-
Subtotal						-	-	697	-	-	-	-
Total Enterprise Fund												
						22,493	95,212	(122,083)	-	-	(5,354)	-
U.S. DEPARTMENT OF EDUCATION PASSED-THROUGH STATE DEPARTMENT OF EDUCATION:												
Special Revenue Fund:												
Title I - Part A	84.010	S010A230030	100-034-5064-194	65,389	7/1/23-9/30/24	(57,060)	57,060	-	-	-	-	-
Title I - Part A	84.010	S010A240030	100-034-5064-194	79,869	7/1/24-9/30/25	-	-	(78,768)	-	-	(78,768)	-
Subtotal						(57,060)	57,060	(78,768)	-	-	(78,768)	-
Title II - Part A	84.367	S367A230029	100-034-5063-290	9,617	7/1/23-9/30/24	(6,548)	6,548	-	-	-	-	-
Title II - Part A	84.367	S367A240029	100-034-5063-290	11,984	7/1/24-9/30/25	-	-	(10,967)	-	-	(10,967)	-
Subtotal						(6,548)	6,548	(10,967)	-	-	(10,967)	-
Title III	84.365	S365A240009	100-034-5064-187	7	7/1/24-9/30/25	-	-	(7)	-	-	(7)	-
Title III	84.365	S365A230009	100-034-5064-187	1,469	7/1/23-9/30/24	(250)	250	-	-	-	-	-
Subtotal						(250)	250	(7)	-	-	(7)	-
Title IV	84.424	S424A230031	100-034-5069-031	12,500	7/1/23-9/30/24	(11,569)	11,569	-	-	-	-	-
Title IV	84.424	S424A240031	100-034-5069-031	10,931	7/1/24-9/30/25	-	-	(10,458)	-	-	(10,458)	-
Subtotal						(11,569)	11,569	(10,458)	-	-	(10,458)	-
Safe and Drug Free Schools and Communities	84.184	S184G230252	Unavailable	75,000	7/1/23-9/30/24	(18,016)	18,016	-	-	-	-	-
Subtotal						(18,016)	18,016	-	-	-	-	-
Rural Education Achievement Program	84.358	S358A221526	Unavailable	36,133	7/1/23-9/30/24	(33,450)	-	(616)	-	-	(34,066)	-
Subtotal						(33,450)	-	(616)	-	-	(34,066)	-
Educational Stabilization Fund:												
High Impact Tutoring	84.425V	E2400275	100-034-5120-527	41,088	10/1/23-8/31/24	(25,800)	-	(13,916)	-	-	(39,716)	-
Subtotal						(25,800)	-	(13,916)	-	-	(39,716)	-
COVID-19 ARP ESSER III	84.425U	S425U210027	100-034-5120-523	706,475	3/13/20-9/30/24	(194,759)	287,267	(87,828)	-	(4,680)	-	-
COVID-19 ARP ESSER III - Evidence Based Summer	84.425U	S425U210027	100-034-5120-523	80,075	3/13/20-9/30/24	(75)	40,000	(39,925)	-	-	-	-
COVID-19 ARP ESSER III - Evidence Based Learning	84.425U	S425U210027	100-034-5120-523	40,000	3/13/20-9/30/24	(1,330)	40,000	(38,670)	-	-	-	-
COVID-19 ARP ESSER III - Mental Health	84.425U	S425U210027	100-034-5120-523	45,000	3/13/20-9/30/24	-	45,000	(45,000)	-	-	-	-
COVID-19 ARP ESSER III - Accelerated Learning	84.425U	S425U210027	100-034-5120-523	50,000	3/13/20-9/30/24	-	50,000	(30,050)	-	(19,950)	-	-
Subtotal						(196,164)	462,267	(241,473)	-	(24,630)	-	-
Total Educational Stabilization Fund:												
						(221,964)	462,267	(255,389)	-	(24,630)	(39,716)	-
Special Education Cluster:												
I.D.E.A. Part B, Basic Regular	84.027A	H027A240100	100-034-5065-016	109,609	7/1/24-9/30/25	-	-	(109,609)	-	-	(109,609)	-
I.D.E.A. Part B, Basic Regular	84.027A	H027A230100	100-034-5065-016	110,738	7/1/23-9/30/24	(110,738)	110,738	-	-	-	-	-
Subtotal						(110,738)	110,738	(109,609)	-	-	(109,609)	-
I.D.E.A. Part B, Preschool	84.173A	H173A240114	100-034-5065-016	3,138	7/1/24-9/30/25	-	-	(3,138)	-	-	(3,138)	-
I.D.E.A. Part B, Preschool	84.173A	H173A230114	100-034-5065-016	3,258	7/1/23-9/30/24	(3,258)	3,258	(3,138)	-	-	-	-
Subtotal						(3,258)	3,258	(3,138)	-	-	(3,138)	-
Total Special Education Cluster						(113,996)	113,996	(112,747)	-	-	(112,747)	-
Total Special Revenue Fund						(462,853)	669,706	(468,952)	-	(24,630)	(286,729)	-
Total Federal Financial Assistance						\$ (440,360)	\$ 764,918	\$ (591,035)	\$ -	\$ (24,630)	\$ (292,083)	\$ - \$ 976

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, 2025

STATE GRANTOR/ PROGRAM TITLE	GRANT OR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2024	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	PRIOR YEAR (RECEIVABLES) PAYABLES CANCELED	BALANCE, JUNE 30, 2025			MEMO	
									ACCOUNTS RECEIVABLE	UNEARNED REVENUE	DUE TO GRANTOR	BUDGETARY RECEIVABLE	CUMULATIVE TOTAL EXPENDITURES
State Department of Education:													
General Fund:													
State Aid Public:													
Equalization Aid	495-034-5120-078	1,559,623	7/1/24-6/30/25	\$ -	\$ 1,559,623	\$ (1,559,623)	\$ -	\$ -	\$ -	\$ -	\$ 139,556	\$ 1,559,623	
Special Education Categorical Aid	495-034-5120-089	287,900	7/1/24-6/30/25	-	287,900	(287,900)	-	-	-	-	25,761	287,900	
Security Aid	495-034-5120-084	66,201	7/1/24-6/30/25	-	66,201	(66,201)	-	-	-	-	5,924	66,201	
School Choice Aid	495-034-5120-068	221,027	7/1/24-6/30/25	-	221,027	(221,027)	-	-	-	-	19,778	221,027	
Stabilization Aid	495-034-5120-078	81,123	7/1/24-6/30/25	-	81,123	(81,123)	-	-	-	-	-	81,123	
Total State Aid Public													
				-	2,215,874	(2,215,874)	-	-	-	-	191,019	2,215,874	
Noncash Assistance:													
Transportation Aid	495-034-5120-014	148,655	7/1/24-6/30/25	-	148,655	(148,655)	-	-	-	-	13,302	148,655	
Additional Nonpublic Transportation Aid	495-034-5120-014	13,195	7/1/23-6/30/24	(13,195)	13,195	-	-	-	-	-	-	-	
Extraordinary Aid	495-034-5120-044	155,746	7/1/23-6/30/24	(155,746)	155,746	-	-	-	(9,807)	-	-	9,807	
Extraordinary Aid	495-034-5120-044	123,755	7/1/24-6/30/25	-	-	(123,755)	-	-	-	-	-	-	
Securing Our Children's Future Bond Act	495-034-5120-044	20,000	7/1/20-6/30/22	(118)	-	-	-	118	(123,755)	-	-	-	123,755
Reimbursed TPAF Social Security	495-034-5094-003	207,265	7/1/23-6/30/24	(21,467)	21,467	-	-	-	-	-	-	-	
Reimbursed TPAF Social Security	495-034-5094-003	216,348	7/1/24-6/30/25	-	205,408	(216,348)	-	-	(10,940)	-	-	216,348	
Noncash Assistance:													
TPAF - Post Retirement Medical	495-034-5094-001	267,200	7/1/24-6/30/25	-	267,200	(267,200)	-	-	-	-	-	267,200	
TPAF - Pension Contributions	495-034-5094-002	914,440	7/1/24-6/30/25	-	914,440	(914,440)	-	-	-	-	-	914,440	
TPAF - Long-Term Disability Insurance	495-034-5094-004	286	7/1/24-6/30/25	-	286	(286)	-	-	-	-	-	286	
Total General Fund Assistance													
				(190,526)	3,942,271	(3,896,365)	-	118	(144,502)	-	204,321	3,896,365	
Special Revenue Fund:													
Preschool Education Aid	495-034-5120-086	1,210,480	7/1/24-6/30/25	-	1,210,480	(1,103,373)	-	-	-	107,107	121,048	1,103,373	
Subtotal				-	1,210,480	(1,103,373)	-	-	-	107,107	121,048	1,103,373	
Teacher Climate and Culture Innovation Grant													
Subtotal	100-034-5061-053	75,000	5/1/24-12/31/24	-	75,000	(75,000)	-	-	-	-	-	75,000	
				-	75,000	(75,000)	-	-	-	-	-	75,000	
Total Special Revenue Fund Assistance													
				-	1,285,480	(1,178,373)	-	-	-	107,107	121,048	1,178,373	
State Department of Agriculture:													
Enterprise Fund:													
State School Lunch Program	495-010-3350-001	2,034	7/1/23-6/30/24	(97)	97	-	-	-	-	-	-	-	
State School Lunch Program	495-010-3350-001	1,847	7/1/24-6/30/25	-	1,737	(1,847)	-	-	(110)	-	-	1,847	
State School Breakfast Program	495-010-3350-002	218	7/1/24-6/30/25	-	205	(218)	-	-	(13)	-	-	218	
State School Breakfast Program	495-010-3350-002	239	7/1/23-6/30/24	(16)	16	-	-	-	-	-	-	-	
Breakfast After the Bell	495-010-3350-004	114	7/1/24-6/30/25	-	105	(114)	-	-	(9)	-	-	114	
Breakfast After the Bell	495-010-3350-004	66	7/1/23-6/30/24	(7)	7	-	-	-	-	-	-	-	
Summer EBT Program for Children	100-010-3370-003	322	7/1/24-6/30/25	-	322	(322)	-	-	-	-	-	322	
Working Class Families State Supplement	495-010-3350-006	160	7/1/24-6/30/25	-	160	(160)	-	-	-	-	-	160	
Working Class Families State Supplement	495-010-3350-006	721	7/1/23-6/30/24	(40)	40	-	-	-	-	-	-	-	
Total Enterprise Fund Assistance													
				(160)	2,689	(2,661)	-	-	(132)	-	-	2,661	
Grand Total State Financial Assistance													
				\$ (190,686)	\$ 5,230,440	\$ (5,077,399)	\$ -	\$ -	\$ (144,634)	\$ 107,107	\$ 325,369	\$ 5,077,399	

State Financial Assistance Programs Not Subject to Calculation for Major Program Determination:

TPAF - Post Retirement Medical (Noncash Assistance)	267,200	7/1/23-6/30/24
TPAF - Pension Contributions (Noncash Assistance)	914,440	7/1/23-6/30/24
TPAF - Long-Term Disability Insurance (Noncash Assistance)	286	7/1/23-6/30/24

Total State Financial Assistance subject to Major Program Determination

\$ (3,895,473)

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, 2025**

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, 2025. 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, 2025.

ELK TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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.

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 \$51,660 for the general fund and 97,421 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	\$ -	\$ 3,948,025	\$ 3,948,025
Special Revenue Fund	573,021	1,171,725	1,744,746
Food Service Fund	<u>122,083</u>	<u>2,661</u>	<u>124,744</u>
Total Awards & Financial Assistance	<u>\$ 695,104</u>	<u>\$ 5,122,411</u>	<u>\$ 5,817,515</u>

**ELK TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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, 2025.

ELK TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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:

<u>AIL Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>Not applicable</u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>

Dollar threshold used to determine Type A programs \$750,000.00

Auditee qualified as low-risk auditee? yes X no

ELK TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Section I - Summary of Auditor's Results (continued)

State Financial Assistance

Dollar threshold used to determine Type A programs \$750,000.00

Auditee qualified as low-risk auditee? X yes no

Internal control over major programs:

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

2) Significant deficiency(ies) identified? yes X no

Type of auditor's report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported
in accordance with New Jersey OMB's Circular 15-08? yes X no

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
	State Aid Public:
495-034-5120-078	Equalization Aid
495-034-5120-084	Categorical Security Aid
495-034-5120-089	Categorical Special Education Aid
495-0345120-085	School Choice Aid
495-034-5120-078	Stabilization Aid

**ELK TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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.

**ELK TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

Not Applicable

STATE FINANCIAL ASSISTANCE

None.

**ELK TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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

No Prior Year Findings.

Federal Awards

No Prior Year Findings

State Financial Assistance

No Prior Year Findings.