

**TOWNSHIP OF ELK  
COUNTY OF GLOUCESTER**

**AUDIT REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2023**



**TOWNSHIP OF ELK  
COUNTY OF GLOUCESTER**

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COUNTY OF GLOUCESTER**

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COUNTY OF GLOUCESTER**

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**TOWNSHIP OF ELK  
COUNTY OF GLOUCESTER**

**PART I**

**INDEPENDENT AUDITOR'S REPORT  
AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members  
of the Township Committee  
Township of Elk  
County of Gloucester  
Monroeville, New Jersey

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds and account group of the Township of Elk, County of Gloucester, State of New Jersey (the "Township") as of December 31, 2023 and 2022, and the related statement of operations and changes in fund balance - regulatory basis for the years then ended, the related statement of revenues - regulatory basis, and statement of expenditures - regulatory basis for the year ended December 31, 2023 and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

#### *Unmodified Opinion on Regulatory Basis of Accounting*

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds and account group of the Township of Elk as of December 31, 2023 and 2022, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the statement of revenues - regulatory basis and statement of expenditures - regulatory basis, for the year ended December 31, 2023 in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

#### *Adverse Opinion on Accounting Principles Generally Accepted in the United States of America*

In our opinion, because of the significance of the matter discussed in the below "*Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United State of America*" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Township of Elk as of December 31, 2023 and 2022, or the results of its operations and changes in fund balance for the years then ended.

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## **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and in compliance with audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, 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 Township and to meet our other 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.

### *Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America*

As described in Note 1, the financial statements are prepared by the Township on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

## **Emphasis of Matter**

### *Prior Period Restatement*

Due to a review of Township fixed assets in the current year, the General Fixed Assets Account Group Statement of Assets and Fund Balance – Regulatory Basis as of December 31, 2022 has been restated, as discussed in Note 19 to the financial statements. Our opinions is not modified with respect to this matter.

## **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible 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 Township'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 Division of Local Government Services, Department of Community Affairs, 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 and Government 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 Township'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 Township'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.

### **Supplemental Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The supplemental schedules presented for the various funds are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey 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 and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with Government Auditing Standards, we have also issued our report dated June 18, 2024 on our consideration of the Township'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 solely 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 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 Township's internal control over financial reporting and compliance.

Respectfully submitted,

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

Michael Holt  
Certified Public Accountant  
Registered Municipal Accountant  
RMA No. 473

Medford, New Jersey  
June 18, 2024



HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

**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 Mayor and Members  
of the Township Committee  
Township of Elk  
County of Gloucester  
Monroeville, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements - regulatory basis of the Township of Elk, County of Gloucester, State of New Jersey (the “Township”) as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated June 18, 2024. Our report indicated that the Township’s financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Township'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 Township’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Township’s internal control.

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

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

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## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Township'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 Division of Local Government Services, Department of Community Affairs, 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 Township's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey in considering the Township's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

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

Michael Holt  
Certified Public Accountant  
Registered Municipal Accountant  
RMA No. 473

Medford, New Jersey  
June 18, 2024

**BASIC FINANCIAL STATEMENTS**

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**TOWNSHIP OF ELK  
CURRENT FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES  
AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2023 AND 2022**

ASSETS	REFERENCE	2023	2022
Regular Fund:			
Cash	A-4	\$ 5,684,204.76	\$ 5,737,801.95
Change Fund	A-6	150.00	150.00
Investment - Bond Anticipation Note	C	695,875.00	612,750.00
Total Regular Fund		<u>6,380,229.76</u>	<u>6,350,701.95</u>
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	297,603.21	353,470.15
Tax Title Liens Receivable	A-8	1,027,398.58	964,518.49
Property Acquired for Taxes - Assessed Valuation	A-10	656,730.00	656,730.00
Demolition Liens Receivable	A	35,422.42	35,422.42
Revenue Accounts Receivable	A-11	5,662.61	3,641.27
Due from:			
Trust - Other Fund	B	99.67	123.56
Federal and State Grant Fund	A	243,594.29	321,889.50
		<u>2,266,510.78</u>	<u>2,335,795.39</u>
Deferred Charges:			
Emergency Authorization	A-3	7,478.66	-
Total Deferred Charges		<u>7,478.66</u>	<u>-</u>
Total Current Fund		<u>8,654,219.20</u>	<u>8,686,497.34</u>
Federal and State Grants:			
Cash	A-4	1,744.68	1,735.97
Grants Receivable	A-22	2,944,022.70	1,130,318.16
Total Federal and State Grants		<u>2,945,767.38</u>	<u>1,132,054.13</u>
Total Assets		<u>\$ 11,599,986.58</u>	<u>\$ 9,818,551.47</u>

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

**TOWNSHIP OF ELK  
CURRENT FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES  
AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2023 AND 2022**

LIABILITIES RESERVES & FUND BALANCE	REFERENCE	<u>2023</u>	<u>2022</u>
Regular Fund:			
Appropriation Reserves	A-3	\$ 775,783.45	\$ 981,575.81
Reserve for Encumbrances	A-3,A-13	51,730.46	41,484.16
Prepaid Taxes	A-14	202,928.37	214,286.58
Tax Overpayments	A-15	72,798.97	32,955.42
Payroll Taxes Payable	A	725.07	2,566.19
Reserve for Street Openings	A	69,114.97	64,789.97
Reserve for Local Fiscal Recovery Funds	A	-	218,390.94
Reserve for Revaluation	A	23,902.17	23,902.17
Reserve for Codification of Ordinances and Preparation of Master Plan	A	8,843.03	8,843.03
Reserve for Municipal Relief Fund	A	37,791.99	18,899.76
Due to County for Added and Omitted Taxes	A-19	21,011.00	29,628.87
Local School District Taxes Payable	A-16	540,295.51	507,186.07
Regional High School District Taxes Payable	A-17	154,551.33	153,243.98
Due to Trust - Other Fund - Off-Duty Police	B	306,959.58	503,161.74
Due to the State:			
Senior Citizen and Veterans Deductions	A-9	11,574.19	11,074.19
Marriage Licenses	A-20	350.00	250.00
DCA Inspection Fees	A-21	1,306.00	1,966.00
Subtotal		<u>2,279,666.09</u>	<u>2,814,204.88</u>
Reserve for Receivables & Other Assets	A	2,266,510.78	2,335,795.39
Fund Balance	A-1	<u>4,108,042.33</u>	<u>3,536,497.07</u>
Total Regular Fund		<u>8,654,219.20</u>	<u>8,686,497.34</u>
Federal and State Grants:			
Reserve for Grants - Unappropriated	A-23	1,395.83	2,420.06
Encumbrances Payable	A-24	20,892.00	46,685.50
Reserve for Grants - Appropriated	A-24	2,679,885.26	761,059.07
Due to Current Fund	A	243,594.29	321,889.50
Total Federal and State Grants		<u>2,945,767.38</u>	<u>1,132,054.13</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 11,599,986.58</u>	<u>\$ 9,818,551.47</u>

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

**TOWNSHIP OF ELK  
CURRENT FUND  
STATEMENTS OF OPERATIONS AND  
CHANGES IN FUND BALANCE - REGULATORY BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
Revenue & Other Income Realized:		
Fund Balance Utilized	\$ 981,000.00	\$ 685,818.15
Miscellaneous Revenue Anticipated	3,172,507.74	1,611,530.67
Receipts From Delinquent Taxes & Tax Title Liens	376,521.08	468,502.08
Receipts From Current Taxes	13,668,107.05	13,667,894.47
Nonbudget Revenue	470,357.50	257,839.30
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	838,259.86	849,904.74
Liquidation of Reserves For:		
Prior Year Interfund Returned	78,295.22	8,583.86
	<u>19,585,048.45</u>	<u>17,550,073.27</u>
Total		
Expenditures:		
Budget & Emergency Appropriations:		
Operations Within "CAPS":		
Salaries and Wages	2,004,088.00	1,971,420.00
Other Expenses	2,242,291.00	2,141,981.00
Deferred Charges & Statutory		
Expenditures - Municipal Within "CAPS"	490,958.00	479,800.00
Operations Excluded from "CAPS":		
Salaries & Wages	84,242.00	75,970.00
Other Expenses	2,362,316.52	662,694.37
Capital Improvements	150,000.00	170,000.00
Municipal Debt Service	327,635.00	264,546.00
County Taxes	2,879,249.29	2,991,371.25
Due County for Added & Omitted Taxes	21,011.00	29,628.87
Local District School Tax	3,651,015.00	3,581,778.00
Regional High School District Tax	3,823,587.00	3,936,865.00
Prior Year Deductions Disallowed	2,439.04	2,042.46
Interfund Advanced	-	321,889.50
Grants Receivable Cancelled	-	0.60
Return of Prior Year Revenue	1,150.00	1,712.08
	<u>18,039,981.85</u>	<u>16,631,699.13</u>
Total Expenditures		
Regulatory Excess to Fund Balance	1,545,066.60	918,374.14
Adjustments to Income Before Surplus:		
Expenditures Included Above Which are by Statute		
Deferred Charges to Budget of Succeeding Year	7,478.66	-
	<u>1,552,545.26</u>	<u>918,374.14</u>
Excess to Fund Balance		
Fund Balance, January 1	<u>3,536,497.07</u>	<u>3,303,941.08</u>
	<u>5,089,042.33</u>	<u>4,222,315.22</u>
Total		
Decreased by: Utilization as Anticipated Revenue	<u>981,000.00</u>	<u>685,818.15</u>
Fund Balance, December 31	<u>\$ 4,108,042.33</u>	<u>\$ 3,536,497.07</u>

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

**TOWNSHIP OF ELK  
CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	BUDGET	APPROPRIATED by N.J.S.A.40A:47-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Utilized	\$ 981,000.00	\$ -	\$ 981,000.00	\$ -
Miscellaneous Revenue:				
Fines & Costs:				
Municipal Court	52,500.00	-	97,734.42	45,234.42
Interest & Costs on Taxes	97,000.00	-	77,645.94	(19,354.06)
Energy Receipts Tax	364,819.00	-	364,819.44	0.44
Reserve for Municipal Relief Fund	18,899.79	-	18,899.76	(0.03)
Uniform Construction Code				
Fees & Permits	145,000.00	-	102,868.00	(42,132.00)
Shared Service Agreements:				
Borough of Clayton - Court Reimb.	109,242.00	-	109,242.00	-
Recycling Tonnage Grant	7,838.73	-	7,838.73	-
Body Armor Grant	1,198.32	-	1,198.32	-
U Text U Drive U Pay	4,200.00	-	4,200.00	-
Drive Sober or Get Pulled Over	-	2,240.00	2,240.00	-
Drive Sober or Get Pulled Over - Gloucester	-	2,240.00	2,240.00	-
TRICO JIF Safety Incentive Program	1,500.00	-	5,968.38	4,468.38
TRICO JIF Cyber Risk	1,500.00	-	1,500.00	-
TRICO JIF Wellness Incentive Grant	750.00	-	750.00	-
Delsea Regional HS CTE Teacher	-	16,000.00	16,000.00	-
NJDEP Stormwater Assistance Grant	-	75,000.00	75,000.00	-
Local Recreation Improvement Grant	-	73,000.00	73,000.00	-
DOT - Moods Road - Phase III	220,080.00	-	220,080.00	-
DOT - Christian Street	350,000.00	-	350,000.00	-
DOT - Elephant Swamp Trail	1,408,000.00	-	1,408,000.00	-
Community Development Block Grant	1,221.74	-	1,221.74	-
Clean Communities Program	13,670.07	-	13,670.07	-
Local Fiscal Recovery Fund - Police S&W	218,390.94	-	218,390.94	-
Total Miscellaneous Revenues	3,015,810.59	168,480.00	3,172,507.74	(11,782.85)
Receipts from Delinquent Taxes	450,000.00	-	376,521.08	(73,478.92)
Local Tax for Municipal Purposes	3,600,118.32	-	3,854,601.81	254,483.49
Budget Totals	8,046,928.91	168,480.00	8,384,630.63	169,221.72
Nonbudget Revenues	-	-	470,357.50	470,357.50
Total	\$ 8,046,928.91	\$ 168,480.00	\$ 8,854,988.13	\$ 639,579.22

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

**TOWNSHIP OF ELK  
CURRENT FUND  
STATEMENT OF REVENUES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**ANALYSIS OF REALIZED REVENUES**

Allocation of Current Tax Collections:	
Revenue From Collections	\$ 13,668,107.05
Less: Allocated for School & County Taxes	<u>10,374,862.29</u>
Total Allocation of Current Tax Collections	3,293,244.76
Add: Budget Appropriation - Reserve for Uncollected Taxes	<u>561,357.05</u>
Total Amount for Support of Municipal Budget Appropriation	<u>\$ 3,854,601.81</u>
Receipts from Delinquent Taxes:	
Delinquent Tax Collections	\$ 343,738.04
Tax Title Lien Collections	<u>32,783.04</u>
Total Receipts from Delinquent Taxes	<u>\$ 376,521.08</u>

**ANALYSIS OF NONBUDGET REVENUES**

Miscellaneous Revenue Not Anticipated:	
Receipts:	
Interest Earnings	\$ 63,706.66
Fees and Permits	19,126.64
Cell Tower	59,219.82
Cable Franchise Fee	21,481.45
Abandoned Property Fees	4,000.00
Trailer Park Fees	66,540.00
DMV Fines	8,867.34
Excess in Dog License Fund	1,596.23
Administrative Fee Senior Citizens and Vets	691.22
Tax Sale Redemption Forfeiture	9,000.00
Copies/Miscellaneous	14,280.53
Administrative Fees Off-Duty Police	200,000.00
Sale of Recycling	1,449.05
Miscellaneous	<u>398.56</u>
Total Nonbudgeted Revenue	<u>\$ 470,357.50</u>

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

**TOWNSHIP OF ELK  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
<b>General Government Functions:</b>						
General Administration:						
Salaries and Wages	\$ 45,000.00	\$ 45,000.00	\$ 43,041.59	\$ -	\$ 1,958.41	\$ -
Other Expenses	6,400.00	7,900.00	5,071.31	-	2,828.69	-
Equipment Maintenance	14,000.00	15,500.00	14,489.16	-	1,010.84	-
Mayor and Committee:						
Salaries and Wages	3,680.00	3,680.00	2,240.00	-	1,440.00	-
Other Expenses	3,600.00	3,600.00	2,495.00	-	1,105.00	-
Municipal Clerk:						
Salaries and Wages	70,000.00	70,000.00	66,744.07	-	3,255.93	-
Other Expenses	45,500.00	45,500.00	29,688.04	199.50	15,612.46	-
Elections:						
Other Expenses	7,000.00	7,000.00	2,742.83	-	4,257.17	-
Financial Administration:						
Salaries and Wages	53,000.00	53,000.00	52,529.98	-	470.02	-
Other Expenses	37,250.00	37,250.00	19,882.26	4,000.00	13,367.74	-
Audit Services:						
Other Expenses	40,000.00	40,000.00	29,780.00	-	10,220.00	-
Collection of Taxes:						
Salaries and Wages	40,000.00	40,000.00	35,299.89	-	4,700.11	-
Other Expenses	9,400.00	9,400.00	4,254.40	-	5,145.60	-
Liquidation of TTLs and Foreclosed Property:						
Other Expenses	500.00	500.00	-	-	500.00	-
Maintenance of Foreclosed Property:						
Other Expenses	5,000.00	5,000.00	-	-	5,000.00	-
Legal Services:						
Other Expenses	50,000.00	48,500.00	30,283.31	3,241.01	14,975.68	-
Engineering Services & Costs:						
Other Expenses	75,000.00	72,500.00	17,165.05	1,145.00	54,189.95	-
Economic Development:						
Other Expenses	1,500.00	1,500.00	-	-	1,500.00	-
<b>Land Use Administration:</b>						
Planning Board:						
Salaries and Wages	36,000.00	36,000.00	34,944.88	-	1,055.12	-
Other Expenses	30,700.00	29,700.00	9,076.56	-	20,623.44	-
Zoning Office:						
Salaries and Wages	12,000.00	12,000.00	7,698.00	-	4,302.00	-
Other Expenses	3,750.00	3,750.00	342.51	-	3,407.49	-
<b>Insurance:</b>						
Worker's Compensation	54,260.00	54,260.00	54,260.00	-	-	-
General Liability	165,000.00	155,000.00	113,983.00	-	41,017.00	-
Employee Group Health	436,800.00	436,800.00	424,088.15	-	12,711.85	-
Health Benefit Waiver	10,500.00	10,500.00	6,865.62	-	3,634.38	-
<b>Public Safety Functions:</b>						
Police:						
Salaries and Wages	1,491,150.00	1,468,150.00	1,340,989.15	-	127,160.85	-
Other Expenses	217,700.00	252,700.00	215,784.66	17,548.25	19,367.09	-
Office of Emergency Management:						
Salaries and Wages	5,000.00	5,000.00	3,738.81	-	1,261.19	-
Other Expenses	10,000.00	10,000.00	8,451.31	-	1,548.69	-
Aid to Volunteer Fire Companies:						
Other Expenses	88,000.00	88,000.00	66,283.08	-	21,716.92	-
First Aid Organizations - Contributions	4,165.00	4,165.00	4,165.00	-	-	-
Uniform Fire Safety Act (PL 1983, C 383):						
Other Expenses	1,500.00	1,500.00	-	-	1,500.00	-
Hepatitis Shots	500.00	500.00	-	-	500.00	-
OSHA (PL 983, C 156):						
Other Expenses	15,000.00	15,000.00	15,000.00	-	-	-

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

**TOWNSHIP OF ELK  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
<b>Public Safety Functions(continued):</b>						
Prosecutor:						
Other Expenses	17,000.00	17,000.00	16,525.00	-	475.00	-
<b>Public Works Functions:</b>						
Road Repairs and Maintenance:						
Salaries and Wages	130,000.00	130,000.00	124,561.54	-	5,438.46	-
Other Expenses	48,700.00	48,700.00	11,012.71	165.00	37,522.29	-
Road Signs:						
Other Expenses	3,500.00	3,500.00	393.70	-	3,106.30	-
Vehicle Maintenance:						
Other Expenses	60,400.00	60,400.00	36,268.97	1,662.72	22,468.31	-
Snow Removal:						
Salaries and Wages	5,000.00	5,000.00	131.25	-	4,868.75	-
Other Expenses	15,000.00	15,000.00	-	-	15,000.00	-
Solid Waste Collection:						
Contractual	236,791.00	236,791.00	189,548.98	20,823.15	26,418.87	-
State Fees	500.00	500.00	-	-	500.00	-
Miscellaneous Other Expenses	500.00	500.00	-	-	500.00	-
Public Buildings and Grounds:						
Other Expenses	73,500.00	73,500.00	53,081.33	130.04	20,288.63	-
<b>Health and Welfare:</b>						
Board of Health:						
Other Expenses	500.00	500.00	-	-	500.00	-
Registrar of Vital Statistics:						
Other Expenses	450.00	450.00	117.50	-	332.50	-
Environmental Commission:						
Other Expenses	2,000.00	2,000.00	400.00	-	1,600.00	-
Agriculture Board:						
Other Expenses	500.00	500.00	-	-	500.00	-
Animal Control:						
Other Expenses	1,000.00	1,000.00	-	-	1,000.00	-
<b>Recreation and Education:</b>						
Recreation Programs:						
Other Expenses	5,000.00	5,000.00	5,000.00	-	-	-
Senior Center:						
Other Expenses	1,000.00	1,000.00	1,000.00	-	-	-
<b>Other Common Operating Functions:</b>						
Accumulated Leave Compensation	10,000.00	10,000.00	10,000.00	-	-	-
Celebration of Public Event, Anniversary or Holiday:						
Other Expenses	500.00	500.00	-	-	500.00	-
<b>Utility Expenses and Bulk Purchases:</b>						
Electricity	65,000.00	65,000.00	53,888.30	-	11,111.70	-
Street Lighting	9,500.00	9,500.00	4,551.84	-	4,948.16	-
Telephone	25,000.00	25,000.00	21,138.43	490.31	3,371.26	-
Hydrants	7,000.00	7,000.00	5,831.10	-	1,168.90	-
Natural Gas	15,000.00	15,000.00	8,321.66	-	6,678.34	-
Gasoline	60,000.00	60,000.00	45,841.28	1,235.48	12,923.24	-
<b>Landfill/Solid Waste Disposal Costs:</b>						
County Landfill Tipping Fees	173,000.00	173,000.00	130,737.08	-	42,262.92	-
Recycling Tipping Fees	36,225.00	36,225.00	31,486.40	-	4,738.60	-
<b>Municipal Court:</b>						
Municipal Court:						
Salaries and Wages	42,758.00	49,758.00	47,899.82	-	1,858.18	-
Other Expenses	14,950.00	7,950.00	3,929.58	1,090.00	2,930.42	-
Public Defender:						
Other Expenses	8,500.00	8,500.00	6,497.00	-	2,003.00	-

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

**TOWNSHIP OF ELK  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
<b>Appropriation Offset By Dedicated Revenues:</b>						
State Uniform Construction Code						
Construction Official:						
Salaries and Wages	76,500.00	76,500.00	71,013.07	-	5,486.93	-
Other Expenses	11,250.00	11,250.00	4,647.94	-	6,602.06	-
<b>Contingent</b>	<b>1,000.00</b>	<b>1,000.00</b>	<b>-</b>	<b>-</b>	<b>1,000.00</b>	<b>-</b>
Total Operations Within "CAPS"						
Including Contingent	4,246,379.00	4,246,379.00	3,545,202.10	51,730.46	649,446.44	-
Detail:						
Salaries and Wages	2,020,088.00	2,004,088.00	1,840,832.05	-	163,255.95	-
Other Expenses	2,226,291.00	2,242,291.00	1,704,370.05	51,730.46	486,190.49	-
<b>Deferred Charges &amp; Statutory Expenditures</b>						
<b>Municipal Within "CAPS":</b>						
<b>Statutory Expenditures:</b>						
Contributions to:						
Public Employees Retirement System	50,667.00	50,667.00	50,667.00	-	-	-
Social Security System (O.A.S.I.)	150,000.00	150,000.00	140,272.70	-	9,727.30	-
Police & Fireman's Retirement						
System of New Jersey	279,291.00	279,291.00	279,291.00	-	-	-
Unemployment Insurance	10,000.00	10,000.00	1,313.52	-	8,686.48	-
Defined Contr. Retirement Program	1,000.00	1,000.00	-	-	1,000.00	-
Total Deferred Charges & Statutory Expenditures Within "CAPS"	490,958.00	490,958.00	471,544.22	-	19,413.78	-
Total General Appropriations for Municipal Purposes Within "CAPS"	4,737,337.00	4,737,337.00	4,016,746.32	51,730.46	668,860.22	-
<b>Operations-Excluded from "CAPS":</b>						
Recycling Tax	8,000.00	8,000.00	4,588.71	-	3,411.29	-
Employee Group Insurance	38,200.00	38,200.00	38,200.00	-	-	-
Recycling Tipping Fees	11,775.00	11,775.00	11,775.00	-	-	-
Garbage and Trash Removal and Disposal	38,209.00	38,209.00	38,209.00	-	-	-
Police and Firemans Retirement System	43,595.00	48,185.76	48,185.76	-	-	-
Public Employees Retirement System	11,620.00	14,507.90	14,507.90	-	-	-
Total Other Operations - Excluded from "CAPS"	151,399.00	158,877.66	155,466.37	-	3,411.29	-
<b>Shared Service Agreements-Excluded from "CAPS":</b>						
Elk Joint Municipal Court:						
Salaries and Wages	84,242.00	84,242.00	84,242.00	-	-	-
Other Expenses	25,000.00	25,000.00	25,000.00	-	-	-
Total Shared Service Agreements	109,242.00	109,242.00	109,242.00	-	-	-
<b>Public &amp; Private Programs Offset by Revenues:</b>						
Recycling Tonnage Grant	7,838.73	7,838.73	7,838.73	-	-	-
Body Armor Grant	1,198.32	1,198.32	1,198.32	-	-	-
U Text U Drive U Pay	4,200.00	4,200.00	4,200.00	-	-	-
TRICO JIF Safety Incentive Program	1,500.00	1,500.00	182.99	-	1,317.01	-
TRICO JIF Wellness Incentive Program	750.00	750.00	55.07	-	694.93	-
TRICO JIF Cyber Risk	1,500.00	1,500.00	-	-	1,500.00	-
Clean Communities Program	13,670.07	13,670.07	13,670.07	-	-	-
DOT - Moods Road - Phase III	220,080.00	220,080.00	220,080.00	-	-	-
DOT - Christian Street	350,000.00	350,000.00	350,000.00	-	-	-
DOT - Elephant Swamp Trail	1,408,000.00	1,408,000.00	1,408,000.00	-	-	-

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

**TOWNSHIP OF ELK  
CURRENT FUND  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
<b>Public &amp; Private Programs Offset by Revenues (continued):</b>						
Community Development Block Grant	1,221.74	1,221.74	1,221.74	-	-	-
Delsea Regional HS CTE Teacher	-	16,000.00	16,000.00	-	-	-
NJDEP Stormwater Assistance Grant	-	75,000.00	75,000.00	-	-	-
Local Recreation Improvement Grant	-	73,000.00	73,000.00	-	-	-
Drive Sober or Get Pulled Over - Gloucester	-	2,240.00	2,240.00	-	-	-
Drive Sober or Get Pulled Over	-	2,240.00	2,240.00	-	-	-
<b>Total Operations Excluded from "CAPS"</b>	<b>2,270,599.86</b>	<b>2,446,558.52</b>	<b>2,439,635.29</b>	<b>-</b>	<b>6,923.23</b>	<b>-</b>
<b>Detail:</b>						
Salaries and Wages	84,242.00	84,242.00	84,242.00	-	-	-
Other Expenses	2,186,357.86	2,362,316.52	2,355,393.29	-	6,923.23	-
<b>Capital Improvements-Excluded from "CAPS":</b>						
Capital Improvement Fund	50,000.00	50,000.00	50,000.00	-	-	-
Improvements to Municipal Roads	100,000.00	100,000.00	-	-	100,000.00	-
<b>Total Capital Improvements Excluded from "CAPS"</b>	<b>150,000.00</b>	<b>150,000.00</b>	<b>50,000.00</b>	<b>-</b>	<b>100,000.00</b>	<b>-</b>
<b>Municipal Debt Service - Excluded From "CAPS":</b>						
Payment of Bond Principal	210,000.00	210,000.00	210,000.00	-	-	-
Payment of Bond Anticipation Notes & Capital Note	87,875.00	87,875.00	87,875.00	-	-	-
Interest on Bonds	5,250.00	5,250.00	5,250.00	-	-	-
Interest on Notes	24,510.00	24,510.00	24,510.00	-	-	-
<b>Total Municipal Debt Service Excluded from "CAPS"</b>	<b>327,635.00</b>	<b>327,635.00</b>	<b>327,635.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
Subtotal General Appropriations	7,485,571.86	7,661,530.52	6,834,016.61	51,730.46	775,783.45	-
Reserve For Uncollected Taxes	561,357.05	561,357.05	561,357.05	-	-	-
<b>Total General Appropriations</b>	<b>\$ 8,046,928.91</b>	<b>\$ 8,222,887.57</b>	<b>\$ 7,395,373.66</b>	<b>\$ 51,730.46</b>	<b>\$ 775,783.45</b>	<b>\$ -</b>
Appropriation by N.J.S.A. 40A:4-87						
Original Budget		\$ 168,480.00				
Emergency Appropriation by N.J.S.A. 40A:4-48		8,046,928.91				
		<u>7,478.66</u>				
Total		<u>\$ 8,222,887.57</u>				
Reserve for Federal & State Grants - Appropriated						
			\$ 2,174,688.86			
Reserve for Uncollected Taxes						
			561,357.05			
Reimbursements						
			(107,912.17)			
Cash Disbursements						
			<u>4,767,239.92</u>			
Total			<u>\$ 7,395,373.66</u>			

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

**TOWNSHIP OF ELK  
TRUST FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES  
AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2023 AND 2022**

ASSETS	REFERENCE	2023	2022
<b>Animal Control Fund:</b>			
Cash	B-1	\$ 7,544.20	\$ 7,883.00
Total Animal Control Fund		<u>7,544.20</u>	<u>7,883.00</u>
<b>Open Space Preservation Fund:</b>			
Cash	B-1	200,048.80	199,051.26
Total Open Space Preservation Fund		<u>200,048.80</u>	<u>199,051.26</u>
<b>Other Trust Funds:</b>			
Cash	B-1	1,638,522.73	1,455,347.31
Cash - Collector	B-1	233,548.23	270,398.72
Due From Current Fund	A	306,959.58	503,161.74
Total Other Trust Funds:		<u>2,179,030.54</u>	<u>2,228,907.77</u>
Total - All Funds		<u>\$ 2,386,623.54</u>	<u>\$ 2,435,842.03</u>
<b>LIABILITIES &amp; RESERVES</b>			
<b>Animal Control Fund:</b>			
Due State of New Jersey	B-3	\$ -	\$ 12.00
Reserve for Animal Control Fund Expenditures	B-2	7,544.20	7,871.00
Total Animal Control Fund		<u>7,544.20</u>	<u>7,883.00</u>
<b>Open Space Preservation Fund:</b>			
Reserve for Open Space Preservation	B	200,048.80	199,051.26
Total Open Space Preservation Fund		<u>200,048.80</u>	<u>199,051.26</u>
<b>Other Trust Funds:</b>			
Due to Current Fund	A	99.67	123.56
Reserve for:			
Premiums Received at Tax Sale	B-4	226,700.00	262,600.00
Deposits for Redemptions of Liens	B-4	6,748.56	7,675.16
Unemployment Compensation	B-4	89,029.28	85,358.51
Forfeited Funds	B-4	1,882.46	1,873.06
Accumulated Absence	B-4	77,616.95	67,616.95
Public Defender	B-4	13,372.62	11,894.62
Affordable Housing	B-4	560,533.22	521,363.93
Storm Recovery	B-4	88,400.00	73,400.00
Recreation	B-4	24,967.67	23,445.89
Developer's Escrow	B-4	782,720.53	670,394.35
Off-Duty Police	B-4	306,959.58	503,161.74
Total Other Funds		<u>2,179,030.54</u>	<u>2,228,907.77</u>
Total - All Funds		<u>\$ 2,386,623.54</u>	<u>\$ 2,435,842.03</u>

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

**TOWNSHIP OF ELK  
GENERAL CAPITAL FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES  
AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2023 AND 2022**

ASSETS	REFERENCE	<u>2023</u>	<u>2022</u>
Cash	C-2	\$ 822,205.19	\$ 619,950.19
Deferred Charges to Future Taxation:			
Funded	C-5	-	210,000.00
Unfunded	C-4	<u>878,125.00</u>	<u>795,000.00</u>
 Total		 <u>\$ 1,700,330.19</u>	 <u>\$ 1,624,950.19</u>
 LIABILITIES, RESERVES & FUND BALANCE			
General Serial Bonds	C-9	\$ -	\$ 210,000.00
Bond Anticipation Notes	C-8	695,875.00	612,750.00
Improvement Authorizations:			
Unfunded	C-7	159,165.02	141,671.46
Funded	C-7	334,801.58	336,801.58
Encumbrances Payable	C-7	162,256.44	16,495.00
Capital Improvement Fund	C-6	150,813.95	109,813.95
Reserve for Purchase of Fire Equipment	C	1,887.24	1,887.24
Reserve for Installation of Traffic Signals	C	12,000.00	12,000.00
Reserve for Improvements to Municipal Roads	C	183,029.96	183,029.96
Fund Balance	C-1	<u>501.00</u>	<u>501.00</u>
		 <u>\$ 1,700,330.19</u>	 <u>\$ 1,624,950.19</u>

There were \$182,250.00 and \$182,250.00 in bonds and notes authorized but not issued on December 31, 2023 and 2022.

**TOWNSHIP OF ELK  
GENERAL CAPITAL FUND  
STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance December 31, 2023 and 2022

\$ 501.00

**TOWNSHIP OF ELK**  
**GENERAL FIXED ASSETS ACCOUNT GROUP**  
**STATEMENTS OF ASSETS, LIABILITIES, RESERVES**  
**AND FUND BALANCE - REGULATORY BASIS**  
**DECEMBER 31, 2023 AND 2022**

ASSETS	<u>2023</u>	<u>2022</u>
Land and Buildings	\$ 408,000.00	\$ 408,000.00
Improvements Other than Buildings	342,458.00	342,458.00
Machinery and Equipment	327,675.15	305,550.52
Vehicles	<u>1,844,378.24</u>	<u>1,701,962.24</u>
Total	<u>\$ 2,922,511.39</u>	<u>\$ 2,757,970.76</u>
FUND BALANCE		
Investment in General Fixed Assets	<u>\$ 2,922,511.39</u>	<u>\$ 2,757,970.76</u>

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

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**TOWNSHIP OF ELK  
COUNTY OF GLOUCESTER**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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**TOWNSHIP OF ELK**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**Note 1. Summary of Significant Accounting Policies**

**Description of Financial Reporting Entity**

The financial statements of the Township of Elk, County of Gloucester, New Jersey (hereafter referred to as the "Township"), include every board, body, office or commission supported and maintained wholly or in part by funds appropriated by the Township as required by N.J.S.A. 40A:5-5. The financial statements of the Township do not include the operations of the Board of Education, first aid organization or volunteer fire companies that are subject to separate audits.

**Component Units** - GASB Statement 14, as amended by GASB Statements 39, 61, and 90, establishes criteria to be used in determining the component units, which should be included in the financial statements of a primary government. The financial statements of the Township are not presented in accordance with GAAP (as discussed below). Therefore, the Township had no component units as defined by GASB Statement No. 14, as amended by GASB Statements 39, 61, and 90.

**Basis of Accounting, Measurement Focus and Basis of Presentation** - The financial statements of the Township contain all funds and account groups in accordance with the "Requirements of Audit" as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the Requirements of Audit are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these "Requirements". In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United State of America applicable to local government units. The more significant differences are explained further in this note.

In accordance with the "Requirements", the Township accounts for its financial transactions through the use of separate funds, which are described as follows:

**Current Fund** – This fund accounts for revenues and expenditures for governmental operations of a general nature, including federal and state grant funds.

**Trust Funds** – These funds account for receipts, custodianship and disbursement of funds in accordance with the purpose for which each reserve was created.

**General Capital Fund** – This fund accounts for receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the Current Fund.

**General Fixed Asset Account Group** – The Fixed Asset Account Group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other funds of the Township.

**TOWNSHIP OF ELK**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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

**Budgets and Budgetary Accounting** - The Township must adopt an annual budget for its Current Fund in accordance with *N.J.S.A.40A:4* et seq. *N.J.S.A.40A:4-5* requires the governing body to introduce and approve the annual municipal budget no later than February 10<sup>th</sup> of each year. At introduction, the governing body must fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with *N.J.S.A.40A:4-9*. Amendments to adopted budgets, if any are detailed in the statements of revenues and expenditures.

An extension of the statutory dates for introduction, approval and adoption of the municipal budget may be granted by the Director of Local Government Services, with the permission of the Local Finance Board. Budgets are adopted on the same basis of accounting utilized for the preparation of the Township's financial statements. Once a budget is approved it may be amended after November 1, by a resolution adopted by the governing body.

**Cash, Cash Equivalents and Investments** - Cash and Cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Under GAAP, investments are reported at fair value but under regulatory basis of accounting, investments are stated at cost. Therefore, unrealized gains or losses on investments have not been recorded.

New Jersey municipal units are required by *N.J.S.A.40A:5-14* to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. *N.J.S.A.40A:5-15.1* provides a list of investments, which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local utilities and other state agencies.

*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 Governmental Unit Deposit Protection Act, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Governmental Units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the Governmental Units.

The cash management plan adopted by the Township requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

**Interfunds** - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

**TOWNSHIP OF ELK**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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

**Inventories and Supplies** - The cost of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various statements of assets, liabilities, reserves and fund balance.

**General Fixed Assets** – Accounting for governmental fixed assets, as required by *N.J.A.C.5:30-5.6*, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed asset reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and Budget Circular A-87 (Attachment B, Section 19), except that the useful life of such property is at least five years. The Township has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. In some instances, assets are valued at the assessed valuation of the property at the time of acquisition, which approximates fair value. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at their acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Township is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed assets, reflecting the activity for the year, must be included in the Township's basic financial statements.

The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that includes accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. All fixed assets must be adequately controlled to safeguard against loss, damage, or theft.

**Foreclosed property** – Foreclosed Property or “Property Acquired for Taxes” is recorded in the Current Fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the Township to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason, the value of foreclosed property has not been included in the General Fixed Assets Account Group. If such property is converted to a municipal use, it will be recorded in the General Fixed Assets Account Group.

**Deferred Charges** – The recognition of certain expenditures is deferred to future periods. These expenditures or deferred charges are generally overexpenditures of legally adopted budget appropriations or emergency appropriations made in accordance with *N.J.S.A.40A:4-46* et seq. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

**Fund Balance** – Fund Balance included in the Current Fund represent the amount available for anticipation as revenue in future year’s budgets, with certain restrictions.

**TOWNSHIP OF ELK**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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

**Revenues** – are recorded when received in cash except for certain amounts, which are due from other governmental units. Revenue from Federal and State grants are realized when anticipated as such in the Township’s budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the Township’s Current Fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due the Township, which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenues when received.

**Property Tax Revenues** – are collected in quarterly installments due February 1, May 1, August 1 and November 1. The amount of tax levied includes not only the amount required in support of the Township’s annual budget, but also the amounts required in support of the budgets of the County of Gloucester, Elk Township School District and Delsea Regional School District. Unpaid property taxes are subject to tax sale in accordance with statutes.

**County Taxes** – The municipality is responsible for levying, collecting and remitting County taxes for the County of Gloucester. Operations is charged for the amount due the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10<sup>th</sup> of the current year. In addition, operations are charged for the County share of Added and Omitted Taxes certified to the County Board of Taxation by October 10<sup>th</sup> of the current year and due to be paid to the County by February 15<sup>th</sup> of the following year.

**School Taxes** – The municipality is responsible for levying, collecting and remitting school taxes for the Elk Township School District and Delsea Regional School District. Operations are charged for the full amount required to be raised from taxation to operate the local and regional school district July 1 to June 30.

**Deferred School Taxes** – School taxes raised in advance in the Current Fund for a school fiscal year (July I to June 30) which remain unpaid at December 31 of the calendar year levied may be deferred to fund balance to the extent of not more than 50% of the annual levy providing no requisition has been made by the school district for such amount.

**Reserve for Uncollected Taxes** – The inclusion of the “Reserve for Uncollected Taxes” appropriation in the Township’s annual budget protects the Township from taxes not paid currently. The Reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediate preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

**Expenditures** – are recorded on the “budgetary” basis of accounting. Generally, expenditures are recorded when an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed as required by Technical Accounting Directive No. 85-1. When an expenditure is paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves. Appropriations for interest payments on outstanding general capital bonds and notes are provided on the cash basis.

**TOWNSHIP OF ELK**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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

**Appropriation Reserves** – Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts, which may be cancelled by the governing body. Appropriation reserves and reserve for encumbrances at current year end are available until December 31<sup>st</sup> of the succeeding year to meet specific claims, commitments or contracts incurred during the preceding year. Any unspent balances at this time are lapsed appropriation reserves and recorded as income.

**Long-Term Debt** - Long-Term Debt relative to the acquisition of capital assets, is recorded as a liability in the General Capital Fund. Where an improvement is a “local improvement”, i.e. assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the Trust Fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

**Compensated Absences** – Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences.

**Recent Accounting Pronouncements** – The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB has recently adopted accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America. (GAAP). The municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements; and there have been no GASB pronouncements effective for the current year that have a significant impact of the Township’s financial statements.

Recently Adopted Accounting Pronouncements

The following GASB Statements became effective for the year ended December 31, 2023:

Statement No. 96, Subscription-Based IT Arrangements (SBITA), addresses accounting and financial reports for subscription-based information technology arrangements. The standard requires governments to recognize the subscription-based IT arrangement as an intangible asset and to amortize the intangible asset over the subscription term. Statement No. 96 is effective for reporting periods beginning after June 15, 2022. The Township has implemented this standard as of December 31, 2023.

Recently Issued Accounting Pronouncements

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

Statement No. 101, Compensated Absences, updates the recognition and measurement guidance to better meet the information needs of the financial statement users for compensated absences. The standard requires that liabilities for compensated absences be recognized for leave that hasn’t been used and leave that has been used but not paid yet. Statement No. 101 is effective for reporting periods beginning after December 15, 2023. Management has not yet determined the potential impact on the Township’s financial statements.

**TOWNSHIP OF ELK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

Statement No. 102, Certain Risk Disclosures, requires a government to disclose information about a concentration or constraints and related events that have occurred or have begun to occur that make a government 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 not yet determined the potential impact on the Township’s financial statements.

**Note 2. Deposits and Investments**

The Township is governed by the deposit and investment limitations of New Jersey state law.

**Deposits**

**Custodial Credit Risk Related to Deposits** - Custodial credit risk is the risk that, in the event of a bank failure, the Township’s deposits may not be returned. Although the Township 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 the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local governmental agencies. The program is administered by the Commissioner of the New Jersey Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public funds owned by the Township in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, bail funds or funds that may pass to the Township relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below.

As of December 31, 2023, the Township’s bank balance of \$8,653,497.95 was insured or collateralized as follows:

Insured under FDIC and GUDPA	\$ 6,811,339.28
Uninsured and Uncollateralized	<u>1,842,158.67</u>
	<u>\$ 8,653,497.95</u>

**Investments**

At December 31, 2023, the Township’s Current Fund had an investment in a Bond Anticipation Note for the Township’s General Capital Fund in the amount of \$695,875.00 issued on October 20, 2023, at the rate of 4.00% per annum and will mature on October 18, 2024.

**Note 3. Property Taxes**

The following is a three-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous two years.

**TOWNSHIP OF ELK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**Note 3. Property Taxes (continued)**

**Comparison Schedule of Tax Rates**

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Tax Rate	<u>\$ 3.629</u>	<u>\$ 3.673</u>	<u>\$ 3.717</u>
Apportionment of Tax Rate:			
Municipal	0.936	0.911	0.917
County	0.750	0.787	0.796
Local & Regional School	1.943	1.975	2.004

**Assessed Valuation**

<u>Year</u>	<u>Amount</u>
2023	\$ 384,584,500.00
2022	380,759,041.00
2021	377,219,100.00

**Comparison of Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2023	\$ 14,057,953.86	\$ 13,668,107.05	97.23%
2022	14,127,053.15	13,667,894.47	96.75%
2021	14,150,659.55	13,596,106.84	96.08%

**Delinquent Taxes and Tax Title Liens**

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage Of Tax Levy</u>
2023	\$ 1,027,398.58	\$ 297,603.21	\$ 1,325,001.79	9.43%
2022	964,518.49	353,470.15	1,317,988.64	9.33%
2021	891,313.84	456,201.27	1,347,515.11	9.52%

**Number of Tax Title Liens**

<u>Year</u>	<u>Number</u>
2023	130
2022	131
2021	131

The last tax sale was held on October 24, 2023.

**TOWNSHIP OF ELK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**Note 4. Property Acquired By Tax Title Lien Liquidation**

The value of properties acquired by liquidation of tax title liens based on the last assessed valuation of such properties as of December 31, was as follows:

<u>Year</u>	<u>Amount</u>
2023	\$ 656,730.00
2022	656,730.00
2021	656,730.00

**Note 5. Fund Balances Appropriated**

The following schedule details the amount of fund balances available at the end of the current year and two previous years and the amounts utilized in the subsequent year's budgets:

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
<b>Current Fund:</b>			
2023	\$ 4,108,042.33	\$ 1,330,000.00 *	32.38%
2022	3,536,497.07	981,000.00	27.74%
2021	3,303,941.08	685,818.15	20.76%

\* Introduced

**Note 6. Disaggregated Receivable and Payable Balances**

There are no significant components of receivable and payable balances reported in the financial statements.

**Note 7. Interfund Receivables, Payables and Transfers**

The following interfund balances were recorded in the various statements of assets liabilities, reserves and fund balances at December 31, 2023:

<b>Fund</b>	<b>Interfund Receivable</b>	<b>Interfund Payable</b>
Current Fund	\$ 243,693.96	\$ 306,959.58
State and Federal Grant Fund	-	243,594.29
Animal Control Trust	306,959.58	99.67
	<u>\$ 550,653.54</u>	<u>\$ 550,653.54</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.

**TOWNSHIP OF ELK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**Note 8. Fixed Assets**

The following is a summary of changes in the General Fixed Assets Account Group for the year ended December 31, 2023.

	Balance December 31, <u>2022</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2023</u>
Land & Buildings	\$ 408,000.00	\$ -	\$ -	\$ 408,000.00
Improvements Other than Buildings	342,458.00	-	-	342,458.00
Machinery & Equipment	305,550.52	22,124.63	-	327,675.15
Vehicles	1,701,962.24	142,416.00	-	1,844,378.24
	<u>\$ 2,757,970.76</u>	<u>\$ 164,540.63</u>	<u>\$ -</u>	<u>\$ 2,922,511.39</u>

**Note 9. Pension Obligations**

**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 Comprehensive Financial Report (ACFR) which can be found at <http://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 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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 with 25 or more years of service credit before age 62 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.

**TOWNSHIP OF ELK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**Note 9. Pension Obligations (continued)**

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

**Basis of Presentation** - The schedules of employer and nonemployer allocations and the schedules of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PERS or its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PERS or the participating employers. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PERS 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.

**Contributions** - The contribution policy for PERS is set by *N.J.S.A. 43:15A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For the fiscal year 2022, the State's pension contribution was less than the actuarial determined amount. The local employers' contribution amounts are based on an actuarially determined rate, which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2022, the Township's contractually required contribution to PERS plan was \$62,287.

**Components of Net Pension Liability** - At December 31, 2022, the Township's proportionate share of the PERS net pension liability was \$745,409. The net pension liability was measured as of June 30, 2022. 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, 2021, which was rolled forward to June 30, 2021. The Township's proportion of the net pension liability was based on the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2022. The Township's proportion measured as of June 30, 2022, was 0.00494% which was an increase of 0.00076% from its proportion measured as of June 30, 2021.

**Balances at December 31, 2022 and December 31, 2021**

	<u>12/31/2022</u>	<u>12/31/2021</u>
Actuarial valuation date (including roll forward)	June 30, 2022	June 30, 2021
Deferred Outflows of Resources	\$ 162,213	\$ 22,988
Deferred Inflows of Resources	219,631	474,141
Net Pension Liability	745,409	495,197
Township's portion of the Plan's total Net Pension Liability	0.00494%	0.00418%

**TOWNSHIP OF ELK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**Note 9. Pension Obligations (continued)**

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

**Pension Expense and Deferred Outflows/Inflows of Resources** - At December 31, 2022, the Township's proportionate share of the PERS expense/(benefit), calculated by the plan as of the June 30, 2022 measurement date is (\$81,236). This expense/(benefit) is not recognized by the Township because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Township contributed \$62,287 to the plan in 2022.

At December 31, 2022, the Township reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between Expected and Actual Experience	\$ 5,380	\$ 4,744
Changes of Assumptions	2,310	111,617
Net Difference between Projected and Actual Earnings on Pension Plan Investments	30,852	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	123,671	103,270
	\$ 162,213	\$ 219,631

**TOWNSHIP OF ELK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**Note 9. Pension Obligations (continued)**

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

The Township will amortize the above sources of deferred outflows and inflows related to PERS over the following number of years:

	<b><u>Deferred Outflow of Resources</u></b>	<b><u>Deferred Inflow of Resources</u></b>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2017	5.48	-
June 30, 2018	5.73	5.63
June 30, 2019	5.21	-
June 30, 2020	5.16	-
June 30, 2021	-	5.13
June 30, 2022	-	5.04
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
June 30, 2021	5.13	-
June 30, 2022	-	5.04
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-
June 30, 2021	5.00	-
June 30, 2022	5.00	-

**TOWNSHIP OF ELK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**Note 9. Pension Obligations (continued)**

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

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PERS that will be recognized in future periods:

<b>Year Ending</b>		<b>Amount</b>
<b><u>Dec 31.</u></b>		
2022	\$	(47,177)
2023		(24,035)
2024		(11,721)
2025		25,572
2026		(57)
		<u>(57)</u>
	\$	<u>(57,418)</u>

**Actuarial Assumptions** - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial 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%	
Mortality Rate Table		
PERS	Pub-2010 General Classification Headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021	
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.

**TOWNSHIP OF ELK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**Note 9. Pension Obligations (continued)**

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

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

**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, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2022 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	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	<u>100.00%</u>	

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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 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 to determine the total pension liability.

**TOWNSHIP OF ELK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**Note 9. Pension Obligations (continued)**

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

**Sensitivity of the Township's proportionate share of the Net Pension Liability to Changes in the Discount Rate** - The following presents the Township's proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Township's Proportionate Share of the Net Pension Liability	\$ 965,742	\$ 745,409	\$ 569,582

**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 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 December 31, 2022. The State's proportionate share of the contribution associated with the special funding situation was \$1,568 as of December 31, 2022. These are based on measurements as of June 30, 2022.

**B. Police and Firemen's Retirement System (PFRS)**

**Plan Description** – The State of New Jersey, Police and Firemen's Retirement System (PFRS) 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 PFRS, please refer to the Division's Annual Comprehensive Financial Report (ACFR) which can be found at <http://www.state.nj.us/treasury/pensions/annual-reports.shtml>.

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after four years of service.

**TOWNSHIP OF ELK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**Note 9. Pension Obligations (continued)**

**B. Police and Firemen’s Retirement System (PFRS) (continued)**

The following represents the membership tiers for PFRS:

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

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1 % for each year if creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

**Basis of Presentation** - The schedule of employer and nonemployer allocations and the schedule of pension amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of PFRS, its participating employers or the State as a nonemployer contributing entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of PFRS, the participating employers, or the State. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of PFRS 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.

**Contributions** - The contribution policy for PFRS is set by *N.J.S.A. 43:16A* and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's contribution amount is based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. For fiscal year 2021, the State contributed an amount less than the actuarially 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 PFRS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. For the year ended December 31, 2022, the Township’s contractually required contributions to PFRS plan was \$322,886.

**Net Pension Liability and Pension Expense** - At December 31, 2022 the Township’s proportionate share of the PFRS net pension liability was \$2,841,766. The net pension liability was measured as of June 30, 2022. 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, 2021, to the measurement date of June 30, 2022. The Township’s proportion of the net pension liability was based on

**TOWNSHIP OF ELK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**Note 9. Pension Obligations (continued)**

**B. Police and Firemen's Retirement System (PFRS) (continued)**

the Township's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2022. The Township's proportion measured as of June 30, 2022, was 0.02483%, which was an increase of 0.00167% from its proportion measured as of June 30, 2021.

**Balances at December 31, 2022 and December 31, 2021**

	<u>12/31/2022</u>	<u>12/31/2021</u>
Actuarial valuation date (including roll forward)	June 30, 2022	June 30, 2021
Deferred Outflows of Resources	\$ 702,878	\$ 192,246
Deferred Inflows of Resources	846,566	1,877,061
Net Pension Liability	2,841,766	1,692,326
Township's portion of the Plan's total net pension Liability	0.02483%	0.02315%

**Pension Expense and Deferred Outflows/Inflows of Resources** – At December 31, 2022, the Township's proportionate share of the PFRS expense/(benefit), calculated by the plan as of the June 30, 2022 measurement date was \$(68,741). This expense/(benefit) is not recognized by the Township because of the regulatory basis of accounting as described in Note 1, but as previously mentioned the Township contributed \$322,886 to the plan in 2022.

At December 31, 2022, the Township had deferred outflows of resources and deferred inflows of resources related to PFRS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 128,626	\$ 174,097
Changes of Assumptions	7,788	357,722
Net Difference between Projected and Actual Earnings on Pension Plan Investments	260,222	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	<u>306,242</u>	<u>314,747</u>
	<u>\$ 702,878</u>	<u>\$ 846,566</u>

The Township will amortize the above sources of deferred outflows and inflows related to PFRS over the following number of years:

**TOWNSHIP OF ELK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**Note 9. Pension Obligations (continued)**

**B. Police and Firemen's Retirement System (PFRS) (continued)**

	<b>Deferred Outflow of <u>Resources</u></b>	<b>Deferred Inflow of <u>Resources</u></b>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2017	5.59	-
June 30, 2018	5.73	-
June 30, 2019	-	5.92
June 30, 2020	5.90	-
June 30, 2021	-	6.17
June 30, 2022	6.22	-
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2017	-	5.59
June 30, 2018	-	5.73
June 30, 2019	-	5.92
June 30, 2020	-	5.90
June 30, 2021	6.17	-
June 30, 2022	-	6.22
Net Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2018	5.00	-
June 30, 2019	5.00	-
June 30, 2020	5.00	-
June 30, 2021	5.00	-
June 30, 2022	5.00	-

**TOWNSHIP OF ELK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**Note 9. Pension Obligations (continued)**

**B. Police and Firemen’s Retirement System (PFRS) (continued)**

The following is a summary of the deferred outflows of resources and deferred inflows of resources related to PFRS that will be recognized in future periods:

<b>Year Ending</b>		
<b><u>Dec 31,</u></b>	<b><u>Amount</u></b>	
2023	\$	(151,160)
2024		(96,600)
2025		(92,023)
2026		192,221
2027		1,852
Thereafter		<u>2,022</u>
	<b>\$</b>	<b><u>(143,688)</u></b>

**Special Funding Situation** – Under N.J.S.A. 43:16A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State if certain circumstances occurred. The legislation which legally obligates the state is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability to report in the financial statements of the local participating employers related to this legislation.

Additionally, the State’s proportionate share of the PFRS net pension liability attributable to the Township is \$505,751 as of December 31, 2021. The net pension liability was measured as of June 30, 2022. 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, 2021, to the measurement date of June 30, 2022. The State’s proportion of the net pension liability associated with the Township was based on a projection of the Township’s long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. The State’s proportion measured as of June 30, 2022 was 0.02483%, which was an increase of 0.00167% from its proportion measured as of June 30, 2021, which is the same proportion as the Township’s. At December 31, 2022, the Township’s and the State of New Jersey’s proportionate share of the PFRS net pension liability were as follows:

Township's Proportionate Share of Net Pension Liability	\$	2,841,766
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township		<u>505,751</u>
	<b>\$</b>	<b><u>3,347,517</u></b>

**TOWNSHIP OF ELK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**Note 9. Pension Obligations (continued)**

**B. Police and Firemen’s Retirement System (PFRS) (continued)**

At December 31, 2022, the State’s proportionate share of the PFRS expense, associated with the Township, calculated by the plan as of the June 30, 2022 measurement date was \$58,350.

**Actuarial Assumptions** - The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Inflation	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through all future years	3.25 - 15.65%
	Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	
PFRS	PubS-2010 Safety Classification Headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021
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 PubS-2010 Safety Employee mortality table with a 105.6% adjustment for males and 102.5% 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 PubS-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females. Disability rates were based on the PubS-2010 amount-weighted mortality table with a 152.0% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on Scale MP-2021.

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

**TOWNSHIP OF ELK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**Note 9. Pension Obligations (continued)**

**B. Police and Firemen’s Retirement System (PFRS) (continued)**

**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, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PFRS’s target asset allocation as of June 30, 2022 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	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.72%
Risk Mitigation Strategies	3.00%	4.91%
	<u>100.00%</u>	

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. 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 and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for 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 to determine the total pension liability.

**Sensitivity of the Township’s proportionate share of the Net Pension Liability to Changes in the Discount Rate** - The following presents the Township’s proportionate share of the net pension liability calculated using the discount rate as disclosed above, as well as what the Township’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

**TOWNSHIP OF ELK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**Note 9. Pension Obligations (continued)**

**B. Police and Firemen’s Retirement System (PFRS) (continued)**

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.0%)</b>
Township's Proportionate Share of the Net Pension Liability	\$ 3,899,210	\$ 2,841,766	\$ 1,961,439
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	693,945	505,751	349,079
	\$ 4,593,155	\$ 3,347,517	\$ 2,310,518

**Related Party Investments** - The Division of Pensions and Benefits does not invest in securities issued by the Township.

\*Note that the information presented above is in accordance with N.J.A.C. 5:30, which differs from the requirements of *GASB Statement No. 68, Accounting and Financial Reporting for Pensions*.

**Note 10. Postemployment Benefits Other Than Pensions**

**General Information about the OPEB Plan**

The State Health Benefit Local Government Retired Employees Plan (the Plan) is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits’ (the Division) Annual Comprehensive Financial Report (ACFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The Plan provides medical and prescription drug to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of

**TOWNSHIP OF ELK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**Note 10. Postemployment Benefits Other Than Pensions (continued)**

service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

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.

**Basis of Presentation**

The schedule of employer and nonemployer allocations and the schedule of OPEB amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of its participating employers or the State as a nonemployer contributing entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of the participating employers or the State. The accompanying Schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the Plan 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.

**Allocation Methodology**

GASB Statement No. 75 requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB (benefit) expense. The special funding situation's and nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) expense are based on separately calculated total OPEB liabilities. For the special funding situation and the nonspecial funding situation, the total OPEB liabilities for the year ended June 30, 2022 were \$3,361,552,823 and \$12,729,372,321, respectively. The nonspecial funding situation's net OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB (benefit) expense are further allocated to employers based on the ratio of the plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2021 through June 30, 2022. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of OPEB amounts by employer and nonemployer may result in immaterial differences.

**Net OPEB Liability**

The components of the collective net OPEB liability of the Plan as of June 30, 2022 is as follows:

Total OPEB liability	\$ 16,090,925,144
Plan fiduciary net position (deficit)	<u>(58,670,334)</u>
Net OPEB Liability	<u>\$ 16,149,595,478</u>

**TOWNSHIP OF ELK**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**Note 10. Postemployment Benefits Other Than Pensions (continued)**

The total OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. 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:

Salary Increases\*:

Public Employees' Retirement System (PERS)

Rate for all future years 2.75% to 6.55% based on years of service

Police and Firemen's Retirement System (PFRS)

Rate for all future years 3.25% to 16.25% based on years of service

Mortality:

PERS Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021

PERS Pub-2010 Safety classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021

\* - Salary Increases are based on years of service within the respective plan.

**OPEB Obligation and OPEB (benefit) Expense** - The State's proportionate share of the total Other Post-Employment Benefits Obligations, attributable to the Township's as of June 30, 2022 was \$4,103,774. The Township's proportionate share was \$-0-.

The OPEB Obligation was measured as of June 30, 2022, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The State's proportionate share of the OPEB Obligation associated with the Township was based on projection of the State's long-term contributions to the OPEB plan associated with the Township relative to the projected contributions by the State associated with all participating Municipalities, actuarially determined. At June 30, 2022, the State proportionate share of the OPEB Obligation attributable to the Township was 0.025411%, which was a decrease of 0.001725% from its proportion measured as of June 30, 2021.

For the fiscal year ended June 30, 2022, the State of New Jersey recognized an OPEB (benefit)/expense in the amount of \$(130,679) for the State's proportionate share of the OPEB (benefit) expense attributable to the Township. This OPEB (benefit)/expense was based on the OPEB plans June 30, 2021 measurement date.

Actuarial assumptions used in the July 1, 2021 valuation were based on the results of the PFRS and PERS experience studies prepared for July 1, 2018 to June 30, 2021.

100% of active members are considered to participate in the Plan upon retirement.

**TOWNSHIP OF ELK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**Note 10. Postemployment Benefits Other Than Pensions (continued)**

*Discount Rate*

The discount rate for June 30, 2022 was 3.54%. This represents the municipal bond return rate as chosen by the State. 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 Net OPEB Liability to Changes in the Discount Rate***

The following presents the collective net OPEB liability of the participating employers as of June 30, 2022, calculated using the discount rate as disclosed above as well as what the collective net 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:

	At 1% Decrease (2.54%)	At Discount Rate (3.54%)	At 1% Increase (4.54%)
State of New Jersey's Proportionate Share of Total OPEB Obligation Associated with the Township	\$ 4,757,100	\$ 4,103,774	\$ 3,578,112
State of New Jersey's Total Nonemployer OPEB Liability	\$ 18,720,632,230	\$ 16,149,595,478	\$ 14,080,955,857

***Sensitivity of Net OPEB Liability to Changes in the Healthcare Trend Rate:***

The following presents the net OPEB liability as of June 30, 2022, calculated using the healthcare trend rate as disclosed above as well as what the net 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:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the Township	\$ 3,481,355	\$ 4,103,774	\$ 4,900,917
State of New Jersey's Total Nonemployer OPEB Liability	\$ 13,700,188,049	\$ 16,149,595,478	\$ 19,286,596,671

**TOWNSHIP OF ELK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**Note 10. Postemployment Benefits Other Than Pensions (continued)**

**Additional Information** – The following is a summary of the collective balances of the local group at June 30, 2022:

**Collective Balances at December 31, 2022 and December 31, 2021**

	12/31/2022	12/31/2021
Actuarial valuation date (including roll forward)	June 30, 2022	June 30, 2021
Collective Deferred Outflows of Resources	\$ 2,993,464,316	\$ 3,001,822,350
Collective Deferred Inflows of Resources	8,504,994,107	6,947,492,748
Collective Net OPEB Liability	16,149,595,478	17,999,781,235
 Township's Portion	 0.025411%	 0.023686%

The collective amounts reported as a deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30:	
2023	\$ (1,463,380,541)
2024	(1,464,672,406)
2025	(1,156,630,075)
2026	(516,557,746)
2027	(115,810,526)
2028-2029	<u>(794,478,497)</u>
	 <u>\$ (5,511,529,791)</u>

*Changes in Proportion*

The previous amounts do not include employer specific deferred outflows of resources and deferred inflow of resources related to the changes in proportion. These amounts should be recognized (amortized) by each employer over the average remaining service lives of all plan members, which is 7.82, 7.82, 7.87, 8.05, 8.14 and 8.04 years for the 2022, 2021, 2020, 2019, 2018 and 2017 amounts, respectively.

**Plan Membership**

At June 30, 2021, the Program membership consisted of the following:

	June 30, 2021
Active Plan Members	65,360
Retirees Currently Receiving Benefits	<u>33,684</u>
 Total Plan Members	 <u><u>99,044</u></u>

**TOWNSHIP OF ELK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**Note 10. Postemployment Benefits Other Than Pensions (continued)**

**Changes in the Total OPEB Liability**

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2022 (measurement date June 30, 2021) is as follows:

Service Cost	\$ 796,654,029
Interest on the Total OPEB Liability	401,372,615
Change of Benefit Terms	402,474,416
Differences Between Expected and Actual Experience	572,046,963
Changes of Assumptions	(3,599,550,175)
Contributions From the Employer	(389,490,003)
Contributions From Non-Employer Contributing Entity	(45,792,081)
Net Investment Income	(235,962)
Administrative Expense	<u>12,334,441</u>
Net Change in Total OPEB Liability	(1,850,185,757)
Total OPEB Liability (Beginning)	<u>17,999,781,235</u>
Total OPEB Liability (Ending)	<u>\$ 16,149,595,478</u>

\*Note that the information presented above is in accordance with N.J.A.C. 5:30, which differs from the requirements of *GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

**Note 11. Deferred Charges to be Raised in Succeeding Budgets**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2023 the following deferred charge is shown on the statement of assets, liabilities, reserves and fund balances:

<u>Description</u>	<u>Balance</u> December 31, 2023	<u>2024 Budget</u> <u>Appropriation</u>	<u>Balance to</u> Succeeding <u>Budgets</u>
<b>Current Fund:</b>			
Emergency Authorization (40A:4-48)	\$ 7,478.66	\$ 7,478.66	\$ -

**TOWNSHIP OF ELK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**Note 12. Municipal Debt**

The following schedule represents the Township's summary of debt, as filed in the Township's Annual Debt Statement required by the Local Bond Law of New Jersey for the current and two previous years:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>Issued:</b>			
General:			
Bonds, Notes and Loans	\$ 695,875.00	\$ 822,750.00	\$ 729,200.00
Total Debt Issued	<u>695,875.00</u>	<u>822,750.00</u>	<u>729,200.00</u>
<b>Authorized but not issued:</b>			
General:			
Bonds, Notes and Loans	<u>182,250.00</u>	<u>182,250.00</u>	<u>529,000.00</u>
Total Authorized But Not Issued	<u>182,250.00</u>	<u>182,250.00</u>	<u>529,000.00</u>
<b>Total Gross Debt</b>	<u>\$ 878,125.00</u>	<u>\$ 1,005,000.00</u>	<u>\$ 1,258,200.00</u>
<b>Total Net Debt</b>	<u>\$ 878,125.00</u>	<u>\$ 1,005,000.00</u>	<u>\$ 1,258,200.00</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The following schedule is a summary of the previous schedule and is prepared in accordance with the required method of setting up the Annual Debt Statement:

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School Debt	\$ 145,000.00	\$ 145,000.00	\$ -
Regional School Debt	1,693,856.98	1,693,856.98	-
General Debt	<u>878,125.00</u>	<u>-</u>	<u>878,125.00</u>
	<u>\$ 2,716,981.98</u>	<u>\$ 1,838,856.98</u>	<u>\$ 878,125.00</u>

Net Debt \$878,125.00 divided by the average Equalized Valuation Basis per N.J.S.A 40A:2-2 as amended, \$483,237,372.67, equals 0.182%. New Jersey statute 40A:2-6, as amended, limits the debt of a Municipality to 3.5% of the last three preceding year's average equalized valuations of real estate, including improvements and the assessed valuation of Class II Railroad Property. The remaining borrowing power in dollars at December 31, 2023 is calculated as follows:

Borrowing Power Under N.J.S. 40A:2-6 as Amended

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 16,913,308.04
Net Debt	<u>878,125.00</u>
Remaining Borrowing Power	<u>\$ 16,035,183.04</u>

**TOWNSHIP OF ELK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**Note 12. Municipal Debt (continued)**

**General Debt**

**A. Serial Bonds Payable**

The Township had no serial bonds payable in the General Capital Fund at December 31, 2023.

**B. Bond Anticipation Notes Payable – Short Term Debt**

The following is a summary of bond anticipation notes payable accounted for in the General Capital Fund at December 31, 2023:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	Balance December 31, <u>2023</u>
Series 2023	10/20/2023	10/18/2024	4.00%	\$ 695,875.00
				<u>\$ 695,875.00</u>

The purpose of these short-term borrowings was to provide resources for general capital construction, acquisitions or improvement projects and other purposes permitted by State Local Bond Law NJSA 40A:2 et. seq.

**C. Bonds and Notes Authorized But Not Issued**

The Township had \$182,250.00 in bonds and notes authorized but not issued in the General Capital Fund at December 31, 2023.

**Summary of Principal Debt**

A summary of the changes in long-term and short term debt of the Township is as follows:

	Balance December 31, <u>2022</u>	Accrued/ <u>Increases</u>	Retired/ <u>Decreases</u>	Balance December 31, <u>2023</u>	Balance Due Within <u>One Year</u>
General Capital:					
General Bonds	\$ 210,000.00	\$ -	\$ 210,000.00	\$ -	\$ -
Bond Anticipation Notes	612,750.00	695,875.00	612,750.00	695,875.00	695,875.00
Compensated Absences Payable	174,663.00	10,117.02	-	184,780.02	-
	<u>\$ 997,413.00</u>	<u>\$ 705,992.02</u>	<u>\$ 822,750.00</u>	<u>\$ 880,655.02</u>	<u>\$ 695,875.00</u>

**TOWNSHIP OF ELK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**Note 13. Deferred School Taxes**

School taxes have been raised and the liability deferred by statutes. The balance of unpaid local and regional taxes levied, amount deferred and the amount reported as a liability (payable) at December 31, are as follows:

<u>Local Taxes</u>	Balance, December 31,	
	<u>2023</u>	<u>2022</u>
Total Balance of Local Tax	\$ 1,702,467.51	\$ 1,669,358.07
Deferred Taxes	1,162,172.00	1,162,172.00
Local Tax Payable	\$ 540,295.51	\$ 507,186.07

<u>Regional Tax</u>	Balance, December 31,	
	<u>2023</u>	<u>2022</u>
Total Balance of Regional Tax	\$ 154,551.33	\$ 153,243.98
Deferred Taxes	-	-
Regional Tax Payable	\$ 154,551.33	\$ 153,243.98

**Note 14. Deferred Compensation Salary Account**

The Township offers its employees a Deferred Compensation Plan in accordance with Internal Revenue Code Section 457 which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death or unforeseeable emergency. Amounts deferred under Section 457 plans must be held in trust for the exclusive benefits of participating employees and not be accessible by the Township or its creditors. Since the Township does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Township's financial statements.

**Note 15. Accrued Sick, Vacation and Compensation Time**

As discussed in Note 1 and in accordance with accounting principles prescribed by the State of New Jersey, the cash basis of accounting is followed for recording the Township's liability related to unused vacation, sick pay and compensation time. The Township permits certain employees within limits to accumulate unused vacation, sick pay and compensation time, which may be taken as time off or paid at a later date at an agreed upon rate. In accordance with New Jersey accounting principles, this unused accumulated absences amount is not reported as a liability in the accompanying financial statements. It is estimated that accrued benefits for compensated absences are valued at \$184,780.02 at December 31, 2023.

**TOWNSHIP OF ELK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**Note 16. Risk Management**

The Township is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

**Property and Liability**

The Township maintains commercial insurance coverage for property, liability and surety bonds. During the year ended December 31, 2023 the Township did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

The Township is a member of the Gloucester County Joint Insurance Fund (JIF) and the Municipal Excess Liability Fund (MEL) which also includes other municipalities throughout the region. The Township is obligated to remit insurance premiums into these funds for sufficient insurance coverage. There is an unknown contingent liability with the Gloucester County Municipal Joint Insurance Fund if there is a catastrophic insurance claim from any member of the fund. The Township has a general liability limit of \$100,000 under JIF, which increases to \$10,000,000 under MEL.

**New Jersey Unemployment Compensation Insurance**

The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the “Reimbursement Method”. Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund, dollar-for-dollar, for unemployment benefits paid to its former employees who were laid off or furloughed and charged to its account with the State. The Township is billed quarterly for amounts due to the State. The following is a summary of Township contributions, reimbursements to the State for benefits paid and the ending balance of the Township’s unemployment trust fund for the current and previous two years:

<u>Year</u>	<u>Contributions</u>	<u>Interest Earned</u>	<u>Ending Balance</u>
2023	\$ 3,243.85	\$ 426.92	\$ 89,029.28
2022	12,212.60	364.74	85,358.51
2021	19,730.99	260.39	72,781.17

**Note 17. Contingencies**

**Grantor Agencies**

The Township receives financial assistance from the State of New Jersey and the U.S. government in the form of grants. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of the funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by grantors. As a result of these audits, costs previously reimbursed could be disallowed and require repayment to the grantor agency. As of December 31, 2023, the Township estimates that no material liabilities will result from such audits.

**TOWNSHIP OF ELK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**Note 17. Contingencies (continued)**

Litigation

The Township is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Township, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Tax Appeals

Losses arising from tax appeals are recognized at the time a decision is rendered by an administrative or judicial body; however, municipalities may establish reserves transferred from tax collections or by budget appropriation for future payments of tax appeal losses. There are no significant pending tax appeals as of December 31, 2023.

**Note 18. Right of Use Assets**

The Township has identified right of use assets as a result of implementing GASB 87. The right of use assets are initially measured at an amount equal to the initial measurement of the related lease liability, plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The Township has determined the other charges and amortization to be immaterial and has elected to record the Right of Use Assets at their remaining liability payments.

The Township has identified the following right of use assets:

	Balance December 31, 2022	Increases	Decreases	Balance December 31, 2023
Police Vehicles	\$ 108,863.03	\$ -	\$ 63,450.25	\$ 45,412.78
Right of use assets, net	<u>\$ 108,863.03</u>	<u>\$ -</u>	<u>\$ 63,450.25</u>	<u>\$ 45,412.78</u>

Principal and interest due on the outstanding leases are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	<u>\$ 45,412.78</u>	<u>\$ 3,064.56</u>	<u>\$ 48,477.34</u>
	<u>\$ 45,412.78</u>	<u>\$ 3,064.56</u>	<u>\$ 48,477.34</u>

**TOWNSHIP OF ELK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

**Note 19. Prior Period Adjustment/Restatement of General Fixed Asset Account Group**

During the year ended December 31, 2023 the Township completed a review of its fixed assets. The Township adjusted its beginning balances to reflect changes to its General Fixed Assets Account Group Statement of Assets and Fund Balance – Regulatory Basis. The beginning balances as of January 1, 2023 were adjusted as follows:

**Prior Period Adjustment to Fixed Assets**

Balance, January 1, 2023, prior to Adjustment	\$ 2,700,806.46
Add:	
Adjustment to Vehicles	80,318.69
Less:	
Adjustment to Machinery & Equipment	(23,154.39)
Balance, January 1, 2023, Restated	\$ 2,757,970.76

**Note 20. Township Leased Property**

The Township has identified various lease agreements for Township owned property as a result of implementing GASB 87. The Township has entered into the following agreements with third parties for use of Township owned property:

<u>Lessee</u>	<u>Property Leased</u>	<u>Current Year Receipts</u>	<u>Future Receipts</u>	<u>Contract Start Date</u>	<u>Contract End Date</u>
Sprint Spectrum, L.P.	Cell Tower Antenna	\$ 59,219.82	\$ 161,104.86	8/1/2022	7/31/2026
		\$ 59,219.82	\$ 161,104.86		

**Note 21. Subsequent Events**

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2023 and June 18, 2024, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements. No items have come to the attention of the Township that would require disclosure.

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**SUPPLEMENTARY EXHIBITS**

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**CURRENT FUND**

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**TOWNSHIP OF ELK  
CURRENT FUND  
SCHEDULE OF CURRENT CASH - TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	CURRENT	GRANTS
Balance December 31, 2022	\$ 5,737,801.95	\$ 1,735.97
Tax Collector	\$ 14,147,327.75	\$ -
Due from State - Senior Citizens & Vets	34,560.96	-
Revenue Accounts Receivable	682,882.24	-
Miscellaneous Revenue Not Anticipated	470,357.50	-
Budget Appropriation Refunds	107,912.17	-
Investment in Bond Anticipation Notes	612,750.00	-
Marriage License Fees	225.00	-
DCA Inspections Fees	6,846.00	-
Reserve for Street Openings	5,450.00	-
Reserve for Municipal Relief Fund	37,791.99	-
Payroll Taxes Payable	725.08	-
Due to Trust - Other - Off-Duty Police	56,922.50	-
Due to Federal and State Grant Funds:		
Unappropriated Reserve	1,395.83	-
Grants Receivable	358,564.26	-
Due to Current Fund	-	8.71
	16,523,711.28	8.71
Subtotal	22,261,513.23	1,744.68
Decreased by Disbursements:		
2023 Appropriations	4,767,239.92	-
2022 Appropriation Reserves	184,800.11	-
County Taxes	2,879,249.29	-
Due County for Added & Omitted Taxes	29,628.87	-
Regional High School District Tax	3,822,279.65	-
Local District School Tax	3,617,905.56	-
Marriage License Fees	125.00	-
DCA Inspections Fees	7,506.00	-
Investment in Bond Anticipation Notes	695,875.00	-
Reserve for Street Openings	1,125.00	-
Tax Overpayments	33,068.34	-
Payroll Taxes Payable	2,566.19	-
Refund of Prior Year Revenue	1,150.00	-
Due from Federal and State Grant Fund	8.71	-
Due to Trust - Other - Off-Duty Police	253,124.66	-
Due to Federal and State Grant Funds - Appropriated	281,656.17	-
	16,577,308.47	-
Total Disbursements	16,577,308.47	-
Balance December 31, 2023	\$ 5,684,204.76	\$ 1,744.68

**TOWNSHIP OF ELK  
CURRENT FUND  
SCHEDULE OF CURRENT CASH - COLLECTOR  
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance December 31, 2022		\$	-
Increased by:			
Taxes Receivable	\$ 13,833,970.40		
Tax Title Lien Receivable	32,783.04		
Revenue Accounts Receivable	77,645.94		
2024 Prepaid Taxes	202,928.37		14,147,327.75
Decreased by:			
Payments to Treasurer			14,147,327.75
Balance December 31, 2023		<u>\$</u>	<u>-</u>

**SCHEDULE OF CHANGE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

Office:			
Municipal Clerk		\$	50.00
Tax Collector			100.00
Total		<u>\$</u>	<u>150.00</u>

**TOWNSHIP OF ELK  
CURRENT FUND  
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY  
FOR THE YEAR ENDED DECEMBER 31, 2023**

YEAR	BALANCE DECEMBER 31, 2022	2023 LEVY	ADDED TAXES	COLLECTED 2022	COLLECTED 2023	DUE FROM STATE OF NEW JERSEY	(REMITTED/ CANCELLED	TRANSFER TO TAX TITLE LIENS	BALANCE DECEMBER 31, 2023
1998	\$ 1,403.93	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,403.93
2001	280.48	-	-	-	-	-	-	-	280.48
2003	1,202.88	-	-	-	-	-	-	-	1,202.88
2016	1,573.79	-	-	-	-	-	-	-	1,573.79
2017	163.67	-	-	-	-	-	163.39	-	0.28
2018	168.05	-	-	-	-	-	168.05	-	-
2019	171.22	-	-	-	-	-	171.22	-	-
2020	176.69	-	-	-	-	-	176.69	-	-
2021	178.42	-	-	-	-	-	178.42	-	-
2022	348,151.02	-	-	-	343,738.04	(2,439.04)	176.30	6,675.72	-
Total	353,470.15	-	-	-	343,738.04	(2,439.04)	1,034.07	6,675.72	4,461.36
2023	-	13,956,572.57	101,381.29	214,286.58	13,417,320.47	36,500.00	8,466.76	88,238.20	293,141.85
Total	\$ 353,470.15	\$ 13,956,572.57	\$ 101,381.29	\$ 214,286.58	\$ 13,761,058.51	\$ 34,060.96	\$ 9,500.83	\$ 94,913.92	\$ 297,603.21

Cash Receipts	\$ 13,833,970.40
Overpayments Applied	24,028.28
Overpayments Created	(96,940.17)
Total	<u>\$ 13,761,058.51</u>

**ANALYSIS OF 2023 PROPERTY TAX LEVY**

General Purpose Tax	\$ 13,956,572.57
Added & Omitted Taxes	<u>101,381.29</u>
Total	<u>\$ 14,057,953.86</u>
<b>TAX LEVY:</b>	
Local District School Tax	\$ 3,651,015.00
Regional High School District Tax	3,823,587.00
County Taxes:	
General County Tax	\$ 2,547,147.65
County Library Tax	174,346.71
County Open Space	157,754.93
Due County for Added & Omitted Taxes	21,011.00
Local Tax for Municipal Purposes	3,600,118.32
Add: Additional Tax Levied	<u>82,973.25</u>
Total	<u>\$ 14,057,953.86</u>

**TOWNSHIP OF ELK  
CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance December 31, 2022		\$ 964,518.49
Increased by:		
Transfers from Taxes Receivable	\$ 94,913.92	
Tax Sale & Int and Cost	1,119.03	96,032.95
		<hr/>
Subtotal		1,060,551.44
Decreased by:		
Cancelled	369.82	
Lien Payments Received	32,783.04	33,152.86
		<hr/>
Balance December 31, 2023		<u>\$ 1,027,398.58</u>

**SCHEDULE OF (TO)/DUE FROM STATE OF NJ  
VETERAN AND SENIOR CITIZEN DEDUCTIONS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance December 31, 2022		\$ (11,074.19)
Increased by:		
Senior Citizen & Veterans Deductions Per Tax Billings	\$ 34,750.00	
Deductions Allowed by Tax Collector - 2023 Taxes	2,000.00	
Deductions Disallowed by Tax Collector - 2023 Taxes	(250.00)	
Deductions Disallowed by Tax Collector - Prior Year Taxes	(2,439.04)	34,060.96
		<hr/>
Subtotal		22,986.77
Decreased by:		
Cash Receipts		<hr/> 34,560.96
Balance December 31, 2023		<u>\$ (11,574.19)</u>

**ANALYSIS OF FORECLOSED PROPERTY  
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance December 31, 2023 and 2022		<u>\$ 656,730.00</u>
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**TOWNSHIP OF ELK  
CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	BALANCE DECEMBER 31, 2022	ACCRUED IN 2023	REALIZED	BALANCE DECEMBER 31, 2023
Fines & Costs:				
Municipal Court	\$ 3,641.27	\$ 99,755.76	\$ 97,734.42	\$ 5,662.61
Interest & Costs on Taxes	-	77,645.94	77,645.94	-
Energy Receipts Tax	-	364,819.44	364,819.44	-
Reserve for Municipal Relief Fund	-	18,899.76	18,899.76	-
Uniform Construction Code				
Fees & Permits	-	102,868.00	102,868.00	-
Interlocal Agreement				
School Resource Officer	-	109,242.00	109,242.00	-
TRICO JIF Safety Incentive Program	-	5,968.38	5,968.38	-
TRICO JIF Cyber Risk	-	1,500.00	1,500.00	-
TRICO JIF Wellness Incentive Grant	-	750.00	750.00	-
Local Fiscal Recovery Fund - Police S&	-	218,390.94	218,390.94	-
	<hr/>			
Total Miscellaneous Revenues	\$ 3,641.27	\$ 999,840.22	\$ 997,818.88	\$ 5,662.61

Cash Receipts - CFO	\$ 682,882.24
Cash Receipts - Collector	77,645.94
Reserve Balances	<u>237,290.70</u>
	<u>\$ 997,818.88</u>

**TOWNSHIP OF ELK**  
**CURRENT FUND**  
**SCHEDULE OF 2022 APPROPRIATION RESERVES**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

OPERATIONS	BALANCE		BUDGET AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
	DECEMBER 31, 2022 RESERVED	ENCUMBERED			
<b>Salaries and Wages:</b>					
Police	\$ 186,436.03	\$ -	\$ 156,436.03	\$ -	\$ 156,436.03
<b>Equipment Maintenance:</b>					
General Administration	4,061.00	36.00	4,097.00	718.82	3,378.18
<b>Other Expenses:</b>					
General Administration	2,531.00	220.00	2,751.00	316.77	2,434.23
Mayor and Township Committee	1,260.00	-	1,260.00	700.00	560.00
Municipal Clerk	8,565.55	4,482.12	13,047.67	5,036.99	8,010.68
Financial Administration	20,747.77	750.00	21,497.77	10,028.50	11,469.27
Legal Services and Costs	34,113.16	1,956.50	36,069.66	4,713.00	31,356.66
Engineering Services and Costs	17,563.25	-	17,563.25	16,756.50	806.75
Planning Board	33,036.32	-	33,036.32	2,037.46	30,998.86
Police	18,429.14	25,155.68	73,584.82	26,394.56	47,190.26
Uniform Fire Safety Act (PL 1983, C 383):	1,000.00	-	1,000.00	1,000.00	-
Aid to Volunteer Fire	36,684.44	-	36,684.44	5,980.90	30,703.54
Road Repair and Maintenance	19,977.07	1,588.74	21,565.81	1,600.40	19,965.41
Vehicle Maintenance	41,289.79	1,405.17	42,694.96	2,112.66	40,582.30
Snow Removal	3,633.25	-	3,633.25	1,106.00	2,527.25
Solid Waste Collection	31,873.45	-	31,873.45	19,427.99	12,445.46
Public Buildings and Grounds	34,486.27	4,716.78	39,203.05	5,470.56	33,732.49
Recreation	3,709.42	627.99	4,337.41	627.99	3,709.42
County Landfill Tipping Fees	31,138.70	-	31,138.70	3,531.22	27,607.48
Recycling Tipping Fees	14,075.97	-	14,075.97	5,328.43	8,747.54
Electricity	13,362.42	-	13,362.42	3,417.41	9,945.01
Street Lighting	3,201.83	-	3,201.83	66.14	3,135.69
Telephone	3,190.49	545.18	3,735.67	1,105.27	2,630.40
Natural Gas	7,648.79	-	7,648.79	2,450.18	5,198.61
Hydrants	1,680.91	-	1,680.91	530.10	1,150.81
Gasoline	8,742.40	-	8,742.40	2,389.11	6,353.29
Recycling Tax	3,749.84	-	3,749.84	136.71	3,613.13
Municipal Court - Elk Joint	12,605.00	-	12,605.00	42.60	12,562.40
Improvements to Municipal Roads	141,872.50	-	141,872.50	61,773.84	80,098.66
<b>All Other Accounts - No Changes</b>	<b>240,910.05</b>	<b>-</b>	<b>240,910.05</b>	<b>-</b>	<b>240,910.05</b>
<b>Grand Total All Appropriations</b>	<b>\$ 981,575.81</b>	<b>\$ 41,484.16</b>	<b>\$ 1,023,059.97</b>	<b>\$ 184,800.11</b>	<b>\$ 838,259.86</b>

**TOWNSHIP OF ELK  
CURRENT FUND  
SCHEDULE OF RESERVE FOR ENCUMBRANCES  
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance December 31, 2022	\$	41,484.16
Increased by:		
2023 Appropriations		51,730.46
		93,214.62
Decreased by:		
Transferred to 2022 Appropriations Reserves		41,484.16
Balance December 31, 2023	\$	51,730.46

**SCHEDULE OF PREPAID TAXES  
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance, December 31, 2022 (2023 Taxes)	\$	214,286.58
Increased by:		
Collections - 2024 Taxes		202,928.37
		417,214.95
Decreased by:		
Application to 2023 Taxes Receivable		214,286.58
Balance, December 31, 2023 (2024 Taxes)	\$	202,928.37

**SCHEDULE OF TAX OVERPAYMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance December 31, 2022	\$	32,955.42
Increased by:		
Overpayments Created		96,940.17
Subtotal		129,895.59
Decreased by:		
Overpayments Applied to Taxes	\$	24,028.28
Refunded		33,068.34
		57,096.62
Balance December 31, 2023	\$	72,798.97

**TOWNSHIP OF ELK  
CURRENT FUND  
SCHEDULE OF LOCAL SCHOOL DISTRICT TAX  
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance December 31, 2022		
School Tax Payable	\$ 507,186.07	
Deferred School Tax Payable	<u>1,162,172.00</u>	
		\$ 1,669,358.07
Increased by:		
Levy - School Year July 1, 2023 - June 30, 2024		<u>3,651,015.00</u>
Subtotal		5,320,373.07
Decreased by:		
Disbursements		<u>3,617,905.56</u>
Balance December 31, 2023		
School Tax Payable	540,295.51	
Deferred School Tax Payable	<u>1,162,172.00</u>	
		<u>\$ 1,702,467.51</u>
 <u>2023 Liability for Local District Tax:</u>		
Tax Paid		\$ 3,617,905.56
Tax Payable December 31, 2023		<u>540,295.51</u>
		4,158,201.07
Less:		
Tax Payable December 31, 2022		<u>507,186.07</u>
Amount Charged to 2023 Operations		<u>\$ 3,651,015.00</u>

**TOWNSHIP OF ELK  
CURRENT FUND  
SCHEDULE OF REGIONAL HIGH SCHOOL DISTRICT TAX  
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance December 31, 2022	
School Tax Payable	\$ 153,243.98
Increased by:	
Levy - School Year July 1, 2023 - June 30, 2024	<u>3,823,587.00</u>
Subtotal	3,976,830.98
Decreased by:	
Disbursements	<u>3,822,279.65</u>
Balance December 31, 2023	
School Tax Payable	<u><u>\$ 154,551.33</u></u>
 <u>2023 Liability for Local District Tax:</u>	
Tax Paid	\$ 3,822,279.65
Tax Payable December 31, 2023	<u>154,551.33</u>
	3,976,830.98
Less:	
Tax Payable December 31, 2022	<u>153,243.98</u>
Amount Charged to 2023 Operations	<u><u>\$ 3,823,587.00</u></u>

**TOWNSHIP OF ELK  
CURRENT FUND  
SCHEDULE OF COUNTY TAXES PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance December 31, 2022		\$	-
Increased by:			
County Tax	\$	2,547,147.65	
County Library Tax		174,346.71	
County Open Space Tax		157,754.93	2,879,249.29
Subtotal			2,879,249.29
Decreased by:			
Disbursements			2,879,249.29
Balance December 31, 2023		\$	-

**SCHEDULE OF DUE COUNTY FOR ADDED AND OMITTED TAXES  
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance December 31, 2022		\$	29,628.87
Increased by:			
County Share of 2023 Added Taxes			21,011.00
Subtotal			50,639.87
Decreased by:			
Disbursements			29,628.87
Balance December 31, 2023		\$	21,011.00

**TOWNSHIP OF ELK  
CURRENT FUND  
SCHEDULE OF DUE TO STATE OF NEW JERSEY  
MARRIAGE LICENSE FEES  
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance December 31, 2022	\$ 250.00
Increased by:	
Cash Receipts	<u>225.00</u>
Subtotal	475.00
Decreased by:	
Cash Disbursements	<u>125.00</u>
Balance December 31, 2023	<u><u>\$ 350.00</u></u>

**SCHEDULE OF DUE TO STATE OF NEW JERSEY  
DCA INSPECTION FEES  
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance December 31, 2022	\$ 1,966.00
Increased by:	
Cash Receipts	<u>6,846.00</u>
Subtotal	8,812.00
Decreased by:	
Cash Disbursements	<u>7,506.00</u>
Balance December 31, 2023	<u><u>\$ 1,306.00</u></u>

**TOWNSHIP OF ELK**  
**FEDERAL AND STATE GRANTS FUND**  
**SCHEDULE OF FEDERAL, STATE AND OTHER GRANTS RECEIVABLE**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

	BALANCE DECEMBER 31, 2022	ACCRUED	RECEIVED	BALANCE DECEMBER 31, 2023
State Grants:				
2019 Municipal Aid Program - Stanger Ave.	\$ 19,688.45	\$ -	\$ -	\$ 19,688.45
DOT - Local Freight Impact	348,955.09	-	131,665.46	217,289.63
DOT - Ewan Road	142,034.07	-	-	142,034.07
Clean Communities	-	13,670.07	13,670.07	-
Body Armor	-	1,198.32	1,198.32	-
Recycling Tonnage Grant	-	7,838.73	7,838.73	-
Delaware Valley Reg. Planning Commission	24,940.55	-	-	24,940.55
Sustainable NJ	2,500.00	-	-	2,500.00
Stormwater Regulation Program	-	75,000.00	25,000.00	50,000.00
DOT - Parking Lot	175,000.00	-	-	175,000.00
DOT - Moods Road	240,000.00	-	-	240,000.00
DOT - Moods Road - Phase II	175,000.00	-	157,950.00	17,050.00
DOT - Moods Road - Phase III	-	220,080.00	-	220,080.00
DOT - Christian Street	-	350,000.00	-	350,000.00
DOT - Elephant Swamp Trail	-	1,408,000.00	-	1,408,000.00
Local Recreation Improvement Grant	-	73,000.00	-	73,000.00
Federal Grants:				
U Text U Drive U Pay	2,200.00	4,200.00	1,960.00	4,440.00
Drive Sober	-	4,480.00	4,480.00	-
Community Development Block Grant	-	1,221.74	1,221.74	-
Local Grants:				
Delsea Regional HS CTE Teacher	-	16,000.00	16,000.00	-
	<u>\$ 1,130,318.16</u>	<u>\$ 2,174,688.86</u>	<u>\$ 360,984.32</u>	<u>\$ 2,944,022.70</u>
			Cash Receipts	\$ 358,564.26
			Unappropriated Reserves	<u>2,420.06</u>
			Total	<u>\$ 360,984.32</u>

**TOWNSHIP OF ELK  
FEDERAL AND STATE GRANTS FUND  
SCHEDULE OF RESERVES FOR GRANTS - UNAPPROPRIATED  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	BALANCE DECEMBER 31, 2022	CASH RECEIPTS	REALIZED AS REVENUE IN 2023 BUDGET	BALANCE DECEMBER 31, 2023
State Grants:				
Police Body Armor	\$ 1,198.32	\$ 1,395.83	\$ 1,198.32	\$ 1,395.83
Federal Grants:				
Community Development Block Grant	1,221.74	-	1,221.74	-
	<hr/>			
Total All Grant	<u>\$ 2,420.06</u>	<u>\$ 1,395.83</u>	<u>\$ 2,420.06</u>	<u>\$ 1,395.83</u>

**TOWNSHIP OF ELK  
FEDERAL AND STATE GRANTS FUND  
SCHEDULE OF RESERVES FOR GRANTS - APPROPRIATED  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	BALANCE DECEMBER 31, 2022	TRANSFER FROM 2023 BUDGET	APPROPRIATION	ENCUMBRANCES FROM 2022	EXPENDED	ENCUMBERED	BALANCE DECEMBER 31, 2023
State Grants:							
Alcohol Rehabilitation Grant	\$ 16,177.88	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,177.88
Clean Communities	51,361.66	13,670.07	-	1,770.00	9,016.60	-	57,785.13
Drunk Driving Enforcement Fund	2,786.73	-	-	-	2,700.00	-	86.73
Police Body Armor	-	1,198.32	-	-	1,198.32	-	-
Stormwater Regulation Program	6,250.00	75,000.00	-	-	-	-	81,250.00
Recycling Tonnage Grant	39,753.77	7,838.73	-	25,673.50	25,673.50	-	47,592.50
Transportation Trust Fund - Railroad Avenue	25,602.04	-	-	-	-	-	25,602.04
DOT Local Freight Impact Fund	163,717.53	-	-	-	-	-	163,717.53
DOT Ewan Road	995.16	-	-	-	700.00	-	295.16
Solid Waste Grant	7,159.00	-	-	-	-	-	7,159.00
Delaware Valley Reg. Planning Commission	12,150.80	-	-	-	-	-	12,150.80
Police Body Worn Cameras	-	-	-	19,242.00	-	19,242.00	-
Sustainable NJ	5,000.00	-	-	-	-	-	5,000.00
DOT - Parking Lot	170,854.50	-	-	-	170,854.50	-	-
DOT - Moods Road	240,000.00	-	-	-	27,713.00	-	212,287.00
DOT - Moods Road - Phase III	-	220,080.00	-	-	-	-	220,080.00
DOT - Christian Street	-	350,000.00	-	-	30,674.00	-	319,326.00
DOT - Elephant Swamp Trail	-	1,408,000.00	-	-	3,346.25	-	1,404,653.75
Local Recreation Improvement Grant	-	73,000.00	-	-	2,200.00	1,650.00	69,150.00
Federal Grants:							
Community Development Block Grant	-	1,221.74	-	-	-	-	1,221.74
Drive Sober or Get Pulled Over	-	4,480.00	-	-	3,380.00	-	1,100.00
UText U Drive U Pay	-	4,200.00	-	-	4,200.00	-	-
Local Grants:							
Delaware Valley Reg. Planning Commission - Match	19,250.00	-	-	-	-	-	19,250.00
Delsea Regional HS CTE Teacher	-	16,000.00	-	-	-	-	16,000.00
<b>Total All Grants</b>	<b>\$ 761,059.07</b>	<b>\$ 2,174,688.86</b>	<b>\$ -</b>	<b>\$ 46,685.50</b>	<b>\$ 281,656.17</b>	<b>\$ 20,892.00</b>	<b>\$ 2,679,885.26</b>

**TRUST FUND**

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**TOWNSHIP OF ELK  
TRUST FUND  
SCHEDULE OF CASH - TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Dog Licenses	Open Space Preservation	Trust Other - Collector	Trust Other
Balance December 31, 2022	\$ 7,883.00	\$ 199,051.26	\$ 270,398.72	\$ 1,455,347.31
Increased by Receipts:				
Animal Control	\$ 3,589.60	-	-	-
Dog Registration Fees - Due	629.40	-	-	-
State of New Jersey	-	-	91,188.18	306,215.47
Trust Other Reserves	49.46	-	1,318.97	-
Interest Due to Current Fund	-	997.54	-	-
Interest Earnings	-	-	-	-
Total Increases	<u>4,268.46</u>	<u>997.54</u>	<u>92,507.15</u>	<u>306,215.47</u>
Total Increases & Balances	<u>12,151.46</u>	<u>200,048.80</u>	<u>362,905.87</u>	<u>1,761,562.78</u>
Dog Registration Fees - Due				
State of New Jersey	641.40	-	-	-
Statutory Expenditures	2,320.17	-	-	-
Trust Other Reserves	-	-	128,014.78	123,040.05
Due to Current Fund	1,645.69	-	1,342.86	-
Total Disbursements	<u>4,607.26</u>	<u>-</u>	<u>129,357.64</u>	<u>123,040.05</u>
Balance December 31, 2023	<u>\$ 7,544.20</u>	<u>\$ 200,048.80</u>	<u>\$ 233,548.23</u>	<u>\$ 1,638,522.73</u>

**TOWNSHIP OF ELK  
TRUST FUND - ANIMAL CONTROL FUND  
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance December 31, 2022		\$ 7,871.00
Increased by:		
Receipts:		
Dog License Fees		<u>3,589.60</u>
Subtotal		11,460.60
Decreased by:		
Dog License Expenses	\$ 2,320.17	
Statutory Excess Due to Current Fund	<u>1,596.23</u>	
		<u>3,916.40</u>
Balance December 31, 2023		<u><u>\$ 7,544.20</u></u>

**LICENSE FEES COLLECTED**

YEAR	AMOUNT
2022	\$ 3,619.80
2021	<u>3,924.40</u>
Total	<u><u>\$ 7,544.20</u></u>

**SCHEDULE OF DUE TO STATE OF NEW JERSEY  
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance December 31, 2022		\$ 12.00
Increased by:		
Registration Fees Collected		<u>629.40</u>
		641.40
Decreased by:		
Disbursements		<u>641.40</u>
Balance December 31, 2023		<u><u>\$ -</u></u>

**TOWNSHIP OF ELK  
TRUST OTHER FUND  
SCHEDULE OF TRUST FUND RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2023**

PURPOSE	BALANCE DECEMBER 31, 2022	RECEIPTS	DISBURSEMENTS	BALANCE DECEMBER 31, 2023
Premiums Received at Tax Sale	\$ 262,600.00	\$ -	\$ 35,900.00	\$ 226,700.00
Deposits for Redemptions of Liens	7,675.16	91,188.18	92,114.78	6,748.56
Unemployment Compensation	85,358.51	3,670.77	-	89,029.28
Forfeited Funds	1,873.06	9.40	-	1,882.46
Accumulated Absence	67,616.95	10,000.00	-	77,616.95
Public Defender	11,894.62	1,478.00	-	13,372.62
Affordable Housing	521,363.93	39,169.29	-	560,533.22
Storm Recovery	73,400.00	15,000.00	-	88,400.00
Recreation	23,445.89	1,521.78	-	24,967.67
Developer's Escrow	670,394.35	235,366.23	123,040.05	782,720.53
Off-Duty Police	503,161.74	56,922.50	253,124.66	306,959.58
<b>Total</b>	<b>\$ 2,228,784.21</b>	<b>\$ 454,326.15</b>	<b>\$ 504,179.49</b>	<b>\$ 2,178,930.87</b>

Cash Receipts & Disbursements	\$ 306,215.47	\$ 123,040.05
Cash Receipts & Disbursements - Collector	91,188.18	128,014.78
Due from Current Fund - Off-Duty Police	56,922.50	253,124.66
	<u>\$ 454,326.15</u>	<u>\$ 504,179.49</u>

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**GENERAL CAPITAL FUND**

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**TOWNSHIP OF ELK  
GENERAL CAPITAL FUND  
SCHEDULE OF GENERAL CAPITAL CASH - TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance December 31, 2022		\$ 619,950.19
Increased by Receipts:		
Due to Current Fund - Interest Earnings	\$ 3,092.56	
Bond Anticipation Notes	695,875.00	
Capital Improvement Fund	50,000.00	
Due from Current Fund - BAN Paydown	87,875.00	836,842.56
		<hr/>
Subtotal		1,456,792.75
Decreased by Disbursements:		
Due to Current Fund - Interest Earnings	3,092.56	
Bond Anticipation Notes	612,750.00	
Improvement Authorizations	18,745.00	634,587.56
		<hr/>
Balance December 31, 2023		<u><u>\$ 822,205.19</u></u>

**TOWNSHIP OF ELK  
GENERAL CAPITAL FUND  
ANALYSIS OF GENERAL CAPITAL CASH  
FOR THE YEAR ENDED DECEMBER 31, 2023**

Fund Balance	\$ 501.00
Capital Improvement Fund	150,813.95
Encumbrances Payable	162,256.44
Reserve for Purchase of Fire Equipment	1,887.24
Reserve for Installation of Traffic Signals	12,000.00
Reserve for Improvements to Municipal Roads	183,029.96

**Improvement Authorizations:**

## ORDINANCE

NUMBER	DESCRIPTION	
1998-04	Acquisition of Land, Various Improvements to Municipal Buildings & Grounds, Acquisition of Certain Capital Equipment	2,568.64
2006-04	Restoration of Certain Streets - Third & Stanger Avenue & Arthur Avenue	78.19
2007-18	Purchase of Fire Truck	8,388.35
2007-19	Reconstruction of Streets & Park Improvements	114,111.47
2007-20	Purchase of Passenger Bus	49,832.40
2010-46	Purchase of Recycling Carts	4,417.90
2011-12	Repair & Replacement of a Portion of the Elephant Swamp Trail & Related Drainage System	8,185.00
2011-13	Reconstruction of a Portion of Moods Road & Related Drainage System	77,770.95
2013-06	Purchase of Police Vehicle, Police Equipment, and Various Computer Equipment	9,849.22
2013-11	Reconstruction of Storm Drains	1,637.00
2014-01	Purchase of Sound Recording Equipment and Public Works Lawnmower	2,516.48
2014-05	Various Road and Drainage Improvements	5,435.98
2015-12	Acquisition of Various Capital Equipment	(128,081.64)
2016-04	Acquisition of Various Capital Equipment and Completion of Various Capital Improvements	50,493.79
2017-03	Acquisition of a Fire Truck & Related Equipment	397.11
2020-04	Completion of Various Improvements to Stormwater Drainage System	29,316.62
2020-06	Acquisition of Heavy Duty Trash Receptacles	7,295.58
2022-09	Acquisition of Electronic Sign	10.00
2022-11	Municipal Parking Lot Restoration	50,000.00
2023-11	Acquisition of Various Capital Equipment	17,493.56
	Total	<u>\$ 822,205.19</u>

**TOWNSHIP OF ELK  
GENERAL CAPITAL FUND  
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED  
FOR THE YEAR ENDED DECEMBER 31, 2023**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2022	2023 AUTHORIZATIONS	FUNDED	BALANCE DECEMBER 31, 2023	ANALYSIS OF BALANCE DECEMBER 31, 2023		
						BAN'S OUTSTANDING	UNEXPENDED BALANCE	EXPENDED BALANCE
2007-20	Purchase of Passenger Bus	\$ 47,500.00	-	\$ -	\$ 47,500.00	\$ -	\$ 47,500.00	\$ -
2010-46	Purchase of Recycling Carts	1,750.00	-	-	1,750.00	-	1,750.00	-
2015-12	Acquisition of Various Capital Equipment	133,000.00	-	-	133,000.00	-	4,918.36	128,081.64
2016-04	Acquisition of Various Capital Equipment and Completion of Various Capital Improvements	133,000.00	-	13,300.00	119,700.00	119,700.00	-	-
2017-03	Acquisition of a Fire Truck and Related Equipment	266,000.00	-	53,200.00	212,800.00	212,800.00	-	-
2020-04	Completion of Various Improvements to Stormwater Drainage System	104,500.00	-	10,450.00	94,050.00	94,050.00	-	-
2020-06	Acquisition of Heavy Duty Trash Receptacles	109,250.00	-	10,925.00	98,325.00	98,325.00	-	-
2023-11	Acquisition of Various Capital Equipment	-	171,000.00	-	171,000.00	171,000.00	-	-
Total		\$ 795,000.00	\$ 171,000.00	\$ 87,875.00	\$ 878,125.00	\$ 695,875.00	\$ 54,168.36	\$ 128,081.64

Paydown of BANs  
\$ 87,875.00  
\$ 87,875.00

**TOWNSHIP OF ELK  
GENERAL CAPITAL FUND  
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED  
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance December 31, 2022	\$ 210,000.00
Decreased by:	
Budget Appropriations:	
Serial Bonds Payable	<u>210,000.00</u>
Balance December 31, 2023	<u><u>\$ -</u></u>

**SCHEDULE OF CAPITAL IMPROVEMENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2023**

Balance December 31, 2022	\$ 109,813.95
Increased by:	
Budget Appropriation	<u>50,000.00</u>
Subtotal	159,813.95
Decreased by:	
Down Payment for Improvement Authorizations	<u>9,000.00</u>
Balance December 31, 2023	<u><u>\$ 150,813.95</u></u>

**TOWNSHIP OF ELK  
GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	AMOUNT	BALANCE DECEMBER 31, 2022		2023 AUTHORIZATIONS	PRIOR YEAR ENCUMBRANCES	EXPENDED	BALANCE DECEMBER 31, 2023	
				FUNDED	UNFUNDED				FUNDED	UNFUNDED
1998-04	Acquisition of Land, Various Improvements to Municipal Buildings & Grounds, Acquisition of Certain Capital Equipment	6/4/1998	\$ 198,030.00	\$ 2,568.64	\$ -	\$ -	\$ -	\$ -	\$ 2,568.64	\$ -
2006-04	Restoration of Certain Streets - Third & Stanger Avenue & Arthur Avenue	6/19/2006	200,000.00	78.19	-	-	-	-	78.19	-
2007-18	Purchase of Fire Truck	12/6/2007	400,000.00	8,388.35	-	-	-	-	8,388.35	-
2007-19	Reconstruction of Streets & Park Improvements	12/6/2007	225,000.00	161,611.47	-	-	-	-	161,611.47	-
2007-20	Purchase of Passenger Bus	12/6/2007	50,000.00	2,332.40	47,500.00	-	-	-	2,332.40	47,500.00
2010-46	Purchase of Recycling Carts	2/2/2010	85,000.00	4,417.90	1,750.00	-	-	-	4,417.90	1,750.00
2011-12	Repair & Replacement of a Portion of the Elephant Swamp Trail & Related Drainage System	10/18/2011	150,000.00	8,185.00	-	-	-	-	8,185.00	-
2011-13	Reconstruction of a Portion of Moods Road & Related Drainage System	10/18/2011	150,000.00	77,770.95	-	-	-	-	77,770.95	-
2013-06	Purchase of Police Vehicle, Police Equipment, and Various Computer Equipment	8/20/2013	75,000.00	9,849.22	-	-	-	-	9,849.22	-
2013-11	Reconstruction of Storm Drains	11/19/2013	75,000.00	1,637.00	-	-	-	-	1,637.00	-
2014-01	Purchase of Sound Recording Equipment and Public Works Lawnmower	6/17/2014	17,000.00	2,516.48	-	-	-	-	2,516.48	-
2014-05	Various Road and Drainage Improvements	10/28/2014	335,000.00	5,435.98	-	-	-	-	5,435.98	-
2015-12	Acquisition of Various Capital Equipment	9/15/2015	140,000.00	-	4,918.36	-	-	-	-	4,918.36
2016-04	Acquisition of Various Capital Equipment and Completion of Various Capital Improvements	6/2/2016	140,000.00	-	50,493.79	-	-	-	-	50,493.79
2017-03	Acquisition of a Fire Truck & Related Equipment	8/3/2017	560,000.00	-	397.11	-	-	-	-	397.11
2020-04	Completion of Various Improvements to Stormwater Drainage System	9/3/2020	110,000.00	-	29,316.62	-	-	-	-	29,316.62
2020-06	Acquisition of Heavy Duty Trash Receiptles	12/3/2020	115,000.00	-	7,295.58	-	-	-	-	7,295.58
2022-09	Acquisition of Electronic Sign	10/18/2022	35,000.00	2,010.00	-	16,495.00	-	18,495.00	10.00	-
2022-11	Municipal Parking Lot Restoration	12/20/2022	50,000.00	50,000.00	-	-	-	-	50,000.00	-
2023-11	Acquisition of Various Capital Equipment	6/20/2023	180,000.00	-	-	180,000.00	-	162,506.44	-	17,493.56
Total				\$ 336,801.58	\$ 141,671.46	\$ 180,000.00	\$ 16,495.00	\$ 181,001.44	\$ 334,801.58	\$ 159,165.02

Encumbered	\$ 162,256.44
Cash Disbursements	18,745.00
	\$ 181,001.44

**TOWNSHIP OF ELK  
GENERAL CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES  
FOR THE YEAR ENDED DECEMBER 31, 2023**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF ORIGINAL NOTE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2022	INCREASE	DECREASE	BALANCE DECEMBER 31, 2023
2017-3	Acquisition of Fire Truck	10/31/2018	10/24/2022 10/20/2023	10/23/2023 10/18/2024	4.00% 4.00%	\$ 266,000.00 -	\$ - 212,800.00	\$ 266,000.00 -	\$ - 212,800.00
2016-04	Acquisition of Various Capital Equipment and Completion of Various Capital Improvement	10/24/2022	10/24/2022 10/20/2023	10/23/2023 10/18/2024	4.00% 4.00%	133,000.00 -	- 119,700.00	133,000.00 -	- 119,700.00
2020-04	Completion of Various Improvements to Stormwater Drainage System	10/24/2022	10/24/2022 10/20/2023	10/23/2023 10/18/2024	4.00% 4.00%	104,500.00 -	- 94,050.00	104,500.00 -	- 94,050.00
2020-06	Acquisition of Heavy Duty Trash Recepticles	10/24/2022	10/24/2022 10/20/2023	10/23/2023 10/18/2024	4.00% 4.00%	109,250.00 -	- 98,325.00	109,250.00 -	- 98,325.00
2023-11	Acquisition of Various Capital Equipment	10/20/2023	10/20/2023	10/18/2024	4.00%	-	171,000.00	-	171,000.00
						<u>\$ 612,750.00</u>	<u>\$ 695,875.00</u>	<u>\$ 612,750.00</u>	<u>\$ 695,875.00</u>
						Paydown of BANs	\$ -	\$ 87,875.00	
						New Issuance	171,000.00	-	
						BANs Rolled Over	524,875.00	524,875.00	
						<u>\$ 695,875.00</u>	<u>\$ 612,750.00</u>		

**TOWNSHIP OF ELK  
GENERAL CAPITAL FUND  
SCHEDULE OF GENERAL SERIAL BONDS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

PURPOSE	DATE OF ISSUE	ORIGINAL ISSUE	MATURITIES OF BONDS		INTEREST RATE	BALANCE DECEMBER 31, 2022	PAID BY BUDGET APPROPRIATION	BALANCE DECEMBER 31, 2023
			OUTSTANDING DECEMBER 31, 2023	AMOUNT				
General Improvement	12/12/2014	\$ 1,700,000.00	N/A	N/A	N/A	\$ 210,000.00	\$ 210,000.00	\$ -
Total						\$ 210,000.00	\$ 210,000.00	\$ -

**TOWNSHIP OF ELK  
GENERAL CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
FOR THE YEAR ENDED DECEMBER 31, 2023**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2022	2023 AUTHORIZATIONS	BOND ANTICIPATION NOTES ISSUED	BALANCE DECEMBER 31, 2023
2007-19	Reconstruction of Streets and Park Improvements	\$ 47,500.00	\$ -	\$ -	\$ 47,500.00
2010-46	Purchase of Recycling Carts	1,750.00	-	-	1,750.00
2015-12	Acquisition of Various Capital Improvements	133,000.00	-	-	133,000.00
2023-11	Acquisition of Various Capital Equipment	-	171,000.00	171,000.00	-
Total		\$ 182,250.00	\$ 171,000.00	\$ 171,000.00	\$ 182,250.00

**TOWNSHIP OF ELK**

**PART II**

**SCHEDULE OF FINANCIAL STATEMENT FINDINGS -  
GOVERNMENT AUDITING STANDARDS**

**FOR THE YEAR ENDED DECEMBER 31, 2023**

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**TOWNSHIP OF ELK  
SCHEDULE OF FINANCIAL STATEMENT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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 Local Government Services, Department of Community Affairs, State of New Jersey.

Financial Statement Findings

No Current Year Findings

**TOWNSHIP OF ELK**  
**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

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*.

**Financial Statement Findings**

No Prior Year Findings

**Federal Awards**

N/A – No Federal Single Audit in prior year.

**State Financial Assistance**

No Prior Year Findings

**TOWNSHIP OF ELK**

**PART III**

**LETTER OF COMMENTS AND RECOMMENDATIONS – REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

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## OFFICIALS IN OFFICE

The following officials were in office at December 31, 2023:

<u>Name</u>	<u>Title</u>
Carolyn King-Sammons	Mayor
Donna M. Nicholson	Deputy Mayor
Christine Cowan	Committee Member
Nathaniel G. Lucas III	Committee Member
James Rambo	Committee Member
Stephen P. Considine	Chief Financial Officer
Debora R. Pine	Municipal Clerk
Susan DeFrancesco	Tax Collector

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HOLT MCNALLY & ASSOCIATES

Certified Public Accountants & Advisors

Honorable Mayor and Members  
of the Township Committee  
Township of Elk  
County of Gloucester  
Monroeville, New Jersey

In accordance with requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the following are the *General Comments* and *Recommendations* for the year ended December 31, 2023.

**GENERAL COMMENTS:**

**Contracts and Agreements required to be advertised by (N.J.S.A.40A:11-4)**

N.J.S.A.40A:11-4 states every contract or agreement, for the performance of any work or furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only by the Governing Body of the contracting unit after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other Law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate the bid threshold, except by contract or agreement.

The bid threshold in accordance with N.J.S.A. 40A:11-4 was \$44,000 for the year ended December 31, 2023.

It is pointed out that the governing body of the municipality has the responsibility of determining whether the expenditures in any category will exceed the statutory minimum within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the solicitor's opinion should be sought before a commitment is made.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

Our examination of expenditures did not reveal any individual payments or contracts in excess of the bid threshold “for the performance of any work, or the furnishing of any materials, supplies or labor” other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of *N.J.S.A.40A:11-6*.

618 Stokes Road, Medford, NJ 08055

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## **Collection of Interest on Delinquent Taxes and Assessments**

*N.J.S.54:4-67*, provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body on January 4, 2023 adopted the following resolution authorizing interest to be charged on delinquent taxes:

*NOW THEREFORE, BE IT RESOLVED, that if said taxes are deemed to be delinquent for non-payment of taxes, the Tax Collector shall charge eight (8%) percent per annum on the first \$1,500.00 of the delinquency, and eighteen (18%) percent per annum on any amount in excess of \$1,500.00; and*

*BE IT FURTHER RESOLVED, by the Township Committee of the Township of Elk, that the Tax Collector shall allow that no interest will be charged on payments received and made by the tenth calendar day following the date upon which the same became payable; and*

*BE IT FURTHER RESOLVED, by the Township Committee of the Township of Elk, that the Tax Collector shall charge, in addition to the interest for delinquent taxes, as noted above, a penalty of six (6%) percent of the amount of the delinquency in taxes in excess of \$10,000.00 to a taxpayer who fails to pay the delinquency prior to the end of the calendar year.*

It appears from an examination of the Collector's record that interest was collected in accordance with the foregoing resolution.

### **OTHER COMMENTS (FINDINGS):**

None

### **RECOMMENDATIONS:**

None

## **Appreciation**

We express our appreciation for the assistance and courtesies extended to the members of the audit team.

Respectfully submitted,

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

Michael Holt  
Certified Public Accountant  
Registered Municipal Accountant  
RMA No. 473

Medford, New Jersey  
June 18, 2024

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