

**TOWNSHIP OF ELK  
COUNTY OF GLOUCESTER**

**AUDIT REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2024**



**TOWNSHIP OF ELK  
COUNTY OF GLOUCESTER**

**CONTENTS**

**PART I**

	<b>PAGE</b>
Independent Auditor's Report	1
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters	5
Financial Statements – Regulatory Basis:	<b>EXHIBITS</b>
Current Fund:	
Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis	A 9
Statement of Operations and Changes in Fund Balance – Regulatory Basis	A-1 11
Statement of Revenues – Regulatory Basis	A-2 12
Statement of Expenditures – Regulatory Basis	A-3 14
Trust Fund:	
Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis	B 18
General Capital Fund:	
Statements of Assets, Liabilities, Reserves & Fund Balance – Regulatory Basis	C 19
Statement of Capital Fund Balance – Regulatory Basis	C-1 20
General Fixed Assets Account Group:	
Statements of Assets, Liabilities, Reserves & Fund Balance - Regulatory Basis	D 21
Notes to Financial Statements	25

**TOWNSHIP OF ELK  
COUNTY OF GLOUCESTER**

**CONTENTS (continued)**

**PART I**

	<b>EXHIBITS</b>	<b>PAGE</b>
Supplemental Schedules:		
Current Fund		
Schedule of Cash - Treasurer	A-4	67
Schedule of Cash - Collector	A-5	68
Schedule of Change Funds	A-6	68
Schedule of Taxes Receivable & Analysis of Property Tax Levy	A-7	69
Schedule of Tax Title Liens	A-8	70
Schedule of Due from State of NJ Veteran & Senior Citizens	A-9	70
Schedule of Foreclosed Property	A-10	70
Schedule of Revenue Accounts Receivable	A-11	71
Schedule of Appropriation Reserves	A-12	72
Schedule of Reserve for Encumbrances	A-13	73
Schedule of Prepaid Taxes	A-14	73
Schedule of Tax Overpayments	A-15	73
Schedule of Local School District Tax	A-16	74
Schedule of Regional High School District Tax	A-17	75
Schedule of County Taxes Payable	A-18	76
Schedule of Due County For Added and Omitted Taxes	A-19	76
Schedule of Due to State of NJ - Marriage License Fees	A-20	77
Schedule of Due to State of NJ - DCA Inspection Fees	A-21	77
Schedule of Federal, State, and Other Grants Receivable	A-22	78
Schedule of Reserve for Grants - Unappropriated	A-23	79
Schedule of Reserve for Grants - Appropriated	A-24	80
Trust Fund:		
Schedule of Cash – Treasurer	B-1	83
Schedule of Cash – Dog Licenses	B-1	83
Schedule of Cash – Open Space Preservation	B-1	83
Schedule of Cash – Trust Other – Collector	B-1	83
Schedule of Cash – Trust Other – CFO	B-1	83
Schedule of Reserve for Animal Control Fund Expenditures	B-2	84
Schedule of Due to State of New Jersey	B-3	84
Schedule of Trust Fund Reserves	B-4	85

**TOWNSHIP OF ELK  
COUNTY OF GLOUCESTER**

**CONTENTS (continued)**

**PART I**

	<b>EXHIBITS</b>	<b>PAGE</b>
General Capital Fund:		
Schedule of General Capital Cash - Treasurer	C-2	89
Analysis of General Capital Cash	C-3	90
Schedule of Deferred Charges to Future Taxation - Unfunded	C-4	91
Schedule of Capital Improvement Fund	C-5	92
Schedule of Improvement Authorizations	C-6	93
Schedule of Bond Anticipation Notes	C-7	94
Schedule of Bonds and Notes Authorized But Not Issued	C-8	95

**PART II**

Schedule of Financial Statement Findings - Government Auditing Standards:		
Schedule of Financial Statement Findings		99
Summary of Schedule of Prior Year Audit Findings		100

**PART III**

Comments and Recommendations:		
Officials in Office		103
General Comments		105
Other Comments (Findings)		106
Recommendations		106
Appreciation		107

(Concluded)

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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, 2024**

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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, 2024 and 2023, 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, 2024 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, 2024 and 2023, 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, 2024 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, 2024 and 2023, 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.

## **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 17, 2025 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 17, 2025



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, 2024, 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 17, 2025. 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.

**Report on 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of financial statement findings as item 2024-001 that we consider to be a material weakness.

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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 one instance 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 and which is described in the accompanying schedule of financial statement findings as Finding No. 2024-001.

## **Township of Elk's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Township of Elk's response to the findings identified in our audit and described in the accompanying schedule of financial statement findings. The Township's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## **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 17, 2025

**BASIC FINANCIAL STATEMENTS**

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**TOWNSHIP OF ELK  
CURRENT FUND  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES  
AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2024 AND 2023**

ASSETS	REFERENCE	2024	2023
Regular Fund:			
Cash	A-4	\$ 5,616,242.88	\$ 5,684,204.76
Change Fund	A-6	150.00	150.00
Investment - Bond Anticipation Note	C	594,367.00	695,875.00
Total Regular Fund		<u>6,210,759.88</u>	<u>6,380,229.76</u>
Receivables and Other Assets With Full Reserves:			
Delinquent Property Taxes Receivable	A-7	305,506.17	297,603.21
Tax Title Liens Receivable	A-8	1,072,750.29	1,027,398.58
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	5,778.73	5,662.61
Due from:			
Trust - Other Fund	B	89.04	99.67
Federal and State Grant Fund	A	393,675.63	243,594.29
		<u>2,469,952.28</u>	<u>2,266,510.78</u>
Deferred Charges:			
Emergency Authorization	A-3	-	7,478.66
Total Deferred Charges		<u>-</u>	<u>7,478.66</u>
Total Current Fund		<u>8,680,712.16</u>	<u>8,654,219.20</u>
Federal and State Grants:			
Cash	A-4	1,753.43	1,744.68
Grants Receivable	A-22	2,796,754.02	2,944,022.70
Total Federal and State Grants		<u>2,798,507.45</u>	<u>2,945,767.38</u>
Total Assets		<u>\$ 11,479,219.61</u>	<u>\$ 11,599,986.58</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, 2024 AND 2023**

LIABILITIES RESERVES & FUND BALANCE	REFERENCE	2024	2023
Regular Fund:			
Appropriation Reserves	A-3	\$ 692,741.72	\$ 775,783.45
Reserve for Encumbrances	A-3,A-13	38,587.80	51,730.46
Prepaid Taxes	A-14	210,474.27	202,928.37
Tax Overpayments	A-15	81,933.18	72,798.97
Payroll Taxes Payable	A	2,524.29	725.07
Reserve for Street Openings	A	74,182.47	69,114.97
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
Due to County for Added and Omitted Taxes	A-19	22,723.79	21,011.00
Local School District Taxes Payable	A-16	617,469.01	540,295.51
Regional High School District Taxes Payable	A-17	154,430.49	154,551.33
Due to Trust - Other Fund - Off-Duty Police	B	261,939.60	306,959.58
Due to the State:			
Senior Citizen and Veterans Deductions	A-9	11,824.19	11,574.19
Marriage Licenses	A-20	400.00	350.00
DCA Inspection Fees	A-21	1,832.00	1,306.00
Subtotal		<u>2,203,808.01</u>	<u>2,279,666.09</u>
Reserve for Receivables & Other Assets	A	2,469,952.28	2,266,510.78
Fund Balance	A-1	<u>4,006,951.87</u>	<u>4,108,042.33</u>
Total Regular Fund		<u>8,680,712.16</u>	<u>8,654,219.20</u>
Federal and State Grants:			
Reserve for Grants - Unappropriated	A-23	1,439.71	1,395.83
Encumbrances Payable	A-24	29,118.80	20,892.00
Reserve for Grants - Appropriated	A-24	2,374,273.31	2,679,885.26
Due to Current Fund	A	<u>393,675.63</u>	<u>243,594.29</u>
Total Federal and State Grants		<u>2,798,507.45</u>	<u>2,945,767.38</u>
Total Liabilities, Reserves & Fund Balance		<u>\$ 11,479,219.61</u>	<u>\$ 11,599,986.58</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, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
Revenue & Other Income Realized:		
Fund Balance Utilized	\$ 1,330,000.00	\$ 981,000.00
Miscellaneous Revenue Anticipated	1,188,510.48	3,172,507.74
Receipts From Delinquent Taxes & Tax Title Liens	329,953.00	376,521.08
Receipts From Current Taxes	13,674,416.82	13,668,107.05
Nonbudget Revenue	476,071.60	470,357.50
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	666,991.18	838,259.86
Liquidation of Reserves For:		
Prior Year Interfund Returned	-	78,295.22
	<u>17,665,943.08</u>	<u>19,585,048.45</u>
Total		
Expenditures:		
Budget & Emergency Appropriations:		
Operations Within "CAPS":		
Salaries and Wages	2,096,903.00	2,004,088.00
Other Expenses	2,445,015.00	2,242,291.00
Deferred Charges & Statutory		
Expenditures - Municipal Within "CAPS"	594,348.00	490,958.00
Operations Excluded from "CAPS":		
Salaries & Wages	102,927.00	84,242.00
Other Expenses	342,511.80	2,362,316.52
Capital Improvements	208,000.00	150,000.00
Municipal Debt Service	129,343.00	327,635.00
Deferred Charges	7,478.66	-
County Taxes	2,908,954.30	2,879,249.29
Due County for Added & Omitted Taxes	22,723.79	21,011.00
Local District School Tax	3,723,332.00	3,651,015.00
Regional High School District Tax	3,704,473.00	3,823,587.00
Prior Year Deductions Disallowed	801.37	2,439.04
Interfund Advanced	150,072.17	-
Return of Prior Year Revenue	150.45	1,150.00
	<u>16,437,033.54</u>	<u>18,039,981.85</u>
Total Expenditures		
Regulatory Excess to Fund Balance	1,228,909.54	1,545,066.60
Adjustments to Income Before Surplus:		
Expenditures Included Above Which are by Statute		
Deferred Charges to Budget of Succeeding Year	-	7,478.66
	<u>1,228,909.54</u>	<u>1,552,545.26</u>
Excess to Fund Balance	1,228,909.54	1,552,545.26
Fund Balance, January 1	<u>4,108,042.33</u>	<u>3,536,497.07</u>
	5,336,951.87	5,089,042.33
Total		
Decreased by: Utilization as Anticipated Revenue	<u>1,330,000.00</u>	<u>981,000.00</u>
Fund Balance, December 31	<u>\$ 4,006,951.87</u>	<u>\$ 4,108,042.33</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, 2024**

	BUDGET	APPROPRIATED by N.J.S.A.40A:4-87	REALIZED	EXCESS OR (DEFICIT)
Fund Balance Utilized	\$ 1,330,000.00	\$ -	\$ 1,330,000.00	\$ -
Miscellaneous Revenue:				
Fines & Costs:				
Municipal Court	90,000.00	-	87,648.98	(2,351.02)
Interest & Costs on Taxes	75,000.00	-	76,427.77	1,427.77
Energy Receipts Tax	366,635.00	-	366,634.94	(0.06)
Reserve for Municipal Relief Fund	37,791.99	-	37,791.99	-
Uniform Construction Code				
Fees & Permits	101,000.00	-	149,226.00	48,226.00
Shared Service Agreements:				
Borough of Clayton - Court Reimb.	111,427.00	-	111,429.00	2.00
Elk Township BOE - SRO	20,180.00	-	45,520.00	25,340.00
Recycling Tonnage Grant	5,818.89	-	5,818.89	-
Body Armor Grant	1,395.83	-	1,395.83	-
U Text U Drive U Pay	4,200.00	-	4,200.00	-
TRICO JIF Safety Incentive Program	1,500.00	-	1,500.00	-
TRICO JIF Cyber Risk	1,500.00	-	1,500.00	-
TRICO JIF Wellness Incentive Grant	750.00	-	750.00	-
Local Recreation Improvement Grant	-	62,000.00	62,000.00	-
DOT - Laux and Pine Tavern	219,285.00	-	219,285.00	-
Click It or Ticket	1,120.00	-	1,120.00	-
Drunk Driving Enforcement Fund	-	735.50	735.50	-
Clean Communities Program	15,526.58	-	15,526.58	-
Total Miscellaneous Revenues	1,053,130.29	62,735.50	1,188,510.48	72,644.69
Receipts from Delinquent Taxes	305,210.00	-	329,953.00	24,743.00
Local Tax for Municipal Purposes	3,640,719.64	-	3,780,037.70	139,318.06
Budget Totals	6,329,059.93	62,735.50	6,628,501.18	236,705.75
Nonbudget Revenues	-	-	476,071.60	476,071.60
Total	\$ 6,329,059.93	\$ 62,735.50	\$ 7,104,572.78	\$ 712,777.35

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, 2024**

**ANALYSIS OF REALIZED REVENUES**

Allocation of Current Tax Collections:	
Revenue From Collections	\$ 13,674,416.82
Less: Allocated for School & County Taxes	<u>10,359,483.09</u>
Total Allocation of Current Tax Collections	3,314,933.73
Add: Budget Appropriation - Reserve for Uncollected Taxes	<u>465,103.97</u>
Total Amount for Support of Municipal Budget Appropriation	<u><u>\$ 3,780,037.70</u></u>
Receipts from Delinquent Taxes:	
Delinquent Tax Collections	\$ 292,619.56
Tax Title Lien Collections	<u>37,333.44</u>
Total Receipts from Delinquent Taxes	<u><u>\$ 329,953.00</u></u>

**ANALYSIS OF NONBUDGET REVENUES**

Miscellaneous Revenue Not Anticipated:	
Receipts:	
Interest Earnings	\$ 66,674.40
Alcoholic Beverages	2,500.00
Fees and Permits	20,538.00
Cell Tower	75,996.46
Cable Franchise Fee	21,634.02
Abandoned Property Fees	8,250.00
Trailer Park Fees	53,436.00
DMV Fines	15,253.42
Excess in Dog License Fund	1,485.54
Administrative Fee Senior Citizens and Vets	673.97
Sale of Assets	59,356.00
Copies/Miscellaneous	10,469.30
Administrative Fees Off-Duty Police	75,000.00
Sale of Recycling	1,676.79
JIF Safety Prior Year	3,000.00
Insurance Refunds	6,928.11
Miscellaneous	<u>53,199.59</u>
Total Nonbudgeted Revenue	<u><u>\$ 476,071.60</u></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, 2024**

	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	\$ 44,000.00	\$ 39,413.53	\$ -	\$ 4,586.47	\$ -
Other Expenses	6,400.00	6,400.00	5,154.98	-	1,245.02	-
Equipment Maintenance	18,000.00	19,000.00	15,767.16	-	3,232.84	-
Mayor and Committee:						
Salaries and Wages	3,680.00	3,680.00	1,520.00	-	2,160.00	-
Other Expenses	4,150.00	4,150.00	3,585.00	-	565.00	-
Municipal Clerk:						
Salaries and Wages	70,000.00	70,000.00	68,746.37	-	1,253.63	-
Other Expenses	48,700.00	48,700.00	28,735.11	319.87	19,645.02	-
Elections:						
Other Expenses	7,000.00	7,000.00	320.11	-	6,679.89	-
Financial Administration:						
Salaries and Wages	55,000.00	55,000.00	54,105.87	-	894.13	-
Other Expenses	38,200.00	38,200.00	19,551.04	-	18,648.96	-
Audit Services:						
Other Expenses	40,000.00	40,000.00	24,000.00	-	16,000.00	-
Collection of Taxes:						
Salaries and Wages	40,000.00	40,000.00	36,550.48	-	3,449.52	-
Other Expenses	9,400.00	9,400.00	4,702.52	759.62	3,937.86	-
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	50,000.00	36,747.86	2,858.83	10,393.31	-
Engineering Services & Costs:						
Other Expenses	75,000.00	64,000.00	14,275.00	-	49,725.00	-
Economic Development:						
Other Expenses	1,500.00	1,500.00	-	-	1,500.00	-
<b>Land Use Administration:</b>						
Planning Board:						
Salaries and Wages	38,000.00	38,000.00	34,539.15	-	3,460.85	-
Other Expenses	33,600.00	33,600.00	9,154.90	-	24,445.10	-
Zoning Office:						
Salaries and Wages	13,000.00	13,000.00	12,390.57	-	609.43	-
Other Expenses	3,750.00	3,750.00	-	-	3,750.00	-
<b>Insurance:</b>						
Worker's Compensation	48,000.00	48,000.00	48,000.00	-	-	-
General Liability	162,000.00	155,000.00	138,316.00	-	16,684.00	-
Employee Group Health	495,000.00	519,000.00	471,079.76	-	47,920.24	-
Health Benefit Waiver	10,500.00	10,500.00	8,439.55	-	2,060.45	-
<b>Public Safety Functions:</b>						
Police:						
Salaries and Wages	1,565,150.00	1,555,150.00	1,444,080.28	-	111,069.72	-
Other Expenses	281,000.00	276,000.00	220,417.37	10,305.13	45,277.50	-
Office of Emergency Management:						
Salaries and Wages	5,000.00	5,000.00	3,670.68	-	1,329.32	-
Other Expenses	10,000.00	10,000.00	670.00	-	9,330.00	-
Aid to Volunteer Fire Companies:						
Other Expenses	88,000.00	88,000.00	68,507.20	-	19,492.80	-
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, 2024**

	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
<b>Public Safety Functions(continued):</b>						
Prosecutor:						
Other Expenses	18,000.00	18,000.00	16,700.00	-	1,300.00	-
<b>Public Works Functions:</b>						
Road Repairs and Maintenance:						
Salaries and Wages	137,000.00	129,000.00	126,049.33	-	2,950.67	-
Other Expenses	78,200.00	76,200.00	46,739.95	-	29,460.05	-
Road Signs:						
Other Expenses	3,500.00	3,500.00	126.00	-	3,374.00	-
Vehicle Maintenance:						
Other Expenses	60,400.00	56,900.00	21,915.79	142.45	34,841.76	-
Snow Removal:						
Salaries and Wages	2,500.00	2,500.00	2,220.00	-	280.00	-
Other Expenses	5,000.00	5,000.00	2,851.75	-	2,148.25	-
Solid Waste Collection:						
Contractual	265,000.00	265,000.00	233,949.18	21,202.35	9,848.47	-
State Fees	500.00	500.00	-	-	500.00	-
Miscellaneous Other Expenses	500.00	500.00	-	-	500.00	-
Public Buildings and Grounds:						
Other Expenses	63,500.00	81,500.00	71,787.56	1,770.75	7,941.69	-
<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	224.00	-	226.00	-
Environmental Commission:						
Other Expenses	2,000.00	2,000.00	506.23	-	1,493.77	-
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	10,000.00	10,000.00	6,458.80	-	3,541.20	-
Senior Center:						
Other Expenses	2,000.00	2,000.00	2,000.00	-	-	-
<b>Other Common Operating Functions:</b>						
Accumulated Leave Compensation	10,000.00	10,000.00	9,999.91	-	0.09	-
Celebration of Public Event, Anniversary or Holiday						
Other Expenses	500.00	500.00	-	-	500.00	-
<b>Utility Expenses and Bulk Purchases:</b>						
Electricity	70,000.00	70,000.00	61,986.80	-	8,013.20	-
Street Lighting	9,500.00	9,500.00	5,376.42	-	4,123.58	-
Telephone	26,000.00	26,000.00	22,733.90	496.40	2,769.70	-
Hydrants	7,500.00	7,500.00	6,003.73	-	1,496.27	-
Natural Gas	15,000.00	15,000.00	6,548.71	-	8,451.29	-
Gasoline	62,000.00	62,000.00	48,210.97	732.40	13,056.63	-
<b>Landfill/Solid Waste Disposal Costs:</b>						
County Landfill Tipping Fees	175,000.00	175,000.00	127,726.30	-	47,273.70	-
Recycling Tipping Fees	60,000.00	60,000.00	37,323.06	-	22,676.94	-
<b>Municipal Court:</b>						
Municipal Court:						
Salaries and Wages	50,573.00	54,073.00	53,251.82	-	821.18	-
Other Expenses	14,850.00	14,850.00	191.53	-	14,658.47	-
Public Defender:						
Other Expenses	9,500.00	9,500.00	6,695.00	-	2,805.00	-

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, 2024**

	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	77,500.00	75,370.31	-	2,129.69	-
Other Expenses	11,750.00	11,750.00	2,711.15	-	9,038.85	-
<b>Contingent</b>	<u>1,000.00</u>	<u>1,000.00</u>	<u>-</u>	<u>-</u>	<u>1,000.00</u>	<u>-</u>
Total Operations Within "CAPS"						
Including Contingent	<u>4,541,918.00</u>	<u>4,541,918.00</u>	<u>3,827,263.69</u>	<u>38,587.80</u>	<u>676,066.51</u>	<u>-</u>
Detail:						
Salaries and Wages	2,111,403.00	2,096,903.00	1,961,908.30	-	134,994.70	-
Other Expenses	<u>2,430,515.00</u>	<u>2,445,015.00</u>	<u>1,865,355.39</u>	<u>38,587.80</u>	<u>541,071.81</u>	<u>-</u>
<b>Deferred Charges &amp; Statutory Expenditures</b>						
<b>Municipal Within "CAPS":</b>						
<b>Statutory Expenditures:</b>						
Contributions to:						
Public Employees Retirement System	60,176.00	60,176.00	60,176.00	-	-	-
Social Security System (O.A.S.I.)	157,000.00	157,000.00	151,549.85	-	5,450.15	-
Police & Fireman's Retirement						
System of New Jersey	366,172.00	366,172.00	366,172.00	-	-	-
Unemployment Insurance	10,000.00	10,000.00	1,432.76	-	8,567.24	-
Defined Contr. Retirement Program	<u>1,000.00</u>	<u>1,000.00</u>	<u>-</u>	<u>-</u>	<u>1,000.00</u>	<u>-</u>
Total Deferred Charges & Statutory						
Expenditures Within "CAPS"	<u>594,348.00</u>	<u>594,348.00</u>	<u>579,330.61</u>	<u>-</u>	<u>15,017.39</u>	<u>-</u>
Total General Appropriations for						
Municipal Purposes Within "CAPS"	<u>5,136,266.00</u>	<u>5,136,266.00</u>	<u>4,406,594.30</u>	<u>38,587.80</u>	<u>691,083.90</u>	<u>-</u>
<b>Shared Service Agreements-Excluded from "CAPS":</b>						
Elk Joint Municipal Court:						
Salaries and Wages	86,427.00	86,427.00	86,427.00	-	-	-
Other Expenses	25,000.00	25,000.00	25,000.00	-	-	-
Elk Township BOE:						
Salaries and Wages	16,500.00	16,500.00	16,500.00	-	-	-
Other Expenses	<u>3,680.00</u>	<u>3,680.00</u>	<u>3,680.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Shared Service Agreements	<u>131,607.00</u>	<u>131,607.00</u>	<u>131,607.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Public &amp; Private Programs Offset by Revenues:</b>						
Recycling Tonnage Grant	5,818.89	5,818.89	5,818.89	-	-	-
Body Armor Grant	1,395.83	1,395.83	1,395.83	-	-	-
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	592.18	-	907.82	-
TRICO JIF Wellness Incentive Program	750.00	750.00	-	-	750.00	-
TRICO JIF Cyber Risk	1,500.00	1,500.00	1,500.00	-	-	-
Clean Communities Program	15,526.58	15,526.58	15,526.58	-	-	-
DOT - Laux and Pine Tavern Roads	<u>219,285.00</u>	<u>219,285.00</u>	<u>219,285.00</u>	<u>-</u>	<u>-</u>	<u>-</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, 2024**

	APPROPRIATIONS		EXPENDED			
	BUDGET	BUDGET AFTER MODIFICATION	PAID OR CHARGED	ENCUMBERED	RESERVED	CANCELLED
<b>Public &amp; Private Programs Offset by Revenues (continued):</b>						
Local Recreation Improvement Grant	-	62,000.00	62,000.00	-	-	-
Drunk Driving Enforcement Fund	-	735.50	735.50	-	-	-
Click It or Ticket	1,120.00	1,120.00	1,120.00	-	-	-
<b>Total Operations Excluded from "CAPS"</b>	<b>382,703.30</b>	<b>445,438.80</b>	<b>443,780.98</b>	<b>-</b>	<b>1,657.82</b>	<b>-</b>
Detail:						
Salaries and Wages	102,927.00	102,927.00	102,927.00	-	-	-
Other Expenses	279,776.30	342,511.80	340,853.98	-	1,657.82	-
<b>Capital Improvements-Excluded from "CAPS":</b>						
Capital Improvement Fund	108,000.00	108,000.00	108,000.00	-	-	-
Improvements to Municipal Roads	100,000.00	100,000.00	100,000.00	-	-	-
<b>Total Capital Improvements Excluded from "CAPS"</b>	<b>208,000.00</b>	<b>208,000.00</b>	<b>208,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Municipal Debt Service - Excluded From "CAPS":</b>						
Payment of Bond Anticipation Notes & Capital Note	101,508.00	101,508.00	101,508.00	-	-	-
Interest on Notes	28,000.00	28,000.00	27,835.00	-	-	165.00
<b>Total Municipal Debt Service Excluded from "CAPS"</b>	<b>129,508.00</b>	<b>129,508.00</b>	<b>129,343.00</b>	<b>-</b>	<b>-</b>	<b>165.00</b>
Deferred Charges - Excluded from "CAPS":						
Emergency Authorizations	7,478.66	7,478.66	7,478.66	-	-	-
<b>Total Deferred Charges - Excluded from "CAPS"</b>	<b>7,478.66</b>	<b>7,478.66</b>	<b>7,478.66</b>	<b>-</b>	<b>-</b>	<b>-</b>
Subtotal General Appropriations	5,863,955.96	5,926,691.46	5,195,196.94	38,587.80	692,741.72	165.00
Reserve For Uncollected Taxes	465,103.97	465,103.97	465,103.97	-	-	-
<b>Total General Appropriations</b>	<b>\$ 6,329,059.93</b>	<b>\$ 6,391,795.43</b>	<b>\$ 5,660,300.91</b>	<b>\$ 38,587.80</b>	<b>\$ 692,741.72</b>	<b>\$ 165.00</b>
Appropriation by N.J.S.A. 40A:4-87		\$ 62,735.50				
Original Budget		<u>6,329,059.93</u>				
Total		<u>\$ 6,391,795.43</u>				
Reserve for Federal & State Grants - Appropriated			\$ 310,081.80			
Deferred Charge - Emergency Authorization			7,478.66			
Reserve for Uncollected Taxes			465,103.97			
Reimbursements			(116,135.91)			
Cash Disbursements			<u>4,993,772.39</u>			
Total			<u>\$ 5,660,300.91</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, 2024 AND 2023**

ASSETS	REFERENCE	2024	2023
Animal Control Fund:			
Cash	B-1	\$ 7,209.40	\$ 7,544.20
Total Animal Control Fund		<u>7,209.40</u>	<u>7,544.20</u>
Open Space Preservation Fund:			
Cash	B-1	201,051.35	200,048.80
Total Open Space Preservation Fund		<u>201,051.35</u>	<u>200,048.80</u>
Other Trust Funds:			
Cash	B-1	2,156,622.31	1,638,522.73
Cash - Collector	B-1	157,036.96	233,548.23
Due From Current Fund	A	261,939.60	306,959.58
Total Other Trust Funds:		<u>2,575,598.87</u>	<u>2,179,030.54</u>
Total - All Funds		<u>\$ 2,783,859.62</u>	<u>\$ 2,386,623.54</u>
LIABILITIES & RESERVES			
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	B-2	7,209.40	7,544.20
Total Animal Control Fund		<u>7,209.40</u>	<u>7,544.20</u>
Open Space Preservation Fund:			
Reserve for Open Space Preservation	B	201,051.35	200,048.80
Total Open Space Preservation Fund		<u>201,051.35</u>	<u>200,048.80</u>
Other Trust Funds:			
Due to Current Fund	A	89.04	99.67
Reserve for:			
Premiums Received at Tax Sale	B-4	150,200.00	226,700.00
Deposits for Redemptions of Liens	B-4	6,748.56	6,748.56
Unemployment Compensation	B-4	93,112.78	89,029.28
Forfeited Funds	B-4	2,468.26	1,882.46
Accumulated Absence	B-4	75,502.95	77,616.95
Public Defender	B-4	14,819.62	13,372.62
Affordable Housing	B-4	616,055.29	560,533.22
Storm Recovery	B-4	88,400.00	88,400.00
Recreation	B-4	24,967.67	24,967.67
Developer's Escrow	B-4	1,240,795.10	782,720.53
Off-Duty Police	B-4	261,939.60	306,959.58
K-9 Donation	B-4	500.00	-
Total Other Funds		<u>2,575,598.87</u>	<u>2,179,030.54</u>
Total - All Funds		<u>\$ 2,783,859.62</u>	<u>\$ 2,386,623.54</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, 2024 AND 2023**

ASSETS	REFERENCE	<u>2024</u>	<u>2023</u>
Cash	C-2	\$ 1,357,601.50	\$ 822,205.19
Deferred Charges to Future Taxation:			
Unfunded	C-4	<u>1,552,807.00</u>	<u>878,125.00</u>
Total		<u>\$ 2,910,408.50</u>	<u>\$ 1,700,330.19</u>
<b>LIABILITIES, RESERVES &amp; FUND BALANCE</b>			
Bond Anticipation Notes	C-7	\$ 1,370,557.00	\$ 695,875.00
Improvement Authorizations:			
Unfunded	C-6	686,732.77	159,165.02
Funded	C-6	334,801.58	334,801.58
Encumbrances Payable	C-6	-	162,256.44
Capital Improvement Fund	C-5	220,003.95	150,813.95
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	283,029.96	183,029.96
Fund Balance	C-1	<u>1,396.00</u>	<u>501.00</u>
		<u>\$ 2,910,408.50</u>	<u>\$ 1,700,330.19</u>

There were \$182,250.00 and \$182,250.00 in bonds and notes authorized but not issued on December 31, 2024 and 2023.

**TOWNSHIP OF ELK  
GENERAL CAPITAL FUND  
STATEMENT OF CAPITAL FUND BALANCE - REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

Balance December 31, 2023	\$ 501.00
Increased by:	
Premium on notes	<u>895.00</u>
Balance December 31, 2024	<u><u>\$ 1,396.00</u></u>

**TOWNSHIP OF ELK  
GENERAL FIXED ASSETS ACCOUNT GROUP  
STATEMENTS OF ASSETS, LIABILITIES, RESERVES  
AND FUND BALANCE - REGULATORY BASIS  
DECEMBER 31, 2024 AND 2023**

ASSETS	<u>2024</u>	<u>2023</u>
Land and Buildings	\$ 408,000.00	\$ 408,000.00
Improvements Other than Buildings	342,458.00	342,458.00
Machinery and Equipment	515,253.74	327,675.15
Vehicles	<u>1,695,335.00</u>	<u>1,844,378.24</u>
Total	<u>\$ 2,961,046.74</u>	<u>\$ 2,922,511.39</u>
FUND BALANCE		
Investment in General Fixed Assets	<u>\$ 2,961,046.74</u>	<u>\$ 2,922,511.39</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, 2024**

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**TOWNSHIP OF ELK**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

**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, 2024**

**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, 2024**

**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, 2024**

**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, 2024**

**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, 2024:

Statement No. 101, Compensated Absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Township has implemented this standard as of December 31, 2024.

Recently Issued Accounting Pronouncements

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

Statement No. 102, Certain Risk Disclosures, requires a government to disclose information about concentrations 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.

**TOWNSHIP OF ELK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

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

Statement No. 104, Disclosure of Certain Capital Assets, requires a government to disclose certain types of capital assets separately in the capital assets note previously required by Statement No. 34. The standard requires separate disclosure for lease assets in accordance with Statement No. 87, intangible right-to-use assets in accordance with Statement No. 94 and subscription assets in accordance with Statement No. 96. Statement No. 104 is effective for reporting periods beginning after June 15, 2025. 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, 2024, the Township’s bank balance of \$9,564,233.52 was insured or collateralized as follows:

Insured under FDIC and GUDPA	\$ 7,273,063.45
Uninsured and Uncollateralized	<u>2,291,170.07</u>
	<u><u>\$ 9,564,233.52</u></u>

**Investments**

At December 31, 2024, the Township’s Current Fund had an investment in a Bond Anticipation Note for the Township’s General Capital Fund in the amount of \$594,367 issued on October 17, 2024, at the rate of 4.25% per annum and will mature on October 16, 2025.

**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, 2024**

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

**Comparison Schedule of Tax Rates**

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Tax Rate	<u>\$ 3.595</u>	<u>\$ 3.629</u>	<u>\$ 3.673</u>
Apportionment of Tax Rate:			
Municipal	0.936	0.936	0.911
County	0.750	0.750	0.787
Local & Regional School	1.909	1.943	1.975

**Assessed Valuation**

<u>Year</u>	<u>Amount</u>
2024	\$ 388,878,500.00
2023	384,584,500.00
2022	380,759,041.00

**Comparison of Tax Levies and Collections**

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage Of Collection</u>
2024	\$ 14,089,068.54	\$ 13,674,416.82	97.06%
2023	14,057,953.86	13,668,107.05	97.23%
2022	14,127,053.15	13,667,894.47	96.75%

**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>
2024	\$ 1,072,750.29	\$ 305,506.17	\$ 1,378,256.46	9.78%
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%

**Number of Tax Title Liens**

<u>Year</u>	<u>Number</u>
2024	127
2023	130
2022	131

The last tax sale was held on October 22, 2024.

**TOWNSHIP OF ELK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**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>
2024	\$ 656,730.00
2023	656,730.00
2022	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>			
2024	\$ 4,006,951.87	\$ 1,470,000.00	36.69%
2023	4,108,042.33	1,330,000.00	32.38%
2022	3,536,497.07	981,000.00	27.74%

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

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

**TOWNSHIP OF ELK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**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, 2024:

Fund	Interfund Receivable	Interfund Payable
Current Fund	\$ 393,764.67	\$ 261,939.60
State and Federal Grant Fund	-	393,675.63
Animal Control Trust	261,939.60	89.04
	<u>\$ 655,704.27</u>	<u>\$ 655,704.27</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.

A summary of interfund transfers is as follows:

Fund	Transfers In	Transfers Out
Current Fund	\$ 462,898.48	\$ 808,974.95
State and Federal Grant Fund	607,466.95	457,394.36
Animal Control Trust	-	1,485.54
Trust Other Fund	-	1,117.77
Capital Fund	201,508.00	2,900.81
	<u>\$ 1,271,873.43</u>	<u>\$ 1,271,873.43</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.

**Note 8. Fixed Assets**

The following is a summary of changes in the General Fixed Assets Account Group for the year ended December 31, 2024.

	Balance December 31, <u>2023</u>	<u>Additions</u>	<u>Deletions</u>	Balance December 31, <u>2024</u>
Land & Buildings	\$ 408,000.00	\$ -	\$ -	\$ 408,000.00
Improvements Other than Buildings	342,458.00	-	-	342,458.00
Machinery & Equipment	327,675.15	187,578.59	-	515,253.74
Vehicles	1,844,378.24	-	(149,043.24)	1,695,335.00
	<u>\$ 2,922,511.39</u>	<u>\$ 187,578.59</u>	<u>\$ (149,043.24)</u>	<u>\$ 2,961,046.74</u>

**TOWNSHIP OF ELK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**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, 2024**

**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, 2023, the Township's contractually required contribution to PERS plan was \$60,176.

**Components of Net Pension Liability** - At December 31, 2023, the Township's proportionate share of the PERS net pension liability was \$652,147. The net pension liability was measured as of June 30, 2023. 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, 2022, which was rolled forward to June 30, 2023. 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, 2023. The Township's proportion measured as of June 30, 2023, was 0.00450% which was an decrease of 0.00044% from its proportion measured as of June 30, 2022.

**Balances at December 31, 2024 and December 31, 2023**

	<u>12/31/2024</u>	<u>12/31/2023</u>
Actuarial valuation date (including roll forward)	June 30, 2023	June 30, 2022
Deferred Outflows of Resources	\$ 101,010	\$ 162,213
Deferred Inflows of Resources	150,770	219,631
Net Pension Liability	652,147	745,409
Township's portion of the Plan's total Net Pension Liability	0.004502%	0.004939%

**TOWNSHIP OF ELK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

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

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

**Pension Expense and Deferred Outflows/Inflows of Resources** - At December 31, 2023, the Township's proportionate share of the PERS expense/(benefit), calculated by the plan as of the June 30, 2023 measurement date is (\$37,858). 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 \$60,176 to the plan in 2023.

At December 31, 2023, the Township reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 6,235	\$ 2,666
Changes of Assumptions	1,433	39,523
Net Difference between Projected and Actual Earnings on Pension Plan Investments	3,003	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	<u>90,339</u>	<u>108,581</u>
	<u>\$ 101,010</u>	<u>\$ 150,770</u>

**TOWNSHIP OF ELK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**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, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	5.16	-
June 30, 2021	5.13	-
June 30, 2022	-	5.04
June 30, 2023	-	5.08
Changes of Assumptions		
Year of Pension Plan Deferral:		
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
June 30, 2023	-	5.08
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	-
June 30, 2023	5.00	-
Changes in Proportion and Differences between Contributions and		
Pro Year of Pension Plan Deferral:		
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21
June 30, 2020	5.16	5.16
June 30, 2021	5.13	5.13
June 30, 2022	5.04	5.04
June 30, 2023	5.08	5.08

**TOWNSHIP OF ELK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**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><u>Dec 31,</u></b>	<b><u>Amount</u></b>
2025		\$ (54,360)
2026		(30,342)
2027		42,400
2028		(7,588)
2029		130
		<u>130</u>
		<u>\$ (49,760)</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%
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, 2024**

**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, 2023) 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, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.10%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%
	100.00%	

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. 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, 2024**

**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 <u>(6.00%)</u></b>	<b>Current Discount Rate <u>(7.00%)</u></b>	<b>1% Increase <u>(8.00%)</u></b>
Township's Proportionate Share of the Net Pension Liability	<u>\$ 856,113</u>	<u>\$ 652,147</u>	<u>\$ 488,722</u>

**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, 2023. The State's proportionate share of the contribution associated with the special funding situation was \$2,034 as of December 31, 2023. These are based on measurements as of June 30, 2023.

**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, 2024**

**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, 2023, the Township’s contractually required contributions to PFRS plan was \$366,172.

**Net Pension Liability and Pension Expense** - At December 31, 2023 the Township’s proportionate share of the PFRS net pension liability was \$3,039,176. The net pension liability was measured as of June 30, 2023. 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, 2022, to the measurement date of June 30, 2023. 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, 2024**

**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, 2023. The Township’s proportion measured as of June 30, 2023, was 0.02751%, which was an increase of 0.00268% from its proportion measured as of June 30, 2022.

**Balances at December 31, 2024 and December 31, 2023**

	<u>12/31/2024</u>	<u>12/31/2023</u>
Actuarial valuation date (including roll forward)	June 30, 2023	June 30, 2022
Deferred Outflows of Resources	\$ 789,199	\$ 702,878
Deferred Inflows of Resources	533,652	846,566
Net Pension Liability	3,039,176	2,841,766
 Township's portion of the Plan's total net pension Liability	 0.02751%	 0.02483%

**Pension Expense and Deferred Outflows/Inflows of Resources** – At December 31, 2023, the Township’s proportionate share of the PFRS expense/(benefit), calculated by the plan as of the June 30, 2023 measurement date was \$168,980. 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 \$366,172 to the plan in 2023.

At December 31, 2023, 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	\$ 130,131	\$ 144,942
Changes of Assumptions	6,560	205,217
Net Difference between Projected and Actual Earnings on Pension Plan Investments	154,780	-
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	497,728	183,493
	<u>\$ 789,199</u>	<u>\$ 533,652</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, 2024**

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

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

	<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, 2018	5.73	-
June 30, 2019	-	5.92
June 30, 2020	5.90	-
June 30, 2021	-	6.17
June 30, 2022	6.22	-
June 30, 2023	6.16	-
 Changes of Assumptions		
Year of Pension Plan Deferral:		
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
June 30, 2023	-	-
 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	-
June 30, 2023	5.00	-

**TOWNSHIP OF ELK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**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:

<u>Year Ending</u>		
<u>Dec 31,</u>	<u>Amount</u>	
2024	\$	515,001
2025		494,235
2026		(795,173)
2027		68,391
2028		(24,411)
Thereafter		<u>(2,496)</u>
	<u>\$</u>	<u>255,547</u>

**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 \$560,004 as of December 31, 2023. The net pension liability was measured as of June 30, 2023. 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, 2022, to the measurement date of June 30, 2023. 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, 2023 was 0.02751%, which was an increase of 0.00003% from its proportion measured as of June 30, 2021, which is the same proportion as the Township’s. At December 31, 2023, 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	\$	3,039,176
State of New Jersey's Proportionate Share of Net Pension Liability Associated with the Township		<u>560,004</u>
	<u>\$</u>	<u>3,599,180</u>

**TOWNSHIP OF ELK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

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

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

At December 31, 2023, the State’s proportionate share of the PFRS expense, associated with the Township, calculated by the plan as of the June 30, 2023 measurement date was \$63,699.

**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 - 16.25%
	Based on Years of Service
Investment Rate of Return	7.00%
Period of Actuarial Experience	
Study upon which Actuarial	
Assumptions were Based	July 1, 2018 - June 30, 2021

Pre-retirement mortality rates were based on the 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, 2024**

**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, 2023) 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, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	28.00%	8.98%
Non-U.S. Developed Markets Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Markets Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%
	100.00%	

**Discount Rate** - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. 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, 2024**

**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	\$ 4,234,560	\$ 3,039,176	\$ 2,043,707
State of New Jersey's Proportionate Share of Net Pension Liability associated with the Township	780,268	560,004	376,577
	\$ 5,014,828	\$ 3,599,180	\$ 2,420,284

**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**

**A. Local Plan**

**General Information about the OPEB Plan**

The financial statements of the Township are not prepared in accordance with Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions. The following information is provided in accordance with the requirements of the Statement and has been implemented prospectively.

Elk Township provides post-employment medical and prescription drug coverage to eligible retired employees and their spouses and additionally dental eligible retired employees and their spouses. Employees hired after January 1, 2021, will receive only single coverage for medical, prescription, and dental benefits. The township does not offer post-employment vision benefits to retired employees and their spouse. The Township Plan is a single employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. The Township Plan does not issue a separate financial report.

**Employees and Retirees Covered** - At December 31, 2024, the following employees were covered by the Township plan:

<b>Participant Data</b>	<b>As of <u>12/31/2024</u></b>
<u>Active Employees</u>	
Total	11
Average Age	35
Average Service	10
<u>Retired Employees</u>	
Retirees	12
Average Age	66

**TOWNSHIP OF ELK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

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

**A. Local Plan (continued)**

**Actuarial Assumptions and Other Inputs**

This valuation has been conducted as of December 31, 2024 based on census, plan design and premium information provided by the Township. Census includes 11 retired participants (including spouses) and 11 active participants. The Measurement Date, for each fiscal year is as of the end of the prior year. Thus, the Total OPEB Liability for fiscal year ending December 31, 2024 of \$5,378,533 is measured at December 31, 2024 as allowed under GASB 75.

The values are determined in accordance with GASB 75 including the Individual Entry Age Normal Cost method with the normal cost determined as a percentage of pay. Standard roll forward and backward techniques were used to adjust valuation dates to measurement dates. The following assumptions and other inputs applied to all periods in the measurement, unless otherwise specified:

Actuarial Cost Method	Individual Entry Age Normal as a level percentage of pay
Discount Rate	Based on S&P Municipal Bond 20 Year High Grade Rate Index 4.28% as of December 31, 2024
Rates of Mortality	Mortality rates were based on the RP-2014 Mortality Table projected with Scale MP 18.
Rates of Turnover	Ultimate termination rates vary by age
Rates of Retirement	Will receive their benefits when eligible but no earlier than age 55.
Rates of Disability	None assumed
Spouse Assumption	Marrital status is assumed not to change prior to or after retirement
Retiree Participation	100% of eligible retirees are assumed to elect to participate in the plan
Funding Policy	Pay as you go

**Current Per Capita Claim Costs** – The annual average claims cost for the Township of approximately \$37,140 per covered retiree for employee/spouse coverage and \$18,570 for single coverage prior to age 65. For retirees age 65 and over we have utilized an annual average claims cost for the Township of approximately \$10,296 per covered retiree for employee/spouse coverage and \$5,148 for single coverage.

Pursuant to Chapter 78 of P.L.2011, effective June 28, 2011, retirees are required to contribute for medical and prescription drugs benefits. The percentage of premium contribution, derived from base salary or retirement allowance and type of coverage tier is multiplied by the total premium for the cost of the coverage received by each employee or retiree. Retiree health insurance contributions do not apply to employees that have 25 years or more of service in a state or local retirement system as of the effective date.

**Discount Rate** - The discount rate is the single rate that reflects (1) the long-term expected rate of return on the OPEB plan investments that are expected to be used to finance the payments of benefits, to the extent that the OPEB plan’s fiduciary net position is projected to be sufficient to make projected benefit payments and OPEB plan assets are expected to be invested using a strategy to achieve that return and (2) a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of

**TOWNSHIP OF ELK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

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

**A. Local Plan (continued)**

Aa, to the extent that the conditions for use of the long-term expected rate of return are not met. For the total OPEB liability calculation as of December 31, 2024, the discount rate utilized was 4.28%.

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following presents the total OPEB liability of the Township, as well as what the Township's total OPEB liability would be, if it were calculated using a discount rate that is 1-percentage-point lower (3.28 percent) or 1-percentage pointer higher (5.28 percent) that the current discount rate:

	December 31, 2024		
	At 1% Decrease (3.28%)	At Discount Rate (4.28%)	At 1% Increase (5.28%)
Total OPEB Liability	\$ 6,293,620	\$ 5,378,533	\$ 4,643,756

The following presents the total OPEB liability of the Township, as well as what the Township's total OPEB liability would be, if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage pointer higher that the current healthcare cost trend rate:

	December 31, 2024		
	1% Decrease	Healthcare Cost Trend Rate*	1% Increase
Total OPEB Liability	\$ 4,563,361	\$ 5,378,533	\$ 6,417,728

\* See Healthcare Cost Trend Assumptions for details of rates.

**Valuation Results**

**Benefit Obligations-** the actuarial liability of benefit obligations of Elk Township for other post-employment benefits to be:

	<b>12/31/2024</b>
For covered retired employees	\$ 2,989,804
For active participants	2,388,729
Total	5,378,533
Assets	-
Unfunded Actuarial Accrued Liability	\$ 5,378,533

**TOWNSHIP OF ELK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

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

**A. Local Plan (continued)**

**Annual Service Cost-** At 12/31/2024 the annual service cost of the plan for post-employment benefits to be:

	<b>12/31/2024</b>
Annual Service Cost for OPEB	\$ 165,921

**Benefit Payment Comparison-** At 12/31/2024, the OPEB was funded on a pay-as-you-go basis:

	<b>12/31/2024</b>
Pay-As-You-Go Retiree Medical Costs	135,096
Annual Service Cost	165,921
Net Change	30,825

**B. State Plan**

**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, 2024**

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

**State Plan (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, 2023 were \$3,461,898,890 and \$11,427,677,896, 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, 2022 through June 30, 2023. 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, 2023 is as follows:

Total OPEB liability	\$ 14,889,576,786
Plan fiduciary net position (deficit)	<u>(116,962,691)</u>
Net OPEB Liability	<u>\$ 15,006,539,477</u>

**TOWNSHIP OF ELK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

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

**State Plan (continued)**

The total OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. 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, 2023 was \$4,441,636. The Township's proportionate share was \$-0-

The OPEB Obligation was measured as of June 30, 2023, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. 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, 2023, the State proportionate share of the OPEB Obligation attributable to the Township was 0.029598%, which was a increase of 0.004187% from its proportion measured as of June 30, 2023.

For the fiscal year ended June 30, 2023, the State of New Jersey recognized an OPEB (benefit)/expense in the amount of \$(197,310) 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, 2022 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, 2024**

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

**State Plan (continued)**

*Discount Rate*

The discount rate for June 30, 2023 was 3.65%. 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, 2023, 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 (2.65%)	At Discount Rate (3.65%)	At 1% Increase (4.65%)
State of New Jersey's Proportionate Share of Total OPEB Obligation Associated with the Township	\$ 5,144,830	\$ 4,441,636	\$ 3,876,025
State of New Jersey's Total Nonemployer OPEB Liability	\$ 17,382,355,978	\$ 15,006,539,477	\$ 13,095,561,553

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

The following presents the net OPEB liability as of June 30, 2023, 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	\$ 3,774,868	\$ 4,441,636	\$ 5,295,303
State of New Jersey's Total Nonemployer OPEB Liability	\$ 12,753,792,805	\$ 15,006,539,477	\$ 17,890,743,651

**TOWNSHIP OF ELK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

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

**State Plan (continued)**

**Additional Information** – The following is a summary of the collective balances of the local group at June 30, 2023:

**Collective Balances at December 31, 2024 and December 31, 2023**

	12/31/2024	12/31/2022
Actuarial valuation date (including roll forward)	June 30, 2023	June 30, 2022
Collective Deferred Outflows of Resources	\$ 2,635,934,069	\$ 2,993,464,316
Collective Deferred Inflows of Resources	8,319,630,129	8,504,994,107
Collective Net OPEB Liability	15,006,539,477	16,149,595,478
Township's Portion	0.029598%	0.025411%

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:	
2024	\$ (1,702,483,126)
2025	(1,394,440,795)
2026	(754,368,466)
2027	(353,621,247)
2028	(713,799,887)
Thereafter	(764,982,539)
	\$ (5,683,696,060)

*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 7.89, 7.82, 7.82, 7.87, 8.05, 8.14 and 8.04 years for the 2023, 2022, 2021, 2020, 2019, 2018 and 2017 amounts, respectively.

**Plan Membership**

At June 30, 2022, the Program membership consisted of the following:

	June 30, 2022
Active Plan Members	65,613
Retirees Currently Receiving Benefits	34,771
Total Plan Members	100,384

**TOWNSHIP OF ELK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

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

**State Plan (continued)**

**Changes in the Total OPEB Liability**

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2023 (measurement date June 30, 2022) is as follows:

Service Cost	\$ 597,135,801
Interest on the Total OPEB Liability	581,375,849
Change of Benefit Terms	23,039,435
Differences Between Expected and Actual Experience	(2,123,324,632)
Changes of Assumptions	255,103,873
Contributions From the Employer	(431,386,179)
Contributions From Non-Employer Contributing Entity	(55,614,978)
Net Investment Income	(2,001,914)
Administrative Expense	<u>12,616,744</u>
 Net Change in Total OPEB Liability	 (1,143,056,001)
 Total OPEB Liability (Beginning)	 <u>16,149,595,478</u>
 Total OPEB Liability (Ending)	 <u>\$ 15,006,539,477</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*.

**TOWNSHIP OF ELK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 11. 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>2024</u>	<u>2023</u>	<u>2022</u>
<b>Issued:</b>			
General:			
Bonds, Notes and Loans	\$ 1,370,557.00	\$ 695,875.00	\$ 822,750.00
Total Debt Issued	1,370,557.00	695,875.00	822,750.00
<b>Authorized but not issued:</b>			
General:			
Bonds, Notes and Loans	182,250.00	182,250.00	182,250.00
Total Authorized But Not Issued	182,250.00	182,250.00	182,250.00
<b>Total Gross Debt</b>	<b>\$ 1,552,807.00</b>	<b>\$ 878,125.00</b>	<b>\$ 1,005,000.00</b>
<b>Total Net Debt</b>	<b>\$ 1,552,807.00</b>	<b>\$ 878,125.00</b>	<b>\$ 1,005,000.00</b>

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>
Regional School Debt	\$ 1,603,276.01	\$ 1,603,276.01	\$ -
General Debt	1,552,807.00	-	1,552,807.00
	<b>\$ 3,156,083.01</b>	<b>\$ 1,603,276.01</b>	<b>\$ 1,552,807.00</b>

Net Debt \$1,552,807.00 divided by the average Equalized Valuation Basis per N.J.S.A 40A:2-2 as amended, \$540,048,034, equals 0.288%. 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, 2024 is calculated as follows:

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

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 18,901,681.19
Net Debt	1,552,807.00
Remaining Borrowing Power	<b>\$ 17,348,874.19</b>

**TOWNSHIP OF ELK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 11. Municipal Debt (continued)**

**General Debt**

**A. Serial Bonds Payable**

The Township had no serial bonds payable in the General Capital Fund at December 31, 2024.

**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, 2024:

<u>Description</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Rate</u>	Balance December 31, <u>2024</u>
Series 2024	10/17/2024	10/16/2025	4.25%	\$ 1,370,557.00
				\$ 1,370,557.00

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, 2024.

**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>2023</u>	Accrued/ <u>Increases</u>	Retired/ <u>Decreases</u>	Balance December 31, <u>2024</u>	Balance Due Within <u>One Year</u>
General Capital:					
Bond Anticipation Notes	695,875.00	1,370,557.00	695,875.00	1,370,557.00	1,370,557.00
Compensated Absences Payable	184,780.02	26,972.68	-	211,752.70	-
	\$ 880,655.02	\$ 1,397,529.68	\$ 695,875.00	\$ 1,582,309.70	\$ 1,370,557.00

**TOWNSHIP OF ELK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 12. 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,	
	2024	2023
Total Balance of Local Tax	\$ 1,779,641.01	\$ 1,702,467.51
Deferred Taxes	1,162,172.00	1,162,172.00
Local Tax Payable	\$ 617,469.01	\$ 540,295.51

<u>Regional Tax</u>	Balance, December 31,	
	2024	2023
Total Balance of Regional Tax	\$ 154,430.49	\$ 154,551.33
Deferred Taxes	-	-
Regional Tax Payable	\$ 154,430.49	\$ 154,551.33

**Note 13. 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 14. Accrued Sick, Vacation and Compensation Time**

Sick

Under the current policy of the Township, full-time employees may accrue up to twelve (12) working days per calendar year, and police officers are entitled to one hundred twelve (112) hours. At the end of each calendar year, a full-time, non-probationary employee's unused sick time is added to the allotment for the following year to the accumulation of up to a maximum total of 30 days. At the time of separation, full-time, non-probationary employees may be compensated one (1) day for every four (4) accumulated sick days in excess of 30. In no event shall such terminal compensation exceed statutory maximums. Such terminal compensation shall not be available in cases where the employee does not retire in good standing or is terminated for cause.

**TOWNSHIP OF ELK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 14. Accrued Sick, Vacation and Compensation Time (continued)**

Vacation

Under the current policy of the Township, full-time employees are entitled to vacation time ranging from 3-25 days per year depending on years of service, and police officers are entitled to 60-300 hours per year depending on years of service. Employees who do not use all of their vacation allowance may add their unused days to their allowance for the following year up to five (5) working days. However, if these days are not used in the second year, they will be forfeited. Police officers may save eighty (80) hours of vacation until the following year but may not accumulate or accrue any additional vacation time beyond eighty (80) hours. Upon retirement or separation, full-time employees are entitled to all unused leave, while police officers are entitled to a maximum of \$15,000.

At December 31, 2024, the estimated accrued benefits for compensated absences is \$211,752.70 which is a net increase/(decrease) of \$26,972.68 from the prior year.

**Note 15. 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, 2024 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>
2024	\$ 3,629.07	\$ 454.43	\$ 93,112.78
2023	3,243.85	426.92	89,029.28
2022	12,212.60	364.74	85,358.51

**TOWNSHIP OF ELK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 16. 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, 2024, the Township estimates that no material liabilities will result from such audits.

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, 2024.

**Note 17. 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, 2023	Increases	Decreases	Balance December 31, 2024
Police Vehicles	\$ 45,412.78	\$ -	\$ 45,412.78	\$ -
Right of use assets, net	<u>\$ 45,412.78</u>	<u>\$ -</u>	<u>\$ 45,412.78</u>	<u>\$ -</u>

**TOWNSHIP OF ELK  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**Note 18. 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	\$ 60,996.42	\$ 854,770.68	8/1/2022	7/31/2036
		<u>\$ 60,996.42</u>	<u>\$ 854,770.68</u>		

**Note 19. Subsequent Events**

Management has reviewed and evaluated all events and transactions that occurred between December 31, 2024 and June 17, 2025, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements. Other than the following, no items have come to the attention of the Township that would require disclosure.

**Debt Issued:**

During March of 2025 the Township approved one new bond ordinance. Ordinance O-5-2025 was approved to be used for the acquisition of vehicles and related equipment for the police department for a total of \$110,000 and authorized the issuance of debt in the amount of \$104,500 in bonds or notes.

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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, 2024**

	<u>CURRENT</u>	<u>GRANTS</u>
Balance December 31, 2023	\$ 5,684,204.76	\$ 1,744.68
Tax Collector	\$ 14,085,110.38	\$ -
Due from State - Senior Citizens & Vets	33,698.63	-
Revenue Accounts Receivable	764,208.92	-
Miscellaneous Revenue Not Anticipated	476,071.60	-
Budget Appropriation Refunds	116,135.91	-
Investment in Bond Anticipation Notes	695,875.00	-
Marriage License Fees	400.00	-
DCA Inspections Fees	13,175.00	-
Reserve for Street Openings	7,150.00	-
Payroll Taxes Payable	2,524.29	-
Due to Trust - Other - Off-Duty Police	122,939.60	-
Due to Federal and State Grant Funds:		
Unappropriated Reserve	1,439.71	-
Grants Receivable	455,954.65	-
Due to Current Fund	-	8.75
	<u>16,774,683.69</u>	<u>8.75</u>
Subtotal	<u>22,458,888.45</u>	<u>1,753.43</u>
Decreased by Disbursements:		
2024 Appropriations	4,993,772.39	-
2023 Appropriation Reserves	160,522.73	-
County Taxes	2,908,954.30	-
Due County for Added & Omitted Taxes	21,011.00	-
Regional High School District Tax	3,704,593.84	-
Local District School Tax	3,646,158.50	-
Marriage License Fees	350.00	-
DCA Inspections Fees	12,649.00	-
Investment in Bond Anticipation Notes	594,367.00	-
Reserve for Street Openings	2,082.50	-
Tax Overpayments	21,882.68	-
Payroll Taxes Payable	725.07	-
Refund of Prior Year Revenue	150.03	-
Due to Trust - Other - Off-Duty Police	167,959.58	-
Due to Federal and State Grant Funds - Appropriated	<u>607,466.95</u>	<u>-</u>
Total Disbursements	<u>16,842,645.57</u>	<u>-</u>
Balance December 31, 2024	<u>\$ 5,616,242.88</u>	<u>\$ 1,753.43</u>

**TOWNSHIP OF ELK  
CURRENT FUND  
SCHEDULE OF CURRENT CASH - COLLECTOR  
FOR THE YEAR ENDED DECEMBER 31, 2024**

Balance December 31, 2023		\$	-
Increased by:			
Taxes Receivable	\$ 13,760,874.90		
Tax Title Lien Receivable	37,333.44		
Revenue Accounts Receivable	76,427.77		
2025 Prepaid Taxes	210,474.27		14,085,110.38
			14,085,110.38
Decreased by:			
Payments to Treasurer			14,085,110.38
Balance December 31, 2024		\$	-

**SCHEDULE OF CHANGE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

Office:			
Municipal Clerk		\$	50.00
Tax Collector			100.00
Total		\$	150.00

**TOWNSHIP OF ELK  
CURRENT FUND  
SCHEDULE OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY  
FOR THE YEAR ENDED DECEMBER 31, 2024**

YEAR	BALANCE DECEMBER 31, 2023	2024 LEVY	COLLECTED		DUE FROM STATE OF NEW JERSEY	(REMITTED/ CANCELLED	TRANSFER TO TAX TITLE LIENS	BALANCE DECEMBER 31, 2024
			2023	2024				
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	0.28	-	-	-	-	0.28	-	-
2023	293,141.85	-	292,619.56	(801.37)	265.59	1,058.07	-	-
Total	297,603.21	-	292,619.56	(801.37)	265.87	1,058.07	4,461.08	-
2024	-	13,980,187.47	202,928.37	13,437,238.45	34,250.00	32,251.19	81,355.44	301,045.09
Total	\$ 297,603.21	\$ 13,980,187.47	\$ 202,928.37	\$ 13,729,858.01	\$ 33,448.63	\$ 32,517.06	\$ 82,413.51	\$ 305,506.17

Cash Receipts	\$ 13,760,874.90
Overpayments Applied	64,244.78
Overpayments Created	<u>(95,261.67)</u>
Total	<u>\$ 13,729,858.01</u>

**ANALYSIS OF 2024 PROPERTY TAX LEVY**

General Purpose Tax	\$ 13,980,187.47
Added & Omitted Taxes	<u>108,881.07</u>
Total	<u>\$ 14,089,068.54</u>
<b>TAX LEVY:</b>	
Local District School Tax	\$ 3,723,332.00
Regional High School District Tax	3,704,473.00
County Taxes:	
General County Tax	\$ 2,568,020.19
County Library Tax	172,426.56
County Open Space	168,507.55
Due County for Added & Omitted Taxes	22,723.79
Local Tax for Municipal Purposes	3,640,719.64
Add: Additional Tax Levied	<u>88,865.81</u>
Total	<u>\$ 14,089,068.54</u>

**TOWNSHIP OF ELK  
CURRENT FUND  
SCHEDULE OF TAX TITLE LIENS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

Balance December 31, 2023		\$ 1,027,398.58
Increased by:		
Transfers from Taxes Receivable	\$ 82,413.51	
Tax Sale & Int and Cost	271.64	82,685.15
		<hr/>
Subtotal		1,110,083.73
Decreased by:		
Lien Payments Received		<hr/> 37,333.44
Balance December 31, 2024		<u><u>\$ 1,072,750.29</u></u>

**SCHEDULE OF (TO)/DUE FROM STATE OF NJ  
VETERAN AND SENIOR CITIZEN DEDUCTIONS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

Balance December 31, 2023		\$ (11,574.19)
Increased by:		
Senior Citizen & Veterans Deductions Per Tax Billings	\$ 33,500.00	
Deductions Allowed by Tax Collector - 2024 Taxes	1,000.00	
Deductions Disallowed by Tax Collector - 2024 Taxes	(250.00)	
Deductions Disallowed by Tax Collector - Prior Year Taxes	(801.37)	33,448.63
		<hr/>
Subtotal		21,874.44
Decreased by:		
Cash Receipts		<hr/> 33,698.63
Balance December 31, 2024		<u><u>\$ (11,824.19)</u></u>

**ANALYSIS OF FORECLOSED PROPERTY  
FOR THE YEAR ENDED DECEMBER 31, 2024**

Balance December 31, 2024 and 2023		<u><u>\$ 656,730.00</u></u>
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**TOWNSHIP OF ELK  
CURRENT FUND  
SCHEDULE OF REVENUE ACCOUNTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2024**

	BALANCE DECEMBER 31, 2023	ACCRUED IN 2024	REALIZED	BALANCE DECEMBER 31, 2024
Fines & Costs:				
Municipal Court	\$ 5,662.61	\$ 87,765.10	\$ 87,648.98	\$ 5,778.73
Interest & Costs on Taxes	-	76,427.77	76,427.77	-
Energy Receipts Tax	-	366,634.94	366,634.94	-
Reserve for Municipal Relief Fund	-	37,791.99	37,791.99	-
Uniform Construction Code				
Fees & Permits	-	149,226.00	149,226.00	-
Interlocal Agreement				
Court Services	-	111,429.00	111,429.00	-
School Resource Officer	-	45,520.00	45,520.00	-
TRICO JIF Safety Incentive Program	-	1,500.00	1,500.00	-
TRICO JIF Cyber Risk	-	1,500.00	1,500.00	-
TRICO JIF Wellness Incentive Grant	-	750.00	750.00	-
Total Miscellaneous Revenues	<u>\$ 5,662.61</u>	<u>\$ 878,544.80</u>	<u>\$ 878,428.68</u>	<u>\$ 5,778.73</u>

Cash Receipts - CFO	\$ 764,208.92
Cash Receipts - Collector	76,427.77
Reserve Balances	<u>37,791.99</u>
	<u>\$ 878,428.68</u>

**TOWNSHIP OF ELK**  
**CURRENT FUND**  
**SCHEDULE OF 2023 APPROPRIATION RESERVES**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

OPERATIONS	BALANCE		BUDGET AFTER MODIFICATION	PAID OR CHARGED	BALANCE LAPSED
	DECEMBER 31, 2023 RESERVED	ENCUMBERED			
<b>Equipment Maintenance:</b>					
General Administration	\$ 1,010.84	\$ -	\$ 1,010.84	\$ 788.93	\$ 221.91
<b>Other Expenses:</b>					
Municipal Clerk	15,612.46	199.50	15,811.96	753.15	15,058.81
Financial Administration	13,367.74	4,000.00	17,367.74	6,704.45	10,663.29
Legal Services and Costs	14,975.68	3,241.01	18,216.69	3,241.01	14,975.68
Engineering Services and Costs	54,189.95	1,145.00	55,334.95	2,430.00	52,904.95
Planning Board	1,055.12	-	1,055.12	31.55	1,023.57
Police	19,367.09	17,548.25	36,915.34	16,067.89	20,847.45
Uniform Fire Safety Act (PL 1983, C 383):	1,500.00	-	1,500.00	1,202.89	297.11
Road Repair and Maintenance	37,522.29	165.00	37,687.29	173.86	37,513.43
Vehicle Maintenance	22,468.31	1,662.72	24,131.03	2,406.36	21,724.67
Snow Removal	15,000.00	-	15,000.00	15,000.00	-
Solid Waste Collection	27,418.87	20,823.15	48,242.02	20,734.33	27,507.69
Public Buildings and Grounds	20,288.63	130.04	20,418.67	801.96	19,616.71
Road Signs	3,106.30	-	3,106.30	984.00	2,122.30
County Landfill Tipping Fees	42,262.92	-	42,262.92	11,836.36	30,426.56
Recycling Tipping Fees	4,738.60	-	4,738.60	4,076.12	662.48
Electricity	11,111.70	-	11,111.70	4,202.39	6,909.31
Street Lighting	4,948.16	-	4,948.16	-	4,948.16
Telephone	3,371.26	490.31	3,861.57	1,206.28	2,655.29
Natural Gas	6,678.34	-	6,678.34	-	6,678.34
Hydrants	1,168.90	-	1,168.90	530.10	638.80
Gasoline	12,923.24	1,235.48	14,158.72	1,235.48	12,923.24
Public Defender	2,003.00	-	2,003.00	200.00	1,803.00
Recycling Tax	3,411.29	-	3,411.29	438.72	2,972.57
Municipal Court	2,930.42	1,090.00	4,020.42	1,375.65	2,644.77
Improvements to Municipal Roads	100,000.00	-	100,000.00	64,101.25	35,898.75
<b>All Other Accounts - No Changes</b>	<b>333,352.34</b>	<b>-</b>	<b>333,352.34</b>	<b>-</b>	<b>333,352.34</b>
<b>Grand Total All Appropriations</b>	<b>\$ 775,783.45</b>	<b>\$ 51,730.46</b>	<b>\$ 827,513.91</b>	<b>\$ 160,522.73</b>	<b>\$ 666,991.18</b>

**TOWNSHIP OF ELK  
CURRENT FUND  
SCHEDULE OF RESERVE FOR ENCUMBRANCES  
FOR THE YEAR ENDED DECEMBER 31, 2024**

Balance December 31, 2023	\$	51,730.46
Increased by:		
2024 Appropriations		38,587.80
		90,318.26
Decreased by:		
Transferred to 2023 Appropriations Reserves		51,730.46
Balance December 31, 2024	\$	38,587.80

**SCHEDULE OF PREPAID TAXES  
FOR THE YEAR ENDED DECEMBER 31, 2024**

Balance, December 31, 2023 (2024 Taxes)	\$	202,928.37
Increased by:		
Collections - 2025 Taxes		210,474.27
		413,402.64
Decreased by:		
Application to 2024 Taxes Receivable		202,928.37
Balance, December 31, 2024 (2025 Taxes)	\$	210,474.27

**SCHEDULE OF TAX OVERPAYMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

Balance December 31, 2023	\$	72,798.97
Increased by:		
Overpayments Created		95,261.67
Subtotal		168,060.64
Decreased by:		
Overpayments Applied to Taxes	\$	64,244.78
Refunded		21,882.68
		86,127.46
Balance December 31, 2024	\$	81,933.18

**TOWNSHIP OF ELK  
CURRENT FUND  
SCHEDULE OF LOCAL SCHOOL DISTRICT TAX  
FOR THE YEAR ENDED DECEMBER 31, 2024**

Balance December 31, 2023		
School Tax Payable	\$ 540,295.51	
Deferred School Tax Payable	<u>1,162,172.00</u>	
		\$ 1,702,467.51
Increased by:		
Levy - School Year July 1, 2024 - June 30, 2025		<u>3,723,332.00</u>
Subtotal		5,425,799.51
Decreased by:		
Disbursements		<u>3,646,158.50</u>
Balance December 31, 2024		
School Tax Payable	617,469.01	
Deferred School Tax Payable	<u>1,162,172.00</u>	
		<u>\$ 1,779,641.01</u>
 <u>2024 Liability for Local District Tax:</u>		
Tax Paid		\$ 3,646,158.50
Tax Payable December 31, 2024		<u>617,469.01</u>
		4,263,627.51
Less:		
Tax Payable December 31, 2023		<u>540,295.51</u>
Amount Charged to 2024 Operations		<u>\$ 3,723,332.00</u>

**TOWNSHIP OF ELK  
CURRENT FUND  
SCHEDULE OF REGIONAL HIGH SCHOOL DISTRICT TAX  
FOR THE YEAR ENDED DECEMBER 31, 2024**

Balance December 31, 2023	
School Tax Payable	\$ 154,551.33
Increased by:	
Levy - School Year July 1, 2024 - June 30, 2025	<u>3,704,473.00</u>
Subtotal	3,859,024.33
Decreased by:	
Disbursements	<u>3,704,593.84</u>
Balance December 31, 2024	
School Tax Payable	<u><u>\$ 154,430.49</u></u>
 <u>2024 Liability for Local District Tax:</u>	
Tax Paid	\$ 3,704,593.84
Tax Payable December 31, 2024	<u>154,430.49</u>
	3,859,024.33
Less:	
Tax Payable December 31, 2023	<u>154,551.33</u>
Amount Charged to 2024 Operations	<u><u>\$ 3,704,473.00</u></u>

**TOWNSHIP OF ELK  
CURRENT FUND  
SCHEDULE OF COUNTY TAXES PAYABLE  
FOR THE YEAR ENDED DECEMBER 31, 2024**

Balance December 31, 2023		\$	-
Increased by:			
County Tax	\$	2,568,020.19	
County Library Tax		172,426.56	
County Open Space Tax		168,507.55	2,908,954.30
Subtotal			2,908,954.30
Decreased by:			
Disbursements			2,908,954.30
Balance December 31, 2024		\$	-

**SCHEDULE OF DUE COUNTY FOR ADDED AND OMITTED TAXES  
FOR THE YEAR ENDED DECEMBER 31, 2024**

Balance December 31, 2023		\$	21,011.00
Increased by:			
County Share of 2024 Added Taxes			22,723.79
Subtotal			43,734.79
Decreased by:			
Disbursements			21,011.00
Balance December 31, 2024		\$	22,723.79

**TOWNSHIP OF ELK  
CURRENT FUND  
SCHEDULE OF DUE TO STATE OF NEW JERSEY  
MARRIAGE LICENSE FEES  
FOR THE YEAR ENDED DECEMBER 31, 2024**

Balance December 31, 2023	\$	350.00
Increased by:		
Cash Receipts		400.00
Subtotal		750.00
Decreased by:		
Cash Disbursements		350.00
Balance December 31, 2024	\$	400.00

**SCHEDULE OF DUE TO STATE OF NEW JERSEY  
DCA INSPECTION FEES  
FOR THE YEAR ENDED DECEMBER 31, 2024**

Balance December 31, 2023	\$	1,306.00
Increased by:		
Cash Receipts		13,175.00
Subtotal		14,481.00
Decreased by:		
Cash Disbursements		12,649.00
Balance December 31, 2024	\$	1,832.00

**TOWNSHIP OF ELK  
FEDERAL AND STATE GRANTS FUND  
SCHEDULE OF FEDERAL, STATE AND OTHER GRANTS RECEIVABLE  
FOR THE YEAR ENDED DECEMBER 31, 2024**

	BALANCE DECEMBER 31, 2023	ACCRUED	RECEIVED	BALANCE DECEMBER 31, 2024
State Grants:				
2019 Municipal Aid Program - Stanger Ave.	\$ 19,688.45	\$ -	\$ -	\$ 19,688.45
DOT - Local Freight Impact	217,289.63	-	-	217,289.63
DOT - Ewan Road	142,034.07	-	-	142,034.07
Clean Communities	-	15,526.58	15,526.58	-
Body Armor	-	1,395.83	1,395.83	-
Recycling Tonnage Grant	-	5,818.89	5,818.89	-
Delaware Valley Reg. Planning Commission	24,940.55	-	-	24,940.55
Sustainable NJ	2,500.00	-	-	2,500.00
Stormwater Regulation Program	50,000.00	-	-	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	17,050.00	-	-	17,050.00
DOT - Moods Road - Phase III	220,080.00	-	133,350.00	86,730.00
DOT - Christian Street	350,000.00	-	219,963.68	130,036.32
DOT - Elephant Swamp Trail	1,408,000.00	-	-	1,408,000.00
DOT - Laux & Pine Tavern	-	219,285.00	-	219,285.00
Local Recreation Improvement Grant	73,000.00	62,000.00	73,000.00	62,000.00
Federal Grants:				
U Text U Drive U Pay	4,440.00	4,200.00	6,440.00	2,200.00
Click It or Ticket	-	1,120.00	1,120.00	-
Drunk Driving Enforcement Fund	-	735.50	735.50	-
	<u>\$ 2,944,022.70</u>	<u>\$ 310,081.80</u>	<u>\$ 457,350.48</u>	<u>\$ 2,796,754.02</u>

Cash Receipts	\$ 455,954.65
Unappropriated Reserves	<u>1,395.83</u>
Total	<u>\$ 457,350.48</u>

**TOWNSHIP OF ELK  
 FEDERAL AND STATE GRANTS FUND  
 SCHEDULE OF RESERVES FOR GRANTS - UNAPPROPRIATED  
 FOR THE YEAR ENDED DECEMBER 31, 2024**

	BALANCE DECEMBER 31, 2023	CASH RECEIPTS	REALIZED AS REVENUE IN 2024 BUDGET	BALANCE DECEMBER 31, 2024
State Grants:				
Police Body Armor	\$ 1,395.83	\$ 1,439.71	\$ 1,395.83	\$ 1,439.71
Total All Grant	<u>\$ 1,395.83</u>	<u>\$ 1,439.71</u>	<u>\$ 1,395.83</u>	<u>\$ 1,439.71</u>

**TOWNSHIP OF ELK  
FEDERAL AND STATE GRANTS FUND  
SCHEDULE OF RESERVES FOR GRANTS - APPROPRIATED  
FOR THE YEAR ENDED DECEMBER 31, 2024**

	BALANCE DECEMBER 31, 2023	TRANSFER FROM 2024 BUDGET	TRANSFER FROM 2023 ENCUMBRANCES	EXPENDED	ENCUMBERED	BALANCE DECEMBER 31, 2024
<b>State Grants:</b>						
Alcohol Rehabilitation Grant	\$ 16,177.88	\$ -	\$ -	\$ -	\$ -	\$ 16,177.88
Clean Communities	57,785.13	15,526.58	-	6,898.85	2,145.90	64,266.96
Drunk Driving Enforcement Fund	86.73	735.50	-	-	-	822.23
Police Body Armor	-	1,395.83	-	-	-	1,395.83
Stormwater Regulation Program	81,250.00	-	-	-	-	81,250.00
Recycling Tonnage Grant	47,592.50	5,818.89	-	-	-	53,411.39
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	295.16	-	-	-	-	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 - Laux & Pine Tavern	-	219,285.00	-	31,300.00	-	187,985.00
DOT - Moods Road	212,287.00	-	-	1,125.00	-	211,162.00
DOT - Moods Road - Phase III	220,080.00	-	-	165,439.62	16,860.38	37,780.00
DOT - Christian Street	319,326.00	-	-	312,602.48	6,723.52	0.00
DOT - Elephant Swamp Trail	1,404,653.75	-	-	270.00	-	1,404,383.75
Local Recreation Improvement Grant	69,150.00	62,000.00	1,650.00	67,411.00	3,389.00	62,000.00
<b>Federal Grants:</b>						
Community Development Block Grant	1,221.74	-	-	-	-	1,221.74
Drive Sober or Get Pulled Over	1,100.00	-	-	1,100.00	-	-
Click It or Ticket	-	1,120.00	-	1,120.00	-	-
U Text U Drive U Pay	-	4,200.00	-	4,200.00	-	-
<b>Local Grants:</b>						
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>\$ 2,679,885.26</b>	<b>\$ 310,081.80</b>	<b>\$ 20,892.00</b>	<b>\$ 607,466.95</b>	<b>\$ 29,118.80</b>	<b>\$ 2,374,273.31</b>

**TRUST FUND**

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**TOWNSHIP OF ELK  
TRUST FUND  
SCHEDULE OF CASH - TREASURER  
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Dog Licenses	Open Space Preservation	Trust Other - Collector	Trust Other
Balance December 31, 2023	\$ 7,544.20	\$ 200,048.80	\$ 233,548.23	\$ 1,638,522.73
Increased by Receipts:				
Animal Control	\$ 3,758.00	\$ -	\$ -	\$ -
Dog Registration Fees - Due				
State of New Jersey	559.20	-	-	-
Trust Other Reserves	-	-	216,032.64	1,063,019.12
Interest Due to Current Fund	-	-	1,106.50	0.64
Interest Earnings	-	1,002.55	-	-
Total Increases	<u>4,317.20</u>	<u>1,002.55</u>	<u>217,139.14</u>	<u>1,063,019.76</u>
Total Increases & Balances	<u>11,861.40</u>	<u>201,051.35</u>	<u>450,687.37</u>	<u>2,701,542.49</u>
Dog Registration Fees - Due				
State of New Jersey	559.20	-	-	-
Statutory Expenditures	2,607.26	-	-	-
Trust Other Reserves	-	-	292,532.64	544,920.18
Due to Current Fund	1,485.54	-	1,117.77	-
Total Disbursements	<u>4,652.00</u>	<u>-</u>	<u>293,650.41</u>	<u>544,920.18</u>
Balance December 31, 2024	<u>\$ 7,209.40</u>	<u>\$ 201,051.35</u>	<u>\$ 157,036.96</u>	<u>\$ 2,156,622.31</u>

**TOWNSHIP OF ELK  
TRUST FUND - ANIMAL CONTROL FUND  
SCHEDULE OF RESERVE FOR ANIMAL CONTROL FUND EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2024**

Balance December 31, 2022		\$ 7,544.20
Increased by:		
Receipts:		
Dog License Fees		<u>3,758.00</u>
Subtotal		11,302.20
Decreased by:		
Dog License Expenses	\$ 2,607.26	
Statutory Excess Due to Current Fund	<u>1,485.54</u>	
		<u>4,092.80</u>
Balance December 31, 2024		<u><u>\$ 7,209.40</u></u>

**LICENSE FEES COLLECTED**

YEAR	AMOUNT
2023	\$ 3,589.60
2022	<u>3,619.80</u>
Total	<u><u>\$ 7,209.40</u></u>

**SCHEDULE OF DUE TO STATE OF NEW JERSEY  
FOR THE YEAR ENDED DECEMBER 31, 2024**

Balance December 31, 2023		\$ -
Increased by:		
Registration Fees Collected		<u>559.20</u>
		559.20
Decreased by:		
Disbursements		<u>559.20</u>
Balance December 31, 2024		<u><u>\$ -</u></u>

**TOWNSHIP OF ELK  
TRUST OTHER FUND  
SCHEDULE OF TRUST FUND RESERVES  
FOR THE YEAR ENDED DECEMBER 31, 2024**

PURPOSE	BALANCE DECEMBER 31, 2023	RECEIPTS	DISBURSEMENTS	BALANCE DECEMBER 31, 2024
Premiums Received at Tax Sale	\$ 226,700.00	\$ 23,900.00	\$ 100,400.00	\$ 150,200.00
Deposits for Redemptions of Liens	6,748.56	192,132.64	192,132.64	6,748.56
Unemployment Compensation	89,029.28	4,083.50	-	93,112.78
Forfeited Funds	1,882.46	585.80	-	2,468.26
Accumulated Absence	77,616.95	-	2,114.00	75,502.95
Public Defender	13,372.62	1,447.00	-	14,819.62
Affordable Housing	560,533.22	55,522.07	-	616,055.29
Storm Recovery	88,400.00	-	-	88,400.00
Recreation	24,967.67	-	-	24,967.67
Developer's Escrow	782,720.53	1,000,880.75	542,806.18	1,240,795.10
Off-Duty Police	306,959.58	122,939.60	167,959.58	261,939.60
K-9 Donations	-	500.00	-	500.00
<b>Total</b>	<b>\$ 2,178,930.87</b>	<b>\$ 1,401,991.36</b>	<b>\$ 1,005,412.40</b>	<b>\$ 2,575,509.83</b>

Cash Receipts & Disbursements	\$ 1,063,019.12	\$ 544,920.18
Cash Receipts & Disbursements - Collector	216,032.64	292,532.64
Due from Current Fund - Off-Duty Police	122,939.60	167,959.58
	<u>\$ 1,401,991.36</u>	<u>\$ 1,005,412.40</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, 2024**

Balance December 31, 2023		\$ 822,205.19
Increased by Receipts:		
Due to Current Fund - Interest Earnings	\$ 2,900.81	
Bond Anticipation Notes	1,370,557.00	
Premiums Received on Bond Anticipation Notes	895.00	
Capital Improvement Fund	108,000.00	
Due from Current Fund - Reserve for Municipal Roads	100,000.00	
Due from Current Fund - BAN Paydown	101,508.00	1,683,860.81
		<hr/>
Subtotal		2,506,066.00
Decreased by Disbursements:		
Due to Current Fund - Interest Earnings	2,900.81	
Bond Anticipation Notes	695,875.00	
Improvement Authorizations	449,688.69	1,148,464.50
		<hr/>
Balance December 31, 2024		<u><u>\$ 1,357,601.50</u></u>

**TOWNSHIP OF ELK  
GENERAL CAPITAL FUND  
ANALYSIS OF GENERAL CAPITAL CASH  
FOR THE YEAR ENDED DECEMBER 31, 2024**

Fund Balance	\$ 1,396.00
Capital Improvement Fund	220,003.95
Reserve for Purchase of Fire Equipment	1,887.24
Reserve for Installation of Traffic Signals	12,000.00
Reserve for Improvements to Municipal Roads	283,029.96

**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
2024-02	Acquisition of a Fire Truck	527,567.75
	<b>Total</b>	<b><u><u>\$ 1,357,601.50</u></u></b>

**TOWNSHIP OF ELK  
GENERAL CAPITAL FUND  
SCHEDULE OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED  
FOR THE YEAR ENDED DECEMBER 31, 2024**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2023	2024 AUTHORIZATIONS	FUNDED	BALANCE DECEMBER 31, 2024	ANALYSIS OF BALANCE DECEMBER 31, 2024		
						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	119,700.00	-	11,970.00	107,730.00	107,730.00	-	-
2017-03	Acquisition of a Fire Truck and Related Equipment	212,800.00	-	53,200.00	159,600.00	159,600.00	-	-
2020-04	Completion of Various Improvements to Stormwater Drainage System	94,050.00	-	9,405.00	84,645.00	84,645.00	-	-
2020-06	Acquisition of Heavy Duty Trash Receiptles	98,325.00	-	9,833.00	88,492.00	88,492.00	-	-
2023-11	Acquisition of Various Capital Equipment	171,000.00	-	17,100.00	153,900.00	153,900.00	-	-
2024-02	Acquisition of a Fire Truck	-	776,190.00	-	776,190.00	776,190.00	-	-
<b>Total</b>		<b>\$ 878,125.00</b>	<b>\$ 776,190.00</b>	<b>\$ 101,508.00</b>	<b>\$ 1,552,807.00</b>	<b>\$ 1,370,557.00</b>	<b>\$ 54,168.36</b>	<b>\$ 128,081.64</b>

Paydown of BANs \$ 101,508.00  
\$ 101,508.00

**TOWNSHIP OF ELK  
GENERAL CAPITAL FUND  
SCHEDULE OF CAPITAL IMPROVEMENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2024**

Balance December 31, 2023	\$ 150,813.95
Increased by:	
Budget Appropriation	<u>108,000.00</u>
Subtotal	258,813.95
Decreased by:	
Down Payment for Improvement Authorizations	<u>38,810.00</u>
Balance December 31, 2024	<u><u>\$ 220,003.95</u></u>

**TOWNSHIP OF ELK  
GENERAL CAPITAL FUND  
SCHEDULE OF IMPROVEMENT AUTHORIZATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	ORDINANCE DATE	ORDINANCE AMOUNT	BALANCE DECEMBER 31, 2023		2024 AUTHORIZATIONS	PRIOR YEAR ENCUMBRANCES	EXPENDED	BALANCE DECEMBER 31, 2024	
				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 Receptricles	12/3/2020	115,000.00	-	7,295.58	-	-	-	-	7,295.58
2022-09	Acquisition of Electronic Sign	10/18/2022	35,000.00	10.00	-	-	-	-	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	-	17,493.56	-	162,256.44	-	-	17,493.56
2024-02	Acquisition of a Fire Truck	4/16/2024	815,000.00	-	-	815,000.00	-	287,432.25	-	527,567.75
Total				\$ 3,348,015.58	\$ 159,165.02	\$ 815,000.00	\$ 162,256.44	\$ 449,688.69	\$ 334,801.58	\$ 686,732.77
								Encumbered	\$ -	
								Cash Disbursements	\$ 449,688.69	
									\$ 449,688.69	

**TOWNSHIP OF ELK  
GENERAL CAPITAL FUND  
SCHEDULE OF BOND ANTICIPATION NOTES  
FOR THE YEAR ENDED DECEMBER 31, 2024**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	DATE OF ORIGINAL NOTE	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE DECEMBER 31, 2023	INCREASE	DECREASE	BALANCE DECEMBER 31, 2024
2017-3	Acquisition of Fire Truck	10/31/2018	10/20/2023 10/17/2024	10/18/2024 10/16/2025	4.00% 4.25%	\$ 212,800.00 -	\$ - 159,600.00	\$ 212,800.00 -	\$ - 159,600.00
2016-04	Acquisition of Various Capital Equipment and Completion of Various Capital Improvement	10/24/2022	10/20/2023 10/17/2024	10/18/2024 10/16/2025	4.00% 4.25%	119,700.00 -	- 107,730.00	119,700.00 -	- 107,730.00
2020-04	Completion of Various Improvements to Stormwater Drainage System	10/24/2022	10/20/2023 10/17/2024	10/18/2024 10/16/2025	4.00% 4.25%	94,050.00 -	- 84,645.00	94,050.00 -	- 84,645.00
2020-06	Acquisition of Heavy Duty Trash Receiptles	10/24/2022	10/20/2023 10/17/2024	10/18/2024 10/16/2025	4.00% 4.25%	98,325.00 -	- 88,492.00	98,325.00 -	- 88,492.00
2023-11	Acquisition of Various Capital Equipment	10/20/2023	10/20/2023 10/17/2024	10/18/2024 10/16/2025	4.00% 4.25%	171,000.00 -	- 153,900.00	171,000.00 -	- 153,900.00
2024-02	Acquisition of a Fire Truck	10/17/2024	10/17/2024	10/16/2025	4.25%	-	776,190.00	-	776,190.00
						\$ 695,875.00	\$ 1,370,557.00	\$ 695,875.00	\$ 1,370,557.00
						Paydown of BANs	\$ -	\$ 101,508.00	
						New Issuance	776,190.00	-	
						BANs Rolled Over	594,367.00	594,367.00	
						\$ 1,370,557.00	\$ 695,875.00	\$ 695,875.00	\$ 1,370,557.00

**TOWNSHIP OF ELK  
GENERAL CAPITAL FUND  
SCHEDULE OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED  
FOR THE YEAR ENDED DECEMBER 31, 2024**

ORDINANCE NUMBER	IMPROVEMENT DESCRIPTION	BALANCE DECEMBER 31, 2023	2024 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
2024-02	Acquisition of a Fire Truck	-	776,190.00	776,190.00	-
Total		\$ 182,250.00	\$ 776,190.00	\$ 776,190.00	\$ 182,250.00

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**TOWNSHIP OF ELK**

**PART II**

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

**FOR THE YEAR ENDED DECEMBER 31, 2024**

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**TOWNSHIP OF ELK  
SCHEDULE OF FINANCIAL STATEMENT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

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.

**Finding 2024-001**

Criteria or specific requirement: N.J.A.C. 5:30-5.6 requires that municipalities maintain a fixed asset accounting system that shall include assets descriptions, estimated or historical costs and other such information as shall be required by the governing body and updated each year with any additions or deletions. Proper internal control practices also dictate that complete and accurate records should be maintained to ensure adequate control over the preparation of the financial statements including related footnotes.

Condition: The Township did not maintain an accurate fixed asset accounting system in accordance with N.J.A.C. 5:30:5.6.

Cause: Internal control policies and procedures are not in place to properly maintain the fixed asset accounting system.

Effect or potential effect: Non-compliance with N.J.A.C. 5:30-5.6.

Recommendation: That the Township undergo a full revaluation from an independent appraisal company in order to generate a fixed assets listing in compliance with N.J.A.C. 5:30-5.6.

View of responsible official:

The responsible official agrees with this finding and will address the matter as part of their corrective action plan.

**TOWNSHIP OF ELK**  
**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

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**

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

**TOWNSHIP OF ELK**

**PART III**

**LETTER OF COMMENTS AND RECOMMENDATIONS – REGULATORY BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

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## OFFICIALS IN OFFICE

The following officials were in office at December 31, 2024:

<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
Debra 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, 2024.

### **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, 2024.

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*.

## 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, 2024 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):**

**2024-001:** The Township did not maintain a fixed asset accounting system in accordance with N.J.A.C. 5:30:5.6.

### **RECOMMENDATIONS:**

**2024-001:** That the Township undergo a full revaluation from an independent appraisal company in order to generate a fixed assets listing in compliance with N.J.A.C. 5:30-5.6.

## **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 17, 2025