

REPORT OF AUDIT

TOWNSHIP OF SPARTA

COUNTY OF SUSSEX

DECEMBER 31, 2021

TOWNSHIP OF SPARTA, N.J.
YEAR ENDED DECEMBER 31, 2021

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TOWNSHIP OF SPARTA

PART I

REPORT OF AUDIT ON FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2021



WIELKOTZ & COMPANY ^{LLC}

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the Township Council
Township of Sparta
Sparta, NJ 07871

Report on the Financial Statements

Adverse Opinion on U.S. Generally Accepted Accounting Principles

We have audited the accompanying balance sheets – regulatory basis of the various funds and account group of the Township of Sparta in the County of Sussex, as of December 31, 2021 and 2020, the related statements of operations and changes in fund balance – regulatory basis for the years then ended, and the related statements of revenues -regulatory basis and the statements of expenditures – regulatory basis of the various funds for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the accompanying financial statements referred to above do not present fairly the financial position of each fund of the Township of Sparta as of December 31, 2021 and 2020, or changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") and Government Auditing Standards, issued by the Comptroller General of the United States. 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 of Sparta, 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 adverse audit opinion.



As described in Note 1 of the financial statements, the financial statements are prepared by the Township of Sparta on the basis of the financial reporting provisions prescribed by 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 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.

Basis for Qualified Opinion on Regulatory Basis Accounting Principles

As described in Note 14 of the financial statement, the Township participates in a Length of Service Award Program for its volunteer fire and rescue personnel. The amount reflected in the trust fund statements of \$397,689.74 and \$335,227.78 for 2021 and 2020, respectively, were not audited and, therefore, we express no opinion on the LOSAP program.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the “*Basis for Qualified Opinion on Regulatory Basis Accounting Principles*” paragraph, the financial statements referred to above, present fairly, in all material respects, the regulatory basis balances sheets and account group as of December 31, 2021, the regulatory basis statement of operations for the year then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2021 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, 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 of Sparta’s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently 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 opinions. 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for 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 GAAS and Government Auditing Standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement 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.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively



Honorable Mayor and
Members of the Township Council
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comprise the Township of Sparta's basic financial statements. The supplementary information listed in the table of contents and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information listed in the table of contents 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 supplementary information listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or any form of assurance thereon.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 11, 2022 on our consideration of the Township of Sparta's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 of Sparta's internal control over financial reporting and compliance.



Steven D. Wielkotz, C.P.A.
Registered Municipal Accountant
No. CR00413



WIELKOTZ & COMPANY, LLC
Certified Public Accountants
Pompton Lakes, New Jersey

August 11, 2022



Township of Sparta, N.J.

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Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31,

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Assets</u>			
Current Fund:			
Cash-Treasurer	A-4	15,777,896.55	15,791,923.95
Change Fund	A-5	450.00	450.00
		<u>15,778,346.55</u>	<u>15,792,373.95</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-8	1,118,553.97	1,614,254.53
Tax Title Liens	A-9	210,046.48	178,415.09
Property Acquired for Taxes -			
Assessed Valuation	A-10	2,907,000.00	2,907,000.00
		<u>4,235,600.45</u>	<u>4,699,669.62</u>
		<u>20,013,947.00</u>	<u>20,492,043.57</u>
Federal and State Grant Fund:			
Grants Receivable	A-20	228,613.05	319,686.83
Interfund - Current Fund	A-23	483,014.60	152,619.54
		<u>711,627.65</u>	<u>472,306.37</u>
		<u>20,725,574.65</u>	<u>20,964,349.94</u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Sparta, N.J.

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Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31,

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves:			
Unencumbered	A-3;A-13	2,131,392.85	2,624,014.50
Encumbered	A-3	294,021.27	568,242.65
Total Appropriation Reserves		<u>2,425,414.12</u>	<u>3,192,257.15</u>
Due to State of New Jersey:			
Senior Citizen and Veteran Deductions	A-7	45,616.30	46,528.63
Interfund Accounts Payable	A-12	485,296.49	153,446.43
Encumbrances Payable - Various Reserves	A-14	52,539.65	699.53
Prepaid Taxes	A-15	888,280.62	1,047,005.05
County Tax Payable	A-17	123,667.77	280,965.97
Library Tax Payable	A-18	-	2,629.59
Tax Overpayments	A-19	117,431.49	252,819.93
Due to State of New Jersey:			
Construction Code Surcharge	A-19	-	27,152.00
Marriage License Surcharge	A-19	1,025.00	750.00
		<u>4,139,271.44</u>	<u>5,004,254.28</u>
Reserve for Receivables	Contra	4,235,600.45	4,699,669.62
Fund Balance	A-1	<u>11,639,075.11</u>	<u>10,788,119.67</u>
		<u>20,013,947.00</u>	<u>20,492,043.57</u>
Federal and State Grant Fund:			
Appropriated Reserve for Grants	A-21	173,439.61	379,218.70
Unappropriated Reserve for Grants	A-22	475,155.69	76,488.49
Encumbrances Payable	A-24	63,032.35	16,599.18
		<u>711,627.65</u>	<u>472,306.37</u>
		<u>20,725,574.65</u>	<u>20,964,349.94</u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis

Current Fund

Year Ended December 31,

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Revenues and Other Income:			
Fund Balance Utilized	A-2	3,960,000.00	3,530,000.00
Miscellaneous Revenue Anticipated	A-2	4,487,826.06	5,075,054.70
Receipts from Delinquent Taxes	A-2	1,498,857.50	1,437,344.87
Receipts from Current Taxes	A-2	101,291,943.59	101,718,636.05
Non-Budget Revenue	A-2	131,161.75	106,041.54
Other Credits to Income:			
Unappropriated Reserves Cancelled		-	2.44
Cancellation of Due to Library	A-18	2,629.59	
Unexpended Balance of Appropriation			
Reserves	A-13	1,739,456.99	1,069,927.59
Total Revenues and Other Income		<u>113,111,875.48</u>	<u>112,937,007.19</u>
Expenditures:			
Budget and Emergency Appropriations:			
Operations - Within Caps:			
Salaries and Wages	A-3	9,155,204.00	8,996,121.00
Other Expenses	A-3	7,607,892.00	7,732,892.00
Deferred Charges and Statutory Expenditures -			
Municipal - Within "CAPS"	A-3	2,779,975.01	2,328,458.00
Operations - Excluded from "CAPS"			
Salaries and Wages	A-3	409,318.00	375,628.00
Other Expenses	A-3	1,389,703.00	1,583,908.78
Capital Improvement Fund	A-3	2,200,000.00	2,375,000.00
Municipal Debt Service	A-3	1,443,223.00	1,474,790.00
Deferred Charges and Statutory Expenditures -			
Municipal - Excluded from "CAPS"	A-3	156,859.00	204,000.00
Municipal Open Space Tax including Added Tax	A-12	336,988.89	335,340.62
Local District School Tax	A-16	64,600,967.00	64,963,843.00
County Taxes including Added Taxes	A-17	18,220,790.14	18,261,220.37
Total Expenditures		<u>108,300,920.04</u>	<u>108,631,201.77</u>
Excess (Deficit) Revenue Over Expenditures		4,810,955.44	4,305,805.42
Fund Balance, January 1,	A	<u>10,788,119.67</u>	<u>10,012,314.25</u>
		15,599,075.11	14,318,119.67
Decreased by:			
Fund Balance Utilized as Budget Revenue		<u>3,960,000.00</u>	<u>3,530,000.00</u>
Fund Balance, December 31,	A	<u><u>11,639,075.11</u></u>	<u><u>10,788,119.67</u></u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2021

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	A-1	3,960,000.00	3,960,000.00	-
Miscellaneous Revenues:				
Licenses:				
Other	A-11	15,950.00	16,562.00	612.00
Alcoholic Beverages	A-11	6,500.00	7,177.00	677.00
Fees and Permits	A-2	799,000.00	1,203,663.84	404,663.84
Fines and Costs:				
Municipal Court	A-11	150,000.00	187,708.77	37,708.77
Interest and Costs on Taxes	A-6	315,000.00	352,732.44	37,732.44
Interest on Investments and Deposits	A-11	168,000.00	70,646.40	(97,353.60)
Consolidated Municipal Property Tax Relief Aid	A-11	1,235,421.00	1,235,421.00	-
Watershed Moratorium Offset	A-11	29,328.00	29,328.00	-
Garden State Trust	A-11	28,476.00	43,852.00	15,376.00
Uniform Construction	A-11	639,000.00	592,117.00	(46,883.00)
Other Municipalities Share of Radio System Costs	A-11	307,673.00	307,671.00	(2.00)
Interlocal Finance Hardyston	A-11	49,006.00	48,007.00	(999.00)
Interlocal Finance Hardyston MUA	A-11	4,161.00	4,161.96	0.96
Interlocal Finance Hardyston BOE	A-11	6,076.00	5,819.01	(256.99)
Interlocal Byram Fire Prevention	A-11	12,000.00	18,142.00	6,142.00
Interlocal Stanhope - QPA	A-11	-	2,400.00	2,400.00
Public and Private Revenues:				
Clean Communities	A-20	45,734.00	45,734.00	-
Municipal Alliance on Alcoholism and Drug Abuse	A-20	16,042.00	16,042.00	-
Drive Sober or Get Pulled Over	A-20	30,753.00	30,753.00	-
Other Special Items:				
PILOT - Senior Citizens Housing	A-11	10,000.00	15,785.56	5,785.56
Uniform Fire Safety	A-11	47,000.00	48,357.43	1,357.43
Fire Prevention Fees	A-11	32,600.00	38,753.00	6,153.00
Cable TV Franchise	A-11	70,147.00	68,803.00	(1,344.00)
Solar Renewable Energy Credit	A-11	128,000.00	98,188.65	(29,811.35)
Total Miscellaneous Revenues	A-1	4,145,867.00	4,487,826.06	341,959.06
Receipts from Delinquent Taxes	A-1;A-2	1,160,000.00	1,498,857.50	338,857.50
Subtotal General Revenues		9,265,867.00	9,946,683.56	680,816.56
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	A-2	18,821,374.00	21,078,263.80	2,256,889.80
Budget Totals		28,087,241.00	31,024,947.36	2,937,706.36
Non-Budget Revenue	A-1;A-2	-	131,161.75	131,161.75
		28,087,241.00	31,156,109.11	3,068,868.11

A-3

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Sparta, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2021
Analysis of Realized Revenues

	<u>Ref.</u>		
Revenue from Collections	A-1; A-8	101,291,943.59	
Allocated to School, County and Open Space Taxes	A-8	83,158,746.03	
Balance for Support of Municipal Budget Appropriations		18,133,197.56	
Add : Appropriation - Reserve for Uncollected Taxes	A-3	2,945,066.24	
Amount for Support of Municipal Budget Appropriations	A-2	21,078,263.80	
Receipts from Delinquent Taxes:			
Delinquent Taxes	A-8	1,468,730.41	
Tax Title Liens	A-9	30,127.09	
		1,498,857.50	
		A-2	
Fees and Permits - Other:			
Board of Health - Registrar	A-11	10,158.00	
Board of Health - Sewer	A-11	29,593.00	
Marriage License	A-11	375.00	
Clerk	A-11	2,244.02	
Zoning	A-11	26,778.13	
Planning Board	A-11	32,498.54	
Tax Assessor	A-11	540.00	
Police	A-11	35,069.71	
Leaf Bags	A-11	1,384.00	
Cell Tower	A-11	319,635.53	
Quarry Royalties	A-11	738,436.80	
Host Community Fee	A-11	6,951.11	
		1,203,663.84	
		A-2	

Analysis of Non-budget Revenues

Miscellaneous Reimbursements	36,312.10	
NSF Check Fees	51.00	
Void Checks	23,883.57	
Senior & Veteran Deduction - Admin. Fee	1,817.01	
Auction Proceeds	47,276.26	
Vacant Property Fee	20,000.00	
Admin Fees Police O/S Detail	1,102.20	
Charging Station	719.61	
	A-4	131,161.75
		A-2

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Sparta, N.J.
Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2021

	<u>Ref.</u>	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
		<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>General Appropriations</u>						
Operations - within "CAPS"						
General Administration						
Salaries and Wages		275,580.00	275,580.00	267,391.97	8,188.03	-
Other Expenses		16,250.00	16,250.00	12,032.50	4,217.50	-
Purchasing						
Other Expenses		79,250.00	79,250.00	51,974.72	27,275.28	-
Township Council						
Salaries and Wages		31,749.00	31,749.00	26,000.26	5,748.74	-
Other Expenses		77,900.00	77,900.00	57,924.74	19,975.26	-
Clerk						
Salaries and Wages		112,575.00	112,575.00	112,575.00	-	-
Other Expenses		19,800.00	19,800.00	5,971.86	13,828.14	-
Elections						
Salaries and Wages		4,704.00	4,704.00	4,704.00	-	-
Other Expenses		17,100.00	17,100.00	14,219.78	2,880.22	-
Financial Administration						
Salaries and Wages		166,632.00	166,632.00	160,202.32	6,429.68	-
Other Expenses		32,145.00	32,145.00	28,039.57	4,105.43	-
Annual Audit		29,450.00	29,450.00	8,700.00	20,750.00	-
Computerized Data Processing						
Salaries and Wages		127,660.00	127,660.00	119,777.54	7,882.46	-
Other Expenses		102,392.00	102,392.00	77,684.90	24,707.10	-

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Sparta, N.J.
Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2021

	<u>General Appropriations</u>	<u>Ref.</u>	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
			<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Collection of Taxes							
Salaries and Wages			103,947.00	103,947.00	84,011.79	19,935.21	-
Other Expenses			21,380.00	21,380.00	19,182.60	2,197.40	-
Assessment of Taxes							
Salaries and Wages			154,965.00	154,965.00	143,210.61	11,754.39	-
Other Expenses			90,000.00	90,000.00	37,764.18	52,235.82	-
Legal Services and Costs							
Other Expenses			170,000.00	170,000.00	117,705.06	52,294.94	-
Municipal Court							
Salaries and Wages			187,032.00	187,032.00	186,203.73	828.27	-
Other Expenses			19,050.00	19,050.00	4,246.61	14,803.39	-
Public Defender							
Other Expenses			15,000.00	15,000.00	15,000.00	-	-
Engineering Services and Costs							
Other Expenses			115,000.00	115,000.00	90,455.25	24,544.75	-
Planning Board							
Salaries and Wages			22,991.00	22,991.00	22,563.83	427.17	-
Other Expenses			77,150.00	77,150.00	74,081.45	3,068.55	-
Planning Department							
Salaries and Wages			81,075.00	81,075.00	81,074.42	0.58	-
Other Expenses			9,200.00	9,200.00	4,214.68	4,985.32	-

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Sparta, N.J.
Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2021

<u>General Appropriations</u>	<u>Ref.</u>	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
		<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Economic Development						
Salaries and Wages		6,488.00	6,488.00	6,488.00	-	-
Other Expenses		13,450.00	13,450.00	2,972.50	10,477.50	-
Board of Adjustment						
Salaries and Wages		25,982.00	25,982.00	22,044.78	3,937.22	-
Other Expenses		16,250.00	16,250.00	16,112.35	137.65	-
Insurance:						
General Liability		355,000.00	355,000.00	297,565.07	57,434.93	-
Workers Compensation Insurance		275,000.00	275,000.00	244,316.43	30,683.57	-
Employee Group Health		3,000,000.00	3,000,000.00	2,809,751.70	190,248.30	-
Unemployment Compensation Insurance		1,000.00	1,000.00	-	1,000.00	-
Health Benefit Waivers		100,000.00	100,000.00		100,000.00	-
Police						
Salaries and Wages		4,417,965.00	4,417,965.00	4,213,949.04	204,015.96	-
Other Expenses		190,000.00	190,000.00	177,082.22	12,917.78	-
Purchase of Police Cars		135,000.00	135,000.00	131,908.24	3,091.76	-
Police Dispatch/911						
Salaries and Wages		624,853.00	624,853.00	624,453.69	399.31	-
Other Expenses		6,400.00	6,400.00	2,422.40	3,977.60	-
Emergency Management Services						
Salaries and Wages		15,000.00	15,000.00	15,000.00	-	-
Other Expenses		12,845.00	12,845.00	9,074.69	3,770.31	-

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Sparta, N.J.
Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2021

	<u>General Appropriations</u>	<u>Ref.</u>	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
			<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Aid to Volunteer Fire Companies							
Other Expenses			16,400.00	16,400.00	16,399.89	0.11	-
Aid to Volunteer Ambulance Companies							
Other Expenses			45,000.00	45,000.00	12,424.72	32,575.28	-
Fire							
Other Expenses			67,000.00	67,000.00	46,906.33	20,093.67	-
Fire Hydrant Service							
Other Expenses			13,000.00	13,000.00	13,000.00	-	-
Uniform Fire Safety							
Salaries and Wages			51,483.00	51,483.00	51,480.39	2.61	-
Other Expenses			7,250.00	7,250.00	295.00	6,955.00	-
Municipal Prosecutor							
Other Expenses			37,010.00	37,010.00	30,833.30	6,176.70	-
Public Works Functions							
Road Repairs and Maintenance							
Salaries and Wages			717,455.00	717,455.00	701,048.37	16,406.63	-
Other Expenses			233,380.00	233,380.00	186,266.65	47,113.35	-
Garage and Trash Removal							
Other Expenses			55,300.00	55,300.00	17,739.08	37,560.92	-
Public Building and Grounds							
Salaries and Wages			66,391.00	66,391.00	65,349.34	1,041.66	-
Other Expenses			144,600.00	144,600.00	124,963.01	19,636.99	-

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Sparta, N.J.
Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2021

	<u>General Appropriations</u>	<u>Ref.</u>	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
			<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Vehicle Maintenance							
Salaries and Wages			299,747.00	299,747.00	273,022.06	26,724.94	-
Other Expenses			186,483.00	186,483.00	151,183.25	35,299.75	-
Snow Removal							
Salaries and Wages			250,000.00	250,000.00	209,426.37	40,573.63	-
Other Expenses			400,000.00	400,000.00	234,491.20	165,508.80	-
DPW Administration							
Salaries and Wages			206,750.00	206,750.00	199,900.64	6,849.36	-
Other Expenses			17,000.00	17,000.00	10,114.83	6,885.17	-
Municipal Services Act - Condo Costs							
Other Expenses			56,200.00	56,200.00	-	56,200.00	-
Health and Human Services Function							
Health and Welfare Department							
Other Expenses			23,360.00	23,360.00	75.00	23,285.00	-
Environmental Commission							
Salaries and Wages			2,066.00	2,066.00	2,066.00	-	-
Other Expenses			3,125.00	3,125.00	425.00	2,700.00	-
Animal Regulations							
Salaries and Wages			20,263.00	20,263.00	20,263.00	-	-
Other Expenses			20,000.00	20,000.00	15,101.14	4,898.86	-

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Sparta, N.J.
Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2021

<u>General Appropriations</u>	<u>Ref.</u>	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
		<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Committee on Aging						
Salaries and Wages		73,186.00	73,186.00	69,654.02	3,531.98	-
Other Expenses		29,160.00	29,160.00	1,661.87	27,498.13	-
Parks and Recreation Functions						
Recreation Services Functions						
Salaries and Wages		188,537.00	188,537.00	187,235.47	1,301.53	-
Other Expenses		32,662.00	32,662.00	27,502.68	5,159.32	-
Maintenance of Parks						
Salaries and Wages		470,478.00	470,478.00	470,031.35	446.65	-
Other Expenses		134,400.00	134,400.00	86,994.64	47,405.36	-
Utility Expenses and Bulk Purchases						
Electricity		155,000.00	155,000.00	96,189.14	58,810.86	-
Street Lighting		80,000.00	80,000.00	66,937.24	13,062.76	-
Telephone		72,000.00	72,000.00	66,359.48	5,640.52	-
Water		11,200.00	11,200.00	9,519.91	1,680.09	-
Natural Gas		52,950.00	52,950.00	45,445.83	7,504.17	-
Sewerage Processing and Disposal		10,000.00	10,000.00	5,724.93	4,275.07	-
Gasoline		289,400.00	289,400.00	112,874.08	176,525.92	-
State Uniform Construction Code						
Construction Code Official						
Salaries and Wages		449,650.00	449,650.00	405,653.46	43,996.54	-
Other Expenses		140,000.00	140,000.00	133,296.79	6,703.21	-

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Sparta, N.J.
Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2021

<u>General Appropriations</u>	<u>Ref.</u>	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
		<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Celebration of Public Events						
Other Expenses		30,000.00	30,000.00	26,000.00	4,000.00	-
Accumulated Absences						
Other Expenses		250,000.00	250,000.00	182,904.46	67,095.54	-
Total Operations within "CAPS"		<u>16,763,096.00</u>	<u>16,763,096.00</u>	<u>14,776,814.40</u>	<u>1,986,281.60</u>	<u>-</u>
Detail:						
Salaries and Wages	A-1	9,155,204.00	9,155,204.00	8,744,781.45	410,422.55	-
Other Expenses	A-1	<u>7,607,892.00</u>	<u>7,607,892.00</u>	<u>6,032,032.95</u>	<u>1,575,859.05</u>	<u>-</u>
Deferred Charges and Statutory Expenditures - Municipal within "CAPS"						
Deferred Charges						
Deficit in Sewer Operating Revenues		157,549.00	157,549.00	157,549.00	-	-
Prior Years Expenditures		50,489.01	50,489.01	50,489.01	-	-
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System		679,104.00	679,104.00	678,463.66	640.34	-
Social Security System (O.A.S.I.)		695,000.00	695,000.00	682,105.88	12,894.12	-
Police and Firemen's Retirement System of N.J.		<u>1,197,833.00</u>	<u>1,197,833.00</u>	<u>1,197,832.95</u>	<u>0.05</u>	<u>-</u>
Total Deferred Charges and Statutory Expenditures - Municipal within "CAPS"	A-1	<u>2,779,975.01</u>	<u>2,779,975.01</u>	<u>2,766,440.50</u>	<u>13,534.51</u>	<u>-</u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Sparta, N.J.
Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2021

<u>General Appropriations</u>	<u>Ref.</u>	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
		<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Total General Appropriations for Municipal Purposes within "CAPS"		19,543,071.01	19,543,071.01	17,543,254.90	1,999,816.11	-
Operations - Excluded from "CAPS"						
Emergency Services Volunteer Length of Service Award Program		30,000.00	30,000.00	-	30,000.00	-
Maintenance of Free Public Library		1,092,924.00	1,092,924.00	872,325.99	220,598.01	-
Reserve for Tax Appeals		175,000.00	175,000.00	-	175,000.00	-
Emergency Coronavirus Respose		25,000.00	25,000.00	25,000.00	-	-
Interlocal Municipal Service Agreements:						
Other Municipalities Share of Radio System Costs						
Police Dispatch/911						
Salaries and Wages		307,673.00	307,673.00	307,673.00	-	-
Township of Hardyston Finance Officer						
Salaries and Wages		48,007.00	48,007.00	48,007.00	-	-
Hardyston MUA Finance Officer						
Salaries and Wages		4,162.00	4,162.00	4,162.00	-	-
Hardyston BOE Finance						
Salaries and Wages		6,076.00	6,076.00	6,076.00	-	-
Township of Byram Uniform Fire Safety						
Salaries and Wages		11,000.00	11,000.00	11,000.00	-	-

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Sparta, N.J.
Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2021

<u>General Appropriations</u>	<u>Ref.</u>	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
		<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Borough of Stanhope Purchasing						
Salaries and Wages		2,400.00	2,400.00	2,400.00	-	-
Public and Private Programs Offset by Revenues						
Clean Communities Program		45,734.00	45,734.00	45,734.00	-	-
Municipal Alliance on Alcoholism and Drug Abuse		16,042.00	16,042.00	16,042.00	-	-
Drive Sober or Get Pulled Over		30,753.75	30,753.75	30,753.00	-	0.75
Matching Funds for Grants:						
Municipal Alliance on Alcoholism and Drug Abuse						
Other Expenses		4,250.00	4,250.00	4,250.00	-	-
Total Operations - Excluded from "CAPS"		1,799,021.75	1,799,021.75	1,373,422.99	425,598.01	0.75
Detail:						
Salaries & Wages	A-1	409,318.00	409,318.00	379,318.00	30,000.00	-
Other Expenses	A-1	1,389,703.75	1,389,703.75	994,104.99	395,598.01	0.75
Capital Improvements:						
Capital Improvement Fund		2,200,000.00	2,200,000.00	2,200,000.00	-	-
Total Capital Improvements Excluded from "CAPS"	A-1	2,200,000.00	2,200,000.00	2,200,000.00	-	-
Municipal Debt Service:						
Payment of Bond Principal		1,120,000.00	1,120,000.00	1,120,000.00	-	-
Payment of Bond Anticipation Notes		195,200.00	195,200.00	195,200.00	-	-
Interest on Bonds		107,375.00	107,375.00	107,375.00	-	-

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Sparta, N.J.
Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2021

<u>General Appropriations</u>	<u>Ref.</u>	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
		<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Interest on Notes		20,648.00	20,648.00	20,648.00	-	-
Total Municipal Debt Service-Excluded from "CAPS"	A-1	1,443,223.00	1,443,223.00	1,443,223.00	-	-
Deferred Charges:						
Deferred Charges to Future Taxation Unfunded:						
Ordinance No. 16-18		100,000.00	100,000.00	100,000.00	-	-
Ordinance No. 18-13		56,859.00	56,859.00	56,859.00	-	-
Total Deferred Charges - Municipal - Excluded from "CAPS"	A-1	156,859.00	156,859.00	156,859.00	-	-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"		5,599,103.75	5,599,103.75	5,173,504.99	425,598.01	0.75
Subtotal General Appropriations		25,142,174.76	25,142,174.76	22,716,759.89	2,425,414.12	0.75
Reserve for Uncollected Taxes		2,945,066.24	2,945,066.24	2,945,066.24	-	-
Total General Appropriations		28,087,241.00	28,087,241.00	25,661,826.13	2,425,414.12	0.75

A-2

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Sparta, N.J.
Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2021

		<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
		<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>General Appropriations</u>	<u>Ref.</u>					
	<u>Ref.</u>					
<u>Analysis of Paid or Charged</u>						
Reserve for Uncollected Taxes	A-2			2,945,066.24		
Cash Disbursed	A-4			22,619,980.89		
Matching Funds for Federal and State Grants	A-12			4,250.00		
Reserve for Federal and State Grants	A-21			92,529.00		
				<u>25,661,826.13</u>		
<u>Analysis of Appropriation Reserves</u>						
Unencumbered	A				2,131,392.85	
Encumbered	A				294,021.27	
					<u>2,425,414.12</u>	

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Sparta, N.J.

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31,

<u>Assets</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Assessment Trust Fund:			
Cash	B-1;B-2	231,378.37	231,378.37
Assessment Receivable	B-3	503,204.35	503,204.35
		<u>734,582.72</u>	<u>734,582.72</u>
Animal Control Trust Fund:			
Cash	B-1	17,089.05	24,286.16
Change Fund	B-6	25.00	25.00
		<u>17,114.05</u>	<u>24,311.16</u>
Other Trust Funds:			
Cash	B-1	5,997,107.08	6,472,341.24
Interfund - Current Fund	B-10	2,281.89	826.89
		<u>5,999,388.97</u>	<u>6,473,168.13</u>
Emergency Services Volunteer Length of Service Award Program (Unaudited)			
Cash	B-1	373,079.74	304,177.78
Contributions Receivable	B-15	24,610.00	31,050.00
		<u>397,689.74</u>	<u>335,227.78</u>
Total Assets		<u>7,148,775.48</u>	<u>7,567,289.79</u>

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Township of Sparta, N.J.

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31,

		<u>2021</u>	<u>2020</u>
<u>Liabilities, Reserves & Fund Balance</u>			
Assessment Trust Fund:			
NJDEP Loan Payable	B-7	600,927.92	600,927.92
Reserve for Assessments and Liens	B-8	133,654.80	133,654.80
		<u>734,582.72</u>	<u>734,582.72</u>
Animal Control Trust Fund:			
Prepaid Licenses	B-9	10,740.33	12,514.33
Reserve for Encumbrances	B-12	400.00	1,119.60
Reserve for Animal Control			
Fund Expenditures	B-13	5,936.52	10,673.63
Due to State Department of Health	B-14	37.20	3.60
		<u>17,114.05</u>	<u>24,311.16</u>
Other Trust Fund:			
Various Reserves	B-11	5,956,333.04	6,325,602.37
Reserve for Encumbrances	B-12	43,055.93	147,565.76
		<u>5,999,388.97</u>	<u>6,473,168.13</u>
Emergency Services Volunteer Length of Service Award Program (Unaudited)			
Net Assets Available for Benefits	B-16	397,689.74	335,227.78
		<u>397,689.74</u>	<u>335,227.78</u>
Total Liabilities, Reserves and Fund Balance		<u>7,148,775.48</u>	<u>7,567,289.79</u>

The accompanying "Notes to Financial Statements" are an integral part of these financial statements.

Township of Sparta, N.J.

Comparative Balance Sheet - Regulatory Basis

General Capital Fund

December 31,

<u>Assets</u>	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Cash	C-2;C-3	2,188,832.70	3,192,961.28
Grants Receivable	C-5	167,000.00	-
Deferred Charges to Future Taxation:			
Funded	C-4	2,540,000.00	3,660,000.00
Unfunded	C-6	2,210,616.35	2,227,675.35
		<u>7,106,449.05</u>	<u>9,080,636.63</u>
<u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds	C-7	2,540,000.00	3,660,000.00
Bond Anticipation Notes	C-8	1,456,600.00	1,651,800.00
Improvement Authorizations:			
Funded	C-9	1,460,181.69	1,287,064.04
Unfunded	C-9	823,522.16	599,580.01
Capital Improvement Fund	C-10	50,804.16	85,804.16
Reserve for Encumbrances	C-11	572,512.02	1,509,356.83
Reserve for Developers Contribution	C-12	74,566.00	74,566.00
Fund Balance	C-1	128,263.02	212,465.59
		<u>7,106,449.05</u>	<u>9,080,636.63</u>

There were Bonds and Notes Authorized But Not Issued in the Amount of \$754,016.35 as of December 31, 2021 and \$575,875.35 as of December 31, 2020 per Exhibit C-13.

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Sparta, N.J.

Comparative Statement of Surplus - Regulatory Basis

General Capital Fund

Year Ended December 31,

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Balance - January 31,	C	212,465.59	198,638.58
Increased by:			
Premium on Bond Anticipation Note Sale	C-2	<u>10,797.43</u>	<u>13,827.01</u>
		223,263.02	212,465.59
Decreased by:			
Appropriated to Finance			
Improvement Authorizations	C-9	<u>95,000.00</u>	<u>-</u>
Balance - December 31,	C	<u>128,263.02</u>	<u>212,465.59</u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Comparative Balance Sheet - Regulatory Basis

Water Utility Fund

December 31,

	<u>Ref</u>	<u>2021</u>	<u>2020</u>
<u>Assets</u>			
Operating Fund:			
Cash	D-5	2,292,376.72	2,436,076.57
Receivables with Full Reserves:			
Consumers Account Receivable	D-7	<u>394,704.88</u>	<u>327,172.02</u>
Total Operating Fund		<u>2,687,081.60</u>	<u>2,763,248.59</u>
Capital Fund:			
Cash	D-5;D-6	845,780.82	798,754.49
Fixed Capital	D-8	30,881,823.34	30,791,823.34
Fixed Capital Authorized and Uncompleted	D-9	2,714,000.00	2,304,000.00
Deferred Charges - Additional Note Payment	D-10	<u>500.00</u>	<u>500.00</u>
Total Capital Fund		<u>34,442,104.16</u>	<u>33,895,077.83</u>
Total Assets		<u><u>37,129,185.76</u></u>	<u><u>36,658,326.42</u></u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Comparative Balance Sheet - Regulatory Basis

Water Utility Fund

December 31,

	<u>Ref</u>	<u>2021</u>	<u>2020</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	D-4;D-11	43,921.79	152,662.33
Encumbered	D-4;D-11	71,525.79	40,044.21
Total Appropriation Reserves:		115,447.58	192,706.54
Water Rents Overpayments	D-12	65,823.99	11,720.23
Accounts Payable	D-13	186.88	-
Accrued Interest on Bonds	D-14	93,982.98	103,437.51
Accrued Interest on Notes	D-15	2,338.32	2,677.72
		277,779.75	310,542.00
Reserve for Receivables	Contra	394,704.88	327,172.02
Fund Balance	D-1	2,014,596.97	2,125,534.57
Total Operating Fund		2,687,081.60	2,763,248.59
Capital Fund:			
Serial Bonds Payable	D-16	8,280,000.00	9,315,000.00
Bond Anticipation Notes	D-17	695,600.00	792,000.00
Improvement Authorizations:			
Funded	D-18	424,667.93	233,567.97
Unfunded	D-18	4,287.93	260,489.54
Capital Improvement Fund	D-19	45,939.00	45,939.00
Encumbrances Payable	D-20	117,268.30	10,539.51
Reserve for Amortization	D-21	22,946,823.34	21,791,823.34
Reserve for Deferred Amortization	D-22	1,898,400.00	1,422,000.00
Fund Balance	D-3	29,117.66	23,718.47
Total Capital Fund		34,442,104.16	33,895,077.83
Total Liabilities, Reserves and Fund Balances		37,129,185.76	36,658,326.42

The fixed capital reported is taken from the municipal records and does not necessarily reflect the true condition of such fixed capital.

There were no bonds and notes authorized but not issued
The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Sparta, N.J.

Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis

Water Utility Operating Fund

Year Ended December 31,

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Revenue and Other Income Realized:			
Surplus Anticipated	D-2	500,000.00	500,000.00
Water Rents	D-2	3,040,475.48	3,102,626.40
Fire Hydrant Service	D-2	45,089.59	44,845.24
Cell Tower Fees	D-2	337,970.15	301,075.07
Miscellaneous Revenues Anticipated	D-2	86,481.66	144,253.57
Other Credits to Income:			
Miscellaneous Revenues Not Anticipated	D-2	237,159.81	838,077.80
Unexpended Balance of			
Appropriation Reserves	D-11	95,655.41	103,594.63
Total Income		<u>4,342,832.10</u>	<u>5,034,472.71</u>
Expenditures:			
Operating	D-4	1,885,789.00	1,867,119.00
Capital Improvements	D-4	510,000.00	510,000.00
Debt Service	D-4	1,420,762.00	1,402,152.00
Deferred Charges and			
Statutory Expenditures	D-4	113,475.00	110,475.00
Refund of PY Revenue	D-5	23,743.70	-
Total Expenditures		<u>3,953,769.70</u>	<u>3,889,746.00</u>
Statutory Excess to Surplus		389,062.40	1,144,726.71
Fund Balance - January 1,	D	<u>2,125,534.57</u>	<u>1,480,807.86</u>
		2,514,596.97	2,625,534.57
Decreased by:			
Utilized as Anticipated Revenue		<u>500,000.00</u>	<u>500,000.00</u>
Fund Balance - December 31,	D	<u><u>2,014,596.97</u></u>	<u><u>2,125,534.57</u></u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Sparta, N.J.
Statement of Revenues - Regulatory Basis
Water Utility Operating Fund
Year Ended December 31, 2021

		<u>Anticipated</u>		Excess or (Deficit)
	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	
Surplus Anticipated	D-1	500,000.00	500,000.00	-
Water Rents	D-1;D-7	2,982,000.00	3,040,475.48	58,475.48
Fire Hydrant Service	D-1;D-5	44,026.00	45,089.59	1,063.59
Miscellaneous Anticipated	D-1	144,000.00	86,481.66	(57,518.34)
Water Tower Cell Phone	D-1;D-5	260,000.00	337,970.15	77,970.15
Budget Totals		<u>3,930,026.00</u>	<u>4,010,016.88</u>	<u>79,990.88</u>
		D-4		

Analysis of Miscellaneous Revenue Anticipated

Miscellaneous Anticipated:

Interest on Delinquent Rents	7,011.41	
Meters Sold	4,090.00	
Sprinklers	47,368.34	
Various Miscellaneous	<u>28,011.91</u>	
D-5		<u>86,481.66</u>

Analysis of Miscellaneous Revenue Not Anticipated

Interest on Investment	10,077.96	
Connection Fees	227,607.17	
Miscellaneous Refund	<u>(525.32)</u>	
D-1; D-5		<u>237,159.81</u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Sparta, N.J.

Comparative Statement of Fund Balance - Regulatory Basis

Water Capital Utility Fund

Year Ended December 31,

		<u>2021</u>	<u>2020</u>
	<u>Ref.</u>		
Balance - January 1,	D	23,718.47	17,228.24
Increased by:			
Premium on Sale of Bond			
Anticipation Notes	D-5	<u>5,399.19</u>	<u>6,490.23</u>
Balance - December 31,	D	<u><u>29,117.66</u></u>	<u><u>23,718.47</u></u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Sparta, N.J.
Statement of Expenditures - Regulatory Basis
Water Utility Operating Fund
Year Ended December 31, 2021

	Ref.	Appropriated		Expended	
		<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
Operating:					
Salaries and Wages		848,414.00	848,414.00	817,248.67	31,165.33
Other Expenses		1,037,375.00	1,037,375.00	967,570.92	69,804.08
Total Operating	D-1	<u>1,885,789.00</u>	<u>1,885,789.00</u>	<u>1,784,819.59</u>	<u>100,969.41</u>
Capital Improvements					
Capital Improvement Fund		500,000.00	500,000.00	500,000.00	-
Capital Outlay		10,000.00	10,000.00	6,979.42	3,020.58
	D-1	<u>510,000.00</u>	<u>510,000.00</u>	<u>506,979.42</u>	<u>3,020.58</u>
Debt Service:					
Payment of Bond and Loan Principal		1,035,000.00	1,035,000.00	1,035,000.00	-
Payment of Bond Anticipation Notes		96,400.00	96,400.00	96,400.00	-
Interest on Bonds		279,448.00	279,448.00	279,448.00	-
Interest on Notes		9,914.00	9,914.00	9,914.00	-
Total Debt Service	D-1	<u>1,420,762.00</u>	<u>1,420,762.00</u>	<u>1,420,762.00</u>	<u>-</u>
Deferred Charges and Statutory Expenditures:					
Statutory Expenditures:					
Contribution to:					
Public Employee' Retirement System		50,000.00	50,000.00	50,000.00	-
Social Security System (O.A.S.I.)		63,475.00	63,475.00	52,017.41	11,457.59
Total Deferred Charges and Statutory Expenditures	D-1	<u>113,475.00</u>	<u>113,475.00</u>	<u>102,017.41</u>	<u>11,457.59</u>
		<u>3,930,026.00</u>	<u>3,930,026.00</u>	<u>3,814,578.42</u>	<u>115,447.58</u>
			D-2		
<u>Analysis of Paid or Charged</u>					
Cash Disbursed	D-5			3,525,216.42	
Interest on Bonds	D-14			279,448.00	
Interest on Notes	D-15			9,914.00	
				<u>3,814,578.42</u>	
<u>Analysis of Appropriation Reserve</u>					
Unencumbered	D				43,921.79
Encumbered	D				71,525.79
					<u>115,447.58</u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Comparative Balance Sheet - Regulatory Basis

Sewer Utility Fund

December 31,

	<u>Ref</u>	<u>2021</u>	<u>2020</u>
<u>Assets</u>			
Operating Fund:			
Cash	E-6	760,637.27	106,762.85
Receivables with Full Reserves:			
Consumers Account Receivable	E-8	64,263.33	68,692.69
Deferred Charges:			
Operating Deficit	E-1		20,123.75
Total Operating Fund		<u>824,900.60</u>	<u>195,579.29</u>
Capital Fund:			
Cash	E-6;E-7	485,441.02	708,667.04
Fixed Capital	E-9	8,853,594.25	8,758,594.25
Fixed Capital Authorized and Uncompleted	E-10	<u>1,450,000.00</u>	<u>1,045,000.00</u>
Total Capital Fund		<u>10,789,035.27</u>	<u>10,512,261.29</u>
Total Assets		<u><u>11,613,935.87</u></u>	<u><u>10,707,840.58</u></u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Comparative Balance Sheet - Regulatory Basis

Sewer Utility Fund

December 31,

	<u>Ref</u>	<u>2021</u>	<u>2020</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	E-5;E-11	622,694.09	66,282.05
Encumbered	E-5;E-11	23,339.41	13,485.06
Total Appropriation Reserves:		646,033.50	79,767.11
Sewer Charge Overpayments	E-12	1,057.74	4,428.08
Accrued Interest on Bonds	E-13	22,781.46	26,481.46
Accrued Interest on Notes	E-14	3,462.89	4,883.18
		673,335.59	115,559.83
Reserve for Receivables	Contra	64,263.33	68,692.69
Fund Balance	E-1	87,301.68	11,326.77
Total Operating Fund		824,900.60	195,579.29
Capital Fund:			
Serial Bonds Payable	E-15	1,660,000.00	1,985,000.00
Bond Anticipation Notes	E-16	968,000.00	974,000.00
Improvement Authorizations:			
Unfunded	E-17	950,591.56	678,183.44
Capital Improvement Fund	E-18	8,500.00	8,500.00
Encumbrances Payable	E-19	6,321.14	8,255.30
Reserve for Amortization	E-20	7,098,594.25	6,773,594.25
Reserve for Deferred Amortization	E-21	77,000.00	71,000.00
Fund Balance	E-3	20,028.32	13,728.30
Total Capital Fund		10,789,035.27	10,512,261.29
Total Liabilities, Reserves and Fund Balances		11,613,935.87	10,707,840.58

The fixed capital reported is taken from the municipal records and does not necessarily reflect the true condition of such fixed capital.

There were bonds and notes authorized but not issued on December 31, 2021 and 2020 in the amount of \$500,000.00 and \$-0- per Exhibit E-22.

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Sparta, N.J.

Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis

Sewer Utility Operating Fund

Year Ended December 31,

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Revenue and Other Income Realized:			
Surplus Anticipated	E-2	11,000.00	40,000.00
Sewer Service Charges	E-2	835,523.73	805,617.13
Miscellaneous	E-2	5,937.34	-
Board of Education Debt Service	E-2	79,890.00	78,020.76
Interlocal Agreement Branchville		-	19,564.00
Local Fiscal Relief Funds - ARP	E-2	600,000.00	-
Sewer Connection Fees	E-2	9,442.20	9,492.00
Sewer Assessment Fund balance		-	8,913.00
Interest on Delinquent Rents		-	11,590.65
Deficit (General Budget)	E-2	157,549.00	-
Other Credits to Income:			
Miscellaneous	E-2	2,220.11	6,195.63
Unexpended Balance of			
Appropriation Reserves	E-11	58,680.28	43,153.08
Total Income		<u>1,760,242.66</u>	<u>1,022,546.25</u>
Expenditures:			
Operating	E-5	645,167.00	611,320.00
Capital Improvements	E-5	600,000.00	-
Debt Service	E-5	405,492.00	424,662.00
Deferred Charges and			
Statutory Expenditures	E-5	22,608.75	6,688.00
Total Expenditures		<u>1,673,267.75</u>	<u>1,042,670.00</u>
Excess in Revenue over Expenditures		86,974.91	
Operating Deficit to be Raised in Budget of			
Succeeding Year	E		<u>(20,123.75)</u>
Fund Balance - January 1,	E	<u>11,326.77</u>	<u>51,326.77</u>
		98,301.68	51,326.77
Decreased by:			
Utilized as Anticipated Revenue		<u>11,000.00</u>	<u>40,000.00</u>
Fund Balance - December 31,	E	<u>87,301.68</u>	<u>11,326.77</u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Sparta, N.J.

Statement of Revenues - Regulatory Basis

Sewer Utility Operating Fund

Year Ended December 31, 2021

		Anticipated			Excess or
	Ref.	Budget	Special N.J.S. 40A: 4-87	Realized	(Deficit)
Surplus Anticipated	E-1	11,000.00	-	11,000.00	-
Sewer Service Charges	E-1;E-8	805,617.00	-	835,523.73	29,906.73
Miscellaneous	E-1;E-6	11,590.00	-	5,937.34	(5,652.66)
Sewer Connection Fees	E-1;E-6	9,492.00	-	9,442.20	(49.80)
Local Fiscal Recovery Funds - ARP	E-1; E-6	-	600,000.00	600,000.00	-
Board of Education Share of					
Debt Service	E-1;E-8	78,020.00	-	79,890.00	1,870.00
Deficit (General Budget)	E-1;E-6	157,548.75	-	157,549.00	0.25
Miscellaneous Revenue Not Anticipated	E-1;E-2	-	-	2,220.11	2,220.11
Budget Totals		<u>1,073,267.75</u>	<u>600,000.00</u>	<u>1,701,562.38</u>	<u>28,294.63</u>
		E-5	E-5		
<u>Miscellaneous Revenues Not Anticipated</u>					
Interest on Investments - Operating	E-2; E-6			<u>2,220.11</u>	

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Sparta, N.J.

Comparative Statement of Fund Balance - Regulatory Basis

Sewer Utility Capital Fund

Year Ended December 31,

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Balance - January 1,	E	13,728.30	5,827.16
Increased by:			
Premium on Sale of Bond			
Anticipation Note	E-6	<u>6,300.02</u>	<u>7,901.14</u>
Balance - December 31,	E	<u><u>20,028.32</u></u>	<u><u>13,728.30</u></u>

E-4

Comparative Statement of Assessment Trust Fund Balance - Regulatory Basis

Sewer Assessment Trust Fund

Year Ended December 31,

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Balance - January 1,	E	-	8,912.95
Increased by:			
Interest on Investments	E-6	<u>-</u>	<u>24.99</u>
		-	8,937.94
Decreased by:			
Payment to Sewer Operating Fund			
as Anticipated Revenue		-	8,913.00
Disburment		-	24.94
	E-6	<u>-</u>	<u>8,937.94</u>
Balance - December 31,	E	<u><u>-</u></u>	<u><u>-</u></u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Sparta, N.J.
Statement of Expenditures - Regulatory Basis

Sewer Utility Operating Fund

Year Ended December 31, 2021

	Ref.	Appropriated		Expended	
		Budget	Budget After Modification	Paid or Charged	Reserved
Operating:					
Salaries and Wages		32,485.00	32,485.00	13,467.00	19,018.00
Other Expenses		158,500.00	158,500.00	122,569.00	35,931.00
Other Expenses - SCMUA		454,182.00	454,182.00	454,182.00	-
Total Operating	E-1	645,167.00	645,167.00	590,218.00	54,949.00
Capital Improvements					
Capital Improvement Fund	E-1	-	600,000.00	11,400.50	588,599.50
		-	600,000.00	11,400.50	588,599.50
Debt Service:					
Payment of Bond Principal		325,000.00	325,000.00	325,000.00	-
Payment of Bond Anticipation Notes		6,000.00	6,000.00	6,000.00	-
Interest on Bonds		63,950.00	63,950.00	63,950.00	-
Interest on Notes		10,542.00	10,542.00	10,542.00	-
Total Debt Service	E-1	405,492.00	405,492.00	405,492.00	-
Deferred Charges and Statutory Expenditures:					
Deferred Charges:					
Deficit in Operations		20,123.75	20,123.75	20,123.75	-
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)		2,485.00	2,485.00	-	2,485.00
Total Deferred Charges and Statutory Expenditures	E-1	22,608.75	22,608.75	20,123.75	2,485.00
		1,073,267.75	1,673,267.75	1,027,234.25	646,033.50
			E-2		
<u>Analysis of Budget after Modifications</u>					
Adopted Budget	D-2		1,073,267.75		
Special Appropriation N.J.S.A. 40A:4-87	D-2		600,000.00		
			1,673,267.75		
<u>Analysis of Paid or Charged</u>					
Cash Disbursed	E-6			932,618.50	
Deferred Charges:					
Deficit in PY Operations				20,123.75	
Interest on Bonds	E-13			63,950.00	
Interest on Notes	E-14			10,542.00	
				1,027,234.25	
<u>Analysis of Appropriation Reserves</u>					
Unencumbered	E				622,694.09
Encumbered	E				23,339.41
					646,033.50

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Sparta, N.J.

Comparative Balance Sheet - Regulatory Basis

Solid Waste Utility Fund

December 31,

	<u>Ref</u>	<u>2021</u>	<u>2020</u>
<u>Assets</u>			
Operating Fund:			
Cash	F-4	1,510,661.21	2,105,206.48
Receivables with Full Reserves:			
Consumers Account Receivable	F-5	<u>81,868.90</u>	<u>102,311.56</u>
Total Operating Fund		<u><u>1,592,530.11</u></u>	<u><u>2,207,518.04</u></u>
<u>Liabilities, Reserves and Fund Balance</u>			
Operating Fund:			
Interfund Accounts Payable	F-5		-
Appropriation Reserves:			
Unencumbered	F-3;F-6	27,032.21	26,266.73
Encumbered	F-3;F-6	<u>2,463.00</u>	<u>660.15</u>
Total Appropriation Reserves		29,495.21	26,926.88
Accounts Payable	F-7	624.55	-
Prepaid Solid Waste User Fees	F-8	<u>3,689.34</u>	<u>316,419.66</u>
		33,809.10	343,346.54
Reserve for Receivables	Contra	81,868.90	102,311.56
Fund Balance	F-1	<u>1,476,852.11</u>	<u>1,761,859.94</u>
Total Operating Fund		<u><u>1,592,530.11</u></u>	<u><u>2,207,518.04</u></u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Sparta, N.J.

Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis

Solid Waste Operating Utility Fund

Year Ended December 31,

	<u>Ref.</u>	<u>2021</u>	<u>2020</u>
Revenue and Other Income Realized:			
Surplus Anticipated	F-2	351,500.00	320,000.00
Solid Waste User Fees	F-2	2,058,479.31	1,988,329.68
Interest on Investments	F-2	8,085.90	11,935.37
Solid Waste Penalties	F-2	19,088.03	34,172.81
Miscellaneous	F-2	20.00	115.00
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	F-6	25,361.93	3,096.81
Total Income		<u>2,462,535.17</u>	<u>2,357,649.67</u>
Expenditures:			
Operating	F-3	2,384,028.00	2,325,875.00
Deferred Charges and Statutory Expenditures	F-3	12,015.00	12,015.00
Total Expenditures		<u>2,396,043.00</u>	<u>2,337,890.00</u>
Statutory Excess to Surplus		66,492.17	19,759.67
Fund Balance - January 1,	F	<u>1,761,859.94</u>	<u>2,062,100.27</u>
		1,828,352.11	2,081,859.94
Decreased by:			
Utilized as Anticipated Revenue		<u>351,500.00</u>	<u>320,000.00</u>
Fund Balance - December 31,	F	<u>1,476,852.11</u>	<u>1,761,859.94</u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Sparta, N.J.

Statement of Revenues - Regulatory Basis

Solid Waste Operating Utility Fund

Year Ended December 31, 2021

	Anticipated			Excess or (Deficit)
	Ref.	Budget	Special N.J.S. 40A: 4-87	
Surplus Anticipated	F-1	351,500.00	-	351,500.00
Solid Waste User Fees	F-1;F-5	1,955,000.00	55,000.00	2,058,479.31
Interest on Investments	F-1;F-4	20,000.00	-	8,085.90
Solid Waste Penalties	F-1;F-4	26,071.66	-	19,088.03
Miscellaneous	F-1;F-2	-	-	20.00
Budget Totals		<u>2,352,571.66</u>	<u>55,000.00</u>	<u>2,437,173.24</u>
		F-3	F-3	
Miscellaneous Revenues not Anticipated:				
Prior Year Refunds				
NSF Check Fees				<u>20.00</u>
				F-2;F-4

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Sparta, N.J.

Statement of Expenditures - Regulatory Basis

Solid Waste Operating Utility Fund

Year Ended December 31, 2021

	Ref.	Appropriated		Expended	
		Budget	Budget After Modification	Paid or Charged	Reserved
Operating:					
Salaries and Wages		143,253.00	143,253.00	140,099.00	3,154.00
Other Expenses		2,185,775.00	2,240,775.00	2,215,505.64	25,269.36
Total Operating	F-1	2,329,028.00	2,384,028.00	2,355,604.64	28,423.36
Deferred Charges and Statutory Expenditures:					
Deferred Charges:					
Operating Deficit		11,528.66	11,528.66	11,528.66	-
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)	F-1	12,015.00	12,015.00	10,943.15	1,071.85
Total Deferred Charges and Statutory Expenditures		23,543.66	23,543.66	22,471.81	1,071.85
		2,352,571.66	2,407,571.66	2,378,076.45	29,495.21
<u>Analysis of Modified Budget</u>					
Adopted Budget	F-2		2,352,571.66		
Emergency Appropriation (40A:4-47)	F-2		55,000.00		
			2,407,571.66		
<u>Analysis of Paid or Charged</u>					
Cash Disbursed	F-4			2,366,547.79	
Deferred Charges:					
Over expenditure of Appropriation Reserve				11,528.66	
				2,378,076.45	
<u>Analysis of Appropriation Reserves</u>					
Unencumbered	F				27,032.21
Encumbered	F				2,463.00
					29,495.21

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

Township of Sparta, N.J.

Comparative Statement of General Fixed Assets - Regulatory Basis

December 31,

	<u>2021</u>	<u>2020</u>
<u>General Fixed Assets:</u>		
Land / Land Improvements		
Buildings	25,171,500.00	25,171,500.00
Machinery and Equipment	17,161,305.00	15,550,536.00
	<u>42,332,805.00</u>	<u>40,722,036.00</u>
 Investment in Fixed Assets	 <u>42,332,805.00</u>	 <u>40,722,036.00</u>

The accompanying "Notes to Financial Statements" are an integral part of these Financial Statements.

TOWNSHIP OF SPARTA, N.J.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2021 AND 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB Codification establishes seven fund types and two account groups 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 financial statements of the Township of Sparta have been prepared in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Such principles and practices 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. Under this method of accounting, the Township accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP.

A. Reporting Entity

The Township of Sparta (the "Township") operates under a Mayor/Council form of government. The Township's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

GASB has issued Statement No. 14 which requires the financial reporting entity to include both the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will be by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

However, 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. The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Township do not include the operations of the Municipal Library, Volunteer Fire Department, and First Aid Squad which is considered a component unit under GAAP. Complete financial statements of the above components can be obtained by contacting the Treasurer of the respective entity.

The Township uses funds, as required by the Division, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial administration by segregating transactions related to certain Township functions or activities. An account group, on the other hand, is designed to provide accountability for certain assets and liabilities that are not recorded in those Funds.

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting and Basis of Presentation

The Township has the following funds and account groups:

Current Fund - This fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grants.

Trust Funds - Trust Funds are used to account for assets held by the government in a trustee capacity. Funds held by the Township as an agent for individual, private organizations, or other governments are recorded in the Trust Funds.

Assessment Trust Fund - This fund deals with the handling of special assessment levies against property for the cost of an improvement. The whole or a part of which costs are levied against the property receiving the benefit.

Other Trust Fund - This fund is established to account for the assets and resources which are also held by the Township as a trustee or agent for individuals, private organizations, other governments and/or other funds.

Animal Control Trust Fund - This fund is used to account for fees collected from dog licenses and expenditures which are regulated by NJS 4:19-15.11.

General Capital Fund - This fund is used to account for the receipt and disbursement of funds used for acquisition or improvement of general capital facilities, other than those acquired in the Current Fund.

Water Operating and Water Capital Funds - Account for the operations and acquisition of capital facilities of the municipally owned water utility.

Sewer Operating and Sewer Capital Funds - Account for the operations and acquisition of capital facilities of the municipally owned sewer utility.

Solid Waste Operating Fund - Account for the operations of the Solid Waste Utility.

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

General Fixed Assets Account Group - To account for all fixed assets of the Township. The Township's infrastructure is not reported in the group.

A modified accrual basis of accounting is followed by the Township of Sparta. Under this method of accounting revenues, except State/Federal Aid, are recognized when received and expenditures are recorded, when incurred. The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. The more significant differences are as follows:

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Township. When unpaid taxes or any municipal lien, or part thereof, on real property, remain in arrears on the 11th day of the 11th month of the fiscal year levied, the collector in the municipality shall subject to the provisions of the New Jersey Statutes enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Township. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Miscellaneous Revenues - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Township's Current Fund and Water Operating Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Grant Revenues - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Township's budget. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Budgets and Budgetary Accounting

An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures for the current fund and the water operating fund. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Township and approved by the State Division of Local Government Services per N.J.S.A. 40-A:4 et seq.

The Township is not required to adopt budgets for the following funds:

General Capital Fund	Sewer Capital Fund
Animal Control Trust Fund	Solid Waste Capital Fund
Public Assistance Fund	Trust Fund
Water Capital Fund	

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2021, the Governing Body increased the original Sewer Operating Fund budget by \$600,000.00 for additional grants received by the Township in 2021. Also, several budget transfers were approved by the governing body.

Expenditures - Are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriations reserves unless canceled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Encumbrances - Contractual orders outstanding at December 31, are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

Appropriation Reserves - Are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

Property Acquired for Taxes - Is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at market value on the date of acquisition.

Interfunds - 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. GAAP does not require the establishment of an offsetting reserve.

Inventories - The costs 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 balance sheets.

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within one year of the date acquired by the government. Investments are stated at cost and are limited by NJSA 40A:5-15.1(a).

Deferred Charges to Future Taxation Funded and Unfunded - Upon the authorization of capital projects, the Township establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or non-funding of the authorized cost of capital projects. According to N.J.S.A. 40A:2-4, the Township may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Township raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced.

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Comparative Data - Comparative data for the prior year has been presented in the accompanying balance sheets and statements of operations in order to provide an understanding of changes in the Township's financial position and operations. However, comparative data have not been presented in all statements and notes to financial statements because their inclusion would make certain statements and notes to financial statements unduly complex and difficult to understand.

Use of Estimates - The preparation of financial statements requires management of the Township to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

General Fixed Assets - The Township of Sparta has developed a fixed asset accounting and reporting system, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles.

Fixed Assets used in Governmental Operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain (infrastructure) general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets sidewalks and drainage systems are not capitalized.

All fixed assets are valued at historical cost or estimated cost if actual historical cost is not available.

No depreciation has been provided for in the financial statements.

Expenditures for construction in progress are recorded in the Capital funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

GAAP requires that all fixed assets be capitalized at historical cost if actual historical cost is not available.

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Impact of Recently Issued Accounting Principles

Recently Issued and Adopted Accounting Pronouncements

There were no new accounting pronouncements adopted by the Township during 2021.

C. Basic Financial Statements

The GASB Codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Township presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

NOTE 2: BUDGETARY INFORMATION

Under New Jersey Statutes, the annual budget is required to be a balanced cash basis document. To accomplish this, the municipality is required to establish a reserve for uncollected taxes. The 2021 statutory budget included a reserve for uncollected taxes in the amount of \$2,945,066.44. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2021 statutory budget was \$3,960,000.00.

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TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 2: BUDGETARY INFORMATION (CONTINUED)

Inter department budget transfers are not permitted prior to November 1. After November 1, budget transfers can be made in the form of a resolution and approved by the Mayor and Council.

N.J.S.A. 40A:4-87 permits special items of revenue and appropriations to be inserted into the annual budget when the item has been made available by any public or private funding source and the item was not determined at the time of budget adoption. During 2021, there was one item of special revenue and appropriation inserted into the budget, Local Fiscal Recovery Funds - ARP, \$600,000.00.

The municipality may make emergency appropriations, after the adoption of the budget, for a purpose which was not foreseen at the time the budget was adopted or for which adequate provision was not made therein. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety, morals or welfare or to provide temporary housing or public assistance prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budgets of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. During 2021, there were no emergency authorizations approved.

NOTE 3: GENERAL FIXED ASSETS

The following schedule is a summarization of changes in the general fixed assets account group for the year 2021:

	<u>Dec. 31, 2020</u>	<u>Additions</u>	<u>Disposals</u>	<u>Dec. 31, 2021</u>
Land, Land Improvements & Buildings	\$25,171,500.00	\$0.00	\$0.00	\$25,171,500.00
Machinery & Equipment	<u>15,550,536.00</u>	<u>2,312,214.00</u>	<u>701,445.00</u>	<u>17,161,305.00</u>
	<u>\$40,722,036.00</u>	<u>\$2,312,214.00</u>	<u>\$701,445.00</u>	<u>\$42,332,805.00</u>

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 4: MUNICIPAL DEBT

Long-term debt as of December 31, 2021 consisted of the following:

	<u>Balance Dec. 31, 2020</u>	<u>Reductions</u>	<u>Balance Dec. 31, 2021</u>	<u>Amount Due Within One Year</u>
General Capital Fund:				
Bonds Payable	<u>\$3,660,000.00</u>	<u>\$1,120,000.00</u>	<u>\$5,540,000.00</u>	<u>\$1,000,000.00</u>
Assessment Trust Fund:				
N.J. D.E.P. Loan	<u>600,927.92</u>	<u>-0-</u>	<u>600,927.92</u>	<u>136,574.53</u>
Water Capital Fund:				
Bonds Payable	<u>9,315,000.00</u>	<u>1,035,000.00</u>	<u>8,280,000.00</u>	<u>1,070,000.00</u>
Sewer Capital Fund:				
Serial Bonds Payable	<u>1,985,000.00</u>	<u>325,000.00</u>	<u>1,660,000.00</u>	<u>325,000.00</u>
Compensated Absences Payable	<u>1,709,263.97</u>	<u>46,128.39 (1)</u>	<u>1,663,135.58</u>	<u>-0-</u>
	<u>\$17,270,191.89</u>	<u>\$2,526,128.39</u>	<u>\$14,744,063.50</u>	<u>\$2,531,574.53</u>

(1) Net additions, including retirements, resignations, time used and adjustment for recalculation of the liability.
Also see Note 7.

The Local Bond law governs the issuance of bonds and notes to finance capital expenditures. General obligation bonds have been issued for the general capital fund. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Township are general obligations bonds, backed by the full faith and credit of the Township. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within ten years and five months or retired by the issuance of bonds.

The Township's debt is summarized as follows:

<u>Issued</u>	<u>Year 2021</u>	<u>Year 2020</u>	<u>Year 2019</u>
General:			
Bonds and Notes	\$3,996,600.00	\$5,311,000.00	\$6,612,000.00
Assessment Trust Fund:			
Loan Payable	660,927.92	600,927.92	628,242.83
Water Utility:			
Bonds, Notes and Loans	8,975,600.00	10,107,000.00	10,939,000.00
Sewer Utility:			
Bonds and Notes	<u>2,628,000.00</u>	<u>2,959,000.00</u>	<u>3,290,000.00</u>
Total Issued	<u>\$16,201,127.92</u>	<u>\$18,978,727.92</u>	<u>\$21,469,242.83</u>

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 4: MUNICIPAL DEBT (CONTINUED)

	<u>Year 2021</u>	<u>Year 2020</u>	<u>Year 2019</u>
<u>Less</u>			
Funds Temporarily Held by Pay			
Bonds, Notes and Loans:			
Assessment Trust Assessments	\$ 231,378.37	\$ 231,378.37	\$248,188.48
Total Deductions	<u>231,378.37</u>	<u>231,378.37</u>	<u>248,188.48</u>
Net Debt Issued	<u>15,969,749.55</u>	<u>18,747,349.55</u>	<u>21,221,054.35</u>
<u>Authorized but not Issued</u>			
General Capital:			
Bonds and Notes	754,016.35	575,875.35	1,293,909.36
Sewer Utility:			
Bonds and Notes	<u>500,000.00</u>	<u>-0-</u>	<u>4,256.03</u>
Total Authorized but not Issued	<u>1,254,016.35</u>	<u>575,875.35</u>	<u>1,298,165.39</u>
Less:			
Self Liquidating - Utility	<u>12,103,600.00</u>	<u>11,891,603.40</u>	<u>14,233,256.03</u>
Net Debt	<u>\$ 5,120,165.90</u>	<u>\$ 7,431,621.50</u>	<u>\$8,285,963.71</u>

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 4: MUNICIPAL DEBT (CONTINUED)

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of 0.159%.

SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENT

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School Dist. Debt	\$48,208,948.00	\$48,208,948.00	\$ -
Sewer Utility Debt	3,128,000.00	3,128,000.00	-0-
Water Utility Debt	8,975,600.00	8,975,600.00	-0-
General Debt	4,750,616.35	-	4,750,616.35
Assessment Trust Fund	<u>600,927.92</u>	<u>231,378.37</u>	<u>369,549.55</u>
	<u>\$65,664,092.27</u>	<u>\$60,543,926.37</u>	<u>\$5,120,165.90</u>

Net Debt \$5,120,165.90 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended, \$3,348,298,601.00 = 0.159%.

SUMMARY EQUALIZED VALUATION PER N.J.S. 40A:2-2 AS AMENDED

2021	\$3,348,298,601.00	
2020		3,242,738,715.67
2019		3,189,778,788.33

BORROWING POWER UNDER N.J.S. 40A:2-6 AS AMENDED

3.50% of Equalized Valuation Basis (Municipal)	\$117,190,451.04
Net Debt	<u>5,120,165.90</u>
Remaining Borrowing Power	<u>\$112,070,285.14</u>

CALCULATION OF "SELF-LIQUIDATING PURPOSE", WATER UTILITY PER N.J.S. 40A:2-45

Cash Receipts from fees, rents or other charges for year	\$4,247,176.69
Deductions:	
Operating and Maintenance Cost	\$1,999,264.00
Net Debt	<u>1,420,762.00</u>
Total Deductions	<u>3,420,026.00</u>
Excess/(Deficit) in Revenue	<u>\$827,150.69</u>

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 4: MUNICIPAL DEBT (CONTINUED)

If there is an "excess in revenue" all such utility debt is deductible. If there is a deficit, then utility debt is not deductible to the extent of 20 times such deficit amount.

CALCULATION OF "SELF-LIQUIDATING PURPOSE", SEWER UTILITY PER N.J.S. 40A:2-45

Cash Receipts from fees, rents or other charges for year		\$1,544,013.38
Deductions:		
Operating and Maintenance Cost	\$667,775.75	
Net Debt	<u>405,492.00</u>	
Total Deductions		<u>1,073,267.75</u>
Excess/(Deficit) s in Revenue)		<u>\$470,745.63</u>

If there is an "excess in revenue" all such utility debt is deductible. If there is a deficit, then utility debt is not deductible to the extent of 20 times such deficit amount.

Paid from Current Fund:

Refunding Bond of 2011 - dated 9/08/2011, in the amount of \$5,015,000.00. This bond is payable in annual installments through 4/01/2023. Interest is paid semi-annually at a rate of 2.50-5.00% per annum. The balance as of December 31, 2021 was \$1,050,000.00. Outstanding bond principal and interest are paid from the Current Fund of the Township.

General Bond of 2013 - dated 10/15/2013, in the amount of \$4,590,000.00. This bond is payable in annual installments through 10/15/2024. Interest is paid semi-annually at a rate of 2.00-3.00% per annum. The balance as of December 31, 2021 was \$1,490,000.00. Outstanding bond principal and interest are paid from the Current Fund of the Township.

Paid from Water Utility Fund:

Water Bond of 2011- dated 4/28/2011, in the amount of \$2,310,000.00. This bond is payable in annual installments through 4/01/2026. Interest is paid semi-annually at a rate of 3.125-4.00% per annum. The balance as of December 31, 2021 was \$760,000.00. Outstanding bond principal and interest are paid from the Water Operating Fund of the Township.

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 4: MUNICIPAL DEBT (CONTINUED)

Paid from Water Utility Fund: (continued)

Water Bond of 2013- dated 10/15/2013, in the amount of \$1,424,000.00. This bond is payable in annual installments through 10/15/2033. Interest is paid semi-annually at a rate of 2.00-4.00% per annum. The balance as of December 31, 2021 was \$964,000.00. Outstanding bond principal and interest are paid from the Water Operating Fund of the Township.

Water Refunding Bond of 2014- dated 9/10/2014, in the amount of \$5,828,000.00. This bond is payable in annual installments through 1/01/2026. Interest is paid semi-annually at a rate of 3.50-5.00% per annum. The balance as of December 31, 2021 was \$2,725,000.00. Outstanding bond principal and interest are paid from the Water Operating Fund of the Township.

Water Bonds of 2017 - dated 10/1/2017, in the amount of \$4,781,000.00. This bond is payable in annual installments through 10/01/2032. Interest is paid semi-annually at a rate of 2.00-3.00% per annum. The balance as of December 31, 2021 was \$3,831,000.00. Outstanding bond principal and interest are paid from the Water Operating Fund of the Township.

Paid from Sewer Utility Fund:

Sewer Bond of 2011- dated 4/28/2011, in the amount of \$2,317,000.00. This bond is payable in annual installments through 4/01/2026. Interest is paid semi-annually at a rate of 2.00-4.00% per annum. The balance as of December 31, 2021 was \$900,000.00. Outstanding bond principal and interest are paid from the Sewer Operating Fund of the Township.

Sewer Refunding Bond of 2014- dated 9/10/2014, in the amount of \$1,627,000.00. This bond is payable in annual installments through 1/01/2026. Interest is paid semi-annually at a rate of 3.00-5.00% per annum. The balance as of December 31, 2021 was \$760,000.00. Outstanding bond principal and interest are paid from the Sewer Operating Fund of the Township.

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TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 4: MUNICIPAL DEBT (CONTINUED)

Paid from Assessment Trust Fund:

On August 25, 2015, the Township entered into an agreement for a loan repayment for the Glen Lake Dam Restoration Project in the amount of \$846,762.05, which includes principal and interest. Payments are made semi-annually on May 24 and November 24 in the amount of \$27,314.91, at an interest rate of 2.00%. At December 31, 2021, the balance remaining is \$600,927.92.

Total General Capital Bond - listed in above	<u>\$2,540,000.00</u>
Total Water Utility Capital Bonds and Loans - listed in above	<u>8,280,000.00</u>
Total Sewer Utility Capital Bonds and Loans - listed in above	<u>1,660,000.00</u>
Total Assessment Trust Loan - listed in above	<u>600,927.92</u>
	<u>\$13,080,927.92</u>

**SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR BONDED DEBT
ISSUED AND OUTSTANDING**

Calendar Year	General Capital			Water Capital		
	Principal	Interest	Total	Principal	Interest	Total
2022	1,000,000.00	72,637.50	1,072,637.50	1,070,000.00	254,871.25	1,324,871.25
2023	1,025,000.00	39,637.50	1,064,637.50	1,075,000.00	211,496.25	1,286,496.25
2024	515,000.00	15,450.00	530,450.00	1,080,000.00	172,874.37	1,252,874.37
2025	-	-	-	1,070,000.00	139,365.00	1,209,365.00
2026	-	-	-	2,970,000.00	105,827.50	1,215,827.00
2027-2031	-	-	-	1,010,000.00	301,625.00	2,646,625.00
2032-2033	-	-	-	530,000.00	21,200.00	551,200.00
	<u>\$2,540,000.00</u>	<u>\$127,725.00</u>	<u>\$2,667,725.00</u>	<u>\$8,280,000.00</u>	<u>\$1,207,259.37</u>	<u>\$9,487,259.37</u>

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 4: MUNICIPAL DEBT (CONTINUED)

**SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR BONDED DEBT
ISSUED AND OUTSTANDING (continued)**

	<u>Sewer Capital</u>			<u>Assessment Trust Fund</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	325,000.00	55,550.00	380,550.00	111,939.98	24,634.55	136,574.53
2023	335,000.00	41,750.00	376,750.00	46,358.82	8,270.98	54,629.80
2024	335,000.00	29,137.50	364,137.50	47,290.63	7,339.18	54,629.81
2025	330,000.00	17,700.00	347,700.00	48,241.18	6,388.63	54,629.81
2026	335,000.00	5,925.00	340,925.00	49,210.83	5,418.99	54,629.82
2027-2031	-	-	-	<u>233,979.96</u>	<u>11,854.19</u>	<u>245,834.15</u>
	<u>\$1,660,000.00</u>	<u>\$150,062.50</u>	<u>\$1,810,062.50</u>	<u>\$537,021.40</u>	<u>\$63,906.52</u>	<u>\$600,927.92</u>

	<u>Yearly Total</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	2,506,939.98	479,377.62	2,914,633.28
2023	2,481,358.82	301,154.73	2,782,513.55
2024	1,977,290.63	224,801.05	2,202,091.68
2025	1,448,241.18	163,453.63	1,611,694.81
2026	1,494,210.83	117,171.49	1,611,382.32
2027-2031	<u>2,578,979.96</u>	<u>313,479.19</u>	<u>2,882,459.15</u>
2032-2033	<u>530,000.00</u>	<u>21,200.00</u>	<u>551,200.00</u>
	<u>\$13,017,021.40</u>	<u>\$1,548,953.39</u>	<u>\$14,565,974.79</u>

NOTE 5: BOND ANTICIPATION NOTES

The Township issued bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. Generally, such notes must be paid no later than the first day of the fifth month following the close of the tenth fiscal year following the date of the original notes. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of such notes issued be paid or retired. A second and third legal installment must be paid if the notes are to be renewed beyond the fourth and fifth anniversary date of the original issuance.

TOWNSHIP OF SPARTA, N.J.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2021 AND 2020 (CONTINUED)

NOTE 5: BOND ANTICIPATION NOTES (CONTINUED)

The following activity related to Bond Anticipation Notes occurred during the calendar year ended December 31, 2021:

	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2021</u>
General Capital:				
Piper Sandler	\$ _____	\$1,456,600.00	\$ _____	\$1,456,600.00
BNY Mellon Capital Markets	<u>1,651,800.00</u>	_____	<u>1,651,800.00</u>	_____
Water Capital Fund:				
Piper Sandler	_____	<u>695,600.00</u>	_____	<u>695,600.00</u>
BNY Mellon Capital Markets	<u>792,000.00</u>	_____	<u>792,000.00</u>	_____
Sewer Capital Fund:				
Piper Sandler	_____	<u>968,000.00</u>	_____	<u>968,000.00</u>
BNY Mellon Capital Markets	<u>974,000.00</u>	_____	<u>974,000.00</u>	_____
	<u>\$3,417,800.00</u>	<u>\$3,120,200.00</u>	<u>\$3,417,800.00</u>	<u>\$3,120,200.00</u>

The Township has outstanding at December 31, 2021, a bond anticipation note in the amount of \$1,456,600.00 payable to Piper Sandler. This note will mature on September 29, 2022 and it is the intent of the Township Council to renew this note for another one year period. The current interest rate on this note is 1.00%. Principal and interest on this note is paid from the Current Fund Budget of the Township.

The Township has outstanding at December 31, 2021, a bond anticipation note in the amount of \$695,600.00 payable to Piper Sandler. This note will mature on September 29, 2022 and it is the intent of the Township Council to renew this note. The current interest rate on this note is 1.00%. Principal and interest on this note is paid from the Water Operating Fund Budget of the Township.

The Township has outstanding at December 31, 2021, a bond anticipation note in the amount of \$968,000.00 payable to Piper Sandler. This note will mature on September 29, 2022 and it is the intent of the Township Council to renew this note. The current interest rate on this note is 1.00%. Principal and interest on this note is paid from the Sewer Operating Fund Budget of the Township.

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 6: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2021 and 2020 which were appropriated and included as anticipated revenue in their own respective funds for the years ending December 31, 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Current Fund	<u>\$4,515,376.00</u>	<u>\$3,960,000.00</u>
Water Utility Operating Fund	<u>\$ 500,000.00</u>	<u>\$ 500,000.00</u>
Sewer Utility Operating Fund	<u>\$ 87,000.00</u>	<u>\$ 11,000.00</u>
Solid Waste Operating Fund	<u>\$ 355,000.00</u>	<u>\$ 351,000.00</u>

NOTE 7: ACCRUED VACATION AND SICK BENEFITS

The Township allows employees to accrue an unlimited amount of unused vacation and sick pay, which may be taken as time off. However, it is expected that the cost of such unpaid compensation would be included in the Township budget operating expenditures in the year in which it is used. It is estimated that the current cost of such unpaid compensation would approximate \$4,283,674.89. However, if the employee retired or separated from the municipality the amount of such unpaid amount would be \$1,663,135.58

The amount is not reported either as an expenditure or a liability. The Township has reserved \$280,986.00 from previous budgets to be used to offset this liability and is reflected on the Trust Fund balance sheet. See Exhibit B-11 for an analysis. It is expected that any remaining cost of such unpaid compensation would be included in the Township's budget operating expenditures in the year in which it is used.

NOTE 8: DUE TO/FROM OTHER FUNDS

Balances due to/from other funds at December 31, 2021 consist of the following:

\$483,014.60 Due to Federal and State Grant Fund from Current Fund for receipts and disbursements made from Current Fund for the Federal and State Grant Fund.

2,281.89 Due from Current Fund to Other Trust Fund for prior year Open Space added and omitted taxes.

\$485,296.49

It is anticipated that all interfunds will be liquidated during the calendar year.

TOWNSHIP OF SPARTA, N.J.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2021 AND 2020 (CONTINUED)

NOTE 9: PENSION PLANS

Description of Plans:

Township employees participate in one of the two contributory, defined benefit public employee retirement systems: the State of New Jersey Public Employees' Retirement System (PERS) or the State of New Jersey Police and Firemen's Retirement System (PFRS); or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(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 the PERS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

Benefits Provided

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, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS. The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 9: PENSION PLANS (CONTINUED)

Benefits Provided (continued)

member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 50 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.

Police and Firemens' 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 the PFRS, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for disability benefits, which vest after 4 years of service. 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 of 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.

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 9: PENSION PLANS (CONTINUED)

Police and Firemens' Retirement System (PFRS), (continued)

Defined Contribution Retirement Program

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or PFRS, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the DCRP. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625-0295.

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS. This amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning 2012 and 8.5% for PFRS, which increased to 10% in October 2011, of the employee's annual compensation, as defined by law. Employers are required to contribute at an actuarially determined rate in all Funds. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS. In the PERS and PFRS, the employer contribution includes funding for post-retirement medical premiums.

The Township's contribution to the various plans, equal to the required contributions for each year, were as follows:

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>	<u>DCRP</u>
2021	\$759,103.66	\$1,197,832.95	\$11,413.72
2020	675,227.00	1,034,181.00	11,309.07
2019	669,855.00	952,640.00	10,777.11

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 9: PENSION PLANS (CONTINUED)

Police and Firemens' Retirement System (PFRS), (continued)

Contribution Requirements (continued)

Statement No's 68 and 71 require a state or local government employer to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. However, since the financial statements are prepared on another comprehensive basis of accounting, the net pension liability of the various pension systems is not recorded in the financial statements and is only required to be disclosed in the notes to the financial statements.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Public Employees Retirement System (PERS)

At December 31, 2021, the Township had a liability of \$8,022,703 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Township's proportion of the net pension liability 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 governmental entities, actuarially determined. At June 30, 2021, the Township's proportion was 0.0677221426 percent, which was an increase/(decrease) of 0.0006260876 percent from its proportion measured as of June 30, 2020.

For the year ended December 31, 2021, the Township recognized pension expense of \$759,103.66. At December 31, 2021, 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>
Difference between expected and actual experience	\$126,528	\$57,433
Changes of assumptions	41,782	2,850,134
Net difference between projected and actual earnings on pension plan investments	-	2,113,391
Changes in proportion and differences between the Township's contributions and proportionate share of contributions	<u>297,679</u>	<u>268,901</u>
Total	<u>\$465,989</u>	<u>\$5,289,859</u>

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 9: PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS), (continued)

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2021) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2022	(\$1,893,009)
2023	(1,351,604)
2024	(921,563)
2025	(692,742)
2026	269

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.13, 5.16, 5.21, 5.63, 5.48, 5.57, 5.72 and 6.44 years for 2021, 2020, 2019, 2018, 2017, 2016, 2015 and 2014 amounts respectively.

Additional Information

Local Group Collective balances net of non-employer (State of New Jersey) balances at June 30, 2021 and June 30, 2020 are as follows:

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Collective deferred outflows of resources	\$1,164,738,169	\$2,347,583,337
Collective deferred inflows of resources	8,339,123,762	7,849,949,467
Collective net pension liability	11,846,499.12	16,435,616,426
Township's Proportion	0.0677221426%	0.0670960550%

Actuarial Assumptions

The collective total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which rolled forward to June 30, 2021. This actuarial valuation used the following assumptions, applied to all periods in the measurement.

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 9: PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS), (continued)

Actuarial Assumptions (continued)

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00% (based on years of service)
Thereafter	3.00-7.00% (based on years of service)
Investment Rate of Return	7.00%

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018. 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.

Mortality Rates

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 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 a 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.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments 7.00% at June 30, 2021) 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

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 9: PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS), (continued)

Long-Term Rate of Return (continued)

and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-U.S. Developed Market Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 9: PENSION PLANS (CONTINUED)

Public Employees Retirement System (PERS), (continued)

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability of the participating employers as of June 30, 2021, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1- percentage point lower or 1 percentage-point higher than the current rate:

	June 30, 2021		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Township's proportionate share of the pension liability	\$11,041,758	\$8,022,703	\$5,618,706

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey Public Employees Retirement System (PERS). The financial report may be accessed at www.state.nj.us/treasury/pensions.

Police and Firemen's Retirement System (PFRS)

The following pension information is as of June 30, 2020 which is the latest information available. This information is eighteen months prior to December 31, 2021. GASB Statement No. 68 requires that the information be no more than twelve months prior to the employer's fiscal year end. No modification of the Independent Auditor's Report is being made since the Division of Local Government Services, Department of Community Affairs, State of New Jersey, is permitting the regulatory basis statements of Municipal, County and Library's to be issued with unmodified opinion's until such time current pension information is available.

At December 31, 2021, the Township had a liability of \$13,704,843 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Township's proportion of the net pension liability 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 governmental entities, actuarially determined. At June 30, 2020, the Township's proportion was 0.1060638125 percent, which was an increase/(decrease) of 0.0036808651 percent from its proportion measured as of June 30, 2019.

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 9: PENSION PLANS (CONTINUED)

Police and Firemen's Retirement System, (continued)

For the year ended December 31, 2021, the Township recognized pension expense of \$1,197,832.95. At December 31, 2021, 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>
Difference in actual and expected experience	\$138,168	\$49,185
Changes of assumptions	34,488	3,674,187
Net difference between projected and actual earnings on pension plan investments	803,579	-
Changes in proportion and differences between Township contributions and proportionate share of contributions	<u>1,031,108</u>	<u>1,135,102</u>
Total	<u>\$2,007,343</u>	<u>\$4,858,474</u>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2021) will be recognized as a reduction of the net pension liability in the subsequent year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding changes in proportion) will be recognized in pension expense as follows:

Year ended June 30:	
2021	(\$1,281,994)
2022	(865,191)
2023	(352,225)
2024	(133,058)
2025	(114,669)

Changes in Proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.90, 5.92, 5.73, 5.59, 5.58, 5.53 and 6.17 years for 2020, 2019, 2018, 2017, 2016, 2015 and 2014 amounts respectively.

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 9: PENSION PLANS (CONTINUED)

Police and Firemen's Retirement System, (continued)

Additional Information

Local Group Collective balances net of non-employer (State of New Jersey) balances at June 30, 2020 and June 30, 2019 are as follows:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Collective deferred outflows of resources	\$1,601,195,680	\$1,198,936,924
Collective deferred inflows of resources	4,191,274,402	4,874,748,912
Collective net pension liability	14,926,648,722	12,237,818,793
Township's Proportion	0.1060638125%	0.1023829474%

Actuarial Assumptions

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

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through all future years	3.25-15.25% (based on years of service)
Investment Rate of Return	7.00%

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Safety Employee mortality table with an 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 Pub-2010 Safety Retiree Below-Median Income Weighted mortality table with a 96.7% adjustment for males and 96.0% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. For beneficiaries (contingent annuitants), the Pub-2010 General Retiree Below-Median Income Weighted mortality table was used, unadjusted, and with future improvement from the base year of 2010 on a generational basis. Disability rates were based on the Pub-2010 Safety Disabled Retiree mortality table with a 152.0% adjustment for males and a 109.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 9: PENSION PLANS (CONTINUED)

Police and Firemen's Retirement System, (continued)

Mortality Rates (continued)

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2019.

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2021 are summarized in the following table:

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

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 9: PENSION PLANS (CONTINUED)

Police and Firemen's Retirement System, (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. 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 78% 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 all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

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

	June 30, 2021		
	1%	At Current	1%
	Decrease	Discount Rate	Increase
	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
Township's proportionate share of the pension liability	\$21,052,999	\$13,704,843	\$11,495,145

Special Funding Situations - PFRS

Under N.J.S.A.43:16A-15, the Township is responsible for their own PFRS contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State to make contributions 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 Township by the State 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 nonemployer contributing entity. Accordingly, the Township's proportionate share percentage of the net pension liability, deferred outflows and inflows determined under GASB Statement No. 68 is zero percent and the State's proportionate share is 100% for PFRS under this legislation.

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 9: PENSION PLANS (CONTINUED)

Police and Firemen's Retirement System, (continued)

Special Funding Situations - PFRS (continued)

At December 31, 2021 and 2020, the State proportionate share of the net pension liability attributable to the Township for the PFRS special funding situation is \$2,126,929 and \$2,126,929, respectively. For the years ended December 31, 2021 and 2020, the pension system has determined the State proportionate share of the pension expense attributable to the Township for the PFRS special funding situation is \$241,045 and \$241,045, respectively, which is more than the actual contributions the State made on behalf of the Township of \$163,666 and \$163,666, respectively. The State's proportionate share attributable to the Township was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Township's financial statements.

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Financial Report for the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial reports may be accessed at via the New Jersey, Division of Pension and Benefits, website at www.state.nj.us/treasury/pensions.

NOTE 10: LOCAL SCHOOL DISTRICT AND REGIONAL HIGH SCHOOL TAXES

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district. The Township of Sparta has not elected to defer school taxes.

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 11: CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Township's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2021, \$373,079.74 of the Township's bank balance of \$30,909,435.37 was exposed to custodial credit risk. In comparison, as of December 31, 2020, \$304,177.78 of the Township's bank balance of \$32,383,632.06 was exposed to custodial credit risk.

Investments

Investment Rate Risk

The Township does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 40A:5-15.1(a) limits the length of time for most investments to 397 days.

Credit Risk

New Jersey Statutes 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the Townships or bonds or other obligations of the local unit or units within which the Township is located; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk

The Township places no limit on the amount the Township may invest in any one issuer.

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 11: CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)

Unaudited Investments

As more fully described in Note 16, the Township has created a Length of Service Award Program (LOSAP) for emergency service volunteers. The LOSAP investments are similar to those allowed in a deferred compensation program as specified in NJSA 43:15B-1 et seq. except that all investments are retained in the name of the Township. All investments are valued at fair value. In accordance with NJAC 5:30-14.37, the investments are maintained by Variable Annuity Life Insurance Co., which is an authorized provider approved by the Division of Local Government Services. The balance in the account on December 31, 2021 and 2020 amounted to \$373,079.74 and \$304,177.78 respectively.

The following investments represent 5% or more of the total invested with Variable Annuity Life Insurance Co. on December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Investments under 5%	\$54,411.14	\$41,609.02
Fidelity VIP ContraFund	25,817.39	19,694.07
Fixed Account	98,634.02	91,196.35
LVIP SSgA S&P 500 Index Fund	<u>194,217.19</u>	<u>151,678.34</u>
Total	<u>\$373,079.74</u>	<u>\$304,177.78</u>

NOTE 12: RISK MANAGEMENT

The Township is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township has obtained insurance coverage to guard against these events which will provide minimum exposure to the Township should they occur. During the 2020 calendar year, the Township did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

New Jersey Unemployment Compensation Insurance - The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Township is billed quarterly for amounts due to the State. The following is a summary of Township contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Township's expendable trust fund for the current and previous two years:

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 12: RISK MANAGEMENT (CONTINUED)

<u>Fiscal year</u>	<u>Interest Earnings/ Township Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2020-2021	\$587.84	\$15,108.30	\$6,735.84	\$205,264.42
2019-2020	1,159.00	14,628.73	435.70	196,304.12
2018-2019	33,554.00	14,261.80	4,607.58	180,952.09

NOTE 13: PUBLIC ASSISTANCE

The Township of Sparta has elected to have the County of Sussex process all public assistance granted to the residents. Therefore, the Township of Sparta no longer has a public assistance director.

**NOTE 14: EMERGENCY SERVICES VOLUNTEER LENGTH OF SERVICE AWARD PLAN
(LOSAP)**

On November 9, 2010, the Division of Local Government Services approved the Township's LOSAP plan, provided by Lincoln Financial. The purpose of this plan is to enhance the Township's ability to retain and recruit volunteer firefighters and volunteer members of emergency service squads.

Lincoln Financial will provide for the benefit of participants, a multi-fund variable annuity contract as its funding vehicle. The plan's contribution requirements are as follows: the contribution for each participating active volunteer member shall be between the minimum contribution of \$115.00 and the maximum contribution of \$1,150.00. The Township's contribution shall be included in the current year's budget.

All amounts awarded under a length of service award plan shall remain the asset of the sponsoring agency; the obligation of the sponsoring agency to participating volunteers shall be contractual only; and no preferred or special interest in the awards made shall accrue to such participants. Such money shall be subject to the claims of the sponsoring agency's general creditors until distributed to any or all participants.

We have reviewed the plan for the year ended December 31, 2021 in accordance with the American Institute of Certified Public Accountants (AICPA) Statement on Standards for Accounting and Review Services.

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 15. TAXES COLLECTED IN ADVANCE

Taxes collected in advance are recorded as cash liabilities in the financial statements. Following is a comparison of the liability for the previous two years:

	Balance <u>Dec 31, 2021</u>	Balance <u>Dec 31, 2020</u>
Prepaid Taxes	<u>\$888,280.62</u>	<u>\$1,047,005.05</u>
Cash Liability for Taxes Collected in Advance	<u>\$888,280.62</u>	<u>\$1,047,005.05</u>

NOTE 16: OTHER POST EMPLOYMENT BENEFITS (OPEB)

PLAN OVERVIEW

Township of Sparta ("Sparta") provides post-employment benefits other than pensions ("OPEB") to employees who meet certain criteria. As a result of offering such benefits, Sparta will be required to report the value of such benefits and the associated costs according to the accounting requirements of Governmental Accounting Standards Board Statement No. 75 ("GASB 75").

Sparta provides medical benefits to retirees who retired from Sparta with 20 years of service for Police and 25 years of service for others.

The summary below presents the results of the actuarial valuation of the post-retirement medical obligations as of December 31, 2020, including a determination of financial reporting information for the year ending December 31, 2021.

Contributions to pay for the health premiums of participating retirees in the MRHIF are billed to the Township of Sparta on a monthly basis. Funds for retiree health premiums are raised each year in the municipality via property taxes. There is no cost sharing policies that the current retirees contribute.

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TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 16: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Results of Valuation

- *Total OPEB Liability and Net OPEB Liability*

The Total OPEB Liability ("TOL") is the actuarial accrued liability. The Net OPEB Liability ("NOL") is the TOL less the Fiduciary Net Position (assets). Since there are no plan assets to offset the liability, the two are equal.

Total OPEB Liability Active	\$	43,067,496.00
Total OPEB Liability Retired	\$	57,774,693.00
Total OPEB Liability	\$	100,842,189.00
Plan Fiduciary Net Position	\$	0.00
Net OPEB Liability	\$	100,842,189.00
Net Position/OPEB Liability		0.00%

- *Total OPEB Expense*

The Total OPEB Expense ("TOE") is the measure of annual cost based on the actuarial funding method utilized. It is comprised of the "Service Cost" (aka "normal cost") which is the portion of future liabilities attributable to the measurement year, plus the recognized portion of the experience gain or loss, and interest on the NOL during the year.

The TOE as of December 31, 2020 is \$5,104,474.00 based upon a discount rate of 2.12% per annum and the plan provisions in effect on December 31, 2021.

- *Impact of 1% Change in Discount Rate*

Actuarial measurements are sensitive to changes in actuarial assumptions and where actual experience differs from assumptions. If the discount rate were to increase by 1.00% per annum, the TOL as of December 31, 2021 would decrease to \$90,523,292.00 and if it were to decrease by 1.00%, the TOL would increase to \$113,690,521.00.

- *Impact of 1% Change in Trend Rate*

Actuarial measurements are sensitive to changes in actuarial assumptions and where actual experience differs from assumptions. If medical trend were to increase by 1.00% per annum, the TOL as of December 31, 2021 would increase to \$115,977,387.00 and if it were to decrease by 1.00%, the TOL would decrease to \$88,800,508.00.

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 16: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Basis of Valuation

This valuation has been conducted as of December 31, 2020 based upon census, plan design and financial information provided by the Fund. Census includes 85 retirees and dependents currently receiving retiree benefits, and 95 active participants of whom 9 are eligible to retire as of the valuation date. The average age of the active population is 44 and the average age of the retiree population is 64.

Actuarial assumptions were selected with the intention of satisfying the requirements of New Jersey Local Finance Notice 2007-15 in addition to Statement of Government Accounting Standard Number 75.

Demographic assumptions were selected based on those used in the State Division of Pensions and Benefits in calculation pension benefits taken from the July 1, 2020 report from Conduent. While some assumptions were simplified to reflect the smaller population, and to simplify the valuation process, the valuation results reasonably conform to the requirements of LFN 2007-15.

Health care (economic) assumptions were selected based on those used by the State Health Benefits Program in calculating SHBP member OPEB requirements taken from the July 1, 2020 report from Aon Consultants.

Key Actuarial Assumptions

<i>Mortality</i>	<i>RP 2000 Combined Healthy Male Mortality Rates Set Forward One Year and Adjusted for Generational Improvement</i>
<i>Turnover</i>	<i>NJ State Pensions Ultimate Withdrawal Rates - prior to benefits eligibility</i>
<i>Assumed Retirement Age</i>	<i>At first eligibility after completing 20 years of service for police; 25 years of service for all others</i>
<i>Full Attribution Period</i>	<i>Service to Assumed Retirement Age</i>
<i>Annual Discount Rate</i>	<i>2.74% Based on the Bond Buyer 20 Index December 31, 2019 2.12% Based on the Bond Buyer 20 Index December 31, 2020</i>
<i>Rate of Salary Increase</i>	<i>2.5%</i>
<i>Consumer Price Index</i>	<i>2.5%</i>
<i>Medical Trend</i>	<i>Medical: 5.6% in 2020, reducing by 0.1% per annum, leveling at 5% per annum in 2026 Drug: 9.0% in 2020, reducing by 0.5% per annum to 2022 and 1.0% per annum thereafter, leveling at 5% per annum in 2026</i>
<i>Medical Cost Aging Factor</i>	<i>NJ SHBP Medical Morbidity Rates</i>

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 16: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

- Attribution period - The attribution period begins with the date of hire and ends with full benefits eligibility date.
- Per capita cost methods - The valuation reflects per capita net premium costs based on actual 2020 medical prescription drug and dental premiums and the plan option selected. The age specific cost was derived based on per person costs at the average age of the active population (44) and scaled to each age based on the medical cost aging factors to age 65. At age 65, Medicare becomes the primary payer of medical benefits and consequentially, per capita plan costs are offset by Medicare payments. Thus, post 65 costs were decreased using the assumption that Medicare picks up 66.7% of the medical costs.
- Retiree contribution - NJ Chapter 78 requires that certain future retirees contribute toward the cost of their benefits. Specifically, those who had retired prior to passage of Chapter 78 and those employees that had more than 25 years of service on the date of passage are grandfathered. All others are subject to the contribution rates in effect when they retire, but not less than 1.5% of their annual retirement allowance from the Public Employees Retirement System. For purposes of this valuation and for conservation, we have assumed that future retiree contributions percentage rates will not increase. Thus, we assumed that a future retiree will contribute his/her current employee contribution as reported by the Township increased annually by the rate of medical trend.
- Actuarial valuation method - Entry Age Normal Funding Method based on a level percentage of salary. 2020 salaries were reported as \$7.986 million.

Special Funding Situation PFRS

In addition to the pension described in Note 9, the Township does not provide post employment health care benefits as part of the State Health Benefits Local Government Retired Employments Plan. However, benefits are provided as describe below:

Under Chapter 330, P.L. 1997, the State shall pay the premium or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. 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.

Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under this legislation directly to the plan, there is no net OPEB liability, deferred inflows of resources or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation.

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 16: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Special Funding Situation PFRS (continued)

The following other post employment benefit information is as of June 30, 2020 which is the latest information available. This information is eighteen months prior to December 31, 2021. GASB Statement No. 75 requires that the information be no more than twelve months prior to the employer's fiscal year end. No modification of the Independent Auditor's Report is being made since the Division of Local Government Services, Department of Community Affairs, State of New Jersey, is permitting the regulatory basis financial statements of Municipal, County and Library's to be issued with unmodified opinion's until such time current other post employment benefit information is available.

At December 31, 2021, the State's proportionate share of the net OPEB liability attributable to the Township for the PFRS special funding situation is \$7,194,946 and the State's proportionate share of the OPEB expense for the PFRS special funding situation is \$(358,166).

NOTE 17: COMMITMENTS AND CONTINGENT LIABILITIES

Township legal council has advised us of the following:

There is one matter being handled by their office, which deals with the "methodology" of an assessment against property owners of a dam repair.

Township legal council has advised us there are matters being handled by the Township's insurance carrier.

NOTE 18: OTHER MATTERS

On March 9, 2020, Governor Phil Murphy signed Executive Order No. 103 that declared a State of Emergency and Public Health Emergency across all 21 counties in New Jersey in response to address the novel coronavirus (COVID-19) outbreak. At the time of this report, the State of Emergency and Public Health Emergency remains in effect. In efforts to reduce the spread of the virus, many companies and organizations have either reduced staff or closed down, thus creating a potential financial dilemma among many of the taxpayers of the Township of Sparta, N.J. The Township has identified several risks as a result of this pandemic, including possible delays in the collection of real estate taxes and sewer rents, revenue shortfalls in general permit revenue and cash flow shortages as a result of these delayed collections and increased health emergency costs. During 2021, the Borough received reimbursement of health emergency costs associated with the pandemic from FEMA and/or the Federal CARES Act funding provided to the State or County Governments.

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(CONTINUED)**

NOTE 18: OTHER MATTERS (CONTINUED)

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 into effect. This plan, among other things, provides direct federal funding to aid county and municipal governments to help offset revenue losses, cover increased costs incurred during the coronavirus pandemic response and to make necessary investments in water, sewer or broadband infrastructure. The amount of federal aid available to the Township of Sparta is \$1,944,218.40 which will be available for use until December 31, 2024. This amount will be distributed to the Borough in two installments. The first installment of \$972,109.20 was received in July 2021 and the second installment of \$972,109.20 was received in July 2022.

In addition, during 2021 revenues of the Township were not materially affected.

NOTE 19: SUBSEQUENT EVENTS

The Township has evaluated subsequent events through August 11, 2022, the date which the financial statements were available to be issued and the following item was noted for disclosure:

SUPPLEMENTARY DATA

TOWNSHIP OF SPARTA, N.J.
OFFICIALS IN OFFICE AND SURETY BONDS

YEAR ENDED DECEMBER 31, 2021

The following officials were in office during the period under audit:

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Name of Corporate Surety</u>
Dave Smith	Mayor		
Josh Hertzberg	Deputy Mayor		
Daniel Chiariello	Councilperson		
Christine Quinn	Councilperson		
William E. Close	Township Manager to 4/1/2021		
Kathleen Chambers	Municipal Clerk; Registrar of Vital Statistics		
Grant Rome	Director of Finance; Purchasing Agent; Treasurer	1,000,000	(1)
Dianne O'Connor	Tax Collector	1,000,000	(1)
Joseph Ferraris	Tax Assessor		
Thomas Ryan	Attorney		
Neil Spidaletto	Interim Township Manager from 4/1/2021; Chief of Police; Emergency Management Coordinator		
Dominick Carnevale	Construction Official		
Roxanne Landy	Deputy Registrar, Clerk		
Paris Eliades	Judge	1,000,000	(1)
Bonnie Messina	Court Administrator	1,000,000	(1)
Thomas G. Miller	Deputy Court Administrator	1,000,000	(1)
Christine Kasko	Violations Clerk	1,000,000	(1)
Donald Critchlaw	Animal Control Officer		
Jim Zepp	Director of Public Works		
Philip Spaldi	Director of Utilities		
C.P. Engineers, Stan Puszc	Engineer		
Steven D. Wielkotz, C.P.A., R.M.A.	Auditor		

(1) MEL/JIF Underwriting Unit

All of the Bonds were examined and were properly executed.

The surety bonds for the Tax Collector, Utility Collector and the Municipal Court personnel were in accordance with the Local Finance Board promulgated schedule.

Township of Sparta
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2021

Federal Grantor/Pass-Through Grantor/ Program Title	Federal C.F.D.A Number	State Account Number	Program or Award Amount	Grant Period To/From	12/31/2020		Receipts	Expended	12/31/2021		MEMO Cumulative Total Expenditures
					(Receivable)	Reserve Balance			(Receivable)	Reserve Balance	
<u>WATER UTILITY OPERATING FUND</u>											
U.S. Department of Treasury											
Pass Through New Jersey Department of Community Affairs - Division of Local Government Services Local Fiscal Recovery Funds - ARP	21.027	8030-495-022-8030-687	600,000.00	3/1/21-12/31/26	-	-	600,000.00	(11,400.50)	-	588,599.50	11,400.50
<u>FEDERAL AND STATE GRANT FUND</u>											
U.S. Department of Treasury											
Pass Through New Jersey Department of Community Affairs - Division of Local Government Services Local Fiscal Recovery Funds - ARP	21.027	8030-495-022-8030-687	372,109.20	3/1/21-12/31/26	-	-	372,109.20	-	-	372,109.20	-
Local Government Emergency Fund - CRF	21.019	8030-495-022-8030-686	95,965.78	3/1/20-12/31/20	(95,965.78)	95,965.78	95,965.78	(95,965.78)	-	-	95,965.78
Total U.S. Department of Treasury					(95,965.78)	95,965.78	468,074.98	(95,965.78)	-	372,109.20	95,965.78
U.S. Department of Transportation											
(Passed through NJ Division of Highway Traffic Safety)											
Distracted Driver	20.616	1160-100-066-1160-158	6,325.00	1/1/21-12/31/21	-	-	6,325.00	-	-	6,325.00	-
Drive Sober or Get Pulled Over	20.616	1160-100-066-1160-157	30,753.75	1/1/20-12/31/20	-	30,753.75	-	-	-	30,753.75	-
Total U.S. Department of Transportation					-	30,753.75	6,325.00	-	-	37,078.75	-
<u>TOTAL FEDERAL AND STATE GRANT FUND</u>					(95,965.78)	126,719.53	474,399.98	(95,965.78)	-	409,187.95	95,965.78
TOTAL FEDERAL AID					(95,965.78)	126,719.53	1,074,399.98	(107,366.28)	-	997,787.45	107,366.28

Note: This schedule was not subject to an audit in accordance with The Uniform Guidance.

Township of Sparta
Schedule of Expenditures of State Awards
For the Year Ended December 31, 2021

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From/To	12/31/2020		Receipts	Expended	12/31/2021		Cumulative Total Expenditures
				(Receivable)	Reserve Balance			(Receivable)	Reserve Balance	
FEDERAL AND STATE GRANT FUND										
N.J. Department of Environmental Protection:										
Clean Communities	4900-765-042-4900-004	47,508.00	1/1/17-12/31/17	-	9,709.32	-	(9,709.32)	-	-	47,508.00
Clean Communities	4900-765-042-4900-004	46,444.00	1/1/18-12/31/18	(1,424.35)	46,444.00	-	(46,444.00)	(1,424.35)	-	46,444.00
Clean Communities	4900-765-042-4900-004	50,725.58	1/1/19-12/31/19	-	50,725.00	-	(50,725.00)	-	-	50,725.58
Clean Communities	4900-765-042-4900-004	45,734.74	1/1/19-12/31/19	-	45,734.74	-	(33,390.49)	-	12,344.25	33,390.49
Clean Communities	4900-765-042-4900-004	48,661.35	1/1/20-12/31/20	-	-	48,661.35	-	-	48,661.35	-
				(1,424.35)	152,613.06	48,661.35	(140,268.81)	(1,424.35)	61,005.60	178,068.07
Highlands Grant	N/A	25,000.00		(13,054.65)	21,451.65	-	-	(13,054.65)	21,451.65	3,548.35
Total N.J. Department of Environmental Protection:				(14,479.00)	174,064.71	48,661.35	(140,268.81)	(14,479.00)	82,457.25	181,616.42
N.J. Department of Community Affairs:										
Alcohol Education Rehab Fund	9735-760-098-9735-001	539.00	1/1/12-12/31/12	-	455.70	-	-	-	455.70	83.30
Alcohol Education Rehab Fund	9735-760-098-9735-001	527.00	1/1/13-12/31/13	-	527.00	-	-	-	527.00	-
Alcohol Education Rehab Fund	9735-760-098-9735-001	354.00	1/1/14-12/31/14	-	354.00	-	-	-	354.00	-
Alcohol Education Rehab Fund	9735-760-098-9735-001	73.23	1/1/18-12/31/18	-	73.23	-	-	-	73.23	-
Alcohol Education Rehab Fund	9735-760-098-9735-001	2,009.00	1/1/19-12/31/19	-	2,009.00	-	-	-	2,009.00	-
Alcohol Education Rehab Fund	9735-760-098-9735-001	4,738.00	1/1/20-12/31/20	-	-	4,738.00	-	-	4,738.00	-
				-	3,418.93	4,738.00	-	-	8,156.93	83.30
Municipal Alliance	N/A	16,042.00	1/1/18-12/31/18	(200.05)	-	200.05	-	-	-	16,042.00
Municipal Alliance	N/A	16,042.00	1/1/19-12/31/19	-	3,875.01	-	(1,000.66)	-	2,874.35	13,167.65
Municipal Alliance	N/A	16,042.00	1/1/20-12/31/20	(16,042.00)	16,042.00	10,949.95	-	(5,092.05)	16,042.00	-
Municipal Alliance	N/A	16,042.00	1/1/21-12/31/21	-	-	-	-	(16,042.00)	16,042.00	-
				(16,242.05)	19,917.01	11,150.00	(1,000.66)	(21,134.05)	34,958.35	29,209.65
Total N.J. Department of Community Affairs:				(16,242.05)	23,335.94	15,888.00	(1,000.66)	(21,134.05)	43,115.28	29,292.95
N.J. Division of Motor Vehicles:										
Drunk Driving Enforcement Fund	6400-100-078-6400-YYYY	18,794.15	1/1/13-12/31/14	-	9,425.55	-	(9,252.97)	-	172.58	18,621.57
Drunk Driving Enforcement Fund	6400-100-078-6400-YYYY	16,974.00	1/1/16-12/31/16	-	16,974.00	-	-	-	16,974.00	-
Drunk Driving Enforcement Fund	6400-100-078-6400-YYYY	5,500.00	1/1/19-12/31/19	-	5,500.00	-	-	-	5,500.00	-
Total N.J. Division of Motor Vehicles:				-	31,899.55	-	(9,252.97)	-	22,646.58	18,621.57
N.J. Department of Environmental Protection:										
Recycling Tonnage	4910-100-042-49100-224	28,103.00	1/1/18-12/31/18	-	8,078.79	-	(8,078.79)	-	-	28,103.00
Recycling Tonnage	4910-100-042-49100-224	49,308.59	1/1/19-12/31/19	-	49,308.00	-	(47,588.50)	-	1,719.50	47,588.50
Recycling Tonnage	4910-100-042-49100-224	40,972.95	1/1/20-12/31/20	-	-	40,972.95	-	-	40,972.95	-
Total N.J. Department of Environmental Protection:				-	57,386.79	40,972.95	(55,667.29)	-	42,692.45	75,691.50
N.J. Department of Transportation										
Green Road	2078-100-082-2078-033	175,000.00	1/1/20-12/31/20	(175,000.00)	-	-	-	(175,000.00)	-	175,000.00
Total N.J. Department of Transportation:				(175,000.00)	-	-	-	(175,000.00)	-	175,000.00

Note: This schedule was not subject to an audit in accordance with N.J.O.M.B. Circular 15-06.

Township of Sparta
Schedule of Expenditures of State Awards
For the Year Ended December 31, 2021

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From/To	12/31/2020		Receipts	Expended	12/31/2021		Cumulative Total Expenditures
				(Receivable)	Reserve Balance			(Receivable)	Reserve Balance	
N.J. Department of Law and Public Safety										
Body Armor	1020-718-066-1020-001	3,185.00	1/1/20-12/31/20	-	79.71	-	-	-	79.71	3,105.29
Total N.J. Department of Law and Public Safety				-	79.71	-	-	-	79.71	3,105.29
<u>TOTAL FEDERAL AND STATE GRANT FUND</u>				<u>(205,721.05)</u>	<u>286,766.70</u>	<u>105,522.30</u>	<u>(206,189.73)</u>	<u>(210,613.05)</u>	<u>190,991.27</u>	<u>483,327.73</u>
<u>GENERAL CAPITAL FUND</u>										
N.J. Department of Transportation										
Municipal Aid - Sawmill Road		167,000.00	1/1/21-12/31/21	-	-	-	(167,000.00)	(167,000.00)	-	167,000.00
<u>TOTAL GENERAL CAPITAL FUND</u>				<u>-</u>	<u>-</u>	<u>-</u>	<u>(167,000.00)</u>	<u>(167,000.00)</u>	<u>-</u>	<u>167,000.00</u>
<u>TOTAL STATE AID</u>				<u>(205,721.05)</u>	<u>286,766.70</u>	<u>105,522.30</u>	<u>(373,189.73)</u>	<u>(377,613.05)</u>	<u>190,991.27</u>	<u>650,327.73</u>

Note: This schedule was not subject to an audit in accordance with N.J.OMB Circular 15-08.

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE

CURRENT FUND

	<u>Year 2021</u>		<u>Year 2020</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	3,960,000.00	3.501%	3,530,000.00	3.126%
Miscellaneous - From Other Than				
Local Property Tax Levies	4,487,826.06	3.968%	5,075,054.70	4.494%
Collection of Delinquent Taxes				
and Tax Title Liens	1,498,857.50	1.325%	1,437,344.87	1.273%
Collection of Current				
Tax Levy	101,291,943.59	89.550%	101,718,636.05	90.067%
Other Credits to Income	1,873,248.33	1.656%	1,175,971.57	1.041%
<u>Total Revenue and Other Income Realized</u>	<u>113,111,875.48</u>	<u>100.00%</u>	<u>112,937,007.19</u>	<u>100.00%</u>
 <u>Expenditures</u>				
Budget Expenditures:				
Municipal Purposes	25,142,174.01	23.215%	25,070,797.78	23.079%
Local Open Space Taxes	336,988.89	0.311%	335,340.62	0.309%
Local School Taxes	64,600,967.00	59.650%	64,963,843.00	59.802%
County Taxes	18,220,790.14	16.824%	18,261,220.37	16.810%
<u>Total Expenditures</u>	<u>108,300,920.04</u>	<u>100.00%</u>	<u>108,631,201.77</u>	<u>100.00%</u>
 Excess (Deficit) in Revenue	4,810,955.44		4,305,805.42	
 Fund Balance, January 1,	<u>10,788,119.67</u>		<u>10,012,314.25</u>	
	15,599,075.11		14,318,119.67	
Less:				
Utilized as Anticipated Revenue	<u>3,960,000.00</u>		<u>3,530,000.00</u>	
 Fund Balance, December 31,	<u>11,639,075.11</u>		<u>10,788,119.67</u>	

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE

WATER UTILITY OPERATING FUND

	<u>Year 2021</u>		<u>Year 2020</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	500,000.00	11.513%	500,000.00	9.932%
Collection of Water Rents	3,040,475.48	70.011%	3,102,626.40	61.628%
Miscellaneous - From Other Than Water Rents	469,541.40	10.812%	490,173.88	9.736%
Other Credits to Income	332,815.22	7.664%	941,672.43	18.704%
<u>Total Revenue and Other Income Realized</u>	<u>4,342,832.10</u>	<u>100.00%</u>	<u>5,034,472.71</u>	<u>100.00%</u>
 <u>Expenditures</u>				
Budget Expenditures:				
Operating	1,885,789.00	47.696%	1,867,119.00	48.001%
Capital Improvements	510,000.00	12.899%	510,000.00	13.111%
Debt Service	1,420,762.00	35.934%	1,402,152.00	36.047%
Deferred Charges and Statutory Expenditures	113,475.00	2.870%	110,475.00	2.840%
Other Charges	23,743.70	0.601%	-	0.000%
<u>Total Expenditures</u>	<u>3,953,769.70</u>	<u>100.00%</u>	<u>3,889,746.00</u>	<u>100.00%</u>
 Excess (Deficit) in Revenue	389,062.40		1,144,726.71	
 Fund Balance, January 1,	<u>2,125,534.57</u>		<u>1,480,807.86</u>	
	2,514,596.97		2,625,534.57	
 Less:				
Utilized as Anticipated Revenue	<u>500,000.00</u>		<u>500,000.00</u>	
 Fund Balance, December 31,	<u><u>2,014,596.97</u></u>		<u><u>2,125,534.57</u></u>	

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE

SEWER UTILITY OPERATING FUND

	<u>Year 2021</u>		<u>Year 2020</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	11,000.00	0.625%	40,000.00	3.912%
Collection of Sewer User Fees	835,523.73	47.466%	805,617.13	78.785%
Miscellaneous - From Other				
Than Sewer Rents	5,937.34	0.337%	40,067.65	3.918%
Board of Education - Share of Debt Service	79,890.00	4.539%	78,020.76	7.630%
Local Fiscal Recovery Funds - ARP	600,000.00	34.086%		0.000%
Deficit (General Budget)	157,549.00	8.950%		0.000%
Sewer Connection Fees	9,442.20	0.536%	9,492.00	0.928%
Other Credits to Income	60,900.39	3.460%	49,348.71	4.826%
<u>Total Revenue and Other Income Realized</u>	<u>1,760,242.66</u>	<u>100.00%</u>	<u>1,022,546.25</u>	<u>100.00%</u>
 <u>Expenditures</u>				
Budget Expenditures:				
Operating	645,167.00	38.557%	611,320.00	58.630%
Capital Improvements	600,000.00	35.858%	-	0.000%
Debt Service	405,492.00	24.234%	424,662.00	40.728%
Deferred Charges and Statutory Expenditures	22,608.75	1.351%	6,688.00	0.641%
<u>Total Expenditures</u>	<u>1,673,267.75</u>	<u>100.00%</u>	<u>1,042,670.00</u>	<u>100.00%</u>
 Excess (Deficit) in Revenue	 86,974.91		 <u>(20,123.75)</u>	
 Fund Balance, January 1,	 <u>11,326.77</u>		 <u>51,326.77</u>	
	98,301.68		51,326.77	
 Less:				
Utilized as Anticipated Revenue	<u>11,000.00</u>		<u>40,000.00</u>	
 Fund Balance, December 31,	 <u>87,301.68</u>		 <u>11,326.77</u>	

COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE

SOLID WASTE UTILITY OPERATING FUND

	<u>Year 2020</u>		<u>Year 2020</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Revenue and Other Income Realized</u>				
Fund Balance Utilized	351,500.00	14.274%	320,000.00	13.573%
Collection of Solid Waste Fees	2,058,479.31	83.592%	1,988,329.68	84.335%
Miscellaneous - From Other				
Than Sewer Rents	27,193.93	1.104%	46,223.18	1.961%
Other Credits to Income	25,361.93	1.030%	3,096.81	0.131%
<u>Total Revenue and Other Income Realized</u>	<u>2,462,535.17</u>	<u>100.00%</u>	<u>2,357,649.67</u>	<u>100.00%</u>
 <u>Expenditures</u>				
Budget Expenditures:				
Operating	2,384,028.00	99.499%	2,325,875.00	99.486%
Deferred Charges and Statutory Expenditures	12,015.00	0.501%	12,015.00	0.514%
<u>Total Expenditures</u>	<u>2,396,043.00</u>	<u>100.00%</u>	<u>2,337,890.00</u>	<u>100.00%</u>
 Excess (Deficit) in Revenue	66,492.17		19,759.67	
 Fund Balance, January 1,	<u>1,761,859.94</u>		<u>2,062,100.27</u>	
	1,828,352.11		2,081,859.94	
 Less:				
Utilized as Anticipated Revenue	<u>351,500.00</u>		<u>320,000.00</u>	
 Fund Balance, December 31,	<u><u>1,476,852.11</u></u>		<u><u>1,761,859.94</u></u>	

COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<u>Tax Rate</u>	<u>3.348</u>	<u>3.400</u>	<u>3.312</u>

Apportionment of Tax Rate:

Municipal (1)	0.628	.635	.637
County	0.596	.600	.581
Local School	2.124	2.165	2.094

(1) Municipal includes Municipal Library and Municipal Open Space tax.

Assessed Valuation:

2021	\$3,042,797,600		
2020		3,001,513,200	
2019			2,988,275,100

COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2021	\$102,567,776.43	\$101,291,943.59	98.76%
2020	103,644,811.49	101,718,636.05	98.14%
2019	99,220,180.98	97,377,507.13	98.14%

Also, increases in future tax levies can also be warranted if revenue sources outside of those directly generated by the municipality, such as federal or state aid, should decline without corresponding decrease in budgeted expenditures.

DELINQUENT TAXES AND TAX TITLE LIENS

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens, in relation to the tax levies of the last three years.

<u>Dec 31, Year</u>	<u>Amount of Delinquent Taxes</u>	<u>Tax Title Liens</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2021	\$1,118,553.97	\$210,046.48	\$1,328,600.45	1.30%
2020	1,614,254.53	178,415.09	1,792,669.62	1.73%
2019	1,499,598.62	164,146.58	1,663,745.20	1.68%

PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2021	\$2,907,000.00
2020	2,907,000.00
2019	2,907,000.00

COMPARISON OF WATER UTILITY LEVIES

<u>Year</u>	<u>Levy</u>	<u>Collections*</u>
2021	\$3,108,008.34	\$3,040,475.48
2020	3,167,434.68	3,102,531.51
2019	2,909,191.45	2,994,226.06

COMPARISON OF SEWER UTILITY LEVIES

<u>Year</u>	<u>Levy</u>	<u>Collections*</u>
2021	\$910,984.37	\$915,413.73
2020	908,514.74	883,637.89
2019	952,932.30	984,569.04

COMPARISON OF SOLID WASTE UTILITY LEVIES

<u>Year</u>	<u>Levy</u>	<u>Collections*</u>
2021	\$2,038,036.65	\$2,058,479.31
2020	1,973,883.95	1,988,329.68
2019	1,956,210.43	1,965,357.11

* Includes collection of prior year receivables.

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>Year</u>	<u>Balance December 31</u>	<u>Utilized In Budget of Succeeding Year</u>
<u>Current Fund:</u>	2021	\$11,639,075.11	\$4,515,376.00
	2020	10,788,119.67	3,960,000.00
	2019	10,012,314.25	3,530,000.00
	2018	9,132,046.19	3,250,000.00
	2017	7,759,852.89	3,250,000.00
 <u>Water Utility:</u>			
Operating Fund:	2021	\$2,014,596.97	\$500,000.00
	2020	2,125,534.57	500,000.00
	2019	1,480,807.86	500,000.00
	2018	181,416.44	150,000.00
	2017	346,299.49	300,000.00
 <u>Sewer Utility:</u>			
Operating Fund:	2021	\$87,301.68	\$87,000.00
	2020	11,326.77	11,000.00
	2019	51,326.77	40,000.00
	2018	21,645.23	21,000.00
	2017	40,691.27	40,000.00
 <u>Solid Waste Utility:</u>			
Operating Fund:	2021	\$1,476,852.11	\$355,000.00
	2020	1,761,859.94	351,000.00
	2019	2,062,100.27	320,000.00
	2018	2,069,042.00	300,000.00
	2017	1,904,370.83	195,000.00

Township of Sparta, N.J.
Schedule of Cash - Collector-Treasurer

Current Fund

Year Ended December 31, 2021

	<u>Ref.</u>		
Balance - December 31, 2020	A		15,791,923.95
Increased by Receipts:			
Miscellaneous Revenue Not Anticipated	A-2	131,161.75	
Collector of Taxes	A-6	102,880,546.08	
Due To State - Senior Citizen and Veteran Deductions	A-7	103,350.69	
Revenue Accounts Receivable	A-11	4,042,564.62	
Interfunds	A-12	582,269.98	
Various Cash Liabilities and Reserves	A-19	160,159.09	
		<hr/>	
			107,900,052.21
			<hr/>
			123,691,976.16
Decreased by Disbursements:			
Current Year Budget Appropriations	A-3	22,619,980.89	
Interfunds	A-12	591,658.81	
Appropriation Reserves	A-13	1,452,530.16	
Encumbrances Payable - Various Reserves	A-14	699.53	
Local District School Taxes	A-16	64,600,967.00	
County Taxes Payable	A-17	18,378,088.34	
Various Cash Liabilities and Reserves	A-19	270,154.88	
		<hr/>	
			107,914,079.61
			<hr/>
Balance - December 31, 2021	A		15,777,896.55
			<hr/>

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Township of Sparta, N.J.

Schedule of Cash - Change Fund

Current Fund

Year Ended December 31, 2021

	<u>Ref.</u>	
Balance - December 31, 2020	A	<u>450.00</u>
Balance - December 31, 2021	A	<u>450.00</u>
<u>Analysis of Balance:</u>		
Tax Collector		200.00
Deputy Clerk		50.00
Municipal Court		100.00
Construction		<u>100.00</u>
		<u>450.00</u>

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Schedule of Cash - Collector

Current Fund

Year Ended December 31, 2021

	<u>Ref.</u>	
Increased by:		
Interest and Costs on Taxes	A-2	352,732.44
Taxes Receivable	A-8	101,609,405.93
Tax Title Liens	A-9	30,127.09
2022 Prepaid Taxes	A-15	<u>888,280.62</u>
		<u>102,880,546.08</u>
Decreased by:		
Turned over to Treasurer	A-4	<u>102,880,546.08</u>

Township of Sparta, N.J.

**Schedule of Amount Due To State of New Jersey
for Senior Citizens' and Veterans' Deductions - CH. 73 P.L. 1976**

Current Fund

Year Ended December 31, 2021

	<u>Ref.</u>	
Balance - December 31, 2020	A	46,528.63
Increased by:		
Cash Receipts	A-4	<u>103,350.69</u>
		149,879.32
Decreased by:		
Senior Citizens' and Veterans'		
Deductions Per Tax Billings		104,500.00
Senior Citizens' and Veterans'		
Deductions Allowed by Tax Collector		
Current Year		2,750.00
Less: Senior Citizens' and Veterans'		
Deductions Disallowed by Tax Collector		
Current Year		500.00
Less: Senior Citizens' and Veterans'		
Deductions Disallowed by Tax Collector		
Prior Year		<u>2,486.98</u>
	A-8	<u>104,263.02</u>
Balance - December 31, 2021	A	<u><u>45,616.30</u></u>

Township of Sparta, N.J.

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2021

Year	Balance, Dec. 31, 2020	Levy	Added Taxes	Collected		Senior Citizen and Veteran Deductions	Transferred to Tax	Cancelled	Balance, Dec. 31, 2021
	2020			2020	2021		Title Liens		2021
2016	1,836.74	-	-	-	-	-	-	-	1,836.74
2017	6,926.57	-	-	-	-	-	-	-	6,926.57
2018	6,902.99	-	-	-	-	-	-	6,898.61	4.38
2019	11,225.12	-	-	-	60.69	-	-	7,052.96	4,111.47
2020	1,587,363.11	-	40,865.37	-	1,471,156.70	(2,486.98)	7,009.99	143,580.97	8,967.80
	1,614,254.53	-	40,865.37	-	1,471,217.39	(2,486.98)	7,009.99	157,532.54	21,846.96
2021	-	101,872,863.73	694,907.70	1,047,005.05	100,138,188.54	106,750.00	51,348.04	127,772.79	1,096,707.01
	1,614,254.53	101,872,863.73	735,773.07	1,047,005.05	101,609,405.93	104,263.02	58,358.03	285,305.33	1,118,553.97
	A			A-2; A-15	A-2; A-6	A-2; A-7	A-9		A

Analysis of Tax Levy

Tax yield:

General Purpose Tax
Added Tax (R.S. 54:4-63.1 et seq.)

Ref.

101,872,863.73
694,907.70

102,567,771.43

Tax Levy:

Municipal Open Space Tax
Added Municipal Open Space Tax

A-12 334,707.00
A-12 2,281.89

336,988.89
64,600,967.00

Local District School Tax
County Tax
Added County Taxes

A-16
A-17 18,097,122.37
A-17 123,667.77

18,220,790.14
83,158,746.03

Local Tax for Municipal Purposes
Additional Taxes

18,821,374.00
587,651.40

19,409,025.40

102,567,771.43

Township of Sparta, N.J.

Schedule of Tax Title Liens

Current Fund

Year Ended December 31, 2021

	<u>Ref.</u>	
Balance - December 31, 2020	A	178,415.09
Increased by:		
Interest and Costs Accrued by Sale		1,343.23
Adjustments		2,057.22
Transfers from Taxes Receivable	A-8	<u>58,358.03</u>
		<u>61,758.48</u>
		240,173.57
Decreased by:		
Cash Receipts	A-2;A-6	<u>30,127.09</u>
Balance - December 31, 2021	A	<u><u>210,046.48</u></u>

Schedule of Property Acquired for
Taxes Assessed Valuation

Current Fund

Year Ended December 31, 2021

	<u>Ref.</u>	
Balance - December 31, 2020	A	<u><u>2,907,000.00</u></u>
Balance - December 31, 2021	A	<u><u>2,907,000.00</u></u>

Township of Sparta, N.J.

Schedule of Revenue Accounts Receivable

Current Fund

Year Ended December 31, 2021

	<u>Ref.</u>	<u>Accrued</u>	<u>Collected</u>
Clerk:			
Licenses:			
Other	A-2	16,562.00	16,562.00
Alcoholic beverages	A-2	7,177.00	7,177.00
Fees and Permits			
Board of Health - Registrar	A-2	10,158.00	10,158.00
Board of Health - Sewer	A-2	29,593.00	29,593.00
Marriage License	A-2	375.00	375.00
Clerk	A-2	2,244.02	2,244.02
Zoning	A-2	26,778.13	26,778.13
Planning Board	A-2	32,498.54	32,498.54
Tax Assessor	A-2	540.00	540.00
Police	A-2	35,069.71	35,069.71
Leaf Bags	A-2	1,384.00	1,384.00
Cell Tower	A-2	319,635.53	319,635.53
Quarry Royalties	A-2	738,436.80	738,436.80
Host Community Fee	A-2	6,951.11	6,951.11
Municipal Court :			
Fines and Costs	A-2	187,708.77	187,708.77
Interest on Investments and Deposits	A-2	70,646.40	70,646.40
Consolidated Municipal Property Tax			
Relief Aid	A-2	1,235,421.00	1,235,421.00
Watershed Moratorium	A-2	29,328.00	29,328.00
Garden State Trust Pilot	A-2	43,852.00	43,852.00
Uniform Construction	A-2	592,117.00	592,117.00
Other Municipalities Share of Radio System Costs	A-2	307,671.00	307,671.00
Interlocal Finance Hardyston	A-2	48,007.00	48,007.00
Interlocal Finance Hardyston MUA	A-2	4,161.96	4,161.96
Interlocal Finance Hardyston BOE	A-2	5,819.01	5,819.01
Interlocal Byram Fire Prevention	A-2	18,142.00	18,142.00
Interlocal Stanhope - QPA	A-2	2,400.00	2,400.00
PILOT - Senior Citizens Housing	A-2	15,785.56	15,785.56
Uniform Fire Safety	A-2	48,357.43	48,357.43
Fire Prevention Fees	A-2	38,753.00	38,753.00
Cable TV Franchise Fee	A-2	68,803.00	68,803.00
Solar Renewable Energy Credits	A-2	98,188.65	98,188.65
		<u>4,042,564.62</u>	<u>4,042,564.62</u>

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Township of Sparta, N.J.

Schedule of Interfunds

Current Fund

Year Ended December 31, 2021

<u>Fund</u>	<u>Ref.</u>	Due From/(To) Balance <u>Dec. 31, 2020</u>	<u>Increased</u>	<u>Decreased</u>	Due From/(To) Balance <u>Dec. 31, 2021</u>
Other Trust Fund		(826.89)	336,988.89	335,533.89	(2,281.89)
Federal and State Grant Fund		(152,619.54)	586,519.98	256,124.92	(483,014.60)
		<u>(153,446.43)</u>	<u>923,508.87</u>	<u>591,658.81</u>	<u>(485,296.49)</u>
		A			A
<u>Analysis</u>					
Interfund Accounts Payable		<u>(153,446.43)</u>			<u>(485,296.49)</u>
Matching Funds for Grants	A-3		4,250.00		
Disbursed	A-4		-	591,658.81	
Received	A-4		582,269.98	-	
Municipal Open Space Tax	A-1; A-8		334,707.00	-	
Added Municipal Open Space Tax	A-1; A-8		2,281.89	-	
			<u>923,508.87</u>	<u>591,658.81</u>	

Township of Sparta, N.J.

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Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2021

	Balance, Dec. 31, <u>2020</u>	Balance after <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Salaries and Wages Within "CAPS":				
General Administration	12,431.16	12,431.16	-	12,431.16
Township Council	5,049.54	5,049.54	-	5,049.54
Township Clerk	59.52	59.52	-	59.52
Financial Administration	5,780.90	5,780.90	-	5,780.90
Computerized Data Processing	13,722.08	13,722.08	-	13,722.08
Collection of Taxes	22,456.21	22,456.21	-	22,456.21
Assessment of Taxes	14,939.95	14,939.95	-	14,939.95
Municipal Court	8,941.36	8,941.36	-	8,941.36
Planning Board	19.70	19.70	-	19.70
Planning Department	85.46	85.46	-	85.46
Board of Adjustment	6,320.15	6,320.15	-	6,320.15
Police	308,113.40	308,113.40	13,274.02	294,839.38
Police Dispatch 911	68,192.42	68,192.42	-	68,192.42
Uniform Fire Safety	20,967.98	20,967.98	-	20,967.98
Road Repair and Maintenance	1,603.36	1,603.36	1,603.36	-
Public Buildings and Grounds	11,964.66	11,964.66	-	11,964.66
Vehicle Maintenance	12,734.86	12,734.86	12,734.86	-
Snow Removal	44,448.72	44,448.72	44,448.72	-
DPW Administration	12,096.25	12,096.25	12,096.25	-
Animal Regulations				-
Committee on Aging	1,943.84	1,943.84	-	1,943.84
Recreation Services and Programs	179.93	179.93	-	179.93
Maintenance of Parks	204.46	204.46	-	204.46
Construction Official	98,635.44	98,635.44	-	98,635.44
Total Salaries and Wages Within "CAPS"	<u>670,891.35</u>	<u>670,891.35</u>	<u>84,157.21</u>	<u>586,734.14</u>
Other Expenses Within "CAPS":				
General Administration	6,787.00	6,787.00	1,565.00	5,222.00
Purchasing	38,782.94	38,782.94	3,675.31	35,107.63
Township Council	20,271.70	20,271.70	4,338.57	15,933.13
Township Clerk	8,530.26	8,530.26	179.11	8,351.15
Elections	613.41	613.41	-	613.41
Financial Administration	16,116.77	16,116.77	15,486.95	629.82
Audit Services	8,700.00	8,700.00	8,700.00	-
Computerized Data Processing	34,371.53	34,371.53	12,721.06	21,650.47
Collection of Taxes	95.19	95.19	64.00	31.19
Assessment of Taxes	46,214.16	46,214.16	6,698.90	39,515.26
Legal Services and Costs	49,463.78	49,463.78	19,189.91	30,273.87
Municipal Court	15,544.05	15,544.05	6,536.93	9,007.12
Engineering Services and Costs	13,358.94	13,358.94	12,229.75	1,129.19

Township of Sparta, N.J.

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Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2021

	Balance, Dec. 31, <u>2020</u>	Balance after <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Planning Board	25,658.42	25,658.42	6,611.15	19,047.27
Planning Department	7,385.15	7,385.15	136.79	7,248.36
Economic Development	13,450.00	13,450.00	-	13,450.00
Board of Adjustment	6,941.35	6,941.35	4,826.85	2,114.50
Insurance:				
General Liability	47,540.47	47,540.47	-	47,540.47
Workers' Compensation Insurance	19,312.73	19,312.73	-	19,312.73
Employee Group Health	215,184.90	215,184.90	21,499.58	193,685.32
Unemployment Compensation Insurance	1,000.00	1,000.00	-	1,000.00
Police	25,505.91	25,505.91	21,963.94	3,541.97
Purchase of Police Cars	114,247.83	114,247.83	111,758.91	2,488.92
Police Dispatch 911	5,290.00	5,290.00	3,900.43	1,389.57
Emergency Management Services	3,102.39	3,102.39	-	3,102.39
Aid to Volunteer Fire Companies	63.56	63.56	-	63.56
Aid to Volunteer Ambulance Companies	34,937.01	34,937.01	34,937.01	-
Fire	32,327.74	32,327.74	28,874.88	3,452.86
Uniform Fire Safety	5,645.12	5,645.12	-	5,645.12
Municipal Prosecutor	8,510.03	8,510.03	8,510.03	-
Road Repairs and Maintenance	94,317.14	94,317.14	94,317.14	-
Garbage and Trash Removal	39,713.40	39,713.40	1,049.35	38,664.05
Public Buildings and Grounds	28,471.21	28,471.21	2,941.76	25,529.45
Vehicle Maintenance	29,580.35	29,580.35	29,580.35	-
Snow Removal	330,073.17	330,073.17	279,584.16	50,489.01
DPW Administration	6,974.16	6,974.16	6,974.16	-
Municipal Services Act-Condo Costs	56,200.00	56,200.00	30,589.05	25,610.95
Health and Human Service Function:				
Health and Welfare Department	14,285.00	14,285.00	-	14,285.00
Environmental Commission	2,720.00	2,720.00	-	2,720.00
Animal Regulation	4,512.30	4,512.30	721.51	3,790.79
Committee on Aging	26,360.81	26,360.81	-	26,360.81
Recreation Services Functions	9,866.03	9,866.03	592.41	9,273.62
Maintenance of Parks	47,433.18	47,433.18	1,729.05	45,704.13
Celebration of Public Events	55,889.86	55,889.86	8,485.18	47,404.68
Electricity	72,819.31	72,819.31	10,601.70	62,217.61
Street Lighting	1,251.23	1,251.23	890.79	360.44
Telephone and Telegraph	6,199.45	6,199.45	4,170.07	2,029.38
Water	1,269.96	1,269.96	-	1,269.96
Natural Gas	17,462.51	17,462.51	8,815.35	8,647.16
Sewerage Processing and Disposal	4,448.24	4,448.24	-	4,448.24
Gasoline	197,402.73	197,402.73	67,871.01	129,531.72
Construction Official	133,025.67	133,025.67	1,126.93	131,898.74

Township of Sparta, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2021

	Balance, Dec. 31, 2020	Balance after Transfers	Paid or Charged	Balance Lapsed
Accumulated Sick Leave	53,633.51	53,633.51	53,633.51	-
Total Other expenses Within "CAPS"	2,058,861.56	2,058,861.56	938,078.54	1,120,783.02
Deferred Charges and Statutory Expenditures Within "CAPS":				
Social Security (O.A.S.I.)	15,141.03	15,141.03	14,076.69	1,064.34
Total Deferred Charges and Statutory Expenditures Within "CAPS"	15,141.03	15,141.03	14,076.69	1,064.34
Total Reserves Within "CAPS"	2,744,893.94	2,744,893.94	1,036,312.44	1,708,581.50
Other Expenses Excluded From "CAPS":				
Maintenance of Free Public Library	218,526.47	218,526.47	218,526.47	-
Emergency Services Volunteer Length of Service Award Program	30,000.00	30,000.00	30,000.00	-
Reserve for Tax Appeals	7,533.12	7,533.12	-	7,533.12
Emergency Coronavirus Response	5,342.37	5,342.37	-	5,342.37
Sustainable New Jersey Corp. Grant	18,000.00	18,000.00	-	18,000.00
Total Other Expenses Excluded from "CAPS"	279,401.96	279,401.96	248,526.47	30,875.49
Capital Improvements				
NJ Transportation Trust Fund - Green Road	167,961.25	167,961.25	167,961.25	-
Total Capital Improvements Excluded from "CAPS"	167,961.25	167,961.25	167,961.25	-
Total Reserves Excluded from "CAPS"	447,363.21	447,363.21	416,487.72	30,875.49
Total Reserves	3,192,257.15	3,192,257.15	1,452,800.16	1,739,456.99

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Ref.

Analysis of Appropriation Reserve

Unencumbered	A	2,624,014.50
Encumbered	A	568,242.65
		3,192,257.15

Analysis of Paid or Charged

Cash Disbursements	A-4	1,452,530.16
Encumbrances Payable - Various Reserves	A-14	270.00
		1,452,800.16

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Township of Sparta, N.J.

Schedule of Encumbrances Payable - Various Reserves

Current Fund

Year Ended December 31, 2021

	<u>Ref.</u>		
Balance - December 31, 2020	A		699.53
Increased by:			
Appropriation Reserves	A-13	270.00	
Various Cash Liabilities and Reserves	A-19	<u>52,269.65</u>	
			<u>52,539.65</u>
			53,239.18
Decreased by:			
Cash Disbursements	A-4		<u>699.53</u>
Balance - December 31, 2021	A		<u><u>52,539.65</u></u>

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Township of Sparta, N.J.

Schedule of Prepaid Taxes

Current Fund

Year Ended December 31, 2021

	<u>Ref.</u>		
Balance - December 31, 2020	A		1,047,005.05
Increased by:			
Receipts - Prepaid 2022 Taxes	A-6	888,280.62	
		<u>1,935,285.67</u>	
Decreased by:			
Applied to 2021 Taxes	A-8		<u>1,047,005.05</u>
Balance - December 31, 2021	A		<u><u>888,280.62</u></u>

Township of Sparta, N.J.

Schedule of Local District School Tax Payable

Current Fund

Year Ended December 31, 2021

	<u>Ref.</u>	
Increased by:		
Levy Calendar Year 2021	A-1; A-8	<u>64,600,967.00</u>
Decreased by:		
Payments	A-4	<u>64,600,967.00</u>

Schedule of County Taxes Payable

Current Fund

Year Ended December 31, 2021

	<u>Ref.</u>		
Balance - December 31, 2020	A		280,965.97
Increased by:			
Levy	A-8	18,097,122.37	
Added and Omitted Taxes	A-8	<u>123,667.77</u>	
	A-1		<u>18,220,790.14</u>
			18,501,756.11
Decreased by:			
Payments	A-4		<u>18,378,088.34</u>
Balance - December 31, 2021	A		<u>123,667.77</u>

Township of Sparta, N.J.

Schedule of Due to Library

Current Fund

Year Ended December 31, 2021

	<u>Ref.</u>	
Balance - December 31, 2020	A	<u>2,629.59</u>
Decreased by:		
Cancelled	A-1	<u>2,629.59</u>

Township of Sparta, N.J.

Schedule of Various Cash Liabilities and Reserves

Current Fund

Year Ended December 31, 2021

<u>Liabilities and Reserves</u>	Balance, Dec. 31, 2020	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, 2021
<u>Liabilities:</u>				
Tax Overpayments	252,819.93	110,337.09	245,725.53	117,431.49
Due to State of New Jersey:				
Construction Code Surcharge	27,152.00	46,697.00	73,849.00	-
Marriage License Surcharge	750.00	3,125.00	2,850.00	1,025.00
	<u>280,721.93</u>	<u>160,159.09</u>	<u>322,424.53</u>	<u>118,456.49</u>
	A			A
	<u>Ref.</u>			
Receipts	A-4	160,159.09	-	
Disbursed	A-4	-	270,154.88	
Reserve for Encumbrances	A-15	-	52,269.65	
		<u>160,159.09</u>	<u>322,424.53</u>	

Township of Sparta, N.J.

Schedule of Grants Receivable

Federal and State Grant Fund

Year Ended December 31, 2021

<u>Grant</u>	Balance, Dec. 31, 2020	Budget Revenue	Received	Transfer from Unappropriated Reserves	Balance, Dec. 31, 2021
Federal Grants:					
Drive Sober or Get Pulled Over	-	30,753.00	-	30,753.00	-
COVID Emergency Grant	95,965.78	-	95,965.78	-	-
	<u>95,965.78</u>	<u>30,753.00</u>	<u>95,965.78</u>	<u>30,753.00</u>	<u>-</u>
State Grants:					
Clean Communities Grant	1,424.35	45,734.00	-	45,734.00	1,424.35
Highlands Grant	13,054.65	-	-	-	13,054.65
Municipal Alliance Program	16,242.05	16,042.00	11,150.00	-	21,134.05
DOT Grant - Green Road	175,000.00	-	-	-	175,000.00
	<u>205,721.05</u>	<u>61,776.00</u>	<u>11,150.00</u>	<u>45,734.00</u>	<u>210,613.05</u>
Local Grants:					
Sustainable New Jersey Grant	18,000.00	-	-	-	18,000.00
	<u>319,686.83</u>	<u>92,529.00</u>	<u>107,115.78</u>	<u>76,487.00</u>	<u>228,613.05</u>
	A	A-2	A-23	A-22	A

Township of Sparta, N.J.

Schedule of Appropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2021

<u>Grant</u>	Balance, Dec. 31, 2020	Transfer From 2021 Budget	<u>Expended</u>	Balance, Dec. 31, 2021
Federal Grants:				
Drive Sober or Get Pulled Over	-	30,753.00	-	30,753.00
COVID Emergency Grant	95,965.78	-	95,965.78	-
	95,965.78	30,753.00	95,965.78	30,753.00
State Grants:				
Recycling Tonnage Grant	57,386.79	-	55,667.29	1,719.50
Drunk Driving Enforcement Fund	31,899.55	-	9,252.97	22,646.58
Clean Communities	106,878.32	45,734.00	140,268.81	12,343.51
Alcohol Education & Rehab Grant	3,418.93	-	-	3,418.93
Municipal Alliance on Alcoholism and Drug Abuse	19,917.01	16,042.00	1,000.66	34,958.35
Body Armor Replacement	79.71	-	-	79.71
Highlands Commission Grant	21,451.65	-	-	21,451.65
	241,031.96	61,776.00	206,189.73	96,618.23
Local Grants:				
Sustainable New Jersey Grant	18,080.84	-	-	18,080.84
Municipal Alliance on Alcoholism and Drug Abuse	24,140.12	4,250.00	402.58	27,987.54
	42,220.96	4,250.00	402.58	46,068.38
	336,997.74	92,529.00	302,155.51	127,371.23
	A			A
	<u>Ref.</u>			
State and Federal Grants	A-3	88,279.00	-	
Matching Funds for Grants	A-23	4,250.00	-	
Interfund - Current Fund	A-23	-	246,832.24	
Encumbrances Payable	A-24	-	55,323.27	
		92,529.00	302,155.51	

Township of Sparta, N.J.

Schedule of Unappropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2021

<u>Grant</u>	<u>Balance</u> <u>Dec. 31, 2020</u>	<u>Transfer</u> <u>To 2021</u> <u>Budget</u>	<u>Received</u>	<u>Balance</u> <u>Dec. 31, 2021</u>
Federal Grants:				
Local Fiscal Recovery Funds - ARP	-	-	372,109.20	372,109.20
Distracted Driving Grant	-	-	6,325.00	6,325.00
Drive Sober or Get Pulled Over	30,753.75	30,753.00	-	0.75
	<u>30,753.75</u>	<u>30,753.00</u>	<u>378,434.20</u>	<u>378,434.95</u>
State Grants:				
Recycling Tonnage Grant	-	-	40,972.95	40,972.95
Clean Communities	45,734.74	45,734.00	48,661.35	48,662.09
Alcohol Education and Rehabilitation Fund	-	-	4,738.00	4,738.00
	<u>45,734.74</u>	<u>45,734.00</u>	<u>94,372.30</u>	<u>94,373.04</u>
Local Grants:				
Municipal Alliance on Alcoholism and Drug Abuse	-	-	2,347.70	2,347.70
	<u>76,488.49</u>	<u>76,487.00</u>	<u>475,154.20</u>	<u>475,155.69</u>
	A	A-20	A-23	A

Township of Sparta, N.J.

Schedule of Interfunds

Federal and State Grant Fund

Year Ended December 31, 2021

		Due From/(To) Balance			Due From/(To) Balance
	<u>Ref.</u>	<u>Dec. 31, 2020</u>	<u>Increased</u>	<u>Decreased</u>	<u>Dec. 31, 2021</u>
Current Fund	A	<u>152,619.54</u>	<u>586,519.98</u>	<u>255,722.34</u>	<u>483,417.18</u>
State Grant Receipts	A-20		107,115.78	-	
Matching Funds for State Grants	A-21		4,250.00	-	
State Grant Expenditures	A-21		-	246,832.24	
Unappropriated Reserves	A-22		475,154.20	-	
Encumbrances	A-24		-	8,890.10	
			<u>586,519.98</u>	<u>255,722.34</u>	

Township of Sparta, N.J.

Schedule of Encumbrances Payable

Federal and State Grant Fund

Year Ended December 31, 2021

	<u>Ref.</u>	
Balance - December 31, 2020	A	16,599.18
Increased by:		
Appropriated Reserves	A-21	<u>55,323.27</u>
		71,922.45
Decreased by:		
Interfund - Current Fund	A-23	<u>8,890.10</u>
Balance - December 31, 2021	A	<u><u>63,032.35</u></u>

Township of Sparta, N.J.

Schedule of Cash

Trust Funds

Year Ended December 31, 2021

		Emergency Services Volunteer Length of Service Award Program	Assessment Trust Fund	Animal Control Trust Fund	Other Trust Funds
	<u>Ref.</u>				
Balance - December 31, 2020	B	<u>304,177.78</u>	<u>231,378.37</u>	<u>24,286.16</u>	<u>6,472,341.24</u>
Increased by Receipts:					
Assessments Receivable	B-3	-	-	-	-
Prepaid Dog Licenses	B-9	-	-	6,822.00	-
Interfund - Current Fund	B-10	-	-	-	826.89
Other Trust Funds	B-11	-	-	-	25,977,307.77
Dog License Fees - Township Share	B-13	-	-	8,270.00	-
Cat License Fees	B-13	-	-	958.00	-
Dog Late Fees	B-13	-	-	95.00	-
Cat Late Fees	B-13	-	-	10.00	-
Miscellaneous	B-13	-	-	9,740.88	-
Dog License Fees - State Share	B-14	-	-	1,716.60	-
Township Contributions	B-15	20,700.00	-	-	-
Increase in Investment Value	B-16	56,408.24	-	-	-
Total Receipts		<u>77,108.24</u>	<u>-</u>	<u>27,612.48</u>	<u>25,978,134.66</u>
		<u>381,286.02</u>	<u>231,378.37</u>	<u>51,898.64</u>	<u>32,450,475.90</u>
Decreased by Disbursements:					
Payment of Principal & Interest	B-7	-	-	-	-
Other Trust Funds	B-11	-	-	-	26,305,803.06
Reserve from Encumbrances	B-12	-	-	1,119.60	147,565.76
Reserve (Deficit) for Animal Control Expenditures	B-13	-	-	32,006.99	-
State Share - Dog Licenses	B-14	-	-	1,683.00	-
Accounting Charge	B-16	1,375.00	-	-	-
Distributions	B-16	6,831.28	-	-	-
Total Disbursements		<u>8,206.28</u>	<u>-</u>	<u>34,809.59</u>	<u>26,453,368.82</u>
Balance - December 31, 2021	B	<u>373,079.74</u>	<u>231,378.37</u>	<u>17,089.05</u>	<u>5,997,107.08</u>

Township of Sparta, N.J.

Analysis of Assessment Cash

Assessment Trust Fund

Year Ended December 31, 2021

	Balance <u>Dec. 31, 2020</u>	Balance <u>Dec. 31, 2021</u>
Glen Lake Dam	<u>231,378.37</u>	<u>231,378.37</u>
	B	B

Township of Sparta, N.J.

Schedule of Assessments Receivable

Assessment Trust Fund

Year Ended December 31, 2021

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Confir- mation</u>	<u>Balance Dec. 31, 2020</u>	<u>Balance Dec. 31, 2021</u>	<u>Balance Pledged to</u>	
					<u>NJ DEP Loan</u>	<u>Reserve</u>
16-03	Glen Lake Dam	10/25/2016	<u>503,204.35</u>	<u>503,204.35</u>	<u>369,549.55</u>	<u>133,654.80</u>
			B	B	B-7	B-8

B-4

Township of Sparta, N.J.

Statement of Revenues

Assessment Trust Fund

Year Ended December 31, 2021

	<u>Budget Revenue</u>	<u>Realized</u>	<u>Canceled</u>
Assessment Cash	54,630.00	-	54,630.00
	<u>B-5</u>	<u>B-5</u>	

B-5

Statement of Expenditures

Assessment Trust Fund

Year Ended December 31, 2021

	<u>Appropriated</u>	<u>Paid or Charged</u>	<u>Canceled</u>
Payment of DEP Loan Principal	44,550.00	-	44,550.00
Payment of DEP Loan Interest	10,080.00	-	10,080.00
	<u>54,630.00</u>	<u>-</u>	<u>54,630.00</u>
	<u>B-4</u>	<u>B-4</u>	

Township of Sparta, N.J.
Schedule of Change Fund
Animal Control Trust Fund
Year Ended December 31, 2021

Ref.

Balance - December 31, 2020	B	<u>25.00</u>
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Balance - December 31, 2021	B	<u>25.00</u>
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Township of Sparta, N.J.

Schedule of NJ Department of Environmental Protection Loan Payable

Assessment Trust Fund

Year Ended December 31, 2021

	<u>Ref.</u>	
Balance - December 31, 2020	B	<u>600,927.92</u>
Balance - December 31, 2021	B; B-3	<u>600,927.92</u>

Township of Sparta, N.J.

Schedule of Reserve for Assessments and Liens

Year Ended December 31, 2021

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance Dec. 31, 2020</u>	<u>Balance Dec. 31, 2021</u>
<u>Assessments Receivable</u>			
16-03	Glen Lake Dam	133,654.80	133,654.80
		<u>B</u>	<u>B/B-3</u>

Township of Sparta, N.J.

Schedule of Prepaid Licenses - Animal Control

Trust Funds

Year Ended December 31, 2021

	<u>Ref.</u>		
Balance - December 31, 2020	B		12,514.33
Increased by:			
Cash Receipts	B-1		<div>6,822.00</div> <hr/> 19,336.33
Decreased by:			
Prepaid Dog Licenses Applied	B-13	7,840.00	
Prepaid Cat Licenses Applied	B-13	<div>756.00</div> <hr/>	<div>8,596.00</div> <hr/>
Balance - December 31, 2021	B		<div>10,740.33</div> <hr/> <hr/>

Township of Sparta, N.J.

Schedule of Interfunds

Other Trust Fund

Year Ended December 31, 2021

	Due From/(To) Balance <u>Dec. 31, 2020</u>	<u>Increased</u>	<u>Decreased</u>	Due From/(To) Balance <u>Dec. 31, 2021</u>
Interfund - Current	<u>826.89</u>	<u>2,281.89</u>	<u>826.89</u>	<u>2,281.89</u>
	B	B-11	B-1	B

Township of Sparta, N.J.

Schedule of Other Trust Funds

Trust Funds

Year Ended December 31, 2021

	Balance Dec. 31, 2020	Increased	Decreased	Balance Dec. 31, 2021
Reserve for P.O.A.A.	2,342.54	6.00	-	2,348.54
Reserve for Recreation Activities	136,460.95	403,110.99	381,901.22	157,670.72
Reserve for Health Plan	458,228.96	33,513.21	94,282.73	397,459.44
Reserve for Outside Police Employment	9,654.73	159,240.70	166,989.43	1,906.00
Reserve for Public Defender	-	8,400.00	5,400.00	3,000.00
Reserve for Road Openings	97,565.71	182,625.53	70,367.25	209,823.99
Reserve for Snow Removal	392,876.42	423,353.55	406,341.37	409,888.60
Reserve for Public Safety Donation	4,381.82	42,621.70	16,230.40	30,773.12
Reserve for Fire Safety	6,484.67	-	-	6,484.67
Reserve for State Unemployment Insurance Tax	196,304.12	15,696.14	6,735.84	205,264.42
Reserve for C.O.A.H. Fees	1,257,965.32	129,482.33	20,881.31	1,366,566.34
Reserve for Performance Bonds	1,071,777.09	146,110.33	240,242.09	977,645.33
Reserve for Developer's Escrow	61,386.53	89,131.86	84,661.99	65,856.40
Reserve for Accrued Leave	227,352.49	53,633.51	-	280,986.00
Reserve for Open Space	602,729.92	338,332.57	330,000.00	611,062.49
Reserve for Payroll	95,716.10	21,456,412.81	21,517,604.76	34,524.15
Reserve for Video Camera Funds	375.00	675.00	-	1,050.00
Reserve for Premium on Tax Sale	1,704,000.00	736,000.00	1,251,500.00	1,188,500.00
Reserve for Outside Lienholder	-	1,761,243.43	1,755,720.60	5,522.83
	<u>6,325,602.37</u>	<u>25,979,589.66</u>	<u>26,348,858.99</u>	<u>5,956,333.04</u>
	B			B
	<u>Ref.</u>			
Cash Receipts	B-1	25,977,307.77	-	
Cash Disbursements	B-1	-	26,305,803.06	
Interfund - Current Fund	B-10	2,281.89	-	
Encumbrances	B-12	-	43,055.93	
		<u>25,979,589.66</u>	<u>26,348,858.99</u>	

Township of Sparta, N.J.
Schedule of Reserve for Encumbrances
Trust Funds
Year Ended December 31, 2021

	<u>Ref.</u>		
Balance - December 31, 2020			
Animal Control Trust Fund	B	1,119.60	
Other Trust Funds	B	<u>147,565.76</u>	
			148,685.36
Increased by:			
Charges to Animal Control Fund	B-13	400.00	
Charges to Other Trust Reserves	B-11	<u>43,055.93</u>	
			<u>43,455.93</u>
			192,141.29
Decreased by:			
Animal Control Disbursed	B-1	1,119.60	
Other Trust Disbursed	B-1	<u>147,565.76</u>	
			<u>148,685.36</u>
Balance - December 31, 2021			
Animal Control Trust Fund	B	400.00	
Other Trust Funds	B	<u>43,055.93</u>	
			<u><u>43,455.93</u></u>

Township of Sparta, N.J.

Reserve (Deficit) for Animal Control Fund Expenditures

Animal Control Trust Fund

Year Ended December 31, 2021

	<u>Ref.</u>	
Balance - December 31, 2020	B	10,673.63
Increased by:		
Dog License Fees	B-1	8,270.00
Prepaid Dog Licenses Applied	B-9	7,840.00
Cat License Fees	B-1	958.00
Prepaid Cat Licenses Applied	B-9	756.00
Dog Late Fees	B-1	95.00
Cat Late Fees	B-1	10.00
Miscellaneous	B-1	<u>9,740.88</u>
		<u>27,669.88</u>
		38,343.51
Decreased by:		
Expenditures R.S. 4:19-1511	B-1	32,006.99
Encumbrances	B-12	<u>400.00</u>
		<u>32,406.99</u>
Balance - December 31, 2021	B	<u><u>5,936.52</u></u>

License Fees Collected

<u>Year</u>	
2020	19,779.67
2019	<u>22,097.67</u>
	<u><u>41,877.34</u></u>

Schedule of Due To/(From) State Department of Health

Animal Control Trust Fund

Year Ended December 31, 2021

	<u>Ref.</u>	
Balance - December 31, 2020	B	3.60
Increased by:		
State Fees Collected	B-1	<u>1,716.60</u>
		1,720.20
Decreased by:		
Paid to State	B-1	<u>1,683.00</u>
Balance - December 31, 2021	B	<u><u>37.20</u></u>

Township of Sparta, N.J.

Schedule of Contributions Receivable

Emergency Services Volunteer Length of Services Award Program

Year Ended December 31, 2021

	<u>Ref.</u>		
Balance - December 31, 2020	B		31,050.00
Increased by:			
2021 Township Contributions	B-16		<u>24,610.00</u>
			55,660.00
Decreased by:			
Receipts	B-1	20,700.00	
Adjustment to 2020 Contribution	B-16	<u>10,350.00</u>	
			<u>31,050.00</u>
Balance - December 31, 2021	B		<u><u>24,610.00</u></u>

Schedule of Net Assets Available for Benefits

Emergency Services Volunteer Length of Services Award Program

Year Ended December 31, 2021

	<u>Ref.</u>		
Balance - December 31, 2020	B		335,227.78
Increased by:			
2021 Township Contributions	B-15	24,610.00	
Increase in Investment Value	B-1	<u>56,408.24</u>	
			<u>81,018.24</u>
			416,246.02
Decreased by:			
Accounting Charge	B-1	1,375.00	
Distributions	B-1	6,831.28	
Adjustment to 2020 Contribution	B-15	<u>10,350.00</u>	
			<u>18,556.28</u>
Balance - December 31, 2021	B		<u><u>397,689.74</u></u>

Township of Sparta, N.J.

Schedule of Cash

General Capital Fund

Year Ended December 31, 2021

	<u>Ref.</u>		
Balance - December 31, 2020	C		3,192,961.28
Increased by Receipts:			
Premium on Issuance of BAN	C-1	10,797.43	
Budget Appropriations:			
Deferred Charges Unfunded	C-6	486,859.00	
Capital Improvement Fund	C-10	<u>2,200,000.00</u>	
			<u>2,697,656.43</u>
			5,890,617.71
Decreased by Disbursements:			
Improvement Authorizations	C-9	2,206,367.28	
Encumbrances Payable	C-11	<u>1,495,417.73</u>	
			<u>3,701,785.01</u>
Balance - December 31, 2021	C		<u><u>2,188,832.70</u></u>

Township of Sparta, N.J.

Analysis of Cash

General Capital Fund

Year Ended December 31, 2021

		Balance or (Deficit) Dec. 31, 2020	Receipts		Disbursements	Transfers		Balance or (Deficit) Dec. 31, 2021
			Budget Appropriations	Miscellaneous	Improvement Authorizations	From	To	
Fund Balance		212,465.59	-	10,797.43	-	95,000.00	-	128,263.02
Grants Receivable		-	-	-	-	167,000.00	-	(167,000.00)
Capital Improvement Fund		85,804.16	2,200,000.00	-	-	2,235,000.00	-	50,804.16
Reserve for Encumbrances		1,509,356.83	-	-	1,495,413.18	3,573.30	562,141.67	572,512.02
Reserve for Developers Contribution		74,566.00	-	-	-	-	-	74,566.00
Improvement Authorizations:								
09-26	Acquisition and Installation of Sustainable Energy Solar Panels	14,032.23	-	-	-	4,314.14	4.55	9,722.64
10-18	2010 - Various Improvements or Purposes	115,378.42	-	-	74,379.54	6,822.00	-	34,176.88
10-23	Installation of Solar Panels at Germany Flats	18,645.23	-	-	-	-	-	18,645.23
16-18	Purchase of Fire Truck	(100,000.00)	100,000.00	-	-	-	-	-
17-06	Various Capital Improvements	-	-	-	-	-	3,568.75	3,568.75
18-04	Various Capital Improvements	182,665.73	-	-	80,282.29	5,148.91	-	97,234.53
18-10	Various Capital Improvements	499.20	-	-	390.17	-	-	109.03
18-13	Improvements to Demarest Rd II and Green Rd	(56,859.36)	56,859.00	-	-	-	-	(0.36)
19-05	Various Capital Improvements	32,122.89	-	-	22,529.39	8,968.50	-	625.00
19-08	Improvements to the DPW Facilities	26,414.28	-	-	23,526.65	2,100.00	-	787.63
19-09	Installation of Turf Field #1 Station Park	656,813.75	330,000.00	-	6,501.25	-	-	980,312.50
19-10	Improvement to Old Prospect & East Mt. Roads	(28,515.99)	-	-	-	-	-	(28,515.99)
20-07	Various Capital Improvements	449,572.32	-	-	416,912.70	14,752.70	-	17,906.92
21-07	Various Capital Improvements	-	-	-	1,489,263.53	519,035.42	2,367,000.00	358,701.05
21-17	Purchase of Property - 33 Holland Cr	-	-	-	92,586.31	-	95,000.00	2,413.69
21-18	Acquisition of a New and Additional Fire Truck	-	-	-	-	1,000.00	35,000.00	34,000.00
		<u>3,192,961.28</u>	<u>2,686,859.00</u>	<u>10,797.43</u>	<u>3,701,785.01</u>	<u>3,062,714.97</u>	<u>3,062,714.97</u>	<u>2,188,832.70</u>
		C						C

Township of Sparta, N.J.

**Schedule of Deferred Charges to Future
Taxation - Funded**

General Capital Fund

Year Ended December 31, 2021

	<u>Ref.</u>	
Balance - December 31, 2020	C	3,660,000.00
Decreased by:		
Serial Bonds Paid by Current Year		
Budget Appropriations	C-7	<u>1,120,000.00</u>
Balance - December 31, 2021	C	<u><u>2,540,000.00</u></u>

Township of Sparta, N.J.
Schedule of Grants Receivable
General Capital Fund
Year Ended December 31, 2021

	<u>Ref.</u>	
Increased by:		
Improvement Authorizations	C-9	<u>167,000.00</u>
Balance - December 31, 2021	C	<u><u>167,000.00</u></u>

<u>Analysis</u>		
NJ DOT Municipal Aid (Ord. No. 21-07)		<u>167,000.00</u>
		<u><u>167,000.00</u></u>

Township of Sparta, N.J.

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2021

Ordinance Number	Improvement Description	Balance Dec. 31, 2020	2021 Authorizations	Notes Paid by 2021 Budget Appropriation	Funded by Budget Appropriation	Balance Dec. 31, 2021	Analysis of Balance Dec. 31, 2021		
							Financed by Bond Anticipation Notes	Expended	Unexpended Improvement Authorization
16-18	Purchase of Fire Truck	100,000.00	-	-	100,000.00	-	-	-	-
18-04	Various Capital Improvements	840,000.00	-	105,000.00	-	735,000.00	735,000.00	-	-
18-13	Improvements to Demarest Rd II and Green Rd	56,859.36	-	-	56,859.00	0.36	-	0.36	-
19-08	Improvements to the DPW Facilities	812,300.00	-	90,200.00	-	722,100.00	721,600.00	500.00	-
19-09	Installation of Turf Field #1 Station Park	390,000.00	-	-	330,000.00	60,000.00	-	-	60,000.00
19-10	Improvement to Old Prospect & East Mt. Roads	28,515.99	-	-	-	28,515.99	-	28,515.99	-
21-18	Acquisition of New and Additional Fire Truck	-	665,000.00	-	-	665,000.00	-	-	665,000.00
		<u>2,227,675.35</u>	<u>665,000.00</u>	<u>195,200.00</u>	<u>486,859.00</u>	<u>2,210,616.35</u>	<u>1,456,600.00</u>	<u>29,016.35</u>	<u>725,000.00</u>
		C	C-9; C-13	C-8	C-2; C-13	C	C-8		

Improvement Authorizations Unfunded

Less: Unexpended Proceeds of Bond

Anticipation Notes

823,522.16

Ord. # 18-04

97,234.53

Ord. # 19-08

1,287.63

98,522.16

725,000.00

Township of Sparta, N.J.

Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2021

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding, December 31, 2021</u>		<u>Interest Rate</u>	<u>Balance Dec. 31, 2020</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2021</u>
			<u>Date</u>	<u>Amount</u>				
Refunding Bonds of 2011	09/08/2011	5,015,000.00	04/01/22	525,000.00	5.000%			
			04/01/23	525,000.00	3.500%	1,550,000.00	500,000.00	1,050,000.00
General Bonds of 2013	10/15/2013	4,590,000.00	10/15/22	475,000.00	3.000%			
			10/15/23	500,000.00	3.000%			
			10/15/24	515,000.00	3.000%	1,940,000.00	450,000.00	1,490,000.00
Refunding Bonds of 2014	09/10/2014	1,010,000.00				170,000.00	170,000.00	-
						<u>3,660,000.00</u>	<u>1,120,000.00</u>	<u>2,540,000.00</u>
						C	C-4	C

Township of Sparta, N.J.

Schedule of Bond Anticipation Notes Payable

General Capital Fund

Year Ended December 31, 2021

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Original Note</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance Dec. 31, 2020</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2021</u>
18-04	Various Capital Improvements	1,050,000.00	10/3/2018	10/2/2020 9/30/2021	10/2/2021 9/29/2022	1.25% 1.00%	840,000.00 -	- 735,000.00	840,000.00 -	- 735,000.00
19-08	Improvement to the DPW Facility	902,000.00	10/3/2019	10/2/2020 9/30/2021	10/2/2021 9/29/2022	1.25% 1.00%	811,800.00 -	- 721,600.00	811,800.00 -	- 721,600.00
							<u>1,651,800.00</u>	<u>1,456,600.00</u>	<u>1,651,800.00</u>	<u>1,456,600.00</u>
							C			C; C-6
						<u>Ref.</u>				
					Renewals			1,456,600.00	1,456,600.00	
					Paid by Current Fund Budget Appropriation	C-6			195,200.00	
								<u>1,456,600.00</u>	<u>1,651,800.00</u>	

Township of Sparta, N.J.
Schedule of Improvement Authorizations
General Capital Fund
Year Ended December 31, 2021

Ordinance Number	Improvement Description	Ordinance		Balance Dec. 31, 2020		2021 Authorizations	Encumbrances Cancelled	Paid or Charged	Balance Dec. 31, 2021	
		Date	Amount	Funded	Unfunded				Funded	Unfunded
General Improvements:										
09-26	Acquisition and Installation of Sustainable Energy Solar Panels	08/18/09	700,000.00	14,032.23	-	-	-	4,309.59	9,722.64	-
10-18	2010 - Various Improvements or Purposes:	08/24/10	337,050.00	115,378.42	-	-	-	81,201.54	34,176.88	-
10-23	Installation of Solar Panels at Germany Flats	11/30/10	1,732,500.00	18,645.23	-	-	-	-	18,645.23	-
17-06	Various Capital Improvements	06/13/17	1,500,000.00	-	-	-	3,568.75	-	3,568.75	-
18-04	Various Capital Improvements	04/24/18	1,200,000.00	-	182,665.73	-	-	85,431.20	-	97,234.53
18-10	Various Capital Improvements	08/28/18	100,000.00	499.20	-	-	-	390.17	109.03	-
19-05	Various Capital Improvements	05/28/19	1,900,000.00	32,122.89	-	-	-	31,497.89	625.00	-
19-08	Improvements to the DPW Facilities	07/09/19	950,000.00	-	26,914.28	-	-	25,626.65	-	1,287.63
19-09	Installation of Turf Field #1 Station Park	07/09/19	1,050,000.00	656,813.75	390,000.00	-	-	6,501.25	980,312.50	60,000.00
20-07	Various Capital Improvements	06/09/20	2,200,000.00	449,572.32	-	-	-	431,665.40	17,906.92	-
21-07	Various Capital Improvements	05/25/21	2,367,000.00	-	-	2,367,000.00	-	2,008,298.95	358,701.05	-
21-17	Purchase of Property - 33 Holland Cr	10/12/21	95,000.00	-	-	95,000.00	-	92,586.31	2,413.69	-
21-18	Acquisition of a New and Additional Fire Truck	11/23/21	700,000.00	-	-	700,000.00	-	1,000.00	34,000.00	665,000.00
				<u>1,287,064.04</u>	<u>599,580.01</u>	<u>3,162,000.00</u>	<u>3,568.75</u>	<u>2,768,508.95</u>	<u>1,460,181.69</u>	<u>823,522.16</u>
				C	C		C-11		C	C
					Ref					
Fund Balance					C-1	95,000.00				
Cash Disbursements					C-2	-	2,206,367.28			
Grants Receivable					C-5	167,000.00				
Deferred Charges to Future Taxation - Unfunded					C-6	665,000.00				
Capital Improvement Fund					C-10	2,235,000.00				
Encumbrances Payable					C-11	-	562,141.67			
						<u>3,162,000.00</u>	<u>2,768,508.95</u>			

Township of Sparta, N.J.
Schedule of Capital Improvement Fund
General Capital Fund
Year Ended December 31, 2021

	<u>Ref.</u>	
Balance - December 31, 2020	C	85,804.16
Increased by:		
Budget Appropriation	C-2	<u>2,200,000.00</u> 2,285,804.16
Decreased by:		
Appropriated to Finance Improvement Authorizations	C-9	<u>2,235,000.00</u>
Balance - December 31, 2021	C	<u><u>50,804.16</u></u>

C-11

Township of Sparta, N.J.

Schedule of Reserve for Encumbrances

General Capital Fund

Year Ended December 31, 2021

	<u>Ref.</u>	
Balance - December 31, 2020	C	1,509,356.83
Increased by:		
Improvement Authorizations	C-9	<u>562,141.67</u>
		2,071,498.50
Decreased by:		
Cash Disbursed	C-2	1,495,417.73
Cancelled	C-9	<u>3,568.75</u>
		<u>1,498,986.48</u>
Cash Receipts		
Balance - December 31, 2021	C	<u><u>572,512.02</u></u>

C-12

Schedule of Reserve for Developers Contribution

General Capital Fund

Year Ended December 31, 2021

	<u>Ref.</u>	
Balance - December 31, 2020	C	<u><u>74,566.00</u></u>
Balance - December 31, 2021	C	<u><u>74,566.00</u></u>

Township of Sparta, N.J.

Schedule of Bonds and Notes Authorized But Not Issued

General Capital Fund

Year Ended December 31, 2021

Ordinance Number	Improvement Description	Balance Dec. 31, 2020	2021 Authorizations	Funded by Budget Appropriation	Balance Dec. 31, 2021
16-18	Purchase of Fire Truck	100,000.00	-	100,000.00	-
18-13	Improvements to Demarest Rd II and Green Rd	56,859.36	-	56,859.00	0.36
19-08	Improvements to the DPW Facilities	500.00	-	-	500.00
19-09	Installation of Turf Field #1 Station Park	390,000.00	-	330,000.00	60,000.00
19-10	Improvement to Old Prospect & East Mt. Roads	28,515.99	-	-	28,515.99
21-18	Acquisition of a New and Additional Fire Truck	-	665,000.00	-	665,000.00
		<u>575,875.35</u>	<u>665,000.00</u>	<u>486,859.00</u>	<u>754,016.35</u>
		Footnote C	C-6	C-6	Footnote C

Township of Sparta, N.J.

Schedule of Cash

Water Utility Fund

Year Ended December 31, 2021

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance - December 31, 2020	D	<u>2,436,076.57</u>	<u>798,754.49</u>
Increased by Receipts:			
Fire Hydrant Service	D-2	45,089.59	-
Water Tower Cell Phone Lease	D-2	337,970.15	-
Miscellaneous Revenues	D-2	86,481.66	-
Miscellaneous Revenues not Anticipated	D-2	237,159.81	-
Proceeds from BAN Sale	D-3	-	5,399.19
Consumer Accounts Receivable	D-7	3,040,475.48	-
Water Rents Overpayments	D-12	54,497.20	-
Bond Anticipation Notes	D-17	-	-
Capital Improvement Fund	D-19	-	500,000.00
		<u>3,801,673.89</u>	<u>505,399.19</u>
Decreased by Disbursements:			
Fund Balance	D-1	23,743.70	-
Budget Appropriations	D-4	3,525,216.42	-
Appropriation Reserves	D-11	96,864.25	-
Water Rents Overpayments	D-12	393.44	-
Interest on Bonds	D-14	288,902.53	-
Interest on Notes	D-15	10,253.40	-
Improvement Authorizations	D-18	-	447,833.35
Encumbrances Payable	D-20	-	10,539.51
		<u>3,945,373.74</u>	<u>458,372.86</u>
Balance - December 31, 2021	D	<u><u>2,292,376.72</u></u>	<u><u>845,780.82</u></u>

Township of Sparta, N.J.
Schedule of Water Utility Capital Cash
Water Utility Fund
Year Ended December 31, 2021

	Balance Dec. 31, 2020	Receipts		Disbursements	Transfers		Balance Dec. 31, 2021
		Bond Antic. Notes	Budget Appropriations	Improvement Authorizations	To	From	
Fund Balance	23,718.47	5,399.19	-	-	-	-	29,117.66
Reserve for Encumbrances	10,539.51	-	-	10,539.51	117,268.30	-	117,268.30
Capital Improvement Fund	45,939.00	-	500,000.00	-	-	500,000.00	45,939.00
Deferred Charge - Note Paydown	(500.00)	-	-	-	-	-	(500.00)
ORD.							
No.							
09-16	Improvements to the Water Supply and Distribution System	225,000.00	-	-	-	-	225,000.00
16-11	Improvement to The Water Supply and Distribution System	2,877.82	-	-	2,493.65	220.00	164.17
16-14	Improvements to the Highlands Well	28,560.95	-	-	1,862.50	26,698.45	-
18-08	Various Water Capital Improvements	2,179.77	-	-	-	1,420.32	759.45
18-09	Various Water Capital Improvements	6,489.54	-	-	-	3,255.00	3,234.54
19-22	Various Water Capital Improvements	11,588.88	-	-	-	11,103.55	485.33
20-08	Various Water Capital Improvements	442,360.55	-	-	413,679.50	27,627.66	1,053.39
21-08	Various Water Capital Improvements	-	-	-	29,797.70	46,943.32	423,258.98
	<u>798,754.49</u>	<u>5,399.19</u>	<u>500,000.00</u>	<u>458,372.86</u>	<u>617,268.30</u>	<u>617,268.30</u>	<u>845,780.82</u>
	D						D

Township of Sparta, N.J.

Schedule of Consumer Accounts Receivable

Water Utility Operating Fund

Year Ended December 31, 2021

	Balance <u>Dec. 31, 2020</u>	<u>Charges</u>	<u>Collections</u>	Balance <u>Dec. 31, 2021</u>
Water Rents & Capacity Charges	<u>327,172.02</u>	<u>3,108,008.34</u>	<u>3,040,475.48</u>	<u>394,704.88</u>
	D		D-2; D-5	D

Township of Sparta, N.J.
Schedule of Fixed Capital
Water Utility Capital Fund
Year Ended December 31, 2021

	<u>Ref.</u>	
Balance December 31, 2020	D	30,791,823.34
Increased by:		
Improvement Authorizations Completed	D-9	<u>90,000.00</u>
Balance December 31, 2021	D	<u><u>30,881,823.34</u></u>

Township of Sparta, N.J.
Schedule of Fixed Capital Authorized and Uncompleted
Water Utility Capital Fund
Year Ended December 31, 2021

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance Dec. 31, 2020	2021 Authorizations		Balance Dec. 31, 2021
					Deferred Reserve for Amortization	Costs to Fixed Capital	
16-11	Improvement to The Water Supply and Distribution System	06/14/2016	800,000.00	800,000.00	-	-	800,000.00
16-14	Improvements to Highland Well (supp.)	08/09/2016	90,000.00	90,000.00	-	90,000.00	-
18-09	Various Water Capital Improvements	07/10/2018	510,000.00	510,000.00	-	-	510,000.00
19-22	Various Water Capital Improvements	11/12/2019	15,000.00	150,000.00	-	-	150,000.00
20-08	Various Water Capital Improvements	07/14/2020	754,000.00	754,000.00	-	-	754,000.00
21-08	Various Water Capital Improvements	05/25/2021	500,000.00	-	500,000.00	-	500,000.00
				<u>2,304,000.00</u>	<u>500,000.00</u>	<u>90,000.00</u>	<u>2,714,000.00</u>
				D	D-18	D-8	D

Township of Sparta, N.J.
Schedule of Deferred Charges
Water Utility Capital Fund
Year Ended December 31, 2021

	<u>Ref.</u>	
Balance - December 31, 2020	D	<u>500.00</u>
Balance - December 31, 2021	D	<u>500.00</u>

Township of Sparta, N.J.

Schedule of Appropriation Reserves

Water Utility Operating Fund

Year Ended December 31, 2021

	<u>Balance, Dec. 31, 2020</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Operating:				
Salaries and Wages	59,862.76	59,862.76	-	59,862.76
Other Expenses	104,158.03	104,158.03	90,351.13	13,806.90
Capital Improvement Fund:				
Capital Outlay	10,000.00	10,182.30	6,700.00	3,482.30
Deferred Charges and Statutory				
Statutory Expenditures:				
Contribution to:				
Public Employee' Retirement System	2,210.75	2,028.45	-	2,028.45
Social Security System	16,475.00	16,475.00	-	16,475.00
	<u>192,706.54</u>	<u>192,706.54</u>	<u>97,051.13</u>	<u>95,655.41</u>
	<u>Ref.</u>			<u>D-1</u>
<u>Analysis of Reserve Balance</u>				
Unencumbered D	152,662.33			
Encumbered D	40,044.21			
	<u>192,706.54</u>			
<u>Analysis of Paid or Charged</u>				
Cash Disbursed D-5			96,864.25	
Encumbrances Payable D-13			186.88	
			<u>97,051.13</u>	

Schedule of Utility Charge Overpayments

Water Utility Operating Fund

Year Ended December 31, 2021

Balance - December 31, 2020	<u>Ref.</u> D	11,720.23
Increased by;		
Cash Receipts	D-5	54,497.20
		<u>66,217.43</u>
Decreased by:		
Refunded	D-5	393.44
Balance - December 31, 2021	D	<u>65,823.99</u>

Township of Sparta, N.J.
Schedule of Accounts Payable
Water Utility Operating Fund
Year Ended December 31, 2021

	<u>Ref.</u>	
Increased by:		
Appropriation Reserve	D-11	<u>186.88</u>
Balance December 31, 2021	D	<u>186.88</u>

Township of Sparta, N.J.

Schedule of Accrued Interest on Bonds

Water Utility Operating Fund

Year Ended December 31, 2021

	<u>Ref.</u>	
Balance - December 31, 2020	D	103,437.51
Increased by:		
Budget Appropriation for Interest on Bonds	D-4	<u>279,448.00</u>
		382,885.51
Decreased by:		
Interest Paid	D-5	<u>288,902.53</u>
Balance - December 31, 2021	D	<u><u>93,982.98</u></u>

<u>Principal Outstanding Dec. 31, 2021</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period (days)</u>	<u>Required Amount</u>	<u>Actual Amount</u>
760,000.00	Various	10/1/2021	12/31/2021	91	7,145.71	7,232.13
964,000.00	Various	10/15/2021	12/31/2021	77	7,162.07	7,248.68
2,725,000.00	Various	7/1/2021	12/31/2021	183	52,688.75	53,325.94
<u>3,831,000.00</u>	Various	10/4/2021	12/31/2021	88	<u>25,863.44</u>	<u>26,176.22</u>
<u><u>8,280,000.00</u></u>					<u><u>92,859.98</u></u>	<u><u>93,982.97</u></u>
D-16						

Township of Sparta, N.J.

Schedule of Accrued Interest on Notes

Water Utility Operating Fund

Year Ended December 31, 2021

	<u>Ref.</u>	
Balance - December 31, 2020	D	2,677.72
Increased by:		
Budget Appropriation for Interest on Notes	D-4	<u>9,914.00</u>
		12,591.72
Decreased by:		
Interest Paid	D-5	<u>10,253.40</u>
Balance - December 31, 2021	D	<u><u>2,338.32</u></u>

Principal Outstanding <u>Dec. 31, 2021</u>	Interest <u>Rate</u>	<u>From</u>	<u>To</u>	Period <u>(days)</u>	Required <u>Amount</u>	Actual <u>Amount</u>
<u>695,600.00</u>	1.00%	9/30/2021	12/31/2021	92	<u>1,753.29</u>	<u>2,338.32</u>
D-17						

Township of Sparta, N.J.
Schedule of Water Serial Bonds Payable
Water Utility Capital Fund
Year Ended December 31, 2021

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding Dec. 31, 2021</u>		<u>Interest Rate</u>	<u>Balance, Dec. 31, 2020</u>	<u>Decreased by</u>	<u>Balance, Dec. 31, 2021</u>
			<u>Date</u>	<u>Amount</u>				
Water Bonds of 2011	04/28/2011	2,310,000.00	04/01/22	155,000.00	3.500%	915,000.00	155,000.00	760,000.00
			04/01/23	155,000.00	3.500%			
			04/01/24	155,000.00	3.625%			
			04/01/25	155,000.00	4.000%			
			04/01/26	140,000.00	4.000%			
Water Bonds of 2013	10/15/2013	1,424,000.00	10/15/22	70,000.00	2.250%	1,029,000.00	65,000.00	964,000.00
			10/15/23	70,000.00	3.000%			
			10/15/24	75,000.00	3.000%			
			10/15/25	75,000.00	3.250%			
			10/15/26	80,000.00	3.250%			
			10/15/27	80,000.00	3.250%			
			10/15/28	85,000.00	3.250%			
			10/15/29	85,000.00	4.000%			
			10/15/30	85,000.00	4.000%			
			10/15/31	85,000.00	4.000%			
			10/15/32	85,000.00	4.000%			
			10/15/33	89,000.00	4.000%			
Water Refunding Bonds of 2014	09/10/2014	5,828,000.00	01/01/22	545,000.00	5.000%	3,265,000.00	540,000.00	2,725,000.00
			01/01/23	550,000.00	5.000%			
			01/01/24	550,000.00	5.000%			
			01/01/25	540,000.00	5.000%			
			01/01/26	540,000.00	5.000%			

Township of Sparta, N.J.

Schedule of Water Serial Bonds Payable

Water Utility Capital Fund

Year Ended December 31, 2021

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding Dec. 31, 2021</u>		<u>Interest Rate</u>	<u>Balance, Dec. 31, 2020</u>	<u>Decreased by</u>	<u>Balance, Dec. 31, 2021</u>
			<u>Date</u>	<u>Amount</u>				
Water Bonds of 2017	10/1/2017	4,781,000.00	10/01/22	300,000.00	3.000%			
			10/01/23	300,000.00	3.000%			
			10/01/24	300,000.00	3.000%			
			10/01/25	300,000.00	3.000%			
			10/01/26	350,000.00	2.000%			
			10/01/27	350,000.00	2.500%			
			10/01/28	375,000.00	2.500%			
			10/01/29	400,000.00	2.750%			
			10/01/30	400,000.00	2.750%			
			10/01/31	400,000.00	3.000%			
			10/01/32	356,000.00	3.000%			
						<u>4,106,000.00</u>	<u>275,000.00</u>	<u>3,831,000.00</u>
						<u>9,315,000.00</u>	<u>1,035,000.00</u>	<u>8,280,000.00</u>
						D	D-21	D

Township of Sparta, N.J.

Schedule of Water Capital Bond Anticipation Notes

Water Utility Fund

Year Ended December 31, 2021

Ordinance Number	Improvement Description	Original Note		Date of Issue	Date of Maturity	Interest Rate	Balance, Dec. 31, 2020	Increased	Decreased	Balance, Dec. 31, 2021
		Date of Issue	Amount of Issue							
17-07	Improvements to Water Utility System	10/04/17	300,000.00	10/02/20 09/30/21	10/02/21 09/29/22	1.25% 1.00%	210,000.00 -	- 180,000.00	210,000.00 -	- 180,000.00
18-09	Various Water Capital Improvements	10/03/18	410,000.00	10/02/20 09/30/21	10/02/21 09/29/22	1.25% 1.00%	328,000.00 -	- 287,000.00	328,000.00 -	- 287,000.00
20-08	Various Water Capital Improvements	07/14/20	254,000.00	10/02/20 09/30/21	10/02/21 09/29/22	1.25% 1.00%	254,000.00 -	- 228,600.00	254,000.00 -	- 228,600.00
							<u>792,000.00</u>	<u>695,600.00</u>	<u>792,000.00</u>	<u>695,600.00</u>
							D			D
						<u>Ref.</u>				
					Renewals			695,600.00	695,600.00	
					Reserve for Amortization	D-21		-	30,000.00	
					Paid by Budget Appropriation	D-22		-	66,400.00	
								<u>695,600.00</u>	<u>792,000.00</u>	

Township of Sparta, N.J.
Schedule of Improvement Authorizations
Water Utility Capital Fund
Year Ended December 31, 2021

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance Dec. 31, 2020		21 Authorizatio Capital	Paid or Charged	Balance Dec. 31, 2021	
				Funded	Unfunded	Improvement Fund		Funded	Unfunded
General Improvements:									
16-11	Improvement to The Water Supply and Distribution System	06/14/2016	800,000.00	2,877.82	-	-	2,713.65	164.17	-
16-14	Improvements to the Highlands Well (supp.)	08/09/2016	90,000.00	28,560.95	-	-	28,560.95	-	-
18-08	Various Water Capital Improvements	07/10/2018	200,000.00	2,179.77	-	-	1,420.32	759.45	-
18-09	Various Water Capital Improvements	07/10/2018	510,000.00	-	6,489.54	-	3,255.00	-	3,234.54
19-22	Various Water Capital Improvements	11/12/2019	150,000.00	11,588.88	-	-	11,103.55	485.33	-
20-08	Various Water Capital Improvements	07/14/2020	754,000.00	188,360.55	254,000.00	-	441,307.16	-	1,053.39
21-08	Various Water Capital Improvements	05/25/2021	500,000.00	-	-	500,000.00	76,741.02	423,258.98	-
				<u>233,567.97</u>	<u>260,489.54</u>	<u>500,000.00</u>	<u>565,101.65</u>	<u>424,667.93</u>	<u>4,287.93</u>
				D	D	D-9		D	D
						Ref.			
				Cash Disbursements	D-5		447,833.35		
				Encumbrances Payable	D-20		<u>117,268.30</u>		
							<u>565,101.65</u>		

D-19

Township of Sparta, N.J.
Schedule of Capital Improvement Fund
Water Utility Capital Fund
Year Ended December 31, 2021

	<u>Ref.</u>	
Balance - December 31, 2020	D	45,939.00
Increased by:		
Budget Appropriation	D-5	500,000.00
		<u>545,939.00</u>
Decreased by:		
Appropriated to Finance		
Improvement Authorizations	D-22	500,000.00
		<u>500,000.00</u>
Balance - December 31, 2021	D	<u><u>45,939.00</u></u>

D-20

Schedule of Encumbrances Payable
Water Utility Capital Fund
Year Ended December 31, 2021

	<u>Ref.</u>	
Balance - December 31, 2020	D	10,539.51
Increased by:		
Improvement Authorizations	D-18	117,268.30
		<u>127,807.81</u>
Decreased by:		
Cash Disbursements	D-5	10,539.51
		<u>10,539.51</u>
Balance - December 31, 2021	D	<u><u>117,268.30</u></u>

Township of Sparta, N.J.

Schedule of Reserve for Amortization

Water Utility Capital Fund

Year Ended December 31, 2021

	<u>Ref.</u>		
Balance - December 31, 2020	D		21,791,823.34
Increased by:			
Serial Bonds Paid by Operating Budget	D-16	1,035,000.00	
Bond Anticipation Notes Paid by			
Operating Budget	D-17	30,000.00	
Transfer from Deferred Reserve			
for Amortization	D-22	<u>90,000.00</u>	
			<u>1,155,000.00</u>
Balance - December 31, 2021	D		<u><u>22,946,823.34</u></u>

Township of Sparta, N.J.

Schedule of Deferred Reserve for Amortization

Water Utility Capital Fund

Year Ended December 31, 2021

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance, Dec. 31, 2020</u>	<u>Fixed Capital Authorized</u>	<u>Paid From Operating Budget Notes</u>	<u>To Reserve for Amortization</u>	<u>Balance, Dec. 31, 2021</u>
	<u>General Improvements:</u>						
16-11	Improvement to the Water Supply and System	06/14/2016	500,000.00	-	-	-	500,000.00
16-14	Improvements to the Highlands Well (supp.)	08/09/2016	90,000.00	-	-	90,000.00	-
18-09	Various Water Capital Improvements	07/10/2018	182,000.00	-	41,000.00	-	223,000.00
19-22	Various Water Capital Improvements	11/12/2019	150,000.00	-	-	-	150,000.00
20-08	Various Water Capital Improvements	07/14/2020	500,000.00	-	25,400.00	-	525,400.00
21-08	Various WaterCapital Improvements	05/25/2021	-	500,000.00	-	-	500,000.00
			<u>1,422,000.00</u>	<u>500,000.00</u>	<u>66,400.00</u>	<u>90,000.00</u>	<u>1,898,400.00</u>
			D	D-19	D-17	D-21	D

Township of Sparta, N.J.

Schedule of Cash

Sewer Utility Fund

Year Ended December 31, 2021

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance - December 31, 2020	E	<u>106,762.85</u>	<u>708,667.04</u>
Increased by Receipts:			
Sewer Connection Fees	E-2	9,442.20	-
Miscellaneous Revenue	E-2	2,220.11	-
Miscellaneous Revenue Anticipated	E-2	5,937.34	
Local Fiscal Relief Funds	E-2	600,000.00	
Current Fund Surplus Anticipated	E-2	157,549.00	
Capital Surplus	E-3	-	6,300.02
Consumer Accounts Receivable	E-8	910,985.65	-
Sewer Rents Overpayments	E-12	1,057.74	-
		<u>1,687,192.04</u>	<u>6,300.02</u>
Decreased by Disbursements:			
Budget Appropriations	E-5	932,618.50	-
Appropriation Reserves	E-11	21,086.83	-
Interest on Bonds	E-13	67,650.00	-
Interest on Notes	E-14	11,962.29	-
Improvement Authorizations	E-17	-	225,491.04
Reserve for Encumbrances	E-19	-	4,035.00
		<u>1,033,317.62</u>	<u>229,526.04</u>
Balance - December 31, 2021	E	<u><u>760,637.27</u></u>	<u><u>485,441.02</u></u>

Township of Sparta, N.J.
Schedule of Sewer Utility Capital Cash
Sewer Utility Fund
Year Ended December 31, 2021

	Balance Dec. 31, 2020	Receipts	Disbursements	Transfers		Balance Dec. 31, 2021
		Bond Antic. Notes/Bonds	Improvement Authorizations	To	From	
Fund Balance	13,728.30	6,300.02	-	-	-	20,028.32
Reserve for Encumbrances	8,255.30	-	4,035.00	2,100.84	-	6,321.14
Capital Improvement Fund	8,500.00	-	-	-	-	8,500.00
ORD. <u>Improvement Authorizations</u>						
<u>No.</u>						
11-17 Improvements to Sanitary Sewerage System	227.73	-	227.73	-	-	-
19-12 Conversion of White Deer Plaza Sewer Plant Into a Pumping Station	677,955.71	-	225,263.31	-	2,100.84	450,591.56
21-09 Supplemental Appropriation - Conversion of White Deer Plaza Sewer Plant	-	-	-	-	-	-
	<u>708,667.04</u>	<u>6,300.02</u>	<u>229,526.04</u>	<u>2,100.84</u>	<u>2,100.84</u>	<u>485,441.02</u>
	E					E

Township of Sparta, N.J.

Schedule of Consumer Accounts Receivable

Sewer Utility Operating Fund

Year Ended December 31, 2021

	Balance <u>Dec. 31, 2020</u>	<u>Charges</u>	<u>Collections</u>	Balance <u>Dec. 31, 2021</u>
Sewer Rents & Capacity Charges	<u>68,692.69</u>	<u>910,984.37</u>	<u>915,413.73</u>	<u>64,263.33</u>
	E			E
		<u>Ref.</u>		
Cash Receipts		E-6	910,985.65	
Pre-Paid Rents Applied		E-12	<u>4,428.08</u>	
		E-2	<u>915,413.73</u>	

Township of Sparta, N.J.
Schedule of Fixed Capital
Sewer Utility Capital Fund
Year Ended December 31, 2021

	<u>Ref.</u>	
Balance December 31, 2020	E	8,758,594.25
Increased by:		
Improvement Authorizations Completed	E-10	<u>95,000.00</u>
Balance December 31, 2021	E	<u><u>8,853,594.25</u></u>

Township of Sparta, N.J.
Schedule of Fixed Capital Authorized and Uncompleted
Sewer Utility Capital Fund
Year Ended December 31, 2021

Ordinance Number	Improvement Description	Ordinance		Balance	2021	Costs to	Balance
		Date	Amount	Dec. 31, 2020	Authorizations	Fixed Capital	Dec. 31, 2021
11-17	Improvement of Sanitary Sewerage System	10/25/11	95,000.00	95,000.00	-	95,000.00	-
19-12	Conversion of White Deer Plaza Sewer Plant Into a Pumping Station	08/13/19	950,000.00	950,000.00	-	-	950,000.00
21-09	Supplemental Appropriation - Conversion of White Deer Plaza Sewer Plant	05/25/21	500,000.00	-	500,000.00	-	500,000.00
				<u>1,045,000.00</u>	<u>500,000.00</u>	<u>95,000.00</u>	<u>1,450,000.00</u>
				E	E-17	E-9	E

Township of Sparta, N.J.

Schedule of Appropriation Reserves

Sewer Utility Operating Fund

Year Ended December 31, 2021

	Balance, Dec. 31, 2020	Balance After Transfers	Paid	Balance Lapsed
Operating:				
Salaries and Wages	9,387.00	9,387.00	-	9,387.00
Other Expenses	<u>67,949.11</u>	<u>67,949.11</u>	<u>21,086.83</u>	<u>46,862.28</u>
Deferred Charges and Statutory Expenditures:				
Contribution to:				
Social Security System	<u>2,431.00</u>	<u>2,431.00</u>	-	2,431.00
	<u>79,767.11</u>	<u>79,767.11</u>	<u>21,086.83</u>	<u>58,680.28</u>
			E-6	E-1
Ref.				
Unencumbered E	66,282.05			
Encumbered E	<u>13,485.06</u>			
	<u>79,767.11</u>			

Schedule of Sewer Utility Charge Overpayments

Sewer Utility Operating Fund

Year Ended December 31, 2021

	Ref.	
Balance - December 31, 2020	E	4,428.08
Increased by:		
Cash Receipts	E-6	<u>1,057.74</u>
		5,485.82
Decreased by:		
Applied	E-8	<u>4,428.08</u>
Balance - December 31, 2021	E	<u>1,057.74</u>

Township of Sparta, N.J.

Schedule of Accrued Interest on Bonds

Sewer Utility Operating Fund

Year Ended December 31, 2021

	<u>Ref.</u>	
Balance - December 31, 2020	E	26,481.46
Increased by:		
Budget Appropriation for Interest on Bonds	E-5	<u>63,950.00</u>
		90,431.46
Decreased by:		
Interest Paid	E-6	<u>67,650.00</u>
Balance - December 31, 2021	E	<u>22,781.46</u>

<u>Principal Outstanding Dec. 31, 2021</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period (days)</u>	<u>Required Amount</u>	<u>Actual Amount</u>
900,000.00	Various	10/1/2021	12/31/2021	91	8,335.45	8,352.32
760,000.00	Various	7/1/2021	12/31/2021	183	14,400.00	14,429.14
<u>1,660,000.00</u>					<u>22,735.45</u>	<u>22,781.46</u>
E-15						

Schedule of Accrued Interest on Bond Anticipation Notes

Sewer Utility Operating Fund

Year Ended December 31, 2021

	<u>Ref.</u>	
Balance - December 31, 2020	E	4,883.18
Increased by:		
Budget Appropriation for Interest on Notes	E-5	<u>10,542.00</u>
		15,425.18
Decreased by:		
Interest Paid	E-6	<u>11,962.29</u>
Balance - December 31, 2021	E	<u>3,462.89</u>

<u>Principal Outstanding Dec. 31, 2021</u>	<u>Interest Rate</u>	<u>From</u>	<u>To</u>	<u>Period (days)</u>	<u>Required Amount</u>	<u>Actual Amount</u>
18,000.00	1.00%	09/30/21	12/31/2021	92	45.37	64.39
950,000.00	1.00%	09/30/21	12/31/2021	92	2,394.52	3,398.50
<u>968,000.00</u>					<u>2,439.89</u>	<u>3,462.89</u>
E-16						

Township of Sparta, N.J.
Schedule of Sewer Serial Bonds Payable
Sewer Utility Capital Fund
Year Ended December 31, 2021

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding Dec. 31, 2021</u>		<u>Interest Rate</u>	<u>Balance, Dec. 31, 2020</u>	<u>Decreased by</u>	<u>Balance, Dec. 31, 2021</u>
			<u>Date</u>	<u>Amount</u>				
Sewer Bonds of 2011	04/28/11	2,317,000.00	04/01/22	180,000.00	3.500%			
			04/01/23	180,000.00	3.500%			
			04/01/24	180,000.00	3.625%			
			04/01/25	180,000.00	4.000%			
			04/01/26	180,000.00	4.000%	1,080,000.00	180,000.00	900,000.00
Sewer Refunding Bonds of 2014	09/10/14	1,627,000.00	01/01/22	145,000.00	5.000%			
			01/01/23	155,000.00	5.000%			
			01/01/24	155,000.00	5.000%			
			01/01/25	150,000.00	5.000%			
			01/01/26	155,000.00	5.000%			
						905,000.00	145,000.00	760,000.00
						<u>1,985,000.00</u>	<u>325,000.00</u>	<u>1,660,000.00</u>
						E	E-20	E

Township of Sparta, N.J.
Schedule of Sewer Capital Bond Anticipation Notes
Sewer Utility Fund
Year Ended December 31, 2021

Ordinance Number	Improvement Description	Original Note		Date of Issue	Date of Maturity	Interest Rate	Balance, Dec. 31, 2020	Increased	Decreased	Balance, Dec. 31, 2021
		Date of Issue	Amount of Issue							
11-17	Improvement to the Sanitary Sewerage System	11/01/13	60,000.00	10/02/20 09/30/21	10/02/21 09/29/22	1.25% 1.00%	24,000.00 -	- 18,000.00	24,000.00 -	- 18,000.00
19-12	Conversion of White Deer Plaza Sewer Plant Into a Pumping Station	08/13/19	950,000.00	10/02/20 09/30/21	10/02/21 09/29/22	1.25% 1.00%	950,000.00 -	- 950,000.00	950,000.00 -	- 950,000.00
							<u>974,000.00</u>	<u>968,000.00</u>	<u>974,000.00</u>	<u>968,000.00</u>
							E			E
						Ref.				
					Renewals			968,000.00	968,000.00	
					Paid by Budget Appropriation	E-21		-	6,000.00	
							<u>968,000.00</u>	<u>968,000.00</u>	<u>974,000.00</u>	

Township of Sparta, N.J.

Schedule of Improvement Authorizations

Sewer Utility Capital Fund

Year Ended December 31, 2021

Ordinance Number	Improvement Description	Date	<u>Ordinance</u> Amount	Balance Dec. 31, 2020 <u>Unfunded</u>	2021 <u>Authorizations</u>	Paid or Charged	Balance Dec. 31, 2021 <u>Unfunded</u>
11-17	Improvement of Sanitary Sewerage System	10/25/11	95,000.00	227.73	-	227.73	-
19-12	Conversion of White Deer Plaza Sewer Plant Into a Pumping Station	08/13/19	950,000.00	677,955.71	-	227,364.15	450,591.56
21-09	Supplemental Appropriation - Conversion of White Deer Plaza Sewer Plant	05/25/21	500,000.00	-	500,000.00	-	-
				<u>678,183.44</u>	<u>500,000.00</u>	<u>227,591.88</u>	<u>950,591.56</u>
				E	E-10		E
				<u>Ref.</u>			
			Cash Disbursements	E-6		225,491.04	
			Encumbrances Payable	E-19		2,100.84	
						<u>227,591.88</u>	

Township of Sparta, N.J.
Schedule of Capital Improvement Fund
Sewer Utility Capital Fund
Year Ended December 31, 2021

	<u>Ref.</u>	
Balance - December 31, 2020	E	<u>8,500.00</u>
Balance - December 31, 2021	E	<u>8,500.00</u>

Schedule of Encumbrances Payable
Sewer Utility Capital Fund
Year Ended December 31, 2021

	<u>Ref.</u>	
Balance - December 31, 2020	E	8,255.30
Increased by:		
Improvement Authorizations	E-17	<u>2,100.84</u> 10,356.14
Decreased by:		
Cash Disbursement	E-6	<u>4,035.00</u> 6,321.14
Balance - December 31, 2021	E	<u>6,321.14</u>

Township of Sparta, N.J.
Schedule of Reserve for Amortization
Sewer Utility Capital Fund
Year Ended December 31, 2021

	<u>Ref.</u>	
Balance - December 31, 2020	E	6,773,594.25
Increased by:		
Serial Bonds Paid by Operating Budget	E-15	<u>325,000.00</u>
Balance - December 31, 2021	E	<u><u>7,098,594.25</u></u>

Township of Sparta, N.J.

Schedule of Deferred Reserve for Amortization

Sewer Utility Capital Fund

Year Ended December 31, 2021

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance, Dec. 31, 2020</u>	<u>Paid From Operating Budget - Notes</u>	<u>Balance, Dec. 31, 2021</u>
<u>General Improvements:</u>					
11-17	Improvement of Sanitary Sewerage System	10/25/11	<u>71,000.00</u>	<u>6,000.00</u>	<u>77,000.00</u>
			E	E-16	E

Township of Sparta, N.J.

Schedule of Bonds and Notes Authorized But Not Issued

Sewer Utility Capital Fund

Year Ended December 31, 2021

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>2021 Authorizations</u>	<u>Balance, Dec. 31, 2021</u>
21-09	Supplemental Appropriation - Conversion of the White Deer Plaza Plant	500,000.00	500,000.00
		<u>E-17</u>	<u>Footnote E</u>

Township of Sparta, N.J.

Schedule of Cash

Solid Waste Operating Utility Fund

Year Ended December 31, 2021

	<u>Ref.</u>		
Balance - December 31, 2020	F		2,105,206.48
Increased by Receipts:			
Interest on Investments	F-2	8,085.90	
Solid Waste Penalties	F-2	19,088.03	
Miscellaneous Revenue	F-2	20.00	
Consumer Accounts Receivable	F-5	1,693,473.78	
Prepaid Solid Waste User Fees	F-8	52,498.21	
			<u>1,773,165.92</u>
			3,878,372.40
Decreased by Disbursements:			
Budget Appropriations	F-3	2,366,547.79	
Appropriation Reserves	F-6	940.40	
Overpayments Refunded	F-8	223.00	
			<u>2,367,711.19</u>
Balance - December 31, 2021	F		<u><u>1,510,661.21</u></u>

Township of Sparta, N.J.

Schedule of Consumer Accounts Receivable

Solid Waste Operating Utility Fund

Year Ended December 31, 2021

	Balance <u>Dec. 31, 2020</u>	<u>Charges</u>	<u>Collections</u>	Balance <u>Dec. 31, 2021</u>
Solid Waste User Fees	<u>102,311.56</u> F	<u>2,038,036.65</u>	<u>2,058,479.31</u>	<u>81,868.90</u> F
		<u>Ref.</u>		
Cash Receipts		F-4	1,693,473.78	
Pre-Paid Rents and Overpayments Applied		F-8	<u>365,005.53</u>	
			<u>2,058,479.31</u> F-2	

Township of Sparta, N.J.

Schedule of Appropriation Reserves

Solid Waste Operating Utility Fund

Year Ended December 31, 2021

	<u>Balance, Dec. 31, 2020</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Operating:				
Salaries and Wages	1.00	1.00	-	1.00
Other Expenses	14,910.88	14,910.88	1,564.95	13,345.93
Deferred Charges and Statutory Expenditures:				
Statutory Expenditures:				
Contributions to:				
Social Security System	12,015.00	12,015.00	-	12,015.00
	<u>26,926.88</u>	<u>26,926.88</u>	<u>1,564.95</u>	<u>25,361.93</u>
			F-4	F-1
<u>Ref.</u>				
<u>Analysis of Balance</u>				
Unencumbered F	26,266.73			
Encumbered F	<u>660.15</u>			
	<u>26,926.88</u>			
<u>Analysis of Paid or Charged</u>				
Cash Disbursed F-4			940.40	
Accounts Payable F-7			<u>624.55</u>	
			<u>1,564.95</u>	

Schedule of Accounts Payable

Solid Waste Operating Utility Fund

Year Ended December 31, 2021

	<u>Ref.</u>	
Increased by:		
Transfer from Appropriation		
Reserves	F-6	<u>624.55</u>
Balance - December 31, 2021	F	<u>624.55</u>

Township of Sparta, N.J.
Schedule of Solid Waste User Fee Overpayments
Solid Waste Operating Utility Fund
Year Ended December 31, 2021

Balance - December 31, 2020	<u>Ref.</u> F		316,419.66
Increased by:			
Cash Receipts	F-4		<u>52,498.21</u>
			368,917.87
Decreased by:			
Applied	F-5	365,005.53	
Refunded	F-4	<u>223.00</u>	
			<u>365,228.53</u>
Balance - December 31, 2021	F		<u><u>3,689.34</u></u>

TOWNSHIP OF SPARTA

PART II

**REPORT ON INTERNAL CONTROL AND ON COMPLIANCE
AND OTHER MATTERS**

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2021



WIELKOTZ & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

Steven D. Wielkottz, CPA, RMA, PSA
Matthew B. Wielkottz, CPA, PSA
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**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 Council
Township of Sparta
Sparta, NJ 07871

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements-regulatory basis of the Township of Sparta in the County of Sussex as of and for the year ended December 31, 2021 and the related notes to the financial statements, and have issued our report thereon dated August 11, 2022, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting. The regulatory basis opinion was qualified for the Length of Services Award Program not being audited.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements-regulatory basis, we considered the Township of Sparta's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements-regulatory basis, but not for the purpose of expressing an opinion on the effectiveness of the Township of Sparta's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township of Sparta'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A



significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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


Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township of Sparta's financial statements-regulatory basis are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

However, we noted certain immaterial instances of noncompliance that we have reported to the management of the Township of Sparta in the accompanying comments and recommendations section of this report.

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 of Sparta internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Sparta internal controls and compliance. Accordingly, this communication is not suitable for any other purpose.


Steven D. Wielkotz, C.P.A.
Registered Municipal Accountant
No. 413


WIELKOTZ & COMPANY, LLC
Certified Public Accountants

Pompton Lakes New Jersey

August 11, 2022



GENERAL COMMENTS

Cash Balances

Cash balances in all funds were verified by independent certificates obtained from the depositories as of December 31, 2021, and at August 11, 2022, in connection with the supplemental reconciliations made for all officials. Cash on hand was counted on that date.

Contracts and Agreements Required to be Advertised for N.J.S.A. 40A:11-4

N.J.S. 40A:11-3 states:

a. "When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.

b. Any contracts made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to subparagraph (i) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, c.198 (C.40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.

c. The Governor, in consultation with the Department of the Treasury, shall, no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L. 1999, c.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L. 1971, c.198 (C.40A:11-2), and shall round the adjustment to the nearest \$1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. That adjustment shall become effective on July 1 of the year in which it is made."

N.J.S. 40A:11-4 states: "Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsection b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder."

GENERAL COMMENTS (CONTINUED)

Contracts and Agreements Required to be Advertised for N.J.S.A. 40A:11-4 (continued)

Effective July 1, 2015, the bid threshold in accordance with N.J.S.A. 40A:11-3 and 40A:11-4 (as amended) is \$17,500.00 and with a qualified purchasing agent the threshold may be up to \$40,000.00. On July 1, 2020 the amount with a qualified purchasing agent was increased to \$44,000.00.

The Governing Body of the Township of Sparta have the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year and where question arises as to whether any contract or agreement might result in violation of the statute, the Township Attorney's opinion should be sought before a commitment is made.

The minutes indicated the bids were requested by public advertising per N.J.S.A. 40A:11-4. The minutes also indicated that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5.

Inasmuch as the system of records did not provide for the accumulation of payments for categories for the performance of any work or the furnishing or hiring of any material or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violation existed. None were noted.

Our review of the Township's minutes indicated that resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 40A:11-5.

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of the statutory threshold "for the performance of any work or the furnishing or hiring of any materials or supplies," 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.

The Township is a member of the Morris County and Sussex County Co-op Pricing Council.

Collection of Interest on Delinquent Taxes and Assessments

R.S. 54:4-67 provides the method for authorizing interest and the maximum rate to be charged for the nonpayment of taxes or assessments on or before the date they would become delinquent.

The governing body on January 5, 2021 adopted the following resolution authorizing interest to be charged on delinquent taxes and assessments.

BE IT RESOLVED by the Township Council of the Township of Sparta, County of Sussex, that:

1. The rate of interest to be charged by the Tax Collector on delinquent taxes and assessments are fixed at the rate of eight (8) per cent per annum on the first \$1,500.00 of the delinquency, to remain in full force until January 1, 2021.

GENERAL COMMENTS (CONTINUED)

Collection of Interest on Delinquent Taxes and Assessments (continued)

2. The rate of interest to be charged by the Tax Collector on delinquent taxes and assessments on any amount in excess of \$1,500.00 is hereby fixed at the rate of eighteen (18) per cent per annum, to be calculated from the date the tax was payable, until the date of actual payment, to remain in force until January 1, 2021
3. If payment of any installment is made within ten (10) calendar days following the date upon which the same became payable, no interest shall be charged.
4. If payment is made after the 10th calendar day; interest is to be calculated from the date the tax was payable until the date of actual payment.
5. If taxes are not paid by December 31, and the delinquent balance is \$10,000.00 including interest and taxes; a 6% penalty will be charged.

The governing body also on January 5, 2021, adopted the following resolution authorizing interest to be charged on delinquent water, sewer and solid waste charges:

BE IT RESOLVED by the Township Council of the Township of Sparta, County of Sussex, that:

1. The rate of interest to be charged by the Tax Collector on delinquent water, sewer and solid waste charges are fixed at the rate of ten (10) per cent of each delinquency, to remain in full force until January 1, 2021.
2. If payment of any installment is made within thirty (30) calendar days following the date upon which the same became payable, no interest shall be charged.
3. If payment is made after the 30th calendar day; interest is to be calculated on each delinquency that the water, sewer and solid waste charges were payable until the date of actual payment.

It appears from the examination of the Collector's records that the interest was collected in accordance with the foregoing resolutions.

Delinquent Taxes and Tax Title Liens

The last tax sale was held on October 22, 2021, and was complete except for parties in bankruptcy court.

The following comparison is made of the number of tax title liens receivable on December 31st of the last three years:

<u>Year</u>	<u>Number of Liens</u>
2021	48
2020	52
2019	52

GENERAL COMMENTS (CONTINUED)

Verification of Delinquent Taxes and Other Charges

A test verification of delinquent charges and current payments was made in accordance with the regulations of the Division of Local Government Services.

The results of the test, which was made as of December 31, 2021 is not yet known, but a separate report will be rendered if any irregularities are developed.

In addition, analytical review procedures were utilized to ascertain the validity of the receivables.

OTHER COMMENTS:

Municipal Court

The report required by statute covering the accounts of the Municipal Court has been filed under separate cover with the Judge, Township Clerk and Division of Local Government Services. We noted however, that there are internal control problems that are throughout the State of New Jersey Municipal Court System caused by the implementation of the Automated Traffic System and the Automated Complaint System.

Construction

1. A UCC Report was not available for audit.

Management Response:

In the future, a UCC report will be available for audit.

Cash Management Plan

1. Lincoln Financial Group was not included in the Township's Cash Management Plan.

Management Response:

Lincoln Financial Group will be included in the Cash Management Plan in the future.

RECOMMENDATIONS

It is recommended:

1. That a UCC Construction Report be available for audit.
2. The Lincoln Financial Group be included in the Township's Cash Management Plan.

Status of Prior Year's Audit Findings/Recommendations

A review was performed on all prior year's recommendations and corrective action was taken on all.

The problems and weaknesses noted in our review were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.

Should any questions arise as to our comments or recommendations, or should you desire assistance in implementing our recommendations, please do not hesitate to call us.

Very Truly Yours,



Steven D. Wielkottz, C.P.A.,
Registered Municipal Accountant
No. 413



WIELKOTZ & COMPANY, LLC
Certified Public Accountants