

**REPORT OF AUDIT**

**TOWNSHIP OF SPARTA**

**COUNTY OF SUSSEX**

**DECEMBER 31, 2022**

**TOWNSHIP OF SPARTA, N.J.**  
**YEAR ENDED DECEMBER 31, 2022**

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**TOWNSHIP OF SPARTA**

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**PART I**

**REPORT OF AUDIT ON FINANCIAL STATEMENTS**

**AND SUPPLEMENTARY DATA**

**YEAR ENDED DECEMBER 31, 2022**



# WIELKOTZ & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

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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, 2022 and 2021, 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, 2022, 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, 2022 and 2021, 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.



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Members of the Township Council  
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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 \$360,436.30 and \$397,689.74 for 2022 and 2021, 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, 2022, 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.

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***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.

Honorable Mayor and  
Members of the Township Council  
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### ***Other Matters***

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Sparta's basic financial statements. The supplementary information listed in the table of contents and schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the schedule of expenditures of state financial assistance as required by NJ OMB 15-08 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 and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulation Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information listed in the table of contents and the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulation Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) 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 September 22, 2023 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

Honorable Mayor and  
Members of the Township Council  
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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

September 22, 2023

## Township of Sparta, N.J.

## Comparative Balance Sheet - Regulatory Basis

## Current Fund

December 31,

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
<u>Assets</u>			
Current Fund:			
Cash-Treasurer	A-4	14,454,030.58	15,777,896.55
Change Fund	A-5	450.00	450.00
		<u>14,454,480.58</u>	<u>15,778,346.55</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-8	984,996.84	1,118,553.97
Tax Title Liens	A-9	211,112.35	210,046.48
Property Acquired for Taxes -			
Assessed Valuation	A-10	2,907,000.00	2,907,000.00
Revenue Accounts Receivable	A-11	9,983.48	-
Interfund Accounts Receivable	A-12	34,715.56	-
		<u>4,147,808.23</u>	<u>4,235,600.45</u>
Deferred Charges:			
Emergency Authorization	A-13	<u>60,000.00</u>	<u>-</u>
		18,662,288.81	20,013,947.00
Federal and State Grant Fund:			
Grants Receivable	A-20	467,314.05	228,613.05
Interfund - Current Fund	A-23	817,620.86	483,014.60
Interfund Other Trust Fund	A-26	16,304.00	-
		<u>1,301,238.91</u>	<u>711,627.65</u>
		<u>19,963,527.72</u>	<u>20,725,574.65</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

## Current Fund

December 31,

	Ref.	2022	2021
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves:			
Unencumbered	A-3;A-14	1,289,706.53	2,131,392.85
Encumbered	A-3	305,384.11	294,021.27
Total Appropriation Reserves		1,595,090.64	2,425,414.12
Due to State of New Jersey:			
Senior Citizen and Veteran Deductions	A-7	47,351.92	45,616.30
Interfund Accounts Payable	A-12	817,620.86	485,296.49
Encumbrances Payable - Various Reserves	A-15	29,371.99	52,539.65
Prepaid Taxes	A-16	772,657.10	888,280.62
County Tax Payable	A-18	65,128.14	123,667.77
Tax Overpayments	A-19	72,907.82	117,431.49
Due to State of New Jersey:			
Construction Code Surcharge	A-19	9,802.00	-
Marriage License Surcharge	A-19	900.00	1,025.00
Reserve for:			
Municipal Relief Funds	A-19	64,444.56	-
		3,475,275.03	4,139,271.44
Reserve for Receivables	Contra	4,147,808.23	4,235,600.45
Fund Balance	A-1	11,039,205.55	11,639,075.11
		18,662,288.81	20,013,947.00
Federal and State Grant Fund:			
Appropriated Reserve for Grants	A-21	781,215.13	173,439.61
Unappropriated Reserve for Grants	A-22	152,276.33	475,155.69
Encumbrances Payable	A-24	367,747.45	63,032.35
		1,301,238.91	711,627.65
		19,963,527.72	20,725,574.65

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

**Township of Sparta, N.J.**

**A-1**

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

**Current Fund**

**Year Ended December 31,**

	<u>Ref.</u>	<u>2022</u>	<u>2021</u>
Revenues and Other Income:			
Fund Balance Utilized	A-2	4,515,376.00	3,960,000.00
Miscellaneous Revenue Anticipated	A-2	6,367,105.11	4,487,826.06
Receipts from Delinquent Taxes	A-2	1,110,460.24	1,498,857.50
Receipts from Current Taxes	A-2	103,518,694.48	101,291,943.59
Non-Budget Revenue	A-2	140,073.25	131,161.75
Other Credits to Income:			
Cancellation of Due to Library			2,629.59
Unexpended Balance of Appropriation Reserves	A-14	962,351.88	1,739,456.99
Cancel of Various Reserves	A-19	145,207.54	-
Total Revenues and Other Income		<u>116,759,268.50</u>	<u>113,111,875.48</u>
Expenditures:			
Budget and Emergency Appropriations:			
Operations - Within Caps:			
Salaries and Wages	A-3	9,545,368.00	9,155,204.00
Other Expenses	A-3	7,704,713.00	7,607,892.00
Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"	A-3	2,660,995.00	2,779,975.01
Operations - Excluded from "CAPS"			
Salaries and Wages	A-3	485,557.00	409,318.00
Other Expenses	A-3	2,665,203.90	1,389,703.00
Capital Improvement Fund	A-3	3,000,000.00	2,200,000.00
Municipal Debt Service	A-3	1,282,403.50	1,443,223.00
Deferred Charges and Statutory Expenditures - Municipal - Excluded from "CAPS"	A-3	29,015.99	156,859.00
Refund of Prior Year Tax Appeals	A-4	165,749.57	-
Interfund Advances	A-12	34,715.56	-
Municipal Open Space Tax including Added Tax	A-12	341,185.69	336,988.89
Federal and State Grants Receivable Cancelled			-
Local District School Tax	A-17	66,420,658.00	64,600,967.00
County Taxes including Added Taxes	A-18	18,568,196.85	18,220,790.14
Total Expenditures		<u>112,903,762.06</u>	<u>108,300,920.04</u>
Excess (Deficit) Revenue Over Expenditures		3,855,506.44	4,810,955.44
Adjustment to Income Before Fund Balance - Expenditures			
Included above Which are by Statute Deferred			
Charges to Budget of Succeeding Year		60,000.00	-
Statutory Excess to Fund Balance		<u>3,915,506.44</u>	<u>4,810,955.44</u>
Fund Balance, January 1,	A	11,639,075.11	10,788,119.67
Decreased by:			
Fund Balance Utilized as Budget Revenue		<u>4,515,376.00</u>	<u>3,960,000.00</u>
Fund Balance, December 31,	A	<u>11,039,205.55</u>	<u>11,639,075.11</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, 2022					
	Ref.	Budget	Appropriated by: 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	A-1	4,515,376.00	-	4,515,376.00	-
Miscellaneous Revenues:					
Licenses:					
Other	A-11	15,950.00	-	16,374.00	424.00
Alcoholic Beverages	A-11	6,500.00	-	19,458.00	12,958.00
Fees and Permits	A-2	799,000.00	-	1,170,223.61	371,223.61
Fines and Costs:					
Municipal Court	A-11	150,000.00	-	159,320.82	9,320.82
Interest and Costs on Taxes	A-6	325,000.00	-	334,817.91	9,817.91
Interest on Investments and Deposits	A-11	70,000.00	-	329,607.61	259,607.61
Energy Receipts	A-11	1,235,421.00	-	1,235,421.00	-
Garden State Trust	A-11	28,476.00	-	28,476.00	-
Watershed Moratorium Offset	A-11	29,328.00	-	29,328.00	-
Uniform Construction Code Fees	A-11	590,000.00	-	604,052.00	14,052.00
Other Municipalities Share of Radio System Costs	A-11	307,671.00	-	311,530.01	3,859.01
Township of Hardyston - Finance Officer	A-11	48,006.00	-	48,968.00	962.00
Township of Hardyston MUA - Finance Officer	A-11	4,161.00	-	4,245.96	84.96
Township of Hardyston BOE - Finance Officer	A-11	5,819.00	-	7,230.49	1,411.49
Township of Byram - Fire Prevention	A-11	12,000.00	-	17,613.00	5,613.00
Borough of Hamburg - Municipal Court	A-11	70,000.00	-	70,000.00	-
Public and Private Revenues:					
Recycling Grant	A-20	40,972.95	-	40,972.95	-
Clean Communities	A-20	48,662.00	-	48,662.00	-
Alcohol Education and Rehabilitation Fund	A-20	4,738.00	-	4,738.00	-
Municipal Alliance on Alcoholism and Drug Abuse	A-20	16,042.00	-	16,042.00	-
Drunk Driving Enforcement Fund	A-20	6,325.75	-	6,325.75	-
Local Fiscal Recovery Funds - ARP	A-20	-	972,109.20	972,109.20	-
LEAP Grant	A-20	-	229,000.00	229,000.00	-
Other Special Items:					
Local Fiscal Recovery Funds - ARP	A-11	372,109.20	-	372,109.20	-
PILOT - Senior Citizens Housing	A-11	10,000.00	-	11,588.55	1,588.55
Uniform Fire Safety	A-11	47,500.00	-	58,103.05	10,603.05
Fire Prevention Fees	A-11	34,000.00	-	28,664.00	(5,336.00)
Cable TV Franchise	A-11	67,000.00	-	61,756.00	(5,244.00)
Solar Renewable Energy Credit	A-11	98,000.00	-	130,368.00	32,368.00
Total Miscellaneous Revenues	A-1	4,442,681.90	1,201,109.20	6,367,105.11	723,314.01
Receipts from Delinquent Taxes	A-1;A-2	1,160,000.00	-	1,110,460.24	(49,539.76)
Subtotal General Revenues		10,118,057.90	1,201,109.20	11,992,941.35	673,774.25
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	A-2	18,952,991.38	-	21,147,556.03	2,194,564.65
Budget Totals		29,071,049.28	1,201,109.20	33,140,497.38	2,868,338.90
Non-Budget Revenue	A-1;A-2	-	-	140,073.25	140,073.25
		29,071,049.28	1,201,109.20	33,280,570.63	3,008,412.15
		A-3	A-3		

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, 2022

Analysis of Realized Revenues

	Ref.	
Revenue from Collections	A-1; A-8	103,518,694.48
Allocated to School, County and Open Space Taxes	A-8	<u>85,330,040.54</u>
Balance for Support of Municipal Budget Appropriations		18,188,653.94
Add : Appropriation - Reserve for Uncollected Taxes	A-3	<u>2,958,902.09</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>21,147,556.03</u>
Receipts from Delinquent Taxes:		
Delinquent Taxes	A-8	1,066,348.98
Tax Title Liens	A-9	<u>44,111.26</u>
		<u>1,110,460.24</u>
Fees and Permits - Other:	A-2	
Board of Health - Registrar	A-11	11,767.00
Board of Health - Sewer	A-11	22,367.00
Marriage License	A-11	213.00
Clerk	A-11	308.00
Zoning	A-11	31,017.00
Planning Board	A-11	68,981.79
Tax Assessor	A-11	750.00
Police	A-11	30,207.73
Leaf Bags	A-11	1,906.60
Cell Tower	A-11	317,805.89
Quarry Royalties	A-11	<u>684,899.60</u>
		<u>1,170,223.61</u>
	A-2	

Analysis of Non-budget Revenues

Miscellaneous Reimbursements		75,475.99
NSF Check Fees		245.00
Void Checks		25,243.77
Senior & Veteran Deduction - Admin. Fee		2,019.74
Auction Proceeds		4,130.00
Vacant Property Fee		29,750.00
Tax Sale Premiums Escheated		2,000.00
Fire Prevention Interlocal		525.00
Charging Station	A-4	<u>683.75</u>
		<u>140,073.25</u>
	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, 2022**

<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>	
Operations - within "CAPS"						
General Administration						
Salaries and Wages		282,470.00	282,470.00	281,382.42	1,087.58	-
Other Expenses		16,413.00	14,413.00	11,935.67	2,477.33	-
Purchasing						
Other Expenses		80,043.00	71,043.00	68,938.19	2,104.81	-
Township Council						
Salaries and Wages		32,543.00	32,543.00	29,807.80	2,735.20	-
Other Expenses		78,679.00	78,679.00	68,380.52	10,298.48	-
Clerk						
Salaries and Wages		145,390.00	145,390.00	145,389.92	0.08	-
Other Expenses		19,998.00	19,998.00	13,415.95	6,582.05	-
Elections						
Salaries and Wages		4,822.00	4,822.00	4,821.60	0.40	-
Other Expenses		17,271.00	17,271.00	15,279.27	1,991.73	-
Financial Administration						
Salaries and Wages		170,798.00	170,798.00	170,778.16	19.84	-
Other Expenses		44,367.00	44,367.00	40,487.22	3,879.78	-
Annual Audit		29,745.00	29,745.00	-	29,745.00	-
Computerized Data Processing						
Salaries and Wages		130,852.00	130,852.00	130,848.32	3.68	-
Other Expenses		103,608.00	103,608.00	88,893.02	14,714.98	-

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, 2022**

<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		106,546.00	119,046.00	118,996.21	49.79	-
Other Expenses		31,594.00	16,594.00	14,421.38	2,172.62	-
Assessment of Taxes						
Salaries and Wages		158,840.00	167,340.00	167,330.14	9.86	-
Other Expenses		90,900.00	55,900.00	25,150.07	30,749.93	-
Legal Services and Costs						
Other Expenses		172,700.00	172,700.00	159,725.91	12,974.09	-
Municipal Court						
Salaries and Wages		191,708.00	191,708.00	139,960.47	51,747.53	-
Other Expenses		19,241.00	19,241.00	10,302.08	8,938.92	-
Public Defender						
Other Expenses		15,150.00	15,150.00	15,150.00	-	-
Engineering Services and Costs						
Other Expenses		126,150.00	126,150.00	56,715.00	69,435.00	-
Planning Board						
Salaries and Wages		28,566.00	43,566.00	38,181.34	5,384.66	-
Other Expenses		77,922.00	87,922.00	86,069.42	1,852.58	-
Planning Department						
Salaries and Wages		88,102.00	88,102.00	88,092.44	9.56	-
Other Expenses		9,292.00	9,292.00	7,073.28	2,218.72	-

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, 2022**

<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		10,651.00	10,651.00	7,929.96	2,721.04	-
Other Expenses		13,585.00	13,585.00	4,000.00	9,585.00	-
Board of Adjustment						
Salaries and Wages		26,632.00	46,632.00	28,189.90	18,442.10	-
Other Expenses		16,413.00	76,413.00	63,016.43	13,396.57	-
Insurance:						
General Liability		355,000.00	355,000.00	300,453.16	54,546.84	-
Workers Compensation Insurance		275,000.00	275,000.00	262,778.84	12,221.16	-
Employee Group Health		3,100,000.00	3,100,000.00	2,888,586.58	211,413.42	-
Unemployment Compensation Insurance		1,000.00	1,000.00	-	1,000.00	-
Police						
Salaries and Wages		4,500,000.00	4,500,000.00	4,491,806.50	8,193.50	-
Other Expenses		224,500.00	224,500.00	175,818.33	48,681.67	-
Purchase of Police Cars		160,000.00	160,000.00	140,455.30	19,544.70	-
Police Dispatch/911						
Salaries and Wages		650,475.00	625,475.00	624,318.60	1,156.40	-
Other Expenses		6,464.00	6,464.00	4,459.74	2,004.26	-
Emergency Management Services						
Salaries and Wages		15,375.00	15,375.00	8,731.00	6,644.00	-
Other Expenses		12,975.00	12,975.00	11,114.05	1,860.95	-

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, 2022**

<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	16,399.95	0.05	-
Aid to Volunteer Ambulance Companies						
Other Expenses		45,000.00	45,000.00	42,654.21	2,345.79	-
Fire						
Other Expenses		67,670.00	67,670.00	41,385.24	26,284.76	-
Fire Hydrant Service		13,000.00	13,000.00	13,000.00	-	-
Uniform Fire Safety						
Salaries and Wages		52,771.00	57,771.00	56,034.10	1,736.90	-
Other Expenses		7,250.00	5,250.00	1,708.25	3,541.75	-
Municipal Prosecutor						
Other Expenses		37,380.00	38,380.00	37,494.00	886.00	-
Public Works Functions						
Road Repairs and Maintenance						
Salaries and Wages		745,392.00	765,392.00	765,242.73	149.27	-
Other Expenses		235,713.00	235,713.00	206,981.19	28,731.81	-
Garage and Trash Removal						
Other Expenses		55,300.00	30,300.00	14,445.83	15,854.17	-
Public Building and Grounds						
Salaries and Wages		75,000.00	75,000.00	74,499.84	500.16	-
Other Expenses		150,000.00	150,000.00	139,028.51	10,971.49	-

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, 2022**

<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		307,241.00	307,241.00	239,554.87	67,686.13	-
Other Expenses		188,350.00	188,350.00	166,017.94	22,332.06	-
Snow Removal						
Salaries and Wages		250,000.00	250,000.00	228,724.39	21,275.61	-
Other Expenses		400,000.00	400,000.00	265,649.75	134,350.25	-
DPW Administration						
Salaries and Wages		220,919.00	229,919.00	229,513.25	405.75	-
Other Expenses		17,170.00	17,170.00	8,891.13	8,278.87	-
Municipal Services Act - Condo Costs						
Other Expenses		56,200.00	56,200.00	18,187.17	38,012.83	-
Health and Human Services Function						
Health and Welfare Department						
Other Expenses		23,360.00	24,360.00	23,720.00	640.00	-
Environmental Commission						
Salaries and Wages		2,118.00	2,118.00	-	2,118.00	-
Other Expenses		3,125.00	3,125.00	825.48	2,299.52	-
Animal Regulations						
Salaries and Wages		25,000.00	25,000.00	22,992.13	2,007.87	-
Other Expenses		25,000.00	20,000.00	14,010.07	5,989.93	-

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, 2022**

<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		85,016.00	100,016.00	99,951.07	64.93	-
Other Expenses		29,452.00	29,452.00	25,312.56	4,139.44	-
Parks and Recreation Functions						
Recreation Services Functions						
Salaries and Wages		198,251.00	198,251.00	197,425.17	825.83	-
Other Expenses		32,989.00	32,989.00	23,278.08	9,710.92	-
Maintenance of Parks						
Salaries and Wages		495,240.00	530,240.00	528,107.07	2,132.93	-
Other Expenses		135,744.00	123,744.00	110,293.73	13,450.27	-
Utility Expenses and Bulk Purchases						
Electricity		155,000.00	155,000.00	112,663.73	42,336.27	-
Street Lighting		80,000.00	80,000.00	63,131.72	16,868.28	-
Telephone		78,000.00	78,000.00	59,804.23	18,195.77	-
Water		12,200.00	12,200.00	11,205.30	994.70	-
Natural Gas		58,000.00	58,000.00	48,677.15	9,322.85	-
Sewerage Processing and Disposal		10,000.00	10,000.00	7,169.81	2,830.19	-
Gasoline		289,400.00	289,400.00	231,973.32	57,426.68	-
State Uniform Construction Code						
Construction Code Official						
Salaries and Wages		449,650.00	429,650.00	427,927.31	1,722.69	-
Other Expenses		140,000.00	140,000.00	138,771.18	1,228.82	-

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, 2022**

<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	28,000.00	27,000.00	1,000.00	-
Accumulated Absences						
Other Expenses		250,000.00	250,000.00	188,521.85	61,478.15	-
Total Operations within "CAPS"		17,190,081.00	17,250,081.00	15,937,357.50	1,312,723.50	-
Detail:						
Salaries and Wages	A-1	9,450,368.00	9,545,368.00	9,346,536.71	198,831.29	-
Other Expenses	A-1	7,739,713.00	7,704,713.00	6,590,820.79	1,113,892.21	-
Deferred Charges and Statutory Expenditures - Municipal within "CAPS"						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System		733,433.00	733,433.00	732,758.43	674.57	-
Social Security System (O.A.S.I.)		712,000.00	712,000.00	695,512.39	16,487.61	-
Police and Firemen's Retirement System of N.J.		1,215,562.00	1,215,562.00	1,215,562.00	-	-
Total Deferred Charges and Statutory Expenditures - Municipal within "CAPS"	A-1	2,660,995.00	2,660,995.00	2,643,832.82	17,162.18	-
Total General Appropriations for Municipal Purposes within "CAPS"		19,851,076.00	19,911,076.00	18,581,190.32	1,329,885.68	-

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, 2022**

<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>	
Operations - Excluded from "CAPS"						
N.J.S.A. 40A:14-185 Length of Service Award Program		32,500.00	32,500.00	-	32,500.00	-
Maintenance of Free Public Library		1,168,104.00	1,168,104.00	985,399.04	182,704.96	-
Reserve for Tax Appeals		175,000.00	175,000.00	125,000.00	50,000.00	-
Interlocal Municipal Service Agreements:						
Other Municipalities Share of Radio System Costs						
Police Dispatch/911						
Salaries and Wages		307,671.00	307,671.00	307,671.00	-	-
Township of Hardyston - Finance Officer						
Salaries and Wages		48,006.00	48,006.00	48,006.00	-	-
Township of Hardyston MUA - Finance Officer						
Salaries and Wages		4,161.00	4,161.00	4,161.00	-	-
Township of Hardyston BOE - Finance						
Salaries and Wages		5,819.00	5,819.00	5,819.00	-	-
Township of Byram - Uniform Fire Safety						
Salaries and Wages		15,000.00	15,000.00	15,000.00	-	-
Borough of Stanhope - Purchasing						
Salaries and Wages		2,400.00	2,400.00	2,400.00	-	-
Borough of Hamburg - Municipal Court						
Salaries and Wages		70,000.00	70,000.00	70,000.00	-	-

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, 2022**

<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>	
Public and Private Programs Offset by Revenues						
Recycling Tonnage Grant		40,972.95	40,972.95	40,972.95	-	-
Clean Communities Program		48,662.00	48,662.00	48,662.00	-	-
Alcohol Education and Rehabilitation Fund		4,738.00	4,738.00	4,738.00	-	-
Municipal Alliance on Alcoholism and Drug Abuse		16,042.00	16,042.00	16,042.00	-	-
Drunk Driving Enforcement Fund		6,325.75	6,325.75	6,325.75	-	-
Local Fiscal Recovery Funds - ARP		-	972,109.20	972,109.20	-	-
LEAP Grant		-	229,000.00	229,000.00	-	-
Matching Funds for Grants:						
Municipal Alliance on Alcoholism and Drug Abuse		4,250.00	4,250.00	4,250.00	-	-
Other Expenses		1,949,651.70	3,150,760.90	2,885,555.94	265,204.96	-
Total Operations - Excluded from "CAPS"						
Detail:						
Salaries & Wages	A-1	453,057.00	485,557.00	453,057.00	32,500.00	-
Other Expenses	A-1	1,496,594.70	2,665,203.90	2,432,498.94	232,704.96	-
Capital Improvements:						
Capital Improvement Fund	A-1	3,000,000.00	3,000,000.00	3,000,000.00	-	-
Total Capital Improvements Excluded from "CAPS"	A-1	3,000,000.00	3,000,000.00	3,000,000.00	-	-

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, 2022**

<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>	
Municipal Debt Service:						
Payment of Bond Principal		1,000,000.00	1,000,000.00	1,000,000.00	-	-
Payment of Bond Anticipation Notes		195,200.00	195,200.00	195,200.00	-	-
Interest on Bonds		72,637.50	72,637.50	72,637.50	-	-
Interest on Notes		14,566.00	14,566.00	14,566.00	-	-
Total Municipal Debt Service-Excluded from "CAPS"	A-1	<u>1,282,403.50</u>	<u>1,282,403.50</u>	<u>1,282,403.50</u>	<u>-</u>	<u>-</u>
Deferred Charges:						
Deferred Charges to Future Taxation Unfunded:						
Ordinance No. 19-08		500.00	500.00	500.00	-	-
Ordinance No. 19-10		<u>28,515.99</u>	<u>28,515.99</u>	<u>28,515.99</u>	<u>-</u>	<u>-</u>
Total Deferred Charges - Municipal - Excluded from "CAPS"	A-1	<u>29,015.99</u>	<u>29,015.99</u>	<u>29,015.99</u>	<u>-</u>	<u>-</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"		<u>6,261,071.19</u>	<u>7,462,180.39</u>	<u>7,196,975.43</u>	<u>265,204.96</u>	<u>-</u>
Subtotal General Appropriations		<u>26,112,147.19</u>	<u>27,373,256.39</u>	<u>25,778,165.75</u>	<u>1,595,090.64</u>	<u>-</u>
Reserve for Uncollected Taxes		<u>2,958,902.09</u>	<u>2,958,902.09</u>	<u>2,958,902.09</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**

**Current Fund**

**Year Ended December 31, 2022**

	<u>Appropriated</u>			<u>Expended</u>		Unexpended Balance <u>Cancelled</u>
	<u>Ref.</u>	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>General Appropriations</u>						
Total General Appropriations		<u>29,071,049.28</u>	<u>30,332,158.48</u>	<u>28,737,067.84</u>	<u>1,595,090.64</u>	-
<u>Analysis of Modified Budget</u>						
Adopted Budget	A-2		29,071,049.28			
Appropriated by N.J.S.A. 40A:4-87	A-2		1,201,109.20			
Emergency Authorization (40A:4-47)	A-13		60,000.00			
	<u>Ref.</u>		<u>30,332,158.48</u>			
<u>Analysis of Paid or Charged</u>						
Reserve for Uncollected Taxes	A-2			2,958,902.09		
Cash Disbursed	A-4			24,288,038.08		
Matching Funds for Federal and State Grants	A-12			4,250.00		
Interfund - Federal and State Grants	A-12			168,027.77		
Reserve for Federal and State Grants	A-21			1,317,849.90		
	<u>Ref.</u>		<u>28,737,067.84</u>			
<u>Analysis of Appropriation Reserves</u>						
Unencumbered	A			1,289,706.53		
Encumbered	A			305,384.11		
	<u>Ref.</u>		<u>1,595,090.64</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>Ref.</u>	<u>2022</u>	<u>2021</u>
<b><u>Assets</u></b>			
<b>Assessment Trust Fund:</b>			
Cash	B-1;B-2	231,378.37	231,378.37
Assessment Receivable	B-3	<u>503,204.35</u>	<u>503,204.35</u>
		<u>734,582.72</u>	<u>734,582.72</u>
<b>Animal Control Trust Fund:</b>			
Cash	B-1	32,388.31	17,089.05
Change Fund	B-6	<u>25.00</u>	<u>25.00</u>
		<u>32,413.31</u>	<u>17,114.05</u>
<b>Other Trust Funds:</b>			
Cash	B-1	7,133,598.14	5,997,107.08
Interfund - Current Fund	B-10	<u>-</u>	<u>2,281.89</u>
		<u>7,133,598.14</u>	<u>5,999,388.97</u>
<b>Emergency Services Volunteer Length of Service Award Program (Unaudited)</b>			
Cash	B-1	334,595.80	373,079.74
Contributions Receivable	B-15	<u>25,840.50</u>	<u>24,610.00</u>
		<u>360,436.30</u>	<u>397,689.74</u>
<b>Total Assets</b>		<b><u>8,261,030.47</u></b>	<b><u>7,148,775.48</u></b>

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>2022</u>	<u>2021</u>
<b><u>Liabilities, Reserves &amp; Fund Balance</u></b>			
Assessment Trust Fund:			
NJDEP Loan Payable	B-7	600,927.92	600,927.92
Reserve for Assessments and Liens	B-8	<u>133,654.80</u>	<u>133,654.80</u>
		<u>734,582.72</u>	<u>734,582.72</u>
Animal Control Trust Fund:			
Prepaid Licenses	B-9	10,513.00	10,740.33
Reserve for Encumbrances	B-12	426.96	400.00
Reserve for Animal Control			
Fund Expenditures	B-13	21,444.55	5,936.52
Due to State Department of Health	B-14	<u>28.80</u>	<u>37.20</u>
		<u>32,413.31</u>	<u>17,114.05</u>
Other Trust Fund:			
Interfund - Current Fund	B-10	34,715.56	-
Interfund - Federal and State Grant Fund	B-10	16,304.00	-
Interfund - Water Operating Fund	B-10	25,916.20	-
Interfund - Sewer Operating Fund	B-10	3,143.30	-
Interfund - Solid Waste Operating Fund	B-10	12,306.32	-
Various Reserves	B-11	6,827,822.30	5,956,333.04
Reserve for Encumbrances	B-12	<u>213,390.46</u>	<u>43,055.93</u>
		<u>7,133,598.14</u>	<u>5,999,388.97</u>
Emergency Services Volunteer Length of Service Award Program (Unaudited)			
Net Assets Available for Benefits	B-16	<u>360,436.30</u>	<u>397,689.74</u>
Total Liabilities, Reserves and Fund Balance		<u>8,261,030.47</u>	<u>7,148,775.48</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,

	Ref.	2022	2021
<u>Assets</u>			
Cash	C-2;C-3	2,639,818.98	2,188,832.70
Grants Receivable	C-5	167,000.00	167,000.00
Deferred Charges to Future Taxation:			
Funded	C-4	1,540,000.00	2,540,000.00
Unfunded	C-6	2,706,400.36	2,210,616.35
Interfund - Sewer Capital	C-11	696,100.00	-
		<u>7,749,319.34</u>	<u>7,106,449.05</u>

Liabilities, Reserves and Fund Balance

General Serial Bonds	C-7	1,540,000.00	2,540,000.00
Bond Anticipation Notes	C-8	1,926,400.00	1,456,600.00
Improvement Authorizations:			
Funded	C-9	1,725,418.23	1,460,181.69
Unfunded	C-9	786,793.67	823,522.16
Capital Improvement Fund	C-10	610,804.16	50,804.16
Reserve for Encumbrances	C-12	864,488.05	572,512.02
Reserve for Developers Contribution	C-13	74,566.00	74,566.00
Fund Balance	C-1	220,849.23	128,263.02
		<u>7,749,319.34</u>	<u>7,106,449.05</u>

There were Bonds and Notes Authorized But Not Issued in the Amount of \$780,000.36 as of December 31, 2022 and \$754,016.35 as of December 31, 2021 per Exhibit C-14.

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>2022</u>	<u>2021</u>
	<u>Ref.</u>		
Balance - January 31,	C	128,263.02	212,465.59
Increased by:			
Open Space Share of Ord #21-17	C-2	92,586.21	-
Premium on Bond Anticipation Note Sale		-	10,797.43
		<u>92,586.21</u>	<u>10,797.43</u>
		<u>220,849.23</u>	<u>223,263.02</u>
Decreased by:			
Appropriated to Finance			
Improvement Authorizations			<u>95,000.00</u>
Balance - December 31,	C	<u>220,849.23</u>	<u>128,263.02</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>2022</u>	<u>2021</u>
<u>Assets</u>			
Operating Fund:			
Cash	D-5	2,195,756.67	2,292,376.72
Interfund Accounts Receivable	D-9	25,916.20	-
		<u>2,221,672.87</u>	<u>2,292,376.72</u>
Receivables with Full Reserves:			
Consumers Account Receivable	D-7	<u>425,063.87</u>	<u>394,704.88</u>
Total Operating Fund		<u>2,646,736.74</u>	<u>2,687,081.60</u>
Capital Fund:			
Cash	D-5;D-6	695,926.39	845,780.82
Fixed Capital	D-8	30,881,823.34	30,881,823.34
Fixed Capital Authorized and Uncompleted	D-10	3,214,000.00	2,714,000.00
Deferred Charges - Additional Note Payment	D-11	500.00	500.00
Total Capital Fund		<u>34,792,249.73</u>	<u>34,442,104.16</u>
Total Assets		<u>37,438,986.47</u>	<u>37,129,185.76</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,

	Ref	2022	2021
<u>Liabilities, Reserves and Fund Balance</u>			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	D-4;D-12	13,050.48	43,921.79
Encumbered	D-4;D-12	39,866.94	71,525.79
Total Appropriation Reserves:		<u>52,917.42</u>	<u>115,447.58</u>
Water Rents Overpayments	D-13	62,070.74	65,823.99
Accounts Payable	D-14	580.96	186.88
Accrued Interest on Bonds	D-15	91,068.88	93,982.98
Accrued Interest on Notes	D-16	4,712.17	2,338.32
		<u>211,350.17</u>	<u>277,779.75</u>
Reserve for Receivables	Contra	425,063.87	394,704.88
Fund Balance	D-1	<u>2,010,322.70</u>	<u>2,014,596.97</u>
Total Operating Fund		<u>2,646,736.74</u>	<u>2,687,081.60</u>
Capital Fund:			
Serial Bonds Payable	D-17	7,210,000.00	8,280,000.00
Bond Anticipation Notes	D-18	599,200.00	695,600.00
Improvement Authorizations:			
Funded	D-19	252,123.85	424,667.93
Unfunded	D-19	836.38	4,287.93
Capital Improvement Fund	D-20	45,939.00	45,939.00
Encumbrances Payable	D-21	143,409.50	117,268.30
Reserve for Amortization	D-22	24,046,823.34	22,946,823.34
Reserve for Deferred Amortization	D-23	2,464,800.00	1,898,400.00
Fund Balance	D-3	29,117.66	29,117.66
Total Capital Fund		<u>34,792,249.73</u>	<u>34,442,104.16</u>
Total Liabilities, Reserves and Fund Balances		<u>37,438,986.47</u>	<u>37,129,185.76</u>

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,

	Ref.	2022	2021
Revenue and Other Income Realized:			
Surplus Anticipated	D-2	500,000.00	500,000.00
Water Rents	D-2	3,191,195.56	3,040,475.48
Fire Hydrant Service	D-2	47,176.92	45,089.59
Cell Tower Fees	D-2	350,277.63	337,970.15
Miscellaneous Revenues Anticipated	D-2	136,485.03	86,481.66
Other Credits to Income:			
Miscellaneous Revenues Not Anticipated	D-2	222,062.30	237,159.81
Unexpended Balance of Appropriation Reserves	D-12	19,816.29	95,655.41
Total Income		<u>4,467,013.73</u>	<u>4,342,832.10</u>
Expenditures:			
Operating	D-4	1,917,374.00	1,885,789.00
Capital Improvements	D-4	510,000.00	510,000.00
Debt Service	D-4	1,427,387.00	1,420,762.00
Deferred Charges and Statutory Expenditures	D-4	116,527.00	113,475.00
Refund of PY Revenue		<u>-</u>	<u>23,743.70</u>
Total Expenditures		<u>3,971,288.00</u>	<u>3,953,769.70</u>
Statutory Excess to Surplus		495,725.73	389,062.40
Fund Balance - January 1,	D	<u>2,014,596.97</u>	<u>2,125,534.57</u>
		<u>2,510,322.70</u>	<u>2,514,596.97</u>
Decreased by:			
Utilized as Anticipated Revenue		<u>500,000.00</u>	<u>500,000.00</u>
Fund Balance - December 31,	D	<u>2,010,322.70</u>	<u>2,014,596.97</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, 2022**

		<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	3,025,000.00	3,191,195.56	166,195.56
Fire Hydrant Service	D-1; D-5	44,500.00	47,176.92	2,676.92
Miscellaneous Anticipated	D-1; D-2	86,481.00	136,485.03	50,004.03
Water Tower Cell Phone	D-1; D-5	315,307.00	350,277.63	34,970.63
Budget Totals		<u>3,971,288.00</u>	<u>4,225,135.14</u>	<u>253,847.14</u>
		D-4		

Analysis of Miscellaneous Revenue Anticipated

Miscellaneous Anticipated:	
Interest on Delinquent Rents	57,045.43
Meters Sold	5,780.20
Sprinklers	50,445.20
Various Miscellaneous	<u>23,214.20</u>
	D-2; D-5
	<u>136,485.03</u>

Analysis of Miscellaneous Revenue Not Anticipated

Interest on Investment	41,009.93
Connection Fees	172,021.69
Miscellaneous Refund	<u>9,030.68</u>
	D-1; D-5
	<u>222,062.30</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>2022</u>	<u>2021</u>
	<u>Ref.</u>		
Balance - January 1,	D	<u>29,117.66</u>	23,718.47
Increased by:			
Premium on Sale of Bond			
Anticipation Notes		<u>5,399.19</u>	
Balance - December 31,	D	<u>29,117.66</u>	<u>29,117.66</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, 2022

	Ref.	Appropriated		Expended	
		Budget	Budget After Modification	Paid or Charged	Reserved
<b>Operating:</b>					
Salaries and Wages		869,625.00	869,625.00	857,845.89	11,779.11
Other Expenses		1,047,749.00	1,047,749.00	1,019,620.36	28,128.64
Total Operating	D-1	<u>1,917,374.00</u>	<u>1,917,374.00</u>	<u>1,877,466.25</u>	<u>39,907.75</u>
<b>Capital Improvements</b>					
Capital Improvement Fund		500,000.00	500,000.00	500,000.00	-
Capital Outlay		10,000.00	10,000.00	-	10,000.00
	D-1	<u>510,000.00</u>	<u>510,000.00</u>	<u>500,000.00</u>	<u>10,000.00</u>
<b>Debt Service:</b>					
Payment of Bond and Loan Principal		1,070,000.00	1,070,000.00	1,070,000.00	-
Payment of Bond Anticipation Notes		96,400.00	96,400.00	96,400.00	-
Interest on Bonds		254,871.00	254,871.00	254,871.00	-
Interest on Notes		6,116.00	6,116.00	6,116.00	-
Total Debt Service	D-1	<u>1,427,387.00</u>	<u>1,427,387.00</u>	<u>1,427,387.00</u>	<u>-</u>
<b>Deferred Charges and Statutory Expenditures:</b>					
Statutory Expenditures:					
Contribution to:					
Public Employee' Retirement System		50,000.00	50,000.00	50,000.00	-
Social Security System (O.A.S.I.)		66,527.00	66,527.00	63,517.33	3,009.67
Total Deferred Charges and Statutory Expenditures	D-1	<u>116,527.00</u>	<u>116,527.00</u>	<u>113,517.33</u>	<u>3,009.67</u>
		<u>3,971,288.00</u>	<u>3,971,288.00</u>	<u>3,918,370.58</u>	<u>52,917.42</u>
				D-2	
<b>Analysis of Paid or Charged</b>					
Cash Disbursed	D-5			3,657,383.58	
Interest on Bonds	D-15			254,871.00	
Interest on Notes	D-16			6,116.00	
				<u>3,918,370.58</u>	
<b>Analysis of Appropriation Reserve</b>					
Unencumbered	D			13,050.48	
Encumbered	D			39,866.94	
				<u>52,917.42</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>2022</u>	<u>2021</u>
<b><u>Assets</u></b>			
Operating Fund:			
Cash	E-5	244,923.91	760,637.27
Interfund Accounts Receivable	E-9	3,143.30	-
		<u>248,067.21</u>	<u>760,637.27</u>
Receivables with Full Reserves:			
Consumers Account Receivable	E-7	55,448.27	64,263.33
Deferred Charges:			
Overexpenditure of Appropriation Reserves	E-8	<u>11,310.00</u>	-
Total Operating Fund		<u>314,825.48</u>	<u>824,900.60</u>
Capital Fund:			
Cash	E-5;E-6	15,139.85	485,441.02
Fixed Capital	E-10	9,803,594.25	8,853,594.25
Fixed Capital Authorized and Uncompleted	E-11	1,200,000.00	1,450,000.00
Total Capital Fund		<u>11,018,734.10</u>	<u>10,789,035.27</u>
Total Assets		<u>11,333,559.58</u>	<u>11,613,935.87</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,

	Ref	2022	2021
<b><u>Liabilities, Reserves and Fund Balance</u></b>			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	E-4;E-13	43,507.94	622,694.09
Encumbered	E-4;E-13	39,541.39	23,339.41
Total Appropriation Reserves:		83,049.33	646,033.50
Accounts Payable	E-12	119,148.69	-
Sewer Charge Overpayments	E-14	1,791.09	1,057.74
Accrued Interest on Bonds	E-15	17,581.45	22,781.46
Accrued Interest on Notes	E-16	2,187.57	3,462.89
		223,758.13	673,335.59
Reserve for Receivables	Contra	55,448.27	64,263.33
Fund Balance	E-1	35,619.08	87,301.68
Total Operating Fund		314,825.48	824,900.60
Capital Fund:			
Serial Bonds Payable	E-17	1,335,000.00	1,660,000.00
Bond Anticipation Notes	E-18	937,900.00	968,000.00
Interfund Accounts Payable	E-9	696,100.00	-
Improvement Authorizations:			
Unfunded	E-19	531,319.73	950,591.56
Capital Improvement Fund	E-20	8,500.00	8,500.00
Encumbrances Payable	E-21	3,291.80	6,321.14
Reserve for Amortization	E-22	7,423,594.25	7,098,594.25
Reserve for Deferred Amortization	E-23	83,000.00	77,000.00
Fund Balance	E-3	28.32	20,028.32
Total Capital Fund		11,018,734.10	10,789,035.27
Total Liabilities, Reserves and Fund Balances		11,333,559.58	11,613,935.87

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, 2022 and 2021 in the amount of \$1,224,100.00 and \$500,000.00 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>2022</u>	<u>2021</u>
Revenue and Other Income Realized:			
Surplus Anticipated	E-2	87,000.00	11,000.00
Sewer Service Charges	E-2	825,247.73	835,523.73
Miscellaneous	E-2	14,895.80	5,937.34
Board of Education Debt Service	E-2	79,798.12	79,890.00
Local Fiscal Relief Funds - ARP		-	600,000.00
Sewer Capital Fund Balance	E-2	20,000.00	-
Sewer Connection Fees	E-2	13,560.00	9,442.20
Deficit (General Budget)		-	157,549.00
Other Credits to Income:			
Miscellaneous	E-2	5,947.81	2,220.11
Unexpended Balance of Appropriation Reserves	E-13	25,818.94	58,680.28
Total Income		<u>1,072,268.40</u>	<u>1,760,242.66</u>
Expenditures:			
Operating	E-4	644,498.00	645,167.00
Capital Improvements		-	600,000.00
Debt Service	E-4	389,968.00	405,492.00
Deferred Charges and Statutory Expenditures	E-4	2,485.00	22,608.75
Total Expenditures		<u>1,036,951.00</u>	<u>1,673,267.75</u>
Excess in Revenue over Expenditures		35,317.40	86,974.91
Fund Balance - January 1,	E	<u>87,301.68</u>	<u>11,326.77</u>
Decreased by:			
Utilized as Anticipated Revenue		<u>87,000.00</u>	<u>11,000.00</u>
Fund Balance - December 31,	E	<u>35,619.08</u>	<u>87,301.68</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, 2022

	<u>Anticipated</u>		Excess or (Deficit)
	<u>Ref.</u>	<u>Budget</u>	
Surplus Anticipated	E-1	87,000.00	87,000.00
Sewer Rents	E-1;E-7	835,000.00	825,247.73
Miscellaneous	E-1;E-5	5,927.00	14,895.80
Sewer Connection Fees	E-1;E-5	9,434.00	13,560.00
Board of Education Share of Debt Service	E-1;E-7	79,590.00	79,798.12
Sewer Capital Fund Balance	E-1;E-5	20,000.00	20,000.00
Budget Totals		<u>1,036,951.00</u>	<u>1,040,501.65</u>
		E-4	<u>3,550.65</u>

Miscellaneous Revenues Not AnticipatedInterest on Investments - Operating      E-2; E-5      5,947.81

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>2022</u>	<u>2021</u>
Balance - January 1,	E	20,028.32	13,728.30
Increased by:			
Premium on Sale of Bond			
Anticipation Note		-	6,300.02
		20,028.32	20,028.32
Decreased by:			
Anticipated Revenue - Sewer Operating	E-5	<u>20,000.00</u>	<u>-</u>
Balance - December 31,	E	<u>28.32</u>	<u>20,028.32</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, 2022

Ref.	Appropriated		Expended	
	Budget	Budget After Modification	Paid or Charged	Reserved
<b>Operating:</b>				
Salaries and Wages	28,485.00	28,485.00	5,589.00	22,896.00
Other Expenses	158,500.00	158,500.00	104,719.67	53,780.33
Other Expenses - SCMUA	457,513.00	457,513.00	453,625.00	3,888.00
Total Operating	E-1	644,498.00	644,498.00	563,933.67
				80,564.33
<b>Debt Service:</b>				
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	50,350.00	50,350.00	50,350.00	-
Interest on Notes	8,618.00	8,618.00	8,618.00	-
Total Debt Service	E-1	389,968.00	389,968.00	389,968.00
				-
<b>Deferred Charges and Statutory Expenditures:</b>				
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	2,485.00	2,485.00	2,485.00
	1,036,951.00	1,036,951.00	953,901.67	83,049.33
			E-2	
<u>Analysis of Paid or Charged</u>				
Cash Disbursed	E-5		894,933.67	
Interest on Bonds	E-15		50,350.00	
Interest on Notes	B-16		8,618.00	
			953,901.67	
<u>Analysis of Appropriation Reserves</u>				
Unencumbered	E		43,507.94	
Encumbered	E		39,541.39	
			83,049.33	

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>2022</u>	<u>2021</u>
<u>Assets</u>			
Operating Fund:			
Cash	F-4	1,172,617.71	1,510,661.21
Interfund Accounts Receivable	F-6	12,306.32	-
		<u>1,184,924.03</u>	<u>1,510,661.21</u>
Receivables with Full Reserves:			
Consumers Account Receivable	F-5	182,605.14	81,868.90
Total Operating Fund		<u>1,367,529.17</u>	<u>1,592,530.11</u>
<u>Ref</u>			
<u>Liabilities, Reserves and Fund Balance</u>			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	F-3;F-7	1,643.22	27,032.21
Encumbered	F-7	-	2,463.00
Total Appropriation Reserves		<u>1,643.22</u>	<u>29,495.21</u>
Accounts Payable	F-8	-	624.55
Prepaid Solid Waste User Fees	F-9	<u>4,190.28</u>	<u>3,689.34</u>
		<u>5,833.50</u>	<u>33,809.10</u>
Reserve for Receivables	Contra	182,605.14	81,868.90
Fund Balance	F-1	<u>1,179,090.53</u>	<u>1,476,852.11</u>
Total Operating Fund		<u>1,367,529.17</u>	<u>1,592,530.11</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>2022</u>	<u>2021</u>
Revenue and Other Income Realized:			
Surplus Anticipated	F-2	355,000.00	351,500.00
Solid Waste User Fees	F-2	2,037,753.19	2,058,479.31
Interest on Investments		-	8,085.90
Solid Waste Penalties	F-2	37,179.30	19,088.03
Miscellaneous	F-2	11,086.67	20.00
Other Credits to Income:			
Encumbrances Cancelled	F-8	600.55	-
Unexpended Balance of Appropriation Reserves	F-7	24,468.71	25,361.93
Total Income		<u>2,466,088.42</u>	<u>2,462,535.17</u>
Expenditures:			
Operating	F-3	2,396,835.00	2,384,028.00
Deferred Charges and Statutory Expenditures	F-3	12,015.00	12,015.00
Total Expenditures		<u>2,408,850.00</u>	<u>2,396,043.00</u>
Statutory Excess to Surplus		57,238.42	66,492.17
Fund Balance - January 1,	F	<u>1,476,852.11</u>	<u>1,761,859.94</u>
		1,534,090.53	1,828,352.11
Decreased by:			
Utilized as Anticipated Revenue		<u>355,000.00</u>	<u>351,500.00</u>
Fund Balance - December 31,	F	<u>1,179,090.53</u>	<u>1,476,852.11</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, 2022**

			Excess or (Deficit)
	<u>Ref.</u>	<u>Anticipated</u>	<u>Realized</u>
Surplus Anticipated	F-1	355,000.00	355,000.00
Solid Waste User Fees	F-1;F-5	2,035,000.00	2,037,753.19
Solid Waste Penalties	F-1;F-4	18,850.00	37,179.30
Miscellaneous	F-1;F-2	-	11,086.67
Budget Totals		<u>2,408,850.00</u>	<u>2,441,019.16</u>
			<u>32,169.16</u>

**Miscellaneous Revenues not Anticipated:**

Interest on Investments	<u>11,086.67</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, 2022

	Ref.	Appropriated		Expended	
		Budget	Budget After Modification	Paid or Charged	Reserved
<b>Operating:</b>					
Salaries and Wages		146,835.00	146,835.00	146,830.00	5.00
Other Expenses		2,250,000.00	2,250,000.00	2,249,144.28	855.72
Total Operating	F-1	<u>2,396,835.00</u>	<u>2,396,835.00</u>	<u>2,395,974.28</u>	<u>860.72</u>
<b>Deferred Charges and Statutory Expenditures:</b>					
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)	F-1	12,015.00	12,015.00	11,232.50	782.50
Total Deferred Charges and Statutory Expenditures		<u>12,015.00</u>	<u>12,015.00</u>	<u>11,232.50</u>	<u>782.50</u>
		<u>2,408,850.00</u>	<u>2,408,850.00</u>	<u>2,407,206.78</u>	<u>1,643.22</u>
			F-2	F-4	F

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>2022</u>	<u>2021</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	17,161,305.00
	<u>42,332,805.00</u>	<u>42,332,805.00</u>
Investment in Fixed Assets	<u>42,332,805.00</u>	<u>42,332,805.00</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, 2022 AND 2021

#### **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, 2022 AND 2021  
(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.

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

**TOWNSHIP OF SPARTA, N.J.**

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**  
**(CONTINUED)**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

**Basis of Accounting**- 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 11<sup>th</sup> day of the 11<sup>th</sup> 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, 2022 AND 2021  
(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 2022, the Governing Body increased the original Current Fund budget by \$1,201,102.90 for additional grants received by the Township in 2022. 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, 2022 AND 2021  
(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, 2022 AND 2021  
(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, 2022 AND 2021  
(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 2022.

**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 2022 statutory budget included a reserve for uncollected taxes in the amount of \$2,958,902.09. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2022 statutory budget was \$4,515,376.00.

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**TOWNSHIP OF SPARTA, N.J.**

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**  
**(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 2022, there were two items of special revenue and appropriation inserted into the budget, Local Fiscal Recovery Funds - ARP, \$972,109.20; and Local Efficiency Achievement Program - LEAP, \$229,000.00.

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 2022, 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 2022:

	<u>Dec. 31, 2021</u>	<u>Additions</u>	<u>Disposals</u>	<u>Dec. 31, 2022</u>
Land, Land Improvements & Buildings	\$25,171,500.00	\$0.00	\$0.00	\$25,171,500.00
Machinery & Equipment	<u>17,161,305.00</u>	_____	_____	<u>17,161,305.00</u>
	<u>\$42,332,805.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$42,332,805.00</u>

**TOWNSHIP OF SPARTA, N.J.**

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**  
**(CONTINUED)**

**NOTE 4: MUNICIPAL DEBT**

Long-term debt as of December 31, 2022 consisted of the following:

	<u>Balance</u>		<u>Balance</u>		<u>Amount Due</u>
	<u>Dec. 31, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Dec. 31, 2022</u>	<u>Within One Year</u>
General Capital Fund:					
Bonds Payable	<u>\$2,540,000.00</u>	<u>\$ -</u>	<u>\$1,000,000.00</u>	<u>\$1,540,000.00</u>	<u>\$1,025,000.00</u>
Assessment Trust Fund:					
N.J. D.E.P. Loan	<u>660,927.92</u>	<u>-</u>		<u>660,927.92</u>	<u>191,204.33</u>
Water Capital Fund:					
Bonds Payable	<u>8,280,000.00</u>	<u>-</u>	<u>1,070,000.00</u>	<u>7,210,000.00</u>	<u>1,075,000.00</u>
Sewer Capital Funds					
Serial Bonds Payable	<u>1,660,000.00</u>	<u>-</u>	<u>325,000.00</u>	<u>1,335,000.00</u>	<u>335,000.00</u>
Compensated Absences Payable	<u>1,663,135.58</u>	<u>114,022.89</u> (1)	<u>-</u>	<u>1,777,158.47</u>	<u>-</u>
	<u><b>\$14,744,063.50</b></u>	<u><b>114,022.89</b></u>	<u><b>\$2,395,000.00</b></u>	<u><b>\$12,463,086.39</b></u>	<u><b>\$2,526,204.33</b></u>

(1) Net additions, including retirements, resignations, time used and adjustment for recalculations 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 2022</u>	<u>Year 2021</u>	<u>Year 2020</u>
General:			
Bonds and Notes	\$3,466,400.00	\$3,996,600.00	\$5,311,000.00
Assessment Trust Fund:			
Loan Payable	600,927.92	600,927.92	600,927.92
Water Utility:			
Bonds, Notes and Loans	7,809,200.00	8,975,600.00	10,107,000.00
Sewer Utility:			
Bonds and Notes	<u>2,272,900.00</u>	<u>2,628,000.00</u>	<u>2,959,000.00</u>
Total Issued	<u><b>\$14,149,427.92</b></u>	<u><b>\$16,201,127.92</b></u>	<u><b>\$18,978,727.92</b></u>

**TOWNSHIP OF SPARTA, N.J.**

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**  
**(CONTINUED)**

**NOTE 4: MUNICIPAL DEBT (CONTINUED)**

	<u>Year 2022</u>	<u>Year 2021</u>	<u>Year 2020</u>
<b><u>Less</u></b>			
Funds Temporarily Held by Pay			
Bonds, Notes and Loans:			
Assessment Trust Assessments	<u>\$ 231,378.37</u>	<u>\$ 231,378.37</u>	<u>\$ 231,378.37</u>
Net Debt Issued	<u>13,918,049.55</u>	<u>15,969,749.55</u>	<u>18,747,349.55</u>
<b><u>Authorized but not Issued</u></b>			
General Capital:			
Bonds and Notes	780,000.36	754,016.35	575,875.35
Sewer Utility:			
Bonds and Notes	<u>1,224,100.00</u>	<u>500,000.00</u>	<u>-0-</u>
Total Authorized but not Issued	<u>2,004,100.36</u>	<u>1,254,016.35</u>	<u>575,875.35</u>
<b>Less:</b>			
Self Liquidating - Utility	<u>11,306,200.00</u>	<u>12,103,600.00</u>	<u>11,891,603.40</u>
Net Debt	<u>\$4,615,949.91</u>	<u>\$5,120,165.90</u>	<u>\$7,431,621.50</u>

**TOWNSHIP OF SPARTA, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(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 0.130%.

**SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENT**

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School Dist. Debt	\$51,990,000.00	\$51,990,000.00	\$ -
Sewer Utility Debt	3,497,000.00	3,497,000.00	- -
Water Utility Debt	7,809,200.00	7,809,200.00	- -
General Debt	4,246,400.36	- -	4,246,400.36
Assessment Trust Fund	<u>600,927.92</u>	<u>231,378.37</u>	<u>369,549.55</u>
	<u><u>\$68,143,528.28</u></u>	<u><u>\$63,527,578.37</u></u>	<u><u>\$4,615,949.91</u></u>

Net Debt \$4,615,949.91 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended, \$3,562,546,165.00 = 0.130%.

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

2022	\$3,562,546,165.00	
2021	3,348,298,601.00	
2020	3,242,738,715.67	

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

3.50% of Equalized Valuation Basis (Municipal)	\$124,689,115.78
Net Debt	<u>4,615,949.91</u>
Remaining Borrowing Power	<u>\$120,073,165.87</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	\$4,447,197.34
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**Deductions:**

Operating and Maintenance Cost	\$2,033,901.00
Net Debt	<u>1,427,387.00</u>
Total Deductions	<u>3,461,288.00</u>
Excess/(Deficit) in Revenue	<u>\$985,909.34</u>

**TOWNSHIP OF SPARTA, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(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	\$1,046,449.46
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Deductions:

Operating and Maintenance Cost	\$646,983.00
Net Debt	<u>389,968.00</u>
Total Deductions	<u>1,036,957.00</u>
Excess/(Deficit) s in Revenue )	<u><b>\$9,492.46</b></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, 2022 was \$525,000.00. 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, 2022 was \$1,015,000.00. 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, 2022 was \$605,000.00. 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, 2022 AND 2021  
(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, 2022 was \$894,000.00. 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, 2022 was \$2,180,000.00. 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, 2022 was \$3,531,000.00. 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, 2022 was \$720,000.00. 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, 2022 was \$615,000.00. 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, 2022 AND 2021  
(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, 2022, the balance remaining is \$600,927.92.

Total General Capital Bond - listed in above	<u>\$1,540,000.00</u>
Total Water Utility Capital Bonds - listed in above	<u>7,210,000.00</u>
Total Sewer Utility Capital Bonds - listed in above	<u>1,335,000.00</u>
Total Assessment Trust Loan - listed in above	<u>600,927.92</u>
	<u><u>\$10,685,927.92</u></u>

**SCHEDEULE 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
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	-	-	-	1,110,000.00	105,827.50	1,215,827.50
2027	-	-	-	430,000.00	85,327.50	515,327.50
2028-2032	-	-	-	2,356,000.00	233,937.50	2,589,937.50
2033	-	-	-	89,000.00	3,560.00	92,560.00
	<u>\$1,540,000.00</u>	<u>\$55,087.50</u>	<u>\$1,595,087.50</u>	<u>\$7,210,000.00</u>	<u>\$952,388.12</u>	<u>\$8,162,388.12</u>

**TOWNSHIP OF SPARTA, N.J.**

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**  
**(CONTINUED)**

**NOTE 4: MUNICIPAL DEBT (CONTINUED)**

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

	Sewer Capital			Assessment Trust Fund		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	335,000.00	41,750.00	376,750.00	158,298.80	32,905.53	191,204.33
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	-	-	-	50,199.97	4,429.85	54,629.82
2028-2032	-	-	-	183,779.99	7,424.34	191,204.33
2033	-	-	-	-	-	-
	<b><u>\$1,335,000.00</u></b>	<b><u>\$94,512.50</u></b>	<b><u>\$1,429,512.50</u></b>	<b><u>\$537,021.40</u></b>	<b><u>\$63,906.52</u></b>	<b><u>\$600,927.92</u></b>

	Yearly Total		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	2,593,298.80	325,789.28	2,919,088.08
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	480,199.97	89,757.35	569,957.32
2028-2032	2,539,779.99	241,361.84	2,781,141.83
2033	<b><u>89,000.00</u></b>	<b><u>3,560.00</u></b>	<b><u>92,560.00</u></b>
	<b><u>\$10,622,021.40</u></b>	<b><u>\$1,165,894.64</u></b>	<b><u>\$11,787,916.04</u></b>

**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, 2022 AND 2021**  
**(CONTINUED)**

**NOTE 5: BOND ANTICIPATION NOTES (CONTINUED)**

The following activity related to Bond Anticipation Notes occurred during the calendar year ended December 31, 2022:

	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
<b>General Capital:</b>				
Piper Sandler	<u>\$1,456,600.00</u>	<u>\$ -</u>	<u>\$1,456,600.00</u>	<u>\$ -</u>
Lakeland Bank	<u>-</u>	<u>1,926,400.00</u>	<u>-</u>	<u>1,926,400.00</u>
<b>Water Capital Fund:</b>				
Piper Sandler	<u>695,600.00</u>	<u>-</u>	<u>695,600.00</u>	<u>-</u>
Lakeland Bank	<u>-</u>	<u>599,200.00</u>	<u>-</u>	<u>599,200.00</u>
<b>Sewer Capital Fund:</b>				
Piper Sandler	<u>968,000.00</u>	<u>-</u>	<u>968,000.00</u>	<u>-</u>
Lakeland Bank	<u>-</u>	<u>937,900.00</u>	<u>-</u>	<u>937,900.00</u>
	<u><b>\$3,120,200.00</b></u>	<u><b>\$3,463,500.00</b></u>	<u><b>\$3,120,200.00</b></u>	<u><b>\$3,463,500.00</b></u>

The Township has outstanding at December 31, 2022, a bond anticipation note in the amount of \$1,926,400.00 payable to Lakeland Bank. This note will mature on September 28, 2023 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 3.12%. Principal and interest on this note is paid from the Current Fund Budget of the Township.

The Township has outstanding at December 31, 2022, a bond anticipation note in the amount of \$599,200.00 payable to Lakeland Bank. This note will mature on September 28, 2023 and it is the intent of the Township Council to renew this note. The current interest rate on this note is 3.12%. Principal and interest on this note is paid from the Water Operating Fund Budget of the Township.

The Township has outstanding at December 31, 2022, a bond anticipation note in the amount of \$937,900.00 payable to Lakeland Bank. This note will mature on September 28, 2023 and it is the intent of the Township Council to renew this note. The current interest rate on this note is 3.12%. 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, 2022 AND 2021  
(CONTINUED)**

**NOTE 6: FUND BALANCES APPROPRIATED**

Fund balances at December 31, 2022 and 2021 which were appropriated and included as anticipated revenue in their own respective funds for the years ending December 31, 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
Current Fund	<u>\$5,000,000.00</u>	<u>\$4,515,376.00</u>
Water Utility Operating Fund	<u>\$ 500,000.00</u>	<u>\$ 500,000.00</u>
Sewer Utility Operating Fund	<u>\$ 21,165.00</u>	<u>\$ 87,000.00</u>
Solid Waste Operating Fund	<u>\$ 355,000.00</u>	<u>\$ 355,000.00</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 \$4,306,284.83. However, if the employee retired or separated from the municipality the amount of such unpaid amount would be \$1,777,158.41.

The amount is not reported either as an expenditure or a liability. The Township has reserved \$173,340.46 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.

**TOWNSHIP OF SPARTA, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(CONTINUED)**

**NOTE 8: DUE TO/FROM OTHER FUNDS**

Balances due to/from other funds at December 31, 2022 consist of the following:

\$817,620.86	Due to Federal and State Grant Fund from Current Fund for receipts and disbursements in Current Fund for Federal and State Grant Fund.
34,715.56	Due from Current Fund from Other Trusts for various receipts and disbursements in Other Trust for Current Fund.
16,304.00	Due to Federal and State Grant Fund from Other Trust for Statewide Body-Worn Camera program funds posted to Other Trusts.
25,916.20	Due to Water Operating from Other Trusts for municipal TTL Collections posted to Other Trusts.
3,143.30	Due to Sewer Operating from Other Trusts for municipal TTL Collections posted to Other Trusts.
<u>12,306.32</u>	Due to Solid Waste Operating from Other Trusts for municipal TTL Collections posted to Other Trust.
<u>\$910,006.24</u>	

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

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**TOWNSHIP OF SPARTA, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(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 Annual Comprehensive Financial Report (ACFR) which can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://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 1/55<sup>th</sup> of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and 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, 2022 AND 2021  
(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 Annual Comprehensive Financial Report (ACFR) which can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://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, 2022 AND 2021**  
**(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>
2022	\$793,105.00	\$1,215,562.00	\$2,690.95
2021	752,259.00	1,184,914.00	11,413.72
2020	675,277.00	1,034,181.00	11,309.07

**TOWNSHIP OF SPARTA, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(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, 2022, the Township had a liability of \$10,648,936 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022, 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, 2022, the Township's proportion was 0.0705630543 percent, which was an increase/(decrease) of 0.0028409117 percent from its proportion measured as of June 30, 2021.

For the year ended December 31, 2022, the Township recognized pension expense of \$793,105. At December 31, 2022, 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	\$76,859	\$67,779
Changes of assumptions	32,994	1,594,567
Net difference between projected and actual earnings on pension plan investments	440,750	-
Changes in proportion and differences between the Township's contributions and proportionate share of contributions	<u>619,259</u>	<u>89,563</u>
Total	<u>\$1,169,862</u>	<u>\$1,751,909</u>

**TOWNSHIP OF SPARTA, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(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, 2022) 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:	
2023	(\$913,455)
2024	(465,375)
2025	(226,954)
2026	495,128
2027	(1,088)

**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 5.04, 5.13, 5.16, 5.21, 5.63 and 5.48 years for 2022, 2021, 2020, 2019, 2018 and 2017 amounts respectively.

**Additional Information**

Local Group Collective balances net of non-employer (State of New Jersey) balances at June 30, 2022 and June 30, 2021 are as follows:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Collective deferred outflows of resources	\$1,660,772,008	\$1,164,738,169
Collective deferred inflows of resources	3,236,303,935	8,339,123,762
Collective net pension liability	15,091,376,611	11,846,499,172
Township's Proportion	0.0705630543%	0.0677221426%

**Actuarial Assumptions**

The collective total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which rolled forward to June 30, 2022. 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, 2022 AND 2021  
(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	2.75-6.55% (based on years of service)
Investment Rate of Return	7.00%

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

**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, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense

**TOWNSHIP OF SPARTA, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(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, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Market Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for 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, 2022 AND 2021  
(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, 2022, 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, 2022		
	1% Decrease	At Current Discount Rate	1% Increase
Township's proportionate share of the pension liability	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>
	\$13,796,626	\$10,648,936	\$8,137,063

**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](http://www.state.nj.us/treasury/pensions).

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

At December 31, 2022, the Township had a liability of \$12,076,233 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2022, 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, 2022, the Township's proportion was 0.10550286 percent, which was an increase/(decrease) of 0.0012043426 percent from its proportion measured as of June 30, 2021.

**TOWNSHIP OF SPARTA, N.J.**

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**  
**(CONTINUED)**

**NOTE 9: PENSION PLANS (CONTINUED)**

**Police and Firemen's Retirement System, (continued)**

For the year ended December 31, 2022, the Township recognized pension expense of \$1,215,562. At December 31, 2022, 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	\$546,603	\$739,833
Changes of assumptions	33,096	1,520,159
Net difference between projected and actual earnings on pension plan investments	1,105,828	-
Changes in proportion and differences between Township contributions and proportionate share of contributions	<u>676,700</u>	<u>478,458</u>
 Total	 <u>\$2,362,227</u>	 <u>\$2,738,450</u>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2022) 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:	
2023	(\$604,004)
2024	(385,996)
2025	(367,704)
2026	768,077
2027	7,402
Thereafter	7,760

**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 6.22, 6.17, 5.90, 5.92, 5.73 and 5.59 years for 2022, 2021, 2020, 2019, 2018 and 2017 amounts respectively.

**TOWNSHIP OF SPARTA, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(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, 2022 and June 30, 2021 are as follows:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Collective deferred outflows of resources	\$2,163,793,985	\$817,271,932
Collective deferred inflows of resources	2,805,919,493	6,875,738,520
Collective net pension liability	11,446,356,176	7,309,152,035
Township's Proportion	0.10550286%	0.1042985174%

**Actuarial Assumptions**

The collective total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions.

Inflation Rate	2.75%
<b>Salary Increases:</b>	
Through all future years	3.25-16.25% (based on years of service)
Investment Rate of Return	7.00%

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

**Mortality Rates**

Employee mortality rates were based on the PubS-2010 amount-weighted mortality table with a 105.6% adjustment for males and 102.5% adjustment for females. For healthy annuitants, mortality rates were based on the PubS-2010 amount-weighted mortality table with a 96.7% adjustment for males and a 96.0% adjustment for females. Disability rates were based on the PubS-2010 amount-weighted mortality table with a 152.0% adjustment for males and 109.3% adjustment for females. Mortality improvement is based on Scale MP-2021.

**TOWNSHIP OF SPARTA, N.J.**

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**  
**(CONTINUED)**

**NOTE 9: PENSION PLANS (CONTINUED)**

**Police and Firemen's Retirement System, (continued)**

**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, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PFRS's target asset allocation as of June 30, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Market Equity	13.50%	8.38%
Emerging Market Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%

**TOWNSHIP OF SPARTA, N.J.**

**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**  
**(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, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for 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, 2022, 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, 2022		
	1% Decrease	At Current Discount Rate	1% Increase
Township's proportionate share of the pension liability	<u>6.00%</u>	<u>7.00%</u>	<u>8.00%</u>

\$19,518,852      \$12,076,234      \$9,818,665

***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, 2022 AND 2021  
(CONTINUED)**

**NOTE 9: PENSION PLANS (CONTINUED)**

**Police and Firemen's Retirement System, (continued)**

***Special Funding Situations - PFRS (continued)***

At December 31, 2022 and 2021, the State proportionate share of the net pension liability attributable to the Township for the PFRS special funding situation is \$2,149,216 and \$2,126,929, respectively. For the years ended December 31, 2022 and 2021, the pension system has determined the State proportionate share of the pension expense attributable to the Township for the PFRS special funding situation is \$247,963 and \$241,045, respectively, which is more than the actual contributions the State made on behalf of the Township of \$267,567 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](http://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, 2022 AND 2021  
(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, 2022, \$334,595.80 of the Township's bank balance of \$34,704,056.99 was exposed to custodial credit risk. In comparison, 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.

**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, 2022 AND 2021  
(CONTINUED)**

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

Unaudited Investments

As more fully described in Note 14, 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, 2022 and 2021 amounted to \$334,595.80 and \$373,079.74 respectively.

The following investments represent 5% or more of the total invested with Variable Annuity Life Insurance Co. on December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Investments under 5%	\$64,929.54	\$54,411.14
Fidelity VIP ContraFund	18,768.47	25,817.39
Fixed Account	100,311.38	98,634.02
LVIP SSgA S&P 500 Index Fund	<u>150,586.41</u>	<u>194,217.19</u>
 Total	 <u>\$334,595.80</u>	 <u>\$373,079.74</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 2022 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, 2022 AND 2021**  
**(CONTINUED)**

**NOTE 12: RISK MANAGEMENT (CONTINUED)**

<b><u>Fiscal year</u></b>	<b>Interest Earnings/</b>		<b>Amount Reimbursed</b>	<b>Ending Balance</b>
	<b>Township Contributions</b>	<b>Employee Contributions</b>		
2022	\$3,135.33	\$17,350.56	\$3,045.81	\$222,704.50
2021	587.84	15,108.30	6,735.84	205,264.42
2020	1,159.00	14,628.73	435.70	196,304.12

**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, 2022 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, 2022 AND 2021  
(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:

	<u>Balance Dec. 31, 2022</u>	<u>Balance Dec 31, 2021</u>
Prepaid Taxes	<u>\$772,657.10</u>	<u>\$888,280.62</u>
Cash Liability for Taxes Collected in Advance	<u>\$772,657.10</u>	<u>\$888,280.62</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, 2022, including a determination of financial reporting information for the year ending December 31, 2022.

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, 2022 AND 2021**  
**(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	\$ 41,952,911.00
Total OPEB Liability Retired	\$ 40,261,636.00
Total OPEB Liability	\$ 82,214,547.00
Plan Fiduciary Net Position	\$ 0.00
Net OPEB Liability	\$ 82,214,547.00
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, 2022 is \$2,515,880.00 based upon a discount rate of 3.72% per annum and the plan provisions in effect on December 31, 2022.

• *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, 2022 would decrease to \$72,477,358.00 and if it were to decrease by 1.00%, the TOL would increase to \$94,521,573.00.

• *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 1.0% per annum, the TOL as of December 31, 2022 would increase to \$93,170,744.00 and if it were to decrease by 1.0%, the TOL would decrease to \$73,443,483.00.

**TOWNSHIP OF SPARTA, N.J.**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(CONTINUED)**

**NOTE 16: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

**Basis of Valuation**

This valuation has been conducted as of December 31, 2022 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 19 are eligible to retire as of the valuation date. The average age of the active population is 46 and the average age of the retiree population is 66.

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 calculating pension benefits taken from the July 1, 2021 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, 2021 report from Aon Consultants.

**Key Actuarial Assumptions**

<i>Mortality</i>	<i>December 31, 2021 - RP 2000 Combined Healthy Male Mortality Rates Set Forward One Year and Adjusted for Generational Improvement December 31, 2022 - PUB 2010 "General" classification headcount weighted mortality with generational improvement using Scale MP-2021</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>2.12% Based on the Bond Buyer 20 Index December 31, 2020 2.06% Based on the Bond Buyer 20 Index December 31, 2021 3.72% Based on the Bond Buyer 20 Index December 31, 2022</i>
<i>CPI Increase</i>	<i>2.5%</i>
<i>Rate of Salary Increase</i>	<i>2.5%</i>
<i>Medical Trend</i>	<i>December 31, 2021 - RP 2000 Combined Healthy Male Mortality Rates Set Forward One Year and Adjusted for Generational Improvement December 31, 2022 - PUB 2010 "General" classification headcount weighted mortality with generational improvement using Scale MP-2021</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, 2022 AND 2021**  
**(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 2022 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 (46) and scaled to each age based on the medical cost aging factors to age 65. At age 65, Medicare Advantage becomes the primary payer of medical benefits and aging factors are not applied.
- 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 conservatism, 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. 2022 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, 2022 AND 2021  
(CONTINUED)**

**NOTE 16: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

***Special Funding Situation PFRS (continued)***

At December 31, 2022, the State's proportionate share of the net OPEB liability attributable to the Township for the PFRS special funding situation is \$2,149,216.00 and the State's proportionate share of the OPEB expense for the PFRS special funding situation is \$7,841,993.00.

**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 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.

**NOTE 19: SUBSEQUENT EVENTS**

The Township has evaluated subsequent events through September 22, 2023, the date which the financial statements were available to be issued and no other items were noted for disclosure.

**SUPPLEMENTARY DATA**

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

**YEAR ENDED DECEMBER 31, 2022**

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		
Christine Quinn	Councilwoman		
Molly Whilesmith	Councilwoman		
Daniel Chiariello	Councilman		
Neil Spidaletto	Interim Township Manager		
Kathleen Chambers	Municipal Clerk		
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	Chief of Police; Emergency Management Coordinator		
Dominick Carnevale	Construction Official		
Kathleen Chambers	Registrar of Vital Statistics		
Roxanne Landy	Deputy Registrar, Clerk		
Paris Eliades	Judge	1,000,000	(1)
Bonnie Messina	Court Administrator	1,000,000	(1)
Thomas 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 Puszcz	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.

## **COMPARATIVE SCHEDULE OF TAX RATE INFORMATION**

	<u>2022</u>	<u>2021</u>	<u>2020</u>
<b><u>Tax Rate</u></b>	<u>3.402</u>	<u>3.348</u>	<u>3.400</u>

### **Apportionment of Tax Rate:**

Municipal (1)	0.629	0.628	.635
County	0.605	0.596	.600
Local School	2.168	2.124	2.165

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

### **Assessed Valuation:**

2022	\$3,063,881,400
2021	3,042,797,600
2020	3,001,513,200

## **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>
2022	\$104,599,507.12	\$103,518,694.48	98.97%
2021	102,567,776.43	101,291,943.59	98.76%
2020	103,644,811.49	101,718,636.05	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>Year</u>	<u>Amount of Delinquent Taxes</u>	<u>Tax Title Liens</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2022	\$984,996.84	\$211,112.35	1,196,109.19	1.14%
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%

## **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>
2022	\$2,907,000.00
2021	2,907,000.00
2020	2,907,000.00

## **COMPARISON OF WATER UTILITY LEVIES**

<u>Year</u>	<u>Levy</u>	<u>Collections*</u>
2022	\$3,221,554.55	\$3,191,195.56
2021	3,108,008.34	3,040,475.48
2020	3,167,434.68	3,102,531.51

## **COMPARISON OF SEWER UTILITY LEVIES**

<u>Year</u>	<u>Levy</u>	<u>Collections*</u>
2022	\$896,230.79	\$905,045.85
2021	910,984.37	915,413.73
2020	908,514.74	883,637.89

## **COMPARISON OF SOLID WASTE UTILITY LEVIES**

<u>Year</u>	<u>Levy</u>	<u>Collections*</u>
2022	\$2,138,489.43	\$2,037,753.19
2021	2,038,036.65	2,058,479.31
2020	1,973,883.95	1,988,329.68

\* Includes collection of prior year receivables.

**COMPARATIVE SCHEDULE OF FUND BALANCES**

	<u>Year</u>	<u>Balance</u> <u>December 31</u>	<u>Utilized In Budget</u> <u>of Succeeding</u> <u>Year</u>
<u>Current Fund:</u>			
	2022	\$11,039,205.55	\$5,000,000.00
	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

Water Utility:

Operating Fund:	2022	\$2,010,322.70	\$500,000.00
	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

Sewer Utility:

Operating Fund:	2022	\$35,619.08	\$21,165.00
	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

Solid Waste Utility:

Operating Fund:	2022	\$1,179,090.53	\$355,000.00
	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

**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE**

**CURRENT FUND**

	<u>Year 2022</u>		<u>Year 2021</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<b><u>Revenue and Other Income Realized</u></b>				
Fund Balance Utilized	4,515,376.00	3.867%	3,960,000.00	3.501%
Miscellaneous - From Other Than Local Property Tax Levies	6,367,105.11	5.453%	4,487,826.06	3.968%
Collection of Delinquent Taxes and Tax Title Liens	1,110,460.24	0.951%	1,498,857.50	1.325%
Collection of Current Tax Levy	103,518,694.48	88.660%	101,291,943.59	89.550%
Other Credits to Income	1,247,632.67	1.069%	1,873,248.33	1.656%
<b><u>Total Revenue and Other Income Realized</u></b>	<b><u>116,759,268.50</u></b>	<b><u>100.00%</u></b>	<b><u>113,111,875.48</u></b>	<b><u>100.00%</u></b>
 <b><u>Expenditures</u></b>				
Budget Expenditures:				
Municipal Purposes	27,373,256.39	24.245%	25,142,174.01	23.215%
Local Open Space Taxes	341,185.69	0.302%	336,988.89	0.311%
Local School Taxes	66,420,658.00	58.829%	64,600,967.00	59.650%
County Taxes	18,568,196.85	16.446%	18,220,790.14	16.824%
Other Expenditures	200,465.13	0.178%	-	0.000%
<b><u>Total Expenditures</u></b>	<b><u>112,903,762.06</u></b>	<b><u>100.00%</u></b>	<b><u>108,300,920.04</u></b>	<b><u>100.00%</u></b>
 <b><u>Excess (Deficit) in Revenue</u></b>	<b><u>3,855,506.44</u></b>		<b><u>4,810,955.44</u></b>	
 <b><u>Adjustments to Income Before Fund Balance:</u></b>				
<b><u>Expenditures Included Above Which are by</u></b>				
Statute Deferred Charges to Budget of Succeeding Year	60,000.00		-	
 <b><u>Statutory Excess to Fund Balance</u></b>	<b><u>3,915,506.44</u></b>		<b><u>4,810,955.44</u></b>	
 <b><u>Fund Balance, January 1,</u></b>	<b><u>11,639,075.11</u></b>		<b><u>10,788,119.67</u></b>	
	15,554,581.55		15,599,075.11	
 <b><u>Less:</u></b>				
Utilized as Anticipated Revenue	4,515,376.00		3,960,000.00	
 <b><u>Fund Balance, December 31,</u></b>	<b><u>11,039,205.55</u></b>		<b><u>11,639,075.11</u></b>	

**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE**

**WATER UTILITY OPERATING FUND**

	<u>Year 2022</u>	<u>Year 2021</u>		
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<b><u>Revenue and Other Income Realized</u></b>				
Fund Balance Utilized	500,000.00	11.193%	500,000.00	11.513%
Collection of Water Rents	3,191,195.56	71.439%	3,040,475.48	70.011%
Miscellaneous - From Other Than Water Rents	533,939.58	11.953%	469,541.40	10.812%
Other Credits to Income	241,878.59	5.415%	332,815.22	7.664%
<b><u>Total Revenue and Other Income Realized</u></b>	<b><u>4,467,013.73</u></b>	<b><u>100.00%</u></b>	<b><u>4,342,832.10</u></b>	<b><u>100.00%</u></b>
<b><u>Expenditures</u></b>				
Budget Expenditures:				
Operating	1,917,374.00	48.281%	1,885,789.00	47.696%
Capital Improvements	510,000.00	12.842%	510,000.00	12.899%
Debt Service	1,427,387.00	35.943%	1,420,762.00	35.934%
Deferred Charges and Statutory Expenditures	116,527.00	2.934%	113,475.00	2.870%
Other Charges	-	0.000%	23,743.70	0.601%
<b><u>Total Expenditures</u></b>	<b><u>3,971,288.00</u></b>	<b><u>100.00%</u></b>	<b><u>3,953,769.70</u></b>	<b><u>100.00%</u></b>
<b><u>Excess (Deficit) in Revenue</u></b>	<b><u>495,725.73</u></b>		<b><u>389,062.40</u></b>	
<b><u>Fund Balance, January 1,</u></b>	<b><u>2,014,596.97</u></b>		<b><u>2,125,534.57</u></b>	
	<b><u>2,510,322.70</u></b>		<b><u>2,514,596.97</u></b>	
<b><u>Less:</u></b>				
Utilized as Anticipated Revenue	<u>500,000.00</u>		<u>500,000.00</u>	
<b><u>Fund Balance, December 31,</u></b>	<b><u>2,010,322.70</u></b>		<b><u>2,014,596.97</u></b>	

**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE**

**SEWER UTILITY OPERATING FUND**

	<u>Year 2022</u>	<u>Year 2021</u>		
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<b><u>Revenue and Other Income Realized</u></b>				
Fund Balance Utilized	87,000.00	8.114%	11,000.00	0.625%
Collection of Sewer User Fees	825,247.73	76.963%	835,523.73	47.466%
Miscellaneous - From Other Than Sewer Rents	14,895.80	1.389%	5,937.34	0.337%
Board of Education - Share of Debt Service	79,798.12	7.442%	79,890.00	4.539%
Local Fiscal Recovery Funds - ARP	-	0.000%	600,000.00	34.086%
Sewer Capital Fund Balance	20,000.00	1.865%	-	0.000%
Deficit (General Budget)	-	0.000%	157,549.00	8.950%
Sewer Connection Fees	13,560.00	1.265%	9,442.20	0.536%
Other Credits to Income	31,766.75	2.963%	60,900.39	3.460%
<b><u>Total Revenue and Other Income Realized</u></b>	<b><u>1,072,268.40</u></b>	<b><u>100.00%</u></b>	<b><u>1,760,242.66</u></b>	<b><u>100.00%</u></b>

**Expenditures**

Budget Expenditures:				
Operating	644,498.00	62.153%	645,167.00	38.557%
Capital Improvements	-	0.000%	600,000.00	35.858%
Debt Service	389,968.00	37.607%	405,492.00	24.234%
Deferred Charges and Statutory Expenditures	2,485.00	0.240%	22,608.75	1.351%
<b><u>Total Expenditures</u></b>	<b><u>1,036,951.00</u></b>	<b><u>100.00%</u></b>	<b><u>1,673,267.75</u></b>	<b><u>100.00%</u></b>

**Excess (Deficit) in Revenue** 35,317.40 86,974.91

**Fund Balance, January 1,** 87,301.68 11,326.77  
122,619.08 98,301.68

**Less:**

**Utilized as Anticipated Revenue** 87,000.00 11,000.00

**Fund Balance, December 31,** 35,619.08 87,301.68

**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE**

**SOLID WASTE UTILITY OPERATING FUND**

	<u>Year 2022</u>	<u>Year 2021</u>		
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<b><u>Revenue and Other Income Realized</u></b>				
Fund Balance Utilized	355,000.00	14.395%	351,500.00	14.274%
Collection of Solid Waste Fees	2,037,753.19	82.631%	2,058,479.31	83.592%
Miscellaneous - From Other Than Sewer Rents	48,265.97	1.957%	27,193.93	1.104%
Other Credits to Income	25,069.26	1.017%	25,361.93	1.030%
<b><u>Total Revenue and Other Income Realized</u></b>	<b><u>2,466,088.42</u></b>	<b><u>100.00%</u></b>	<b><u>2,462,535.17</u></b>	<b><u>100.00%</u></b>

**Expenditures**

Budget Expenditures:				
Operating	2,396,835.00	99.501%	2,384,028.00	99.499%
Deferred Charges and Statutory Expenditures	12,015.00	0.499%	12,015.00	0.501%
<b><u>Total Expenditures</u></b>	<b><u>2,408,850.00</u></b>	<b><u>100.00%</u></b>	<b><u>2,396,043.00</u></b>	<b><u>100.00%</u></b>
Excess (Deficit) in Revenue	57,238.42		66,492.17	
<b><u>Fund Balance, January 1,</u></b>	<b><u>1,476,852.11</u></b>		<b><u>1,761,859.94</u></b>	
	<b><u>1,534,090.53</u></b>		<b><u>1,828,352.11</u></b>	
Less:				
Utilized as Anticipated Revenue	355,000.00		351,500.00	
<b><u>Fund Balance, December 31,</u></b>	<b><u>1,179,090.53</u></b>		<b><u>1,476,852.11</u></b>	

## Township of Sparta, N.J.

## Schedule of Cash - Collector-Treasurer

## Current Fund

Year Ended December 31, 2022

<u>Ref.</u>		
Balance - December 31, 2021	A	15,777,896.55
Increased by Receipts:		
Miscellaneous Revenue Not Anticipated	A-2	140,073.25
Collector of Taxes	A-6	104,709,358.60
Due To State - Senior Citizen and Veteran Deductions	A-7	100,986.99
Revenue Accounts Receivable	A-11	4,342,328.10
Interfunds	A-12	1,112,074.74
Various Cash Liabilities and Reserves	A-19	<u>275,195.53</u>
		<u>110,680,017.21</u>
		<u>126,457,913.76</u>
Decreased by Disbursements:		
Refund of Prior Year Tax Appeals	A-1	165,749.57
Current Year Budget Appropriations	A-3	24,288,038.08
Interfunds	A-12	917,637.05
Appropriation Reserves	A-14	1,432,134.25
Encumbrances Payable - Various Reserves	A-15	46,188.00
Local District School Taxes	A-17	66,420,658.00
County Taxes Payable	A-18	18,626,736.48
Various Cash Liabilities and Reserves	A-19	<u>106,741.75</u>
		<u>112,003,883.18</u>
Balance - December 31, 2022	A	<u>14,454,030.58</u>

## Township of Sparta, N.J.

## Schedule of Cash - Change Fund

## Current Fund

Year Ended December 31, 2022

	<u>Ref.</u>
Balance - December 31, 2021	A <u>450.00</u>
Balance - December 31, 2022	<u>450.00</u>

Analysis of Balance:

Tax Collector	200.00
Deputy Clerk	50.00
Municipal Court	100.00
Construction	100.00
	<u>450.00</u>

## Schedule of Cash - Collector

## Current Fund

Year Ended December 31, 2022

	<u>Ref.</u>
Increased by:	
Interest and Costs on Taxes	A-2 334,817.91
Taxes Receivable	A-8 103,597,511.47
Tax Title Liens	A-9 4,372.12
2023 Prepaid Taxes	A-16 <u>772,657.10</u>
	<u>104,709,358.60</u>
Decreased by:	
Turned over to Treasurer	A-4 <u>104,709,358.60</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, 2022**Ref.

Balance - December 31, 2021	A	45,616.30
<b>Increased by:</b>		
Cash Receipts	A-4	<u>100,986.99</u>
<hr/>		
		146,603.29
<b>Decreased by:</b>		
Senior Citizens' and Veterans' Deductions Per Tax Billings		98,500.00
Senior Citizens' and Veterans' Deductions Allowed by Tax Collector		
Current Year		2,250.00
Less: Senior Citizens' and Veterans' Deductions Disallowed by Tax Collector		
Current Year		73.29
Less: Senior Citizens' and Veterans' Deductions Disallowed by Tax Collector		
Prior Year		<u>1,425.34</u>
<hr/>		
Balance - December 31, 2022	A	<u>99,251.37</u>
<hr/>		
		<u>47,351.92</u>

## Township of Sparta, N.J.

## Schedule of Taxes Receivable and Analysis of Property Tax Levy

## Current Fund

## Year Ended December 31, 2022

Year	Balance, Dec. 31, 2021	Levy	Added Taxes	Collected		Senior Citizen and Veteran Deductions	Transferred to Tax Title Liens	Cancelled	Balance, Dec. 31, 2022
				2021	2022				
2016	1,836.74	-	-	-	-	-	-	1,836.74	-
2017	6,926.57	-	-	-	43.14	-	73.02	6,810.41	-
2018	4.38	-	-	-	4.10	-	0.12	-	0.16
2019	4,111.47	-	-	-	49.50	-	-	3,801.37	260.60
2020	8,967.80	-	-	-	711.16	-	-	7,643.20	613.44
2021	1,096,707.01	-	-	-	1,066,966.42	(1,425.34)	13,413.33	16,774.57	978.03
	1,118,553.97	-	-	-	1,067,774.32	(1,425.34)	13,486.47	36,866.29	1,852.23
2022	-	104,233,245.25	366,261.87	888,280.62	102,529,737.15	100,676.71	43,064.93	54,603.10	983,144.61
	1,118,553.97	104,233,245.25	366,261.87	888,280.62	103,597,511.47	99,251.37	56,551.40	91,469.39	984,996.84
	A			A-2; A-16	A-2;A-6	A-2; A-7	A-9		A

## Analysis of Tax Levy

## Tax yield:

## Ref.

General Purpose Tax		104,233,245.25
Added Tax (R.S. 54:4-63.1 et seq.)		366,261.87
		<u>104,599,507.12</u>

## Tax Levy:

Municipal Open Space Tax	A-12	340,000.00
Added Municipal Open Space Tax	A-12	<u>1,185.69</u>
		341,185.69
Local District School Tax	A-17	66,420,658.00
County Tax	A-18	18,503,068.71
Added County Taxes	A-18	<u>65,128.14</u>
		18,568,196.85
A-2		<u>85,330,040.54</u>

Local Tax for Municipal Purposes		18,952,991.38
Additional Taxes		<u>316,475.20</u>
		19,269,466.58
		<u>104,599,507.12</u>

**Township of Sparta, N.J.****Schedule of Tax Title Liens****Current Fund****Year Ended December 31, 2022**

	<u>Ref.</u>	
Balance - December 31, 2021	A	210,046.48
Increased by:		
Interest and Costs Accrued by Sale		324.39
Transfers from Taxes Receivable	A-8	<u>56,551.40</u>
		<u>56,875.79</u>
		<u>266,922.27</u>
Decreased by:		
Cash Receipts	A-6	4,372.12
Interfund Other Trust	A-12	<u>39,739.14</u>
	A-2	<u>44,111.26</u>
Adjustments		<u>11,698.66</u>
		<u>55,809.92</u>
Balance - December 31, 2022	A	<u>211,112.35</u>

**Schedule of Property Acquired for  
Taxes Assessed Valuation****Current Fund****Year Ended December 31, 2022**

	<u>Ref.</u>	
Balance - December 31, 2021	A	<u>2,907,000.00</u>
Balance - December 31, 2022	A	<u>2,907,000.00</u>

## Township of Sparta, N.J.

## Schedule of Revenue Accounts Receivable

## Current Fund

Year Ended December 31, 2022

	<u>Ref.</u>	<u>Accrued</u>	<u>Collected</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
Clerk:				
Licenses:				
Other	A-2	16,374.00	16,374.00	-
Alcoholic beverages	A-2	19,458.00	19,458.00	-
Fees and Permits				
Board of Health - Registrar	A-2	11,767.00	11,767.00	-
Board of Health - Sewer	A-2	22,367.00	22,367.00	-
Marriage License	A-2	213.00	213.00	-
Clerk	A-2	308.00	308.00	-
Zoning	A-2	31,017.00	31,017.00	-
Planning Board	A-2	68,981.79	68,981.79	-
Tax Assessor	A-2	750.00	750.00	-
Police	A-2	30,207.73	30,207.73	-
Leaf Bags	A-2	1,906.60	1,906.60	-
Cell Tower	A-2	317,805.89	317,805.89	-
Quarry Royalties	A-2	684,899.60	684,899.60	-
Municipal Court :				
Fines and Costs	A-2	169,304.30	159,320.82	9,983.48
Interest on Investments and Deposits	A-2	329,607.61	329,607.61	-
Watershed Moratorium	A-2	29,328.00	29,328.00	-
Garden State Trust Pilot	A-2	28,476.00	28,476.00	-
Uniform Construction Code Fees	A-2	604,052.00	604,052.00	-
Other Municipalities Share of Radio System Costs	A-2	311,530.01	311,530.01	-
Township of Hardyston - Finance Officer	A-2	48,968.00	48,968.00	-
Township of Hardyston MUA - Finance Officer	A-2	4,245.96	4,245.96	-
Township of Hardyston BOE - Finance Officer	A-2	7,230.49	7,230.49	-
Interlocal Byram Fire Prevention	A-2	17,613.00	17,613.00	-
Township of Hamburg - Municipal Court	A-2	70,000.00	70,000.00	-
Local Fiscal Recovery Funds - ARP	A-2	372,109.20	372,109.20	-
PILOT - Senior Citizens Housing	A-2	11,588.55	11,588.55	-
Uniform Fire Safety	A-2	58,103.05	58,103.05	-
Fire Prevention Fees	A-2	28,664.00	28,664.00	-
Cable TV Franchise Fee	A-2	61,756.00	61,756.00	-
Solar Renewable Energy Credits	A-2	130,368.00	130,368.00	-
		<u>4,724,420.78</u>	<u>4,714,437.30</u>	<u>9,983.48</u>

A-4

A

## Township of Sparta, N.J.

## Schedule of Interfunds

## Current Fund

Year Ended December 31, 2022

Fund	Due From/(To)		Due From/(To)		
	Ref.	Balance Dec. 31, 2021	Increased	Decreased	Balance Dec. 31, 2022
Other Trust Fund					
		(2,281.89)	342,741.69	379,739.14	34,715.56
Federal and State Grant Fund		(483,014.60)	1,284,352.51	949,746.25	(817,620.86)
		<u>(485,296.49)</u>	<u>1,627,094.20</u>	<u>1,329,485.39</u>	<u>(782,905.30)</u>
		A			A
<u>Analysis</u>					
Interfund Accounts Receivable	A-1	-	-	34,715.56	
Interfund Accounts Payable		(485,296.49)		(817,620.86)	
		<u>(485,296.49)</u>		<u>(782,905.30)</u>	
Matching Funds for Grants			172,277.77	-	917,637.05
Disbursed			A-4	-	
Received			A-4	1,112,074.74	-
Municipal Open Space Tax			A-1; A-8	340,000.00	-
Added Municipal Open Space Tax			A-1; A-8	1,185.69	-
Collections - Municipal Liens			A-9	-	39,739.14
Revenue Accounts Receivable			A-11	-	372,109.20
Appropriation Reserves			A-14	1,556.00	-
				<u>1,627,094.20</u>	<u>1,329,485.39</u>

## Township of Sparta, N.J.

**Schedule of Deferred Charges - Emergency Authorization (40A:4-47)****Current Fund****Year Ended December 31, 2022**

<u>Date Authorized</u>	<u>Purpose</u>	<u>Amount Authorized</u>	<u>Added in 2022</u>	<u>Balance, Dec. 31, 2022</u>
10/25/2022	Litigations Expenses for the Township's Zoning Board of Adjustment	<u>60,000.00</u>	<u>60,000.00</u> A-3	<u>60,000.00</u> A

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2022

	Balance, Dec. 31, 2021	Balance after Transfers	Paid or Charged	Balance Lapsed
<b>Salaries and Wages Within "CAPS":</b>				
General Administration	8,188.03	8,188.03	-	8,188.03
Township Council	5,748.74	5,748.74	-	5,748.74
Township Clerk	-	-	-	-
Financial Administration	6,429.68	6,429.68	-	6,429.68
Computerized Data Processing	7,882.46	7,882.46	-	7,882.46
Collection of Taxes	19,935.21	19,935.21	-	19,935.21
Assessment of Taxes	11,754.39	11,754.39	-	11,754.39
Municipal Court	828.27	828.27	-	828.27
Planning Board	427.17	427.17	-	427.17
Planning Department	0.58	0.58	-	0.58
Board of Adjustment	3,937.22	3,937.22	-	3,937.22
Police	204,015.96	204,015.96	13,106.56	190,909.40
Police Dispatch 911	399.31	399.31	-	399.31
Uniform Fire Safety	2.61	2.61	-	2.61
Road Repair and Maintenance	16,406.63	16,406.63	16,406.63	-
Public Buildings and Grounds	1,041.66	1,041.66	1,041.66	-
Vehicle Maintenance	26,724.94	26,724.94	-	26,724.94
Snow Removal	40,573.63	40,573.63	40,573.63	-
DPW Administration	6,849.36	6,849.36	6,849.36	-
Committee on Aging	3,531.98	3,531.98	-	3,531.98
Recreation Services and Programs	1,301.53	1,301.53	-	1,301.53
Maintenance of Parks	446.65	446.65	-	446.65
Construction Official	43,996.54	43,996.54	-	43,996.54
<b>Total Salaries and Wages Within "CAPS"</b>	<b>410,422.55</b>	<b>410,422.55</b>	<b>77,977.84</b>	<b>332,444.71</b>
<b>Other Expenses Within "CAPS":</b>				
General Administration	4,217.50	4,217.50	2,052.52	2,164.98
Purchasing	27,275.28	27,275.28	8,796.40	18,478.88
Township Council	19,975.26	19,975.26	17,464.23	2,511.03
Township Clerk	13,828.14	13,828.14	7,155.28	6,672.86
Elections	2,880.22	2,880.22	-	2,880.22
Financial Administration	4,105.43	4,105.43	3,915.10	190.33
Audit Services	20,750.00	20,750.00	20,750.00	-
Computerized Data Processing	24,707.10	24,707.10	18,905.62	5,801.48
Collection of Taxes	2,197.40	2,197.40	1,257.00	940.40
Assessment of Taxes	52,235.82	52,235.82	38,322.18	13,913.64
Legal Services and Costs	52,294.94	52,294.94	39,584.00	12,710.94
Municipal Court	14,803.39	14,803.39	9,604.90	5,198.49
Engineering Services and Costs	24,544.75	24,544.75	24,534.50	10.25
Planning Board	3,068.55	3,068.55	2,518.30	550.25

**Schedule of Appropriation Reserves****Current Fund****Year Ended December 31, 2022**

	<u>Balance, Dec. 31, 2021</u>	<u>Balance after Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Planning Department	4,985.32	4,985.32	4,341.57	643.75
Economic Development	10,477.50	10,477.50	-	10,477.50
Board of Adjustment	137.65	137.65	100.20	37.45
Insurance:				
General Liability	57,434.93	57,434.93	-	57,434.93
Workers' Compensation Insurance	30,683.57	30,683.57	9,806.25	20,877.32
Employee Group Health	190,248.30	190,248.30	190,248.30	-
Unemployment Compensation Insurance	1,000.00	1,000.00	-	1,000.00
Health Benefit Waivers	100,000.00	100,000.00	95,674.24	4,325.76
Police	12,917.78	12,917.78	12,412.23	505.55
Purchase of Police Cars	3,091.76	3,091.76	2,365.86	725.90
Police Dispatch 911	3,977.60	3,977.60	-	3,977.60
Emergency Management Services	3,770.31	3,770.31	1,715.90	2,054.41
Aid to Volunteer Fire Companies	0.11	0.11	-	0.11
Aid to Volunteer Ambulance Companies	32,575.28	32,575.28	-	32,575.28
Fire	20,093.67	20,093.67	17,874.22	2,219.45
Uniform Fire Safety	6,955.00	6,955.00	455.00	6,500.00
Municipal Prosecutor	6,176.70	6,176.70	6,166.66	10.04
Road Repairs and Maintenance	47,113.35	47,113.35	47,113.34	0.01
Garbage and Trash Removal	37,560.92	37,560.92	36,919.86	641.06
Public Buildings and Grounds	19,636.99	19,636.99	19,636.99	-
Vehicle Maintenance	35,299.75	35,299.75	25,443.56	9,856.19
Snow Removal	165,508.80	165,508.80	165,506.80	2.00
DPW Administration	6,885.17	6,885.17	6,885.17	-
Municipal Services Act-Condo Costs	56,200.00	56,200.00	36,359.64	19,840.36
Health and Human Service Function:				
Health and Welfare Department	23,285.00	23,285.00	-	23,285.00
Environmental Commission	2,700.00	2,700.00	-	2,700.00
Animal Regulation	4,898.86	4,898.86	-	4,898.86
Committee on Aging	27,498.13	27,498.13	21,325.09	6,173.04
Recreation Services Functions	5,159.32	5,159.32	3,244.67	1,914.65
Maintenance of Parks	47,405.36	47,405.36	19,677.30	27,728.06
Electricity	58,810.86	58,810.86	17,636.47	41,174.39
Street Lighting	13,062.76	13,062.76	5,165.84	7,896.92
Telephone and Telegraph	5,640.52	5,640.52	4,652.48	988.04
Water	1,680.09	1,680.09	515.00	1,165.09
Natural Gas	7,504.17	7,504.17	7,048.65	455.52
Sewerage Processing and Disposal	4,275.07	4,275.07	-	4,275.07
Gasoline	176,525.92	176,525.92	73,197.28	103,328.64
Construction Official	6,703.21	6,703.21	195.88	6,507.33
Celebration of Public Events	4,000.00	4,000.00	-	4,000.00

**Schedule of Appropriation Reserves****Current Fund****Year Ended December 31, 2022**

	<u>Balance, Dec. 31, 2021</u>	<u>Balance after Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Accumulated Sick Leave	67,095.54	67,095.54	67,095.54	-
Total Other expenses Within "CAPS"	<u>1,575,859.05</u>	<u>1,575,859.05</u>	<u>1,093,640.02</u>	<u>482,219.03</u>
Deferred Charges and Statutory Expenditures Within "CAPS":				
Public Employees' Retirement System	640.34	640.34	-	640.34
Social Security ( O.A.S.I. )	12,894.12	12,894.12	1,836.37	11,057.75
Police and Firemen's Retirement System of NJ	0.05	0.05	-	0.05
Total Deferred Charges and Statutory Expenditures Within "CAPS"	<u>13,534.51</u>	<u>13,534.51</u>	<u>1,836.37</u>	<u>11,698.14</u>
Total Reserves Within "CAPS"	<u>1,999,816.11</u>	<u>1,999,816.11</u>	<u>1,173,454.23</u>	<u>826,361.88</u>
Other Expenses Excluded From "CAPS":				
Emergency Services Volunteer Length of Service Award Program	30,000.00	30,000.00	24,610.00	5,390.00
Maintenance of Free Public Library	220,598.01	220,598.01	220,598.01	-
Reserve for Tax Appeals	175,000.00	175,000.00	44,400.00	130,600.00
Total Other Expenses Excluded from "CAPS"	<u>425,598.01</u>	<u>425,598.01</u>	<u>289,608.01</u>	<u>135,990.00</u>
Total Reserves	<u>2,425,414.12</u>	<u>2,425,414.12</u>	<u>1,463,062.24</u>	<u>962,351.88</u>

Ref.

Analysis of Appropriation Reserve

Unencumbered	A	2,131,392.85
Encumbered	A	294,021.27
		<u>2,425,414.12</u>

Analysis of Paid or Charged

Cash Disbursements	A-4	1,432,134.25
Interfund - Other Trust	A-12	1,556.00
Encumbrances Payable - Various Reserves	A-15	29,371.99
		<u>1,463,062.24</u>

## Township of Sparta, N.J.

## Schedule of Encumbrances Payable - Various Reserves

## Current Fund

Year Ended December 31, 2022

	<u>Ref.</u>	
Balance - December 31, 2021	A	52,539.65
Increased by:		
Appropriation Reserves	A-14	29,371.99
		<u>81,911.64</u>
Decreased by:		
Cancelled	A-19	6,351.65
Cash Disbursements	A-4	<u>46,188.00</u>
		<u>52,539.65</u>
Balance - December 31, 2022	A	<u>29,371.99</u>

## Township of Sparta, N.J.

## Schedule of Prepaid Taxes

## Current Fund

Year Ended December 31, 2022

	<u>Ref.</u>	
Balance - December 31, 2021	A	888,280.62
Increased by:		
Receipts - Prepaid 2023 Taxes	A-6	<u>772,657.10</u>
		<u>1,660,937.72</u>
Decreased by:		
Applied to 2022 Taxes	A-8	<u>888,280.62</u>
Balance - December 31, 2022	A	<u>772,657.10</u>

## Township of Sparta, N.J.

## Schedule of Local District School Tax Payable

## Current Fund

Year Ended December 31, 2022

	<u>Ref.</u>	
Increased by:		
Levy Calendar Year 2022	A-1; A-8	<u>66,420,658.00</u>
Decreased by:		
Payments	A-4	<u>66,420,658.00</u>

## Schedule of County Taxes Payable

## Current Fund

Year Ended December 31, 2022

	<u>Ref.</u>	
Balance - December 31, 2021	A	123,667.77
Increased by:		
Levy	A-8	18,503,068.71
Added and Omitted Taxes	A-8	<u>65,128.14</u>
	A-1	<u>18,568,196.85</u>
		18,691,864.62
Decreased by:		
Payments	A-4	<u>18,626,736.48</u>
Balance - December 31, 2022	A	<u>65,128.14</u>

## Township of Sparta, N.J.

## Schedule of Various Cash Liabilities and Reserves

## Current Fund

Year Ended December 31, 2022

<u>Liabilities and Reserves</u>	Balance, Dec. 31, <u>2021</u>	Increased	Decreased	Balance, Dec. 31, <u>2022</u>
<u>Liabilities:</u>				
Tax Overpayments	117,431.49	166,475.62	210,999.29	72,907.82
Due to State of New Jersey:				
Construction Code Surcharge	-	48,852.00	39,050.00	9,802.00
Marriage License Surcharge	1,025.00	1,775.00	1,900.00	900.00
<u>Reserves for:</u>				
Municipal Relief Funds	-	64,444.56	-	64,444.56
	<u>118,456.49</u>	<u>281,547.18</u>	<u>251,949.29</u>	<u>148,054.38</u>
	A			A
	<u>Ref.</u>			
Cancelled to Surplus	A-1	-	145,207.54	
Receipts	A-4	275,195.53	-	
Disbursed	A-4	-	106,741.75	
Reserve for Encumbrances	A-15	6,351.65	-	
		<u>281,547.18</u>	<u>251,949.29</u>	

## Township of Sparta, N.J.

## Schedule of Grants Receivable

## Federal and State Grant Fund

Year Ended December 31, 2022

<u>Grant</u>	<u>Balance, Dec. 31, 2021</u>	<u>Budget Revenue</u>	<u>Received</u>	<u>Transfer from Unappropriated Reserves</u>	<u>Balance, Dec. 31, 2022</u>
<b>Federal Grants:</b>					
Local Fiscal Recovery Funds - ARP	-	972,109.20	972,109.20	-	-
<b>State Grants:</b>					
Recycling Tonnage Grant	-	40,972.95	-	40,972.95	-
Clean Communities Grant	1,424.35	48,662.00	-	48,662.00	1,424.35
LEAP Grant	-	229,000.00	-	-	229,000.00
Alcohol Education and Rehabilitation Func	-	4,738.00	-	4,738.00	-
Highlands Grant	13,054.65	-	-	-	13,054.65
Municipal Alliance Program	21,134.05	16,042.00	6,341.00	-	30,835.05
Drunk Driving Enforcement Fund	-	6,325.75	-	6,325.75	-
DOT Grant - Green Road	<u>175,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>175,000.00</u>
	<u>210,613.05</u>	<u>345,740.70</u>	<u>6,341.00</u>	<u>100,698.70</u>	<u>449,314.05</u>
<b>Local Grants:</b>					
Sustainable New Jersey Grant	<u>18,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,000.00</u>
	<u>228,613.05</u>	<u>1,317,849.90</u>	<u>978,450.20</u>	<u>100,698.70</u>	<u>467,314.05</u>
	<u>A</u>	<u>A-2</u>	<u>A-23</u>	<u>A-22</u>	<u>A</u>

## Township of Sparta, N.J.

## Schedule of Appropriated Reserves for Grants

## Federal and State Grant Fund

Year Ended December 31, 2022

<u>Grant</u>	<u>Balance, Dec. 31, 2021</u>	<u>Transfer From 2022 Budget</u>	<u>Expended</u>	<u>Balance, Dec. 31, 2022</u>
<b>Federal Grants:</b>				
Drive Sober or Get Pulled Over	30,753.00	-	-	30,753.00
Local Fiscal Recovery Funds - ARP	-	972,109.20	462,422.74	509,686.46
	<u>30,753.00</u>	<u>972,109.20</u>	<u>462,422.74</u>	<u>540,439.46</u>
<b>State Grants:</b>				
Recycling Tonnage Grant	1,719.50	40,972.95	16,450.17	26,242.28
Drunk Driving Enforcement Fund	22,646.58	6,325.75	9,884.52	19,087.81
Clean Communities	12,343.51	48,662.00	24,787.88	36,217.63
Alcohol Education and Rehabilitation Fund	3,418.93	4,738.00	-	8,156.93
Municipal Alliance on Alcoholism and Drug Abuse	34,958.35	16,042.00	15,267.28	35,733.07
Body Armor Replacement	79.71	-	-	79.71
LEAP Grant	-	229,000.00	179,061.79	49,938.21
Highlands Commission Grant	<u>21,451.65</u>	<u>-</u>	<u>-</u>	<u>21,451.65</u>
	<u>96,618.23</u>	<u>345,740.70</u>	<u>245,451.64</u>	<u>196,907.29</u>
<b>Local Grants:</b>				
Sustainable New Jersey Grant	18,080.84	-	-	18,080.84
Municipal Alliance on Alcoholism and Drug Abuse	<u>27,987.54</u>	<u>4,250.00</u>	<u>6,450.00</u>	<u>25,787.54</u>
	<u>46,068.38</u>	<u>4,250.00</u>	<u>6,450.00</u>	<u>43,868.38</u>
	<u>173,439.61</u>	<u>1,322,099.90</u>	<u>714,324.38</u>	<u>781,215.13</u>
	A			A

	<u>Ref.</u>		
State and Federal Grants	A-3	1,317,849.90	-
Matching Funds for Grants	A-23	4,250.00	-
Interfund - Current Fund	A-23	-	354,167.89
Encumbrances Payable	A-24	-	360,156.49
		<u>1,322,099.90</u>	<u>714,324.38</u>

## Township of Sparta, N.J.

## Schedule of Unappropriated Reserves for Grants

## Federal and State Grant Fund

Year Ended December 31, 2022

<u>Grant</u>	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Transfer</u> <u>To 2022</u> <u>Budget</u>	<u>Received</u>	<u>Transfer to</u> <u>Current Fund</u> <u>Revenue-Loss</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
<b>Federal Grants:</b>					
Local Fiscal Recovery Funds - ARP	372,109.20	-	-	372,109.20	-
Distracted Driving Grant	6,325.00	6,325.00	8,750.00	-	8,750.00
Drive Sober or Get Pulled Over	0.75	0.75	3,000.00	-	3,000.00
	<u>378,434.95</u>	<u>6,325.75</u>	<u>11,750.00</u>	<u>372,109.20</u>	<u>11,750.00</u>
<b>State Grants:</b>					
Recycling Tonnage Grant	40,972.95	40,972.95	55,168.83	-	55,168.83
Clean Communities	48,662.09	48,662.00	49,663.59	-	49,663.68
Drunk Driving Enforcement Fund	-	-	13,000.00	-	13,000.00
Alcohol Education and Rehabilitation Fund	4,738.00	4,738.00	-	-	-
Body Armor Replacement Fund	-	-	4,042.12	-	4,042.12
Statewide Body-worn Camera Program	-	-	16,304.00	-	16,304.00
	<u>94,373.04</u>	<u>94,372.95</u>	<u>138,178.54</u>	<u>-</u>	<u>138,178.63</u>
<b>Local Grants:</b>					
Municipal Alliance on Alcoholism and Drug Abuse	2,347.70	-	-	-	2,347.70
	<u>475,155.69</u>	<u>100,698.70</u>	<u>149,928.54</u>	<u>372,109.20</u>	<u>152,276.33</u>
	A	A-20	A-23	A-23	A

## Township of Sparta, N.J.

## Schedule of Interfunds

## Federal and State Grant Fund

Year Ended December 31, 2022

	Due From/(To)			Due From/(To) Balance Dec. 31, 2022
	Ref.	Dec. 31, 2021	Increased	
Current Fund	A	483,014.60	1,116,324.74	781,718.48
Other Trust Fund	A	-	16,304.00	-
		<u>483,014.60</u>	<u>1,132,628.74</u>	<u>781,718.48</u>
				<u>833,924.86</u>
State Grant Receipts	A-20		978,450.20	-
Matching Funds for State Grants	A-21		4,250.00	-
State Grant Expenditures	A-21		-	354,167.89
Unappropriated Reserves	A-22		149,928.54	372,109.20
Encumbrances	A-24		-	55,441.39
			<u>1,132,628.74</u>	<u>781,718.48</u>

## Township of Sparta, N.J.

## Schedule of Encumbrances Payable

## Federal and State Grant Fund

Year Ended December 31, 2022

	<u>Ref.</u>	
Balance - December 31, 2021	A	63,032.35
Increased by:		
Appropriated Reserves	A-21	<u>360,156.49</u>
		<u>423,188.84</u>
Decreased by:		
Interfund - Current Fund	A-23	<u>55,441.39</u>
Balance - December 31, 2022	A	<u><u>367,747.45</u></u>

## Township of Sparta, N.J.

## Schedule of Cash

## Trust Funds

Year Ended December 31, 2022

		Emergency Services			
	Ref.	Volunteer Length of Service Award Program	Assessment Trust Fund	Animal Control Trust Fund	Other Trust Funds
Balance - December 31, 2021	B	373,079.74	231,378.37	17,089.05	5,997,107.08

## Increased by Receipts:

Prepaid Dog Licenses	B-9	-	-	10,653.00	-
Schedule of Interfunds	B-10	-	-	-	97,408.96
Other Trust Funds	B-11	-	-	-	25,448,917.27
Dog License Fees - Township Share	B-13	-	-	4,455.00	-
Cat License Fees	B-13	-	-	920.00	-
Miscellaneous	B-13	-	-	14,800.00	-
Dog License Fees - State Share	B-14	-	-	1,633.80	-
Township Contributions	B-15	24,610.00	-	-	-
Total Receipts		24,610.00	-	32,461.80	25,546,326.23
		397,689.74	231,378.37	49,550.85	31,543,433.31

## Decreased by Disbursements:

Schedule of Interfunds	B-10	-	-	-	1,556.00
Other Trust Funds	B-11	-	-	-	24,365,751.74
Reserve from Encumbrances	B-12	-	-	400.00	42,527.43
Reserve (Deficit) for Animal Control Expenditures	B-13	-	-	15,120.34	-
State Share - Dog Licenses	B-14	-	-	1,642.20	-
Decrease in Investment Value	B-16	53,224.57	-	-	-
Accounting Charge	B-16	1,325.00	-	-	-
Distributions	B-16	8,544.37	-	-	-
Total Disbursements		63,093.94	-	17,162.54	24,409,835.17
Balance - December 31, 2022	B	334,595.80	231,378.37	32,388.31	7,133,598.14

**Township of Sparta, N.J.**

**Analysis of Assessment Cash**

**Assessment Trust Fund**

**Year Ended December 31, 2022**

	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
Glen Lake Dam	<u>231,378.37</u> B	<u>231,378.37</u> B

**Township of Sparta, N.J.****Schedule of Assessments Receivable****Assessment Trust Fund****Year Ended December 31, 2022**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Confir- mation</u>	<u>Balance</u>		<u>Balance Pledged to</u>	
			<u>Dec. 31, 2021</u>	<u>Dec. 31, 2022</u>	<u>NJ DEP Loan</u>	<u>Reserve</u>
16-03	Glen Lake Dam	10/25/2016	<u>503,204.35</u> B	<u>503,204.35</u> B	<u>369,549.55</u> B-7	<u>133,654.80</u> B-8

## Township of Sparta, N.J.

## Statement of Revenues

## Assessment Trust Fund

Year Ended December 31, 2022

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

B-5

## Statement of Expenditures

## Assessment Trust Fund

Year Ended December 31, 2022

	<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>
	B-4	B-4	B-4

**Township of Sparta, N.J.**

**Schedule of Change Fund**

**Animal Control Trust Fund**

**Year Ended December 31, 2022**

Ref.

Balance - December 31, 2021	B	<u>25.00</u>
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Balance - December 31, 2022	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, 2022**

Ref.

Balance - December 31, 2021	B	<u>600,927.92</u>
Balance - December 31, 2022	B; B-3	<u>600,927.92</u>

**Township of Sparta, N.J.**

**Schedule of Reserve for Assessments and Liens**

**Year Ended December 31, 2022**

<u>Ordinance</u>	<u>Improvement Description</u>	<u>Balance</u>	<u>Balance</u>
<u>Number</u>		<u>Dec. 31, 2021</u>	<u>Dec. 31, 2022</u>
<u>Assessments Receivable</u>			
16-03	Glen Lake Dam	<u>133,654.80</u>	<u>133,654.80</u>
		B	B/B-3

**Township of Sparta, N.J.**

**Schedule of Prepaid Licenses - Animal Control**

**Trust Funds**

**Year Ended December 31, 2022**

	<u>Ref.</u>	
Balance - December 31, 2021	B	10,740.33
Increased by:		
Cash Receipts - Dog Licenses		9,765.00
Cash Receipts - Cat Licenses		<u>888.00</u>
	B-1	<u>10,653.00</u>
		21,393.33
Decreased by:		
Prepaid Dog Licenses Applied	B-13	10,068.33
Prepaid Cat Licenses Applied	B-13	<u>812.00</u>
		<u>10,880.33</u>
Balance - December 31, 2022	B	<u>10,513.00</u>

**Township of Sparta, N.J.****Schedule of Interfunds****Other Trust Fund****Year Ended December 31, 2022**

	<b>Due From/(To)</b>		<b>Due From/(To)</b>	
	<b>Balance</b>		<b>Balance</b>	
	<b><u>Dec. 31, 2021</u></b>	<b><u>Increased</u></b>	<b><u>Decreased</u></b>	<b><u>Dec. 31, 2022</u></b>
Interfund - Current	2,281.89	2,741.69	39,739.14	(34,715.56)
Interfund - Federal & State Grants	-	-	16,304.00	(16,304.00)
Interfund - Water Operating	-	-	25,916.20	(25,916.20)
Interfund - Sewer Operating	-	-	3,143.30	(3,143.30)
Interfund - Solid Waste Operating	-	-	12,306.32	(12,306.32)
	<b><u>2,281.89</u></b>	<b><u>2,741.69</u></b>	<b><u>97,408.96</u></b>	<b><u>(92,385.38)</u></b>
	<b>B</b>	<b>B-1</b>	<b>B-1</b>	<b>B</b>

## Township of Sparta, N.J.

## Schedule of Other Trust Funds

## Trust Funds

Year Ended December 31, 2022

	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
Reserve for P.O.A.A.	2,348.54	24.00	-	2,372.54
Reserve for Recreation Activities	157,670.72	557,698.18	455,211.70	260,157.20
Reserve for Health Plan	397,459.44	32,800.51	113,113.95	317,146.00
Reserve for Outside Police Employment	1,906.00	194,460.63	192,285.09	4,081.54
Reserve for Public Defender	3,000.00	19,560.50	22,036.00	524.50
Reserve for Road Openings	209,823.99	96,353.66	100,795.25	205,382.40
Reserve for Snow Removal	409,888.60	568,520.91	400,304.13	578,105.38
Reserve for Public Safety Donation	30,773.12	27,293.41	8,192.40	49,874.13
Reserve for Fire Safety	6,484.67			6,484.67
Reserve for State Unemployment Insurance Tax	205,264.42	20,485.89	3,045.81	222,704.50
Reserve for C.O.A.H. Fees	1,366,566.34	378,257.67	18,970.50	1,725,853.51
Reserve for Performance Bonds	977,645.33	24,821.91	68,860.08	933,607.16
Reserve for Developer's Escrow	65,856.40	310,814.41	208,085.21	168,585.60
Reserve for Accrued Leave	280,986.00	67,095.54	174,741.08	173,340.46
Reserve for Open Space	611,062.49	352,166.25	490,086.21	473,142.53
Reserve for Sparta Landfill		24,538.09	1,567.50	22,970.59
Reserve for Payroll	34,524.15	21,324,830.39	21,325,746.77	33,607.77
Reserve for Video Camera Funds	1,050.00	689.00	1,739.00	-
Reserve for Premium on Tax Sale	1,188,500.00	972,700.00	511,800.00	1,649,400.00
Reserve for Outside Lienholder	5,522.83	476,992.01	482,033.02	481.82
	<u>5,956,333.04</u>	<u>25,450,102.96</u>	<u>24,578,613.70</u>	<u>6,827,822.30</u>
	B			B

## Ref.

Cash Receipts	B-1	25,448,917.27	-
Cash Disbursements	B-1	-	24,365,751.74
Interfund - Current Fund	B-10	1,185.69	-
Encumbrances	B-12	-	212,861.96
		<u>25,450,102.96</u>	<u>24,578,613.70</u>

**Township of Sparta, N.J.**

**Schedule of Reserve for Encumbrances**

**Trust Funds**

**Year Ended December 31, 2022**

Ref.

Balance - December 31, 2021

Animal Control Trust Fund	B	400.00
Other Trust Funds	B	<u>43,055.93</u>
		43,455.93

Increased by:

Charges to Animal Control Fund	B-13	426.96
Charges to Other Trust Reserves	B-11	<u>212,861.96</u>
		213,288.92
		256,744.85

Decreased by:

Animal Control Disbursed	B-1	400.00
Other Trust Disbursed	B-1	<u>42,527.43</u>
		42,927.43

Balance - December 31, 2022

Animal Control Trust Fund	B	426.96
Other Trust Funds	B	<u>213,390.46</u>
		213,817.42

## Township of Sparta, N.J.

## Reserve (Deficit) for Animal Control Fund Expenditures

## Animal Control Trust Fund

Year Ended December 31, 2022

Ref.

Balance - December 31, 2021	B	5,936.52
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## Increased by:

Dog License Fees	B-1	4,455.00
Prepaid Dog Licenses Applied	B-9	10,068.33
Cat License Fees	B-1	920.00
Prepaid Cat Licenses Applied	B-9	812.00
Miscellaneous	B-1	<u>14,800.00</u>
		31,055.33
		<u>36,991.85</u>

## Decreased by:

Expenditures R.S. 4:19-1511	B-1	15,120.34
Encumbrances	B-12	<u>426.96</u>
		15,547.30

Balance - December 31, 2022	B	<u>21,444.55</u>
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License Fees Collected

<u>Year</u>		
2021		17,824.00
2020		<u>19,779.67</u>
		<u>37,603.67</u>

B-14

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

## Animal Control Trust Fund

Year Ended December 31, 2022

Ref.

Balance - December 31, 2021	B	37.20
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## Increased by:

State Fees Collected	B-1	<u>1,633.80</u>
		1,671.00

## Decreased by:

Paid to State	B-1	<u>1,642.20</u>
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Balance - December 31, 2022	B	<u>28.80</u>
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**Township of Sparta, N.J.****Schedule of Contributions Receivable****Emergency Services Volunteer Length of Services Award Program****Year Ended December 31, 2022**

	<u>Ref.</u>	
Balance - December 31, 2021	B	24,610.00
Increased by:		
2022 Township Contributions	B-16	<u>25,840.50</u>
		<u>50,450.50</u>
Decreased by:		
Receipts	B-1	<u>24,610.00</u>
Balance - December 31, 2022	B	<u>25,840.50</u>

**Schedule of Net Assets Available for Benefits****Emergency Services Volunteer Length of Services Award Program****Year Ended December 31, 2022**

	<u>Ref.</u>	
Balance - December 31, 2021	B	397,689.74
Increased by:		
2022 Township Contributions	B-15	<u>25,840.50</u>
		<u>423,530.24</u>
Decreased by:		
Decrease in Investment Value	B-1	53,224.57
Accounting Charge	B-1	1,325.00
Distributions	B-1	<u>8,544.37</u>
		<u>63,093.94</u>
Balance - December 31, 2022	B	<u>360,436.30</u>

## Township of Sparta, N.J.

## Schedule of Cash

## General Capital Fund

Year Ended December 31, 2022

	<u>Ref.</u>	
Balance - December 31, 2021	C	2,188,832.70
Increased by Receipts:		
Open Space Trust Fund	C-1	92,586.21
Budget Appropriations:		
Deferred Charges Unfunded	C-6	359,015.99
Bond Anticipation Notes	C-8	665,000.00
Capital Improvement Fund	C-10	<u>3,060,000.00</u>
		<u>4,176,602.20</u>
		<u>6,365,434.90</u>
Decreased by Disbursements:		
Improvement Authorizations	C-9	2,586,356.48
Encumbrances Payable	C-12	443,159.44
Interfund - Water Capital Fund	C-11	<u>696,100.00</u>
		<u>3,725,615.92</u>
Balance - December 31, 2022	C	<u>2,639,818.98</u>

## Township of Sparta, N.J.

## Analysis of Cash

## General Capital Fund

Year Ended December 31, 2022

	Balance or (Deficit) Dec. 31, 2021	Receipts			Disbursements			Balance or (Deficit) Dec. 31, 2022
		Budget Appropriations	Bond Anticipation Note Issued	Miscellaneous	Improvement Authorizations	Miscellaneous	Transfers From	
Fund Balance	128,263.02	-	-	92,586.21	-	-	-	220,849.23
Grants Receivable	(167,000.00)	-	-	-	-	-	-	(167,000.00)
Capital Improvement Fund	50,804.16	3,060,000.00	-	-	-	-	2,500,000.00	610,804.16
Reserve for Encumbrances	572,512.02	-	-	-	443,159.44	-	40,811.33	775,977.16
Reserve for Developers Contribution	74,566.00	-	-	-	-	-	-	74,566.00
Due from Sewer Capital	-	-	-	-	-	696,100.00	-	(696,100.00)
<b>Improvement Authorizations:</b>								
09-26 Acquisition of Sustainable Energy Solar Panels	9,722.64	-	-	-	1,259.62	-	-	8,463.02
10-18 2010 - Various Improvements or Purposes	34,176.88	-	-	-	34,176.88	-	-	-
10-23 Installation of Solar Panels at Germany Flats	18,645.23	-	-	-	8,190.00	-	-	10,455.23
16-10 Various Capital Improvements	-	-	-	-	8,049.05	-	8,049.05	-
17-06 Various Capital Improvements	3,568.75	-	-	-	3,568.75	-	-	-
18-04 Various Capital Improvements	97,234.53	-	-	-	63,537.19	-	26,903.67	6,793.67
18-10 Various Capital Improvements	109.03	-	-	-	109.03	-	-	-
18-13 Improvements to Demarest Rd II and Green Rd	(0.36)	-	-	-	-	-	-	(0.36)
19-05 Various Capital Improvements	625.00	-	-	-	4,349.09	-	1,815.02	8,968.50
19-08 Improvements to the DPW Facilities	787.63	500.00	-	-	1,287.63	-	-	-
19-09 Installation of Turf Field #1 Station Park	980,312.50	30,000.00	-	-	-	-	1,010,312.50	-
19-10 Improvement to Old Prospect & East Mt. Roads	(28,515.99)	28,515.99	-	-	-	-	-	-
20-07 Various Capital Improvements	17,906.92	-	-	-	15,438.17	-	-	1,950.00
21-07 Various Capital Improvements	358,701.05	-	-	-	258,774.28	-	86,305.47	21,843.78
21-17 Purchase of Property - 33 Holland Cr	2,413.69	-	-	-	-	-	-	2,413.69
21-18 Acquisition of a New and Additional Fire Truck	34,000.00	-	665,000.00	-	365,368.44	-	333,631.56	-
22-05 Various Capital Improvements	-	-	-	-	1,270,760.17	-	327,321.44	2,500,000.00
22-07 Improvements to White Lake Park	-	300,000.00	-	-	551,488.18	-	-	1,010,312.50
	<b>2,188,832.70</b>	<b>3,419,015.99</b>	<b>665,000.00</b>	<b>92,586.21</b>	<b>3,029,515.92</b>	<b>696,100.00</b>	<b>4,327,100.99</b>	<b>4,327,100.99</b>
	<b>C</b>							<b>C</b>

**Township of Sparta, N.J.****Schedule of Deferred Charges to Future  
Taxation - Funded****General Capital Fund****Year Ended December 31, 2022**

	<u>Ref.</u>	
Balance - December 31, 2021	C	2,540,000.00
Decreased by:		
Serial Bonds Paid by Current Year		
Budget Appropriations	C-7	<u>1,000,000.00</u>
Balance - December 31, 2022	C	<u><u>1,540,000.00</u></u>

## Township of Sparta, N.J.

## Schedule of Grants Receivable

## General Capital Fund

Year Ended December 31, 2022

	<u>Ref.</u>	
Balance - December 31, 2021	C	<u>167,000.00</u>
Balance - December 31, 2022	C	<u>167,000.00</u>

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Analysis

NJ DOT Municipal Aid (Ord. No. 21-07)	<u>167,000.00</u>
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## Township of Sparta, N.J.

## Schedule of Deferred Charges to Future Taxation - Unfunded

## General Capital Fund

Year Ended December 31, 2022

Ordinance Number	Improvement Description	Balance Dec. 31, 2021	2022 Authorizations	Notes Paid by 2022 Budget Appropriation	Funded by Budget Appropriation	Cancelled	Balance Dec. 31, 2022	Analysis of Balance Dec. 31, 2022		
								Financed by Bond Anticipation Notes	Expended	Unexpended Improvement Authorization
18-04	Various Capital Improvements	735,000.00	-	105,000.00	-	-	630,000.00	630,000.00	-	-
18-13	Improvements to Demarest Rd II and Green Rd	0.36	-	-	-	-	0.36	-	0.36	-
19-08	Improvements to the DPW Facilities	722,100.00	-	90,200.00	500.00	-	631,400.00	631,400.00	-	-
19-09	Installation of Turf Field #1 Station Park	60,000.00	-	-	30,000.00	30,000.00	-	-	-	-
19-10	Improvement to Old Prospect & East Mt. Roads	28,515.99	-	-	28,515.99	-	-	-	-	-
21-18	Acquisition of New and Additional Fire Truck	665,000.00	-	-	-	-	665,000.00	665,000.00	665,000.00	-
22-07	Improvement to White Lake Park	-	1,050,000.00	-	300,000.00	(30,000.00)	780,000.00	-	-	780,000.00
		2,210,616.35	1,050,000.00	195,200.00	359,015.99	-	2,706,400.36	1,926,400.00	665,000.36	780,000.00
		C	C-9;C-14	C-8	C-2; C-14	C-14	C	C-8		

Improvement Authorizations Unfunded	786,793.67
Less: Unexpended Proceeds of Bond Anticipation Notes	Ord. # 18-04
	6,793.67
	780,000.00

## Township of Sparta, N.J.

## Schedule of General Serial Bonds Payable

## General Capital Fund

Year Ended December 31, 2022

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	Maturities of Bonds Outstanding, December 31, 2022		<u>Interest Rate</u>	<u>Balance Dec. 31, 2021</u>	<u>Decreased</u>	<u>Balance Dec. 31, 2022</u>
			<u>Date</u>	<u>Amount</u>				
Refunding Bonds of 2011	09/08/2011	5,015,000.00	04/01/23	525,000.00	3.500%	1,050,000.00	525,000.00	525,000.00
General Bonds of 2013	10/15/2013	4,590,000.00	10/15/23 10/15/24	500,000.00 515,000.00	3.000% 3.000%	1,490,000.00 2,540,000.00	475,000.00 1,000,000.00	1,015,000.00 1,540,000.00

C

C-4

C

**Township of Sparta, N.J.**

**Schedule of Bond Anticipation Notes Payable**

### **General Capital Fund**

**Year Ended December 31, 2022**

Ordinance Number	Improvement Description	Original Note	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2021	Increased	Decreased	Balance Dec. 31, 2022
18-04	Various Capital Improvements	1,050,000.00	10/3/2018	9/30/2021 9/28/2022	9/29/2022 9/28/2023	1.00% 3.12%	735,000.00 -	630,000.00 -	735,000.00 -	630,000.00
19-08	Improvement to the DPW Facility	902,000.00	10/3/2019	9/30/2021 9/28/2022	9/29/2022 9/28/2023	1.00% 3.12%	721,600.00 -	631,400.00 -	721,600.00 -	631,400.00
21-18	Acquisition of a New and Additional Fire Truck	665,000.00	9/28/2022	9/28/2022	9/28/2023	3.12%	- 1,456,600.00 C	665,000.00 1,926,400.00 -	- 1,456,600.00 C; C-6	665,000.00 1,926,400.00

## Township of Sparta, N.J.

## Schedule of Improvement Authorizations

## General Capital Fund

Year Ended December 31, 2022

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance Dec. 31, 2021		2022 Authorizations	Encumbrances Cancelled	Paid or Charged	Authorization Cancelled	Balance Dec. 31, 2022	
				Funded	Unfunded					Funded	Unfunded
<b>General Improvements:</b>											
09-26	Acquisition and Installation of Sustainable Energy Solar Panels	08/18/09	700,000.00	9,722.64	-	-	-	1,259.62	-	8,463.02	-
10-18	2010 - Various Improvements or Purposes:	08/24/10	337,050.00	34,176.88	-	-	-	34,176.88	-	-	-
10-23	Installation of Solar Panels at Germany Flats	11/30/10	1,732,500.00	18,645.23	-	-	-	8,190.00	-	10,455.23	-
16-10	Various Capital Improvements	06/14/16	1,250,000.00	-	-	-	8,049.05	8,049.05	-	-	-
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	-	97,234.53	-	-	90,440.86	-	-	6,793.67
18-10	Various Capital Improvements	08/28/18	100,000.00	109.03	-	-	-	109.03	-	-	-
19-05	Various Capital Improvements	05/28/19	1,900,000.00	625.00	-	-	8,968.50	6,164.11	-	3,429.39	-
19-08	Improvements to the DPW Facilities	07/09/19	950,000.00	-	1,287.63	-	-	1,287.63	-	-	-
19-09	Installation of Turf Field #1 Station Park	07/09/19	1,050,000.00	980,312.50	60,000.00	-	-	-	1,040,312.50	-	-
20-07	Various Capital Improvements	06/09/20	2,200,000.00	17,906.92	-	-	1,950.00	15,438.17	-	4,418.75	-
21-07	Various Capital Improvements	05/25/21	2,367,000.00	358,701.05	-	-	21,874.14	345,079.75	-	35,495.44	-
21-17	Purchase of Property - 33 Holland Cr	10/12/21	95,000.00	2,413.69	-	-	-	-	-	2,413.69	-
21-18	Acquisition of a New and Additional Fire Truck	11/23/21	700,000.00	34,000.00	665,000.00	-	-	699,000.00	-	-	-
22-05	Various Capital Improvements	07/12/22	2,500,000.00	-	-	2,500,000.00	-	1,598,081.61	-	901,918.39	-
22-07	Improvement of White Lake Park	07/12/22	1,050,000.00	-	-	1,050,000.00	-	551,488.18	(1,040,312.50)	758,824.32	780,000.00
			<u>1,460,181.69</u>	<u>823,522.16</u>	<u>3,550,000.00</u>	<u>40,841.69</u>	<u>3,362,333.64</u>	<u>-</u>	<u>-</u>	<u>1,725,418.23</u>	<u>786,793.67</u>
			C	C	C	C-12				C	C

	Ref.	
Cash Disbursements	C-2	-
Deferred Charges to Future Taxation - Unfunded	C-6	1,050,000.00
Capital Improvement Fund	C-10	2,500,000.00
Encumbrances Payable	C-12	-
		<u>2,586,356.48</u>
		<u>775,977.16</u>
		<u>3,550,000.00</u>
		<u>3,362,333.64</u>

**Township of Sparta, N.J.****Schedule of Capital Improvement Fund****General Capital Fund****Year Ended December 31, 2022**

	<u>Ref.</u>	
Balance - December 31, 2021	C	50,804.16
Increased by:		
Budget Appropriation	C-2	<u>3,060,000.00</u>
		<u>3,110,804.16</u>
Decreased by:		
Appropriated to Finance Improvement		
Authorizations	C-9	<u>2,500,000.00</u>
Balance - December 31, 2022	C	<u>610,804.16</u>

**Schedule of Due From Sewer Capital Fund****General Capital Fund****Year Ended December 31, 2022**

	<u>Ref.</u>	
Increased by:		
Cash Disbursements	C-2	<u>696,100.00</u>
Balance - December 31, 2022	C	<u>696,100.00</u>

**Township of Sparta, N.J.****Schedule of Reserve for Encumbrances****General Capital Fund****Year Ended December 31, 2022**

	<u>Ref.</u>	
Balance - December 31, 2021	C	572,512.02
Increased by:		
Improvement Authorizations	C-9	775,977.16
		<u>1,348,489.18</u>
Decreased by:		
Cash Disbursed	C-2	443,159.44
Cancelled	C-9	<u>40,841.69</u>
		<u>484,001.13</u>
Balance - December 31, 2022	C	<u>864,488.05</u>

**Schedule of Reserve for Developers Contribution****General Capital Fund****Year Ended December 31, 2022**

	<u>Ref.</u>	
Balance - December 31, 2021	C	<u>74,566.00</u>
Balance - December 31, 2022	C	<u>74,566.00</u>

## Township of Sparta, N.J.

## Schedule of Bonds and Notes Authorized But Not Issued

## General Capital Fund

Year Ended December 31, 2022

Ordinance Number	Improvement Description	Balance	2022	Funded by	Bond	Balance
		Dec. 31, 2021	Authorizations	Budget Appropriation	Improvement Cancelled	
18-13	Improvements to Demarest Rd II and Green Rd	0.36	-	-	-	0.36
19-08	Improvements to the DPW Facilities	500.00	-	500.00	-	-
19-09	Installation of Turf Field #1 Station Park	60,000.00	-	30,000.00	30,000.00	-
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	-
22-07	Improvement of White Lake Park	-	1,050,000.00	300,000.00	(30,000.00)	780,000.00
		<u>754,016.35</u>	<u>1,050,000.00</u>	<u>359,015.99</u>	<u>-</u>	<u>665,000.00</u>
		Footnote C	C-6	C-6	C-6	C-8
						Footnote C

## Township of Sparta, N.J.

## Schedule of Cash

## Water Utility Fund

Year Ended December 31, 2022

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance - December 31, 2021	D	<u>2,292,376.72</u>	<u>845,780.82</u>
Increased by Receipts:			
Capital Surplus			-
Fire Hydrant Service	D-2	47,176.92	-
Water Tower Cell Phone Lease	D-2	350,277.63	-
Miscellaneous Revenues	D-2	136,485.03	-
Miscellaneous Revenues not Anticipated	D-2	222,062.30	-
Consumer Accounts Receivable	D-7	3,165,279.36	-
Water Rents Overpayments	D-13	62,070.74	-
Capital Improvement Fund	D-20	-	500,000.00
		<u>3,983,351.98</u>	<u>500,000.00</u>
Decreased by Disbursements:			
Budget Appropriations	D-4	3,657,383.58	-
Appropriation Reserves	D-12	95,050.33	-
Water Rents Overpayments	D-13	65,823.99	-
Accounts Payable	D-14	186.88	-
Interest on Bonds	D-15	257,785.10	-
Interest on Notes	D-16	3,742.15	-
Improvement Authorizations	D-19	-	538,954.05
Encumbrances Payable	D-21	-	110,900.38
		<u>4,079,972.03</u>	<u>649,854.43</u>
Balance - December 31, 2022	D	<u>2,195,756.67</u>	<u>695,926.39</u>

## Township of Sparta, N.J.

## Schedule of Water Utility Capital Cash

## Water Utility Fund

Year Ended December 31, 2022

	ORD. <u>No.</u>	Improvement Authorizations	Receipts		Disbursements		Transfers		Balance <u>Dec. 31, 2022</u>
			Balance <u>Dec. 31, 2021</u>	Budget <u>Appropriations</u>	Improvement <u>Authorizations</u>	To	From		
Fund Balance			29,117.66	-	-	-	-	-	29,117.66
Reserve for Encumbrances			117,268.30	-	110,900.38	140,845.40	3,803.82	143,409.50	
Capital Improvement Fund			45,939.00	500,000.00	-	-	500,000.00	45,939.00	
Deferred Charge - Note Paydown			(500.00)	-	-	-	-	(500.00)	
ORD.	<u>Improvement Authorizations</u>								
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	164.17		-	-	-	-	-	164.17
18-08	Various Water Capital Improvements	759.45		-	-	-	-	-	759.45
18-09	Various Water Capital Improvements	3,234.54		1,293.00	-	-	1,311.05	630.49	
19-22	Various Water Capital Improvements	485.33		-	-	-	-	-	485.33
20-08	Various Water Capital Improvements	1,053.39		847.50	-	-	-	-	205.89
21-08	Various Water Capital Improvements	423,258.98		410,405.61	3,803.82	13,335.00	126,199.35	3,322.19	
22-06	Various Water Capital Improvements	-		126,407.94	500,000.00	644,649.22	644,649.22	247,392.71	
			<u>845,780.82</u>	<u>500,000.00</u>	<u>649,854.43</u>	<u>644,649.22</u>	<u>644,649.22</u>	<u>695,926.39</u>	
			D					D	

**Township of Sparta, N.J.****Schedule of Consumer Accounts Receivable****Water Utility Operating Fund****Year Ended December 31, 2022**

	<u>Balance</u> <u>Dec. 31, 2021</u>	<u>Charges</u>	<u>Collections</u>	<u>Balance</u> <u>Dec. 31, 2022</u>
Water Rents & Capacity Charges	<u>394,704.88</u>	<u>3,221,554.55</u>	<u>3,191,195.56</u>	<u>425,063.87</u>

**Township of Sparta, N.J.**

**Schedule of Fixed Capital**

**Water Utility Capital Fund**

**Year Ended December 31, 2022**

Ref.

Balance December 31, 2021	D	<u>30,881,823.34</u>
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Balance December 31, 2022	D	<u>30,881,823.34</u>
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## Township of Sparta, N.J.

## Schedule of Interfund Accounts Receivable (Payable)

## Water Utility Fund

Year Ended December 31, 2022

	<u>Ref.</u>	Water <u>Operating Fund</u>	
		Other	
		Trust	
Increased by:		<u>Funds</u>	
Consumer Accounts Receivable	D-7		<u>25,916.20</u>
Balance - December 31, 2022	D		<u>25,916.20</u>

## Township of Sparta, N.J.

**Schedule of Fixed Capital Authorized and Uncompleted**  
**Water Utility Capital Fund**  
**Year Ended December 31, 2022**

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance Dec. 31, 2021	2022 Authorizations		Balance Dec. 31, 2022
					Deferred	Reserve for Amortization	
16-11	Improvement to The Water Supply and Distribution System	06/14/2016	800,000.00	800,000.00	-	800,000.00	800,000.00
18-09	Various Water Capital Improvements	07/10/2018	510,000.00	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	150,000.00
20-08	Various Water Capital Improvements	07/14/2020	754,000.00	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	500,000.00
22-06	Various Water Capital Improvements	07/12/2022	500,000.00	-	500,000.00	500,000.00	500,000.00
				2,714,000.00	500,000.00		3,214,000.00
					D	D-19	D

**Township of Sparta, N.J.**

**Schedule of Deferred Charges**

**Water Utility Capital Fund**

**Year Ended December 31, 2022**

Ref.

Balance - December 31, 2021	D	<u>500.00</u>
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Balance - December 31, 2022	D	<u>500.00</u>
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## Township of Sparta, N.J.

## Schedule of Appropriation Reserves

## Water Utility Operating Fund

Year Ended December 31, 2022

	Balance, Dec. 31, 2021	Balance After Transfers	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	31,165.33	31,165.33	29,048.21	2,117.12
Other Expenses	69,804.08	69,804.08	64,373.08	5,431.00
Capital Improvement Fund:				
Capital Outlay	3,020.58	3,020.58	2,210.00	810.58
Deferred Charges and Statutory				
Statutory Expenditures:				
Contribution to:				
Social Security System	11,457.59	11,457.59	-	11,457.59
	<u>115,447.58</u>	<u>115,447.58</u>	<u>95,631.29</u>	<u>19,816.29</u>
	Ref.			D-1

Analysis of Reserve Balance

Unencumbered	D	43,921.79
Encumbered	D	71,525.79
		<u>115,447.58</u>

Analysis of Paid or Charged

Cash Disbursed	D-5	95,050.33
Encumbrances Payable	D-14	580.96
		<u>95,631.29</u>

D-13

## Schedule of Utility Charge Overpayments

## Water Utility Operating Fund

Year Ended December 31, 2022

	Ref.	
Balance - December 31, 2021	D	65,823.99
Increased by;		
Cash Receipts	D-5	62,070.74
		<u>127,894.73</u>
Decreased by:		
Refunded	D-5	65,823.99
Balance - December 31, 2022	D	<u>62,070.74</u>

**Township of Sparta, N.J.****Schedule of Accounts Payable****Water Utility Operating Fund****Year Ended December 31, 2022**Ref.

Balance December 31, 2021	D	186.88
Increased by:		
Appropriation Reserve	D-12	580.96
		<hr/> 767.84
Decreased by:		
Cash Disbursed	D-5	<hr/> 186.88
Balance December 31, 2022	D	<hr/> 580.96

## Township of Sparta, N.J.

## Schedule of Accrued Interest on Bonds

## Water Utility Operating Fund

Year Ended December 31, 2022

		<u>Ref.</u>				
Balance - December 31, 2021	D	93,982.98				
Increased by:						
Budget Appropriation for Interest on Bonds	D-4	<u>254,871.00</u>				
		<u>348,853.98</u>				
Decreased by:						
Interest Paid	D-5	<u>257,785.10</u>				
Balance - December 31, 2022	D	<u>91,068.88</u>				
<hr/>						
Principal						
Outstanding <u>Dec. 31, 2022</u>	Interest <u>Rate</u>	<u>From</u>	<u>To</u>	Period (days)	Required <u>Amount</u>	Actual <u>Amount</u>
605,000.00	Various	10/1/2022	12/31/2022	91	5,679.73	7,002.26
894,000.00	Various	10/15/2022	12/31/2022	77	6,713.31	8,276.50
2,180,000.00	Various	7/1/2022	12/31/2022	183	38,200.00	47,094.88
3,531,000.00	Various	10/4/2022	12/31/2022	88	<u>23,275.52</u>	<u>28,695.23</u>
<b>7,210,000.00</b>					<b><u>73,868.56</u></b>	<b><u>91,068.87</u></b>

D-17

## Township of Sparta, N.J.

## Schedule of Accrued Interest on Notes

## Water Utility Operating Fund

Year Ended December 31, 2022

	<u>Ref.</u>	
Balance - December 31, 2021	D	2,338.32
Increased by:		
Budget Appropriation - Interest on Notes	D-4	<u>6,116.00</u>
		<u>8,454.32</u>
Decreased by:		
Interest Paid	D-5	<u>3,742.15</u>
Balance - December 31, 2022	D	<u>4,712.17</u>

Principal							
Outstanding	Interest			Period	Required		Actual
Dec. 31, 2022	Rate	From	To	(days)	Amount		Amount
599,200.00	3.12%	9/30/2022	12/31/2022	92	<u>4,712.17</u>		<u>4,712.17</u>
D-18							

## Township of Sparta, N.J.

## Schedule of Water Serial Bonds Payable

## Water Utility Capital Fund

Year Ended December 31, 2022

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	Maturities of Bonds Outstanding Dec. 31,2022		<u>Interest Rate</u>	<u>Balance, Dec. 31,2021</u>	<u>Decreased by</u>	<u>Balance, Dec. 31,2022</u>
			<u>Date</u>	<u>Amount</u>				
Water Bonds of 2011	04/28/2011	2,310,000.00	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%	760,000.00	155,000.00	605,000.00
Water Bonds of 2013	10/15/2013	1,424,000.00	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%	964,000.00	70,000.00	894,000.00
Water Refunding Bonds of 2014	09/10/2014	5,828,000.00	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%	2,725,000.00	545,000.00	2,180,000.00
Water Bonds of 2017	10/1/2017	4,781,000.00	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%	3,831,000.00	300,000.00	3,531,000.00
						8,280,000.00	1,070,000.00	7,210,000.00
						D	D-22	D; D-15

**Township of Sparta, N.J.**

### Schedule of Water Capital Bond Anticipation Notes

## Water Utility Fund

**Year Ended December 31, 2022**

Ordinance Number	Improvement Description	Original Note		Date of Issue	Amount of Issue	Date of Issue	Date of Maturity	Interest Rate	Balance, Dec. 31, 2021	Increased	Decreased	Balance, Dec. 31, 2022
17-07	Improvements to Water Utility System	10/04/17	300,000.00	09/30/21	09/29/22	1.00%	180,000.00	-	180,000.00	-	180,000.00	-
				09/28/22	09/28/23	3.12%	-	150,000.00	-	150,000.00	-	150,000.00
18-09	Various Water Capital Improvements	10/03/18	410,000.00	09/30/21	09/29/22	1.00%	287,000.00	-	287,000.00	-	287,000.00	-
				09/28/22	09/28/23	3.12%	-	246,000.00	-	246,000.00	-	246,000.00
20-08	Various Water Capital Improvements	07/14/20	254,000.00	09/30/21	09/29/22	1.00%	228,600.00	-	228,600.00	-	228,600.00	-
				09/28/22	09/28/23	3.12%	-	203,200.00	-	203,200.00	-	203,200.00
							695,600.00	599,200.00	695,600.00	599,200.00	695,600.00	D
							D					D
							Ref.					
							Renewals		599,200.00	599,200.00		
							Reserve for Amortization	D-22	-	30,000.00		
							Paid by Budget Appropriation	D-23	-	66,400.00		
									599,200.00	695,600.00		

## Township of Sparta, N.J.

## Schedule of Improvement Authorizations

## Water Utility Capital Fund

Year Ended December 31, 2022

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance		Authorizations		Balance		
				Dec. 31, 2021		Capital Improvement Fund	Encumbrances Cancelled	Paid or Charged	Dec. 31, 2022	
				Funded	Unfunded				Funded	Unfunded
<u>General Improvements:</u>										
16-11	Improvement to The Water Supply and Distribution System	06/14/2016	800,000.00	164.17	-	-	-	-	164.17	-
18-08	Various Water Capital Improvements	07/10/2018	200,000.00	759.45	-	-	-	-	759.45	-
18-09	Various Water Capital Improvements	07/10/2018	510,000.00	-	3,234.54	-	-	2,604.05	-	630.49
19-22	Various Water Capital Improvements	11/12/2019	150,000.00	485.33	-	-	-	-	485.33	-
20-08	Various Water Capital Improvements	07/14/2020	754,000.00	-	1,053.39	-	-	847.50	-	205.89
21-08	Various Water Capital Improvements	05/25/2021	500,000.00	423,258.98	-	-	3,803.82	423,740.61	3,322.19	-
22-06	Various Water Capital Improvements	7/12/2022	500,000.00	-	-	500,000.00	-	252,607.29	247,392.71	-
				<u>424,667.93</u>	<u>4,287.93</u>	<u>500,000.00</u>	<u>3,803.82</u>	<u>679,799.45</u>	<u>252,123.85</u>	<u>836.38</u>
				D	D	D-10	D-21	D	D	

	Ref.	
Cash Disbursements	D-5	538,954.05
Encumbrances Payable	D-21	140,845.40
		<u>679,799.45</u>

**Township of Sparta, N.J.****Schedule of Capital Improvement Fund****Water Utility Capital Fund****Year Ended December 31, 2022**

	<u>Ref.</u>	
Balance - December 31, 2021	D	45,939.00
Increased by:		
Budget Appropriation	D-5	<u>500,000.00</u>
		<u>545,939.00</u>
Decreased by:		
Appropriated to Finance		
Improvement Authorizations	D-23	<u>500,000.00</u>
Balance - December 31, 2022	D	<u>45,939.00</u>

**Schedule of Encumbrances Payable****Water Utility Capital Fund****Year Ended December 31, 2022**

	<u>Ref.</u>	
Balance - December 31, 2021	D	117,268.30
Increased by:		
Improvement Authorizations	D-19	<u>140,845.40</u>
		<u>258,113.70</u>
Decreased by:		
Cash Disbursements	D-5	110,900.38
Cancelled	D-19	<u>3,803.82</u>
		<u>114,704.20</u>
Balance - December 31, 2022	D	<u>143,409.50</u>

## Township of Sparta, N.J.

## Schedule of Reserve for Amortization

## Water Utility Capital Fund

Year Ended December 31, 2022

	<u>Ref.</u>	
Balance - December 31, 2021	D	22,946,823.34
Increased by:		
Serial Bonds Paid by Operating Budget	D-17	1,070,000.00
Bond Anticipation Notes Paid by Operating Budget	D-18	<u>30,000.00</u>
		<u>1,100,000.00</u>
Balance - December 31, 2022	D	<u>24,046,823.34</u>

## Township of Sparta, N.J.

## Schedule of Deferred Reserve for Amortization

## Water Utility Capital Fund

Year Ended December 31, 2022

Ordinance Number	Improvement Description <u>General Improvements:</u>	Date of Ordinance	Balance, Dec. 31,2021	Fixed Capital <u>Authorized</u>	Paid From Operating Budget Notes		Balance, Dec. 31,2022
					Paid From Operating Budget	Balance, Dec. 31,2022	
16-11	Improvement to the Water Supply and System	06/14/2016	500,000.00	-	-	500,000.00	
18-09	Various Water Capital Improvements	07/10/2018	223,000.00	-	41,000.00	264,000.00	
19-22	Various Water Capital Improvements	11/12/2019	150,000.00	-	-	150,000.00	
20-08	Various Water Capital Improvements	07/14/2020	525,400.00	-	25,400.00	550,800.00	
21-08	Various Water Capital Improvements	05/25/2021	500,000.00	-	-	500,000.00	
22-06	Various Water Capital Improvements	07/12/2022	-	500,000.00	-	500,000.00	
			<u>1,898,400.00</u>	<u>500,000.00</u>	<u>D</u>	<u>66,400.00</u>	<u>2,464,800.00</u>
					<u>D-20</u>	<u>D-18</u>	<u>D</u>

## Township of Sparta, N.J.

## Schedule of Cash

## Sewer Utility Fund

Year Ended December 31, 2022

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance - December 31, 2021	E	<u>760,637.27</u>	<u>485,441.02</u>
<b>Increased by Receipts:</b>			
Sewer Connection Fees	E-2	13,560.00	-
Miscellaneous Revenue	E-2	5,947.81	-
Miscellaneous Revenue Anticipated	E-2	14,895.80	-
Sewer Capital Fund Balance	E-2	20,000.00	-
Interfund Receipts	E-9	-	696,100.00
Consumer Accounts Receivable	E-7	900,844.81	-
Sewer Rents Overpayments	E-14	1,791.09	-
		<u>957,039.51</u>	<u>696,100.00</u>
<b>Decreased by Disbursements:</b>			
Capital Surplus Anticipated	E-3	-	20,000.00
Budget Appropriations	E-4	894,933.67	-
Overexpenditure of Appropriation Reserves	E-8	11,310.00	-
Appropriation Reserves	E-13	501,065.87	-
Interest on Bonds	E-15	55,550.01	-
Interest on Notes	E-16	9,893.32	-
Bond Anticipation Notes	E-18	-	24,100.00
Improvement Authorizations	E-19	-	1,119,271.83
Reserve for Encumbrances	E-21	-	3,029.34
		<u>1,472,752.87</u>	<u>1,166,401.17</u>
Balance - December 31, 2022	E	<u>244,923.91</u>	<u>15,139.85</u>

## Township of Sparta, N.J.

## Schedule of Sewer Utility Capital Cash

## Sewer Utility Fund

Year Ended December 31, 2022

	Balance Dec. 31, 2021	Receipts		Disbursements		Balance Dec. 31, 2022
		Miscellaneous	Improvement Authorizations	Bond Antic. Notes/Bonds	Miscellaneous	
Fund Balance	20,028.32	-	-	-	20,000.00	28.32
Interfund - General Capital Fund	-	696,100.00	-	-	-	696,100.00
Reserve for Encumbrances	6,321.14	-	3,029.34	-	-	3,291.80
Capital Improvement Fund	8,500.00	-	-	-	-	8,500.00
 ORD. <u>Improvement Authorizations</u>						
<u>No.</u>						
19-12	Conversion of White Deer Plaza Sewer Plant Into a Pumping Station	450,591.56	-	450,591.56	24,100.00	-
21-09	Supplemental Appropriation - Conversion of White Deer Plazs Sewer Plant	-	-	500,000.00	-	(500,000.00)
22-18	Supplemental Appropriation - Conversion of White Deer Plazs Sewer Plant	-	-	168,680.27	-	(168,680.27)
		<u>485,441.02</u>	<u>696,100.00</u>	<u>1,122,301.17</u>	<u>24,100.00</u>	<u>20,000.00</u>
			E			E

## Township of Sparta, N.J.

## Schedule of Consumer Accounts Receivable

## Sewer Utility Operating Fund

Year Ended December 31, 2022

	Balance <u>Dec. 31, 2021</u>	<u>Charges</u>	<u>Collections</u>	Balance <u>Dec. 31, 2022</u>
<b>Sewer Rents &amp; Capacity</b>				
Charges	<u>64,263.33</u>	<u>896,230.79</u>	<u>905,045.85</u>	<u>55,448.27</u>
	E			E
		<u>Ref.</u>		
Cash Receipts	E-5		900,844.81	
Interfunds Receivable	E-9		3,143.30	
Pre-Paid Rents Applied	E-14		1,057.74	
	E-2		<u>905,045.85</u>	

**E-8**

**Township of Sparta, N.J.**

**Statement of Deferred Charges**

**Sewer Utility Operating Fund**

**Year Ended December 31, 2022**

	<u>Added</u> <u>in 2022</u>	<u>Balance,</u> <u>Dec. 31, 2022</u>
Overpenditure of Appropriation Reserves	<u>11,310.00</u> E-5	<u>11,310.00</u> E

## Township of Sparta, N.J.

## Schedule of Interfund Accounts Receivable (Payable)

## Sewer Utility Fund

Year Ended December 31, 2022

	<u>Sewer Operating Fund</u>	<u>Sewer Capital Fund</u>
<u>Ref.</u>	Other Trust Funds	General Capital Fund
Increased by:		
Receipts	E-5	<u>696,100.00</u>
Consumer Accounts Receivable	E-7	<u>3,143.30</u>
Balance - December 31, 2022	E	<u>3,143.30</u> <u>(696,100.00)</u>

**Township of Sparta, N.J.**

**Schedule of Fixed Capital**

**Sewer Utility Capital Fund**

**Year Ended December 31, 2022**

**Ref.**

Balance December 31, 2021	E	8,853,594.25
<b>Increased by:</b>		
Improvement Authorizations Completed	E-11	<u>950,000.00</u>
Balance December 31, 2022	E	<u>9,803,594.25</u>

## Township of Sparta, N.J.

## Schedule of Fixed Capital Authorized and Uncompleted

## Sewer Utility Capital Fund

Year Ended December 31, 2022

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance Date</u>	<u>Amount</u>	Balance <u>Dec. 31, 2021</u>	2022 <u>Authorizations</u>	Costs to <u>Fixed Capital</u>	Balance <u>Dec. 31, 2022</u>
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 - Converstion of White Deer Plaza Sewer Plant	05/25/21	500,000.00	500,000.00	-	-	500,000.00
22-18	Supplemental Appropriation - Converstion of White Deer Plaza Sewer Plant	12/13/22	700,000.00	-	700,000.00	-	700,000.00
				<u>1,450,000.00</u>	<u>700,000.00</u>	<u>950,000.00</u>	<u>1,200,000.00</u>
				E	E-19	E-10	E

**Township of Sparta, N.J.**

**Schedule of Accounts Payable**

**Operating Fund**

**Year Ended December 31, 2022**

Ref.

Increased by:

Appropriation Reserves	E-13	<u>119,148.69</u>
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Balance - December 31, 2022	E	<u>119,148.69</u>
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## Township of Sparta, N.J.

## Schedule of Appropriation Reserves

## Sewer Utility Operating Fund

Year Ended December 31, 2022

	Balance, Dec. 31, 2021	Balance After Transfers	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	19,018.00	19,018.00	-	19,018.00
Other Expenses	35,931.00	35,931.00	31,615.06	4,315.94
Capital Improvements:				
Capital Improvement Fund	588,599.50	588,599.50	588,599.50	-
Deferred Charges and Statutory Expenditures:				
Contribution to:				
Social Security System	2,485.00	2,485.00	-	2,485.00
	<u>646,033.50</u>	<u>646,033.50</u>	<u>620,214.56</u>	<u>25,818.94</u>
	Ref.		E-5	E-1

Analysis of Appropriation Reserves

Unencumbered	E	622,694.09
Encumbered	E	23,339.41
		<u>646,033.50</u>

Analysis of Paid or Charged

Cash Disbursed	E-5	501,065.87
Accounts Payable	E-12	119,148.69
		<u>620,214.56</u>

## Schedule of Sewer Utility Charge Overpayments

## Sewer Utility Operating Fund

Year Ended December 31, 2022

	Ref.	
Balance - December 31, 2021	E	1,057.74
Increased by:		
Cash Receipts	E-5	1,791.09
		<u>2,848.83</u>
Decreased by:		
Applied	E-7	1,057.74
Balance - December 31, 2022	E	<u>1,791.09</u>

## Township of Sparta, N.J.

## Schedule of Accrued Interest on Bonds

## Sewer Utility Operating Fund

Year Ended December 31, 2022

Ref.

Balance - December 31, 2021	E	22,781.46
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Increased by:

Budget Appropriation for Interest on Bonds	E-4	50,350.00
		73,131.46

Decreased by:

Interest Paid	E-5	55,550.01
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Balance - December 31, 2022	E	17,581.45
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Principal Outstanding <u>Dec. 31, 2022</u>	Interest <u>Rate</u>	From	To	Period (days)	Required <u>Amount</u>	Actual <u>Amount</u>
720,000.00	Various	10/1/2022	12/31/2022	91	6,769.06	6,783.48
615,000.00	Various	7/1/2022	12/31/2022	183	10,775.00	10,797.97
<u>1,335,000.00</u>					<u>17,544.06</u>	<u>17,581.45</u>

E-17

## Schedule of Accrued Interest on Bond Anticipation Notes

## Sewer Utility Operating Fund

Year Ended December 31, 2022

Ref.

Balance - December 31, 2021	E	3,462.89
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Increased by:

Budget Appropriation for Interest on Notes	E-4	8,618.00
		12,080.89

Decreased by:

Interest Paid	E-5	9,893.32
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Balance - December 31, 2022	E	2,187.57
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Principal Outstanding <u>Dec. 31, 2022</u>	Interest <u>Rate</u>	From	To	Period (days)	Required <u>Amount</u>	Actual <u>Amount</u>
12,000.00	3.12%	09/28/22	12/31/2022	94	96.42	27.99
925,900.00	3.12%	09/28/22	12/31/2022	94	7,439.67	2,159.58
<u>937,900.00</u>					<u>7,536.09</u>	<u>2,187.57</u>

E-18

## Township of Sparta, N.J.

## Schedule of Sewer Serial Bonds Payable

## Sewer Utility Capital Fund

Year Ended December 31, 2022

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	Maturities of Bonds Outstanding		<u>Interest Rate</u>	<u>Balance, Dec. 31, 2021</u>	<u>Decreased by</u>	<u>Balance, Dec. 31, 2022</u>
			<u>Date</u>	<u>Amount</u>				
Sewer Bonds of 2011	04/28/11	2,317,000.00	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%	900,000.00	180,000.00	720,000.00
Sewer Refunding Bonds of 2014	09/10/14	1,627,000.00	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%	760,000.00	145,000.00	615,000.00
						1,660,000.00	325,000.00	1,335,000.00
						E	E-22	E

**Township of Sparta, N.J.**

### Schedule of Sewer Capital Bond Anticipation Notes

### **Sewer Utility Fund**

**Year Ended December 31, 2022**

Ordinance Number	Improvement Description	Original Note		Date of Issue	Amount of Issue	Date of Issue	Date of Maturity	Interest Rate	Balance, Dec. 31, 2021	Increased	Decreased	Balance, Dec. 31, 2022			
		Date of Issue	Amount of Issue												
11-17	Improvement to the Sanitary Sewerage System	11/01/13	60,000.00	09/30/21	09/29/22	1.00%	18,000.00	12,000.00	18,000.00	-	-	12,000.00			
				09/28/22	09/28/23	3.12%	-								
19-12	Conversion of White Deer Plaza Sewer Plant Into a Pumping Station	08/13/19	950,000.00	09/30/21	09/29/22	1.00%	950,000.00	925,900.00	950,000.00	-	-	925,900.00			
				09/28/22	09/28/23	3.12%	-								
								968,000.00	937,900.00	968,000.00	937,900.00	E			
								E				E			
								937,900.00	937,900.00						
										24,100.00					
										6,000.00					
								937,900.00	968,000.00						

## Township of Sparta, N.J.

## Schedule of Improvement Authorizations

## Sewer Utility Capital Fund

Year Ended December 31, 2022

Ordinance <u>Number</u>	Improvement <u>Description</u>	Date	Ordinance Amount	Balance		Paid or Charged	Balance <u>Dec. 31,2022</u>	
				<u>Dec. 31,2021</u>	<u>Unfunded</u>	<u>2022</u>	<u>Authorizations</u>	<u>Unfunded</u>
19-12	Conversion of White Deer Plaza Sewer Plant Into a Pumping Station	08/13/19	950,000.00	450,591.56		-	450,591.56	-
21-09	Supplemental Appropriation - Conversion of White Deer Plaza Sewer Plant	05/25/21	500,000.00	500,000.00		-	500,000.00	-
22-18	Supplemental Appropriation - Conversion of White Deer Plaza Sewer Plant	12/13/22	700,000.00		700,000.00	168,680.27		531,319.73
				<u>950,591.56</u>	<u>700,000.00</u>	<u>1,119,271.83</u>		<u>531,319.73</u>
				E	E-11	E-5		E

**E-20**

**Township of Sparta, N.J.**

**Schedule of Capital Improvement Fund**

**Sewer Utility Capital Fund**

**Year Ended December 31, 2022**

**Ref.**

Balance - December 31, 2021	E	<u>8,500.00</u>
Balance - December 31, 2022	E	<u>8,500.00</u>

**E-21**

**Schedule of Encumbrances Payable**

**Sewer Utility Capital Fund**

**Year Ended December 31, 2022**

**Ref.**

Balance - December 31, 2021	E	6,321.14
Decreased by:		
Cash Disbursement	E-5	<u>3,029.34</u>
Balance - December 31, 2022	E	<u>3,291.80</u>

**Township of Sparta, N.J.****Schedule of Reserve for Amortization****Sewer Utility Capital Fund****Year Ended December 31, 2022**Ref.

Balance - December 31, 2021	E	7,098,594.25
Increased by:		
Serial Bonds Paid by Operating Budget	E-17	<u>325,000.00</u>
Balance - December 31, 2022	E	<u>7,423,594.25</u>

## Township of Sparta, N.J.

## Schedule of Deferred Reserve for Amortization

## Sewer Utility Capital Fund

Year Ended December 31, 2022

Ordinance Number	Improvement Description	Date of Ordinance	Balance, Dec. 31,2021	Paid From Operating Budget - Notes	Balance, Dec. 31,2022
<u>General Improvements:</u>					
11-17	Improvement of Sanitary Sewerage System	10/25/11	77,000.00 E	6,000.00 E-18	83,000.00 E

## Township of Sparta, N.J.

## Schedule of Bonds and Notes Authorized But Not Issued

## Sewer Utility Capital Fund

Year Ended December 31, 2022

Ordinance Number	Improvement Description	Balance, Dec. 31, 2021	2022 Authorizations	BAN not Re-Issued	Balance, Dec. 31, 2022
19-12	Conversion of White Deer Plaza Sewer Plant into a Pumping Station	-	-	24,100.00	24,100.00
21-09	Supplemental Appropriation - Converstion of the White Deer Plaza Plant	500,000.00	-	-	500,000.00
22-18	Supplemental Appropriation - Converstion of the White Deer Plaza Plant	-	700,000.00	-	700,000.00
		<u>500,000.00</u>	<u>700,000.00</u>	<u>24,100.00</u>	<u>1,224,100.00</u>
		Footnote E	E-19	E-18	Footnote E

**Township of Sparta, N.J.****Schedule of Cash****Solid Waste Operating Utility Fund****Year Ended December 31, 2022**

	<u>Ref.</u>	
Balance - December 31, 2021	F	1,510,661.21
Increased by Receipts:		
Solid Waste Penalties	F-2	37,179.30
Miscellaneous Revenue	F-2	11,086.67
Consumer Accounts Receivable	F-5	2,021,757.53
Prepaid Solid Waste User Fees	F-9	<u>4,190.28</u>
		<u>2,074,213.78</u>
		<u>3,584,874.99</u>
Decreased by Disbursements:		
Budget Appropriations	F-3	2,407,206.78
Appropriation Reserves	F-7	<u>5,026.50</u>
		<u>2,412,257.28</u>
Balance - December 31, 2022	F	<u>1,172,617.71</u>

## Township of Sparta, N.J.

## Schedule of Consumer Accounts Receivable

## Solid Waste Operating Utility Fund

Year Ended December 31, 2022

	Balance <u>Dec. 31, 2021</u>	<u>Charges</u>	<u>Collections</u>	Balance <u>Dec. 31, 2022</u>
Solid Waste User Fees	<u>81,868.90</u>	<u>2,138,489.43</u>	<u>2,037,753.19</u>	<u>182,605.14</u>
	F			F
		<u>Ref.</u>		
Cash Receipts		F-4	2,021,757.53	
Interfunds Receivable		F-6	12,306.32	
Pre-Paid Rents and Overpayments Applied		F-9	3,689.34	
			<u>2,037,753.19</u>	
			F-2	

**Township of Sparta, N.J.**

**Schedule of Interfund Accounts Receivable (Payable)**

**Solid Waste Operating Utility Fund**

**Year Ended December 31, 2022**

	<u>Ref.</u>	<u>Other</u> <u>Trust</u> <u>Funds</u>
Increased by:		
Consumer Accounts Receivable	F-5	<u>12,306.32</u>
Balance - December 31, 2022	F	<u>12,306.32</u>

## Township of Sparta, N.J.

## Schedule of Appropriation Reserves

## Solid Waste Operating Utility Fund

Year Ended December 31, 2022

	Balance, Dec. 31, 2021	Balance After Transfers	Paid or Charged	Balance Lapsed
<b>Operating:</b>				
Salaries and Wages	3,154.00	3,154.00	-	3,154.00
Other Expenses	25,269.36	25,269.36	5,026.50	20,242.86
<b>Deferred Charges and Statutory Expenditures:</b>				
Statutory Expenditures:				
Contributions to:				
Social Security System	1,071.85	1,071.85	-	1,071.85
	<u>29,495.21</u>	<u>29,495.21</u>	<u>5,026.50</u>	<u>24,468.71</u>
			F-4	F-1
<u>Ref.</u>				
<u>Analysis of Balance</u>				
Unencumbered F	27,032.21			
Encumbered F	<u>2,463.00</u>			
	<u>29,495.21</u>			

## Schedule of Accounts Payable

## Solid Waste Operating Utility Fund

Year Ended December 31, 2022

		<u>Ref.</u>
Balance - December 31, 2021	F	<u>624.55</u>
<b>Decreased by:</b>		
Cash Disbursed	F-4	24.00
Cancelled to Surplus	F-1	<u>600.55</u>
		<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, 2022**

	<u>Ref.</u>	
Balance - December 31, 2021	F	3,689.34
Increased by;		
Cash Receipts	F-4	<u>4,190.28</u>
Decreased by:		
Applied	F-5	<u>3,689.34</u>
Balance - December 31, 2022	F	<u><u>4,190.28</u></u>

**TOWNSHIP OF SPARTA**

---

**PART II**

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

**COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2022**



# WIELKOTZ & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

STEVEN D. WIELKOTZ, CPA, RMA, PSA  
MATTHEW B. WIELKOTZ, 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, 2022 and the related notes to the financial statements, and have issued our report thereon dated September 22, 2023, 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



Honorable Mayor and  
Members of the Township Council  
Page 2

*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

September 22, 2023



# WIELKOTZ & COMPANY LLC

CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Honorable Mayor and  
Members of the Township Council  
Township of Sparta  
County of Sussex, New Jersey

### **Report on Compliance for Each Major Federal Program**

### **Opinion on Each Major Federal Program**

We have audited Township of Sparta's (the "Township") compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of Township of Sparta's major federal programs for the year ended December 31, 2022. Township of Sparta's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Township of Sparta complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

### **Basis for Opinion on Each Major Federal Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.



Honorable Mayor and  
Members of the Township Council  
Township of Sparta  
Page 2.

We are required to be independent of Township of Sparta and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Township of Sparta's compliance with the compliance requirements referred to above.

### **Responsibilities of Management for Compliance**

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

### **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City of Summit's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance, will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Township of Sparta's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, the Uniform Guidance, we:

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



Honorable Mayor and  
Members of the Township Council  
Township of Sparta  
Page 3.

- Obtain an understanding of Township of Sparta's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Township of Sparta's internal control over compliance. Accordingly, no such opinion is expressed.

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

### **Report on Internal Control over Compliance**

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

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



Honorable Mayor and  
Members of the Township Council  
Township of Sparta  
Page 4.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report 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

September 22, 2023



Federal Grantor/Pass-Through Grantor/ Program Title	Assistance Listing Number	Program or Award Amount	Grant Period To/From	12/31/2021		12/31/2022		MEMO Cumulative Total Expenditures				
				(Receivable)	Reserve Balance	Receipts	Expended					
<b>SEWER UTILITY OPERATING FUND</b>												
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	600,000.00	03/01/21-12/31/26	-	588,599.50	-	(588,599.50)	-				
<b>FEDERAL AND STATE GRANT FUND</b>												
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	1,344,218.40	03/01/21-12/31/26	-	372,109.20	972,109.20	(834,531.94)	-				
Total U.S. Department of Treasury				-	372,109.20	972,109.20	(834,531.94)	-				
U.S. Department of Transportation												
(Passed through NJ Division of Highway Traffic Safety)												
Distracted Driver	20.616	6,325.00	01/01/21-12/31/21	-	6,325.00	-	-	6,325.00				
Distracted Driver	20.616	8,750.00	01/01/22-12/31/22	-	-	8,750.00	-	8,750.00				
Drive Sober or Get Pulled Over	20.616	30,753.75	01/01/20-12/31/20	-	30,753.75	-	-	30,753.75				
Drive Sober or Get Pulled Over	20.616	3,000.00	01/01/21-12/31/21	-	-	3,000.00	-	3,000.00				
Total U.S. Department of Transportation				-	37,078.75	11,750.00	-	48,828.75				
<b>TOTAL FEDERAL AND STATE GRANT FUND</b>												
TOTAL FEDERAL AID												
				-	409,187.95	983,859.20	(834,531.94)	-				
				-	997,787.45	983,859.20	(1,423,131.44)	-				
								558,515.21				
								1,434,531.94				

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, 2022										
State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From/To	12/31/2021 (Receivable)	Reserve Balance	Receipts	12/31/2022 Expended	12/31/2022 (Receivable)	Reserve Balance	Cumulative Total Expenditures
<b>FEDERAL AND STATE GRANT FUND</b>										
N.J. Department of Environmental Protection:										
Clean Communities	4900-765-042-4900-004	46,444.00	01/01/18-12/31/18	(1,424.35)	-	-	-	(1,424.35)	-	46,444.00
Clean Communities	4900-765-042-4900-004	45,734.74	01/01/19-12/31/19	-	12,344.25	-	(12,344.25)	-	-	45,734.74
Clean Communities	4900-765-042-4900-004	48,661.35	01/01/20-12/31/20	-	48,661.35	-	(12,443.63)	-	36,217.72	12,443.63
Clean Communities	4900-765-042-4900-004	49,664	01/01/21-12/31/21	-	49,663.59	-	-	49,663.59	-	-
				(1,424.35)	61,005.60	49,663.59	(24,787.88)	(1,424.35)	85,881.31	104,622.37
Highlands Grant	N/A	25,000.00		(13,054.65)	21,451.65	-	-	(13,054.65)	21,451.65	3,548.35
<b>Total N.J. Department of Environmental Protection:</b>				(14,479.00)	82,457.25	49,663.59	(24,787.88)	(14,479.00)	107,332.96	108,170.72
N.J. Department of Community Affairs:										
Local Efficiency Achievement Program										
		229,000.00	01/01/22-12/31/22	-	-	-	(179,061.79)	(229,000.00)	49,938.21	179,061.79
Alcohol Education Rehab Fund	9735-760-098-9735-001	539.00	01/01/12-12/31/12	-	455.70	-	-	-	455.70	83.30
Alcohol Education Rehab Fund	9735-760-098-9735-001	527.00	01/01/13-12/31/13	-	527.00	-	-	-	527.00	-
Alcohol Education Rehab Fund	9735-760-098-9735-001	354.00	01/01/14-12/31/14	-	354.00	-	-	-	354.00	-
Alcohol Education Rehab Fund	9735-760-098-9735-001	73.23	01/01/18-12/31/18	-	73.23	-	-	-	73.23	-
Alcohol Education Rehab Fund	9735-760-098-9735-001	2,009.00	01/01/19-12/31/19	-	2,009.00	-	-	-	2,009.00	-
Alcohol Education Rehab Fund	9735-760-098-9735-001	4,738.00	01/01/20-12/31/20	-	4,738.00	-	-	-	4,738.00	-
				-	8,156.93	-	-	-	8,156.93	83.30
Municipal Alliance	N/A	16,042.00	1/1/19-12/31/19	-	2,874.35	-	(2,874.35)	-	-	16,042.00
Municipal Alliance	N/A	16,042.00	1/1/20-12/31/20	(5,092.05)	16,042.00	5,092.05	(12,392.93)	-	3,649.07	12,392.93
Municipal Alliance	N/A	16,042.00	1/1/21-12/31/21	(16,042.00)	16,042.00	1,248.95	-	(14,793.05)	16,042.00	-
Municipal Alliance	N/A	16,042.00	1/1/22-12/31/22	-	-	-	(16,042.00)	16,042.00	-	-
				(21,134.05)	34,958.35	6,341.00	(15,267.28)	(30,835.05)	35,733.07	28,434.93
<b>Total N.J. Department of Community Affairs:</b>				(21,134.05)	43,115.28	6,341.00	(194,329.07)	(259,835.05)	93,828.21	207,580.02
N.J. Division of Motor Vehicles:										
Drunk Driving Enforcement Fund	6400-100-078-6400-YYYY	18,794.15	1/1/13-12/31/14	-	172.58	-	(172.58)	-	-	18,794.15
Drunk Driving Enforcement Fund	6400-100-078-6400-YYYY	16,974.00	1/1/16-12/31/16	-	16,974.00	-	(9,711.94)	-	7,262.06	9,711.94
Drunk Driving Enforcement Fund	6400-100-078-6400-YYYY	5,500.00	1/1/19-12/31/19	-	5,500.00	-	-	-	5,500.00	-
Drunk Driving Enforcement Fund	6400-100-078-6400-YYYY	13,000.00	1/1/21-12/31/21	-	-	13,000.00	-	-	13,000.00	-
				-	22,646.58	13,000.00	(9,884.52)	-	25,762.06	28,506.09
<b>Total N.J. Division of Motor Vehicles:</b>				-	-	-	-	-	-	-
N.J. Department of Environmental Protection:										
Recycling Tonnage	4910-100-042-49100-224	49,308.59	1/1/19-12/31/19	-	1,719.50	-	(1,719.50)	-	-	49,308.59
Recycling Tonnage	4910-100-042-49100-224	40,972.95	1/1/20-12/31/20	-	40,972.95	-	(14,730.67)	-	26,242.28	14,730.67
Recycling Tonnage	4910-100-042-49100-224	55,168.83	1/1/21-12/31/21	-	-	55,168.83	-	-	55,168.83	-
				-	42,692.45	55,168.83	(16,450.17)	-	81,411.11	64,039.26
<b>Total N.J. Department of Environmental Protection:</b>				-	-	-	-	-	-	-
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
<b>Total N.J. Department of Transportation:</b>				(175,000.00)	-	-	-	(175,000.00)	-	175,000.00

**Township of Sparta**

**Schedule of Expenditures of State Awards**

**For the Year Ended December 31, 2022**

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From/To	12/31/2021			12/31/2022			Cumulative Total Expenditures
				(Receivable)	Reserve Balance	Receipts	Expended	(Receivable)	Reserve Balance	
<b>N.J. Department of Law and Public Safety</b>										
Body Armor	1020-718-066-1020-001	3,185.00	1/1/20-12/31/20	-	79.71	-	-	-	79.71	3,105.29
Body Armor	1020-718-066-1020-001	4,042.12	1/1/21-12/31/21	-	4,042.12	-	-	-	4,042.12	-
<b>Total N.J. Department of Law and Public Safety</b>				-	79.71	4,042.12	-	-	4,121.83	<b>3,105.29</b>
<b>TOTAL FEDERAL AND STATE GRANT FUND</b>				(210,613.05)	190,991.27	128,215.54	(245,451.64)	(449,314.05)	312,456.17	586,401.38
<b>GENERAL CAPITAL FUND</b>										
<b>N.J. Department of Transportation</b>										
Municipal Aid - Sawmill Road		167,000.00	1/1/21-12/31/21	(167,000.00)	-	-	-	(167,000.00)	-	167,000.00
<b>TOTAL GENERAL CAPITAL FUND</b>				(167,000.00)	-	-	-	(167,000.00)	-	167,000.00
<b>TOTAL STATE AID</b>				(377,613.05)	190,991.27	128,215.54	(245,451.64)	(616,314.05)	312,456.17	753,401.38

**TOWNSHIP OF SPARTA**  
**NOTES TO THE SCHEDULES OF EXPENDITURES**  
**OF FEDERAL AND STATE AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

**NOTE 1. GENERAL**

The accompanying schedules of expenditures of awards present the activity of all federal and state financial assistance programs of the Township of Sparta. The Township is defined in Note 1A to the Township's financial statements. All federal financial assistance received directly from federal agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of awards.

**NOTE 2. BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of awards are presented using the modified accrual basis of accounting as prescribed for counties by the Division of Local Government Services, Department of Community Affairs, State of New Jersey which differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. This basis of accounting is described in Note 1(B) to the Township's financial statements.

**NOTE 3. RELATIONSHIP TO FINANCIAL STATEMENTS**

Amounts reported in the accompanying schedules agree with amounts reported in the Township's financial statements. Financial assistance award expenditures are reported in the Township's financial statements on a basis of accounting described above as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Sewer Capital Fund	\$588,599.50	\$0.00	\$588,599.50
Grant Fund	<u>834,531.94</u>	<u>245,451.64</u>	<u>1,079,983.58</u>
	<u>\$1,423,131.44</u>	<u>\$245,451.64</u>	<u>\$1,668,583.08</u>

**NOTE 4. DE MINIMIS DIRECT COST RATE**

The Township has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**TOWNSHIP OF SPARTA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**

***Section I - Summary of Auditor's Results***

**Financial Statements**

Type of auditor's report issued: GAAP - Adverse;  
Regulatory - Modified

Internal control over financial reporting:

1. Material weakness(es) identified? \_\_\_\_\_ yes X no
2. Were significant deficiencies identified that are not considered to be material weaknesses? \_\_\_\_\_ yes X no

Noncompliance material to general-purpose financial statements noted? \_\_\_\_\_ yes X no

**Federal Awards Section**

Dollar threshold used to determine type A programs: \$750,000

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes X no

Type of auditors' report on compliance for major programs Unmodified

Internal Control over compliance:

1. Material weakness(es) identified? \_\_\_\_\_ yes X no
2. Were significant deficiencies identified that were not considered to be material weaknesses? \_\_\_\_\_ yes X no

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? \_\_\_\_\_ yes X no

Identification of major programs:

<b>CFDA Number(s)</b>	<b>Name of Federal Program</b>
21.027 (A)	Local Fiscal Recovery Funds - American Rescue Plan Act

Note: (A) - Tested as Major Type A Program.

**State Awards Section**

Not Applicable

**TOWNSHIP OF SPARTA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2022**  
**(continued)**

***Section II - Schedule of Financial Statement Findings***

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with Chapter 5.18 of General Auditing Standards.

None

***Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs***

This section identifies the reportable conditions, material weaknesses, and instances of noncompliance including questioned costs, related to the audit of major federal and state programs, as required by 2 ACFR 200.516(a) the Uniform Guidance and New Jersey OMB's Circular 15-08, as amended.

None

***Schedule of Prior Year Findings***

None

## **GENERAL COMMENTS**

### **Cash Balances**

Cash balances in all funds were verified by independent certificates obtained from the depositories as of December 31, 2022, and at September 22, 2023, 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 6, 2022 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, 2023.

## **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, 2023.
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 10<sup>th</sup> 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 6, 2022, 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, 2023.
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 30<sup>th</sup> 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 26, 2022, and was complete except for parties in bankruptcy court.

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

<u>Year</u>	<u>Number of Liens</u>
2022	46
2021	48
2020	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, 2022 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.

1. There were 829 tickets assigned but not issued as of December 31, 2022.

#### **Management Response:**

Outstanding tickets will be reviewed for recall or reissuance.

#### **Finance**

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.

2. Fixed Asset ledgers have not been updated for 2022 activity.

#### **Management Response:**

Fixed Asset inventory company has been hired to perform update for December 31, 2023.

## **RECOMMENDATIONS**

It is recommended:

1. The Lincoln Financial Group be included in the Township's Cash Management Plan.
2. That Fixed Asset ledgers be maintained in accordance with N.J.A.C. 5:30-5.6.
3. That municipal court tickets assigned but not issued over 181 days be recalled or reissued.

## **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 with one exception:

1. The Lincoln Financial Group be included in the Township's Cash Management Plan.

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



WIELKOTZ & COMPANY, LLC  
Certified Public Accountants