

REPORT OF AUDIT

TOWNSHIP OF SPARTA

COUNTY OF SUSSEX

DECEMBER 31, 2023

TOWNSHIP OF SPARTA, N.J.
YEAR ENDED DECEMBER 31, 2023

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TOWNSHIP OF SPARTA

PART I

REPORT OF AUDIT ON FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2023



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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, 2023 and 2022, 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, 2023, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

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, 2023 and 2022, 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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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 of Accounting

The Township of Sparta was unable to supply the below noted audit documentation, which in our opinion, are necessary to verify corresponding amounts presented in the Township's basic financial statements:

- The Current Fund general ledger was not properly maintained and could not be reconciled to the bank account balance as of December 31, 2023.
- The Township of Sparta did not update their fixed asset accounting system as required per N.J.A.C. 5:30-5.6.

As described in Note 14 of the financial statements, the Township participates in a Length of Service Award Program (LOSAP) for its volunteer fire and rescue personnel. The amount reflected in the Trust Fund statements of \$448,649 and \$360,436 for 2023 and 2022, 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, 2023, 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, 2023 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

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

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 the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

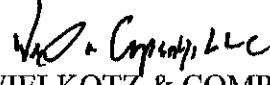
The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic financial statements and accordingly, we do not express an opinion or any form of assurance thereon.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2024 on our consideration of the Township of Sparta's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Sparta's internal control over financial reporting and compliance.



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



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

October 22, 2024

Township of Sparta, N.J.

Comparative Balance Sheet - Regulatory Basis

Current Fund

December 31,

<u>Assets</u>	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Current Fund:			
Cash-Treasurer	A-4	10,538,987	14,454,031
Change Fund	A-5	450	450
		<u>10,539,437</u>	<u>14,454,481</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-8	1,177,269	984,997
Tax Title Liens	A-9	209,117	211,112
Property Acquired for Taxes -			
Assessed Valuation	A-10	2,907,000	2,907,000
Revenue Accounts Receivable	A-11	-	9,983
Interfund Accounts Receivable	A-12	<u>907,000</u>	<u>34,716</u>
		<u>5,200,386</u>	<u>4,147,808</u>
Deferred Charges:			
Emergency Authorization	A-13	175,000	60,000
Overexpenditure of Trust Reserve	A-13	<u>6,637</u>	<u>-</u>
		<u>181,637</u>	<u>60,000</u>
		15,921,460	18,662,289
Federal and State Grant Fund:			
Grants Receivable	A-20	472,943	467,314
Interfund - Current Fund	A-23	394,791	817,621
Interfund - Other Trust Fund	A-23	<u>44,470</u>	<u>16,304</u>
		<u>912,204</u>	<u>1,301,239</u>
		<u>16,833,664</u>	<u>19,963,528</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,

	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves:			
Unencumbered	A-3; A-14	1,164,926	1,289,707
Encumbered	A-3; A-14	446,452	305,384
Total Appropriation Reserves		1,611,378	1,595,091
Due to State of New Jersey:			
Senior Citizen and Veteran Deductions	A-7	45,779	47,352
Interfund Accounts Payable	A-12	831,689	817,621
Encumbrances Payable - Various Reserves	A-15	33,981	29,372
Prepaid Taxes	A-16	673,774	772,657
County Tax Payable	A-18	58,731	65,128
Tax Overpayments	A-19	51,188	72,908
Due to State of New Jersey:			
Construction Code Surcharge	A-19	8,970	9,802
Marriage License Surcharge	A-19	650	900
Reserve for:			
Municipal Relief Funds	A-19	128,862	64,445
		3,445,001	3,475,275
Reserve for Receivables	Contra	5,200,386	4,147,808
Fund Balance	A-1	7,276,073	11,039,206
		15,921,460	18,662,289
Federal and State Grant Fund:			
Appropriated Reserve for Grants	A-21	684,290	781,215
Unappropriated Reserve for Grants	A-22	184,935	152,276
Encumbrances Payable	A-24	42,978	367,747
		912,204	1,301,239
		16,833,664	19,963,528

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

Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis**Current Fund****Year Ended December 31,**

	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Revenues and Other Income:			
Fund Balance Utilized	A-2	5,000,000	4,515,376
Miscellaneous Revenue Anticipated	A-2	5,211,530	6,367,105
Receipts from Delinquent Taxes	A-2	959,824	1,110,460
Receipts from Current Taxes	A-2	106,221,599	103,518,694
Non-Budget Revenue	A-2	198,221	140,073
Other Credits to Income:			
Interfunds Returned	A-12	34,716	-
Cancellation of Accounts Payable	A-15	8,976	-
Unexpended Balance of Appropriation Reserves	A-14	504,568	962,352
Cancel of Various Reserves		-	145,208
Total Revenues and Other Income		<u>118,139,432</u>	<u>116,759,269</u>
Expenditures:			
Budget and Emergency Appropriations:			
Operations - Within Caps:			
Salaries and Wages	A-3	10,133,683	9,545,368
Other Expenses	A-3	8,225,415	7,704,713
Deferred Charges and Statutory Expenditures - Municipal - Within "CAPS"	A-3	3,064,122	2,660,995
Operations - Excluded from "CAPS"			
Salaries and Wages	A-3	503,157	485,557
Other Expenses	A-3	1,552,049	2,665,204
Capital Improvement Fund	A-3	3,000,000	3,000,000
Municipal Debt Service	A-3	1,396,522	1,282,404
Deferred Charges and Statutory Expenditures - Municipal - Excluded from "CAPS"	A-3	60,000	29,016
Refund of Prior Year Tax Appeals		-	165,750
Interfund Advances	A-12	907,000	34,716
Municipal Open Space Tax including Added Taxes	A-12	342,191	341,186
Local District School Tax	A-17	68,940,563	66,420,658
County Taxes including Added Taxes	A-18	18,952,863	18,568,197
Total Expenditures		<u>117,077,565</u>	<u>112,903,762</u>

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

Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis**Current Fund****Year Ended December 31,**

	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Excess (Deficit) Revenue Over Expenditures		1,061,868	3,855,506
Adjustment to Income Before Fund Balance - Expenditures			
Included above Which are by Statute Deferred			
Charges to Budget of Succeeding Year		175,000	60,000
Statutory Excess to Fund Balance		1,236,868	3,915,506
Fund Balance, January 1,	A	11,039,206	11,639,075
		12,276,073	15,554,582
Decreased by:			
Fund Balance Utilized as Budget Revenue		5,000,000	4,515,376
Fund Balance, December 31,	A	7,276,073	11,039,206

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

Township of Sparta, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2023

	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	A-1	<u>5,000,000</u>	<u>5,000,000</u>	-
Miscellaneous Revenues:				
Licenses:				
Alcoholic Beverages	A-11	15,950	16,895	945
Other	A-11	10,000	20,137	10,137
Fees and Permits	A-2	1,170,000	1,194,994	24,994
Fines and Costs:				
Municipal Court	A-11	150,000	126,258	(23,742)
Interest and Costs on Taxes	A-6	269,000	247,730	(21,270)
Interest on Investments and Deposits	A-11	238,582	917,202	678,620
Energy Receipts	A-11	1,243,961	1,243,961	(0)
Watershed Moratorium Offset	A-11	29,328	35,066	5,738
Garden State Trust	A-11	28,476	29,328	852
Municipal Relief Funds	A-11	64,445	64,445	-
Uniform Construction Code Fees	A-11	590,000	527,515	(62,485)
Other Municipalities Share of Radio System Costs	A-11	307,671	317,929	10,258
Township of Hardyston - Finance Officer	A-11	48,960	49,947	987
Township of Hardyston MUA - Finance Officer	A-11	4,240	3,538	(703)
Township of Hardyston BOE - Finance Officer	A-11	5,900	3,337	(2,563)
Township of Byram - Fire Prevention	A-11	15,000	19,860	4,860
Municipal Court Hamburg	A-11	70,000	62,625	(7,375)
Municipal Court Ogdensburg	A-11	20,000	40,000	20,000
Public and Private Revenues:				
Recycling Tonnage Grant	A-20	55,169	55,169	-
Clean Communities Program	A-20	49,664	49,664	-
Municipal Alliance on Alcoholism and Drug Abuse	A-20	16,042	16,042	-
Body Armor Grant	A-20	1,662	1,662	-
Drive Sober or Get Pulled Over	A-20	3,000	3,000	-
Drunk Driving Enforcement Fund	A-20	13,000	13,000	-
Other Special Items:				
PILOT - Senior Citizens Housing	A-11	10,000	5,573	(4,427)
Uniform Fire Safety	A-11	53,000	60,936	7,936
Fire Prevention Fees	A-11	28,000	35,594	7,594
Cable TV Franchise	A-11	61,056	50,125	(10,931)
Solar Renewable Energy Credit	A-11	100,000	-	(100,000)
Total Miscellaneous Revenues	A-1	4,672,105	5,211,530	539,425
Receipts from Delinquent Taxes	A-1;A-2	<u>1,001,794</u>	<u>959,824</u>	<u>(41,970)</u>
Subtotal General Revenues		<u>10,673,899</u>	<u>11,171,353</u>	<u>497,454</u>
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	A-2	<u>18,956,304</u>	<u>19,856,238</u>	<u>899,933</u>
Budget Totals		<u>29,630,204</u>	<u>31,027,591</u>	<u>1,397,387</u>
Non-Budget Revenue	A-1;A-2	<u>-</u>	<u>198,221</u>	<u>198,221</u>
		<u><u>29,630,204</u></u>	<u><u>31,225,812</u></u>	<u><u>1,595,608</u></u>
		A-3		

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

Township of Sparta, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2023

Analysis of Realized Revenues

	<u>Ref.</u>	
Revenue from Collections	A-1; A-8	106,221,599
Allocated to School, County and Open Space Taxes	A-8	<u>88,235,617</u>
Balance for Support of Municipal Budget Appropriations		17,985,982
Add : Appropriation - Reserve for Uncollected Taxes	A-3	<u>1,870,256</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u>19,856,238</u>
Receipts from Delinquent Taxes:		
Delinquent Taxes	A-8	903,503
Tax Title Liens	A-9	<u>56,321</u>
		<u>959,824</u>
		A-2
Fees and Permits - Other:		
Board of Health - Registrar	A-11	9,241
Board of Health - Sewer	A-11	17,220
Marriage License	A-11	231
Clerk	A-11	3,998
Zoning	A-11	26,446
Planning Board	A-11	16,027
Tax Assessor	A-11	760
Police	A-11	42,562
Leaf Bags	A-11	2,235
Cell Tower	A-11	327,128
Quarry Royalties	A-11	<u>749,146</u>
		<u>1,194,994</u>
		A-2

Analysis of Non-budget Revenues

Miscellaneous Reimbursements	62,612
NSF Check Fees	23,022
Void Checks	25,644
Senior & Veteran Deduction - Admin. Fee	1,909
Proceeds from Sale of Assets	45,690
Vacant Property Fee	37,750
Bid Spec	115
Charging Station	<u>1,479</u>
	A-4
	<u>198,221</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, 2023

<u>General Appropriations</u>	<u>Ref.</u>	<u>Appropriated</u>			<u>Expended</u>			<u>Unexpended Balance Cancelled</u>
		<u>Budget</u>	<u>After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>			
Operations - within "CAPS"								
General Government Functions:								
General Administration								
Salaries and Wages		298,850	298,850	296,823		2,027		
Other Expenses		16,742	16,742	16,658		84		
Purchasing								
Other Expenses		81,645	81,645	60,154		21,491		
Township Council								
Salaries and Wages		33,357	33,357	31,000		2,357		
Other Expenses		80,222	80,222	73,093		7,129		
Township Clerk								
Salaries and Wages		170,000	170,000	169,998		2		
Other Expenses		20,400	20,400	19,700		700		
Elections								
Salaries and Wages		4,975	4,975	4,900		75		
Other Expenses		17,510	17,510	6,415		11,095		
Financial Administration								
Salaries and Wages		185,100	186,000	183,841		2,159		
Other Expenses		45,000	45,000	42,792		2,208		
Annual Audit		30,000	30,000	-		30,000		

Township of Sparta, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2023

General Appropriations	<u>Ref.</u>	Appropriated			Expended		Unexpended Balance Cancelled
		<u>Budget</u>	<u>After</u>	<u>Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Computerized Data Processing		140,000	140,000		138,994		1,006
Salaries and Wages		104,500	104,500		87,971		16,529
Other Expenses							-
Collection of Taxes		176,000	176,000		175,975		25
Salaries and Wages		32,500	32,500		26,093		6,407
Other Expenses							-
Assessment of Taxes		175,000	175,000		174,970		30
Salaries and Wages		91,900	91,900		52,474		39,426
Other Expenses							-
Legal Services and Costs		173,000	173,000		168,998		4,002
Other Expenses							-
Municipal Court		196,000	196,000		195,999		1
Salaries and Wages		19,500	19,500		8,079		11,421
Other Expenses							-
Public Defender							-
Other Expenses		15,453	15,453		15,453		-
Engineering Services and Costs		275,000	275,000		275,000		-
Salaries and Wages		275,000	275,000		240,070		34,930
Other Expenses							-

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, 2023

<u>General Appropriations</u>	<u>Ref.</u>	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
		<u>Budget</u>	<u>After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Land Use and Administration:						
Municipal Land Use Law (N.J.S.A. 40-55D-1):						
Planning Board		53,566	53,566	53,557	9	
Salaries and Wages		124,500	299,500	204,509		94,991
Other Expenses						
Planning Department		100,100	100,100	99,823	277	
Salaries and Wages		9,500	9,500	6,145		3,355
Other Expenses						
Economic Development		20,900	20,900	20,900		
Salaries and Wages		13,800	13,800	1,428		12,372
Other Expenses						
Board of Adjustment		57,250	57,250	55,703	1,547	
Salaries and Wages		16,413	16,413	16,413	0	
Other Expenses						
Insurance:						
General Liability		360,000	360,000	342,786	17,214	
Workers Compensation Insurance		281,000	281,000	276,094	4,906	
Employee Group Health		3,150,000	3,150,000	3,048,173	101,827	
Unemployment Compensation Insurance		1,000	1,000			1,000

Township of Sparta, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2023

General Appropriations	Ref.	Appropriated		Expended		Unexpended Balance Cancelled
		Budget	After Modification	Paid or Charged	Reserved	
Public Safety Functions:						
Police		4,525,000	4,525,000	4,521,694	3,306	-
Salaries and Wages		225,000	225,000	199,131	25,869	-
Other Expenses		175,000	175,000	5,380	169,620	-
Purchase of Police Cars						
Police Dispatch/911		664,000	664,000	664,000	0	-
Salaries and Wages	6,464	6,464	6,464	3,891	2,573	-
Other Expenses						
Emergency Management Services		15,375	15,375	15,375	0	-
Salaries and Wages	12,975	12,975	12,975	7,483	5,492	-
Other Expenses						
Aid to Volunteer Fire Companies		16,400	16,400	16,400	0	-
Other Expenses						
Aid to Volunteer Ambulance Companies		45,000	45,000	19,979	25,021	-
Other Expenses						
Fire		67,670	67,670	47,574	20,096	-
Other Expenses		13,000	13,000	13,000	-	-
Fire Hydrant Service						
Uniform Fire Safety						
Salaries and Wages	53,960	53,960	53,946	14	-	-
Other Expenses	7,250	7,250	5,110	2,140	-	-

Township of Sparta, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2023

General Appropriations	<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 Prosecutor		39,380	39,380	38,329	1,051	-
Other Expenses						
Public Works Functions:						
Road Repairs and Maintenance		763,000	763,000	752,148	10,852	-
Salaries and Wages		240,000	240,000	63,432	176,568	-
Other Expenses						
Garage and Trash Removal		55,300	55,300	41,255	14,045	-
Other Expenses						
Public Building and Grounds						
Salaries and Wages		120,000	120,000	119,904	96	-
Other Expenses		155,000	155,000	116,834	38,166	-
Vehicle Maintenance						
Salaries and Wages		314,241	314,241	302,928	11,313	-
Other Expenses		192,117	192,117	176,510	15,607	-
Snow Removal						
Salaries and Wages		250,000	250,000	217,380	32,620	-
Other Expenses		400,000	400,000	378,119	21,881	-
DPW Administration						
Salaries and Wages		225,919	225,919	225,138	781	-
Other Expenses		17,513	17,513	16,109	1,404	-
Municipal Services Act - Condo Costs						
Other Expenses		56,200	56,200	9,920	46,280	-

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, 2023

General Appropriations	<u>Ref.</u>	Appropriated		Expended		Unexpended Balance <u>Cancelled</u>
		<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Health and Human Services Function:						
Health and Welfare Department		23,886	23,886	19,572		4,314
Other Expenses						-
Environmental Commission		2,166	2,166	2,000		166
Salaries and Wages		3,125	3,125	1,163		1,962
Other Expenses						-
Animal Regulations						-
Salaries and Wages		26,000	26,000	25,771		229
Other Expenses		25,000	25,000	22,372		2,628
Committee on Aging						-
Salaries and Wages		86,929	86,929	85,939		990
Other Expenses		30,042	30,042	6,032		24,010
Parks and Recreation Functions:						
Recreation Services Functions		202,712	202,712	202,566		146
Salaries and Wages		33,649	33,649	27,851		5,798
Other Expenses						-
Maintenance of Parks						-
Salaries and Wages		536,383	536,383	536,378		5
Other Expenses		138,459	138,459	98,806		39,653
Utility Expenses and Bulk Purchases						-
Electricity		150,000	150,000	132,419		17,581
Street Lighting		80,000	80,000	71,934		8,066

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, 2023

<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>	
Telephone		140,000	140,000	127,390	12,610	-
Water		12,200	12,200	11,945	255	-
Natural Gas		58,000	58,000	57,490	510	-
Sewerage Processing and Disposal		10,000	10,000	7,295	2,705	-
Gasoline		289,400	289,400	161,639	127,761	-
State Uniform Construction Code:						
Construction Code Official		461,000	461,000	460,616	384	-
Salaries and Wages		142,800	142,800	141,434	1,366	-
Other Expenses						
Unclassified:						
Celebration of Public Events		30,000	30,000	30,000	-	-
Other Expenses						
Accumulated Absences		200,000	200,000	186,710	13,290	-
Other Expenses		18,183,198	18,359,098	17,039,273	1,319,825	-
Total Operations within "CAPS"						
Detail:						
Salaries and Wages	A-1	10,132,783	10,133,683	10,063,266	70,417	-
Other Expenses	A-1	8,050,415	8,225,415	6,976,007	1,249,408	-

Township of Sparta, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2023

	<u>Ref.</u>	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
		<u>Budget</u>	<u>After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
General Appropriations						
Deferred Charges and Statutory Expenditures - Municipal within "CAPS"						
Deferred Charges		118,734	118,734	118,734	-	-
Deficit in Sewer						
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System		839,834	733,433	733,433	-	-
Social Security System (O.A.S.I.)		733,433	839,834	838,957	877	-
Police and Firemen's Retirement System of N.J.		1,372,121	1,372,121	1,372,121	-	-
Total Deferred Charges and Statutory Expenditures - Municipal within "CAPS"	A-1	3,064,122	3,064,122	3,063,245	877	-
Total General Appropriations for Municipal Purposes within "CAPS"		21,247,320	21,423,220	20,102,518	1,320,702	-
Operations - Excluded from "CAPS"						
N.J.S.A. 40A:14-185 Length of Service Award Program		32,500	32,500	-	32,500	-
Maintenance of Free Public Library		1,307,171	1,307,171	1,048,995	258,176	-
Reserve for Tax Appeals		100,000	100,000	100,000	-	-

Township of Sparta, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2023

General Appropriations	Ref.	Appropriated		Expended		Unexpended Balance Cancelled
		Budget	After Modification	Paid or Charged	Reserved	
Interlocal Municipal Service Agreements:						
Other Municipalities Share of Radio System Costs						
Police Dispatch 911		307,671	307,671			307,671
Salaries and Wages		48,906	48,006			48,006
Township of Hardyston - Finance Officer						
Salaries and Wages		4,161	4,161			4,161
Township of Hardyston MUA - Finance Officer						
Salaries and Wages		5,819	5,819			5,819
Township of Hardyston BOE - Finance						
Salaries and Wages		15,000	15,000			15,000
Township of Byram - Uniform Fire Safety						
Salaries and Wages		70,000	70,000			70,000
Borough of Hamburg - Municipal Court						
Salaries and Wages		20,000	20,000			20,000
Borough of Ogdensburg - Municipal Court						
Salaries and Wages						
Public and Private Programs Offset by Revenues		55,169	55,169			55,169
Recycling Tonnage Grant		49,664	49,664			49,664
Clean Communities Program		16,042	16,042			16,042
Municipal Alliance on Alcoholism and Drug Abuse		1,662	1,662			1,662
Body Armor Grant		13,000	13,000			13,000
Drunk Driving Enforcement Fund						

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, 2023

General Appropriations	Ref.	Appropriated		Expended		Unexpended Balance Cancelled
		Budget	After Modification	Paid or Charged	Reserved	
Drive Sober or Get Pulled Over Matching Funds for Grants:		3,000	3,000	3,000	-	-
Municipal Alliance on Alcoholism and Drug Abuse						
Other Expenses		<u>6,341</u>	<u>6,341</u>	<u>6,341</u>	<u>-</u>	<u>-</u>
Total Operations - Excluded from "CAPS"		<u>2,056,106</u>	<u>2,055,206</u>	<u>1,764,530</u>	<u>290,676</u>	<u>-</u>
Detail:						
Salaries & Wages	A-1	471,557	503,157	470,657	32,500	-
Other Expenses	A-1	1,584,549	1,552,049	1,293,873	258,176	-
Capital Improvements:						
Capital Improvement Fund	A-1	<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>-</u>	<u>-</u>
Total Capital Improvements Excluded from "CAPS"		<u>3,000,000</u>	<u>3,000,000</u>	<u>3,000,000</u>	<u>-</u>	<u>-</u>
Municipal Debt Service:						
Payment of Bond Principal		1,025,000	1,025,000	1,025,000	-	-
Payment of Bond Anticipation Notes		261,700	261,700	261,700	-	-
Interest on Bonds		49,718	49,718	49,718	-	-
Interest on Notes		60,104	60,104	60,104	-	-
Total Municipal Debt Service-Excluded from "CAPS"	A-1	<u>1,396,522</u>	<u>1,396,522</u>	<u>1,396,522</u>	<u>-</u>	<u>-</u>

Township of Sparta, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2023

	<u>Ref.</u>	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
		<u>Budget</u>	<u>After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
General Appropriations		60,000	60,000	60,000	-	-
Deferred Charges:						
Emergency Authorization						
Total Deferred Charges - Municipal - Excluded from "CAPS"	A-1	60,000	60,000	60,000	-	-
Total General Appropriations for Municipal Purposes Excluded from "CAPS"		6,512,628	6,511,728	6,221,052	290,676	-
Subtotal General Appropriations		27,759,948	27,934,948	26,323,570	1,611,378	-
Reserve for Uncollected Taxes		1,870,256	1,870,256	1,870,256	-	-
Total General Appropriations	<u>Ref.</u>	<u>29,630,204</u>	<u>29,805,204</u>	<u>28,193,825</u>	<u>1,611,378</u>	<u>-</u>
<u>Analysis of Modified Budget</u>						
Adopted Budget	A-2			29,630,204		
Emergency Authorization (40A:4-47)	A-13			175,000		
					<u>29,805,204</u>	

Township of Sparta, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2023

	Ref.	Appropriated		Expended		Unexpended Balance Cancelled
		Budget	After Modification	Paid or Charged	Reserved	
General Appropriations						
<u>Analysis of Paid or Charged</u>						
Reserve for Uncollected Taxes	A-2			1,870,256		
Cash Disbursed	A-4			26,118,692		
Matching Funds for Federal and State Grants	A-12			6,341		
Deferred Charges						
Emergency Authorization	A-13			60,000		
Reserve for Federal and State Grants	A-21			138,537		
				<u>28,193,825</u>		
<u>Analysis of Appropriation Reserves</u>						
Unencumbered				1,164,926		
Encumbered	A			446,452		
				<u>1,611,378</u>		

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

Township of Sparta, N.J.

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31,

<u>Assets</u>	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Assessment Trust Fund:			
Cash	B-1;B-2	92,390	231,378
Assessment Receivable	B-3	<u>479,877</u>	<u>503,204</u>
		<u>572,267</u>	<u>734,583</u>
Animal Control Trust Fund:			
Cash	B-1	45,564	32,388
Change Fund	B-6	<u>25</u>	<u>25</u>
		<u>45,589</u>	<u>32,413</u>
Other Trust Funds:			
Cash	B-1	6,718,709	7,133,598
Interfund - Current Fund	B-11	<u>427,278</u>	<u>-</u>
		<u>7,145,987</u>	<u>7,133,598</u>
Emergency Services Volunteer Length of Service Award Program (Unaudited)			
Cash	B-1	411,389	334,596
Contributions Receivable	B-16	<u>37,260</u>	<u>25,841</u>
		<u>448,649</u>	<u>360,436</u>
Total Assets		<u>8,212,492</u>	<u>8,261,030</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>2023</u>	<u>2022</u>
<u>Liabilities, Reserves & Fund Balance</u>			
Assessment Trust Fund:			
NJDEP Loan Payable	B-7	409,724	600,928
Reserve for Assessments and Liens	B-8	133,655	133,655
Assessment Overpayments	B-9	28,888	-
		<u>572,627</u>	<u>734,583</u>
Animal Control Trust Fund:			
Prepaid Licenses	B-10	10,593	10,513
Reserve for Encumbrances	B-13	977	427
Reserve for Animal Control			
Fund Expenditures	B-14	33,990	21,445
Due to State Department of Health	B-15	29	29
		<u>45,589</u>	<u>32,413</u>
Other Trust Fund:			
Interfund - Current Fund	B-11	-	34,716
Interfund - Federal and State Grant Fund	B-11	44,470	16,304
Interfund - Water Operating Fund	B-11	25,916	25,916
Interfund - Sewer Operating Fund	B-11	3,143	3,143
Interfund - Solid Waste Operating Fund	B-11	12,306	12,306
Various Reserves	B-12	6,784,748	6,827,822
Reserve for Encumbrances	B-13	275,403	213,390
		<u>7,145,987</u>	<u>7,133,598</u>
Emergency Services Volunteer Length of Service Award Program (Unaudited)			
Net Assets Available for Benefits	B-17	<u>448,649</u>	<u>360,436</u>
Total Liabilities, Reserves and Fund Balance		<u>8,212,491</u>	<u>8,261,030</u>

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

Township of Sparta, N.J.

Comparative Balance Sheet - Regulatory Basis

General Capital Fund

December 31,

	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
<u>Assets</u>			
Cash	C-2;C-3	2,867,866	2,639,819
Grants Receivable	C-4	167,000	167,000
Deferred Charges to Future Taxation:			
Funded	C-5	515,000	1,540,000
Unfunded	C-6	4,601,200	2,706,400
Interfund - Sewer Capital	C-11	-	696,100
		<u>8,151,066</u>	<u>7,749,319</u>
<u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds	C-7	515,000	1,540,000
Bond Anticipation Notes	C-8	3,821,200	1,926,400
Improvement Authorizations:			
Funded	C-9	971,190	1,725,418
Unfunded	C-9	429,751	786,794
Capital Improvement Fund	C-10	1,115,554	610,804
Reserve for Encumbrances	C-12	990,139	864,488
Reserve for Developers Contribution	C-13	74,566	74,566
Fund Balance	C-1	233,666	220,849
		<u>8,151,066</u>	<u>7,749,319</u>

There were Bonds and Notes Authorized But Not Issued in the Amount of \$780,000 as of December 31, 2023 and \$780,000 as of December 31, 2022 per Exhibit C-15.

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>2023</u>	<u>2022</u>
	<u>Ref.</u>		
Balance - January 31,	C	220,849	128,263
Increased by:			
Open Space Share of Ord #21-17		-	92,586
Premium on Bond Anticipation Note Sale	C-2	<u>12,817</u>	<u>-</u>
		<u>12,817</u>	<u>92,586</u>
Balance - December 31,	C	<u>233,666</u>	<u>220,849</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

Water Utility Fund

December 31,

<u>Assets</u>	<u>Ref</u>	<u>2023</u>	<u>2022</u>
Operating Fund:			
Cash	D-5	2,378,544	2,195,757
Interfund Accounts Receivable	D-10	27,978	25,916
		<u>2,406,522</u>	<u>2,221,673</u>
 Receivables with Full Reserves:			
Consumers Account Receivable	D-7	<u>348,399</u>	<u>425,064</u>
 Total Operating Fund		<u>2,754,922</u>	<u>2,646,737</u>
 Capital Fund:			
Cash	D-5;D-6	236,252	695,926
Fixed Capital	D-8	32,795,823	30,881,823
Fixed Capital Authorized and Uncompleted	D-9	4,215,000	3,214,000
Interfund Accounts Receivable	D-10	1,802	-
Deferred Charges - Additional Note Payment	D-11	500	500
 Total Capital Fund		<u>37,249,378</u>	<u>34,792,250</u>
 Total Assets		<u>40,004,300</u>	<u>37,438,986</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

Water Utility Fund

December 31,

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref</u>	<u>2023</u>	<u>2022</u>
Operating Fund:			
Appropriation Reserves:			
Unencumbered	D-4;D-12	47,279	13,050
Encumbered	D-4;D-12	43,916	39,867
Total Appropriation Reserves:		91,195	52,917
Water Rents Overpayments	D-13	63,523	62,071
Accounts Payable	D-14	691	581
Accrued Interest on Bonds	D-15	31,949	91,069
Accrued Interest on Notes	D-16	6,774	4,712
		194,133	211,350
Reserve for Receivables	Contra	348,399	425,064
Fund Balance	D-1	2,212,390	2,010,323
Total Operating Fund		2,754,922	2,646,737
Capital Fund:			
Serial Bonds Payable	D-17	6,135,000	7,210,000
Bond Anticipation Notes	D-18	502,800	599,200
Improvement Authorizations:			
Funded	D-19	28,190	252,124
Unfunded	D-19	2,320,471	836
Capital Improvement Fund	D-20	10,939	45,939
Encumbrances Payable	D-21	3,035	143,410
Reserve for Amortization	D-22	25,151,823	24,046,823
Reserve for Deferred Amortization	D-23	3,066,200	2,464,800
Fund Balance	D-2	30,920	29,118
Total Capital Fund		37,249,378	34,792,250
Total Liabilities, Reserves and Fund Balances		40,004,300	37,438,986

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

There were \$2,380,000 of bonds and notes authorized but not issued as of
December 31, 2023, per Schedule D-24.

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.	2023	2022
Revenue and Other Income Realized:			
Surplus Anticipated	D-3	500,000	500,000
Water Rents	D-3	3,179,944	3,191,196
Fire Hydrant Service	D-3	34,163	47,177
Cell Tower Fees	D-3	365,751	350,278
Miscellaneous Revenues Anticipated	D-3	288,781	136,485
Other Credits to Income:			
Miscellaneous Revenues not Anticipated	D-3	318,153	222,062
Unexpended Balance of Appropriation Reserves	D-12	7,061	19,816
Total Income		<u>4,693,852</u>	<u>4,467,014</u>
 Expenditures:			
Operating	D-4	1,978,896	1,917,374
Capital Improvements	D-4	525,000	510,000
Debt Service	D-4	1,369,865	1,427,387
Deferred Charges and Statutory Expenditures	D-4	<u>118,024</u>	<u>116,527</u>
 Total Expenditures		<u>3,991,785</u>	<u>3,971,288</u>
 Statutory Excess to Surplus		702,067	495,726
 Fund Balance - January 1,	D	<u>2,010,323</u>	<u>2,014,597</u>
		<u>2,712,390</u>	<u>2,510,323</u>
 Decreased by:			
Utilized as Anticipated Revenue		<u>500,000</u>	<u>500,000</u>
 Fund Balance - December 31,	D	<u>2,212,390</u>	<u>2,010,323</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>2023</u>	<u>2022</u>
	<u>Ref.</u>		
Balance - January 1,	D	29,118	29,118
Increased by:			
Premium on Sale of Bond			
Anticipation Notes	D-10	1,802	-
Balance - December 31,	D	<u>30,920</u>	<u>29,118</u>

Township of Sparta, N.J.

Statement of Revenues - Regulatory Basis

Water Utility Operating Fund

Year Ended December 31, 2023

		<u>Anticipated</u>		<u>Excess or (Deficit)</u>
	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	
Surplus Anticipated	D-1	500,000	500,000	-
Water Rents	D-1;D-7	3,036,000	3,179,944	143,944
Fire Hydrant Service	D-1;D-5	44,500	34,163	(10,337)
Miscellaneous Anticipated	D-1; D-3	95,978	288,781	192,803
Cell Tower Fees	D-1;D-5	315,307	365,751	50,444
Budget Totals		<u>3,991,785</u>	<u>4,368,638</u>	<u>376,853</u>
		D-4		

Analysis of Miscellaneous Revenue Anticipated

Miscellaneous Anticipated:

Interest on Delinquent Rents	201,665
Meters Sold	11,375
Sprinklers	51,362
Various Miscellaneous	<u>24,379</u>
D-3; D-5	<u>288,781</u>

Analysis of Miscellaneous Revenue Not Anticipated

Interest on Investment	134,369
Connection Fees	160,189
Miscellaneous Refund	<u>23,595</u>
D-1; D-5	<u>318,153</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, 2023

	<u>Ref.</u>	<u>Appropriated</u>		<u>Expended</u>	
		<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
Operating:					
Salaries and Wages		889,192	889,192	864,190	25,002
Other Expenses		1,089,704	1,089,704	1,044,089	45,615
Total Operating	D-1	1,978,896	1,978,896	1,908,279	70,617
Capital Improvements					
Capital Improvement Fund		500,000	500,000	500,000	-
Capital Outlay		25,000	25,000	10,092	14,908
	D-1	525,000	525,000	510,092	14,908
Debt Service:					
Payment of Bond and Loan Principal		1,075,000	1,075,000	1,075,000	-
Payment of Bond Anticipation Notes		96,400	96,400	96,400	-
Interest on Bonds		177,708	177,708	177,708	-
Interest on Notes		20,757	20,757	20,757	-
Total Debt Service	D-1	1,369,865	1,369,865	1,369,865	-
Deferred Charges and Statutory Expenditures:					
Statutory Expenditures:					
Contribution to:					
Public Employee' Retirement System		50,000	50,000	50,000	-
Social Security System (O.A.S.I.)		68,024	68,024	62,354	5,670
Total Deferred Charges and Statutory Expenditures	D-1	118,024	118,024	112,354	5,670
		3,991,785	3,991,785	3,900,590	91,195
			D-3		
Analysis of Paid or Charged					
Cash Disbursed	D-5			3,702,125	
Interest on Bonds	D-15			177,708	
Interest on Notes	D-16			20,757	
				3,900,590	
Analysis of Appropriation Reserve					
Unencumbered	D				47,279
Encumbered	D				43,916
					91,195

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

Township of Sparta, N.J.

Comparative Balance Sheet - Regulatory Basis

Sewer Utility Fund

December 31,

<u>Assets</u>	<u>Ref</u>	<u>2023</u>	<u>2022</u>
Operating Fund:			
Cash	E-5	173,132	244,924
Interfund Accounts Receivable	E-9	8,899	3,143
		<u>182,031</u>	<u>248,067</u>
Receivables with Full Reserves:			
Consumers Account Receivable	E-7	41,929	55,448
Deferred Charges:			
Overexpenditure of Appropriation			
Reserves	E-8	11,310	11,310
Total Operating Fund		<u>235,269</u>	<u>314,825</u>
Capital Fund:			
Cash	E-5;E-6	925,961	15,140
Fixed Capital	E-10	9,803,594	9,803,594
Fixed Capital Authorized and			
Uncompleted	E-11	1,200,000	1,200,000
Total Capital Fund		<u>11,929,555</u>	<u>11,018,734</u>
Total Assets		<u>12,164,825</u>	<u>11,333,560</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

Sewer Utility Fund

December 31,

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref</u>	<u>2023</u>	<u>2022</u>
Operating Fund:			
Appropriation Reserves:			
Unencumbered	E-4;E-13	107,434	43,508
Encumbered	E-4;E-13	5,777	39,541
Total Appropriation Reserves:		113,211	83,049
Accounts Payable	E-12	-	119,149
Sewer Charge Overpayments	E-14	236	1,791
Accrued Interest on Bonds	E-15	12,131	17,581
Accrued Interest on Notes	E-16	7,943	2,188
		133,522	223,758
Reserve for Receivables	Contra	41,929	55,448
Fund Balance	E-1	59,819	35,619
Total Operating Fund		235,269	314,825
Capital Fund:			
Serial Bonds Payable	E-17	1,000,000	1,335,000
Bond Anticipation Notes	E-18	1,607,000	937,900
Interfund Accounts Payable	E-9	907,000	696,100
Improvement Authorizations:			
Unfunded	E-19	526,598	531,320
Capital Improvement Fund	E-20	8,500	8,500
Encumbrances Payable	E-21	3,328	3,292
Reserve for Amortization	E-22	7,758,594	7,423,594
Reserve for Deferred Amortization	E-23	113,100	83,000
Fund Balance	E-2	5,435	28
Total Capital Fund		11,929,555	11,018,734
Total Liabilities, Reserves and Fund Balances		12,164,825	11,333,560

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, 2023 and 2022 in
the amount of \$524,100 and \$1,224,100 per Exhibit E-24.

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,

	Ref.	2023	2022
Revenue and Other Income Realized:			
Surplus Anticipated	E-3	87,000	87,000
Sewer Service Charges	E-3	853,891	825,248
Miscellaneous	E-3	15,664	14,896
Board of Education Debt Service	E-3	87,987	79,798
Sewer Capital Fund Balance		-	20,000
Sewer Connection Fees		-	13,560
Deficit (General Budget)	E-3	118,734	-
Other Credits to Income:			
Miscellaneous	E-3	54,479	5,948
Unexpended Balance of Appropriation Reserves	E-13	29,269	25,819
Total Income		<u>1,247,024</u>	<u>1,072,268</u>
Expenditures:			
Operating	E-4	697,177	644,498
Debt Service	E-4	436,418	389,968
Deferred Charges and Statutory Expenditures	E-4	2,229	2,485
Total Expenditures		<u>1,135,824</u>	<u>1,036,951</u>
Excess in Revenue over Expenditures		111,200	35,317
Fund Balance - January 1,	E	<u>35,619</u>	<u>87,302</u>
Decreased by:			
Utilized as Anticipated Revenue		<u>87,000</u>	<u>87,000</u>
Fund Balance - December 31,	E	<u>59,819</u>	<u>35,619</u>

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

Township of Sparta, N.J.**Comparative Statement of Fund Balance - Regulatory Basis****Sewer Utility Capital Fund****Year Ended December 31,**

	<u>Ref.</u>	<u>2023</u>	<u>2022</u>
Balance - January 1,	E	28	20,028
Increased by:			
Premium on Sale of Bond			
Anticipation Note	E-5	5,407	-
		5,435	20,028
Decreased by:			
Anticipated Revenue - Sewer Operating	E-5	-	20,000
Balance - December 31,	E	<u>5,435</u>	<u>28</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, 2023

		<u>Anticipated</u>		Excess or <u>(Deficit)</u>
	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	
Surplus Anticipated	E-1	87,000	87,000	-
Sewer Rents	E-1; E-7	822,000	853,891	31,891
Miscellaneous	E-1; E-5	14,890	15,664	774
Sewer Connection Fees	E-1; E-5	13,500	-	(13,500)
Board of Education Share of Debt Service	E-1; E-5	79,700	87,987	8,287
Deficit (General Budget)	E-1; E-5	118,734	118,734	-
Miscellaneous Revenue Not Anticipated	E-1; E-3	-	54,479	54,479
Budget Totals		<u>1,135,824</u>	<u>1,217,755</u>	<u>81,931</u>
		E-4		

Miscellaneous Revenues Not Anticipated

Miscellaneous Reimbursements	51,229
Interest on Investments - Operating	3,251
E-3; E-5	<u>54,479</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, 2023

Ref.	Appropriated		Expended	
	Budget	Budget After Modification	Paid or Charged	Reserved
Operating:				
Salaries and Wages	29,126	29,126	28,013	1,113
Other Expenses	161,670	161,670	54,926	106,744
Other Expenses - SCMUA	506,381	506,381	503,256	3,125
Total Operating	E-1 697,177	697,177	586,195	110,982
Debt Service:				
Payment of Bond Principal	335,000	335,000	335,000	-
Payment of Bond Anticipation Notes	30,100	30,100	30,100	-
Interest on Bonds	36,300	36,300	36,300	-
Interest on Notes	35,018	35,018	35,018	-
Total Debt Service	E-1 436,418	436,418	436,418	-
Deferred Charges and Statutory Expenditures:				
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	2,229	2,229	-	2,229
Total Deferred Charges and Statutory Expenditures	E-1 2,229	2,229	-	2,229
	1,135,824	1,135,824	1,022,613	113,211
		E-3		
<u>Analysis of Paid or Charged</u>				
Cash Disbursed E-5			951,295	
Interest on Bonds E-15			36,300	
Interest on Notes E-16			35,018	
			1,022,613	
<u>Analysis of Appropriation Reserves</u>				
Unencumbered E				107,434
Encumbered E				5,777
				113,211

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,

	Ref	2023	2022
<u>Assets</u>			
Operating Fund:			
Cash	F-4	901,158	1,172,618
Interfund Accounts Receivable	F-6	12,306	12,306
		<u>913,464</u>	<u>1,184,924</u>
Receivables with Full Reserves:			
Consumers Account Receivable	F-5	200,152	182,605
Total Operating Fund		<u>1,113,617</u>	<u>1,367,529</u>
<u>Ref</u>			
<u>Liabilities, Reserves and Fund Balance</u>			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	F-3; F-7	590	1,643
Prepaid Solid Waste User Fees	F-8	2,178	4,190
		<u>2,768</u>	<u>5,834</u>
Reserve for Receivables	Contra	200,152	182,605
Fund Balance	F-1	910,696	1,179,091
Total Operating Fund		<u>1,113,617</u>	<u>1,367,529</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>2023</u>	<u>2022</u>
Revenue and Other Income Realized:			
Surplus Anticipated	F-2	355,000	355,000
Solid Waste User Fees	F-2	2,066,594	2,037,753
Solid Waste Penalties	F-2	78,030	37,179
Miscellaneous	F-2	20	11,087
Other Credits to Income:			
Encumbrances Cancelled	F-8	-	601
Unexpended Balance of Appropriation Reserves	F-7	811	24,469
Total Income		<u>2,500,456</u>	<u>2,466,088</u>
Expenditures:			
Operating	F-3	2,401,835	2,396,835
Deferred Charges and Statutory Expenditures	F-3	<u>12,015</u>	<u>12,015</u>
Total Expenditures		<u>2,413,850</u>	<u>2,408,850</u>
Statutory Excess to Surplus		86,606	57,238
Fund Balance - January 1,	F	<u>1,179,091</u>	<u>1,476,852</u>
		<u>1,265,696</u>	<u>1,534,091</u>
Decreased by:			
Utilized as Anticipated Revenue		<u>355,000</u>	<u>355,000</u>
Fund Balance - December 31,	F	<u>910,696</u>	<u>1,179,091</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, 2023

	Ref.	Anticipated	Realized	Excess or (Deficit)
Surplus Anticipated	F-1	355,000	355,000	-
Solid Waste User Fees	F-1;F-5	2,010,000	2,066,594	56,594
Miscellaneous Anticipated	F-1;F-4	48,850	78,030	29,180
Miscellaneous not Anticipated	F-1;F-2	-	20	20
Budget Totals		<u>2,413,850</u>	<u>2,499,644</u>	<u>85,794</u>
		F-3		

Miscellaneous Revenues not Anticipated:

Interest on Investments	20
	<u>F-2;F-4</u>

Township of Sparta, N.J.

Statement of Expenditures - Regulatory Basis

Solid Waste Operating Utility Fund

Year Ended December 31, 2023

Ref.	Appropriated		Expended	
	Budget	Budget After Modification	Paid or Charged	Reserved
Operating:				
Salaries and Wages	146,835	146,835	146,830	5
Other Expenses	2,255,000	2,255,000	2,254,938	62
Total Operating	<u>2,401,835</u>	<u>2,401,835</u>	<u>2,401,768</u>	<u>67</u>
Deferred Charges and Statutory Expenditures:				
Statutory Expenditures:				
Contribution to:				
Social Security System (O.A.S.I.)	12,015	12,015	11,492	523
Total Deferred Charges and Statutory Expenditures	<u>12,015</u>	<u>12,015</u>	<u>11,492</u>	<u>523</u>
2,413,850	<u>2,413,850</u>	<u>F-2</u>	<u>F-4</u>	<u>590</u>

Deferred Charges and Statutory Expenditures:

Statutory Expenditures:

Contribution to:

Social Security System (O.A.S.I.)	12,015	12,015	11,492	523
Total Deferred Charges and Statutory Expenditures	<u>12,015</u>	<u>12,015</u>	<u>11,492</u>	<u>523</u>

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>2023</u>	<u>2022</u>
<u>General Fixed Assets:</u>		
Land / Land Improvements	25,171,500	25,171,500
Buildings	17,161,305	17,161,305
Machinery and Equipment	<u>42,332,805</u>	<u>42,332,805</u>
Investment in Fixed Assets	<u>42,332,805</u>	<u>42,332,805</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, 2023 AND 2022

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 (the “Township”) 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 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, 2023 AND 2022
(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, 2023 AND 2022
(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. Under this method of accounting revenues, except State/Federal Aid, are recognized when received and expenditures are recorded, when incurred. The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. The more significant differences are as follows:

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

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

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

TOWNSHIP OF SPARTA, N.J.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(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 2023, the Governing Body increased the original Current Fund budget by \$175,000 for emergency appropriations under N.J.S.A. 40A:4-48. 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, 2023 AND 2022
(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 N.J.S.A. 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, 2023 AND 2022
(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, 2023 AND 2022
(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

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

GASB Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. The Statement will become effective for the Borough's year ending December 31, 2023. As a result of the regulatory basis of accounting previously described in note 1, this Statement will have no impact on the financial statements of the Borough.

The Governmental Accounting Standards Board (GASB) has issued the following statements that have effective dates that may affect future financial presentations:

GASB Statement No. 101, Compensated Absences. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Statement will become effective for the Borough in the year ending December 31, 2024. As a result of the regulatory basis of accounting previously described in note 1, this Statement will have no impact on the financial statements of the Borough, however, management is currently evaluating whether or not this Statement will have an impact on the financial statement disclosures of the Borough.

In December 2023, the Government Accounting Standards Board issued **GASB Statement No. 102, Certain Risk Disclosures.** This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. As a result of the regulatory basis of accounting previously described in note 1, this Statement will have no impact on the financial statements of the Borough, however, management is currently evaluating whether or not this Statement will have an impact on the financial statement disclosures of the Borough.

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(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 (Continued)

In April 2024, the Government Accounting Standards Board issued GASB Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter, though, earlier application is encouraged. The Authority is currently reviewing the provisions of this Statement and plans to implement, as needed, before the effective date.

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.

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TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)**

NOTE 2: BUDGETARY INFORMATION (CONTINUED)

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 2023 statutory budget included a reserve for uncollected taxes in the amount of \$1,870,256. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2023 statutory budget was \$5,000,000.

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 2023, there were no such items of special revenue and appropriation inserted into the budget.

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 2023, the Township's Governing Body approved emergency appropriations in the amount of \$175,000.

NOTE 3: GENERAL FIXED ASSETS

The following schedule is a summarization of changes in the general fixed assets account group for the year 2023:

	<u>Dec. 31, 2022</u>	<u>Additions</u>	<u>Disposals</u>	<u>Dec. 31, 2023</u>
Land, Land Improvements & Buildings	\$25,171,500	\$0	\$0	\$25,171,500
Machinery & Equipment	<u>17,161,305</u>	_____	_____	<u>17,161,305</u>
	<u>\$42,332,805</u>	<u>\$0</u>	<u>\$0</u>	<u>\$42,332,805</u>

TOWNSHIP OF SPARTA, N.J.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

NOTE 4: MUNICIPAL DEBT

Long-term debt as of December 31, 2023 consisted of the following:

	<u>Balance</u>		<u>Balance</u>		<u>Amount Due</u>
	<u>Dec. 31, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Dec. 31, 2023</u>	<u>Within One Year</u>
General Capital Fund:					
Bonds Payable	<u>\$1,540,000</u>	\$ <u>-</u>	<u>\$1,025,000</u>	<u>\$515,000</u>	<u>\$515,000</u>
Assessment Trust Fund:					
N.J. D.E.P. Loan	<u>660,928</u>	- <u>-</u>	<u>191,204</u>	<u>409,724</u>	<u>54,630</u>
Water Capital Fund:					
Bonds Payable	<u>7,210,000</u>	- <u>-</u>	<u>1,075,000</u>	<u>6,135,000</u>	<u>1,080,000</u>
Sewer Capital Funds					
Serial Bonds Payable	<u>1,335,000</u>	- <u>-</u>	<u>335,000</u>	<u>1,000,000</u>	<u>335,000</u>
Compensated Absences Payable	<u>1,777,158</u>	(1) <u>-</u>	<u>1,085,085</u>	<u>692,073</u>	<u>-</u>
	<u>\$12,463,086</u>	<u>\$</u>	<u>\$3,711,289</u>	<u>\$8,751,797</u>	<u>\$1,984,630</u>

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

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

The Township's debt is summarized as follows:

<u>Issued</u>	<u>Year 2023</u>	<u>Year 2022</u>	<u>Year 2021</u>
General:			
Bonds and Notes	\$4,336,200	\$3,466,400	\$3,996,600
Assessment Trust Fund:			
Loan Payable	409,724	600,928	600,927
Water Utility:			
Bonds, Notes and Loans	6,637,800	7,809,200	8,975,000
Sewer Utility:			
Bonds and Notes	2,607,000	2,272,900	2,628,000
Total Issued	<u>\$13,990,724</u>	<u>\$14,149,428</u>	<u>\$16,201,128</u>

TOWNSHIP OF SPARTA, N.J.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

NOTE 4: MUNICIPAL DEBT (CONTINUED)

	<u>Year 2023</u>	<u>Year 2022</u>	<u>Year 2021</u>
<u>Less</u>			
Funds Temporarily Held by Pay			
Bonds, Notes and Loans:			
Assessment Trust Assessments	<u>\$92,390</u>	<u>\$231,378</u>	<u>\$231,378</u>
Net Debt Issued	<u>13,898,334</u>	<u>13,918,050</u>	<u>15,969,750</u>
<u>Authorized But Not Issued</u>			
General Capital:			
Bonds and Notes	780,000	780,000	754,016
Sewer Utility:			
Bonds and Notes	500,000	1,224,100	500,000
Water Utility:			
Bonds and Notes	<u>2,380,000</u>	<u>-0-</u>	<u>-0-</u>
Total Bonds, Notes and Loans Issued	<u>3,660,000</u>	<u>2,004,100</u>	<u>1,254,016</u>
Less:			
Self Liquidating - Utility	<u>12,124,800</u>	<u>11,306,200</u>	<u>12,103,000</u>
Net Debt	<u>\$5,433,534</u>	<u>\$4,615,950</u>	<u>\$5,120,766</u>

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TOWNSHIP OF SPARTA, N.J.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(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 0.160%.

SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENT

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School Dist. Debt	\$47,750,000	\$47,750,000	\$ -
Water Utility Debt	9,017,800	9,017,800	-
Sewer Utility Debt	3,107,000	2,247,940	-
Assessment Trust Debt	409,724	92,390	317,334
General Debt	<u>5,116,200</u>	<u>-</u>	<u>5,116,200</u>
	<u><u>\$65,400,724</u></u>	<u><u>\$59,108,130</u></u>	<u><u>\$5,433,534</u></u>

Net Debt \$5,433,534 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended, \$3,922,025,474 = 0.139%.

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

2023	\$3,922,025,474
2022	3,562,546,165
2021	3,348,298,601

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

3 ½% of Equalized Valuation Basis (Municipal)	\$137,270,892
Net Debt	<u>5,433,534</u>
Remaining Borrowing Power	<u><u>\$131,837,358</u></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	\$4,368,638
Deductions:	
Operating and Maintenance Cost	\$2,096,920
Net Debt	<u>1,369,865</u>
Total Deductions	<u>3,466,785</u>
Excess/(Deficit) in Revenue	<u><u>\$901,853</u></u>

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(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	\$1,092,871
Deductions:	
Operating and Maintenance Cost	\$699,406
Net Debt	<u>436,418</u>
Total Deductions	<u>1,135,824</u>
Excess/(Deficit) s in Revenue)	<u><u>\$(42,953)</u></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:

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, 2023 was \$515,000. 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, 2023 was \$450,000. 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, 2023 AND 2022
(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, 2023 was \$824,000. 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, 2023 was \$1,630,000. 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, 2023 was \$3,231,000. 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, 2023 was \$540,000. 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, 2023 was \$460,000. 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, 2023 AND 2022
(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, 2023, the balance remaining is \$409,724.

Total General Capital Bond - listed in above	<u>\$515,000</u>
Total Water Utility Capital Bonds - listed in above	<u>6,135,000</u>
Total Sewer Utility Capital Bonds - listed in above	<u>1,000,000</u>
Total Assessment Trust Loan - listed in above	<u>409,724</u>
	<u>\$8,059,724</u>

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

Year	General Capital			Water Capital		
	Principal	Interest	Total	Principal	Interest	Total
2024	515,000	15,450	530,450	1,080,000	172,874	1,252,874
2025	-	-	-	1,070,000	139,365	1,209,365
2026				1,110,000	105,828	1,215,828
2027	-	-	-	430,000	85,328	515,328
2028	-	-	-	460,000	73,977	533,977
2029-2033	-	-	-	1,985,000	163,520	2,148,520
	<u>\$515,000</u>	<u>\$15,450</u>	<u>\$530,450</u>	<u>\$6,135,000</u>	<u>\$740,892</u>	<u>\$6,875,892</u>

TOWNSHIP OF SPARTA, N.J.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

NOTE 4: MUNICIPAL DEBT (CONTINUED)

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

Year	Sewer Capital			Assessment Trust Fund		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	335,000	29,138	364,138	47,291	7,339	54,630
2025	330,000	17,700	347,700	48,241	6,389	54,630
2026	335,000	5,925	340,925	49,211	5,419	54,630
2027	-	-	-	50,200	4,430	54,630
2028	-	-	-	51,209	3,421	54,630
2029-2033	-	-	-	132,571	4,004	136,575
	<u>\$1,000,000</u>	<u>\$52,763</u>	<u>\$1,052,763</u>	<u>\$378,723</u>	<u>\$31,002</u>	<u>\$409,725</u>

Year	Yearly Totals		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	1,977,291	224,801	2,202,092
2025	1,448,241	163,454	1,611,695
2026	1,494,211	117,171	1,611,382
2027	480,200	89,757	569,957
2028	511,209	77,398	588,607
2029-2033	<u>2,117,571</u>	<u>167,524</u>	<u>2,285,095</u>
	<u>\$8,028,723</u>	<u>\$840,105</u>	<u>\$8,868,828</u>

NOTE 5: BOND ANTICIPATION NOTES

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

TOWNSHIP OF SPARTA, N.J.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

NOTE 5: BOND ANTICIPATION NOTES (CONTINUED)

The following activity related to Bond Anticipation Notes occurred during the calendar year ended December 31, 2023:

	<u>Balance</u> <u>Dec. 31, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2023</u>
General Capital:				
Cede & Co.	\$ -	<u>\$3,821,200</u>	\$	<u>\$3,821,000</u>
Lakeland Bank	<u>1,926,400</u>	-	<u>1,926,000</u>	-0-
Water Capital Fund:				
Cede & Co.	-	<u>502,800</u>	-	<u>502,800</u>
Lakeland Bank	<u>599,200</u>	-	<u>599,200</u>	-0-
Sewer Capital Fund:				
Cede & Co.	-	<u>1,607,000</u>	-	<u>1,607,000</u>
Lakeland Bank	<u>937,900</u>	-	<u>937,900</u>	-0-
	<u><u>\$3,463,500</u></u>	<u><u>\$5,931,000</u></u>	<u><u>\$3,463,100.00</u></u>	<u><u>\$5,931,000</u></u>

The Township has outstanding at December 31, 2023, a bond anticipation note in the amount of \$3,821,000 payable to Cede & Co. This note matured on June 27, 2024 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 4.50%. Principal and interest on this note is paid from the Current Fund Budget of the Township. On June 13, 2024 the Township issued bonds, fully funding these notes. The payment of these bonds will take place over the next 15 years at the interest rates between 4.0-5.0%.

The Township has outstanding at December 31, 2023, a bond anticipation note in the amount of \$502,800 payable to Cede & Co. This note matured on June 27, 2024 and it is the intent of the Township Council to renew this note. The current interest rate on this note is 4.50%. Principal and interest on this note is paid from the Water Operating Fund Budget of the Township. On June 13, 2024 the Township issued bonds, fully funding these notes. The payment of these bonds will take place over the next 15 years at the interest rates between 4.0-5.0%.

The Township has outstanding at December 31, 2023, a bond anticipation note in the amount of \$1,607,000 payable to Cede & Co. This note will mature on June 27, 2024 and it is the intent of the Township Council to renew this note. The current interest rate on this note is 4.50%. Principal and interest on this note is paid from the Sewer Operating Fund Budget of the Township. On June 13, 2024 the Township issued bonds, fully funding these notes. The payment of these bonds will take place over the next 15 years at the interest rates between 4.0-5.0%.

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)**

NOTE 6: FUND BALANCES APPROPRIATED

Fund balances at December 31, 2023 and 2022 which were appropriated and included as anticipated revenue in their own respective funds for the years ending December 31, 2024 and 2023 were as follows:

	<u>2024</u>	<u>2023</u>
Current Fund	<u>\$4,750,000</u>	<u>\$5,000,000</u>
Water Utility Operating Fund	<u>\$500,000</u>	<u>\$500,000</u>
Sewer Utility Operating Fund	<u>\$76,000</u>	<u>\$87,000</u>
Solid Waste Operating Fund	<u>\$435,000</u>	<u>\$355,000</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 \$692,073.

The amount is not reported either as an expenditure or a liability. The Township has reserved \$49,082 from previous budgets to be used to offset this liability and is reflected on the Trust Fund balance sheet. See Exhibit B-12 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, 2023 AND 2022
(CONTINUED)**

NOTE 8: DUE TO/FROM OTHER FUNDS

Balances due to/from other funds at December 31, 2023 consist of the following:

\$427,278	Due to Other Trust Funds from Current Fund for various receipts and disbursements in Current Fund.
394,791	Due to Federal and State Grant Fund from Current Fund for receipts and disbursements in Current Fund.
2,062	Due to Water Operating Fund from Current Fund for excess BAN interest turned over to Current Fund.
1,802	Due to Water Capital Fund from Current Fund for Premium on BAN issuance.
5,756	Due to Sewer Operating Fund from Current Fund for excess BAN interest turned over to Current Fund.
907,000	Due to Current Fund from Sewer Capital Fund for excess BAN issue turned over to Sewer Capital.
44,470	Due to Federal and State Grant Fund from Other Trusts for grant receipts posted to Trusts.
25,916	Due to Water Operating Fund from Other Trust for municipal TTL collections posted to Other Trusts.
3,143	Due to Sewer Operating Fund from Other Trust for municipal TTL collections posted to Other Trusts.
<u>12,306</u>	Due to Solid Waste Operating Fund from Other Trust for municipal TTL collections posted to Other Trusts.
<u>\$1,824,524</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, 2023 AND 2022
(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 financial statements, which can be found at www.state.nj.us/treasury/pensions/annual-reports.shtml.

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS. The following represents the membership tiers for PERS:

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

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

TOWNSHIP OF SPARTA, N.J.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(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 financial statements, which can be found at www.state.nj.us/treasury/pensions/annual-reports.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, 2023 AND 2022
(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>
2023	\$889,834	\$1,372,121	\$7,534
2022	793,105	1,215,562	2,691
2021	752,259	1,184,914	11,414

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(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, 2023, the Township had a liability of \$10,531,199 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2023, 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, 2023, the Township's proportion was 0.0727073087 percent, which was an increase/(decrease) of 0.0021442544 percent from its proportion measured as of June 30, 2022.

For the year ended December 31, 2023, the Township recognized pension expense of \$889,834. At December 31, 2023, 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	\$100,692	\$43,048
Changes of assumptions	23,135	638,236
Net difference between projected and actual earnings on pension plan investments	48,498	-
Changes in proportion and differences between the Township's contributions and proportionate share of contributions	<u>687,502</u>	<u>770,778</u>
Total	<u>\$859,827</u>	<u>\$1,452,062</u>

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(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, 2023) 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:	
2024	(\$556,007.87)
2025	(310,342.27)
2026	433,682.55
2027	(77,612.09)
2028	1,319.99

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 5.08, 5.04, 5.13, 5.16, 5.21 and 5.63 years for 2023, 2022, 2021, 2020, 2019 and 2018 amounts respectively.

Additional Information

Local group collective balances net of non-employer (State of New Jersey) balances at June 30, 2023 and June 30, 2022 are as follows:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Collective deferred outflows of resources	\$1,080,204,730	\$1,660,772,008
Collective deferred outflows of resources	1,780,216,457	3,236,303,935
Collective net pension liability	14,606,489,066	15,091,376,611

Actuarial Assumptions

The collective total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which rolled forward to June 30, 2023. 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, 2023 AND 2022
(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, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

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, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense

TOWNSHIP OF SPARTA, N.J.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(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, 2023 are summarized in the following table:

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for 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, 2023 AND 2022
(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, 2023, 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, 2023		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Township's proportionate share of the pension liability	\$13,824,961	\$10,531,199	\$7,892,127

Pension Plan Fiduciary Net Position

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

Police and Firemen's Retirement System (PFRS)

At December 31, 2023, the Township had a liability of \$12,692,503 for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2023, 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, 2023, the Township's proportion was 0.11487693 percent, which was an increase/(decrease) of 0.00937407 percent from its proportion measured as of June 30, 2022.

TOWNSHIP OF SPARTA, N.J.

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(CONTINUED)

NOTE 9: PENSION PLANS (CONTINUED)

Police and Firemen's Retirement System, (continued)

For the year ended December 31, 2023, the Township recognized pension expense of \$1,372,121. At December 31, 2023, 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	\$543,468	\$605,320
Changes of assumptions	27,395	857,048
Net difference between projected and actual earnings on pension plan investments	646,405	-
Changes in proportion and differences between Township contributions and proportionate share of contributions	<u>1,360,974</u>	<u>140,684</u>
Total	<u>\$2,578,242</u>	<u>\$1,603,052</u>

Amounts reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date (June 30, 2023) 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:

2024	(\$493,948)
2025	(474,030)
2026	762,667
2027	(65,595)
2028	23,413
Thereafter	2,394

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 6.16, 6.22, 6.17, 5.90, 5.92 and 5.73 years for 2023, 2022, 2021, 2020, 2019 and 2018 amounts respectively.

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(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, 2023 and June 30, 2022 are as follows:

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Collective deferred outflows of resources	\$1,753,080,638	\$2,163,793,985
Collective deferred inflows of resources	1,966,439,601	2,805,919,493
Collective net pension liability	11,048,782,843	11,446,356,176
Township's Proportion	0.1148769300%	0.1055028600%

Actuarial Assumptions

The collective total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions.

Inflation Rate	2.75%
Salary Increases:	
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, 2022 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-2022.

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(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, 2023) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic 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	28.00%	8.98%
Non-U.S. Developed Market Equity	12.75%	9.22%
International Small Cap Equity	1.25%	9.22%
Emerging Market Equity	5.50%	11.13%
Private Equity	13.00%	12.50%
Real Estate	8.00%	8.58%
Real Assets	3.00%	8.40%
High Yield	4.50%	6.97%
Private Credit	8.00%	9.20%
Investment Grade Credit	7.00%	5.19%
Cash Equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk Mitigation Strategies	3.00%	6.21%

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(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, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for 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, 2023, 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, 2023		
	1% Decrease <u>6.00%</u>	At Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
Township's proportionate share of the pension liability	\$20,943,406	\$12,692,503	\$10,107,825

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, 2023 AND 2022
(CONTINUED)**

NOTE 9: PENSION PLANS (CONTINUED)

Police and Firemen's Retirement System, (continued)

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

At December 31, 2023 and 2022, the State proportionate share of the net pension liability attributable to the Township for the PFRS special funding situation is \$2,338,741 and \$2,149,216, respectively. For the years ended December 31, 2023 and 2022, the pension system has determined the State proportionate share of the pension expense attributable to the Township for the PFRS special funding situation is \$266,027 and \$247,963, respectively, which is more than the actual contributions the State made on behalf of the Township of \$267,462 and \$267,567, respectively. The State's proportionate share attributable to the Township was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Township's financial statements.

Pension Plan Fiduciary Net Position

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

NOTE 10: LOCAL SCHOOL DISTRICT AND REGIONAL HIGH SCHOOL TAXES

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

TOWNSHIP OF SPARTA, N.J.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(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, 2023, \$-0- of the Township's bank balance of \$25,667,835 was exposed to custodial credit risk. In comparison, as of December 31, 2022, \$-0- of the Township's bank balance of \$34,323,537 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, 2023 AND 2022
(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, 2023 and 2022 amounted to \$411,389 and \$334,596 respectively.

The following investments represent 5% or more of the total invested with Variable Annuity Life Insurance Co. on December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Investments under 5%	\$86,259	\$64,930
Fidelity VIP ContraFund	25,448	18,768
Fixed Account	107,968	100,311
LVIP SSgA S&P 500 Index Fund	<u>191,714</u>	<u>150,586</u>
 Total	 <u>\$411,389</u>	 <u>\$334,596</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 2023 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, 2023 AND 2022
(CONTINUED)

NOTE 12: RISK MANAGEMENT (CONTINUED)

<u>Fiscal year</u>	Interest Earnings/		Amount Reimbursed	Ending Balance
	Township Contributions	Employee Contributions		
2023	\$10,151	\$15,429	\$30,299	\$217,986
2022	3,135	17,351	3,046	222,705
2021	8	15,108	6,736	205,264

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, 2023 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, 2023 AND 2022
(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</u> <u>Dec. 31, 2023</u>	<u>Balance</u> <u>Dec 31, 2022</u>
Prepaid Taxes	<u><u>\$673,774</u></u>	<u><u>\$772,657</u></u>
Cash Liability for Taxes Collected in Advance	<u><u>\$673,774</u></u>	<u><u>\$772,657</u></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, 2023.

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, 2023 AND 2022
(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
Total OPEB Liability Retired	\$40,261,636
Total OPEB Liability	\$82,214,547
Plan Fiduciary Net Position	\$0
Net OPEB Liability	\$82,214,547
Net Position/OPEB Liability	0%

• *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 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 \$94,521,573 and if it were to decrease by 1.00%, the TOL would increase to \$72,477,358.

• *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 and if it were to decrease by 1.0%, the TOL would decrease to \$73,443,483.

TOWNSHIP OF SPARTA, N.J.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2023 AND 2022 (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 calculation 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</i> <i>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</i> <i>2.06% Based on the Bond Buyer 20 Index December 31, 2021</i> <i>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</i> <i>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, 2023 AND 2022
(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, 2023 AND 2022
(CONTINUED)**

NOTE 16: OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Special Funding Situation PFRS (continued)

At December 31, 2023, the State's proportionate share of the net OPEB liability attributable to the Township for the PFRS special funding situation is \$6,202,666 and the State's proportionate share of the OPEB expense for the PFRS special funding situation is \$(1,124,665).

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 October 22, 2024, 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, 2023

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

Name	Title	Amount of Bond	Name of Corporate Surety
<i>Daniel Chiariello</i>	<i>Mayor</i>		
<i>Neill W. Clark</i>	<i>Deputy Mayor</i>		
<i>Christine Quinn</i>	<i>Councilwoman</i>		
<i>Josh Hertzberg</i>	<i>Councilman</i>		
<i>Dean Blumetti</i>	<i>Councilman</i>		
<i>James Zepp</i>	<i>Township Manager</i>		
<i>Roxanne Landy</i>	<i>Municipal Clerk</i>		
<i>Grant Rome</i>	<i>Director of Finance; Purchasing Agent;</i>	1,000,000	(1)
<i>Dawn Krumpfer</i>	<i>Treasurer</i>		
<i>Dianne O'Connor</i>	<i>Tax Collector</i>	1,000,000	(1)
<i>Joseph Ferraris</i>	<i>Tax Assessor</i>		
<i>Thomas Ryan</i>	<i>Attorney</i>		
<i>Jeff McCarrick</i>	<i>Chief of Police;</i>		
<i>Jeff McCarrick</i>	<i>Emergency Management Coordinator</i>		
<i>Michael Wallace</i>	<i>Construction Official</i>		
<i>Roxanne Landy</i>	<i>Registrar of Vital Statistics</i>		
<i>Paris Eliades</i>	<i>Judge</i>	1,000,000	(1)
<i>Bonnie Messina</i>	<i>Court Administrator</i>	1,000,000	(1)
<i>Anita Diekroger</i>	<i>Deputy Court Administrator</i>	1,000,000	(1)
<i>Robert Keuhlen</i>	<i>Violations Clerk</i>	1,000,000	(1)
<i>Donald Critchlaw</i>	<i>Animal Control Officer</i>		
<i>Jim Zepp</i>	<i>Director of Public Works</i>		
<i>Cory Long</i>	<i>Director of Utilities</i>		
<i>Cory Stoner</i>	<i>Engineer (Harold Pellow & Associates)</i>		
<i>Ryan Cleary</i>	<i>Auditor</i>		

(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>2023</u>	<u>2022</u>	<u>2021</u>
<u>Tax Rate</u>	<u>3.486</u>	<u>3.402</u>	<u>3.348</u>

Apportionment of Tax Rate:

Municipal (1)	0.627	0.629	0.628
County	0.616	0.605	0.596
Local School	2.243	2.168	2.124

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

Assessed Valuation:

2023	\$3,073,326,200
2022	3,063,881,400
2021	3,042,797,600

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>
2023	\$107,506,320	\$106,221,599	98.80%
2022	104,599,507	103,518,694	98.97%
2021	102,567,776	101,291,944	98.76%

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

DELINQUENT TAXES AND TAX TITLE LIENS

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

<u>Dec 31, Year</u>	<u>Amount of Delinquent Taxes</u>	<u>Tax Title Liens</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2023	\$1,177,269	209,117	\$1,386,386	1.29%
2022	984,997	211,112	1,196,109	1.14%
2021	1,118,554	210,046	1,328,600	1.30%

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>
2023	\$2,907,000.00
2022	2,907,000.00
2021	2,907,000.00

COMPARISON OF WATER UTILITY LEVIES

<u>Year</u>	<u>Levy</u>	<u>Collections*</u>
2023	\$3,103,279	\$3,179,944
2022	3,221,555	3,191,196
2021	3,108,008	3,040,475

COMPARISON OF SEWER UTILITY LEVIES

<u>Year</u>	<u>Levy</u>	<u>Collections*</u>
2023	\$840,371	\$853,891
2022	896,231	905,046
2021	910,984	915,414

COMPARISON OF SOLID WASTE UTILITY LEVIES

<u>Year</u>	<u>Levy</u>	<u>Collections*</u>
2023	\$2,084,141	\$2,066,594
2022	2,138,489	2,037,753
2021	2,038,037	2,058,479

* Includes collection of prior year receivables.

COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>Year</u>	<u>Balance December 31</u>	<u>Utilized In Budget of Succeeding Year</u>
<u>Current Fund:</u>			
2023		\$7,276,073	\$4,750,000
2022		11,039,206	5,000,000
2021		11,639,075	4,515,376
<u>Water Utility:</u>			
Operating Fund:	2023	\$2,212,390	\$500,000
	2022	2,010,323	500,000
	2021	2,014,597	500,000
<u>Sewer Utility:</u>			
Operating Fund:	2023	\$59,819	\$76,000
	2022	35,619	87,000
	2021	87,302	87,000
<u>Solid Waste Utility:</u>			
Operating Fund:	2023	\$910,696	\$355,000
	2022	1,179,091	355,000
	2021	1,476,852	355,000

Township of Sparta

Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2023

Federal Grantor/Pass-Through Grantor/ Program Title	Assistance Lasting Number	Program or Award Amount	Grant Period To/From	12/31/2022		12/31/2023		Reserve Balance	MEMO Cumulative Total Expenditures
				(Receivable)	Reserve Balance	Receipts	Expended		
CURRENT FUND									
U.S. Department of Homeland Security (Passed through N.J. State Police Department of Law and Public Safety) Public Assistance (DR-4597-NJ) Covid-19 Pandemic (DR-4488-NJ)	97,036	8,845 29,888	1/1/21-12/31/21 1/20/20-continuing	-	-	8,845 29,888	(8,845) (29,888)	-	8,845 29,888
TOTAL CURRENT FUND				-	-	38,733	(38,733)	-	38,733
FEDERAL AND STATE GRANT FUND									
U.S. Department of Treasury (Passed through N.J. Department of Community Affairs - Division of Local Government Services) Local Fiscal Recovery Funds - A.R.P.	21,027	1,344,218	3/1/21-12/31/26	-	509,686	-	(62,039)	-	447,647 896,571
U.S. Department of Transportation (Passed through N.J. Division of Highway Traffic Safety) Distracted Driver Distracted Driver Distracted Driver	20,616 20,616 20,616	6,325 8,750 7,000	1/1/21-12/31/21 1/1/22-12/31/22 1/1/23-12/31/23	-	6,325 8,750 -	- 7,000	(6,325) (5,881) (12,206)	- - 7,000	6,325 5,881 12,206
Drive Sober or Get Pulled Over Drive Sober or Get Pulled Over	20,616 20,616	30,753 3,000	1/1/20-12/31/20 1/1/21-12/31/21	-	30,753 3,000	- 3,000	(30,753) (3,000)	- - (33,753)	2,869 - - 3,000
Total U.S. Department of Transportation				-	33,753 43,328	- 7,000	(45,959) (107,998)	- - (9,859)	33,753 45,959 942,530
TOTAL FEDERAL AND STATE GRANT FUND				-	553,514	7,000	(146,731)	-	457,517 981,263
TOTAL FEDERAL AID				-	553,514	45,733	(146,731)	-	457,517 981,263

Township of Sparta

Schedule of Expenditures of State Awards

For the Year Ended December 31, 2023

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	12/31/2022			12/31/2023			Cumulative Total Expenditures	
			Grant Period From/To	(Receivable)	Balance	Reserve	(Receivable)	Balance	Reserve Balance	
FEDERAL AND STATE GRANT FUND										
N.J. Department of Environmental Protection:										
Clean Communities	042-4900-765-004	46,444	1/1/18-12/31/18	(1,424)	36,218	-	(19,132)	-	(1,424)	46,444
Clean Communities	042-4900-765-004	48,661	1/1/21-12/31/21	-	49,564	-	-	-	-	31,576
Clean Communities	042-4900-765-004	49,664	1/1/22-12/31/22	-	-	55,703	-	-	-	49,664
Clean Communities	042-4900-765-004	55,703	1/1/23-12/31/23	(1,424)	85,881	55,703	(19,132)	-	(1,424)	55,703
Highlands Grant	N/A	25,000		(13,055)	21,452	-	-	(13,055)	21,452	3,548
Recycling Tomage	042-4910-100-224	40,973	1/1/21-12/31/21	-	26,242	-	(26,242)	-	-	40,973
Recycling Tomage	042-4910-100-224	55,169	1/1/22-12/31/22	-	55,169	-	(5,117)	-	-	5,117
Recycling Tomage	042-4910-100-224	46,283	1/1/23-12/31/23	-	81,411	46,283	(31,359)	-	-	46,283
Stormwater Assistance Grant	042-4850-100-099	15,000	1/1/23-12/31/23	-	-	15,000	-	-	-	15,000
Total N.J. Department of Environmental Protection:										46,090
N.J. Department of Community Affairs:										
Local Efficiency Achievement Program		229,000	1/1/22-12/31/22	(229,000)	49,938	-	(49,647)	(229,000)	291	228,709
Alcohol Education Rehab Fund	098-9735-760-001	539	1/1/12-12/31/12	-	456	-	-	-	456	83
Alcohol Education Rehab Fund	098-9735-760-001	527	1/1/13-12/31/13	-	527	-	-	-	527	-
Alcohol Education Rehab Fund	098-9735-760-001	354	1/1/14-12/31/14	-	354	-	-	-	354	-
Alcohol Education Rehab Fund	098-9735-760-001	73	1/1/18-12/31/18	-	73	-	-	-	73	-
Alcohol Education Rehab Fund	098-9735-760-001	2,009	1/1/18-12/31/19	-	2,009	-	-	-	2,009	-
Alcohol Education Rehab Fund	098-9735-760-001	4,738	1/1/18-12/31/20	-	4,738	-	-	-	4,738	-
Alcohol Education Rehab Fund	098-9735-760-001	4,738	1/1/23-12/31/23	-	8,157	389	-	-	389	(389)
Municipal Alliance	N/A	16,042	1/1/20-12/31/20	-	3,649	-	(3,649)	-	-	16,042
Municipal Alliance	N/A	16,042	1/1/21-12/31/21	(14,793)	16,042	10,413	(6,771)	(4,380)	9,271	6,771
Municipal Alliance	N/A	16,042	1/1/22-12/31/22	(16,042)	16,042	-	-	(16,042)	16,042	-
Municipal Alliance	N/A	16,042	1/1/23-12/31/23	(30,835)	35,733	10,413	(10,420)	(36,464)	41,355	22,913
Total N.J. Department of Community Affairs:										251,216
N.J. Division of Motor Vehicles:										
Drunk Driving Enforcement Fund	6400-100-078-6400-YYYY	16,974	1/1/16-12/31/16	-	7,263	-	(5,439)	-	-	1,823
Drunk Driving Enforcement Fund	6400-100-078-6400-YYYY	5,500	1/1/19-12/31/19	-	5,500	-	-	-	-	5,500
Drunk Driving Enforcement Fund	6400-100-078-6400-YYYY	13,000	1/1/21-12/31/21	-	13,000	-	-	-	-	13,000
Total N.J. Division of Motor Vehicles:										20,323
N.J. Department of Transportation										15,151
Green Roads		175,000	1/1/20-12/31/20	(175,000)	-	-	(175,000)	-	-	175,000

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

Township of Sparta

Schedule of Expenditures of State Awards

For the Year Ended December 31, 2023

State Grantor/Program Title	Grant or State Program or Award Amount	Project Number	12/31/2022		12/31/2023		Cumulative Total Expenditures	
			Grant Period From/To	(Receivable)	Reserve Balance	Receipts	Expendited	(Receivable)
N.J. Department of Law and Public Safety								
Body Armor	3,185	066-1020-718-001	1/1/20-12/31/20	-	80	-	-	80
Body Armor	4,042	066-1020-718-001	1/1/21-12/31/21	-	4,042	-	-	4,042
Body Armor	2,612	066-1020-718-001	1/1/23-12/31/23	-	4,122	2,612	-	2,612
Statewide Body-worn Cameras	16,304	066-1020-100-495	1/1/22-12/31/22	-	16,304	-	-	16,304
Statewide Body-worn Cameras	28,166	066-1020-100-495	1/1/23-12/31/23	-	16,304	28,166	-	28,166
Total N.J. Department of Law and Public Safety					20,426	30,778	-	44,470
TOTAL FEDERAL AND STATE GRANT FUND			<u>(449,314)</u>	<u>328,761</u>	<u>158,566</u>	<u>(115,998)</u>	<u>(454,943)</u>	<u>376,958</u>
GENERAL CAPITAL FUND								<u>572,129</u>
N.J. Department of Transportation								
Municipal Aid - Sawmill Road	167,000	073-5320-480-A01	1/1/21-12/31/21	(167,000)	-	114,750	(167,000)	-
Municipal Aid - Houses Corner Road	153,000		1/1/22-12/31/22	-	-	(114,750)	-	-
TOTAL GENERAL CAPITAL FUND				<u>(167,000)</u>	<u>-</u>	<u>114,750</u>	<u>(167,000)</u>	<u>-</u>
TOTAL STATE AID			<u>(616,314)</u>	<u>328,761</u>	<u>273,316</u>	<u>(230,748)</u>	<u>(621,943)</u>	<u>376,958</u>
								<u>853,879</u>

Township of Sparta, N.J.

Schedule of Cash

Current Fund

Year Ended December 31, 2023

	<u>Ref.</u>	
Balance - December 31, 2022	A	14,454,031
Increased by Receipts:		
Miscellaneous Revenue Not Anticipated	A-2	198,221
Collector of Taxes	A-6	107,233,223
Due To State - Senior Citizen and Veteran Deductions	A-7	95,473
Revenue Accounts Receivable	A-11	4,801,858
Interfunds	A-12	277,573
Various Cash Liabilities and Reserves	A-19	<u>226,856</u>
		<u>112,833,204</u>
		127,287,235
Decreased by Disbursements:		
Current Year Budget Appropriations	A-3	26,118,692
Interfunds	A-12	1,467,554
Appropriation Reserves	A-14	1,074,714
Encumbrances Payable - Various Reserves	A-15	20,396
Local District School Taxes	A-17	68,940,563
County Taxes Payable	A-18	18,959,260
Various Cash Liabilities and Reserves	A-19	<u>167,068</u>
		<u>116,748,248</u>
Balance - December 31, 2023	A	<u>10,538,987</u>

Township of Sparta, N.J.

Schedule of Cash - Change Fund

Current Fund

Year Ended December 31, 2023

	<u>Ref.</u>	
Balance - December 31, 2022	A	<u>450</u>
Balance - December 31, 2023	A	<u>450</u>
Analysis of Balance:		
Tax Collector		200
Deputy Clerk		50
Municipal Court		100
Construction		100
		<u>450</u>

Schedule of Cash - Collector

Current Fund

Year Ended December 31, 2023

	<u>Ref.</u>	
Increased by:		
Interest and Costs on Taxes	A-2	247,730
Taxes Receivable	A-8	106,255,398
Tax Title Liens	A-9	56,321
2024 Prepaid Taxes	A-16	<u>673,774</u>
		<u>107,233,223</u>
Decreased by:		
Turned over to Treasurer	A-4	<u>107,233,223</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, 2023**

	<u>Ref.</u>	
Balance - December 31, 2022	A	47,352
Increased by:		
Cash Receipts	A-4	95,473
		<hr/> 142,825
Decreased by:		
Senior Citizens' and Veterans'		
Deductions Per Tax Billings		95,750
Senior Citizens' and Veterans'		
Deductions Allowed by Tax Collector		
Current Year		2,750
Less: Senior Citizens' and Veterans'		
Deductions Disallowed by Tax Collector		
Current Year		454
Prior Year		<hr/> 1,000
	A-8	<hr/> 97,046
Balance - December 31, 2023	A	<hr/> 45,779

Township of Sparta, N.J.

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year Ended December 31, 2023

Year	Balance, Dec. 31, 2022	Levy	Added Taxes	Collected		Senior Citizen and Veteran Deductions	Transferred to Tax Title Liens	Cancelled	Balance, Dec. 31, 2023
				2022	2023				
2019	261	-	-	-	-	90	-	-	261
2020	613	-	-	-	-	357	-	-	524
2021	978	-	-	-	-	904,056	(1,000)	-	901
2022	983,145	-	-	-	-	904,503	(1,000)	-	16,023
2023	984,997	-	-	-	-	772,657	105,350,896	98,046	17,408
		<u>107,136,152</u>	<u>370,168</u>	<u>370,168</u>	<u>370,168</u>	<u>772,657</u>	<u>106,255,398</u>	<u>97,046</u>	<u>93,111</u>
		<u>A</u>	<u>A</u>	<u>A</u>	<u>A</u>	<u>A-2; A-6</u>	<u>A-2; A-6</u>	<u>A-9</u>	<u>A</u>
<u>Analysis of Tax Levy</u>									

Ref.

107,136,152
370,168

107,506,320

Tax yield:

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

Tax Levy:	
Municipal Open Space Tax	341,139
Added Municipal Open Space Tax	1,052
	<hr/>
A-12	342,191
A-12	68,940,563
	<hr/>
A-17	18,894,132
A-18	58,731
	<hr/>
A-18	18,952,863
	<hr/>
A-2	88,235,617
	<hr/>
Local Tax for Municipal Purposes	18,956,304
Additional Taxes	314,399
	<hr/>
	19,270,703
	<hr/>
<u>107,506,320</u>	

Township of Sparta, N.J.**Schedule of Tax Title Liens****Current Fund****Year Ended December 31, 2023**Ref.

Balance - December 31, 2022	A	211,112
Increased by:		
Adjustments		22,577
Transfers from Taxes Receivable	A-8	<u>31,749</u>
		<u>54,325</u>
		265,438
Decreased by:		
Cash Receipts	A-6	<u>56,321</u>
Balance - December 31, 2023	A	<u>209,117</u>

A-10**Schedule of Property Acquired for
Taxes Assessed Valuation****Current Fund****Year Ended December 31, 2023**Ref.

Balance - December 31, 2022	A	<u>2,907,000</u>
Balance - December 31, 2023	A	<u>2,907,000</u>

Township of Sparta, N.J.

Schedule of Revenue Accounts Receivable

Current Fund

Year Ended December 31, 2023

			Balance	
	Ref.	Dec. 31, 2022	Accrued	Collected
Clerk:				
Licenses:				
Alcoholic beverages	A-2	-	16,895	16,895
Other	A-2	-	20,137	20,137
Fees and Permits				
Board of Health - Registrar	A-2	-	9,241	9,241
Board of Health - Sewer	A-2	-	17,220	17,220
Marriage License	A-2	-	231	231
Clerk	A-2	-	3,998	3,998
Zoning	A-2	-	26,446	26,446
Planning Board	A-2	-	16,027	16,027
Tax Assessor	A-2	-	760	760
Police	A-2	-	42,562	42,562
Leaf Bags	A-2	-	2,235	2,235
Cell Tower	A-2	-	327,128	327,128
Quarry Royalties	A-2	-	749,146	749,146
Municipal Court :				
Fines and Costs	A-2	9,983	116,274	126,258
Interest on Investments and Deposits	A-2	-	917,202	917,202
Energy Receipts Tax	A-2	-	1,243,961	1,243,961
Watershed Moratorium	A-2	-	35,066	35,066
Garden State Trust Pilot	A-2	-	29,328	29,328
Municipal Relief Funds	A-2	-	64,445	64,445
Uniform Construction Code Fees	A-2	-	527,515	527,515
Other Municipalities Share of Radio System Costs	A-2	-	317,929	317,929
Township of Hardyston - Finance Officer	A-2	-	49,947	49,947
Township of Hardyston MUA - Finance Officer	A-2	-	3,538	3,538
Township of Hardyston BOE - Finance Officer	A-2	-	3,337	3,337
Interlocal Byram Fire Prevention	A-2	-	19,860	19,860
Municipal Court Hamburg	A-2	-	62,625	62,625
Municipal Court Ogdensburg	A-2	-	40,000	40,000
PILOT - Senior Citizens Housing	A-2	-	5,573	5,573
Uniform Fire Safety	A-2	-	60,936	60,936
Fire Prevention Fees	A-2	-	35,594	35,594
Cable TV Franchise Fee	A-2	-	50,125	50,125
		<u>9,983</u>	<u>4,815,280</u>	<u>4,825,263</u>
		A		

A

Cash Receipts	A-4	4,801,858
Interfunds	A-12	23,405
		4,825,263

Township of Sparta, N.J.

Schedule of Interfunds

Current Fund

Year Ended December 31, 2023

Fund	Ref.	Due From/(To)		Decreased	Due From/(To) Balance Dec. 31, 2023
		Dec. 31, 2022	Increased		
Other Trust Fund		34,716	479,381	17,388	(427,278)
Federal and State Grant Fund		(817,621)	143,741	566,571	(394,791)
Water Operating Fund		-	2,062	-	(2,062)
Water Capital Fund		-	1,802	-	(1,802)
Sewer Operating Fund		-	5,756	-	(5,756)
Sewer Capital Fund		-	-	907,000	907,000
		<u><u>(782,905)</u></u>	<u><u>632,742</u></u>	<u><u>1,490,959</u></u>	<u><u>75,311</u></u>
	A				A
<u><u>Analysis</u></u>					
Interfund Accounts Receivable	A-1	34,716		907,000	
Interfund Accounts Payable		(817,621)		(831,689)	
		<u><u>(782,905)</u></u>		<u><u>75,311</u></u>	
Matching Funds for Grants	A-3		6,341	-	1,467,554
Disbursed	A-4		-	277,573	-
Received	A-4			341,139	-
Municipal Open Space Tax	A-1; A-8			1,052	-
Added Municipal Open Space Tax	A-1; A-8			-	23,405
Revenue Accounts Receivable	A-11		-		
Deferred Charges	A-13		6,637		<u><u>1,490,959</u></u>
			<u><u>632,742</u></u>		

Township of Sparta, N.J.

Schedule of Deferred Charges

Current Fund

Year Ended December 31, 2023

	Balance, Dec. 31, 2022	Amount in 2023 Budget	Added in 2023	Balance, Dec. 31, 2023
<u>Ref.</u>				
Emergency Appropriations (40A:4-48)	A	60,000	60,000	175,000
Overexpenditure of Trust Reserve	A	-	-	6,637
		<u>60,000</u>	<u>60,000</u>	<u>181,637</u>
			A-3	A-1; A-3
				<u>181,637</u>

Township of Sparta, N.J.

Schedule of Appropriation Reserves

Page 1 of 3

Current Fund

Year Ended December 31, 2023

	Balance, Dec. 31, 2022	Balance after Transfers	Paid or Charged	Balance Lapsed
Salaries and Wages Within "CAPS":				
General Administration	1,088	1,088	1,088	-
Township Council	2,735	2,735	-	2,735
Financial Administration	20	20	-	20
Computerized Data Processing	4	4	-	4
Collection of Taxes	50	50	-	50
Assessment of Taxes	10	10	-	10
Municipal Court	51,748	51,748	4,336	47,411
Planning Board	5,385	5,385	448	4,937
Planning Department	10	10	-	10
Economic Development	2,721	2,721	-	2,721
Board of Adjustment	18,442	18,442	-	18,442
Police	8,194	8,194	8,194	-
Police Dispatch 911	1,156	1,156	-	1,156
Emergency Management Services	6,644	6,644	-	6,644
Uniform Fire Safety	1,737	1,737	-	1,737
Road Repair and Maintenance	149	149	-	149
Public Buildings and Grounds	500	500	-	500
Vehicle Maintenance	67,686	67,686	6,241	61,445
Snow Removal	21,276	21,276	-	21,276
DPW Administration	406	406	-	406
Environmental Commission	2,118	2,118	-	2,118
Animal Regulations	2,008	2,008	-	2,008
Committee on Aging	65	65	-	65
Recreation Services and Programs	826	826	-	826
Maintenance of Parks	2,133	2,133	2,133	-
Construction Official	1,723	1,723	-	1,723
Total Salaries and Wages Within "CAPS"	<u>198,831</u>	<u>198,831</u>	<u>22,439</u>	<u>176,392</u>
Other Expenses Within "CAPS":				
General Administration	2,477	2,477	1,459	1,018
Purchasing	2,105	2,105	2,105	-
Township Council	10,298	10,298	9,541	757
Township Clerk	6,582	6,582	1,818	4,764
Elections	1,992	1,992	-	1,992
Financial Administration	3,880	3,880	3,577	303
Annual Audit	29,745	29,745	29,745	-
Computerized Data Processing	14,715	14,715	5,115	9,600
Collection of Taxes	2,173	2,173	2,002	170
Assessment of Taxes	30,750	30,750	21,290	9,460
Legal Services and Costs	12,974	12,974	12,974	-
Municipal Court	8,939	8,939	3,000	5,938

Township of Sparta, N.J.

Schedule of Appropriation Reserves

Page 2 of 3

Current Fund

Year Ended December 31, 2023

	<u>Balance, Dec. 31, 2022</u>	<u>Balance after Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Engineering Services and Costs	69,435	69,435	62,011	7,424
Planning Board	1,853	1,853	1,580	273
Planning Department	2,219	2,219	2,160	59
Economic Development	9,585	9,585	48	9,537
Board of Adjustment	13,397	13,397	13,397	-
Insurance:				
General Liability	54,547	54,547	20,143	34,404
Workers' Compensation Insurance	12,221	12,221	-	12,221
Employee Group Health	211,413	211,413	210,237	1,176
Unemployment Compensation Insurance	1,000	1,000	-	1,000
Police	48,682	48,682	46,990	1,691
Purchase of Police Cars	19,545	19,545	19,261	284
Police Dispatch 911	2,004	2,004	353	1,651
Emergency Management Services	1,861	1,861	80	1,781
Aid to Volunteer Ambulance Companies	2,346	2,346	1,193	1,153
Fire	26,285	26,285	23,995	2,290
Uniform Fire Safety	3,542	3,542	602	2,940
Municipal Prosecutor	886	886	-	886
Road Repairs and Maintenance	28,732	28,732	21,137	7,594
Garbage and Trash Removal	15,854	15,854	10,955	4,899
Public Buildings and Grounds	10,971	10,971	10,722	250
Vehicle Maintenance	22,332	22,332	13,992	8,340
Snow Removal	134,350	134,350	109,877	24,473
DPW Administration	8,279	8,279	4,255	4,024
Municipal Services Act-Condo Costs	38,013	38,013	36,370	1,643
Health and Welfare Department	640	640	-	640
Environmental Commission	2,300	2,300	-	2,300
Animal Regulation	5,990	5,990	-	5,990
Committee on Aging	4,139	4,139	938	3,201
Recreation Services Functions	9,711	9,711	8,966	745
Maintenance of Parks	13,450	13,450	13,450	-
Electricity	42,336	42,336	42,336	-
Street Lighting	16,868	16,868	5,583	11,285
Telephone and Telegraph	18,196	18,196	12,438	5,758
Water	995	995	582	413
Natural Gas	9,323	9,323	5,039	4,284
Sewerage Processing and Disposal	2,830	2,830	385	2,445
Gasoline	57,427	57,427	-	57,427
Construction Official	1,229	1,229	1,119	109
Celebration of Public Events	1,000	1,000	1,000	-
Accumulated Sick Leave	61,478	61,478	-	61,478
Total Other expenses Within "CAPS"	1,113,892	1,113,892	793,821	320,071

Township of Sparta, N.J.

Schedule of Appropriation Reserves

Page 3 of 3

Current Fund

Year Ended December 31, 2023

	Balance, Dec. 31, 2022	Balance after Transfers	Paid or Charged	Balance Lapsed
Deferred Charges and Statutory Expenditures Within "CAPS":				
Public Employees' Retirement System	675	675	-	675
Social Security (O.A.S.I.)	16,488	16,488	16,488	-
Total Deferred Charges and Statutory Expenditures Within "CAPS"	17,162	17,162	16,488	675
Total Reserves Within "CAPS"	1,329,886	1,329,886	832,748	497,138
Other Expenses Excluded From "CAPS":				
Emergency Services Volunteer Length of Service Award Program	32,500	32,500	25,070	7,430
Maintenance of Free Public Library	182,705	182,705	182,705	-
Reserve for Tax Appeals	50,000	50,000	50,000	-
Total Other Expenses Excluded from "CAPS"	265,205	265,205	257,775	7,430
Total Reserves Excluded from "CAPS"	265,205	265,205	257,775	7,430
Total Reserves	1,595,091	1,595,091	1,090,523	504,568

A-1

Ref.

Analysis of Appropriation Reserve

Unencumbered	A	1,289,707
Encumbered	A	305,384
		1,595,091

Analysis of Paid or Charged

Cash Disbursements	A-4	1,074,714
Encumbrances Payable - Various Reserves	A-15	15,809
		1,090,523

Township of Sparta, N.J.

Schedule of Encumbrances Payable - Various Reserves

Current Fund

Year Ended December 31, 2023

	<u>Ref.</u>	
Balance - December 31, 2022	A	29,372
Increased by:		
Appropriation Reserves	A-14	15,809
Various Cash Liabilities and Reserves	A-19	<u>18,172</u>
		<u>33,981</u>
		63,353
Decreased by:		
Cash Disbursements	A-4	20,396
Cancelled	A-1	<u>8,976</u>
		<u>29,372</u>
Balance - December 31, 2023	A	<u>33,981</u>

Township of Sparta, N.J.

Schedule of Prepaid Taxes

Current Fund

Year Ended December 31, 2023

	<u>Ref.</u>	
Balance - December 31, 2022	A	772,657
Increased by:		
Receipts - Prepaid 2024 Taxes	A-6	<u>673,774</u>
		<u>1,446,431</u>
Decreased by:		
Applied to 2023 Taxes	A-8	<u>772,657</u>
Balance - December 31, 2023	A	<u>673,774</u>

Township of Sparta, N.J.

Schedule of Local District School Tax Payable**Current Fund****Year Ended December 31, 2023**

	<u>Ref.</u>	
Increased by:		
Levy Calendar Year 2023	A-1; A-8	<u>68,940,563</u>
Decreased by:		
Payments	A-4	<u>68,940,563</u>

Schedule of County Taxes Payable**Current Fund****Year Ended December 31, 2023**

	<u>Ref.</u>	
Balance - December 31, 2022	A	65,128
Increased by:		
Levy	A-8	18,894,132
Added and Omitted Taxes	A-8	<u>58,731</u>
	A-1	<u>18,952,863</u>
		19,017,991
Decreased by:		
Payments	A-4	<u>18,959,260</u>
Balance - December 31, 2023	A	<u>58,731</u>

Township of Sparta, N.J.

Schedule of Various Cash Liabilities and Reserves

Current Fund

Year Ended December 31, 2023

<u>Liabilities and Reserves</u>	<u>2022</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2023</u>
<u>Liabilities:</u>				
Tax Overpayments	72,908	51,188	72,908	51,188
<u>Due to State of New Jersey:</u>				
Construction Code Surcharge	9,802	44,881	45,713	8,970
Marriage License Surcharge	900	1,925	2,175	650
<u>Reserves for:</u>				
Municipal Relief Funds	64,445	128,862	64,445	128,862
	<u>148,054</u>	<u>226,856</u>	<u>185,240</u>	<u>189,670</u>
	A			A

	<u>Ref.</u>		
Receipts	A-4	226,856	-
Disbursed	A-4	-	167,068
Reserve for Encumbrances	A-15	-	18,172
		<u>226,856</u>	<u>185,240</u>

Township of Sparta, N.J.

Schedule of Grants Receivable

Federal and State Grant Fund

Year Ended December 31, 2023

<u>Grant</u>	Balance, Dec. 31, 2022	Budget Revenue	Received	Transfer from Unappropriated Reserves	Balance, Dec. 31, 2023
Federal Grants:					
Drive Sober or Get Pulled Over	-	3,000	-	3,000	-
State Grants:					
Recycling Tonnage Grant	-	55,169	-	55,169	-
Clean Communities Grant	1,424	49,664	-	49,664	1,424
LEAP Grant	229,000	-	-	-	229,000
Highlands Grant	13,055	-	-	-	13,055
Municipal Alliance Program	30,835	16,042	10,413	-	36,464
Body Armor Replacement	-	1,662	-	1,662	-
Drunk Driving Enforcement Fund	-	13,000	-	13,000	-
DOT Grant - Green Road	<u>175,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>175,000</u>
	<u>449,314</u>	<u>135,537</u>	<u>10,413</u>	<u>119,495</u>	<u>454,943</u>
Local Grants:					
Sustainable New Jersey Grant	<u>18,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,000</u>
	<u>467,314</u>	<u>138,537</u>	<u>10,413</u>	<u>122,495</u>	<u>472,943</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, 2023

Grant	Balance, Dec. 31, 2022	Transfer From 2023 Budget	Expended	Encumbrance Cancelled	Balance, Dec. 31, 2023
Federal Grants:					
Drive Sober or Get Pulled Over	30,753	3,000	33,753	-	-
Distracted Driving Countermeasure	-	13,000	12,206	-	794
Local Fiscal Recovery Funds - ARP	509,686	-	62,039	-	447,647
	<u>540,439</u>	<u>16,000</u>	<u>107,998</u>	<u>-</u>	<u>448,442</u>
State Grants:					
Recycling Tonnage Grant	26,242	55,169	31,959	600	50,052
Drunk Driving Enforcement Fund	19,088	-	5,440	1	13,648
Clean Communities	36,218	49,664	19,142	10	66,749
Alcohol Education and Rehabilitation Fund	8,157	-	-	-	8,157
Municipal Alliance on Alcoholism and Drug Abuse	35,733	16,042	10,420	-	41,355
Body Armor Replacement	80	1,662	-	-	1,742
LEAP Grant	49,938	-	49,647	-	291
Highlands Commission Grant	21,452	-	-	-	21,452
	<u>196,907</u>	<u>122,537</u>	<u>116,609</u>	<u>611</u>	<u>203,446</u>
Local Grants:					
Sustainable New Jersey Grant	18,081	-	-	-	18,081
Municipal Alliance on Alcoholism and Drug Abuse	25,788	6,341	17,807	-	14,322
	<u>43,868</u>	<u>6,341</u>	<u>17,807</u>	<u>-</u>	<u>32,402</u>
	<u>781,215</u>	<u>144,878</u>	<u>242,413</u>	<u>611</u>	<u>684,290</u>
	A			A-24	A
	<u>Ref</u>				
State and Federal Grants	A-3	138,537	-	-	-
Matching Funds for Grants	A-23	6,341	-	-	-
Interfund - Current Fund	A-23	-	206,423	-	-
Encumbrances Payable	A-24	-	35,990	-	-
	<u>144,878</u>	<u>242,413</u>	<u>-</u>	<u>-</u>	<u>-</u>

Township of Sparta, N.J.

Schedule of Unappropriated Reserves for Grants

Federal and State Grant Fund

Year Ended December 31, 2023

<u>Grant</u>	<u>Balance Dec. 31, 2022</u>	<u>Transfer To 2023 Budget</u>	<u>Received</u>	<u>Balance Dec. 31, 2023</u>
Federal Grants:				
Impaired Driving Countermeasure	21,750	13,000	7,000	15,750
Drive Sober or Get Pulled Over	3,000	3,000	-	-
	<u>24,750</u>	<u>16,000</u>	<u>7,000</u>	<u>15,750</u>
State Grants:				
Recycling Tonnage Grant	55,169	55,169	46,283	46,283
Clean Communities	49,664	49,664	55,703	55,703
Alcohol Education and Rehabilitation Fund	-	-	389	389
Body Armor Replacement Fund	4,042	1,662	2,612	4,992
Statewide Body-worn Camera Program	16,304	-	28,166	44,470
Stormwater Assistance Grant	-	-	15,000	15,000
	<u>125,179</u>	<u>106,495</u>	<u>148,153</u>	<u>166,837</u>
Local Grants:				
Municipal Alliance on Alcoholism and Drug Abuse	2,348	-	-	2,348
	<u>152,276</u>	<u>122,495</u>	<u>155,153</u>	<u>184,935</u>
	<u>A</u>	<u>A-20</u>	<u>A-23</u>	<u>A</u>

Township of Sparta, N.J.

Schedule of Interfunds

Federal and State Grant Fund

Year Ended December 31, 2023

Ref.	Due From/(To)			Due From/(To) Balance Dec. 31, 2023
	Dec. 31, 2022	Increased	Decreased	
Current Fund	A	817,621	143,741	566,571
Other Trust Fund	A	16,304	28,166	-
		<u>833,925</u>	<u>171,907</u>	<u>566,571</u>
				<u>394,791</u>
				<u>44,470</u>
				<u>439,261</u>
State Grant Receipts	A-20		10,413	-
Matching Funds for State Grants	A-21		6,341	-
State Grant Expenditures	A-21		-	206,423
Unappropriated Reserves	A-22		155,153	-
Encumbrances	A-24		-	360,148
		<u>171,907</u>	<u>566,571</u>	

Township of Sparta, N.J.

Schedule of Encumbrances Payable**Federal and State Grant Fund****Year Ended December 31, 2023**

	<u>Ref.</u>	
Balance - December 31, 2022	A	367,747
Increased by:		
Appropriated Reserves	A-21	35,990
		<hr/> 403,738
Decreased by:		
Appropriated Reserves	A-21	611
Interfund - Current Fund	A-23	<hr/> 360,148
		<hr/> 360,759
Balance - December 31, 2023	A	<hr/> 42,978

Township of Sparta, N.J.

Schedule of Cash

Trust Funds

Year Ended December 31, 2023

	Emergency Services	Volunteer Length of Service Award	Assessment Trust Fund	Animal Control Trust Fund	Other Trust Funds
Ref.	Program				
Balance - December 31, 2022	B	<u>334,596</u>	<u>231,378</u>	<u>32,388</u>	<u>7,133,598</u>
Increased by Receipts:					
Assessments Receivable	B-3	-	23,328	-	-
Assessment Overpayments	B-9	-	28,888	-	-
Prepaid Dog Licenses	B-10	-	-	6,627	-
Prepaid Cat Licenses	B-10	-	-	438	-
Schedule of Interfunds	B-11	-	-	-	45,554
Other Trust Funds	B-12	-	-	-	19,301,188
Dog License Fees - Township Share	B-14	-	-	8,053	-
Cat License Fees	B-14	-	-	786	-
Miscellaneous	B-14	-	-	12,367	-
Dog License Fees - State Share	B-15	-	-	1,699	-
Township Contributions	B-16	25,070	-	-	-
Increase in Investment Value	B-17	<u>60,299</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Receipts		<u>85,369</u>	<u>52,216</u>	<u>29,969</u>	<u>19,346,741</u>
		<u>419,965</u>	<u>283,594</u>	<u>62,358</u>	<u>26,480,340</u>
Decreased by Disbursements:					
Payment of Principal & Interest	B-7	-	191,204	-	-
Schedule of Interfunds	B-11	-	-	-	137,190
Other Trust Funds	B-12	-	-	-	19,422,435
Reserve from Encumbrances	B-13	-	-	-	202,006
Reserve (Deficit) for Animal Control Expenditures	B-14	-	-	15,095	-
State Share - Dog Licenses	B-15	-	-	1,699	-
Accounting Charge	B-17	1,617	-	-	-
Distributions	B-17	<u>6,959</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Disbursements		<u>8,576</u>	<u>191,204</u>	<u>16,794</u>	<u>19,761,630</u>
Balance - December 31, 2023	B	<u>411,389</u>	<u>92,390</u>	<u>45,564</u>	<u>6,718,709</u>

Township of Sparta, N.J.

Analysis of Assessment Cash

Assessment Trust Fund

Year Ended December 31, 2023

Balance Dec. 31, 2022	Receipts			Disbursements Dec. 31, 2023	Balance Dec. 31, 2023
	Assessments And Liens	Other			
Glen Lake Dam	231,378	23,328	28,888	191,204	92,390
	<u><u>B</u></u>	<u><u></u></u>	<u><u></u></u>	<u><u></u></u>	<u><u>B</u></u>

Township of Sparta, N.J.

Schedule of Assessments Receivable

Assessment Trust Fund

Year Ended December 31, 2023

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Confir- mation</u>	<u>Balance Dec. 31, 2022</u>	<u>Collected</u>	<u>Balance Dec. 31, 2023</u>	<u>Balance Pledged to</u>	
						<u>NJ DEP Loan</u>	<u>Reserve</u>
16-03	Glen Lake Dam	10/25/2016	<u>503,204</u> B	<u>23,328</u> B-1	<u>479,877</u> B	<u>346,222</u> B-7	<u>133,655</u> B-8

Township of Sparta, N.J.**Statement of Revenues****Assessment Trust Fund****Year Ended December 31, 2023**

	<u>Budget</u> <u>Revenue</u>	<u>Realized</u>
Assessment Cash	<u>54,630</u> B-5	<u>54,630</u> B-5

B-5**Statement of Expenditures****Assessment Trust Fund****Year Ended December 31, 2023**

	<u>Appropriated</u>	<u>Paid or Charged</u>
Payment of DEP Loan Principal	44,550	44,550
Payment of DEP Loan Interest	10,080	10,080
	<u>54,630</u> B-4	<u>54,630</u> B-4

Township of Sparta, N.J.

Schedule of Change Fund

Animal Control Trust Fund

Year Ended December 31, 2023

Ref.

Balance - December 31, 2022	B	<u>25</u>
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Balance - December 31, 2023	B	<u>25</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, 2023**Ref.

Balance - December 31, 2022	B	600,928
Decreased by:		
Payments	B-1	<u>191,204</u>
Balance - December 31, 2023	B; B-3	<u>409,724</u>

<u>Payment Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Loan Balance</u>
			409,724
05/24/24	3,787	23,528	382,409
11/24/24	3,552	23,763	355,094
05/24/25	3,314	24,001	327,779
11/24/25	3,074	24,241	300,464
05/24/26	2,832	24,483	273,149
11/24/26	2,587	24,728	245,834
05/24/27	2,340	24,975	218,519
11/24/27	2,090	25,225	191,204
05/24/28	1,838	25,477	163,889
11/24/28	1,583	25,732	136,575
05/24/29	1,326	25,989	109,260
11/24/29	1,066	26,249	81,945
05/24/30	803	26,512	54,630
11/24/30	538	26,777	27,315
05/24/31	270	27,044	0
	<u>31,001</u>	<u>378,723</u>	

Township of Sparta, N.J.

Schedule of Reserve for Assessments and Liens

Year Ended December 31, 2023

Ordinance Number	Improvement Description	Balance Dec. 31, 2022	Balance Dec. 31, 2023
<u>Assessments Receivable</u>			
16-03	Glen Lake Dam	<u>133,655</u>	<u>133,655</u>
		B	B/B-3

Township of Sparta, N.J.

Schedule of Assessment Overpayments

Assessment Trust Fund

Year Ended December 31, 2023

	<u>Ref.</u>	
Increased by:		
Cash Receipts	B-1	<u>28,888</u>
Balance - December 31, 2023	B	<u>28,888</u>

Township of Sparta, N.J.**Schedule of Prepaid Licenses - Animal Control****Trust Funds****Year Ended December 31, 2023**Ref.

Balance - December 31, 2022	B	10,513
Increased by:		
Cash Receipts - Dog Licenses	B-1	6,627
Cash Receipts - Cat Licenses	B-1	<u>438</u>
		7,065
		<u>17,578</u>
Decreased by:		
Prepaid Dog Licenses Applied	B-14	6,417
Prepaid Cat Licenses Applied	B-14	<u>569</u>
		6,985
Balance - December 31, 2023	B	<u><u>10,593</u></u>

Township of Sparta, N.J.

Schedule of Interfunds

Other Trust Fund

Year Ended December 31, 2023

	Due From/(To) Balance <u>Dec. 31, 2022</u>	<u>Increased</u>	<u>Decreased</u>	Due From/(To) Balance <u>Dec. 31, 2023</u>
Interfund - Current	(34,716)	479,381	17,388	427,278
Interfund - Federal & State Grants	(16,304)	-	28,166	(44,470)
Interfund - Water Operating	(25,916)	-	-	(25,916)
Interfund - Sewer Operating	(3,143)	-	-	(3,143)
Interfund - Solid Waste Operating	(12,306)	-	-	(12,306)
	<u>(92,385)</u>	<u>479,381</u>	<u>45,554</u>	<u>341,442</u>
	B		B-1	B
	<u>Ref.</u>			
Cash Receipts	B-1	-	45,554	
Cash Disbursements	B-1	137,190	-	
Reserves	B-12	342,191	-	
		<u>479,381</u>	<u>45,554</u>	

Township of Sparta, N.J.

Schedule of Other Trust Reserves

Other Trust Fund

Year Ended December 31, 2023

	Balance <u>Dec. 31, 2022</u>	Increased	Decreased	Balance <u>Dec. 31, 2023</u>
Reserve for P.O.A.A.	2,373	-	-	2,373
Reserve for Recreation Activities	260,157	572,314	472,609	359,862
Reserve for Health Plan	317,146	50,310	116,541	250,915
Reserve for Outside Police Employment	4,082	403,426	355,879	51,629
Reserve for Public Defender	525	1,901	-	2,426
Reserve for Road Openings	205,382	23,500	100,500	128,382
Reserve for Snow Removal	578,105	38,953	453,434	163,625
Reserve for Public Safety Donation	49,874	39,657	22,474	67,056
Reserve for Fire Safety	6,485	20,400	-	26,885
Reserve for State Unemployment Insurance Tax	222,705	28,793	33,512	217,986
Reserve for C.O.A.H. Fees	1,725,854	271,674	13,437	1,984,091
Reserve for Performance Bonds	933,607	253,820	218,156	969,271
Reserve for Developer's Escrow	168,586	140,782	113,731	195,637
Reserve for Accrued Leave	173,340	-	124,258	49,082
Reserve for Open Space	473,143	356,433	300,000	529,576
Reserve for Sparta Landfill	22,971	-	7,700	15,271
Reserve for Payroll	33,608	16,877,696	16,846,522	64,782
Reserve for Video Camera Funds	-	8,581	8,581	-
Reserve for Premium on Tax Sale	1,649,400	319,200	262,700	1,705,900
Reserve for Outside Lienholder	482	235,939	236,420	-
	<u>6,827,822</u>	<u>19,643,379</u>	<u>19,686,453</u>	<u>6,784,748</u>
	B			B

	<u>Ref.</u>	
Cash Receipts	B-1	19,301,188
Cash Disbursements	B-1	-
Interfund - Current Fund	B-11	19,422,435
Encumbrances	B-13	342,191
		-
		264,019
		<u>19,643,379</u>
		<u>19,686,453</u>

Township of Sparta, N.J.

Schedule of Reserve for Encumbrances

Trust Funds

Year Ended December 31, 2023

Ref.

Balance - December 31, 2022			
Animal Control Trust Fund	B	427	
Other Trust Funds	B	<u>213,390</u>	
			213,817
Increased by:			
Charges to Animal Control Fund	B-14	550	
Charges to Other Trust Reserves	B-12	<u>264,019</u>	
			264,569
			478,386
Decreased by:			
Other Trust Disbursed	B-1	<u>202,006</u>	
			202,006
Balance - December 31, 2023			
Animal Control Trust Fund	B	977	
Other Trust Funds	B	<u>275,403</u>	
			276,380

Township of Sparta, N.J.

Reserve (Deficit) for Animal Control Fund Expenditures

Animal Control Trust Fund

Year Ended December 31, 2023

Ref.

Balance - December 31, 2022	B	21,445
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Increased by:

Dog License Fees	B-1	8,053
Cat License Fees	B-1	786
Miscellaneous	B-1	12,367
Prepaid Dog Licenses Applied	B-10	6,417
Prepaid Cat Licenses Applied	B-10	<u>569</u>
		28,191
		<u>49,635</u>

Decreased by:

Expenditures R.S. 4:19-1511	B-1	15,095
Encumbrances	B-13	<u>550</u>
		15,645

Balance - December 31, 2023	B	<u>33,990</u>
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License Fees Collected

<u>Year</u>	
2022	16,255
2021	<u>17,824</u>
	<u>34,079</u>

Township of Sparta, N.J.

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

Animal Control Trust Fund

Year Ended December 31, 2023

	<u>Ref.</u>	
Balance - December 31, 2022	B	29
Increased by:		
State Fees Collected	B-1	<u>1,699</u>
		<u>1,727</u>
Decreased by:		
Paid to State	B-1	<u>1,699</u>
Balance - December 31, 2023	B	<u><u>29</u></u>

Township of Sparta, N.J.

Schedule of Contributions Receivable**Emergency Services Volunteer Length of Services Award Program****Year Ended December 31, 2023**

	<u>Ref.</u>	
Balance - December 31, 2022	B	25,841
Increased by:		
2023 Township Contributions	B-17	<u>37,260</u>
		<u>63,101</u>
Decreased by:		
Receipts	B-1	25,070
Adjustment to 2022 Contribution	B-17	<u>771</u>
		<u>25,841</u>
Balance - December 31, 2023	B	<u><u>37,260</u></u>

Schedule of Net Assets Available for Benefits**Emergency Services Volunteer Length of Services Award Program****Year Ended December 31, 2023**

	<u>Ref.</u>	
Balance - December 31, 2022	B	360,436
Increased by:		
2023 Township Contributions	B-16	37,260
Increase in Investment Value	B-1	<u>60,299</u>
		<u><u>97,559</u></u>
		<u><u>457,996</u></u>
Decreased by:		
Accounting Charge	B-1	1,617
Distributions	B-1	6,959
Adjustment to 2022 Contribution	B-16	<u>771</u>
		<u><u>9,347</u></u>
Balance - December 31, 2023	B	<u><u>448,649</u></u>

Township of Sparta, N.J.**Schedule of Cash****General Capital Fund****Year Ended December 31, 2023**

	<u>Ref.</u>	
Balance - December 31, 2022	C	2,639,819
Increased by Receipts:		
Premium on Issuance of BAN	C-1	12,817
Bond Anticipation Notes	C-8	2,090,000
Capital Improvement Fund	C-10	3,114,750
Interfund - Water Capital Fund	C-11	<u>696,100</u>
		<u>5,913,667</u>
		<u>8,553,486</u>
Decreased by Disbursements:		
Improvement Authorizations	C-9	5,203,649
Encumbrances Payable	C-12	<u>481,971</u>
		<u>5,685,620</u>
Balance - December 31, 2023	C	<u>2,867,866</u>

Township of Sparta, N.J.
 Analysis of Cash
 General Capital Fund
 Year Ended December 31, 2023

	Balance or (Deficit) Dec. 31, 2022	Receipts			Disbursements			Transfers From To	Balance or (Deficit) Dec. 31, 2023
		Budget Appropriations	Bond Issued	Anticipation Note Issued	Improvement Authorizations	Miscellaneous			
Fund Balance	220,849	-	12,817	-	-	-	-	-	233,666
Grants Receivable	(167,000)	-	-	-	-	-	-	-	(167,000)
Capital Improvement Fund	610,804	3,000,000	-	114,750	-	-	2,610,000	-	1,115,554
Reserve for Encumbrances	864,488	-	-	-	481,971	-	28,079	635,701	990,139
Reserve for Developers Contribution	74,566	-	-	-	-	-	-	-	74,566
Reserve for Sewer Capital	(695,100)	-	-	696,100	-	-	-	-	-
Improvement Authorizations:									
09-26 Acquisition of Sustainable Energy Solar Panels	8,463	-	-	-	1,398	-	-	-	7,065
10-23 Installation of Solar Panels at Germany Flats	10,455	-	-	-	-	-	-	-	10,455
18-04 Various Capital Improvements	6,794	-	-	-	6,794	-	-	-	-
18-13 Improvements to Demarest Rd II and Green Rd	(0)	-	-	-	-	-	-	-	(0)
19-05 Various Capital Improvements	3,429	-	-	-	3,383	-	47	-	-
20-07 Various Capital Improvements	4,419	-	-	-	4,418	1	-	-	-
21-07 Various Capital Improvements	35,495	-	-	-	51,965	6,924	24,049	656	2,414
21-17 Purchase of Property - 33 Holland Cr	2,414	-	-	-	-	-	-	-	(0)
22-05 Various Capital Improvements	901,918	-	-	-	537,749	368,199	4,030	(780,000)	429,751
22-07 Improvements to White Lake Park	758,824	-	-	-	1,538,824	-	33,584	110,000	950,600
23-04 Construction of a Salt Shed	-	-	2,090,000	-	1,736,665	-	1,322,453	2,500,000	-
23-13 Various Capital Improvements	-	-	-	810,850	5,685,620	-	226,947	3,273,781	2,867,866
	<u>2,639,819</u>	<u>3,000,000</u>	<u>2,102,817</u>	<u>810,850</u>	<u>5,685,620</u>	<u>-</u>	<u>3,273,781</u>	<u>3,273,781</u>	<u>C</u>

Township of Sparta, N.J.**Schedule of Grants Receivable****General Capital Fund****Year Ended December 31, 2023**

	<u>Ref.</u>	
Balance - December 31, 2022	C	<u>167,000</u>
Balance - December 31, 2023	C	<u>167,000</u>

Analysis

NJ DOT Municipal Aid (Ord. No. 21-07)	<u>167,000</u>
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Township of Sparta, N.J.**Schedule of Deferred Charges to Future
Taxation - Funded****General Capital Fund****Year Ended December 31, 2023**Ref.

Balance - December 31, 2022	C	1,540,000
Decreased by:		
Serial Bonds Paid by Current Year		
Budget Appropriations	C-7	<u>1,025,000</u>
Balance - December 31, 2023	C	<u>515,000</u>

Township of Sparta, N.J.

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year Ended December 31, 2023

Ordinance Number	Improvement Description	Balance Dec. 31, 2022	2023 Authorizations	Notes Paid by 2023 Budget Appropriation	Balance Dec. 31, 2023	Analysis of Balance Dec. 31, 2023	
						Financed by Bond Anticipation	Notes Expended
18-04	Various Capital Improvements	630,000	-	105,000	525,000	525,000	-
18-13	Improvements to Demarest Rd II and Green Rd	0	-	-	0	-	0
19-08	Improvements to the DPW Facilities Acquisition of New and Additional Fire Truck	631,400	-	90,200	541,200	541,200	-
21-18	Improvement to White Lake Park	665,000	-	-	665,000	665,000	-
22-07	Construction of a Salt Shed	780,000	-	-	780,000	-	780,000
23-04		<u>2,706,400</u>	<u>2,090,000</u>	<u>195,200</u>	<u>4,601,200</u>	<u>2,090,000</u>	<u>780,000</u>
		<u>C</u>	<u>C-9;C-14</u>	<u>C-8</u>	<u>C</u>	<u>C-8</u>	<u>C-8</u>

Township of Sparta, N.J.

C-7

Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2023

Date of Issue Purpose	Original Issue	Maturities of Bonds Outstanding, December 31, 2023		Interest Rate	Balance Dec. 31, 2022	Decreased	Balance Dec. 31, 2023
		Date	Amount				
Refunding Bonds of 2011	09/08/2011	5,015,000.00			525,000	525,000	
General Bonds of 2013	10/15/2013	4,590,000.00	10/15/24	515,000.00 3.000%	1,015,000 500,000	1,540,000 1,025,000	515,000 515,000
				C	C	C-5	C

Township of Sparta, N.J.

Schedule of Bond Anticipation Notes Payable

General Capital Fund

Year Ended December 31, 2023

AKEL

Renewals	Issued for Cash	C-2; C-14
Paid by Current Fund	Budget Appropriation	C-6

Township of Sparta, N.J.

Schedule of Improvement Authorizations

General Capital Fund

Year Ended December 31, 2023

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance Dec. 31, 2022		2023 Authorizations	Encumbrances Cancelled	Paid or Charged	Balance Dec. 31, 2023	
				Funded	Unfunded				Funded	Unfunded
General Improvements:										
09-26	Acquisition and Installation of Sustainable Energy Solar Panels	08/18/09	700,000	8,463	-	-	-	-	1,398	7,065
10-23	Installation of Solar Panels at Germany Flats	11/30/10	1,732,500	10,455	6,794	-	-	-	10,455	-
18-04	Various Capital Improvements	04/24/18	1,200,900	-	-	-	-	-	6,794	-
19-05	Various Capital Improvements	05/28/19	1,900,900	3,429	-	-	-	-	3,429	-
20-07	Various Capital Improvements	06/09/20	2,200,900	4,419	-	-	-	-	4,419	-
21-07	Various Capital Improvements	05/25/21	2,367,900	35,495	-	-	-	-	58,889	656
21-17	Purchase of Property - 33 Holland Cr	10/12/21	95,900	2,414	-	-	-	-	2,414	-
22-05	Various Capital Improvements	07/12/22	2,500,000	901,918	-	-	-	-	905,949	-
22-07	Improvement of White Lake Park	07/12/22	1,050,900	758,824	780,000	-	-	-	1,538,824	-
23-04	Construction of a Salt Shed	03/28/23	2,200,900	-	-	2,200,000	-	-	1,770,249	-
23-13	Various Capital Improvements	07/11/23	2,500,000	-	-	2,500,000	-	-	1,569,400	950,600
			1,725,418	786,794	4,700,000	28,079	-	5,839,351	971,190	429,751
			C	C	C	C-12	C	C	C	C
Ref.										
Cash Disbursements										
	C-2								5,203,649	
Deferred Charges to Future Taxation - Unfunded Capital Improvement Fund										
	C-6								2,090,000	
	C-10								2,610,000	
	C-12								635,701	
									4,700,000	
									5,839,351	

Township of Sparta, N.J.

Schedule of Capital Improvement Fund

General Capital Fund

Year Ended December 31, 2023

	<u>Ref.</u>	
Balance - December 31, 2022	C	610,804
Increased by:		
Budget Appropriation		3,000,000
State Aid Received		<u>114,750</u>
	C-2	<u>3,114,750</u>
		3,725,554
Decreased by:		
Appropriated to Finance Improvement		
Authorizations	C-9	<u>2,610,000</u>
Balance - December 31, 2023	C	<u>1,115,554</u>

Township of Sparta, N.J.

Schedule of Due From Sewer Capital Fund

General Capital Fund

Year Ended December 31, 2023

Ref.

Balance - December 31, 2022	C	<u>696,100</u>
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Decreased by:

Cash Receipts	C-2	<u>696,100</u>
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Township of Sparta, N.J.

Schedule of Reserve for Encumbrances

General Capital Fund

Year Ended December 31, 2023

	<u>Ref.</u>	
Balance - December 31, 2022	C	864,488
Increased by:		
Improvement Authorizations	C-9	635,701
		<u>1,500,190</u>
Decreased by:		
Cash Disbursed	C-2	481,971
Cancelled	C-9	<u>28,079</u>
		<u>510,050</u>
Balance - December 31, 2023	C	<u>990,139</u>

Schedule of Reserve for Developers Contribution

General Capital Fund

Year Ended December 31, 2023

	<u>Ref.</u>	
Balance - December 31, 2022	C	<u>74,566</u>
Balance - December 31, 2023	C	<u>74,566</u>

Township of Sparta, N.J.

Schedule of Bonds and Notes Authorized But Not Issued

General Capital Fund

Year Ended December 31, 2023

Ordinance Number	Improvement Description	Bond		Balance	
		Dec. 31, 2022	2023 Authorizations	Anticipation Notes Issued	Dec. 31, 2023
18-13	Improvements to Demarest Rd II and Green Rd	0	-	-	0
22-07	Improvement of White Lake Park	780,000	-	-	780,000
23-04	Construction of a Salt Shed	-	2,090,000	2,090,000	-
		<u><u>780,000</u></u>	<u><u>2,090,000</u></u>	<u><u>2,090,000</u></u>	<u><u>780,000</u></u>
		Footnote C	C-6	C-8	Footnote C

Township of Sparta, N.J.

Schedule of Cash

Water Utility Fund

Year Ended December 31, 2023

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance - December 31, 2022	D	<u>2,195,757</u>	<u>695,926</u>
Increased by Receipts:			
Capital Surplus			
Fire Hydrant Service	D-3	34,163	-
Water Tower Cell Phone Lease	D-3	365,751	-
Miscellaneous Revenues	D-3	288,781	-
Miscellaneous Revenues not Anticipated	D-3	318,153	-
Consumer Accounts Receivable	D-7	3,097,604	-
Water Rents Overpayments	D-13	84,348	-
Capital Improvement Fund	D-20	-	500,000
		<u>4,188,800</u>	<u>500,000</u>
Decreased by Disbursements:			
Budget Appropriations	D-4	3,702,125	-
Interfunds	D-10	2,062	-
Appropriation Reserves	D-12	45,165	-
Water Rents Overpayments	D-13	557	-
Accounts Payable	D-14	581	-
Interest on Bonds	D-15	236,828	-
Interest on Notes	D-16	18,695	-
Improvement Authorizations	D-19	-	816,360
Encumbrances Payable	D-21	-	143,314
		<u>4,006,013</u>	<u>959,674</u>
Balance - December 31, 2023	D	<u>2,378,544</u>	<u>236,252</u>

Township of Sparta, N.J.

Schedule of Water Utility Capital Cash

Water Utility Fund

Year Ended December 31, 2023

ORD. No.	Improvement Authorizations	Receipts			Disbursements		Transfers		Balance Dec. 31, 2023
		Budget	Appropriations	Authorizations	To	From			
Fund Balance									
		29,118	-	-	-	-	1,802	-	30,920
		-	-	-	-	-	-	-	(1,802)
		143,410	-	143,314	-	-	2,940	1,802	1
		45,939	500,000	-	-	85,000	620,000	1	3,035
		(500)	-	-	-	-	-	-	10,939
									(500)
Interfund - Current Fund									
							-	-	225,000
Reserve for Encumbrances									
							1	-	165
Capital Improvement Fund									
							759	-	-
							630	-	-
							485	-	-
							206	-	-
							3,322	-	-
							247,393	-	-
							-	228,423	2,040
							-	488,004	500,000
							-	120,000	900
							-	94,530	85,000
							-	959,674	709,743
									236,252
									D

Township of Sparta, N.J.

Schedule of Consumer Accounts Receivable

Water Utility Operating Fund

Year Ended December 31, 2023

	Balance Dec. 31, 2022	Charges	Collections	Balance Dec. 31, 2023
Water Rents & Capacity				
Charges	<u>425,064</u>	<u>3,103,279</u>	<u>3,179,944</u>	<u>348,399</u>
	D		D-3; D-5	D
Cash Receipts		<u>Ref.</u>		
		D-5	<u>3,097,604</u>	
Pre-Paid & Overpaid Rents Applied		D-13	<u>82,339</u>	
		D-3	<u>3,179,944</u>	

Township of Sparta, N.J.**Schedule of Fixed Capital****Water Utility Capital Fund****Year Ended December 31, 2023**Ref.

Balance December 31, 2022	D	30,881,823
Increased by:		
Improvement Authorizations Completed	D-9	<u>1,914,000</u>
Balance December 31, 2023	D	<u><u>32,795,823</u></u>

Township of Sparta, N.J.

Schedule of Fixed Capital Authorized and Uncompleted**Water Utility Capital Fund****Year Ended December 31, 2023**

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance Dec. 31, 2022	2023 Authorizations			Improvement Authorization Cancelled	Costs to Fixed Capital	Balance Dec. 31, 2023
					Deferred	Deferred Reserve for Amortization	Charges to Future Revenue			
16-11	Improvement to The Water Supply and Distribution System	06/14/2016	800,000	800,000	-	-	-	-	-	800,000
18-09	Various Water Capital Improvements	07/10/2018	510,000	510,000	-	-	-	-	-	510,000
19-22	Various Water Capital Improvements	11/12/2019	15,000	150,000	-	-	-	-	-	150,000
20-08	Various Water Capital Improvements	07/14/2020	754,000	754,000	-	-	-	-	-	754,000
21-08	Various Water Capital Improvements	05/25/2021	500,000	500,000	-	-	-	-	-	500,000
22-06	Various Water Capital Improvements	07/12/2022	500,000	500,000	-	-	-	-	-	500,000
23-14	Various Water Capital Improvements	07/11/2023	500,000	-	500,000	-	-	-	-	500,000
23-20	Various Water Utility System Improvements	10/24/2023	2,500,000	-	120,000	2,380,000	-	85,000	-	2,415,000
			<u>3,214,000</u>	<u>3,214,000</u>	<u>-</u>	<u>2,380,000</u>	<u>-</u>	<u>85,000</u>	<u>-</u>	<u>2,415,000</u>
			<u>D</u>	<u>D-19</u>	<u>D-19</u>	<u>D-19</u>	<u>D-19</u>	<u>D-19</u>	<u>D-8</u>	<u>D</u>

Township of Sparta, N.J.

Schedule of Interfund Accounts Receivable (Payable)

Water Utility Fund

Year Ended December 31, 2023

	Water Operating Fund		Water Capital Fund	
	<u>Ref.</u>	<u>Other</u>		
		<u>Current Fund</u>	<u>Trust Funds</u>	<u>Current Fund</u>
Balance - December 31, 2022	D	-	25,916	-
Increased by:				
Fund Balance	D-2	-	-	1,802
Disbursements	D-5	2,062	-	-
		<u>2,062</u>	<u>-</u>	<u>1,802</u>
Balance - December 31, 2023	D	<u>2,062</u>	<u>25,916</u>	<u>1,802</u>

Township of Sparta, N.J.

Schedule of Deferred Charges

Water Utility Capital Fund

Year Ended December 31, 2023

Ref.

Balance - December 31, 2022	D	<u>500</u>
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Balance - December 31, 2023	D	<u>500</u>
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Township of Sparta, N.J.

Schedule of Appropriation Reserves

Water Utility Operating Fund

Year Ended December 31, 2023

	<u>Balance, Dec. 31, 2022</u>	<u>Balance After Transfers</u>	<u>Paid or Charged</u>	<u>Balance Lapsed</u>
Operating:				
Salaries and Wages	11,779	11,779	4,718	7,061
Other Expenses	28,129	28,129	28,129	-
Capital Improvement Fund:				
Capital Outlay	10,000	10,000	10,000	-
Deferred Charges and Statutory				
Expenditures:				
Contribution to:				
Social Security System	3,010	3,010	3,010	-
	<u>52,917</u>	<u>52,917</u>	<u>45,856</u>	<u>7,061</u>
	Ref.			D-1

Analysis of Reserve Balance

Unencumbered	D	13,050
Encumbered	D	39,867
		<u>52,917</u>

Analysis of Paid or Charged

Cash Disbursed	D-5	45,165
Encumbrances Payable	D-14	691
		<u>45,856</u>

Township of Sparta, N.J.

Schedule of Utility Charge Overpayments

Water Utility Operating Fund

Year Ended December 31, 2023

	<u>Ref.</u>	
Balance - December 31, 2022	D	62,071
Increased by:		
Cash Receipts	D-5	84,348
		<u>146,419</u>
Decreased by:		
Applied	D-7	82,340
Refunded	D-5	<u>557</u>
		<u>82,897</u>
Balance - December 31, 2023	D	<u>63,523</u>

Township of Sparta, N.J.

Schedule of Accounts Payable

Water Utility Operating Fund

Year Ended December 31, 2023

Ref.

Balance December 31, 2022	D	581
Increased by:		
Appropriation Reserve	D-12	691
		<hr/> 1,272
Decreased by:		
Cash Disbursed	D-5	581
Balance December 31, 2023	D	<hr/> 691

Township of Sparta, N.J.

Schedule of Accrued Interest on Bonds

Water Utility Operating Fund

Year Ended December 31, 2023

Ref.

Balance - December 31, 2022	D	91,069
Increased by:		
Budget Appropriation for Interest on Bonds	D-4	177,708
		<u>268,777</u>
Decreased by:		
Interest Paid	D-5	<u>236,828</u>
Balance - December 31, 2023	D	<u>31,949</u>

Principal Outstanding <u>Dec. 31, 2023</u>	Interest <u>Rate</u>	From	To	Period (days)	Required <u>Amount</u>	Actual <u>Amount</u>
450,000	Various	10/1/2023	12/31/2023	91	4,331	2,464
824,000	Various	10/15/2023	12/31/2023	77	6,272	3,568
1,630,000	Various	7/1/2023	12/31/2023	183	24,450	13,909
3,231,000	Various	10/4/2023	12/31/2023	88	21,112	12,009
<u>6,135,000</u>					<u>56,164</u>	<u>31,949</u>

D-17

Township of Sparta, N.J.

Schedule of Accrued Interest on Notes

Water Utility Operating Fund

Year Ended December 31, 2023

Ref.

Balance - December 31, 2022	D	4,712
Increased by:		
Budget Appropriation - Interest on Notes	D-4	<u>20,757</u>
		<u>25,469</u>
Decreased by:		
Interest Paid	D-5	<u>18,695</u>
Balance - December 31, 2023	D	<u><u>6,774</u></u>

Principal	Outstanding	Interest	From	To	Period (days)	Required Amount	Actual Amount
Dec. 31, 2023	<u>Rate</u>					<u>Amount</u>	<u>Amount</u>
<u>502,800</u>	4.50%		09/27/23	12/31/2023	95	<u>5,889</u>	<u>6,774</u>
D-18							

Township of Sparta, N.J.

Schedule of Water Serial Bonds Payable

Water Utility Capital Fund

Year Ended December 31, 2023

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance, Dec. 31, 2022	Decreased by	Balance, Dec. 31, 2023
			Date	Dec. 31, 2023				
Water Bonds of 2011	04/28/2011	2,310,000	04/01/24	155,000	3.625%			
			04/01/25	155,000	4.000%			
			04/01/26	140,000	4.000%	605,000	155,000	450,000
Water Bonds of 2013	10/15/2013	1,424,000	10/15/24	75,000	3.000%			
			10/15/25	75,000	3.250%			
			10/15/26	80,000	3.250%			
			10/15/27	80,000	3.250%			
			10/15/28	85,000	3.250%			
			10/15/29	85,000	4.000%			
			10/15/30	85,000	4.000%			
			10/15/31	85,000	4.000%			
			10/15/32	85,000	4.000%			
			10/15/33	89,000	4.000%	894,000	70,000	824,000
Water Refunding Bonds of 2014	09/10/2014	5,828,000	01/01/24	550,000	5.000%			
			01/01/25	540,000	5.000%			
			01/01/26	540,000	5.000%			
Water Bonds of 2017	10/1/2017	4,781,000	10/01/24	300,000	3.000%			
			10/01/25	300,000	3.000%			
			10/01/26	350,000	2.000%			
			10/01/27	350,000	2.500%			
			10/01/28	375,000	2.500%			
			10/01/29	400,000	2.750%			
			10/01/30	400,000	2.750%			
			10/01/31	400,000	3.000%			
			10/01/32	356,000	3.000%			
						3,531,000	300,000	3,231,000
						7,210,000	1,075,000	6,135,000
						<u>D</u>	<u>D-22</u>	<u>D-15</u>

Township of Sparta, N.J.

Schedule of Water Capital Bond Anticipation Notes

Water Utility Fund

Year Ended December 31, 2023

Ordinance Number	Improvement Description	Original Note		Date of Issue	Date of Issue	Interest Rate	Balance, Dec. 31, 2022	Increased	Decreased	Balance, Dec. 31, 2023
		Date of Issue	Amount of Issue							
17-07	Improvements to Water Utility System	10/04/17	300,000	09/28/22 09/27/23	09/28/23 06/27/24	3.12% 4.50%	150,000 -	120,000 -	150,000 -	120,000
18-09	Various Water Capital Improvements	10/03/18	410,000	09/28/22 09/27/23	09/28/23 06/27/24	3.12% 4.50%	246,000 -	205,000 -	246,000 -	205,000
20-08	Various Water Capital Improvements	07/14/20	254,000	09/28/22 09/27/23	09/28/23 06/27/24	3.12% 4.50%	203,200 -	177,800 -	203,200 -	177,800
							599,200 D	502,800 D	599,200 D	502,800 D
							Ref.	502,800	502,800	
							Renewals			
							Reserve for Amortization	D-22	-	30,000
							Paid by Budget Appropriation	D-23	-	66,400
										599,200

Township of Sparta, N.J.

Schedule of Improvement Authorizations

Water Utility Capital Fund

Year Ended December 31, 2023

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance Dec. 31, 2022		2023		Cancelled	Balance Dec. 31, 2023
				Funded	Unfunded	Authorizations Capital Improvement Fund	Encumbrances Cancelled		
General Improvements:									
16-11	Improvement to The Water Supply and Distribution System	06/14/2016	380,000	164	-	-	1	-	164
18-08	Various Water Capital Improvements	07/10/2018	280,000	759	-	-	-	759	-
18-09	Various Water Capital Improvements	07/10/2018	510,000	-	620	-	-	630	-
19-22	Various Water Capital Improvements	1/1/2/2019	150,000	485	-	-	-	485	-
20-08	Various Water Capital Improvements	07/14/2020	754,000	-	206	-	-	206	-
21-08	Various Water Capital Improvements	05/25/2021	500,000	3,322	-	-	-	3,322	-
22-06	Various Water Capital Improvements	7/12/2022	500,000	247,393	-	-	-	230,463	-
23-14	Various Water Capital Improvements	7/11/2023	500,000	-	500,000	-	-	488,904	-
23-20	Various Water Utility System Improvements	10/24/2023	2,500,000	-	2,500,000	-	-	94,530	85,000
			252,124	D	836	3,000,000	D-9	83,000	28,190
			D	D	D-21	D-21	D-9	D	D
Cash Disbursements									
						Ref			
						D-5			
						D-21			
							2,940		
								819,300	
									819,300

Township of Sparta, N.J.**Schedule of Capital Improvement Fund****Water Utility Capital Fund****Year Ended December 31, 2023**

	<u>Ref.</u>	
Balance - December 31, 2022	D	45,939
Increased by:		
Budget Appropriation	D-5	500,000
Improvement Authorization Cancelled	D-19	<u>85,000</u>
		<u>585,000</u>
		<u>630,939</u>
Decreased by:		
Appropriated to Finance		
Improvement Authorizations	D-23	<u>620,000</u>
Balance - December 31, 2023	D	<u>10,939</u>

Schedule of Encumbrances Payable**Water Utility Capital Fund****Year Ended December 31, 2023**

	<u>Ref.</u>	
Balance - December 31, 2022	D	143,410
Increased by:		
Improvement Authorizations	D-19	<u>2,940</u>
		<u>146,350</u>
Decreased by:		
Cash Disbursements	D-5	143,314
Cancelled	D-19	<u>1</u>
		<u>143,315</u>
Balance - December 31, 2023	D	<u>3,035</u>

Township of Sparta, N.J.

Schedule of Reserve for Amortization

Water Utility Capital Fund

Year Ended December 31, 2023

	<u>Ref.</u>	
Balance - December 31, 2022	D	24,046,823
Increased by:		
Serial Bonds Paid by Operating Budget	D-17	1,075,000
Bond Anticipation Notes Paid by Operating Budget	D-18	30,000
		1,105,000
Balance - December 31, 2023	D	25,151,823

Township of Sparta, N.J.

Schedule of Deferred Reserve for Amortization

Water Utility Capital Fund

Year Ended December 31, 2023

Ordinance Number	Improvement Description	General Improvements:	Date of Ordinance	Balance, Dec. 31,2022	Fixed Capital Authorized	Paid From Operating Budget Notes	Cancelled	Balance, Dec. 31,2023
16-11	Improvement to the Water Supply and System		06/14/2016	500,000	-	-	-	500,000
18-09	Various Water Capital Improvements		07/10/2018	264,000	-	41,000	-	305,000
19-22	Various Water Capital Improvements		11/12/2019	150,000	-	-	-	150,000
20-08	Various Water Capital Improvements		07/14/2020	550,800	-	25,400	-	576,200
21-08	Various Water Capital Improvements		05/25/2021	500,000	-	-	-	500,000
22-06	Various Water Capital Improvements		07/12/2022	500,000	-	-	-	500,000
23-14	Various Water Capital Improvements		7/11/2023	-	500,000	-	-	500,000
23-20	Various Water Utility System Improvements		10/24/2023	-	120,000	-	85,000	35,000
				<u>2,464,800</u>	<u>620,000</u>	<u>66,400</u>	<u>85,000</u>	<u>3,066,200</u>
				<u><u>D</u></u>	<u><u>D-20</u></u>	<u><u>D-18</u></u>	<u><u>D-20</u></u>	<u><u>D</u></u>

Township of Sparta, N.J.**Schedule of Bonds and Notes Authorized But Not Issued****Water Utility Capital Fund****Year Ended December 31, 2023**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>2023 Authorizations</u>	<u>Balance, Dec. 31,2023</u>
23-20	Various Water Utility System Improvements	2,380,000 D-19	2,380,000 Footnote D

Township of Sparta, N.J.

Schedule of Cash

Sewer Utility Fund

Year Ended December 31, 2023

	<u>Ref.</u>	<u>Operating</u>	<u>Capital</u>
Balance - December 31, 2022	E	<u>244,924</u>	<u>15,140</u>
Increased by Receipts:			
Miscellaneous Revenue	E-3	54,479	-
Miscellaneous Revenue Anticipated	E-3	15,664	-
Board of Education Share of			
Debt Service	E-3	87,987	-
Deficit (General Budget)	E-3	118,734	-
Premium on BAN Sale	E-2	-	5,407
Consumer Accounts Receivable	E-7	846,236	-
Interfund Receipts	E-9	-	907,000
Sewer Rents Overpayments	E-14	6,099	-
Bond Anticipation Notes	E-18	-	700,000
		<u>1,129,200</u>	<u>1,612,407</u>
Decreased by Disbursements:			
Budget Appropriations	E-4	951,295	-
Interfund Disbursements	E-9	5,756	696,100
Accounts Payable	E-12	119,149	
Appropriation Reserves	E-13	53,780	-
Interest on Bonds	E-15	41,750	-
Interest on Notes	E-16	29,262	-
Bond Anticipation Notes	E-18	-	800
Improvement Authorizations	E-19	-	4,686
		<u>1,200,992</u>	<u>701,586</u>
Balance - December 31, 2023	E	<u>173,132</u>	<u>925,961</u>

Township of Sparta, N.J.

Schedule of Sewer Utility Capital [cash]

Sewer Utility Fund

Year Ended December 31, 2023

Township of Sparta, N.J.

Schedule of Consumer Accounts Receivable

Sewer Utility Operating Fund

Year Ended December 31, 2023

	Balance Dec. 31, 2022	Charges	Collections	Balance Dec. 31, 2023
Sewer Rents & Capacity				
Charges	<u>55,448</u>	<u>840,371</u>	<u>853,891</u>	<u>41,929</u>
	E			E
		<u>Ref.</u>		
Cash Receipts		E-5	846,236	
Pre-Paid Rents Applied		E-14	7,655	
		E-3	<u>853,891</u>	

Township of Sparta, N.J.

Statement of Deferred Charges**Sewer Utility Operating Fund****Year Ended December 31, 2023**

	<u>Balance, Dec. 31, 2022</u>	<u>Balance, Dec. 31, 2023</u>
Overpenditure of Appropriation Reserves	<u>11,310</u> E	<u>11,310</u> E

Township of Sparta, N.J.

Schedule of Interfund Accounts Receivable (Payable)

Sewer Utility Fund

Year Ended December 31, 2023

		Sewer Operating Fund		Sewer Capital Fund	
	<u>Ref.</u>	Current <u>Fund</u>	Other <u>Trust Funds</u>	General <u>Capital Fund</u>	Current <u>Fund</u>
Balance - December 31, 2022	E	-	3,143	(696,100)	-
Increased by:					
Disbursements	E-5	5,756	-	696,100	-
		5,756	3,143	-	-
Decreased by:					
Receipts	E-5	-	-	-	907,000
Balance - December 31, 2023	E	<u>5,756</u>	<u>3,143</u>	<u>-</u>	<u>(907,000)</u>

Township of Sparta, N.J.

Schedule of Fixed Capital

Sewer Utility Capital Fund

Year Ended December 31, 2023

Ref.

Balance December 31, 2022	E	<u>9,803,594</u>
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Balance December 31, 2023	E	<u>9,803,594</u>
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Township of Sparta, N.J.

Schedule of Fixed Capital Authorized and Uncompleted**Sewer Utility Capital Fund****Year Ended December 31, 2023**

Ordinance Number	<u>Improvement Description</u>	<u>Ordinance Date</u>		<u>Balance Dec. 31, 2022</u>	<u>Balance Dec. 31, 2023</u>
		<u>Amount</u>	<u>Amount</u>		
21-09	Supplemental Appropriation - Conversion of White Deer Plaza Sewer Plant	05/25/21	500,000	500,000	500,000
22-18	Supplemental Appropriation - Conversion of White Deer Plaza Sewer Plant	12/13/22	700,000	<u>700,000</u>	<u>700,000</u>
				<u><u>1,200,000</u></u>	<u><u>1,200,000</u></u>
				<u><u>E</u></u>	<u><u>E</u></u>

Township of Sparta, N.J.

Schedule of Accounts Payable

Sewer Operating Fund

Year Ended December 31, 2023

Ref.

Balance - December 31, 2022	E	<u>119,149</u>
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Decreased by:

Cash Disbursements	E-5	<u>119,149</u>
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Township of Sparta, N.J.

Schedule of Appropriation Reserves

Sewer Utility Operating Fund

Year Ended December 31, 2023

	Balance <u>Dec. 31, 2022</u>	After <u>Transfers</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Operating:				
Salaries and Wages	22,896	22,896	-	22,896
Other Expenses	53,780	53,780	53,780	-
Other Expenses - SCMUA	3,888	3,888	-	3,888
Deferred Charges and Statutory Expenditures:				
Contribution to:				
Social Security System	2,485	2,485	-	2,485
	<u>83,049</u>	<u>83,049</u>	<u>53,780</u>	<u>29,269</u>
	<u>Ref.</u>		E-5	E-1
<u>Analysis of Appropriation Reserves</u>				
Unencumbered	E	43,508		
Encumbered	E	<u>39,541</u>		
		<u>83,049</u>		

Schedule of Sewer Utility Charge Overpayments

Sewer Utility Operating Fund

Year Ended December 31, 2023

	<u>Ref.</u>	
Balance - December 31, 2022	E	1,791
Increased by:		
Cash Receipts	E-5	<u>6,099</u>
		<u>7,890</u>
Decreased by:		
Applied	E-7	<u>7,655</u>
Balance - December 31, 2023	E	<u>236</u>

Township of Sparta, N.J.

Schedule of Accrued Interest on Bonds

Sewer Utility Operating Fund

Year Ended December 31, 2023

Ref.

Balance - December 31, 2022	E	17,581
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Increased by:

Budget Appropriation for Interest on Bonds	E-4	36,300
		<u>53,881</u>

Decreased by:

Interest Paid	E-5	<u>41,750</u>
Balance - December 31, 2023	E	<u>12,131</u>

Principal Outstanding Dec. 31, 2023	Interest Rate	From	To	Period (days)	Required Amount	Actual Amount
540,000	Various	10/1/2023	12/31/2023	91	5,203	5,769
460,000	Various	7/1/2023	12/31/2023	183	5,738	6,362
<u>1,000,000</u>					<u>10,940</u>	<u>12,131</u>

E-17

Township of Sparta, N.J.

Schedule of Accrued Interest on Bond Anticipation Notes

Sewer Utility Operating Fund

Year Ended December 31, 2023

Ref.

Balance - December 31, 2022	E	2,188
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Increased by:

Budget Appropriation for Interest on Notes	E-4	35,018
		<u>37,206</u>

Decreased by:

Interest Paid	E-5	<u>29,262</u>
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Balance - December 31, 2023	E	<u>7,943</u>
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Principal Outstanding Dec. 31, 2023	Interest Rate	From	To	Period (days)	Required Amount	Actual Amount
6,000	4.50%	09/27/23	12/31/2023	95	70	53
901,000	4.50%	09/27/23	12/31/2023	95	10,553	7,891
<u>907,000</u>					<u>10,623</u>	<u>7,943</u>

E-18

Township of Sparta, N.J.

Schedule of Sewer Serial Bonds Payable

Sewer Utility Capital Fund

Year Ended December 31, 2023

Purpose	Date of Issue	Original Issue	Maturities of Bonds		Interest Rate	Balance, Dec. 31, 2022	Decreased by	Balance, Dec. 31, 2023
			Date	Outstanding Dec. 31, 2023 Amount				
Sewer Bonds of 2011	04/28/11	2,317,000	04/01/24 04/01/25 04/01/26	180,000 180,000 180,000	3.625% 4.000% 4.000%	720,000	180,000	540,000
Sewer Refunding Bonds of 2014	09/10/14	1,627,000	01/01/24 01/01/25 01/01/26	155,000 150,000 155,000	5.000% 5.000% 5.000%	615,000 1,335,000	155,000 335,000	460,000 1,000,000
							<u><u>E</u></u>	<u><u>E-22</u></u>

Township of Sparta, N.J.

Schedule of Sewer Capital Bond Anticipation Notes

Sewer Utility Fund

Year Ended December 31, 2023

Ordinance Number	Improvement Description	Original Note		Date of Issue	Amount of Issue	Date of Maturity	Interest Rate	Balance, Dec. 31, 2022	Increased	Decreased	Balance, Dec. 31, 2023
		Date of Issue	Amount of Issue								
11-17	Improvement to the Sanitary Sewerage System	11/01/13	60,000	09/28/22 09/27/23	09/28/23 06/24/24	3.12% 4.50%	12,000 -	6,000 -	12,000 -	6,000 -	
19-12	Conversion of White Deer Plaza Sewer Plant Into a Pumping Station	08/13/19	950,000	09/28/22 09/27/23	09/28/23 06/24/24	3.12% 4.50%	925,900 -	901,000 -	925,900 -	901,000 -	
22-18	Supplemental Appropriation - Conversion of the White Deer Plaza Plant	09/27/23	700,000	09/27/23	06/24/24	4.50%	937,900 E	700,000 1,607,000	937,900 -	700,000 1,607,000	
							Renewals Issued for Cash BAN Not Re-issued Paid by Budget Appropriation	Ref E-5; E-24 E-5; E-24 E-23	907,000 700,000 - 1,607,000	907,000 - 800 - 30,100 937,900	

Township of Sparta, N.J.

Schedule of Improvement Authorizations

Sewer Utility Capital Fund

Year Ended December 31, 2023

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance		Paid or Charged	Balance Dec. 31,2023 <u>Unfunded</u>
				Dec. 31,2022 <u>Unfunded</u>	Dec. 31,2023 <u>Unfunded</u>		
21-09	Supplemental Appropriation - Conversion of the White Deer Plaza Plant	5/25/2021	500,000	500,000			500,000
22-18	Supplemental Appropriation - Conversion of White Deer Plaza Sewer Plant	12/13/22	700,000	31,320	4,722		26,598
				531,320	4,722		526,598
				E	E		
						Ref.	
						Cash Disbursements	4,686
						E-5	
						Encumbrances Payable	36
						E-21	
							4,722

Township of Sparta, N.J.

Schedule of Capital Improvement Fund

Sewer Utility Capital Fund

Year Ended December 31, 2023

Ref.

Balance - December 31, 2022	E	<u>8,500</u>
Balance - December 31, 2023	E	<u>8,500</u>

Schedule of Encumbrances Payable

Sewer Utility Capital Fund

Year Ended December 31, 2023

Ref.

Balance - December 31, 2022	E	3,292
Increased by:		
Improvement Authorizations	E-19	<u>36</u>
Balance - December 31, 2023	E	<u>3,328</u>

Township of Sparta, N.J.

Schedule of Reserve for Amortization

Sewer Utility Capital Fund

Year Ended December 31, 2023

Ref.

Balance - December 31, 2022	E	7,423,594
Increased by:		
Serial Bonds Paid by Operating Budget	E-17	<u>335,000</u>
Balance - December 31, 2023	E	<u><u>7,758,594</u></u>

Township of Sparta, N.J.

Schedule of Deferred Reserve for Amortization

Sewer Utility Capital Fund

Year Ended December 31, 2023

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance, Dec. 31,2022</u>	<u>Paid From Operating Budget - Notes</u>	<u>Balance, Dec. 31,2023</u>
11-17	Improvement of Sanitary Sewerage System	10/25/11	83,000	6,000	89,000
19-12	Conversion of White Deer Plaza Sewer Plant Into a Pumping Station	08/13/19	-	24,100	24,100
			<u>83,000</u>	<u>30,100</u>	<u>113,100</u>
			<u>E</u>	<u>E-18</u>	<u>E</u>

Township of Sparta, N.J.

Schedule of Bonds and Notes Authorized But Not Issued

Sewer Utility Capital Fund

Year Ended December 31, 2023

Ordinance <u>Number</u>	Improvement <u>Description</u>	Balance, <u>Dec. 31, 2022</u>	Bond Anticipation <u>Notes Issued</u>	Balance, <u>Dec. 31, 2023</u>
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>1,224,100.00</u>	<u>700,000.00</u>	<u>524,100.00</u>
		Footnote E	E-18	Footnote E

Township of Sparta, N.J.**Schedule of Cash****Solid Waste Operating Utility Fund****Year Ended December 31, 2023**

	<u>Ref.</u>	
Balance - December 31, 2022	F	1,172,618
Increased by Receipts:		
Solid Waste Penalties	F-2	78,030
Miscellaneous Revenue	F-2	20
Consumer Accounts Receivable	F-5	2,024,286
Prepaid Solid Waste User Fees	F-8	<u>40,296</u>
		<u>2,142,632</u>
		<u>3,315,250</u>
Decreased by Disbursements:		
Budget Appropriations	F-3	2,413,260
Appropriation Reserves	F-7	<u>832</u>
		<u>2,414,092</u>
Balance - December 31, 2023	F	<u>901,158</u>

Township of Sparta, N.J.

Schedule of Consumer Accounts Receivable

Solid Waste Operating Utility Fund

Year Ended December 31, 2023

	Balance <u>Dec. 31, 2022</u>	Charges	Collections	Balance <u>Dec. 31, 2023</u>
Solid Waste User Fees	<u>182,605</u>	<u>2,084,141</u>	<u>2,066,594</u>	<u>200,152</u>
	F			F
		<u>Ref.</u>		
Cash Receipts	F-4		2,024,286	
Pre-Paid Rents and Overpayments Applied	F-8		42,308	
			<u>2,066,594</u>	
			F-2	

Township of Sparta, N.J.

Schedule of Interfund Accounts Receivable (Payable)

Solid Waste Operating Utility Fund

Year Ended December 31, 2023

	<u>Ref.</u>	Other Trust Funds
Balance - December 31, 2022	F	<u>12,306</u>
Balance - December 31, 2023	F	<u>12,306</u>

Township of Sparta, N.J.

Schedule of Appropriation Reserves

Solid Waste Operating Utility Fund

Year Ended December 31, 2023

	Balance Dec. 31, 2022	After Transfers	Paid or Charged	Balance Lapsed
Operating:				
Salaries and Wages	5	5	-	5
Other Expenses	856	856	832	24
Deferred Charges and Statutory Expenditures:				
Statutory Expenditures:				
Contributions to:				
Social Security System	783	783	-	783
	<hr/> 1,643	<hr/> 1,643	<hr/> 832	<hr/> 811
	F		F-4	F-1

Schedule of Solid Waste User Fee Overpayments

Solid Waste Operating Utility Fund

Year Ended December 31, 2023

	<u>Ref.</u>	
Balance - December 31, 2022	F	4,190
Increased by:		
Cash Receipts	F-4	40,296
		<hr/> 44,486
Decreased by:		
Applied	F-5	42,308
Balance - December 31, 2023	F	2,178

TOWNSHIP OF SPARTA

PART II

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

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2023



WIELKOTZ & COMPANY^{CO}

CERTIFIED PUBLIC ACCOUNTANTS

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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, 2023 and the related notes to the financial statements, and have issued our report thereon dated October 22, 2024, 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.



Honorable Mayor and
Members of the Township Council
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A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

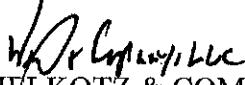
As part of obtaining reasonable assurance about whether the Township of Sparta's financial statements-regulatory basis are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have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

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township of Sparta internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Sparta internal controls and compliance. Accordingly, this communication is not suitable for any other purpose.


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


WIELKOTZ & COMPANY, LLC
Certified Public Accountants

Pompton Lakes New Jersey

October 22, 2024

GENERAL COMMENTS

Cash Balances

Cash balances in all funds were verified by independent certificates obtained from the depositories as of December 31, 2023, and at October 22, 2024, in connection with the supplemental reconciliations made for all officials. Cash on hand was counted on that date.

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

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

- a. "When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to \$25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section."
- b. Any contracts made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to subparagraph (i) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, c.198 (C.40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.
- c. The Governor, in consultation with the Department of the Treasury, shall, no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L. 1999, c.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L. 1971, c.198 (C.40A:11-2), and shall round the adjustment to the nearest \$1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. That adjustment shall become effective on July 1 of the year in which it is made."

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

GENERAL COMMENTS (CONTINUED)

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

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

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

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

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

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

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

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

Collection of Interest on Delinquent Taxes and Assessments

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

The governing body on January 5, 2023 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 10th calendar day; interest is to be calculated from the date the tax was payable until the date of actual payment.
5. If taxes are not paid by December 31, and the delinquent balance is \$10,000.00 including interest and taxes; a 6% penalty will be charged.

The governing body also on January 5, 2023, 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 30th calendar day; interest is to be calculated on each delinquency that the water, sewer and solid waste charges were payable until the date of actual payment.

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

Delinquent Taxes and Tax Title Liens

The last tax sale was held on October 11, 2023, and was complete except for parties in bankruptcy court.

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

<u>Year</u>	<u>Number of Liens</u>
2023	42
2022	46
2021	48

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, 2023 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:

Finance

1. The Current Fund general ledger was not properly maintained, as such, Current Fund cash book balance could not be reconciled to the bank balance as of December 31, 2023.
2. Several budget transfers lacked approved Council resolution.
3. Several expenditures were charged to improper budget lines.
4. Appropriation reserve budget balances have been transferred to trust without approved resolution.
5. In some cases, departmental revenue postings did not agree with the detailed sub-ledger.
6. Two trust reserves are being used without approved dedications by rider.
7. Expenditures were charged to one grant that has not been appropriated for spending.
8. Several 1099s were not issued to vendors who should have received one.
9. Fixed asset inventory was not updated for 2023.

Municipal Court

1. Several outstanding checks in the court and bail account are over one year old.
2. 49 municipal court tickets were assigned over 181 days ago and not yet issued.

Departments

1. In several cases, Construction Department receipts are not being deposited within 48 hours.
2. The annual UCC report filed with the State was not in agreement with the Township's financial record of revenues or salaries and wages paid.
3. Several gaps in dog tags issued could not be accounted for.

OTHER COMMENTS: (CONTINUED)

Payroll

1. In one case, pension withholding was not being calculated correctly.
2. No procedures are in place to review tax payments through the EFTPS system.
3. Salaries and wages charged to the Township's operating budgets could not be tied to amounts reported on quarterly filings to IRS.

Capitals

1. A sewer utility capital improvement authorization from 2022 was not recorded in MSI.
2. Grant receipts in General Capital were credited to improvement authorizations and charged, resulting in an over expenditure of the original authorization.

RECOMMENDATIONS

It is recommended:

1. That all general ledgers and bank reconciliations be maintained in a timely manner.
2. That all budget transfers be approved in compliance with N.J.S.A. 40A:4-58.
3. That expenses be classified appropriately within the approved budget.
4. That the transfers of appropriations lines to trust reserves be supported by Council motion.
5. That all departmental revenues be recorded in their respective sub-ledgers and the sub-ledgers be tied to the general ledger monthly.
6. That all trust reserves be supported by State-approved dedication by rider.
7. That all grants be appropriated before being charged.
8. That 1099s be issued annually to all vendors who should receive one.
9. That an accounting of fixed assets be updated at least annually in accordance with N.J.A.C. 5:30-5.6.
10. That outstanding checks over one year old be cancelled and/or reissued.
11. That municipal court tickets assigned but not issued over 181 days be reissued or recalled.
12. That all receipts be deposited within 48 hours in accordance with N.J.S.A. 40A:5-15.
13. That the annual UCC report be prepared in agreement with the underlying financial records.
14. That all dog tags issued and/or voided be accounted for and available for audit.

RECOMMENDATIONS (CONTINUED)

15. That withholdings be reviewed periodically for accuracy.
16. That management review the EFTPS website periodically to ensure withholdings are turned over to appropriate agencies on the Township's behalf.
17. That salaries and wages be charged to salary and wage budget lines and any deviations be available for audit.
18. That all approved ordinances be recorded in the general ledger software for appropriate management of expenses.
19. That care be taken when recording grants received as reimbursements to avoid overspending.

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 the following exceptions:

1. That fixed Asset Ledgers be maintained in accordance with N.J.S.A. 5:30-5.6.
2. That municipal count tickets assigned but not issued over 181 days be recalled or reissued.

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

October 22, 2024