

**SCHOOL DISTRICT  
OF THE  
TOWNSHIP OF SPARTA**

**SPARTA TOWNSHIP SCHOOL DISTRICT  
Sparta, New Jersey**

**Annual Comprehensive Financial Report  
For The Fiscal Year Ended June 30, 2022**

**Annual Comprehensive  
Financial Report**

**of the**

**SPARTA TOWNSHIP SCHOOL DISTRICT**

**Sparta, New Jersey**

**For the Fiscal Year Ended June 30, 2022**

**Prepared by**

**SPARTA TOWNSHIP SCHOOL DISTRICT  
Board of Education**

SPARTA TOWNSHIP SCHOOL DISTRICT  
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INTRODUCTORY SECTION  
(UNAUDITED)

**SPARTA TOWNSHIP SCHOOL DISTRICT**  
**ADMINISTRATIVE HEADQUARTERS**  
**18 MOHAWK AVENUE**  
**SPARTA, NEW JERSEY 07871**  
**TELEPHONE: (973)-729-3655**

December 9, 2022

The Honorable President and Members of  
the Board of Education  
Sparta Township School District  
County of Sussex, New Jersey

Dear Board Members:

The annual comprehensive financial report of the Sparta Township School District (the "District") for the fiscal year ended June 30, 2022, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The annual comprehensive financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this transmittal letter, the District's organizational chart, a roster of officials and a list of consultants and advisors. The financial section includes the Independent Auditors' Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected economic and demographic information, financial trends and the fiscal capacity of the District, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' reports on the internal control system and compliance with applicable laws, and regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

**1) REPORTING ENTITY AND ITS SERVICES:**

The Sparta Township School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board ("GASB") in codification section 2100. All funds of the District are included in this report. The Sparta Township Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 12 for the students residing in Sparta Township.

As of June 30, 2022, Sparta Schools enrolled 3,186 students at five schools compared to 3,037 students as of June 30, 2021, which is an increase of 149 students, or 4.90%.

## 2) ECONOMIC CONDITION AND OUTLOOK:

The School District, along with many other public-school systems in the State, still faces some difficult economic situations in the future since the primary funding source is property tax revenue. The continued reduction in State Aid has also significantly impacted the district's budget. The School District's administration is closely monitoring the cost of operations and continues to look for new funding sources and improved efficiencies in order to maintain the quality educational services that the School District has been accustomed to providing. The School District attributes much of its past educational success to the community's demand for, and support of, both a traditional and a quality school system. Our School District will remain accountable to the residents and taxpayers who make the School District their school system of choice. The rising cost of transportation, facility maintenance, and increased special education needs as well as out-of-district placements are also matters that need to be considered in current and future budgets.

## 3) MAJOR INITIATIVES:

The Sparta Township Public Schools has undertaken a number of major initiatives focused on student growth and learning. These initiatives range in scope and focus based upon student need, grade level, developmental level and building. Major initiatives have been implemented in the areas of curriculum, technology and facilities in our efforts to improve student outcomes and provide our students with exemplary learning environments and opportunities. The following is a sample of major initiatives: Social-emotional professional development for staff and delivery for students, increased student data-analysis to drive instruction, technology audit and planning, communications audit and planning, and continued safety and security upgrades. Continued review and restructuring of the district response to intervention and gifted and talented manuals to ensure compliance and best practice in our procedures and identification of students in need of enrichment or remediation.

## 4) INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state awards, the District also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control system is also subject to periodic evaluation by the District's management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control system, including that portion related to federal and state award programs, as well as to determine that the District has complied with major applicable laws, regulations, contracts, and grants.



5) BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the Board of Education. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as restrictions, commitments and assignments of fund balance at June 30, 2022.

6) ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records reflect generally accepted accounting principles, as promulgated by the GASB. The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements", Note 1.

7) CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8) RISK MANAGEMENT:

The Board carries various forms of insurance, including, but not limited to, general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. The Board is a member of the School Alliance Insurance Fund ("SAIF"). The SAIF is a risk-sharing public entity risk management fund that is both an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage to their members. The School Alliance Insurance Fund oversees risk management for the District. A schedule of insurance coverage is found on Exhibit J-20.

The Honorable President and Members of  
the Board of Education  
Sparta Township School District  
Page 4  
December 9, 2022

9) OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditors' report on the basic financial statements and specific required supplementary information is included in the financial section of this report. The auditors' reports related specifically to the single audit and *Government Auditing Standards* are included in the single audit section of this report.

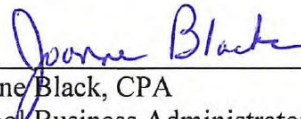
10) ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Sparta Township School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the School District and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of the financial and accounting staff.

Respectfully submitted,

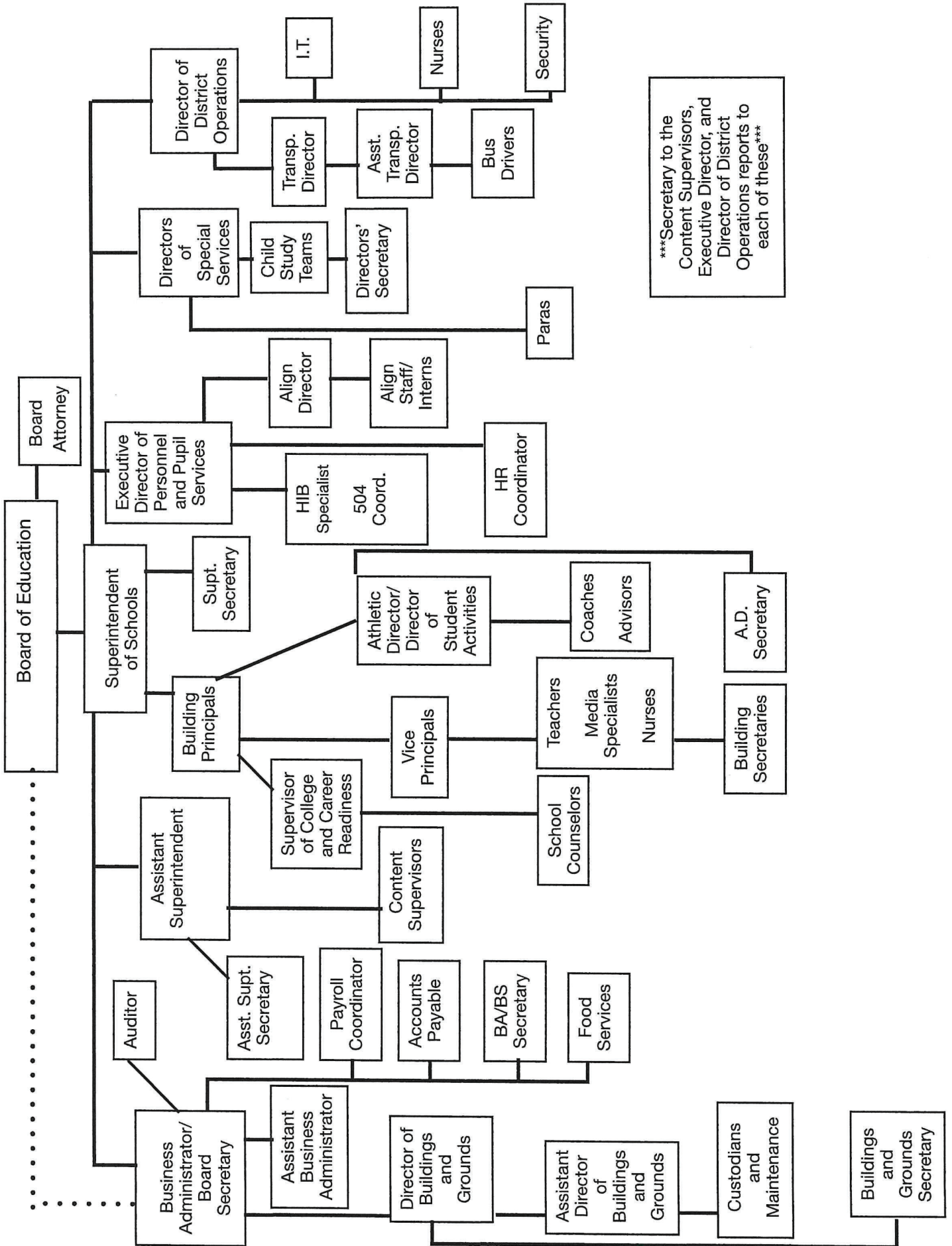


Dr. Matthew L. Beck  
Superintendent



Joanne Black, CPA  
School Business Administrator/  
Board Secretary  
(Effective July 1, 2022)

SPARTA TOWNSHIP SCHOOL DISTRICT - ORGANIZATION CHART



**SPARTA TOWNSHIP SCHOOL DISTRICT  
ROSTER OF OFFICIALS  
JUNE 30, 2022**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Craig Palleschi, President	2024
Niamh Grano, Vice President	2022
Kimberly Bragg	2022
Lauren Collier	2022
Patrick McKernan	2022
Jennifer Miller	2022
Kurt Morris	2022
Wendy Selander	2024
Vanessa Serrano	2024

<u>Other Officers</u>	<u>Title</u>
Dr. Matthew H. Beck	Superintendent of Schools
Tara Rossi	Assistant Superintendent
H. Ronald Smith	Interim Business Administrator
Kristine Demay	Assistant Business Administrator
Kerry A. Keane	Treasurer

**SPARTA TOWNSHIP SCHOOL DISTRICT**

**CONSULTANTS AND ADVISORS**

**ARCHITECTS**

Di Cara Rubino  
Wayne, NJ

**ATTORNEY**

Marc Zitomer  
Schenck, Price, Smith & King, LLP  
220 Park Avenue  
PO Box 991  
Florham Park, NJ 07932

**AUDIT FIRM**

Nisivoccia LLP, CPA's  
Mount Arlington Corporate Center  
200 Valley Rd., Suite 300  
Mount Arlington, NJ 07856  
And  
Lawrence Business Park  
11 Lawrence Road  
Newton NJ 07860  
And  
1140 Route 22 East, Suite 203  
Bridgewater, NJ 08807

**OFFICIAL DEPOSITORY**

Valley Bank  
Sparta, NJ

FINANCIAL SECTION

## Independent Auditors' Report

The Honorable President and Members  
of the Board of Education  
Sparta Township School District  
County of Sussex, New Jersey

### **Report on the Audit of the Financial Statements**

#### ***Qualified Opinion***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Township of Sparta School District (the "District"), in the County of Sussex, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the District, as of June 30, 2022, and the respective changes in financial position, and, where applicable cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Qualified Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Office") and the standards applicable to financial audits contained in *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 District 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 qualified audit opinion.

#### ***Matter Giving Rise to Qualified Opinion***

The District's note disclosure on postemployment benefits other than pensions (OPEB) (Note 18) contains the June 30, 2020 information and not the June 30, 2021 information as the report for Governmental Accounting Standards Board ("GASB") Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the State of New Jersey State Health Benefits Local Education Retired Employees Plan ("SHBP") has not been released by the Division of Pensions and Benefits, Department of the Treasury, State of New Jersey (the "Division"), as of the date of this report. The District is in a "special funding situation" in that the OPEB contributions, expenses and related liability are the sole responsibility of the State of New Jersey, not the District and therefore does not affect the District's net position. An estimated release date for the June 30, 2021 OPEB information has not been announced by the Division. In our opinion, disclosure of this information is required by accounting principles generally accepted in the United States of America.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, 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 misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District'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, *Government Auditing Standards* and audit requirements prescribed by the Office 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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and audit requirements prescribed by the Office, we:

- exercise professional judgment 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 District'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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District'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.



### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, which follows this report, the pension and post-retirement schedules in Exhibits L-1 through L-5 and the related notes, and the budgetary comparison information in Exhibits C-1 through C-3 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, are required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Schedule of Changes in the State's Proportionate Share of the Total OPEB Liability Associated with the District and Related Ratios (Exhibit L-5) do not contain the June 30, 2021 OPEB information as the related GASB No. 75 report for SHBP has not been released by the State as of the date of this report. The District is in a "special funding situation" in that the OPEB contributions, expenses and related liability are the sole responsibility of the State of New Jersey, not the District and therefore does not affect the District's net position. An estimated release date for the June 30, 2021 OPEB information has not been announced by the Division. This required supplementary information is required to be presented to supplement the basic financial statements in accordance with accounting principles generally accepted in the United States of America. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information schedules and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's 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 District's internal control over financial reporting and compliance.

Mount Arlington, New Jersey  
December 9, 2022

*Nisivoccia, LLP*  
NISIVOCCIA LLP

*Kathryn L. Mantell*  
\_\_\_\_\_  
Kathryn L. Mantell  
Licensed Public School Accountant #884  
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**SPARTA TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

This section of Sparta Township School District’s annual financial report presents its discussion and analysis of the District’s financial performance during the fiscal year ending June 30, 2022. Please read it in conjunction with the transmittal letter at the front of this report and the District’s basic financial statements, which immediately follow this section.

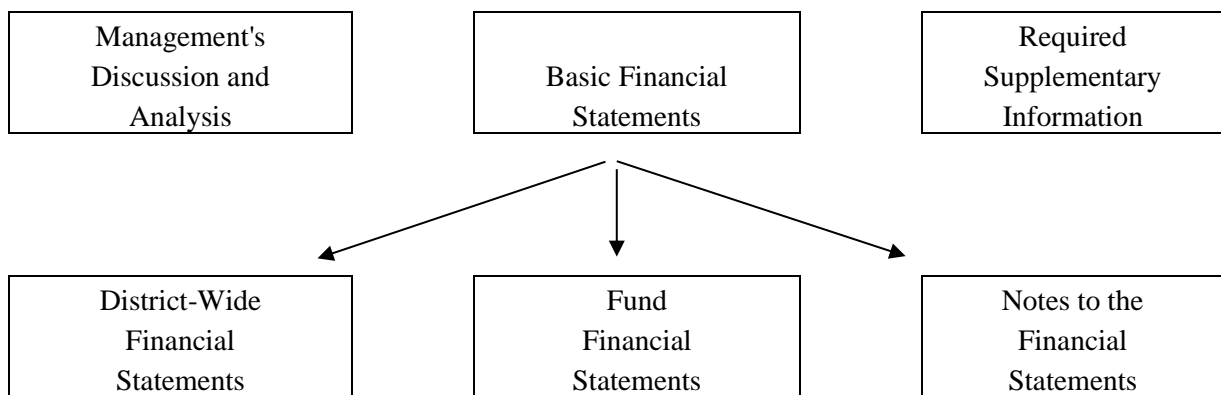
**Overview of the Financial Statements**

This annual report consists of three parts: management’s discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *District-wide financial statements* that provide both *short-term* and *long-term* information about the District’s *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District’s operations in *more* detail than the District-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- *Proprietary funds statements* offer *short- and long-term* financial information about the activities the District operates like a business, such as food service operations.
- *Notes to the Basic Financial Statements* provide additional information essential to a full understanding of the district-wide and fund financial statements.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District’s budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

**Figure A-1  
Organization of Sparta Township School District’s Financial Report**



**SPARTA TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

**Figure A-2**

*Major Features of the District-Wide and Fund Financial Statements*

	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire district	Activities of the district that are not proprietary, such as special education and building maintenance	Activities the district operates similar to private businesses: food services
Required Financial Statements	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance sheet</li> <li>• Statement of revenue, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of revenue, expenses, and changes in net position</li> <li>• Statement of cash flows</li> </ul>
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets, lease assets or long-term liabilities are included	All assets and liabilities, both financial and capital, short-term and long-term
Type of Inflow/Outflow Information	All revenue and expenses during the year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after year end; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the year, regardless of when cash is received or paid

**SPARTA TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**District-wide Statements**

The District-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets, deferred inflows and outflows and liabilities. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two District-wide statements report the District's *net position* and how they have changed. Net position – the difference between the District's assets, deferred inflows and outflows and liabilities – is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the District-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities*: Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes and state formula aid finance most of these activities.
- *Business-type activities*: The District charges fees to help it cover the costs of certain services it provides. The District's food service operation is included here.

**Fund Financial Statements**

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenue (such as federal grants).

The District has two kinds of funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on {1} how cash and other financial assets that can readily be converted to cash flow in and out, and {2} the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.
- *Proprietary funds*: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows.

**SPARTA TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**Fund Financial Statements**

*Notes to the basic financial statements:* The notes provide additional information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. The notes to the basic financial statements can be found immediately following the fund financial statements.

**Financial Analysis of the District as a Whole**

*Net Position.* The District's combined net position was \$11,039,090 on June 30, 2022, \$4,420,136 or 66.78% more than the year before. (See Figure A-3). Net position from governmental activities increased by \$4,123,802 and net position from business-type activities increased by \$296,334.

**Figure A-3  
Condensed Statement of Net Position**

	Governmental Activities		Business-Type Activities		Total School District		Percent Change
	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	
Current & Other Assets	\$ 14,997,485	\$ 12,080,778	\$581,640	\$129,178	\$ 15,579,125	\$ 12,209,956	
Capital Assets, Net	71,335,149	69,162,640	135,609	166,015	71,470,758	69,328,655	
Total Assets	86,332,634	81,243,418	717,249	295,193	87,049,883	81,538,611	6.76%
Deferred Outflows of Resources	9,350,847	11,628,163			9,350,847	11,628,163	-19.58%
Other Liabilities	2,137,207	2,202,161	177,128	51,406	2,314,335	2,253,567	
Long-Term Liabilities	76,588,523	78,143,099			76,588,523	78,143,099	
Total Liabilities	78,725,730	80,345,260	177,128	51,406	78,902,858	80,396,666	-1.86%
Deferred Inflows of Resources	6,458,782	6,151,154			6,458,782	6,151,154	5.00%
Net Position:							
Net Investment in Capital							
Assets	17,465,216	19,779,508	135,609	166,015	17,600,825	19,945,523	
Restricted	5,409,620	7,889,804			5,409,620	7,889,804	
Unrestricted/(Deficit)	(12,375,867)	(21,294,145)	404,512	77,772	(11,971,355)	(21,216,373)	
Total Net Position	\$ 10,498,969	\$ 6,375,167	\$540,121	\$243,787	\$ 11,039,090	\$ 6,618,954	66.78%

Net Investment in Capital Assets decreased \$2,344,698 primarily due to capital additions associated with the District's Energy Savings Improvement Program (ESIP) project and current year capital outlay projects, maturity of bonds and financed purchases payable, and the issuance of financed purchases payable for the ESIP project – offset by annual depreciation of capital assets and amortization of interest on bond previous refunding transactions.

Restricted net position decreased \$2,480,184 largely due to withdrawals from the capital and maintenance reserve accounts during the fiscal year, the decrease in excess surplus as a result of the State's increase in unassigned fund balance to 4%.

Unrestricted net position increased \$9,245,018 primarily due to the spending authorization for the District's ESIP project and the decrease in the District's PERS net pension liability during the fiscal year.

**SPARTA TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**Changes in Net Position**

The Changes in Net Position shows the cost of program services and the revenues of the District on a comparative schedule (Figure A-4).

**Figure A-4  
Changes in Net Position from Operating Results**

	Governmental Activities		Business-Type Activities		Total School District		Percent Change
	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	
Revenue:							
Program Revenue:							
Charges for Services	\$ 587,724	\$ 480,806	\$ 81,964	\$ 16,211	\$ 669,688	\$ 497,017	
Operating Grants & Contributions	14,492,613	21,584,507	1,349,890	524,430	15,842,503	22,108,937	
General Revenue:							
Property Taxes	65,743,745	64,963,843			65,743,745	64,963,843	
Federal and State Unrestricted Aid	2,844,105	3,282,404			2,844,105	3,282,404	
Other	245,309	124,963		179	245,309	125,142	
Total Revenue	83,913,496	90,436,523	1,431,854	540,820	85,345,350	90,977,343	-6.19%
Expenses:							
Instruction	43,291,676	47,638,294			43,291,676	47,638,294	
Pupil/Instruction Services	13,715,476	14,653,331			13,715,476	14,653,331	
Administrative/Business	6,674,915	7,425,941			6,674,915	7,425,941	
Operations/Maintenance	7,381,472	7,371,420			7,381,472	7,371,420	
Transportation	5,005,378	4,587,568			5,005,378	4,587,568	
Other	3,720,777	4,314,277	1,135,520	645,146	4,856,297	4,959,423	
Total Expenses	79,789,694	85,990,831	1,135,520	645,146	80,925,214	86,635,977	-6.59%
Change in Net Position	\$ 4,123,802	\$ 4,445,692	\$ 296,334	\$ (104,326)	\$ 4,420,136	\$ 4,341,366	1.81%

**Governmental Activities**

The financial position of the District increased \$4.12 million during the fiscal year. However, maintaining existing programs with increasing regular pupil enrollment and outside placements and special services for disabled students places great demands on the District's resources. During the past few years, several veteran teachers have retired and have been replaced by teachers of less experience. Such changes have generated savings in teacher salaries, but these have not been sufficient enough to offset costs associated with enrollment, special education programs, energy and insurance.



**SPARTA TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**Governmental Activities**

Careful management of expenses remains essential for the District to sustain its financial health. Among the many significant cost savings actions continued during the year were:

- Shared services with other area school districts and the Sussex County Educational Services Commission to provide coordinated transportation routes to out-of-district special education schools, and for maintenance of school buses, speech services, child study team evaluations and nonpublic grant administration.
- Participating in consortiums made up of several hundred school districts for the bulk purchase of heat and electricity.
- Purchase of fuel for District vehicles through the Sussex County Purchasing Cooperative Agreement and with the Township.
- Aggressive pursuit of federal, state and local grants.
- Completing maintenance projects with expertise of in-house maintenance staff.

It is crucial that the District examine its expenses carefully. Figure A-5 presents the cost of six major District activities; instruction, pupil and instructional services, administration and business, maintenance and operations, transportation, and other. The table also shows each activity’s net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District’s taxpayers by each of these functions.

**Figure A-5  
Net Cost of Governmental Activities**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2021/22</u>	<u>2020/21</u>	<u>2021/22</u>	<u>2020/21</u>
Instruction	\$ 43,291,676	\$ 47,638,294	\$ 33,337,432	\$ 33,199,100
Pupil and Instruction Services	13,715,476	14,653,331	11,122,087	10,917,479
Administrative and Business	6,674,915	7,425,941	5,957,498	5,937,992
Operations and Maintenance	7,381,472	7,371,420	6,816,754	6,391,510
Transportation	5,005,378	4,587,568	3,754,809	3,165,160
Other	3,720,777	4,314,277	3,720,777	4,314,277
	<u>\$ 79,789,694</u>	<u>\$ 85,990,831</u>	<u>\$ 64,709,357</u>	<u>\$ 63,925,518</u>

**Business-Type Activities**

Net position of the District’s business-type activities increased by \$296,334 due to the increase in governmental subsidies. (Refer to Figure A-4).

**SPARTA TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**Financial Analysis of the District's Funds**

The District's General Fund balance decreased by \$2,197,883 on the GAAP basis during the fiscal year. The District must be diligent in monitoring expenditures. Expenditures during the recent year increased due in part to increases in the number of pupils with special needs. Health benefit costs for all staff have increased considerably in the past several years. The District must also consider the escalating costs for utilities and insurance.

**General Fund Budgetary Highlights**

The District's budget is prepared according to New Jersey law and is based on accounting for transactions on the basis of cash receipts, disbursements and encumbrances. The most significant budgetary fund is the General Fund. Over the course of the year, the District revised the annual operating budget several times. These budget amendments were for changes made within budgetary line items for changes in school-based needs for programs, supplies and equipment.

**Capital Assets**

The District's capital assets increased \$2,142,103 or 3.09%. Capital additions were \$5,590,898 (\$5,590,898 from Governmental activities and \$-0- from Business-type activities) offset by \$3,448,795 in current year depreciation (\$3,418,389 from Governmental activities and \$30,406 from Business-type activities). (See Figure A-6). (More detailed information about the District's capital assets is presented in Note 6 to the Basic Financial Statements).

**Figure A-6  
Capital Assets (Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Total School District		Percent Change
	2021/22	2020/21	2021/22	2020/21	2021/22	2020/21	
Land	\$ 649,333	\$ 649,333			\$ 649,333	\$ 649,333	
Construction in Progress	2,212,135				2,212,135		
Site Improvements	4,997,237	5,294,086			4,997,237	5,294,086	
Buildings and							
Building Improvements	59,860,290	59,494,279			59,860,290	59,494,279	
Machinery & Equipment	3,616,154	3,724,942	\$ 135,609	\$ 166,015	3,751,763	3,890,957	
Total Capital Assets (Net of Depreciation)	<u>\$ 71,335,149</u>	<u>\$ 69,162,640</u>	<u>\$ 135,609</u>	<u>\$ 166,015</u>	<u>\$ 71,470,758</u>	<u>\$ 69,328,655</u>	3.09%

**SPARTA TOWNSHIP SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**Long Term Liabilities**

The District's long-term liabilities decreased \$1,554,576, or 1.99%, from the prior year. At year-end, the District had \$52,970,000 in general obligation bonds, \$9,919,654 in net pension liability, \$8,166,547 in financed purchases, \$1,082,487 in compensated absences payable and \$4,449,835 in unamortized bond issuance premiums (See Figure A-7). (More detailed information about the District's long-term liabilities is presented in Note 7 to the Basic Financial Statements).

**Figure A-7**

**Outstanding Long-Term Liabilities**

	Total School District		Percentage Change
	2021/22	2020/21	
Bonds Payable	\$ 52,970,000	\$ 56,970,000	
Unamortized Bond Issuance Premium	4,449,835	5,864,021	
Net Pension Liability	9,919,654	13,780,763	
Financed Purchases Payable	8,166,547	508,035	
Other Long-Term Liabilities	1,082,487	1,020,280	
<b>Total Long-Term Liabilities Outstanding</b>	<b>\$ 76,588,523</b>	<b>\$ 78,143,099</b>	<b>-1.99%</b>

**Factors Bearing on the District's Future**

Currently, the District is in good financial condition. The District administration and Sparta Township Board of Education are grateful for the community support of the schools. However, due to an environment of reduction in state aid, reducing property values and a county-wide trend in reduced student enrollment, there is an increasing reliance on local property taxes to fund school district operations. A major concern is that an extraordinary financial burden is placed on taxpayers just to maintain appropriate class sizes and services.

Future finances will continue to be challenged with legislation that impacts the financial operation of the School District. S1701, adopted by the State of New Jersey on June 17, 2004, forced the District to cut its allowable unassigned general fund balance to 2% at the end of the 2010/2011 school year. This has left the District with very little protection in the event of any significant emergencies. This law also places limits on the District's ability to transfer funds into capital reserve for the construction and maintenance of school facilities, the ability to transfer available fund balance as needed, and the ability to transfer available funds between appropriation accounts, and severely impacts our ability to maintain and improve our facilities. Also, the S2 initiative that has placed a reduction in state aid to the District in the amount of about \$1.2 million over a 6-year period.

**Contacting the District's Financial Management**

This financial report is designed to provide the District's citizens, taxpayers, customers and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the School Business Administrator at the Sparta Board of Education, 18 Mohawk Avenue, Sparta, NJ 07871.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

SPARTA TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2022

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 8,305,297	\$ 459,406	\$ 8,764,703
Receivables from State Government	668,128	2,044	670,172
Receivables from Federal Government	723,106	92,592	815,698
Other Receivables	90,353	1,349	91,702
Inventory		26,249	26,249
Restricted Assets:			
Cash and Cash Equivalents	5,210,601		5,210,601
Capital Assets, Net			
Site (Land) and Construction in Progress	2,861,468		2,861,468
Depreciable Site Improvements, Building and Building Improvements, & Machinery/Equipment	68,473,681	135,609	68,609,290
Total Assets	<u>86,332,634</u>	<u>717,249</u>	<u>87,049,883</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred Amount on Refunding	7,266,614		7,266,614
Deferred Outflows Related to Pensions District Contribution Subsequent to the Measurement Date-Pensions	1,105,338		1,105,338
	978,895		978,895
Total Deferred Outflows of Resources	<u>9,350,847</u>		<u>9,350,847</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	1,594,777	108,226	1,703,003
Accrued Interest Payable	424,952		424,952
Payable to Other Governments	80,852		80,852
Unearned Revenue	36,626	68,902	105,528
Noncurrent Liabilities:			
Due Within One Year	5,867,914		5,867,914
Due Beyond one Year	70,720,609		70,720,609
Total Liabilities	<u>78,725,730</u>	<u>177,128</u>	<u>78,902,858</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred Inflows Related to Pensions	6,458,782		6,458,782
Total Deferred Inflows of Resources	<u>6,458,782</u>		<u>6,458,782</u>
<b>NET POSITION:</b>			
Net Investment in Capital Assets	17,465,216	135,609	17,600,825
Restricted for:			
Capital Projects	3,918,607		3,918,607
Debt Service	3,303		3,303
Maintenance	711,633		711,633
Excess Surplus	195,716		195,716
Unemployment Compensation	374,459		374,459
Student Activities	168,144		168,144
Scholarships	37,758		37,758
Unrestricted/(Deficit)	<u>(12,375,867)</u>	<u>404,512</u>	<u>(11,971,355)</u>
Total Net Position	<u>\$ 10,498,969</u>	<u>\$ 540,121</u>	<u>\$ 11,039,090</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

SPARTA TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating		Governmental Activities	Business-type Activities	Total
			Grants and Contributions	Capital Grants and Contributions			
<b>Governmental Activities:</b>							
<b>Instruction:</b>							
Regular Instruction	\$ 29,957,773	\$ 162,867	\$ 4,734,247	\$ (25,060,659)	\$ (25,060,659)	\$ (25,060,659)	
Special Education Instruction	9,346,444		4,558,140	(4,788,304)	(4,788,304)	(4,788,304)	
Other Special Instruction	180,359		23,646	(156,713)	(156,713)	(156,713)	
School-Sponsored/Other Instruction	3,807,100		475,344	(3,331,756)	(3,331,756)	(3,331,756)	
<b>Support Services:</b>							
Tuition	2,144,761		265,491	(1,879,270)	(1,879,270)	(1,879,270)	
Student & Instruction Related Services	11,570,715	424,857	1,903,041	(9,242,817)	(9,242,817)	(9,242,817)	
General Administration Services	1,021,697		50,102	(971,595)	(971,595)	(971,595)	
School Administration Services	3,885,730		511,894	(3,373,836)	(3,373,836)	(3,373,836)	
Central Services	867,496		98,703	(768,793)	(768,793)	(768,793)	
Administrative Information Technology	899,992		56,718	(843,274)	(843,274)	(843,274)	
Plant Operations and Maintenance	7,381,472		564,718	(6,816,754)	(6,816,754)	(6,816,754)	
Pupil Transportation	5,005,378		1,250,569	(3,754,809)	(3,754,809)	(3,754,809)	
Charter School	218,288			(218,288)	(218,288)	(218,288)	
Unallocated Depreciation	2,823,002			(2,823,002)	(2,823,002)	(2,823,002)	
Interest on Long-Term Debt	679,487			(679,487)	(679,487)	(679,487)	
<b>Total Governmental Activities</b>	<b>79,789,694</b>	<b>587,724</b>	<b>14,492,613</b>	<b>(64,709,357)</b>	<b>(64,709,357)</b>	<b>(64,709,357)</b>	

SPARTA TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Business-Type Activities:							
Food Service	\$ 1,135,520	\$ 81,964	\$ 1,349,890			\$ 296,334	\$ 296,334
Total Business-Type Activities	1,135,520	81,964	1,349,890		296,334	296,334	296,334
Total Primary Government	\$ 80,925,214	\$ 669,688	\$ 15,842,503	\$ - 0 -	\$ (64,709,357)	296,334	(64,413,023)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					61,060,741		61,060,741
Property Taxes Levied for Debt Service					4,683,004		4,683,004
Federal and State Aid not Restricted					2,844,105		2,844,105
Interest and Miscellaneous Income					245,309		245,309
Total General Revenues					68,833,159		68,833,159
Change in Net Position					4,123,802	296,334	4,420,136
Net Position - Beginning					6,375,167	243,787	6,618,954
Net Position - Ending					\$ 10,498,969	\$ 540,121	\$ 11,039,090

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT



FUND FINANCIAL STATEMENTS

SPARTA TOWNSHIP SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 3,140,346		\$ 5,161,648	\$ 3,303	\$ 8,305,297
Interfunds Receivable	483,899				483,899
Receivables from State Government	589,461	\$ 78,667			668,128
Receivables from Federal Government	4,204	718,902			723,106
Other Receivables	84,353	6,000			90,353
Restricted Cash and Cash Equivalents	5,004,699	205,902			5,210,601
<b>Total Assets</b>	\$ 9,306,962	\$ 1,009,471	\$ 5,161,648	\$ 3,303	\$ 15,481,384

**LIABILITIES AND FUND BALANCES**

<b>Liabilities:</b>					
Accounts Payable	\$ 412,798	\$ 203,084			\$ 615,882
Interfunds Payable		483,899			483,899
Payable to State Government		80,852			80,852
Unearned Revenue	892	35,734			36,626
<b>Total Liabilities</b>	413,690	803,569			1,217,259
<b>Fund Balances:</b>					
Restricted for:					
Capital Reserve Account	3,918,607				3,918,607
Maintenance Reserve Account	711,633				711,633
Excess Surplus (For 2023-2024)	195,716				195,716
Debt Service				\$ 3,303	3,303
Unemployment Compensation	374,459				374,459
Student Activities		168,144			168,144
Scholarships		37,758			37,758

SPARTA TOWNSHIP SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2022

LIABILITIES AND FUND BALANCES

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Fund Balances:					
Committed			\$ 5,161,648		\$ 5,161,648
Assigned:					
Year-end Encumbrances	\$ 501,648				501,648
Designated for Subsequent Year's Expenditures	750,000				750,000
Unassigned	2,441,209				2,441,209
Total Fund Balances	8,893,272	\$ 205,902	\$ 5,161,648	\$ 3,303	14,264,125
Total Liabilities and Fund Balances	\$ 9,306,962	\$ 1,009,471	\$ 5,161,648	\$ 3,303	\$ 15,481,384

Amounts Reported for *Governmental Activities* in the Statement of Net Position (Exhibit A-1) are Different Because:

Total Fund Balances - Governmental Funds (Above)	\$ 14,264,125
Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds.	71,335,149
Certain Amounts Related to the Net Pension Liability are deferred and amortized in the Statement of Activities and are not Reported in the Governmental Funds:	
Deferred Outflows	1,105,338
Deferred Inflows	(6,458,782)
Long-Term Liabilities, including Bonds Payable and Net Pension Liability for PERS, are not due in the current period and therefore are not reported as liabilities in the Funds. Bond premiums are reported as revenue in the Governmental Funds in the year of receipt.	(76,588,523)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(424,952)
The deferred amount on refunding is not reported as an expenditure in the governmental funds in the year of the expenditure.	7,266,614
Net Position of Governmental Activities (Exhibit A-1)	\$ 10,498,969

SPARTA TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

REVENUES:	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Local Sources:					
Local Tax Levy	\$ 61,060,741			\$ 4,683,004	\$ 65,743,745
Miscellaneous	408,176	\$ 500,675			908,851
Total - Local Sources	61,468,917	500,675		4,683,004	66,652,596
State Sources	22,109,958	862,442		558,972	23,531,372
Federal Sources	9,291	1,721,128			1,730,419
Total Revenues	83,588,166	3,084,245		5,241,976	91,914,387
<b>EXPENDITURES:</b>					
Current:					
Instruction:					
Regular Education Instruction	21,074,111	663,166			21,737,277
Special Education Instruction	6,139,032	916,105			7,055,137
Other Special Instruction	123,678				123,678
School-Sponsored/Other Instruction	2,848,251				2,848,251
Support Services and Undistributed Costs:					
Tuition	1,879,270	265,491			2,144,761
Student & Instruction Related Services	7,832,351	937,516			8,769,867
General Administration Services	911,097				911,097
School Administration Services	2,809,178				2,809,178
Central Services	567,974				567,974
Administrative Information Technology	775,330				775,330
Plant Operations and Maintenance	6,109,762				6,109,762
Pupil Transportation	4,700,862				4,700,862
Unallocated Benefits	26,649,539				26,649,539

SPARTA TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>EXPENDITURES:</b>					
Capital Outlay	\$ 3,897,326	\$ 277,164	\$ 2,212,135		\$ 6,386,625
Charter School	218,288				218,288
Debt Service:					
Principal				\$ 4,000,000	4,000,000
Interest and Other Charges				1,315,146	1,315,146
Total Expenditures	86,536,049	3,059,442	2,212,135	5,315,146	97,122,772
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(2,947,883)	24,803	(2,212,135)	(73,170)	(5,208,385)
<b>OTHER FINANCING SOURCES/(USES):</b>					
Financed Purchases (Non-Budgeted)	750,000				750,000
Financed Purchase Proceeds			7,373,783		7,373,783
Total Other Financing Sources/(Uses)	750,000		7,373,783		8,123,783
Net Change in Fund Balances	(2,197,883)	24,803	5,161,648	(73,170)	2,915,398
Fund Balance - July 1	11,091,155	181,099		76,473	11,348,727
Fund Balance - June 30	<u>\$ 8,893,272</u>	<u>\$ 205,902</u>	<u>\$ 5,161,648</u>	<u>\$ 3,303</u>	<u>\$ 14,264,125</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

SPARTA TOWNSHIP SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2) \$ 2,915,398

Amounts reported for Governmental Activities in the Statement of Activities (A-2) are Different Because:

Capital outlays are reported in the Governmental Funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays differ from depreciation in the current period:

Depreciation Expense	\$ (3,418,389)
Capital Outlays	5,590,898
	2,172,509

Repayment of debt service principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position and is not reported in the Statement of Activities.

4,000,000

Proceeds from financed purchases are an other financing source in the governmental funds, they are not revenue in the statement of activities, issuing debt increases long-term liabilities in the statement of net position.

(8,123,783)

Repayment of financed purchases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.

465,271

SPARTA TOWNSHIP SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

In the Statement of Activities, interest on long-term debt is accrued regardless of when it is due. In the Governmental Funds, interest is reported when due.	\$ 64,525
The governmental funds report the effect of deferred amount on the refunding relative to an advance refunding when debt is first issued whereas these amounts are deferred and amortized in the statement of activities. (-)	(828,289)
The governmental funds report the effect of bond premiums relative to an advance refunding when debt is first issued whereas these amounts are deferred and amortized in the statement of activities. (+)	1,414,186
The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:	
Change in Net Pension Liability	3,861,109
Change in Deferred Outflows	(1,447,289)
Change in Deferred Inflows	(307,628)
In the Statement of Activities, certain operating expenses, e.g., compensated absences are measured by the amounts earned during the year. In the Governmental Funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).	<u>(62,207)</u>
Change in Net Position of Governmental Activities (Exhibit A-2)	<u>\$ 4,123,802</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

SPARTA TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2022

	<u>Business-Type            Activities -            Enterprise Funds</u> <u>Food            Service</u>
<b>ASSETS:</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 459,406
Accounts Receivable - State	2,044
Accounts Receivable - Federal	92,592
Accounts Receivable - Other	1,349
Inventories	26,249
	581,640
Total Current Assets	
Non-Current Assets:	
Capital Assets:	
Machinery and Equipment	1,162,765
Less: Accumulated Depreciation	(1,027,156)
	135,609
Total Non-Current Assets	
	717,249
Total Assets	
<b>LIABILITIES:</b>	
Accounts Payable - Vendors	108,226
Unearned Revenue - Prepaid Sales	57,800
Unearned Revenue - Donated Commodities	11,102
	177,128
Total Liabilities	
<b>NET POSITION:</b>	
Investment in Capital Assets	135,609
Unrestricted	404,512
	540,121
Total Net Position	
	\$ 540,121

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS  
 ARE AN INTEGRAL PART OF THIS STATEMENT



SPARTA TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Business-Type Activities - <u>Enterprise Funds</u> <u>Food Service</u>
Operating Revenue:	
Daily Sales - Non-Reimbursable Programs	\$ 39,024
Special Events	42,940
Total Operating Revenue	81,964
Operating Expenses:	
Cost of Sales - Reimbursable Programs	471,915
Cost of Sales - Non-Reimbursable	30,122
Salaries and Benefits	338,600
Purchased Services	51,351
Management Fee	93,425
Supplies and Materials	118,298
Other	1,403
Depreciation Expense	30,406
Total Operating Expenses	1,135,520
Operating Loss	(1,053,556)
Non-Operating Revenue:	
State Sources:	
COVID-19 Seamless Summer Option	28,305
Federal Sources:	
Food Distribution Program	59,618
COVID-19 Breakfast - Seamless Summer Option	50,496
COVID-19 Lunch - Seamless Summer Option	1,202,786
COVID-19 Pandemic P-EBT Administrative Costs	1,242
COVID-19 Emergency Operational Costs Reimbursement Program	7,443
Total Non-Operating Revenue	1,349,890
Change in Net Position	296,334
Net Position - Beginning of Year	243,787
Net Position - End of Year	\$ 540,121

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

SPARTA TOWNSHIP SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Business-Type Activities -	<u>Enterprise Funds</u>
		<u>Food Service</u>
Cash Flows from Operating Activities:		
Receipts from Customers	\$	108,505
Payments to Employees		(338,600)
Payments to Suppliers		(615,316)
		<hr/>
Net Cash Used for Operating Activities		(845,411)
Cash Flows from Noncapital Financing Activities:		
State Sources		31,999
Federal Sources		1,227,325
		<hr/>
Net Cash Provided by Noncapital and Related Financing Activities		1,259,324
Net Increase in Cash and Cash Equivalents		413,913
Cash and Cash Equivalents, July 1		45,493
		<hr/>
Cash and Cash Equivalents, June 30	\$	459,406
		<hr/> <hr/>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:		
Operating Loss	\$	(1,053,556)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:		
Depreciation		30,406
Federal Food Distribution Program		59,618
Changes in Assets and Liabilities:		
(Increase)/Decrease in Accounts Receivable		7,127
(Increase)/Decrease in Inventory		(14,728)
Increase/(Decrease) in Unearned Revenue - Prepaid Sales		9,964
Increase/(Decrease) in Unearned Revenue - Donated Commodities		9,450
Increase/(Decrease) in Accounts Payable		106,308
		<hr/>
Net Cash Used for Operating Activities	\$	(845,411)
		<hr/> <hr/>

Non-Cash Investing, Capital and Financing Activities:

The District received commodities valued at \$69,068 and used commodities valued at \$59,618 during the fiscal year.

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS  
ARE AN INTEGRAL PART OF THIS STATEMENT

SPARTA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Board of Education (the "Board") of Sparta Township School District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

A. Reporting Entity:

The District is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

Governmental Accounting Standards Board ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3) The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation:

District-Wide Financial Statements:

The statement of net position and the statement of activities present financial information about the District's governmental and business type activities. These statements include the financial activities of the overall District in its entirety. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenue and other nonexchange transactions. Business type activities are financed in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements. Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

SPARTA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation: (Cont'd)

District-Wide Financial Statements: (Cont'd)

Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

Fund Financial Statements:

During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. The fund financial statements provide information about the District's funds. Separate statements for each fund category – *governmental and proprietary* - are presented. The New Jersey Department of Education (NJDOE) has elected to require New Jersey districts to treat each governmental fund as a major fund in accordance with the option noted in GASB No. 34, paragraph 76. The NJDOE believes that the presentation of all governmental funds as major is important for public interest and to promote consistency among district financial reporting models.

The District reports the following governmental funds:

General Fund: The general fund is the general operating fund of the District and is used to account for and report all expendable financial resources not accounted for and reported in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the capital outlay subfund.

As required by NJDOE, the District includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenue. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by Board resolution.

Special Revenue Fund: The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Thus, the Special Revenue Fund is used to account for the proceeds of specific revenue from state and federal governments (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted or committed to expenditures for specified purposes.

SPARTA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. Basis of Presentation: (Cont'd)

Capital Projects Fund: The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets or lease assets (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election, funds appropriated from the General Fund, and from aid provided by the state to offset the cost of approved capital projects.

Debt Service Fund: The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

The District reports the following proprietary fund:

Enterprise (Food Service) Fund: The Enterprise Fund accounts for all revenue and expenses pertaining to the District's cafeteria operations. The food service fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges.

C. Measurement Focus and Basis of Accounting:

The District-wide financial statements and the proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. Capital asset or lease asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under financed purchases are reported as other financing sources.

SPARTA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. Measurement Focus and Basis of Accounting: (Cont'd)

It is the District's policy, that when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, to apply restricted resources first followed by unrestricted resources. Similarly, within unrestricted fund balance, it is the District's policy to apply committed resources first followed by assigned resources and then unassigned resources when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenue. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenue.

D. Budgets/Budgetary Control:

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue and Debt Service Funds. The budget for the fiscal year ended June 30, 2022 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Budget amendments/transfers must be made by board resolution. All budgeting amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For Governmental Funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the Special Revenue Fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year-end.

The accounting records of the Special Revenue Fund are maintained on the grant accounting budgetary basis except for student activities and scholarships. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The General Fund budgetary revenue differs from GAAP revenue due to a difference in recognition of state aid. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District's General Fund cannot recognize these payments in the GAAP financial statements.

SPARTA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

D. Budgets/Budgetary Control: (Cont'd)

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 83,563,382	\$ 3,094,658
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis recognizes Encumbrances as Expenditures and Revenue while the GAAP Basis does not.		
Current Year Encumbrances		(37,354)
Prior Year Encumbrances		26,941
Prior Year State Aid Payments Recognized for GAAP Statements, not recognized for Budgetary Basis	538,501	
Current Year State Aid Payments Recognized for Budgetary Purposes, not recognized for GAAP Statements	(513,717)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 83,588,166	\$ 3,084,245
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 86,536,049	\$ 3,069,855
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Current Year Encumbrances		(37,354)
Prior Year Encumbrances		26,941
Total Expenditures as Reported on the Statement of Revenue, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 86,536,049	\$ 3,059,442

E. Cash, Cash Equivalents, and Investments:

Cash and cash equivalents include petty cash and cash in banks. Certificates of deposit with maturities of one year or less when purchased are stated at cost.

The District generally records investments at fair value and records the unrealized gains and losses as part of investment income. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

SPARTA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

E. Cash, Cash Equivalents, and Investments: (Cont'd)

The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

New Jersey school districts are limited as to type of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value of at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of Government Units. If a public depository fails, the collateral it has pledged, plus the collateral of all the other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

F. Interfund Transactions:

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing source/uses in governmental funds and after non-operating revenues/expenses in the enterprise funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

On fund financial statements, short-term interfund loans are classified as interfund receivables/payables. These amounts are eliminated in the statement of net position, except for amounts due between governmental and business-type activities, which are presented as internal balances.

G. Allowance for Uncollectible Accounts:

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

H. Encumbrances:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to restrict a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as restricted, committed, and/or assigned fund balances at fiscal year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.



SPARTA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

H. Encumbrances: (Cont'd)

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as unearned revenue at fiscal year-end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

I. Short-term Interfund Receivables/Payables:

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

J. Inventories and Prepaid Expenses:

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund, are recorded as expenditures during the year of purchase.

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2022.

K. Capital Assets:

During the year ended June 30, 1994, the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994, are recorded at historical cost including ancillary charges necessary to place the asset into service. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Land has been recorded at estimated historical cost. Donated capital assets are valued at acquisition value. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. Capital assets have been reviewed for impairment.

The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,000. The depreciation method is straight-line. The estimated useful lives of capital assets reported in the District-wide statements and proprietary funds are as follows:

	<u>Estimated Useful Life</u>
Buildings and Building Improvements	50 years
Site Improvements	20 years
Machinery and Equipment	10 to 15 years
Computer and Related Technology	5 years
Vehicles	8 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures in the governmental fund upon acquisition. Capital assets are not capitalized, and related depreciation is not reported in the fund financial statements.

SPARTA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

L. Lease Assets:

Intangible right-to-use lease assets are assets which the District leases for a term of more than one year. The value of leases are determined by the net present value of the leases at the District's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

M. Long Term Liabilities:

In the District-wide and enterprise fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or enterprise funds. Bond premiums and discounts are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

N. Accrued Salaries and Wages:

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year; therefore, there are no accrued salaries and wages as of June 30, 2022.

O. Compensated Absences:

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by GASB. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's personnel policy. Upon termination, employees are paid for accrued vacation. The District's policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years. Upon retirement, employees shall be paid by the District for the unused sick leave in accordance with the District's agreements with the various employee unions.

In the district-wide *Statement of Net Position*, the liabilities whose average maturities are greater than one year should be reported in two components – the amount due within one year and the amount due beyond one year.

P. Lease Payable:

In the district-wide financial statements, leases payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources.

Q. Unearned Revenue:

Unearned revenue in the Special Revenue fund represents cash which has been received but not yet earned. See Note 1(D) regarding the Special Revenue Fund.

SPARTA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

R. Fund Balance Appropriated:

General Fund: Of the \$8,893,272 General Fund balance at June 30, 2022, \$501,648 is assigned for year-end encumbrances; \$750,000 is restricted as prior year excess surplus and has been appropriated and included as anticipated revenue for the fiscal year ended June 30, 2023; \$195,716 is restricted as current year excess surplus and will be appropriated and included as anticipated revenue for the fiscal year ended June 30, 2024; \$3,918,607 is restricted in the capital reserve account; \$711,633 is restricted in the maintenance reserve account; \$374,459 is restricted for unemployment compensation; and \$2,441,209 is unassigned on the GAAP basis (which is \$513,717 less than the calculated maximum unassigned fund balance on the budgetary basis due to the June state aid payments which are not recognized until the following fiscal year).

Special Revenue Fund: The Special Revenue Fund balance at June 30, 2022 is \$205,902 and is restricted for student activities and scholarships.

Capital Projects Fund: The Capital Projects Fund balance of \$5,161,648 at June 30, 2022 is committed.

Debt Service Fund: The Debt Service Fund balance at June 30, 2022 of \$3,303 is restricted.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, C.73 (S1701), the designation for Restricted Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District had excess surplus at June 30, 2022 as described above.

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$513,717 as reported in the fund statements (modified accrual basis). P.L. 2003, C.97 provides that in the event a state school aid payment is not made until the following school budget year, Districts must record this state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year.

For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the School District cannot recognize the last two state aid payments in the GAAP financial statements until the year the State records the payable.

The excess surplus calculation is made using the fund balance reported on the Budgetary Comparison Schedule (including the final state aid payments), and not the fund balance reported on the Fund Statements (which exclude the last two state aid payments).

S. Deficit Net Position:

The District has a deficit in unrestricted net position of \$12,375,867 in governmental activities, which is primarily due to accrued interest payable, compensated absences, unamortized bond premium and net pension liability and the related deferred inflows and outflows. This deficit does not indicate that the District is having financial difficulties and is a permitted practice under generally accepted accounting principles.

SPARTA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

T. Net Position:

Net Position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. The District had deferred outflows of resources at June 30, 2022 for the deferred amount on the refunding of debt and for pensions.

A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred inflows of resources at June 30, 2022 for pensions.

Net position is displayed in three components - net investment in capital assets; restricted and unrestricted.

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, lease assets, net of accumulated amortization reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also would be included in this component of net position.

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

U. Fund Balance Restrictions, Commitments and Assignments:

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined for a formal action of the District's highest level of decision-making authority. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.

Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts have been restricted, committed, or assigned.

Fund balance restrictions have been established for a capital reserve, a maintenance reserve, Debt Service Fund, unemployment compensation, student activities and scholarships.

SPARTA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

U. Fund Balance Restrictions, Commitments and Assignments: (Cont'd)

The District has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Board members at a public meeting of that governing body. The Board must also utilize a formal motion or a resolution passed by a majority of the Board members at a public meeting of that governing body in order to remove or change the commitment of resources. The District has committed resources in the Capital Projects Fund at June 30, 2022.

The assignment of resources is generally made by the District through a motion or a resolution passed by a majority of the Board members. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board may allow an official of the District to assign resources through policies adopted by the Board. The District has assigned resources for year-end encumbrances and for amounts designated for subsequent year's expenditures in the General Fund at June 30, 2022.

V. Revenue - Exchange and Nonexchange Transactions:

Revenue, resulting from exchange transactions in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means within sixty days of the fiscal year end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes, interest and tuition.

W. Operating Revenue and Expenses:

Operating revenue are those revenues that are generated directly from the primary activity of the Enterprise Fund. In the District, these revenues are sales for food service. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the Enterprise Fund.

SPARTA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

X. Management Estimates:

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Y. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the State of New Jersey Public Employees' Retirement System (PERS) and the State of New Jersey Teachers' Pension and Annuity Fund (TPAF) and additions to/deductions from the PERS's and TPAF's net position have been determined on the same basis as they are reported by the PERS and the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Pension Plan investments are reported at fair value.

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and district-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, amounts in deposits, and short-term investments with original maturities of three months or less.

The District classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

Districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

GASB requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents, and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned.

Interest Rate Risk – In accordance with its cash management plan, the District ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk – The District limits its investments to those authorized in its cash management plan which are those permitted under state statute which are detailed below.

Custodial Credit Risk – The District's policy with respect to custodial credit risk requires that the District ensures that District funds are only deposited in financial institutions in which NJ school districts are permitted to invest their funds.

SPARTA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School Districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

Deposits:

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments:

New Jersey statutes permit the District to purchase the following types of securities:

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located.
- (5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;
- (6) Local government investment pools;

SPARTA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

Investments: (Cont'd)

- (7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or
- (8) Agreements for the repurchase of fully collateralized securities if:
  - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.). ;
  - (b) the custody of collateral is transferred to a third party;
  - (c) the maturity of the agreement is not more than 30 days;
  - (d) the underlying securities are purchased through a public depository as defined in section 1 of P.L. 1970, c.236 (C.17-41); and
  - (e) a master repurchase agreement providing for the custody and security of collateral is executed.
- (9) Deposit of funds in accordance with the following conditions:
  - (a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;
  - (b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;
  - (c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;
  - (d) The designated public depository acts as custodian for the school district with respect to these deposits; and
  - (e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.



SPARTA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)

As of June 30, 2022, cash and cash equivalents of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>	<u>Restricted Cash and Cash Equivalents</u>	<u>Total</u>
Checking and Savings Accounts	<u>\$ 8,764,703</u>	<u>\$ 5,210,601</u>	<u>\$ 13,975,304</u>

The carrying amount of the Board's cash and cash equivalents at June 30, 2022, was \$13,975,304 and the bank balances were \$15,471,064.

NOTE 4: TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2022, the District transferred \$103,310 to capital outlay line items for equipment which did not require County Superintendent approval and \$232,914 to capital outlay line items for facilities acquisition and construction services which required County Superintendent approval.

NOTE 5. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Sparta Township School District for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long-Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2021 to June 30, 2022 fiscal year is as follows:

Beginning Balance July 1, 2021		\$ 5,560,653
Increased by:		
Interest Earnings		<u>9,640</u>
		5,570,293
Decreased by:		
Budgeted Withdrawal	\$ (1,412,000)	
Withdrawals from Capital Reserve by Board Resolution	<u>(239,686)</u>	
		<u>(1,651,686)</u>
Ending Balance June 30, 2022		<u>\$ 3,918,607</u>

SPARTA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 5. CAPITAL RESERVE ACCOUNT (Cont'd)

The balance in the capital reserve account at June 30, 2022 does not exceed the local support costs of uncompleted Capital projects in the District's approved LRFP. The withdrawal from the capital reserve was for use in DOE approved facilities projects, consistent with the District's LRFP.

NOTE 6. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2022 were as follows:

	Beginning Balance	Increases	Decreases/ Adjustments	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 649,333			\$ 649,333
Construction in Progress		\$2,212,135		2,212,135
Total Capital Assets Not Being Depreciated	649,333	2,212,135		2,861,468
Capital Assets Being Depreciated:				
Site Improvements	8,403,042			8,403,042
Buildings and Building Improvements	98,082,536	2,905,533		100,988,069
Machinery and Equipment	18,464,026	473,230		18,937,256
Total Capital Assets Being Depreciated	124,949,604	3,378,763		128,328,367
Governmental Activities Capital Assets	125,598,937	5,590,898		131,189,835
Less Accumulated Depreciation for:				
Site Improvements	(3,108,956)	(296,849)		(3,405,805)
Buildings and Building Improvements	(38,588,257)	(2,539,522)		(41,127,779)
Machinery and Equipment	(14,739,084)	(582,018)		(15,321,102)
	(56,436,297)	(3,418,389)		(59,854,686)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 69,162,640</u>	<u>\$ 2,172,509</u>	<u>\$ - 0 -</u>	<u>\$ 71,335,149</u>
Business-Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 1,162,765			\$ 1,162,765
Less Accumulated Depreciation	(996,750)	\$ (30,406)		(1,027,156)
Business-Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 166,015</u>	<u>\$ (30,406)</u>	<u>\$ - 0 -</u>	<u>\$ 135,609</u>
Total Governmental and Business-Type Activities Capital Assets, Net of Depreciation	<u>\$ 69,328,655</u>	<u>\$ 2,142,103</u>	<u>\$ - 0 -</u>	<u>\$ 71,470,758</u>

SPARTA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 6. CAPITAL ASSETS (Cont'd)

The increases totaling \$5,590,898 represent current fiscal year capitalized expenditures in the General Fund and Capital Projects Fund. As of June 30, 2022, the District has \$5,161,648 in an uncompleted construction project and there were no encumbrances on this uncompleted project. Current year depreciation was \$3,448,795 (\$3,418,389 from the Governmental Activities and \$30,406 from the Food Service Enterprise Fund).

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 238,968
Special Education Instruction	6,151
Other Special Instruction	8,984
General Administration	6,084
School Administrative Services	18,471
Central Services	2,862
Administration Information Technology	10,252
Operations and Maintenance of Plant	138,626
Student Transportation	164,989
Unallocated	<u>2,823,002</u>
 Total Current Year Depreciation	 <u><u>\$ 3,418,389</u></u>

NOTE 7. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2022, the following changes occurred in long-term liabilities reported in the District-wide financial statements:

	Balance 6/30/2021	Increased	Decreased	Balance 6/30/2022
Serial Bonds Payable	\$ 56,970,000		\$ 4,000,000	\$ 52,970,000
Unamortized Bond Issuance Premiums	5,864,021		1,414,186	4,449,835
Net Pension Liability	13,780,763		3,861,109	9,919,654
Compensated Absences Payable	1,020,280	\$ 137,730	75,523	1,082,487
Financed Purchases Payable	508,035	8,123,783	465,271	8,166,547
	<u>\$ 78,143,099</u>	<u>\$ 8,261,513</u>	<u>\$ 9,816,089</u>	<u>\$ 76,588,523</u>

A. Unamortized Bond Issuance Premium:

The unamortized bond issuance premium of the governmental fund types is recorded in the noncurrent liabilities. The current portion of the unamortized bond issuance premium balance of the governmental funds is \$1,414,186 and is separated from the long-term portion of \$3,035,649.

SPARTA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 7. LONG-TERM LIABILITIES (Cont'd)

B. Bonds Payable:

Bonds are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Board are general obligation bonds and will be liquidated through the debt service fund.

On February 18, 2015, the District issued \$54,355,000 of refunding bonds with interest rates ranging from 2.50% to 5.00% to refund \$60,213,000 of the \$71,513,000 of school bonds dated December 5, 2006 with rates ranging from 4.25% to 4.30%. The refunding bonds will mature on February 15, 2017 through February 15, 2036 and constitute a current refunding. The net proceeds from the issuance of the general obligation bonds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent who paid the debt service requirements of the refunded bonds on February 15, 2017 and redeemed the refunded bonds, at a redemption price equal to 100% of par, on February 15, 2017, which was the first optional redemption date. The refunding met the requirements of an in-substance debt defeasance and the school bonds were removed from the District's government-wide financial statements.

As a result of the refunding, the School District reduced its total debt service requirement by \$6,981,845 which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$5,392,642, or 9.92% net present value savings.

On June 6, 2018, the District issued \$7,830,000 of refunding bonds with interest rates ranging from 3.00% to 5.00% to refund \$8,400,000 of the \$19,830,000 of school refunding bonds dated July 1, 2008 with rates ranging from 3.00% to 5.00%. The refunding bonds will mature on September 1, 2018 through September 1, 2026 and constitute a current refunding. The net proceeds from the issuance of the general obligation bonds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent who paid the debt service requirements of the refunded bonds on September 1, 2018 and redeemed the refunded bonds, at a redemption price equal to 100% of par, on September 1, 2018, which was the first optional redemption date. The refunding met the requirements of an in-substance debt defeasance and the school bonds were removed from the District's government-wide financial statements.

As a result of the refunding, the School District reduced its total debt service requirement by \$708,797 which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$648,571, or 7.72% net present value savings.

On August 15, 2020, the District issued \$41,405,000 of refunding bonds with interest rates ranging from .628% to 3.000% to refund \$34,275,000 of the \$54,355,000 of school refunding bonds dated February 18, 2015 with rates ranging from 2.50% to 5.00%. The refunding bonds will mature on February 15, 2021 through February 15, 2036 and constitute a current refunding. The net proceeds from the issuance of the general obligation bonds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent who will pay the debt service requirements of the refunded bonds on February 15, 2025 and redeem the refunded bonds, at a redemption price equal to 100% of par, on February 15, 2025, which is the first optional redemption date. The refunding met the requirements of an in-substance debt defeasance and the school bonds were removed from the District's government-wide financial statements.

As a result of the refunding, the School District reduced its total debt service requirement by \$3,288,402 which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$2,893,860, or 8.44% net present value savings.

SPARTA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 7. LONG-TERM LIABILITIES (Cont'd)

B. Bonds Payable: (Cont'd)

The District had bonds outstanding as of June 30, 2022 as follows:

\$54,355,000 School Refunding Bonds Dated 2/18/2015

Due Date	Interest Rate	Principal Amount
02/15/2023	5.000%	\$ 2,525,000
02/15/2024	2.500%	2,785,000
02/15/2025	3.000%	2,730,000
		8,040,000

\$7,830,000 School Refunding Bonds Dated 6/6/2018

Due Date	Interest Rate	Principal Amount
09/01/22	5.000%	\$ 980,000
09/01/23	5.000%	965,000
09/01/24	5.000%	945,000
09/01/25	5.000%	930,000
09/01/26	4.250%	400,000
09/01/26	5.000%	505,000
		4,725,000

SPARTA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 7. LONG-TERM LIABILITIES (Cont'd)

B. Bonds Payable: (Cont'd)

The District had bonds outstanding as of June 30, 2022 as follows:

\$41,405,000 School Refunding Bonds Dated 8/15/2020

<u>Due Date</u>	<u>Interest Rate</u>	<u>Principal Amount</u>
02/15/23	0.628%	\$ 750,000
02/15/24	0.762%	755,000
02/15/25	0.892%	765,000
02/15/26	1.134%	3,600,000
02/15/27	1.234%	3,610,000
02/15/28	1.388%	3,860,000
02/15/29	1.488%	3,760,000
02/15/30	1.638%	3,610,000
02/15/31	1.738%	3,465,000
02/15/32	1.838%	3,380,000
02/15/33	1.938%	3,290,000
02/15/34	1.988%	3,205,000
02/15/35	2.038%	3,115,000
02/15/36	2.088%	3,040,000
		<u>40,205,000</u>
Total Bonds Payable		<u>\$ 52,970,000</u>

Principal and interest due on serial bonds outstanding are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 4,255,000	\$ 1,134,621	\$ 5,389,621
2024	4,505,000	955,036	5,460,036
2025	4,440,000	831,908	5,271,908
2026	4,530,000	696,310	5,226,310
2027	4,515,000	611,110	5,126,110
2028-2032	18,075,000	2,166,551	20,241,551
2033-2036	12,650,000	635,543	13,285,543
	<u>\$ 52,970,000</u>	<u>\$ 7,031,079</u>	<u>\$ 60,001,079</u>

SPARTA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 7. LONG-TERM LIABILITIES (Cont'd)

C. Bonds Authorized But Not Issued:

As of June 30, 2022, the Board had no bonds authorized but not issued.

D. Financed Purchases Payable:

The District has entered into financed purchase agreements for technology equipment, school buses and an energy savings incentive program totaling \$9,465,756 of which \$1,299,209 has been liquidated as of June 30, 2022. The finance purchase agreements are for terms of five years and fifteen years in length and will be liquidated by the General Fund. The following is a schedule of the future minimum financed purchases payments and the present value of the net minimum financed purchases payments at June 30, 2022.

Fiscal Year	Amount
2023	\$ 362,837
2024	818,575
2025	919,842
2026	725,910
2027	560,304
2028-2032	2,815,382
2033-2037	3,009,771
2038	356,580
Total minimum lease payments	9,569,201
Less: Amount representing interest	(1,402,654)
Present value of net minimum lease payments	\$ 8,166,547

The current portion of the financed purchases payable is \$198,728, and the long-term portion is \$7,967,819 at June 30, 2022.

E. Compensated Absences:

The liability for compensated absences of the governmental fund type is recorded in the long-term liabilities and will be liquidated by the General Fund. The current portion of compensated absences liability is \$-0- and the long-term portion of compensated absences liability is \$1,082,487 at June 30, 2022. There was no liability for compensated absences payable in the District's Enterprise Funds at June 30, 2022.

F. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The entire \$9,919,654 net pension liability at June 30, 2022 is long-term. See Note 8 for further information on the PERS.

SPARTA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 8. PENSION PLANS

Substantially all of the District’s employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers’ Pension and Annuity Fund (TPAF) or the Public Employees’ Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP), a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a).

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](http://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. The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 with 25 or more years of service credit before age 62 and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 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.



SPARTA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years, beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$980,633 for 2022.

The employee contribution rate was 7.50% effective July 1, 2018.

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

At June 30, 2022, the District reported a liability of \$9,919,654 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021.

The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2021, the District's proportion was 0.0837%, which was a decrease of 0.0008% from its proportion measured as of June 30, 2020.

SPARTA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

For the fiscal year ended June 30, 2022, the District recognized an actual pension benefit of \$1,125,560. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	5.48		\$ 419,207
	2018	5.63		785,924
	2019	5.21		693,322
	2020	5.16		1,633,008
	2021	5.13	\$ 51,661	
			51,661	3,531,461
Difference Between Expected and Actual Experience	2017	5.48	12,467	
	2018	5.63		29,929
	2019	5.21	52,998	
	2020	5.16	90,981	
	2021	5.13		41,084
			156,446	71,013
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2018	5.00		77,486
	2019	5.00		(25,002)
	2020	5.00		(563,476)
	2021	5.00		3,124,090
				2,613,098
Changes in Proportion	2017	5.48		107,767
	2018	5.63	251,259	
	2019	5.21	423,433	
	2020	5.16	222,539	
	2021	5.13		135,443
			897,231	243,210
District Contribution Subsequent to Measurement Date	2021	1	978,895	
			\$ 2,084,233	\$ 6,458,782

SPARTA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts including changes in proportion and the District contribution subsequent to the measurement date) related to pensions will be recognized in pension benefit as follows:

Fiscal Year Ending June 30,	Total
2022	\$ (2,340,606)
2023	(1,671,187)
2024	(1,139,465)
2025	(856,539)
2026	332
	\$ (6,007,465)

Actuarial Assumptions

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

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

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and a 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

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

SPARTA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Long Term Expected Rate of Return

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

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

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based upon 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 in determining the total pension liability.

SPARTA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2021 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2021		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
District's proportionate share of the Net Pension Liability	\$ 13,516,033	\$ 9,919,654	\$ 6,877,765

Pension plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF), is a cost-sharing multiple-employer defined benefit pension plan with a special funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. The TPAF is administered by the State of New Jersey Division of Pensions and Benefits (the Division). For additional information about the TPAF, please refer to the Division's annual financial statements which can be found at [www.state.nj.us/treasury/pensions/annual-reports.shtml](http://www.state.nj.us/treasury/pensions/annual-reports.shtml).

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts. The following represents the membership tiers for TPAF:

Tier	Definition
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

SPARTA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Benefits Provided (Cont'd)

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2021, the State's pension contribution was less than the actuarial determined amount.

Special Funding Situation

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

During the fiscal year ended 2022, the State of New Jersey contributed \$11,030,036 to the TPAF for normal pension benefits on behalf of the District, which is more than the contractually required contribution of \$2,965,757.

The employee contribution rate was 7.50% effective July 1, 2018.

SPARTA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

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

At June 30, 2022, the State's proportionate share of the net pension liability associated with the District was \$126,039,161. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020 which was rolled forward to June 30, 2021. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2021, the District's proportion was 0.262%, which was a decrease of 0.003% from its proportion measured as of June 30, 2020.

District's Proportionate Share of the Net Pension Liability	\$ - 0 -
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>126,039,161</u>
Total	<u>\$ 126,039,161</u>

For the fiscal year ended June 30, 2021, the State recognized pension expense on behalf of the District in the amount of \$2,965,757 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2022 financial statements.

The State reported collective deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	8.50	\$ 153,774,925	
	2015	8.30	926,219,611	
	2016	8.30	3,000,278,784	
	2017	8.30		\$ 5,282,196,290
	2018	8.29		3,527,661,165
	2019	8.04		2,510,940,613
	2020	7.99	1,209,286,241	
	2021	7.93		<u>12,903,483,645</u>
			<u>5,289,559,561</u>	<u>24,224,281,713</u>

SPARTA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

Difference Between Expected and Actual Experience	2014	8.50		\$ 1,464,605
	2015	8.30	\$ 57,204,429	
	2016	8.30		37,311,034
	2017	8.30	93,981,436	
	2018	8.29	618,845,893	
	2019	8.04		97,553,990
	2020	7.99		6,444,940
	2021	7.93	171,234,070	
			<u>941,265,828</u>	<u>142,774,569</u>
Net Difference Between Projected and Actual	2018	5.00		96,030,373
Investment Earnings on Pension Plan Investments	2019	5.00		(72,441,385)
	2020	5.00		(724,186,621)
	2021	5.00		3,554,633,811
				<u>2,854,036,178</u>
			<u>\$ 6,230,825,389</u>	<u>\$ 27,221,092,460</u>

Amounts reported by the State as collective deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense excluding that attributable to employer-paid members contributions as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Total</u>
2022	\$ (2,914,282,899)
2023	(3,500,098,875)
2024	(4,665,036,366)
2025	(4,192,375,542)
2026	(2,350,648,872)
Thereafter	(3,367,824,517)
	<u><u>\$(20,990,267,071)</u></u>



SPARTA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Actuarial Assumptions

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

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55 – 4.45% based on years of service
Thereafter	2.75 – 5.65% based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% 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 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and a 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

Long Term Expected Rate of Return

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

SPARTA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Long Term Expected Rate of Return (Cont'd)

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

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the pension 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 pension plan investments was applied to all projected benefit payments in determining the total pension liability.

SPARTA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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(Continued)

NOTE 8. PENSION PLANS (Cont'd)

B. Teachers' Pension and Annuity Fund (TPAF) (Cont'd)

Sensitivity of the State's Proportionate Share of the Net Pension Liability Associated with the District to Changes in the Discount Rate

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2021 calculated using the discount rate as disclosed above, as well as what the State's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2021		
	At 1% Decrease (6.00%)	At Current Discount Rate (7.00%)	At 1% Increase (8.00%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 149,125,380	\$ 126,039,161	\$ 106,648,187

Pension Plan Fiduciary Net Position - TPAF

Detailed information about the TPAF's fiduciary net position is available in the separately issued TPAF financial statements.

C. Defined Contribution Retirement Program (DCRP)

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 TPAF, 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.

SPARTA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
 (Continued)

NOTE 8. PENSION PLANS (Cont'd)

C. Defined Contribution Retirement Program (DCRP) (Cont'd)

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 Chapter 103, 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.

For DCRP, the District recognized pension expense of \$8,328 for the fiscal year ended June 30, 2022. Employee contributions to DCRP amounted to \$18,225 for the fiscal year ended June 30, 2022.

NOTE 9. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account was established by Board resolution in June 2013. These funds are restricted to be used for specific activities necessary for the purpose of keeping a school facility open and safe for use or in its original condition, and for keeping its constituent buildings systems fully and efficiently functional and for keeping their warranties valid but cannot be used for routine or capital maintenance. The purpose of the reserve is to provide funds for anticipated expenditures required to maintain a building.

Pursuant to N.J.A.C. 6A:26A-4.2 funds may be deposited into the maintenance reserve account at any time by board resolution to meet the required maintenance of the District by transferring unassigned general fund balance or by transferring excess unassigned general fund balance that is anticipated to be deposited during the current year in the advertised recapitulation of balances of the subsequent year's budget that is certified for taxes. Funds may be withdrawn from the maintenance reserve account and appropriated into the required maintenance account lines at budget time or any time during the year by Board resolution for use on required maintenance activities by school facility as reported in the comprehensive maintenance plan. Funds withdrawn from the maintenance reserve account are restricted to required maintenance appropriations and may not be transferred to any other line-item account. In any year that maintenance reserve account funds are withdrawn, unexpended required maintenance appropriations, up to the amount of maintenance reserve account funds withdrawn, shall be restored to the maintenance reserve account at year-end. At no time, shall the maintenance reserve account have a balance that exceeds four percent of the replacement cost of the current year of the District's school facilities. If the account exceeds this maximum amount at June 30, the excess shall be restricted and designated in the subsequent year's budget. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The activity of the maintenance reserve for the July 1, 2021 to June 30, 2022 fiscal year is as follows:

Beginning Balance July 1, 2021	\$ 1,011,633
Decreased by:	
Budgeted Withdrawal	(300,000)
Ending Balance June 30, 2022	\$ 711,633

SPARTA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 10. RISK MANAGEMENT

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

Property, Liability and Health Benefits

The Board is a member of the School Alliance Insurance Fund ("SAIF"). The SAIF provides its members with Workers' Compensation, Comprehensive General Liability and Automobile Liability, Property, Boiler and Machinery and School Board Legal Liability Insurance. The SAIF is a risk-sharing public entity risk pool that is both an insured and self-administered group of school districts established for the purpose of providing low-cost insurance coverage for their members in order to keep local property taxes at a minimum. Each member appoints an official to represent their respective district for the purpose of creating a governing body from which officers for the SAIF are elected.

As a member of the SAIF, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the SAIF were to be exhausted, members would become responsible for their respective shares of the SAIF's liabilities.

The SAIF can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided amongst the members in the same ratio as their individual assessment relates to the total assessment of the membership body. In accordance with Governmental Accounting Standards Board, these distributions are used to reduce the amount recorded for membership expense in the year in which the distributions are declared.

The SAIF's summarized financial information as of June 30, 2022 is as follows:

	School Alliance Insurance Fund
Total Assets	\$ 52,198,217
Net Position	\$ 20,990,635
Total Revenue	\$ 46,988,143
Total Expenses	\$ 46,989,023
Change in Net Position	\$ (880)
Members' Dividends	\$ -0-

Financial Statements for the Fund are available at the Fund's Executive Director's Office:

Public Entity Group Administrative Services  
51 Everett Drive  
Suite B-40  
West Windsor, NJ 08550  
(609) 275-1155

SPARTA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 10. RISK MANAGEMENT (Cont'd)

New Jersey Unemployment Compensation Insurance

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan, the District 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 District is billed quarterly for amounts due to the State.

The following is a summary of the District’s contributions, employee contributions, interest earnings, reimbursements to the State for benefits paid and the ending balance of the District’s Unemployment Compensation Restricted Fund Balance in the General Fund for the current and previous two years:

<u>Fiscal Year</u>	<u>Employee Contributions and Interest</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2021-2022	\$ 64,513		\$ 374,459
2020-2021	58,112	\$ 28,578	309,946
2019-2020	60,088	12,750	280,412

NOTE 11. CONTINGENT LIABILITIES

Grant Programs

The District participates in federal and state assisted grant programs. The programs are subject to program compliance audits by grantors or their representatives. The District is potentially liable for expenditures which may be disallowed pursuant to terms of these grant programs. Management is not aware of any material items of noncompliance which would result in the disallowance of program expenditures.

Litigation

The District is periodically involved in claims and lawsuits arising from operations. The District estimates that any potential claims against it resulting from such litigation and not covered by insurance would not materially affect the financial position of the District.

Encumbrances

At June 30, 2022, there were encumbrances as detailed below in the Governmental Funds.

<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Activities</u>
<u>\$ 501,648</u>	<u>\$ 37,354</u>	<u>\$ 539,002</u>

On the District’s Governmental Funds Balance Sheet as of June 30, 2022, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund. Encumbrances in the Special Revenue Fund of \$37,354 are not recognized on the GAAP basis and are reflected as a reduction in grants receivables or an increase in unearned revenue.

SPARTA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 12. ECONOMIC DEPENDENCY

The District receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the District's programs and activities.

NOTE 13. TAX CALENDAR

Property taxes are levied by the District's constituent municipality as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the current and prior year may be placed in lien at a tax sale held after December 10.

Taxes are collected by the constituent municipality and are remitted to the School District on a predetermined mutually agreed-upon schedule.

NOTE 14. DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the entities listed below, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency. The plan administrators are as follows:

TD Bank	Security First/Holden Co.
Equitable	Variable Annuity Life Insurance Co.
Fidelity Group	Siscor
First Investors	Siracusa
Kemper	Metropolitan Life Insurance Co.

Equitable Life Insurance is the plan administrator for the District's Internal Revenue Code Section 457 plan.

NOTE 15. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances existed as at June 30, 2022:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 483,899	
Special Revenue Fund		\$ 483,899
	\$ 483,899	\$ 483,899

The interfund between the General Fund and the Special Revenue Fund represents funds advanced to the Special Revenue fund for cash flow purposes awaiting the collection of federal grants receivable.

SPARTA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 16. ACCOUNTS PAYABLE

Accounts payable as of June 30, 2022 consisted of the following:

	<u>Governmental Activities</u>			<u>Business- Type Activities Proprietary Funds</u>	
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>District Contri- bution Subsequent to the Measure- ment Date</u>		<u>Total Governmental Activities</u>
Vendors	\$ 265,177	\$ 203,084		\$ 468,261	\$ 108,226
Payroll Deductions and Withholdings	147,621			147,621	
State of New Jersey			\$ 978,895	978,895	
	<u>\$ 412,798</u>	<u>\$ 203,084</u>	<u>\$ 978,895</u>	<u>\$ 1,594,777</u>	<u>\$ 108,226</u>

NOTE 17. TAX ABATEMENTS

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district’s local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at N.J.S.A. 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

The Township of Sparta recognized revenue in the amount of \$15,786 from three payment in lieu of taxes ("PILOT") agreements. The taxes which would have been paid on these properties for 2021 without the abatement would have been \$90,447 of which \$56,188 would have been for the local school tax.

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)

General Information about the OPEB Plan

Plan Description and Benefits Provided

The District is in a “special funding situation”, as described in GASB Codification Section P50, in that OPEB contributions and expenses are legally required to be made by and are the sole responsibility of the State of New Jersey, not the District.



SPARTA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)  
(Cont'd)

Plan Description and Benefits Provided (Cont'd)

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for the State Health Benefit Local Education Retired Education Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in GASB Codification Section P50. The State Health Benefits Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A. 52:14-17.32f. According to N.J.S.A. 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 years or more of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits, if any, is the responsibility of the individual education employers.

For additional information about the State Health Benefit Local Education Retired Education Plan, please refer to the Division's annual financial statements which can be found at <https://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml>.

Employees Covered by Benefit Terms

At June 30, 2019, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	149,304
Active Plan Members	<u>216,804</u>
Total	<u><u>366,108</u></u>

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020.

SPARTA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)  
(Cont'd)

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%		
	TPAF/ABP	PERS	
Salary Increases:			
Through 2026	1.55 - 4.55% based on service years	2.00 - 6.00% based on service years	
Thereafter	1.55 - 4.55% based on service years	3.00 - 7.00% based on service years	

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018 and July 1, 2014 – June 30, 2018 for TPAF and PERS, respectively.

Mortality Rates

Pre-retirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP) and “General” (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Post-retirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

SPARTA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)  
(Cont'd)

Discount Rate

The discount rate for June 30, 2020 was 2.21%. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. The source is the Bond Buyer Go 20-Bond Municipal bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Changes in the State's Proportionate Share of the Total OPEB Liability Associated with the District

	Total OPEB Liability
Balance at June 30, 2018	\$ 100,065,325
Changes for Year:	
Service Cost	4,342,750
Interest on the Total OPEB Liability	3,607,029
Differences between Expected and Actual Experience	26,576,823
Changes of Assumptions	29,471,173
Gross Benefit Payments by the State	(2,808,787)
Contributions from Members	85,134
Net Changes	61,274,122
Balance at June 30, 2019	\$ 161,339,447

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Discount Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2020, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2020		
	At 1% Decrease (1.21%)	At Discount Rate (2.21%)	At 1% Increase (3.21%)
	Total OPEB Liability Attributable to the District	\$ 194,503,031	\$ 161,339,447

SPARTA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)  
(Cont'd)

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Healthcare Trend Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2020, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	June 30, 2020		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 130,238,642	\$ 161,339,447	\$ 198,373,593

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2022 the District recognized OPEB expense of \$8,136,368 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

In accordance with GASB Codification Section P50, as the District's proportionate share of the OPEB liability is \$-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2020 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

	Deferral Year	Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		\$ 9,791,434
	2018	9.51		8,618,310
	2019	9.29	\$ 1,161,657	
	2020	9.24	26,281,652	
			27,443,309	18,409,744
Differences Between Expected and Actual Experience	2018	9.51		8,146,985
	2019	9.29		13,672,762
	2020	9.24	24,495,531	
			24,495,531	21,819,747
Changes in Proportion	N/A	N/A	1,584,569	1,050,009
			\$ 53,523,409	\$ 41,279,500

SPARTA TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

NOTE 18. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)  
(Cont'd)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB  
(Cont'd)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	Total
2021	\$ 103,357
2022	103,357
2023	103,357
2024	103,357
2025	103,357
Thereafter	11,192,564
	\$ 11,709,349

SCHEDULE OF REQUIRED  
SUPPLEMENTARY INFORMATION

SPARTA TOWNSHIP SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST EIGHT FISCAL YEARS

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
District's Proportion of the Net Pension Liability	0.0751741682%	0.0768273311%	0.0802807819%	0.0746375296%	0.0784852834%	0.0828922067%	0.0845062726%	0.0837349000%
District's Proportionate Share of the Net Pension Liability	\$ 14,074,660	\$ 17,246,196	\$ 23,776,865	\$ 17,374,424	\$ 15,453,361	\$ 14,935,918	\$ 13,780,763	\$ 9,919,654
District's Covered Employee Payroll	\$ 5,084,021	\$ 5,370,633	\$ 5,137,929	\$ 5,235,245	\$ 5,733,801	\$ 5,958,254	\$ 6,101,321	\$ 5,592,092
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	276.84%	321.12%	462.77%	331.87%	269.51%	250.68%	225.87%	177.39%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%	70.33%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

SPARTA TOWNSHIP SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF DISTRICT CONTRIBUTIONS  
PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST EIGHT FISCAL YEARS

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
Contractually Required Contribution	\$ 619,725	\$ 660,509	\$ 730,259	\$ 715,762	\$ 785,678	\$ 811,181	\$ 924,456	\$ 980,633
Contributions in Relation to the Contractually Required Contribution	(619,725)	(660,509)	(730,259)	(715,762)	(785,678)	(811,181)	(924,456)	(980,633)
Contribution Deficiency (Excess)	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -	\$ - 0 -
District's Covered Employee Payroll	\$ 5,370,633	\$ 5,137,929	\$ 5,235,245	\$ 5,733,801	\$ 5,958,254	\$ 6,101,321	\$ 5,592,092	\$ 5,772,610
Contributions as a Percentage of Covered Employee Payroll	11.54%	12.86%	13.95%	12.48%	13.19%	13.30%	16.53%	16.99%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.



SPARTA TOWNSHIP SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF STATE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
ASSOCIATED WITH THE DISTRICT  
TEACHERS' PENSION AND ANNUITY FUND  
LAST EIGHT FISCAL YEARS

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
State's Proportion of the Net Pension Liability								
Attributable to the District	0.2665855069%	0.2512752554%	0.2552440455%	0.2554278667%	0.2527631385%	0.2587500539%	0.2645594088%	0.2621709121%
State's Proportionate Share - Net Pension Liability	\$ 142,481,277	\$ 158,816,692	\$ 200,791,218	\$ 172,218,678	\$ 160,802,479	\$ 158,797,350	\$ 174,209,187	\$ 126,039,161
Attributable to the District	\$ 25,292,572	\$ 25,734,948	\$ 25,904,648	\$ 27,078,583	\$ 28,329,425	\$ 28,545,804	\$ 29,883,372	\$ 31,244,591
District's Covered Employee Payroll								
State's Proportionate Share - Net Pension Liability								
Attributable to the District as a Percentage of its Covered Employee Payroll	563.33%	617.12%	775.12%	636.00%	567.62%	556.29%	582.96%	403.40%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%	35.52%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

SPARTA TOWNSHIP SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF STATE CONTRIBUTIONS  
TEACHERS' PENSION AND ANNUITY FUND  
LAST EIGHT FISCAL YEARS

	Fiscal Year Ending June 30,							
	2015	2016	2017	2018	2019	2020	2021	2022
Contractually required contribution	\$ 7,666,830	\$ 9,697,189	\$ 15,086,666	\$ 11,930,438	\$ 9,374,222	\$ 9,366,292	\$ 10,833,069	\$ 2,965,757
Contributions in relation to the Contractually Required Contribution	(1,358,486)	(2,043,583)	(2,772,603)	(3,722,309)	(5,088,987)	(5,802,801)	(7,620,991)	(11,030,036)
Contribution Deficiency/(Excess)	\$ 6,308,344	\$ 7,653,606	\$ 12,314,063	\$ 8,208,129	\$ 4,285,235	\$ 3,563,491	\$ 3,212,078	\$ (8,064,279)
District's Covered Employee Payroll	\$ 25,734,948	\$ 25,904,648	\$ 27,078,583	\$ 28,329,425	\$ 28,545,804	\$ 29,883,372	\$ 31,244,591	\$ 32,210,104
Contributions as a percentage of Covered Employee Payroll	5.28%	7.89%	10.24%	13.14%	17.83%	19.42%	24.39%	34.24%

Note: This schedule does not contain ten years of information as GASB No. 68 was during the fiscal year ended June 30, 2015.

SPARTA TOWNSHIP SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF CHANGES IN THE STATE'S PROPORTIONATE SHARE OF THE TOTAL OPEB LIABILITY  
ASSOCIATED WITH THE DISTRICT AND RELATED RATIOS  
LAST FOUR FISCAL YEARS

	Fiscal Year Ending June 30,		
	2017	2018	2019
		2019	2020
Service Cost	\$ 5,623,370	\$ 4,668,054	\$ 4,164,858
Interest Cost	4,011,548	4,647,684	4,380,715
Changes in Assumptions	(16,776,469)	(12,681,358)	1,491,982
Differences between Expected and Actual Experience		(9,842,862)	(17,499,677)
Member Contributions	107,949	102,128	91,054
Gross Benefit Payments	(2,931,616)	(2,954,947)	(3,071,707)
Net Change in Total OPEB Liability	(9,965,218)	(16,061,301)	(10,442,775)
Total OPEB Liability - Beginning	136,534,619	126,569,401	110,508,100
Total OPEB Liability - Ending	<u>\$ 126,569,401</u>	<u>\$ 110,508,100</u>	<u>\$ 100,065,325</u>
District's Covered Employee Payroll *	\$ 31,042,577	\$ 32,313,828	\$ 34,063,226
Total OPEB Liability as a Percentage of Covered Employee Payroll	408%	342%	294%
			468%

\* - Covered payroll for the fiscal years ending June 30, 2017, 2018, 2019, and 2020 are based on the payroll on the June 30, 2016, 2017, 2018, and 2019 census data.

Note: This schedule does not contain ten years of information as GASB No. 75 was implemented during the fiscal year ended June 30, 2018.

SPARTA TOWNSHIP SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

In the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020 while in the July 1, 2020 actuarial valuation the mortality improvement was based on Scale MP-2021.

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 5.40% as of June 30, 2020 to 7.00% as of June 30, 2021.

In the July 1, 2019 actuarial valuation the mortality improvement was based on Scale MP-2020 while in the July 1, 2020 actuarial valuation the mortality improvement was based on Scale MP-2021.

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2020 was 2.21%. The discount rate for June 30, 2019 was 3.50%, a change of -1.29%.

The mortality rates in the valuation as of June 30, 2020 were based on the following:

Pre-retirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP) and "General" (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Post-retirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.

SPARTA TOWNSHIP SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

C. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN (Cont'd)

The mortality rates in the valuation as of June 30, 2019 were based on the following:

Pre-retirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Post-retirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

The health care trend rates in the valuation as of June 30, 2020 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 5.6% and decreases to a 4.5% long term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

The health care trend rates in the valuation as of June 30, 2019 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long term trend rate after eight years. For post-65 medical benefits, the actual fully insured Medicare Advantage trend rate for fiscal year 2020 is reflected. The assumed post-65 medical trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

BUDGETARY COMPARISON SCHEDULES

SPARTA TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Revenues from Local Sources:</b>					
Local Tax Levy	\$ 61,060,741		\$ 61,060,741	\$ 61,060,741	
Tuition From Individuals	30,000		30,000	162,867	\$ 132,867
Rents and Royalties		\$ 24,208	24,208	92,253	68,045
Unrestricted Miscellaneous Revenues	91,457	24,180	115,637	143,416	27,779
Interest Earned on Maintenance Reserve	1,000		1,000		(1,000)
Interest Earned on Capital Reserve Funds	1,000		1,000	9,640	8,640
<b>Total Revenues from Local Sources</b>	<b>61,184,198</b>	<b>48,388</b>	<b>61,232,586</b>	<b>61,468,917</b>	<b>236,331</b>
<b>Revenues from State Sources:</b>					
Categorical Transportation Aid	1,128,376		1,128,376	1,128,376	
Extraordinary Aid	300,000		300,000	460,757	160,757
Categorical Special Education Aid	2,030,137		2,030,137	2,030,137	
Equalization Aid	2,000,698		2,000,698	2,000,698	
Categorical Security Aid	252,688		252,688	252,688	
Securing Our Children's Future Bond Act (Alyssa's Law)		180,227	180,227		(180,227)
Non-Public Transportation Aid				10,796	10,796
TPAF Post Retirement Contributions (Non-Budgeted)				2,613,421	2,613,421
TPAF Pension Contributions (Non-Budgeted)				11,030,036	11,030,036
TPAF Non-Contributory Insurance (Non-Budgeted)				155,618	155,618
TPAF Long-Term Disability Insurance (Non-Budgeted)				3,744	3,744
Reimbursed TPAF Social Security Contributions				2,398,903	2,398,903
<b>Total Revenues from State Sources</b>	<b>5,711,899</b>	<b>180,227</b>	<b>5,892,126</b>	<b>22,085,174</b>	<b>16,193,048</b>
<b>Revenues from Federal Sources:</b>					
Medicaid Reimbursement	24,870		24,870	9,291	(15,579)
<b>Total Revenues from Federal Sources</b>	<b>24,870</b>		<b>24,870</b>	<b>9,291</b>	<b>(15,579)</b>
<b>TOTAL REVENUE</b>	<b>66,920,967</b>	<b>228,615</b>	<b>67,149,582</b>	<b>83,563,382</b>	<b>16,413,800</b>

SPARTA TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>GENERAL CURRENT EXPENSE</b>					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers	\$ 100,646	\$ (100,300)	\$ 346	\$ 885,455	\$ 346
Kindergarten - Salaries of Teachers	921,670	(36,150)	885,520	5,583,784	65
Grades 1-5 - Salaries of Teachers	5,442,090	142,700	5,584,790	5,429,873	1,006
Grades 6-8 - Salaries of Teachers	5,356,830	76,330	5,433,160	7,780,946	3,287
Grades 9-12 - Salaries of Teachers	7,569,336	213,426	7,782,762		1,816
Regular Programs - Home Instruction:					
Other Salaries for Instruction	10,280	(2,000)	8,280	7,706	574
Purchased Professional-Educational Services	20,000	14,940	34,940	34,213	727
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	116,340	16,124	132,464	132,221	243
Purchased Professional-Educational Services	16,923	6,541	23,464	21,277	2,187
Other Purchased Services (400-500 series)	573,039	117,845	690,884	628,260	62,624
General Supplies	946,552	(244,685)	701,867	507,568	194,299
Textbooks	58,491	5,354	63,845	62,604	1,241
Other Objects	1,500		1,500	204	1,296
<b>Total Regular Programs - Instruction</b>	<b>21,133,697</b>	<b>210,125</b>	<b>21,343,822</b>	<b>21,074,111</b>	<b>269,711</b>
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	538,866	(152,937)	385,929	385,864	65
Other Salaries for Instruction	258,506	(53,750)	204,756	204,187	569
Other Purchased Services (400-500 series)	15,837	(6,190)	9,647	9,140	507
General Supplies	7,440	(2,000)	5,440	3,778	1,662
<b>Total Learning and/or Language Disabilities</b>	<b>820,649</b>	<b>(214,877)</b>	<b>605,772</b>	<b>602,969</b>	<b>2,803</b>
Behavioral Disabilities:					
Salaries of Teachers	75,949	10,844	86,793	86,789	4
Other Salaries for Instruction	19,381	30	19,411	19,410	1
General Supplies	4,000	(4,000)			
<b>Total Behavioral Disabilities</b>	<b>99,330</b>	<b>6,874</b>	<b>106,204</b>	<b>106,199</b>	<b>5</b>



SPARTA TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Multiple Disabilities:					
Salaries of Teachers	\$ 342,239	\$ 32,175	\$ 374,414	\$ 374,384	\$ 30
Other Salaries for Instruction	139,592	75,520	215,112	214,633	479
Other Purchased Services (400-500 series)	19,100	7,790	26,890	25,147	1,743
General Supplies	32,919		32,919	30,635	2,284
Total Multiple Disabilities	<u>533,850</u>	<u>115,485</u>	<u>649,335</u>	<u>644,799</u>	<u>4,536</u>
Resource Room/Resource Center:					
Salaries of Teachers	3,495,135	253,814	3,748,949	3,748,562	387
Other Salaries for Instruction	433,337	80,114	513,451	511,342	2,109
Other Purchased Services (400-500 series)	19,351	1,620	20,971	18,477	2,494
General Supplies	7,950		7,950	5,582	2,368
Total Resource Room/Resource Center	<u>3,955,773</u>	<u>335,548</u>	<u>4,291,321</u>	<u>4,283,963</u>	<u>7,358</u>
Preschool Disabilities - Part-Time:					
General Supplies	200		200	180	20
Total Preschool Disabilities - Part-Time	<u>200</u>		<u>200</u>	<u>180</u>	<u>20</u>
Preschool Disabilities - Full-Time:					
Salaries of Teachers	256,447	83,890	340,337	340,286	51
Other Salaries for Instruction	164,261	(66,630)	97,631	97,592	39
General Supplies	400		400	293	107
Total Preschool Disabilities - Full-Time	<u>421,108</u>	<u>17,260</u>	<u>438,368</u>	<u>438,171</u>	<u>197</u>
Home Instruction:					
Salaries of Teachers	15,420	7,444	22,864	22,864	
Purchased Professional-Educational Services	19,000	23,726	42,726	39,887	2,839
Total Home Instruction	<u>34,420</u>	<u>31,170</u>	<u>65,590</u>	<u>62,751</u>	<u>2,839</u>
TOTAL SPECIAL EDUCATION - INSTRUCTION	<u>5,865,330</u>	<u>291,460</u>	<u>6,156,790</u>	<u>6,139,032</u>	<u>17,758</u>

SPARTA TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>Bilingual Education - Instruction:</b>					
Salaries of Teachers	\$ 131,179	\$ (7,645)	\$ 123,534	\$ 123,528	\$ 6
General Supplies	450		450	150	300
<b>Total Bilingual Education - Instruction</b>	<b>131,629</b>	<b>(7,645)</b>	<b>123,984</b>	<b>123,678</b>	<b>306</b>
<b>School-Spon. Cocurricular &amp; Extracurricular Actvts. - Inst.:</b>					
Salaries	237,255	17,775	255,030	254,775	255
Purchased Services (300-500 series)	46,790	(28,148)	18,642	14,183	4,459
Supplies and Materials	43,349	(31,800)	11,549	9,311	2,238
Other Objects	10,415	6,016	16,431	8,134	8,297
<b>Total School-Spon. Cocurricular &amp; Extracurricular Actvts. - Inst.</b>	<b>337,809</b>	<b>(36,157)</b>	<b>301,652</b>	<b>286,403</b>	<b>15,249</b>
<b>School-Sponsored Athletics - Instruction:</b>					
Salaries	590,028	53,805	643,833	643,178	655
Purchased Services (300-500 series)	221,878	334	222,212	213,589	8,623
Supplies and Materials	77,523	(1,285)	76,238	60,693	15,545
Other Objects	30,789	11,925	42,714	39,015	3,699
<b>Total School-Sponsored Athletics - Instruction</b>	<b>920,218</b>	<b>64,779</b>	<b>984,997</b>	<b>956,475</b>	<b>28,522</b>
<b>Other Supplemental/At Risk Programs - Instruction:</b>					
Salaries of Teachers	1,255,139	47,018	1,302,157	1,302,043	114
Other Purchased Services (400-500 series)	18,400	(8,820)	9,580	8,795	785
General Supplies	5,400	5,200	10,600	8,403	2,197
<b>Total Other Suppl/at-risk Prog - Instruction</b>	<b>1,278,939</b>	<b>43,398</b>	<b>1,322,337</b>	<b>1,319,241</b>	<b>3,096</b>
<b>Other Supplemental/at Risk Programs - Support Svcs:</b>					
Salaries	96,329	(96,328)	1		1
<b>Total Other Suppl/At-Risk Prog - Support</b>	<b>96,329</b>	<b>(96,328)</b>	<b>1</b>		<b>1</b>
<b>Total Other Supplemental/At-Risk Programs</b>	<b>1,375,268</b>	<b>(52,930)</b>	<b>1,322,338</b>	<b>1,319,241</b>	<b>3,097</b>

SPARTA TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Instructional Programs - Instruction:					
Salaries	\$ 279,585	\$ 3,710	\$ 283,295	\$ 283,273	\$ 22
Purchased Services (300-500 series)	125		125		125
Supplies and Materials	2,620	344	2,964	2,859	105
Other Objects	420		420		420
Total Other Instructional Programs - Instruction	<u>282,750</u>	<u>4,054</u>	<u>286,804</u>	<u>286,132</u>	<u>672</u>
<b>TOTAL INSTRUCTION</b>	<b>30,046,701</b>	<b>473,686</b>	<b>30,520,387</b>	<b>30,185,072</b>	<b>335,315</b>
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State-Special	322,566	61,456	384,022	384,022	
Tuition to County Voc. School Dist.-Regular	110,000	4,805	114,805	114,805	
Tuition to County Voc. School Dist.-Special	65,000	(42,998)	22,002	22,002	
Tuition to Priv. Sch. for the Handicap. W/I State	960,473	430,876	1,391,349	1,358,441	32,908
Total Undistributed Expenditures - Instruction	<u>1,458,039</u>	<u>454,139</u>	<u>1,912,178</u>	<u>1,879,270</u>	<u>32,908</u>
Undistributed Expend. - Attend. & Social Work:					
Salaries	126,982	(10,861)	116,121	116,120	1
Total Undist. Expend. - Attendance and Social Work	<u>126,982</u>	<u>(10,861)</u>	<u>116,121</u>	<u>116,120</u>	<u>1</u>
Undistributed Expenditures - Health Services:					
Salaries	527,929	9,932	537,861	535,595	2,266
Purchased Professional and Technical Services	28,800	655	29,455	14,374	15,081
Other Purchased Services (400-500 series)	2,520		2,520	1,285	1,235
Supplies and Materials	26,736	2,000	28,736	23,451	5,285
Other Objects	740		740	425	315
Total Undist. Expenditures - Health Services	<u>586,725</u>	<u>12,587</u>	<u>599,312</u>	<u>575,130</u>	<u>24,182</u>

SPARTA TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Speech, OT, PT, Related Svcs:					
Salaries	\$ 942,975	\$ 85,912	\$ 1,028,887	\$ 1,027,993	\$ 894
Purchased Professional - Educational Services	365,351	(202,191)	163,160	144,533	18,627
Supplies and Materials	3,455	151	3,606	2,380	1,226
Other Objects		42,150	42,150	30,290	11,860
Total Undist. Expend. - Speech, OT, PT, Related Svcs	1,311,781	(73,978)	1,237,803	1,205,196	32,607
Undist.Expend.-Other Supp.Serv.Students-Extra.Serv.:					
Salaries	348,512	41,050	389,562	386,946	2,616
Purchased Professional - Educational Services	89,000	19,520	108,520	106,412	2,108
Supplies and Materials	25,500	(7,324)	18,176	10,752	7,424
Other Objects	1,000	2,900	3,900	3,288	612
Total Undist. Expend. - Other Supp. Svcs. Students - Extra. Serv.	464,012	56,146	520,158	507,398	12,760
Undist.Expend.-Guidance:					
Salaries of Other Professional Staff	1,033,021	3,178	1,036,199	1,036,098	101
Salaries of Secretarial and Clerical Assistants	151,382	(1,251)	150,131	150,105	26
Other Salaries	241,907	856	242,763	242,763	
Unused Vacation Payment to Terminated/Retired Staff		10,387	10,387	10,387	
Purchased Professional - Educational Services	8,000		8,000	8,000	
Other Purchased Prof. and Tech. Services	2,500		2,500	2,500	
Other Purchased Services (400-500 series)	10,357	310	10,667	5,840	4,827
Supplies and Materials	50,612	30,000	80,612	69,227	11,385
Other Objects	2,458		2,458	1,121	1,337
Total Undist Expend. - Guidance	1,500,237	43,480	1,543,717	1,523,541	20,176

SPARTA TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Child Study Team:					
Salaries of Other Professional Staff	\$ 1,518,460	\$ (71,216)	\$ 1,447,244	\$ 1,447,159	\$ 85
Salaries of Secretarial and Clerical Assistants	145,375	(7,225)	138,150	138,146	4
Purchased Professional - Educational Services	41,000	(13,085)	27,915	9,414	18,501
Other Purchased Prof. and Tech. Services	27,500	(4,600)	22,900	21,188	1,712
Other Purchased Services (400-500 series)	25,700	(3,750)	21,950	15,677	6,273
Supplies and Materials	14,700	5,742	20,442	19,331	1,111
Other Objects	3,499	3,278	6,777	6,640	137
<b>Total Undist Expend. - Child Study Team</b>	<b>1,776,234</b>	<b>(90,856)</b>	<b>1,685,378</b>	<b>1,657,555</b>	<b>27,823</b>
Undist. Expend.-Improv. of Inst. Serv.:					
Salaries of Supervisors of Instruction	729,959	(42,000)	687,959	687,821	138
Salaries of Other Professional Staff	318,792	(71,200)	247,592	247,572	20
Salaries of Secretarial and Clerical Assistants	60,574	31,400	91,974	91,971	3
Other Salaries	36,000	(18,960)	17,040	15,947	1,093
Unused Vacation Payment to Terminated/Retired Staff		15,454	15,454	15,450	4
Other Purchased Services (400-500 series)	41,500	(19,350)	22,150	14,007	8,143
Supplies and Materials	10,000		10,000	8,657	1,343
Other Objects	20,200	(4,250)	15,950	11,795	4,155
<b>Total Undist. Expend.-Improv. of Inst. Serv.</b>	<b>1,217,025</b>	<b>(108,906)</b>	<b>1,108,119</b>	<b>1,093,220</b>	<b>14,899</b>
Undist. Expend.-Edu. Media Serv./Sch. Library:					
Salaries	428,950	35,499	464,449	464,427	22
Salaries of Technology Coordinators	535,674	8,195	543,869	541,916	1,953
Other Purchased Services (400-500 series)	38,277		38,277	37,278	999
Supplies and Materials	34,565	324	34,889	32,161	2,728
<b>Total Undist Expend-Edu. Media Serv./Sch. Library</b>	<b>1,037,466</b>	<b>44,018</b>	<b>1,081,484</b>	<b>1,075,782</b>	<b>5,702</b>

SPARTA TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist.Expend.-Instructional Staff Training Services:					
Other Salaries	\$ 65,000	\$ (60,000)	\$ 5,000	\$ 3,410	\$ 1,590
Unused Vacation Payment to Terminated/Retired Staff	36,275	19,500	55,775	45,250	10,525
Other Purchased Services (400-500 series)	105,190	(39,710)	65,480	28,230	37,250
Supplies and Materials	9,160	(809)	8,351	1,201	7,150
Other Objects	2,108	(1,690)	418	318	100
Total Undist.Expend.-Instructional Staff Training Services	<u>217,733</u>	<u>(82,709)</u>	<u>135,024</u>	<u>78,409</u>	<u>56,615</u>
Undist. Expend.-Support Serv.-Gen. Admin.:					
Salaries	270,080	(7,342)	262,738	261,738	1,000
Legal Services	150,000	201,450	351,450	346,175	5,275
Audit Fees	132,600	14,250	146,850	73,500	73,350
Architectural/Engineering Services	105,000	(70,500)	34,500	7,504	26,996
Other Purchased Professional Services	55,000	(10,000)	45,000	44,100	900
Purchased Technical Services	4,735	(3,315)	1,420	1,420	
Communications / Telephone	112,512	(23,455)	89,057	81,420	7,637
BOE Other Purchased Services	12,225	(4,225)	8,000	7,880	120
Other Purch. Serv. (400-500 series other than 530 & 585)	24,000	10,195	34,195	27,475	6,720
General Supplies	1,895	3,473	5,368	5,368	
BOE In-house training/ Meeting Supplies	2,310		2,310	2,281	29
Judgments Against The School District		10,000	10,000	10,000	
Miscellaneous Expenditures	5,460	9,977	15,437	15,355	82
BOE Membership Dues and Fees	25,000	1,900	26,900	26,881	19
Total Undist. Expend.-Support Serv.-Gen. Admin.	<u>900,817</u>	<u>132,408</u>	<u>1,033,225</u>	<u>911,097</u>	<u>122,128</u>
Salaries of Principals/Assistant Principals/Prog Director	1,545,488	(9,130)	1,536,358	1,536,301	57
Salaries of Other Professional Staff	445,719	2,075	447,794	447,756	38
Salaries of Secretarial and Clerical Assistants	677,180	13,051	690,231	690,153	78
Unused Vacation Payment to Terminated/Retired Staff		20,287	20,287	20,245	42

SPARTA TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Support Serv.-School Admin.:					
Other Purchased Services (400-500 series)	\$ 23,154	\$ 5,376	\$ 28,530	\$ 23,606	\$ 4,924
Supplies and Materials	79,291	(4,044)	75,247	67,714	7,533
Other Objects	16,985	8,573	25,558	23,403	2,155
Total Undist. Expend.-Support Serv.-School Adm.	<u>2,787,817</u>	<u>36,188</u>	<u>2,824,005</u>	<u>2,809,178</u>	<u>14,827</u>
Undist. Expend. - Central Services:					
Salaries	524,277	(8,014)	516,263	515,640	623
Unused Vacation Payment to Terminated/Retired Staff	9,014	9,014	9,014	9,014	
Purchased Technical Services	45,883	(5,000)	40,883	22,771	18,112
Miscellaneous Purchased Services (400-500 series other than 594)	24,485	(6,000)	18,485	1,915	16,570
Sales/Lease-back Payments	4,601	(300)	4,301	4,121	180
Supplies and Materials	10,300	4,300	14,600	13,023	1,577
Other Objects	2,750		2,750	1,490	1,260
Total Undist. Expend. - Central Services	<u>612,296</u>	<u>(6,000)</u>	<u>606,296</u>	<u>567,974</u>	<u>38,322</u>
Undist. Expend. - Admin. Info. Technology:					
Salaries	292,918	3,388	296,306	296,303	3
Unused Vacation Payment to Terminated/Retired Staff		7,372	7,372	7,372	
Purchased Technical Services	119,341	(53,503)	65,838	63,544	2,294
Other Purchased Services (400-500 series)	351,598	54,400	405,998	386,409	19,589
Supplies and Materials	39,429	(11,109)	28,320	21,702	6,618
Total Undist. Expend. - Admin. Info. Technology	<u>803,286</u>	<u>548</u>	<u>803,834</u>	<u>775,330</u>	<u>28,504</u>
Undist. Expend.-Required Maintenance for School Facilities:					
Salaries	586,974	2,595	589,569	586,928	2,641
Cleaning, Repair, and Maintenance Services	407,700	(21,118)	386,582	350,401	36,181
General Supplies	104,203	34,001	138,204	107,890	30,314
Other Objects	6,000	100	6,100	2,980	3,120
Total Undist. Expend.- Required Maint. for School Facilities	<u>1,104,877</u>	<u>15,578</u>	<u>1,120,455</u>	<u>1,048,199</u>	<u>72,256</u>

SPARTA TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Custodial Services:					
Salaries	\$ 1,573,815	\$ 13,702	\$ 1,587,517	\$ 1,584,717	\$ 2,800
Salaries of Non-Instructional Aides	129,641	(2,454)	127,187	126,776	411
Unused Vacation Payment to Terminated/Retired Staff		5,932	5,932	5,932	
Purchased Professional and Technical Services	18,000	(3,535)	14,465	14,397	68
Cleaning, Repair, and Maintenance Services	127,154	98,120	225,274	218,113	7,161
Other Purchased Property Services	144,105	(31,588)	112,517	112,517	
Insurance	581,715	55,867	637,582	637,577	5
Miscellaneous Purchased Services	8,000		8,000	4,288	3,712
General Supplies	258,004	(45,191)	212,813	191,915	20,898
Energy (Natural Gas)	62,000	128,332	190,332	168,490	21,842
Energy (Electricity)	982,250	(121,421)	860,829	855,161	5,668
Energy (Oil)	329,000	(73,650)	255,350	254,466	884
Energy (Gasoline)	10,000		10,000	5,057	4,943
Total Undist. Expend.-Custodial Services	4,223,684	24,114	4,247,798	4,179,406	68,392
Care and Upkeep of Grounds:					
Salaries	283,271	4,385	287,656	287,240	416
Cleaning, Repair, and Maintenance Services	46,593	18,200	64,793	60,266	4,527
General Supplies	94,946	(10,520)	84,426	76,075	8,351
Other Objects	7,200	(4,000)	3,200	1,158	2,042
Total Care And Upkeep Of Grounds	432,010	8,065	440,075	424,739	15,336
Security:					
Salaries	275,988	107,601	383,589	364,508	19,081
Purchased Professional and Technical Services	90,000	(12,083)	77,917	77,917	
Cleaning, Repair, and Maintenance Services	11,700	(10,985)	715	21	694
General Supplies	166,307	(150,829)	15,478	14,972	506
Total Security	543,995	(66,296)	477,699	457,418	20,281
Total Undist. Expend.-Oper. And Maint. Of Plant Serv.	6,304,566	(18,539)	6,286,027	6,109,762	176,265



SPARTA TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend.-Student Transportation Serv.:					
Sal. for Pupil Trans. (Bet. Home and Sch.)-Reg.	\$ 401,249	\$ (87,114)	\$ 314,135	\$ 312,998	\$ 1,137
Sal. for Pupil Trans. (Bet. Home and Sch.)-Spl. Ed.	241,187	(25,601)	215,586	214,499	1,087
Sal. for Pupil Trans. (Oth. than Bet. Home & Sch)	53,200	3,750	56,950	50,117	6,833
Unused Vacation Payment to Terminated/Retired Staff		8,190	8,190		
Other Purchased Professional and Technical Services	20,000	(1,688)	18,312	18,186	126
Cleaning, Repair, and Maint. Services	90,225	(37,969)	52,256	52,223	33
Lease Purchase Payments - School Buses	111,732	(42,349)	69,383	69,383	
Contract. Serv. - Aid in Lieu of Payments-Nonpublic Studts	58,000	41,426	99,426	99,300	126
Contract. Serv.(Bet. Home & Sch.)-Vendors	2,150,000	322,500	2,472,500	2,472,412	88
Contract. Serv.(Oth. than Bet. Home & Sch.)-Vend.	164,200	(45,522)	118,678	118,633	45
Contract. Serv.(Bet. Home & Sch.)-Joint Agrmnts.	35,000	(35,000)			
Contract. Serv.(Spl. Ed. Students)-Vendors	18,296	10,872	29,168	26,635	2,533
Contract. Serv.(Spl. Ed. Students)-Joint Agrmnts	3,049	33,611	36,660	36,373	287
Contract. Serv.(Reg. Students)-ESCs & CTSA	217,800	(28,050)	189,750	189,488	262
Contract. Serv.(Spl. Ed. Students)-ESCs & CTSA	792,000	124,667	916,667	897,971	18,696
Misc. Purchased Serv. - Transportation	5,200	(2,000)	3,200	2,291	909
General Supplies	4,500	(2,500)	2,000	1,638	362
Transportation Supplies	176,000	(37,670)	138,330	130,325	8,005
Other Objects	525		525	200	325
Total Undist. Expend.-Student Trans. Serv.	<u>4,542,163</u>	<u>199,553</u>	<u>4,741,716</u>	<u>4,700,862</u>	<u>40,854</u>
UNALLOCATED BENEFITS					
Social Security Contributions	799,061	(17,479)	781,582	780,501	1,081
Other Retirement Contributions - PERS	902,880	77,753	980,633	980,633	
Workers Compensation	450,100	(118,431)	331,669	329,561	2,108
Health Benefits	8,832,936	(1,000,956)	7,831,980	7,600,028	231,952
Tuition Reimbursement	200,000	2,500	202,500	191,703	10,797
Other Employee Benefits	694,315	(164,430)	529,885	456,933	72,952
Unused Sick Payment to Terminated/Retired Staff	75,000	33,915	108,915	108,458	457
TOTAL UNALLOCATED BENEFITS	<u>11,954,292</u>	<u>(1,187,128)</u>	<u>10,767,164</u>	<u>10,447,817</u>	<u>319,347</u>

SPARTA TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>ON-BEHALF CONTRIBUTIONS (NON-BUDGETED)</b>					
TPAF Post Retirement Contributions (Non-Budgeted)			\$ 2,613,421	\$ 2,613,421	\$ (2,613,421)
TPAF Pension Contributions (Non-Budgeted)			11,030,036	11,030,036	(11,030,036)
TPAF Non-Contributory Insurance (Non-Budgeted)			155,618	155,618	(155,618)
TPAF Long-Term Disability Insurance (Non-Budgeted)			3,744	3,744	(3,744)
Reimbursed TPAF Social Security Contributions			2,398,903	2,398,903	(2,398,903)
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<b>\$ 11,954,292</b>	<b>\$ (1,187,128)</b>	<b>\$ 10,767,164</b>	<b>26,649,539</b>	<b>(15,882,375)</b>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<b>37,601,471</b>	<b>(599,910)</b>	<b>37,001,561</b>	<b>52,235,363</b>	<b>(15,233,802)</b>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<b>67,648,172</b>	<b>(126,224)</b>	<b>67,521,948</b>	<b>82,420,435</b>	<b>(14,898,487)</b>
<b>CAPITAL OUTLAY</b>					
Equipment					
Grades 6-8	15,000	1,791	16,791	13,276	3,515
Grades 9-12	9,091	(612)	8,479	8,169	310
Vocational Programs:					
School-Sponsored and Other Instructional Programs	31,914	30,371	62,285	58,231	4,054
Undistributed:					
Undist. Expend.-Support Serv. - Inst. Staff		3,000	3,000	2,748	252
Undistributed Expenditures - School Admin.		8,900	8,900	6,993	1,907
Undistributed Expenditures - Admin. Info. Tech.		4,709	4,709	4,709	4,709
Undist. Expend. - Required Maint for School Fac.		7,950	7,950	7,950	
Undist. Expend. - Care and Upkeep of Grounds	171,341	47,201	218,542	98,699	119,843
School Buses - Special	30,965		30,965	30,964	1
Total Equipment	<u>258,311</u>	<u>103,310</u>	<u>361,621</u>	<u>227,030</u>	<u>134,591</u>

SPARTA TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Facilities Acquisition and Construction Serv.:					
Architectural/Engineering Services	\$ 174,577	\$ 88,783	\$ 263,360	\$ 237,975	\$ 25,385
Construction Services	2,643,236	288,051	2,931,287	2,667,558	263,729
Lease Purchase Agreements - Principal	143,920	(143,920)			
Assessment for Debt Service on SDA Funding	14,763		14,763	14,763	
Total Facilities Acquisition and Const. Serv.	2,976,496	232,914	3,209,410	2,920,296	289,114
Assets Acquired Under Financed Purchases (Non-Budgeted):					
Regular Programs - Equipment				750,000	(750,000)
Total Assets Acquired Under Financed Purchases (Non-Budgeted)				750,000	(750,000)
TOTAL CAPITAL OUTLAY	3,234,807	336,224	3,571,031	3,897,326	(326,295)
Transfer of Funds to Charter Schools	249,877	18,615	268,492	218,288	50,204
TOTAL EXPENDITURES	71,132,856	228,615	71,361,471	86,536,049	(15,174,578)
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(4,211,889)		(4,211,889)	(2,972,667)	(1,239,222)
Other Financing Sources/(Uses):					
Financed Purchases (Non-budgeted)				750,000	750,000
Total Other Financing Sources/(Uses)				750,000	750,000
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(4,211,889)		(4,211,889)	(2,222,667)	1,989,222
Fund Balance, July 1	11,629,656		11,629,656	11,629,656	
Fund Balance, June 30	\$ 7,417,767	\$ - 0 -	\$ 7,417,767	\$ 9,406,989	\$ 1,989,222

SPARTA TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<u>Recapitulation:</u>					
Restricted Fund Balance:					
Excess Surplus - Restricted For 2023-2024	\$ 195,716				
Capital Reserve	3,918,607				
Maintenance Reserve	711,633				
Unemployment Compensation	374,459				
Assigned Fund Balance:					
Year End Encumbrances	501,648				
Designated for Subsequent Year's Expenditures	750,000				
Unassigned Fund Balance	2,954,926				
	9,406,989				
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP basis			(513,717)		
Fund Balance per Governmental Funds (GAAP)			\$ 8,893,272		

SPARTA TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
Local Sources		\$ 502,811	\$ 502,811	\$ 486,719	\$ (16,092)
State Sources	\$ 342,609	513,130	855,739	852,500	(3,239)
Federal Sources	893,207	2,235,448	3,128,655	1,755,439	(1,373,216)
<b>Total Revenues</b>	<b>1,235,816</b>	<b>3,251,389</b>	<b>4,487,205</b>	<b>3,094,658</b>	<b>(1,392,547)</b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	67,343	237,358	304,701	195,195	109,506
Other Salaries for Instruction		6,000	6,000	6,000	
Purchased Professional/Technical Services		166,248	166,248	155,031	11,217
Nursing	112,016	(112,016)			
Other Purchased Services	782,734	(146,463)	636,271	548,066	88,205
General Supplies		258,233	258,233	174,552	83,681
Textbooks	67,022	15,806	82,828	79,760	3,068
Other Objects		32,251	32,251		32,251
<b>Total Instruction</b>	<b>1,029,115</b>	<b>457,417</b>	<b>1,486,532</b>	<b>1,158,604</b>	<b>327,928</b>
Support Services:					
Salaries of Program Directors		41,555	41,555	12,210	29,345
Salaries of Other Professional Staff		336,723	336,723	232,865	103,858
Personal Services—Employee Benefits	34,630	7,344	41,974	23,516	18,458
Purchased Professional/Educational Services	8,500	1,195,403	1,203,903	461,183	742,720
Tuition		311,523	311,523	265,491	46,032
Other Purchased Services	163,571	23,985	187,556	133,819	53,737
Supplies and Materials		175,418	175,418	104,949	70,469
Student Activities		395,054	395,054	395,054	
Scholarships Awarded		5,000	5,000	5,000	
<b>Total Support Services</b>	<b>206,701</b>	<b>2,492,005</b>	<b>2,698,706</b>	<b>1,634,087</b>	<b>1,064,619</b>
Equipment:					
Non Instructional Equipment		277,164	277,164	277,164	
<b>Total Equipment</b>		<b>277,164</b>	<b>277,164</b>	<b>277,164</b>	
<b>Total Expenditures</b>	<b>1,235,816</b>	<b>3,226,586</b>	<b>4,462,402</b>	<b>3,069,855</b>	<b>1,392,547</b>
Excess (Deficiency) of Revenue Over/(Under) Expenditures	\$ - 0 -	\$ 24,803	\$ 24,803	\$ 24,803	\$ - 0 -

SPARTA TOWNSHIP SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Note A - Explanation of Differences Between Budgetary Inflows and Outflows and  
GAAP Revenues and Expenditures

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue"	\$ 83,563,382	\$ 3,094,658
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis recognizes Encumbrances as Expenditures and Revenue while the GAAP Basis does not.		
Current Year Encumbrances		(37,354)
Prior Year Encumbrances		26,941
Prior Year State Aid Payments Recognized for GAAP Statements, not Recognized for Budgetary Purposes	538,501	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(513,717)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 83,588,166	\$ 3,084,245
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 86,536,049	\$ 3,069,855
Differences - Budget to GAAP		
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, not in the Year the Supplies are Received for Financial Reporting Purposes.		
Current Year Encumbrances		(37,354)
Prior Year Encumbrances		26,941
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 86,536,049	\$ 3,059,442

SPARTA TOWNSHIP SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budget for the fiscal year ended June 30, 2022 was submitted to the County office and was approved by a vote of the Board of Education. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)l. All budget amendments/transfers must be made by board resolution. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the Special Revenue Fund are maintained on the grant accounting budgetary basis, except for student activities and scholarships. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The General Fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the June state aid payments. Since the State is recording the June state aid payments in the subsequent fiscal year, the District cannot recognize these payments in the GAAP financial statements.

SCHOOL LEVEL SCHEDULES  
(NOT APPLICABLE)



SPECIAL REVENUE FUND

SPARTA TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR FISCAL YEAR ENDED JUNE 30, 2022

	Elementary and Secondary Education Act				ARP IDEA Basic
	Title I	Title II A	Title IV	IDEA Part B Preschool	
<b>REVENUE:</b>					
State Sources					
Federal Sources	\$ 67,363	\$ 40,864	\$ 17,541	\$ 26,301	\$ 813,256
Local Sources					\$ 63,234
<b>Total Revenue</b>	<b>\$ 67,363</b>	<b>\$ 40,864</b>	<b>\$ 17,541</b>	<b>\$ 26,301</b>	<b>\$ 813,256</b>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	\$ 62,576				
Other Salaries for Instruction					
Purchased Professional/Technical Services					
Other Purchased Services		\$ 14,312	\$ 26,301	\$ 419,467	
General Supplies		385		14,209	\$ 22,187
Textbooks					
<b>Total Instruction</b>	<b>62,576</b>		<b>14,697</b>	<b>26,301</b>	<b>433,676</b>
Support Services:					
Salaries of Program Directors		\$ 12,210			1,575
Salaries of Other Professional Staff					121
Personal Services - Employee Benefits	4,787	934			28,674
Purchased Professional/Educational Services		26,170			349,911
Tuition					
Other Purchased Services		1,550			11,160
Supplies and Materials			2,844		18,509
Student Activities					
Scholarships Awarded					
<b>Total Support Services</b>	<b>4,787</b>	<b>40,864</b>	<b>2,844</b>		<b>379,580</b>
Equipment:					
Non Instructional Equipment					
<b>Total Equipment</b>					
<b>Total Expenditures</b>	<b>\$ 67,363</b>	<b>\$ 40,864</b>	<b>\$ 17,541</b>	<b>\$ 26,301</b>	<b>\$ 813,256</b>
					<b>\$ 63,234</b>

SPARTA TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR FISCAL YEAR ENDED JUNE 30, 2022

	Education Stabilization Aid					SDA Emergent Capital and Maintenance Needs	
	REVENUE:	IDEA Preschool	ESSER II	COVID 19 - CRRSA			ACRSERS
				Learning Acceleration	Mental Health		
State Sources	\$ 13,314	\$ 228,203	\$ 7,416	\$ 41,984	\$ 139,377	\$ 77,164	
Federal Sources							
Local Sources							
Total Revenue	\$ 13,314	\$ 228,203	\$ 7,416	\$ 41,984	\$ 139,377	\$ 77,164	
<b>EXPENDITURES:</b>							
Instruction:							
Salaries of Teachers		\$ 131,269					
Other Salaries for Instruction							
Purchased Professional/Technical Services							
Other Purchased Services					\$ 87,986		
General Supplies	\$ 13,314	9,075	\$ 5,216				
Textbooks							
Total Instruction	13,314	140,344	5,216		87,986		
Support Services:							
Salaries of Program Directors							
Salaries of Other Professional Staff		28,800	\$ 39,000				
Personal Services - Employee Benefits		12,245	2,984				
Purchased Professional/Educational Services			2,200				
Tuition							
Other Purchased Services					51,391		
Supplies and Materials		46,814					
Student Activities							
Scholarships Awarded							
Total Support Services		87,859	2,200	41,984	51,391		
Equipment:							
Non Instructional Equipment						\$ 77,164	
Total Equipment						77,164	
Total Expenditures	\$ 13,314	\$ 228,203	\$ 7,416	\$ 41,984	\$ 139,377	\$ 77,164	

SPARTA TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR FISCAL YEAR ENDED JUNE 30, 2022

	Education Stabilization Aid					Chapter 192 (Auxiliary Services) Compensatory Education ESL
	COVID 19 - ARP					
	ESSER III	Accelerated Learning	Beyond the School Day	Mental Health	ESL	
<b>REVENUE:</b>						
State Sources	\$ 251,753	\$ 20,000	\$ 21,530	\$ 3,303		\$ 1,370
Federal Sources						
Local Sources						
<b>Total Revenue</b>	<b>\$ 251,753</b>	<b>\$ 20,000</b>	<b>\$ 21,530</b>	<b>\$ 3,303</b>	<b>\$ 101,225</b>	<b>\$ 1,370</b>
<b>EXPENDITURES:</b>						
Instruction:						
Salaries of Teachers				\$ 1,350		
Other Salaries for Instruction						
Purchased Professional/Technical Services				1,850		
Other Purchased Services						
General Supplies						
Textbooks						
<b>Total Instruction</b>					<b>3,200</b>	
Support Services:						
Salaries of Program Directors						
Salaries of Other Professional Staff	\$ 10,615		\$ 20,000			
Personal Services - Employee Benefits	812		1,530		103	
Purchased Professional/Educational Services:						
Tuition	26,955	\$ 20,000				\$ 1,370
Other Purchased Services						
Supplies and Materials	13,371					
Student Activities						
Scholarships Awarded						
<b>Total Support Services</b>	<b>51,753</b>	<b>20,000</b>	<b>21,530</b>		<b>103</b>	<b>1,370</b>
Equipment:						
Non Instructional Equipment	200,000					
<b>Total Equipment</b>	<b>200,000</b>					
<b>Total Expenditures</b>	<b>\$ 251,753</b>	<b>\$ 20,000</b>	<b>\$ 21,530</b>	<b>\$ 3,303</b>	<b>\$ 101,225</b>	<b>\$ 1,370</b>

SPARTA TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR FISCAL YEAR ENDED JUNE 30, 2022

	Chapter 193 (Handicapped Services)					
	Supplemental Instruction	Examination & Classification	Corrective Speech	Home Instruction	Nonpublic Textbooks	Nonpublic Nursing
REVENUE:						
State Sources	\$ 59,059	\$ 60,127	\$ 43,710	\$ 1,503	\$ 79,760	\$ 151,678
Federal Sources						
Local Sources						
Total Revenue	\$ 59,059	\$ 60,127	\$ 43,710	\$ 1,503	\$ 79,760	\$ 151,678
EXPENDITURES:						
Instruction:						
Salaries of Teachers						
Other Salaries for Instruction				\$ 1,503		\$ 151,678
Purchased Professional/Technical Services						
Other Purchased Services						
General Supplies						
Textbooks					\$ 79,760	
Total Instruction				\$ 1,503	\$ 79,760	\$ 151,678
Support Services:						
Salaries of Program Directors						
Salaries of Other Professional Staff						
Personal Services - Employee Benefits						
Purchased Professional/Educational Services						
Tuition	\$ 59,059	\$ 60,127	\$ 43,710			
Other Purchased Services						
Supplies and Materials						
Student Activities						
Scholarships Awarded						
Total Support Services	\$ 59,059	\$ 60,127	\$ 43,710			
Equipment:						
Non Instructional Equipment						
Total Equipment						
Total Expenditures	\$ 59,059	\$ 60,127	\$ 43,710	\$ 1,503	\$ 79,760	\$ 151,678

SPARTA TOWNSHIP SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS  
FOR FISCAL YEAR ENDED JUNE 30, 2022

	Nonpublic Technology	Nonpublic Security	Local Grants	Student Activities	Scholarships	Totals June 30, 2022
<b>REVENUE:</b>						
State Sources	\$ 54,304	\$ 222,600				\$ 852,500
Federal Sources						1,755,439
Local Sources			\$ 61,862	\$ 424,729	\$ 128	486,719
<b>Total Revenue</b>	<b>\$ 54,304</b>	<b>\$ 222,600</b>	<b>\$ 61,862</b>	<b>\$ 424,729</b>	<b>\$ 128</b>	<b>\$ 3,094,658</b>
<b>EXPENDITURES:</b>						
Instruction:						
Salaries of Teachers						\$ 195,195
Other Salaries for Instruction			\$ 6,000			6,000
Purchased Professional/Technical Services						155,031
Other Purchased Services						548,066
General Supplies	\$ 54,304		55,862			174,552
Textbooks						79,760
<b>Total Instruction</b>	<b>54,304</b>		<b>61,862</b>			<b>1,158,604</b>
Support Services:						
Salaries of Program Directors						12,210
Salaries of Other Professional Staff		\$ 132,875				232,865
Personal Services - Employee Benefits						23,516
Purchased Professional/Educational Services		7,273				461,183
Tuition						265,491
Other Purchased Services		69,718				133,819
Supplies and Materials		12,734				104,949
Student Activities				\$ 395,054		395,054
Scholarships Awarded					\$ 5,000	5,000
<b>Total Support Services</b>		<b>222,600</b>		<b>395,054</b>	<b>5,000</b>	<b>1,634,087</b>
Equipment:						
Non Instructional Equipment						277,164
<b>Total Equipment</b>						<b>277,164</b>
<b>Total Expenditures</b>	<b>\$ 54,304</b>	<b>\$ 222,600</b>	<b>\$ 61,862</b>	<b>\$ 395,054</b>	<b>\$ 5,000</b>	<b>\$ 3,069,855</b>

CAPITAL PROJECTS FUND

SPARTA TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Revenue and Other Financing Sources:	
Financed Purchase Proceeds	<u>\$ 7,373,783</u>
Total Revenue and Other Financing Sources	<u>7,373,783</u>
Expenditures:	
Construction Services	<u>2,212,135</u>
Total Expenditures	<u>2,212,135</u>
Excess of Revenue and Other Financing Sources Over Expenditures and Other Financing Uses	5,161,648
Fund Balance - July 1	<u>- 0 -</u>
Fund Balance - June 30	<u>\$ 5,161,648</u>
<u>Recapitulation:</u>	
Committed	<u>\$ 5,161,648</u>
Fund Balance per Governmental Funds (GAAP)	<u>\$ 5,161,648</u>



SPARTA TOWNSHIP SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS  
BUDGETARY BASIS  
ENERGY SAVINGS IMPROVEMENT PROGRAM (ESIP)  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Prior Periods	Current Year	Total	Authorized Cost
Revenue and Other Financing Sources:				
Financed Purchase Proceeds		\$ 7,373,783	\$ 7,373,783	\$ 7,373,783
Total Revenues and Other Financing Sources	\$ - 0 -	7,373,783	7,373,783	7,373,783
Expenditures:				
Purchased Professional and Technical Services				200,000
Construction Services		2,212,135	2,212,135	7,173,783
Total Expenditures	- 0 -	2,212,135	2,212,135	7,373,783
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	\$ - 0 -	\$ 5,161,648	\$ 5,161,648	\$ - 0 -
<b>Additional Project Information:</b>				
Original Authorized Cost:		\$ 7,373,783		
Additional Authorized Cost:		\$ - 0 -		
Revised Authorized Cost:		\$ 7,373,783		
Percentage Increase over				
Original Authorized Cost:		0%		
Percentage Completion:		30%		
Original Target Completion Date:		10/31/2023		

PROPRIETARY FUNDS

SPARTA TOWNSHIP SCHOOL DISTRICT  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF NET POSITION  
JUNE 30, 2022

## ASSETS:

Current Assets:	
Cash and Cash Equivalents	\$ 459,406
Accounts Receivable - State	2,044
Accounts Receivable - Federal	92,592
Accounts Receivable - Other	1,349
Inventories	26,249
	<hr/>
Total Current Assets	581,640
	<hr/>
Non-Current Assets:	
Capital Assets	1,162,765
Less: Accumulated Depreciation	(1,027,156)
	<hr/>
Total Non-Current Assets	135,609
	<hr/>
Total Assets	717,249
	<hr/>
LIABILITIES:	
Accounts Payable - Vendors	108,226
Unearned Revenue - Prepaid Sales	57,800
Unearned Revenue - Donated Commodities	11,102
	<hr/>
Total Liabilities	177,128
	<hr/>
NET POSITION:	
Investment in Capital Assets	135,609
Unrestricted	404,512
	<hr/>
Total Net Position	\$ 540,121
	<hr/> <hr/>

SPARTA TOWNSHIP SCHOOL DISTRICT  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Operating Revenue:	
Daily Sales - Non-Reimbursable Programs	\$ 39,024
Special Events	42,940
	<hr/>
Total Operating Revenue	81,964
	<hr/>
Operating Expenses:	
Cost of Sales - Reimbursable Programs	471,915
Cost of Sales - Non-Reimbursable	30,122
Salaries and Benefits	338,600
Purchased Services	51,351
Management Fee	93,425
Supplies and Materials	118,298
Other	1,403
Depreciation Expense	30,406
	<hr/>
Total Operating Expenses	1,135,520
	<hr/>
Operating Loss	(1,053,556)
	<hr/>
Non-Operating Revenue:	
State Sources:	
COVID-19 Seamless Summer Option	28,305
Federal Sources:	
Food Distribution Program	59,618
COVID-19 Breakfast - Seamless Summer Option	50,496
COVID-19 Lunch - Seamless Summer Option	1,202,786
COVID-19 Pandemic P-EBT Administrative Costs	1,242
COVID-19 Emergency Operational Costs Reimbursement Program	7,443
	<hr/>
Total Non-Operating Revenue	1,349,890
	<hr/>
Change in Net Position	296,334
	<hr/>
Net Position - Beginning of Year	243,787
	<hr/>
Net Position - End of Year	\$ 540,121
	<hr/> <hr/>

SPARTA TOWNSHIP SCHOOL DISTRICT  
FOOD SERVICE ENTERPRISE FUND  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 108,505
Payments to Employees	(338,600)
Payments to Suppliers	<u>(615,316)</u>
Net Cash Used for Operating Activities	<u>(845,411)</u>
Cash Flows from Noncapital and Related Financing Activities:	
State Sources	31,999
Federal Sources	<u>1,227,325</u>
Net Cash Provided by Noncapital and Related Financing Activities	<u>1,259,324</u>
Net Increase in Cash and Cash Equivalents	413,913
Cash and Cash Equivalents, July 1	<u>45,493</u>
Cash and Cash Equivalents, June 30	<u>\$ 459,406</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:	
Operating Loss	\$ (1,053,556)
Adjustment to Reconcile Operating Loss to Net Cash Used for Operating Activities:	
Depreciation	30,406
Food Distribution Program	59,618
Changes in Assets and Liabilities:	
(Increase)/Decrease in Accounts Receivable	7,127
(Increase)/Decrease in Inventory	(14,728)
Increase/(Decrease) in Unearned Revenue - Prepaid Sales	9,964
Increase/(Decrease) in Unearned Revenue - Donated Commodities	9,450
Increase/(Decrease) in Accounts Payable	<u>106,308</u>
Net Cash Used for Operating Activities	<u>\$ (845,411)</u>

Non-Cash Investing, Capital and Financing Activities:

The District received commodities valued at \$69,068 and used commodities valued at \$59,618 during the fiscal year.

FIDUCIARY ACTIVITIES  
(NOT APPLICABLE)

LONG-TERM DEBT

SPARTA TOWNSHIP SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds				Balance June 30, 2021	Matured	Balance June 30, 2022
			Outstanding		Interest Rate	Balance			
			Date	Amount					
2015 School Refunding Bonds	2/18/2015	\$ 54,355,000	02/15/23	\$ 2,525,000	5.000%				
			02/15/24	2,785,000	2.500%				
			02/15/25	2,730,000	3.000%	\$ 10,310,000	\$ 2,270,000	\$ 8,040,000	
2018 School Refunding Bonds	6/6/2018	7,830,000	09/01/22	980,000	5.000%				
			09/01/23	965,000	5.000%				
			09/01/24	945,000	5.000%				
			09/01/25	930,000	5.000%				
			09/01/26	400,000	4.250%				
			09/01/26	505,000	5.000%	5,725,000	1,000,000	4,725,000	
2020 School Refunding Bonds	8/15/2020	41,405,000	02/15/23	750,000	0.628%				
			02/15/24	755,000	0.762%				
			02/15/25	765,000	0.892%				
			02/15/26	3,600,000	1.134%				
			02/15/27	3,610,000	1.234%				
			02/15/28	3,860,000	1.388%				
			02/15/29	3,760,000	1.488%				
			02/15/30	3,610,000	1.638%				
			02/15/31	3,465,000	1.738%				
			02/15/32	3,380,000	1.838%				
02/15/33	3,290,000	1.938%							
02/15/34	3,205,000	1.988%							
02/15/35	3,115,000	2.038%							
02/15/36	3,040,000	2.088%							
						40,935,000	730,000	40,205,000	
						\$ 56,970,000	\$ 4,000,000	\$ 52,970,000	



SPARTA TOWNSHIP SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER FINANCED PURCHASES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

<u>Item</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance June 30, 2021</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance June 30, 2022</u>
Technology Equipment	2.693%	\$ 810,300	\$ 206,744		\$ 206,744	
Buses	2.835%	198,806	81,228		40,046	\$ 41,182
Buses	2.339%	227,501	136,451		44,436	92,015
Buses	1.616%	105,366	83,612		20,403	63,209
Chromebooks	0.988%	250,000		\$ 250,000	84,154	165,846
Technology Equipment	0.738%	500,000		500,000	69,488	430,512
Energy Savings Incentive Program	2.101%	7,373,783		7,373,783		7,373,783
			<u>\$ 508,035</u>	<u>\$ 8,123,783</u>	<u>\$ 465,271</u>	<u>\$ 8,166,547</u>

SPARTA TOWNSHIP SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER LEASES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOT APPLICABLE

SPARTA TOWNSHIP SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Original</u>	<u>Budget</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
	<u>Budget</u>	<u>Transfers</u>	<u>Budget</u>	<u>Budget</u>	<u>Final to Actual</u>
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 4,683,004		\$ 4,683,004	\$ 4,683,004	
State Sources:					
Debt Service State Aid Support	558,972		558,972	558,972	
Total Revenues	<u>5,241,976</u>		<u>5,241,976</u>	<u>5,241,976</u>	
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest on Bonds	1,315,146		1,315,146	1,315,146	
Redemption of Principal	4,000,000		4,000,000	4,000,000	
Total Expenditures	<u>5,315,146</u>		<u>5,315,146</u>	<u>5,315,146</u>	
Excess/(Deficiency) of Revenues Over/(Under)	(73,170)		(73,170)	(73,170)	
Expenditures					
Fund Balance, July 1	76,473		76,473	76,473	
Fund Balance, June 30	<u>\$ 3,303</u>	<u>\$ - 0 -</u>	<u>\$ 3,303</u>	<u>\$ 3,303</u>	<u>\$ - 0 -</u>
Recapitulation of Fund Balance:					
Restricted			<u>\$ 3,303</u>	<u>\$ 3,303</u>	

**STATISTICAL SECTION**  
**(UNAUDITED)**

This part of the District’s Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the District’s overall financial health.

**Contents**

	<b><u>Exhibit</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	J-1 thru J-5
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.	J-6 thru J-9
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	J-10 thru J-13
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.	J-14 thru J-15
<b>Operating Information</b> These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.	J-16 thru J-20

**Sources:** Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Report for the relevant year.

SPARTA TOWNSHIP SCHOOL DISTRICT  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
UNAUDITED  
 (Accrual Basis of Accounting)

	June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Governmental Activities:</b>										
Net Investment in Capital										
Assets										
Restricted	\$ 3,506,132	\$ 3,971,598	\$ 10,690,576	\$ 12,953,122	\$ 10,732,742	\$ 12,462,718	\$ 14,414,009	\$ 18,656,271	\$ 19,779,508	\$ 17,465,216
Unrestricted/(Deficit)	5,105,753	5,090,465	4,133,114	4,318,653	6,992,480	9,272,742	7,022,305	8,076,372	7,889,804	5,409,620
	322,387	(12,931,801)	(20,634,271)	(23,352,947)	(24,575,528)	(25,679,469)	(23,485,640)	(24,803,168)	(21,294,145)	(12,375,867)
Total Governmental Activities/(Deficit)	\$ 8,934,272	\$ (3,869,738)	\$ (5,810,581)	\$ (6,081,172)	\$ (6,850,306)	\$ (3,944,009)	\$ (2,049,326)	\$ 1,929,475	\$ 6,375,167	\$ 10,498,969
<b>Business-Type Activities:</b>										
Investment in Capital										
Assets										
Unrestricted/(Deficit)	\$ 361,826	\$ 323,838	\$ 269,323	\$ 293,342	\$ 264,319	\$ 246,002	\$ 212,478	\$ 183,631	\$ 166,015	\$ 135,609
	102,064	92,433	15,829	53,383	80,303	114,842	187,596	164,482	77,772	404,512
Total Business-Type Activities	\$ 463,890	\$ 416,271	\$ 285,152	\$ 346,725	\$ 344,622	\$ 360,844	\$ 400,074	\$ 348,113	\$ 243,787	\$ 540,121
<b>District-Wide/(Deficit):</b>										
Net Investment in Capital										
Assets										
Restricted	\$ 3,867,958	\$ 4,295,436	\$ 10,959,899	\$ 13,246,464	\$ 10,997,061	\$ 12,708,720	\$ 14,626,487	\$ 18,839,902	\$ 19,945,523	\$ 17,600,825
Unrestricted/(Deficit)	5,105,753	5,090,465	4,133,114	4,318,653	6,992,480	9,272,742	7,022,305	8,076,372	7,889,804	5,409,620
	424,451	(12,839,368)	(20,618,442)	(23,299,564)	(24,495,225)	(25,564,627)	(23,298,044)	(24,638,686)	(21,216,373)	(11,971,355)
Total District-Wide Net Position/(Deficit)	\$ 9,398,162	\$ (3,453,467)	\$ (5,525,429)	\$ (5,734,447)	\$ (6,505,684)	\$ (3,583,165)	\$ (1,649,252)	\$ 2,277,588	\$ 6,618,954	\$ 11,039,090

Source: Sparta Township School District Financial Reports.

SPARTA TOWNSHIP SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses:										
Governmental Activities:										
Instruction:										
Regular Instruction	\$ 28,006,864	\$ 27,536,321	\$ 30,414,029	\$ 30,790,085	\$ 35,691,558	\$ 34,606,214	\$ 32,631,972	\$ 31,274,965	\$ 33,462,907	\$ 29,957,773
Special Education Instruction	6,528,485	7,191,422	8,112,234	8,724,631	10,300,417	10,914,087	9,786,081	9,093,125	9,856,718	9,346,444
Other Special Instruction	883,938	1,078,212	316,459	627,416	553,048	527,022	136,566	148,246	127,279	180,359
Other Instruction	1,372,354	1,512,164	2,734,382	2,865,976	3,061,034	3,262,993	4,042,438	3,990,531	4,191,390	3,807,100
Total Instruction	36,791,641	37,318,119	41,577,104	43,008,108	49,606,057	49,310,316	46,597,057	44,506,867	47,638,294	43,291,676
Support Services:										
Tuition	2,383,876	2,321,241	2,759,807	2,684,197	2,655,176	2,420,389	2,155,425	2,121,825	1,861,446	2,144,761
Student & Instruction Related Services	7,943,604	7,157,913	9,123,395	9,935,714	11,439,504	12,527,448	11,971,491	12,509,087	12,791,885	11,570,715
General Administration Services	788,934	1,477,500	1,609,895	1,725,193	1,658,805	1,381,196	845,301	874,953	1,178,544	1,021,697
School Administration Services	3,511,073	3,683,113	4,192,941	4,414,086	4,984,996	5,121,365	4,404,143	4,091,087	4,451,566	3,885,730
Central Services	699,048	724,795	934,943	954,126	1,002,881	1,021,876	997,501	1,005,761	915,372	867,496
Administrative Information Technology	443,112	913,338	663,490	1,039,903	576,780	451,630	870,441	864,403	880,459	899,992
Plant Operations and Maintenance	5,057,783	5,098,475	6,767,680	6,833,619	6,886,289	7,246,144	7,626,788	7,419,712	7,371,420	7,381,472
Pupil Transportation	3,706,312	4,459,335	4,992,244	4,705,065	4,819,551	4,816,163	4,729,532	4,513,546	4,587,568	5,005,378
Charter Schools	447,707	428,077	233,906	373,175	174,152	254,577	419,066	385,792	287,660	218,288
Interest On Long-Term Debt	3,499,317	3,389,406	4,289,072	2,695,757	2,591,096	2,347,551	2,239,534	2,122,943	1,203,615	679,487
Unallocated Depreciation	2,522,108	2,570,248	2,570,248	2,570,248	2,638,904	2,646,075	2,627,029	2,703,966	2,823,002	2,823,002
Total Governmental Activities Expenses	67,794,515	69,541,560	79,714,725	80,939,191	89,034,191	89,544,730	85,483,308	83,119,942	85,990,831	79,789,694
Business-Type Activities:										
Food Service	886,791	860,552	955,855	891,526	902,693	881,323	904,348	729,559	645,146	1,135,520
Total Business-Type Activities Expenses	886,791	860,552	955,855	891,526	902,693	881,323	904,348	729,559	645,146	1,135,520
Total District Expenses	68,681,306	70,402,112	80,670,580	81,830,717	89,936,884	90,426,053	86,387,656	83,849,501	86,635,977	80,925,214

SPARTA TOWNSHIP SCHOOL DISTRICT  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
UNAUDITED  
*(Accrual Basis of Accounting)*

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Program Revenues:										
Governmental Activities:										
Charges For Services:										
Regular Instruction									\$ 76,766	\$ 162,867
Student & Instruction Related Services									404,040	424,857
Operating Grants and Contributions	\$ 12,572,640	\$ 12,606,704	\$ 19,615,528	\$ 21,978,507	\$ 27,768,329	\$ 30,825,749	\$ 22,349,553	\$ 19,891,811	21,584,507	14,492,613
Capital Grants and Contributions			229,910							
Total Governmental Activities	12,572,640	12,606,704	19,845,438	21,978,507	27,768,329	30,825,749	22,349,553	19,891,811	22,065,313	15,080,337
Business-Type Activities:										
Charges for Services:										
Food Service	692,588	703,066	702,817	743,090	744,113	694,065	786,527	544,862	16,211	81,964
Operating Grants and Contributions	108,307	110,639	115,540	135,530	156,140	149,476	155,818	131,885	524,430	1,349,890
Total Business Type Activities	800,895	813,705	818,357	878,620	900,253	843,541	942,345	676,747	540,641	1,431,854
Total District-wide Program Revenues	13,373,535	13,420,409	20,663,795	22,857,127	28,668,582	31,669,290	23,291,898	20,568,558	22,605,954	16,512,191
Net (Expense)/Revenue:										
Governmental Activities	(55,221,875)	(56,934,856)	(59,869,287)	(58,960,684)	(61,265,862)	(58,718,981)	(63,133,755)	(63,228,131)	(63,925,518)	(64,709,357)
Business-Type Activities	(85,896)	(46,847)	(137,498)	(12,906)	(2,440)	(37,782)	37,997	(52,812)	(104,505)	296,334
Total District-Wide Net (Expense)/Revenue	(55,307,771)	(56,981,703)	(60,006,785)	(58,973,590)	(61,268,302)	(58,756,763)	(63,095,758)	(63,280,943)	(64,030,023)	(64,413,023)

SPARTA TOWNSHIP SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 49,708,131	\$ 50,702,294	\$ 52,416,339	\$ 53,464,665	\$ 54,533,958	\$ 55,624,637	\$ 56,737,130	\$ 58,309,089	\$ 59,863,472	\$ 61,060,741
Taxes Levied for Debt Service	5,267,091	5,491,678	4,674,200	4,589,644	5,213,991	5,149,102	4,664,384	5,023,263	5,100,371	4,683,004
Unrestricted Grants and Contributions	603,494	627,132	614,990	631,919	575,191	594,728	3,351,018	3,231,251	3,282,404	2,844,105
Interest and Miscellaneous Income	190,753	275,427	222,915	210,441	173,588	256,811	275,906	157,451	124,963	245,309
Total Governmental Activities General Revenues & Other Changes in Net Position	55,769,469	57,096,531	57,928,444	58,896,669	60,496,728	61,625,278	65,028,438	66,721,054	68,371,210	68,833,159
Business-Type Activities:										
Investment Earnings	407	339	215	256	337	435	1,233	1,188	179	
Other Item		(1,111)	6,164	7,030		53,569		(337)		
Total Business-Type Activities General Revenues & Other Changes in Net Position	407	(772)	6,379	7,286	337	54,004	1,233	851	179	
Total District-Wide General Revenues and Other Changes in Net Position	55,769,876	57,095,759	57,934,823	58,903,955	60,497,065	61,679,282	65,029,671	66,721,905	68,371,389	68,833,159
Change in Net Position:										
Governmental Activities	547,594	161,675	(1,940,843)	(64,015)	(769,134)	2,906,297	1,894,683	3,492,923	4,445,692	4,123,802
Business-Type Activities	(85,489)	(47,619)	(131,119)	(5,620)	(2,103)	16,222	39,230	(51,961)	(104,326)	296,334
Total District-wide Change in Net Position	\$ 462,105	\$ 114,056	\$ (2,071,962)	\$ (69,635)	\$ (771,237)	\$ 2,922,519	\$ 1,933,913	\$ 3,440,962	\$ 4,341,366	\$ 4,420,136

Source: Sparta Township School District Financial Reports.



SPARTA TOWNSHIP SCHOOL DISTRICT  
FUND BALANCES - GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS

UNAUDITED

*(Modified Accrual Basis of Accounting)*

	June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund:										
Restricted	\$ 3,119,978	\$ 3,109,825	\$ 2,876,640	\$ 3,818,836	\$ 6,506,652	\$ 8,793,911	\$ 6,949,135	\$ 7,797,736	\$ 7,632,232	\$ 5,200,415
Assigned	1,044,263	403,991	231,916	546,237	725,863	267,440	2,293,931	883,781	1,751,889	1,251,648
Unassigned	606,546	590,531	608,338	638,261	718,973	746,696	904,374	937,131	1,707,034	2,441,209
<b>Total General Fund</b>	<b>\$ 4,770,787</b>	<b>\$ 4,104,347</b>	<b>\$ 3,716,894</b>	<b>\$ 5,003,334</b>	<b>\$ 7,951,488</b>	<b>\$ 9,808,047</b>	<b>\$ 10,147,440</b>	<b>\$ 9,618,648</b>	<b>\$ 11,091,155</b>	<b>\$ 8,893,272</b>
Other Governmental Funds:										
Restricted:										
Special Revenue Fund										
Capital Projects Fund	\$ 1,985,775	\$ 1,980,640	\$ 1,256,474	\$ 499,817	\$ 485,828	\$ 478,831		\$ 205,466	\$ 181,099	\$ 205,902
Debt Service Fund										
Committed	44,112	344,872					\$ 73,170	73,170	76,473	3,303
<b>Total Other Governmental Funds</b>	<b>\$ 2,029,887</b>	<b>\$ 2,325,512</b>	<b>\$ 1,256,474</b>	<b>\$ 499,817</b>	<b>\$ 485,828</b>	<b>\$ 478,831</b>	<b>\$ 73,170</b>	<b>\$ 278,636</b>	<b>\$ 257,572</b>	<b>\$ 5,370,853</b>
<b>Total Government Funds</b>	<b>\$ 6,800,674</b>	<b>\$ 6,429,859</b>	<b>\$ 4,973,368</b>	<b>\$ 5,503,151</b>	<b>\$ 8,437,316</b>	<b>\$ 10,286,878</b>	<b>\$ 10,220,610</b>	<b>\$ 9,897,284</b>	<b>\$ 11,348,727</b>	<b>\$ 14,264,125</b>

Source: Sparta Township School District Financial Reports.

SPARTA TOWNSHIP SCHOOL DISTRICT  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
UNAUDITED  
(Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenues:</b>										
Tax Levy	\$ 54,975,222	\$ 56,193,972	\$ 57,090,539	\$ 58,054,309	\$ 59,747,949	\$ 60,773,739	\$ 61,401,514	\$ 63,332,352	\$ 64,963,843	\$ 65,743,745
Miscellaneous	264,101	374,516	281,326	313,285	415,547	490,317	491,843	356,465	673,206	908,851
State Sources	12,001,249	12,201,660	12,984,712	13,818,404	14,715,699	15,937,956	17,244,500	17,875,938	20,058,648	23,531,372
Federal Sources	1,101,538	933,087	1,108,963	1,035,572	1,071,800	1,017,528	1,069,685	999,128	1,285,681	1,730,419
<b>Total Revenue</b>	<b>68,342,110</b>	<b>69,703,235</b>	<b>71,465,540</b>	<b>73,221,570</b>	<b>75,950,995</b>	<b>78,219,540</b>	<b>80,207,542</b>	<b>82,563,883</b>	<b>86,981,378</b>	<b>91,914,387</b>
<b>Expenditures:</b>										
<b>Instruction:</b>										
Regular	19,881,269	19,226,460	18,650,137	18,374,951	18,258,970	18,556,960	20,034,556	20,214,702	21,104,091	21,737,277
Special Education	4,852,223	5,095,527	5,134,815	5,494,437	5,939,373	6,238,741	5,997,725	5,752,437	6,361,320	7,055,137
Other Special	509,056	681,420	110,397	128,871	80,320	69,686	71,025	84,267	71,798	123,678
Other	1,021,855	1,097,282	1,754,976	2,163,204	2,204,766	2,356,085	2,483,470	2,560,827	2,665,224	2,848,251
<b>Support Services:</b>										
Tuition	2,383,876	2,321,241	2,759,807	2,684,197	2,655,176	2,420,389	2,155,425	2,121,825	1,861,446	2,144,761
<b>Student &amp; Instruction-Related Services</b>	<b>5,707,123</b>	<b>5,302,002</b>	<b>5,849,522</b>	<b>6,243,081</b>	<b>6,063,175</b>	<b>6,842,423</b>	<b>7,632,390</b>	<b>8,324,860</b>	<b>8,421,854</b>	<b>8,769,867</b>
General Administration	689,224	1,137,417	1,150,852	1,205,045	1,206,367	896,532	651,684	699,249	903,475	911,097
School Administration	2,449,551	2,575,766	2,569,487	2,603,901	2,678,743	2,677,988	2,609,562	2,517,500	2,750,665	2,809,178
Central Services	505,927	516,809	587,857	586,055	559,098	558,563	622,402	664,552	586,232	567,974
<b>Administrative Information</b>	<b>283,871</b>	<b>353,070</b>	<b>331,537</b>	<b>300,981</b>	<b>343,051</b>	<b>370,917</b>	<b>644,460</b>	<b>675,239</b>	<b>710,804</b>	<b>775,330</b>
Technology										
Plant Operations/ Maintenance	5,045,851	5,244,821	5,112,652	5,109,466	4,838,195	4,970,295	5,591,245	5,657,184	5,655,833	6,109,762

SPARTA TOWNSHIP SCHOOL DISTRICT  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
UNAUDITED  
(Modified Accrual Basis of Accounting)

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Expenditures:</b>										
Support Services:										
Pupil Transportation	\$ 3,867,735	\$ 4,108,161	\$ 4,445,043	\$ 4,187,130	\$ 4,176,448	\$ 4,130,652	\$ 4,132,202	\$ 4,034,299	\$ 4,120,998	\$ 4,700,862
Unallocated Benefits	15,167,424	15,494,106	16,173,475	16,497,138	17,308,938	18,410,833	19,615,706	20,426,703	22,778,269	26,649,339
Charter Schools	447,707	428,077	233,906	373,175	174,152	254,577	419,066	385,792	287,660	218,288
Capital Outlay	1,834,460	800,312	2,592,996	818,592	2,708,870	1,871,505	2,954,304	3,876,071	1,657,160	6,386,625
Debt Service:										
Principal	2,355,000	2,705,000	2,680,000	2,910,000	2,875,000	2,930,000	3,100,000	3,070,000	3,755,000	4,000,000
Interest/Other Charges	3,515,015	3,413,809	3,309,190	3,011,563	2,914,181	2,813,832	2,567,694	2,535,081	1,943,472	1,315,146
<b>Total Expenditures</b>	<b>70,517,167</b>	<b>70,561,280</b>	<b>73,446,649</b>	<b>72,691,787</b>	<b>74,984,823</b>	<b>76,369,978</b>	<b>81,282,916</b>	<b>83,600,588</b>	<b>85,635,301</b>	<b>97,122,772</b>
<b>Excess/(Deficiency) of Revenues Over/ (Under) Expenditures</b>	<b>(2,175,057)</b>	<b>(858,045)</b>	<b>(1,981,109)</b>	<b>529,783</b>	<b>966,172</b>	<b>1,849,562</b>	<b>(1,075,374)</b>	<b>(1,036,705)</b>	<b>1,346,077</b>	<b>(5,208,385)</b>
<b>Other Financing Sources (Uses):</b>										
Financed Purchases	487,230	487,230	524,618	529,783	1,967,993	7,830,000	1,009,106	227,501	105,366	750,000
Financed Purchase Proceeds						(8,400,000)			41,405,000	7,373,783
Bond Proceeds			54,355,000	(60,213,000)		830,426			(34,275,000)	
School Bonds Defeased			8,661,508	(311,028)		(108,863)			33,074	
Premium on Refunding Bonds			(2,492,480)	702,897	1,000	(151,563)			(256,796)	
Costs of Refunding Bond Issue			702,897	(804,990)	1,000		479,618		(6,906,278)	
Deferred Amount - Refunding	2,263	391,486	(2,492,480)	804,990	1,000					
Transfers In	(2,263)	(391,486)	(702,897)	(804,990)	(1,000)		(479,618)			
Transfers Out										
Total Other Financing Sources (Uses)	487,230	487,230	524,618	529,783	1,967,993	7,830,000	1,009,106	227,501	105,366	8,123,783
<b>Net Change In Fund Balances</b>	<b>\$ (2,175,057)</b>	<b>\$ (370,815)</b>	<b>\$ (1,456,491)</b>	<b>\$ 529,783</b>	<b>\$ 2,934,165</b>	<b>\$ 1,849,562</b>	<b>\$ (66,268)</b>	<b>\$ (809,204)</b>	<b>\$ 1,451,443</b>	<b>\$ 2,915,398</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>8.55%</b>	<b>8.77%</b>	<b>8.45%</b>	<b>8.24%</b>	<b>8.01%</b>	<b>7.71%</b>	<b>7.24%</b>	<b>7.03%</b>	<b>6.79%</b>	<b>5.86%</b>

Source: Sparta Township School District Financial Reports.

SPARTA TOWNSHIP SCHOOL DISTRICT  
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS  
UNAUDITED  
*(Modified Accrual Basis of Accounting)*

Fiscal Year Ending June 30,	Interest	Tuition	Prior Year Refunds	Other	Total
2013	\$ 11,265	\$ 67,100	\$ 11,869	\$ 98,256	\$ 188,490
2014	11,347	109,657	21,412	130,509	272,925
2015	21,361	97,593		101,064	220,018
2016	14,740	68,817		124,979	208,536
2017	15,301	88,567		153,620	257,488
2018	28,602	191,732	11,554	132,790	364,678
2019	68,988	139,215	16,333	124,049	348,585
2020	55,104	135,782		72,653	263,539
2021	40,370	76,766		84,593	201,729
2022	43,672	162,867		201,637	408,176

Source: Sparta Township School District Financial Reports.

SPARTA TOWNSHIP SCHOOL DISTRICT  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN YEARS  
UNAUDITED

Year	Vacant Land	Residential	Farm Regular	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Tax-Exempt Property	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
2012	\$ 55,423,000	\$ 2,066,339,400	\$ 18,988,200	\$ 890,600	\$ 176,461,900	\$ 32,990,800	\$ 2,774,100	\$ 2,353,868,000	\$ 4,750,971	\$ 2,358,618,971	\$ 157,305,800	\$ 2.31	\$ 3,394,297,736
2013	54,059,700	2,056,528,300	16,832,900	589,000	186,088,200	32,979,700	4,056,000	2,351,133,800	4,469,184	2,355,602,984	180,303,800	2.36	3,317,008,465
2014	50,916,100	2,039,954,500	19,743,600	722,300	186,099,100	32,594,700	3,588,700	2,333,619,000	4,735,165	2,338,354,165	181,203,100	2.42	3,142,122,505
2015	47,935,200	2,038,625,800	21,973,200	762,600	186,852,900	32,594,700	3,588,700	2,332,333,100	5,651,983	2,337,985,083	182,857,300	2.46	3,134,299,119
2016 *	56,577,700	2,585,713,700	30,199,100	839,200	259,597,800	40,849,800	5,922,900	2,979,700,200		2,979,700,200	240,483,900	1.98	3,045,962,744
2017	54,904,000	2,581,343,000	29,704,700	816,700	259,127,000	41,094,600	5,922,900	2,972,912,900		2,972,912,900	242,612,100	2.03	3,083,772,077
2018	54,369,700	2,575,471,100	29,756,800	811,100	263,296,200	41,080,800	12,147,900	2,976,933,600		2,976,933,600	238,394,500	2.04	3,111,077,036
2019	63,779,600	2,573,020,900	30,403,800	813,600	266,270,600	41,838,700	12,147,900	2,988,275,100		2,988,275,100	236,526,500	2.09	3,203,716,178
2020	63,641,500	2,582,484,000	31,900,900	852,900	268,530,200	41,955,800	12,147,900	3,001,513,200		3,001,513,200	238,760,400	2.17	3,297,251,767
2021	52,845,600	2,603,349,200	31,199,800	828,500	295,778,800	41,955,800	16,839,900	3,042,797,600		3,042,797,600	242,240,000	2.12	3,310,614,834

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation. Reassessment occurs when ordered by the County Board of Taxation.

<sup>a</sup> Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies.

<sup>b</sup> Tax rates are per \$100 of assessed value.

\* Revaluation/reassessment effective in this year.

Source: Sparta Township Tax Assessor.

SPARTA TOWNSHIP SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN YEARS  
UNAUDITED  
*(Rate per \$100 of Assessed Value)*

Year Ended December 31,	Sparta Township School District			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Direct Rate			Sparta Township	Sussex County	
	Basic Rate <sup>a</sup>	Obligation Debt Service <sup>b</sup>	Total Direct			
2012	\$ 2.09	\$ 0.22	\$ 2.31	\$ 0.72	\$ 0.62	\$ 3.65
2013	2.13	0.23	2.36	0.73	0.65	3.75
2014	2.22	0.20	2.42	0.75	0.65	3.83
2015	2.27	0.19	2.46	0.77	0.66	3.89
2016	* 1.80	0.17	1.98	0.62	0.53	3.13
2017	1.86	0.17	2.03	0.62	0.56	3.20
2018	1.89	0.16	2.04	0.63	0.57	3.24
2019	1.93	0.17	2.09	0.64	0.58	3.31
2020	2.00	0.17	2.17	0.64	0.60	3.40
2021	2.00	0.15	2.12	0.63	0.59	3.34

Note: NJSA 18A:7F-5d limits the amount that the District can submit for a General Fund tax levy. The levy when added to other components of the District's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

<sup>a</sup> The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

<sup>b</sup> Rates for Debt Service are based on each year's requirements.

\* Revaluation/reassessment effective in this year.

Source: Sparta Township Tax Collector and School Business Administrator.

SPARTA TOWNSHIP SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAX PAYERS  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED

TOWNSHIP OF SPARTA

	2022		2013		% of Total District Net Assessed Value
	Taxpayer	Taxable Assessed Value	Taxpayer	Taxable Assessed Value	
Jersey Investors Growth		\$ 19,711,400	Cofrancesco/Grinnell	\$ 7,103,100	0.290%
Braen Royalty LLC		8,137,900	Sparta Builders, LLC	7,079,100	0.289%
376 Lafayette JV LLC		6,961,400	Limecrest Quarry Dev., LLC	6,071,300	0.248%
Sparta Ecumenical Council		6,225,000	Lake Mohawk Country Club	5,541,100	0.226%
NV Retail Holding, LLC		5,986,400	Toll New Jersey VI, LP	5,203,800	0.212%
AHS Hospital Corp		5,828,900	Newton Memorial Hospital	4,756,000	0.194%
Heller Sparta, LLC		5,616,800	United Telephone	4,739,437	0.193%
Lake Mohawk Country Club		5,465,300	Ashdown Forest Estates, LLC	4,160,700	0.170%
CC Holdings LLC		5,313,100	Terry-Lynn, Inc.	4,114,200	0.168%
Serolf Properties LLC		5,296,300	Heller Sparta, LLC	3,878,600	0.158%
<b>Total</b>		<b>\$ 74,542,500</b>		<b>\$ 52,647,337</b>	<b>2.483%</b>

Source: Sparta Township Tax Assessor.

SPARTA TOWNSHIP SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2013	\$ 54,975,222	\$ 54,975,222	100%	\$ - 0 -
2014	56,193,972	56,193,972	100%	- 0 -
2015	57,090,539	57,090,539	100%	- 0 -
2016	58,054,309	58,054,309	100%	- 0 -
2017	59,747,949	59,747,949	100%	- 0 -
2018	60,773,739	60,773,739	100%	- 0 -
2019	61,401,514	61,401,514	100%	- 0 -
2020	63,332,352	63,332,352	100%	- 0 -
2021	64,963,843	64,963,843	100%	- 0 -
2022	65,743,745	65,743,745	100%	- 0 -

<sup>a</sup> School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance in the amount voted upon or certified prior to the end of the school year.

Source: Sparta Township School District records including the Certificate and Report of School Taxes (Form A4F).



SPARTA TOWNSHIP SCHOOL DISTRICT  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year Ended June 30,	Governmental Activities		Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds <sup>b</sup>	Financed Purchases			
2013	\$ 80,293,000	\$ 50,452.0	\$ 80,343,452	8.21%	\$ 4,137
2014	77,588,000	362,284	77,950,284	7.88%	4,048
2015	69,050,000	573,996	69,623,996	6.80%	3,642
2016	66,140,000	170,829	66,310,829	6.32%	3,503
2017	63,265,000	1,783,057	65,048,057	6.06%	3,457
2018	59,765,000	1,169,171	60,934,171	5.52%	3,256
2019	56,665,000	1,158,214	57,823,214	4.83%	3,100
2020	53,595,000	708,109	54,303,109	4.31%	2,919
2021	56,970,000	508,035	57,478,035	4.24%	3,091
2022	52,970,000	8,166,547	61,136,547	4.51%	3,060

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

<sup>a</sup> See Exhibit J-14 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

Source: Sparta Township School District Financial Reports.

SPARTA TOWNSHIP SCHOOL DISTRICT  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2013	\$ 80,293,000	\$ - 0 -	\$ 80,293,000	3.40%	\$ 4,135
2014	77,588,000	- 0 -	77,588,000	3.29%	4,029
2015	69,050,000	- 0 -	69,050,000	2.95%	3,612
2016	66,140,000	- 0 -	66,140,000	2.83%	3,494
2017	63,265,000	- 0 -	63,265,000	2.12%	3,362
2018	59,765,000	- 0 -	59,765,000	2.01%	3,194
2019	56,665,000	- 0 -	56,665,000	1.90%	3,038
2020	53,595,000	- 0 -	53,595,000	1.79%	2,881
2021	56,970,000	- 0 -	56,970,000	1.90%	3,063
2022	52,970,000	- 0 -	52,970,000	1.74%	2,652

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

<sup>a</sup> See Exhibit J-6 for property tax data. This ratio is calculated using valuation data for the prior calendar year.

<sup>b</sup> Population data can be found in Exhibit J-14. This ratio is calculated using population data for the prior calendar year.

Source: Sparta Township School District Financial Reports.

SPARTA TOWNSHIP SCHOOL DISTRICT  
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2021  
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable<sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid With Property Taxes			
Township of Sparta	\$ 4,750,616	100.00%	\$ 4,750,616
Sussex County General Obligation Debt	91,877,126	18.50%	<u>17,001,197</u>
Subtotal, Overlapping Debt			21,751,813
Sparta School District Direct Debt			<u>55,970,000</u>
Total Direct And Overlapping Debt			<u>\$ 77,721,813</u>

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Township of Sparta. This process recognizes that, when considering the District's ability to issue and repay long-term, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore, responsible for repaying the debt, of each overlapping unit.

<sup>a</sup> For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable equalized property values. Applicable percentages were estimated by determining the portion of Sparta Township 's equalized property value that is within the Sussex County's boundaries and dividing it by Sussex County's total equalized property value.

Sources: Assessed value data used to estimate applicable percentages provided by the Sussex County Board of Taxation; debt outstanding data provided by each governmental unit.

SPARTA TOWNSHIP SCHOOL DISTRICT  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
UNAUDITED

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt Limit	\$138,040,110	\$132,074,480	\$127,919,520	\$125,118,602	\$124,191,997	\$123,883,265	\$125,031,659	\$127,591,152	\$129,709,549	\$133,931,944
Net Debt Applicable to Limit	80,293,000	77,588,000	69,050,000	66,140,000	63,265,000	59,765,000	56,665,000	53,595,000	56,970,000	52,970,000
Legal Debt Margin	\$ 57,747,110	\$ 54,486,480	\$ 58,869,520	\$ 58,978,602	\$ 60,926,997	\$ 64,118,265	\$ 68,366,659	\$ 73,996,152	\$ 72,739,549	\$ 80,961,944
Net Debt Applicable to the Limit as a % of Debt Limit	58.28%	58.75%	53.98%	52.86%	50.94%	48.24%	45.32%	45.32%	43.92%	39.55%

Legal Debt Margin Calculation for Fiscal Year 2022

	Equalized Valuation Basis		
	2019	2020	Sparta Township
Average Equalized Valuation of Taxable Property			\$ 3,278,774,523
Debt Limit (4% of average equalization value) <sup>a</sup>			3,261,805,260
Net Bonded School Debt as of June 30, 2022			3,504,316,020
Legal Debt Margin			<u>\$10,044,895,803</u>
			<u>\$ 3,348,298,601</u>
			\$ 133,931,944
			<u>52,970,000</u>
			<u>\$ 80,961,944</u>

<sup>a</sup> Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other districts.

Source: Equalized valuation bases were obtained from the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.

SPARTA TOWNSHIP SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN YEARS  
UNAUDITED

Year	Township Population <sup>a</sup>	Sussex County Per Capita Personal Income <sup>c</sup>	Township Personal Income <sup>b</sup>	Township Unemployment Rate <sup>d</sup>
2013	\$ 19,256	\$ 51,724	\$ 978,820,992	6.70%
2014	19,119	54,116	988,911,156	5.00%
2015	18,932	55,722	1,024,524,112	4.30%
2016	18,816	57,327	1,048,465,152	3.80%
2017	18,714	59,144	1,072,817,478	3.40%
2018	18,650	61,531	1,103,035,600	3.20%
2019	18,604	64,284	1,195,939,536	2.80%
2020	18,598	67,814	1,261,204,772	8.00%
2021	19,976	67,814 **	1,354,652,464	5.00%
2022	19,976 *	67,814 **	1,354,652,464 ***	N/A

\* - Latest Township population available (2021) was used for calculations purposes.

\*\* - Latest Sussex County per capita personal income available (2020) was used for calculation purposes.

\*\*\* - Latest Township population available (2021) and latest Sussex County per capita personal income available (2020) was used for calculation purposes.

N/A - Information unavailable.

Sources:

- <sup>a</sup> - Population information provided by the NJ Department of Labor and Workforce Development.
- <sup>b</sup> - Personal income has been estimated based upon the municipal population and per capita personal income presented.
- <sup>c</sup> - Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.
- <sup>d</sup> - Unemployment data provided by the NJ Department of Labor and Workforce Development.

SPARTA TOWNSHIP SCHOOL DISTRICT  
PRINCIPAL EMPLOYERS - COUNTY OF SUSSEX,  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED

<u>Employer</u>	<u>2021</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>
Selective Insurance Group Inc.	1,000-4,999	1.40%-7.00%
Crystal Springs Resort	1,000-4,999	1.40%-7.00%
Newton Medical Center	500-999	0.70%-1.40%
Sussex County Offices	500-999	0.70%-1.40%
Thorlabs	500-999	0.70%-1.40%
Mountain Creek Resort	500-999	0.70%-1.40%
Shop Rite	250-499	0.35%-0.70%
Sussex County Community College	250-499	0.35%-0.70%
United Methodist Community Bristol Glen	250-499	0.35%-0.70%
Andover Subacute & Rehab Center	100-249	0.14%-0.35%
	<u>4,850-15,740</u>	<u>4.07%-12.91%</u>
Total County Employment	<u>71,425</u>	

<u>Employer</u>	<u>2012</u>	
	<u>Employees</u>	<u>Percentage of Total Employment</u>
Crystal Springs Golf and Spa Resort	2,000	2.61%
Newton Memorial Hospital	1,200	1.56%
Selective Insurance	900	1.17%
County of Sussex	830	1.08%
Mountain Creek Resort	800	1.04%
Ames Rubber Corp	445	0.58%
Shop Rite (Ronetco)	301	0.39%
Andover Subacute & Rehab Center	300	0.39%
Sussex County Community College	300	0.39%
SCARC, Inc.	287	0.37%
	<u>8,174</u>	<u>10.66%</u>
Total County Employment	<u>76,713</u>	

Source: County of Sussex

SPARTA TOWNSHIP SCHOOL DISTRICT  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS  
UNAUDITED

<u>Function/Program</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Instruction:										
Regular	276.0	270.0	248.2	256.6	245.5	249.0	252.0	257.3	251.0	271.0
Special Education	52.0	54.0	70.5	67.0	69.8	65.0	69.0	75.4	82.0	84.8
Support Services:										
Student & Instruction-Related Services	54.0	42.0	88.0	97.1	97.0	94.0	94.0	100.0	92.0	90.0
General Administrative Services	5.0	5.0	4.0	4.0	4.0	6.0	6.0	4.0	4.0	5.0
School Administrative Services	21.0	29.0	41.5	42.1	41.6	41.0	41.0	47.6	37.5	47.0
Plant Operations and Maintenance	41.0	41.0	38.0	38.5	40.0	41.0	46.0	40.1	45.0	38.0
Pupil Transportation	20.0	20.0	25.0	21.7	19.0	21.0	21.0	23.5	20.5	20.0
Business and Other Support Services	8.5	8.5	7.0	7.0	6.0	6.0	6.0	6.2	6.2	7.0
<b>Total</b>	<b>477.5</b>	<b>469.5</b>	<b>522.2</b>	<b>534.0</b>	<b>522.9</b>	<b>523.0</b>	<b>535.0</b>	<b>554.0</b>	<b>538.2</b>	<b>562.8</b>

Source: Sparta Township School District personnel records.

SPARTA TOWNSHIP SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year Ended	Pupil/Teacher Ratio										Average Daily Enrollment (ADE) <sup>e</sup>	Average Daily Attendance (ADA) <sup>e</sup>	% Change Average Daily Enrollment	Student Attendance Percentage
	Enrollment <sup>a</sup>	Operating Expenditures <sup>b</sup>	Cost Per Pupil <sup>c</sup>	Percent Change	Teaching Staff <sup>d</sup>	Elementary			Middle School	Senior High School				
						Helen Morgan	Alpine	Mohawk Avenue						
2013	3,623	\$ 62,812,692	\$ 17,337	6.98%	328	11.5	13.2	20.7	9.1	11.6	3,573.0	3,377	4.41%	94.51%
2014	3,539	63,642,159	17,983	3.73%	304	11	12.2	21.4	10.1	11.2	3,475.1	3,274	-2.74%	94.21%
2015	3,328	64,864,463	19,491	8.38%	319	10.5	12	10.1	9.8	10.2	3,305.7	3,153	-4.87%	95.38%
2016	3,292	65,951,632	20,034	2.79%	323	10.6	11	10.2	9.5	10	3,269.5	3,125	-1.10%	95.58%
2017	3,252	66,486,772	20,445	2.05%	315	11.4	11	11.1	9.6	9.8	3,209.0	3,101	-1.85%	96.63%
2018	3,187	68,754,641	21,573	5.52%	322	6.8	6.6	5.3	6.6	6.8	3,219.0	3,093	0.31%	96.09%
2019	3,224	72,660,918	22,538	4.47%	327	5.7	6.5	5.5	6.4	6.8	3,113.5	2,997	-3.28%	96.26%
2020	3,113	74,119,436	23,810	5.64%	333	9.4	11.1	9.5	8.4	9.2	3,135.5	3,036	0.71%	96.83%
2021	3,037	78,279,669	25,775	8.26%	333	9.2	10.4	7.9	8.5	8.8	3,068.1	2,982	-2.15%	97.19%
2022	3,186	85,421,001	26,811	4.02%	343	9.5	9.4	10.8	12.8	10.9	3,209.9	2,962	4.62%	92.28%

Note: Enrollment based on annual October Application for State School Aid (ASSA) district count.

- <sup>a</sup> Per annual School Report Card.
- <sup>b</sup> Operating expenditures equal total operating expenditures less debt service and capital outlay.
- <sup>c</sup> Cost per pupil is the sum of the operating expenditures divided by the enrollment. This cost per pupil may be different from the State's cost per pupil calculations.
- <sup>d</sup> Teaching staff includes only full-time equivalents of certificated staff.
- <sup>e</sup> Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

Source: Sparta Township School District records.



SPARTA TOWNSHIP SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS

District Building	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<u>Elementary</u>										
Helen Morgan (1958)										
Square Feet	60,515	60,515	60,515	60,515	60,515	60,515	60,515	60,515	60,515	60,515
Capacity (Students)	672	672	672	672	672	672	672	672	672	672
Enrollment	565	530	509	494	470	467	444	429	442	473
Alpine (1964)										
Square Feet	63,240	63,240	63,240	63,240	63,240	63,240	63,240	63,240	63,240	63,240
Capacity (Students)	805	805	805	805	805	805	805	805	805	805
Enrollment	726	683	631	631	664	664	692	671	621	703
Mohawk Avenue (1935)										
Square Feet	47,300	47,300	47,300	47,300	47,300	47,300	47,300	47,300	47,300	47,300
Capacity (Students)	350	350	350	350	350	350	350	350	350	350
Enrollment	228	227	221	225	222	196	224	212	206	231
<u>Middle School</u>										
Square Feet	132,500	132,500	132,500	132,500	132,500	132,500	132,500	132,500	132,500	132,500
Capacity (Students)	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175
Enrollment	847	816	825	799	801	768	753	724	714	721
<u>High School</u>										
Square Feet	255,127	255,127	255,127	255,127	255,127	255,127	255,127	255,127	255,127	255,127
Capacity (Students)	1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075
Enrollment	1,224	1,207	1,142	1,122	1,095	1,092	1,111	1,077	1,054	1,058

Number of Schools at June 30, 2022

- Elementary = 3
- Middle School = 1
- High School = 1

Note: Enrollment is based on the annual October Application for State School Aid (ASSA) district count.

Source: Sparta Township School District Facilities Office.

SPARTA TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF REQUIRED MAINTENANCE  
LAST TEN FISCAL YEARS

Undistributed Expenditures - Required Maintenance For School Facilities  
 Account #11-000-261-xxx

Fiscal Year Ended	Helen Morgan School	Alpine School	Mohawk Avenue School	Middle School	Senior High School	Total School Facilities
2013	\$ 89,112	\$ 77,538	\$ 220,217	\$ 186,691	\$ 302,018	\$ 875,576
2014	78,882	86,770	76,231	181,429	354,969	778,281
2015	115,657	124,192	253,480	133,226	339,957	966,512
2016	69,438	92,225	144,578	124,887	228,029	659,157
2017	115,486	144,160	69,786	188,817	260,856	779,105
2018	56,723	49,874	27,275	95,336	544,159	773,367
2019	203,349	94,338	47,227	157,830	366,394	869,138
2020	362,613	129,512	112,507	73,273	318,383	996,288
2021	140,664	57,261	214,793	245,091	431,420	1,089,229
2022	159,760	93,304	190,449	224,060	380,626	1,048,199

\* School facilities as defined under EFCFA. (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: Sparta Township School District records.

SPARTA TOWNSHIP SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2022  
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
<u>SCHOOL ALLIANCE INSURANCE FUND:</u>		
School Package Policy (Fund Aggregate)	\$ 250,000,000	\$ 2,500
Building & Personal Property		
Inland Marine - Auto Physical Damage		
General Liability including Auto, Employee Benefits	5,000,000	
Each Occurrence		
General Aggregate (Fund Aggregate)	100,000,000	
Product Completed Operations		
Personal Injury		
Fire Damage	2,500,000	
Medical Expenses	10,000	
(Excluding Students Taking Part in Athletics)		
Automobile Coverage		
Combined Single Limit		
Hired/Non Owned		
Environmental Impairment Liability (Fund Aggregate)	1,000,000/25,000,000	10,000
Crime Coverage	50,000	1,000
Blanket Dishonesty Bond	500,000	1,000
Boiler and Machinery	100,000,000	2,500
Excess Liability (AL/GL)	5,000,000	
School Board Legal Liability	5,000,000	10,000
Excess SLPL	5,000,000	
Workers' Compensation		
Employer's Liability		
Supplemental Indemnity	Statutory	
Surety Bond - Selective Insurance Company		
Treasurer of School Monies	500,000	
Business Administrator	500,000	
Student Accident - Bollinger Insurance (Athletes Only)	5,000,000	
Athletic Disability	550,000	

Source: Sparta Township School District records.

SINGLE AUDIT SECTION

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*

Independent Auditors' Report

The Honorable President and Members  
of the Board of Education  
Sparta Township School District  
County of Sussex, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Office"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Township of Sparta School District (the "District"), in the County of Sussex, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 9, 2022. That report included a qualified opinion on the financial statements as the District's note disclosure on postemployment benefits other than pensions (OPEB) contains the June 30, 2020 information and not the June 30, 2021 information as the report for Governmental Accounting Standards Board ("GASB") Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the State of New Jersey State Health Benefits Local Education Retired Employees Plan ("SHBP") has not been released by the Division of Pensions and Benefits, Department of the Treasury, State of New Jersey, as of the date of this report. In our opinion, disclosure of this information is required by accounting principles generally accepted in the United States of America.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

The Honorable President and Members  
of the Board of Education  
Sparta Township School District  
Page 2

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

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

As part of obtaining reasonable assurance about whether the District's financial statements 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

December 9, 2022  
Mount Arlington, New Jersey

*Nisivoccia, LLP*  
NISIVOCCIA, LLP

*Kathryn L. Mantell*  
\_\_\_\_\_  
Kathryn L. Mantell  
Licensed Public School Accountant #884  
Certified Public Accountant

Report on Compliance For Each Major Federal and State Program;  
Report on Internal Control Over Compliance Required by the Uniform Guidance and NJOMB 15-08

Independent Auditors' Report

The Honorable President and Members  
of the Board of Education  
Sparta Township School District  
County of Sussex, New Jersey

**Report on Compliance for Each Major Federal and State Program**

***Opinion on Each Major Federal and State Program***

We have audited the Board of Education of the Township of Sparta's (the "District's") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the fiscal year ended June 30, 2022. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2022.

***Basis for Opinion on Each Major Federal and State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Our responsibilities under those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

The Honorable President and Members  
of the Board of Education  
Sparta Township School District  
Page 2

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

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

### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance and New Jersey's OMB Circular 15-08, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey's OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

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



The Honorable President and Members  
of the Board of Education  
Sparta Township School District  
Page 3

### **Report on Internal Control Over Compliance**

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance or New Jersey's OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose

December 9, 2022  
Mount Arlington, New Jersey

*Nisivoccia, LLP*  
NISIVOCCIA, LLP

*Kathryn L. Mantell*  
\_\_\_\_\_  
Kathryn L. Mantell  
Licensed Public School Accountant #884  
Certified Public Accountant

**SPARTA TOWNSHIP SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Federal Grantor/Pass Through Grantor/ Program Title/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2021			Balance June 30, 2022			
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Cash Received	Budgetary Accounts Receivable	Budgetary Unearned Revenue	Amounts Provided to Subrecipients	
<b>General Fund:</b>											
U.S. Department of Health and Human Services: Medicaid Cluster: Medical Assistance Program	93.778	N/A	7/1/21-6/30/22	\$ 9,291			\$ 5,087	\$ (9,291)	\$ (4,204)		
<b>Total General Fund</b>							5,087	(9,291)	(4,204)		
<b>Special Revenue Fund:</b>											
U.S. Department of Education Passed Through State Department of Education: Special Education Cluster: Individuals with Disabilities Act (IDEA): COVID-19 - ARP - Part B, Basic Part B, Basic	84.027X	IDEA-4960-22	7/1/21-9/30/22	192,729			595,526	(63,234)	(63,234)		
Part B, Basic	84.027	IDEA-4960-22	7/1/21-9/30/22	1,200,146			312,085	(813,256)	(217,730)		
Part B, Basic	84.027	IDEA-4960-22	7/1/20-9/30/21	1,199,913		\$ (312,085)					
COVID-19 - ARP - Part B, Preschool Part B, Preschool	84.173X	IDEA-4960-22	7/1/21-9/30/22	16,458			26,301	(13,314)	(13,314)		
	84.173	IDEA-4960-22	7/1/21-9/30/22	26,301				(26,301)			
<b>Total Special Education Cluster</b>						(312,085)	933,912	(916,105)	(294,278)		
<b>Elementary and Secondary Education Act:</b>											
Title I	84.010	ESEA-4960-22	7/1/21-9/30/22	89,025			36,087	(67,363)	(31,276)		
Title I	84.010	ESEA-4960-21	7/1/20-9/30/21	84,419		(31,868)	31,868				
Title II, Part A	84.367A	ESEA-4960-22	7/1/21-9/30/22	78,600			9,170	(40,864)	(31,694)		
Title II, Part A	84.367A	ESEA-4960-21	7/1/20-9/30/21	83,547		(36,333)	36,333				
Title IV	84.424	ESEA-4960-22	7/1/21-9/30/22	30,563			880	(17,541)	(16,661)		
Title IV	84.424	ESEA-4960-21	7/1/20-9/30/21	29,000		(5,491)	5,491				
<b>Education Stabilization Fund:</b>											
COVID 19 - CARES Emergency Grant COVID 19 - CRRSA:	84.425D	CARES-4960-21	3/13/20-9/30/22	86,573		(88)			(88)		
ESSER II	84.425D	S425D210027	3/13/20-9/30/23	259,733		(9,150)	230,339	(228,203)	(7,014)		
Learning Acceleration	84.425D	S425D210027	3/13/20-9/30/23	25,000			7,416	(7,416)			
Mental Health	84.425D	S425D210027	3/13/20-9/30/23	45,000			37,785	(41,984)	(4,199)		
<b>COVID 19 - ARP:</b>											
ESSER III	84.425U	S425U210027	3/13/20-9/30/24	583,732				(251,753)	(251,753)		
Accelerated Learning	84.425U	S425U210027	3/13/20-9/30/24	248,057				(20,000)	(20,000)		
Beyond the School Day	84.425U	S425U210027	3/13/20-9/30/24	40,000				(21,530)	(21,530)		
Mental Health	84.425U	S425U210027	3/13/20-9/30/24	45,000				(3,303)	(3,303)		
<b>Total Education Stabilization Fund</b>						(9,238)	275,540	(574,189)	(307,887)		
<b>Total U.S. Department of Education</b>						(395,015)	1,329,281	(1,616,062)	(681,796)		

SPARTA TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass Through Grantor/ Program Title/Cluster Title	Assistance Listing Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2021			Balance June 30, 2022			
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Cash Received	Budgetary Expenditures	Budgetary Accounts Receivable	Budgetary Unearned Revenue	Amounts Provided to Subrecipients
Special Revenue Fund (Cont'd): U.S. Department of Treasury: Passed-through State Department of Education: COVID 19 ACSERS (Additional or Compensatory Special Education and Related Services to Students with Disabilities)	21.027	N/A	7/1/21-6/30/22	\$ 139,377			\$ 67,060	\$ (139,377)	\$ (72,317)		
Total U.S. Department of Treasury							67,060	(139,377)	(72,317)		
Total Special Revenue Fund					\$ (395,015)		1,396,341	(1,755,439)	(754,113)		
Enterprise Fund: U.S. Department of Agriculture Passed-through State Department of Agriculture: Child Nutrition Cluster:											
Food Distribution Program	10.555	N/A	7/1/21-6/30/22	69,068			69,068	(57,966)		\$ 11,102	
Food Distribution Program	10.555	N/A	7/1/20-6/30/21	54,392				(1,652)			
COVID-19 Seamless Summer Option - Breakfast	10.553	N/A	7/1/21-6/30/22	50,496			46,745	(50,496)	(3,751)		
COVID-19 Seamless Summer Option - Breakfast	10.553	N/A	7/1/20-6/30/21	95,280		(1,733)	1,733				
COVID-19 Seamless Summer Option - Lunch	10.555	N/A	7/1/21-6/30/22	1,202,786			1,113,945	(1,202,786)	(88,841)		
COVID-19 Seamless Summer Option - Lunch	10.555	N/A	7/1/20-6/30/21	355,251		(56,217)	56,217				
COVID-19 Emergency Operational Reimbursement Program	10.555	N/A	7/1/21-6/30/22	7,443			7,443	(7,443)			
Total Child Nutrition Cluster Subtotal					(57,950)	1,652	1,295,151	(1,320,343)	(92,592)	11,102	
COVID-19 Pandemic P-EBT Administrative Costs	10.649	N/A	7/1/21-6/30/22	1,242			1,242	(1,242)			
Total Enterprise Fund and U.S. Department of Agriculture					(57,950)	1,652	1,296,393	(1,321,585)	(92,592)	11,102	
Total Federal Awards					\$ (452,965)	\$ 1,652	\$ 2,697,821	\$ (3,086,315)	\$ (850,909)	\$ 11,102	\$ -0-

N/A - Not Applicable/Applicable

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

SPARTA TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2021		Cash Received	Budgetary Expenditures	Repay Prior Years' Balances	Balance at June 30, 2022		MEMO	
				Budgetary (Accounts Receivable)	Due to Grantor				GAAP (Accounts Receivable)	Due to Grantor	Budgetary Accounts Receivable	Cumulative Total Expenditures
New Jersey Department of Education												
General Fund:												
Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	\$ 1,128,376			\$ 1,021,266	\$ (1,128,376)		\$ (107,110)	\$ 1,128,376		\$ 1,128,376
Special Education Aid	22-495-034-5120-089	7/1/21-6/30/22	2,030,137			1,837,429	(2,030,137)		(192,708)	2,030,137		2,030,137
Equalization Aid	22-495-034-5120-078	7/1/21-6/30/22	2,000,698			1,810,785	(2,000,698)		(189,913)	2,000,698		2,000,698
Security Aid	22-495-034-5120-084	7/1/21-6/30/22	252,688			228,702	(252,688)		(23,986)	252,688		252,688
Extraordinary Aid	22-495-034-5120-044	7/1/21-6/30/22	460,757				(460,757)		(460,757)	460,757		460,757
Nonpublic Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	10,796				(10,796)		(10,796)	10,796		10,796
Reimbursed TPAF Social Security Contributions	22-495-034-5094-003	7/1/21-6/30/22	2,398,903			2,280,995	(2,398,903)		(117,908)	2,398,903		2,398,903
On-Behalf TPAF Post Retirement Contributions	22-495-034-5094-001	7/1/21-6/30/22	2,613,421			2,613,421	(2,613,421)			2,613,421		2,613,421
On-Behalf TPAF Pension Contributions	22-495-034-5094-002	7/1/21-6/30/22	11,030,036			11,030,036	(11,030,036)			11,030,036		11,030,036
On-Behalf TPAF Non-Contributory Insurance	22-495-034-5094-004	7/1/21-6/30/22	155,618			155,618	(155,618)			155,618		155,618
On-Behalf TPAF Long-Term Disability Insurance	22-495-034-5094-004	7/1/21-6/30/22	3,744			3,744	(3,744)			3,744		3,744
Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	1,128,376	\$ (107,941)		107,941				1,128,376		1,128,376
Special Education Aid	21-495-034-5120-089	7/1/20-6/30/21	2,030,137	(194,205)		194,205				2,030,137		2,030,137
Equalization Aid	21-495-034-5120-078	7/1/20-6/30/21	2,218,067	(212,183)		212,183				2,218,067		2,218,067
Security Aid	21-495-034-5120-084	7/1/20-6/30/21	252,688	(24,172)		24,172				252,688		252,688
Extraordinary Aid	21-495-034-5120-044	7/1/20-6/30/21	437,852	(437,852)		437,852				437,852		437,852
Nonpublic Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	45,493	(45,493)		45,493				45,493		45,493
School Development Authority:												
Securing Our Children's Future Bond Act	N/A	7/1/20-6/30/21	180,227	(180,227)		180,227				180,227		180,227
Reimbursed TPAF Social Security Contributions	21-495-034-5094-003	7/1/20-6/30/21	2,243,013	(111,551)		111,551				2,243,013		2,243,013
Total General Fund State Aid				(1,313,624)		22,295,620	(22,085,174)		(589,461)		(1,103,178)	30,621,027
Special Revenue Fund:												
New Jersey Nonpublic Aid:												
Textbook Aid	22-100-034-5120-064	7/1/21 - 6/30/22	82,828			82,828	(79,760)				\$ 3,068	79,760
Textbook Aid	21-100-034-5120-064	7/1/20 - 6/30/21	77,951		\$ 3,309			\$ (3,309)				74,642
Nursing Aid	22-100-034-5120-070	7/1/21 - 6/30/22	157,024			157,024	(151,678)				5,346	151,678
Nursing Aid	21-100-034-5120-070	7/1/20 - 6/30/21	131,784		3,429			(3,429)				128,355
Technology Initiative Aid	22-100-034-5120-373	7/1/21 - 6/30/22	57,960			57,960	(54,304)				3,656	54,304
Security Aid	22-100-034-5120-509	7/1/21 - 6/30/22	245,350			245,350	(222,600)				22,750	222,600
Security Aid	21-100-034-5120-509	7/1/20 - 6/30/21	226,100		12,778			(12,778)				213,322
New Jersey Nonpublic Auxiliary Services:												
Compensatory Education	22-100-034-5120-067	7/1/21 - 6/30/22	105,167			105,167	(101,225)				3,942	101,225
Compensatory Education	21-100-034-5120-067	7/1/20 - 6/30/21	125,411		35,923			(35,923)				89,488

SPARTA TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2021		Cash Received	Budgetary Expenditures	Repay Prior Years' Balances	Balance at June 30, 2022		MEMO	
				Budgetary Accounts Receivable	Due to Grantor				GAAP Accounts Receivable	Due to Grantor	Budgetary Accounts Receivable	Cumulative Total Expenditures
<b>Special Revenue Fund:</b>												
<b>New Jersey Nonpublic Auxiliary Services:</b>												
English as a Second Language	22-100-034-5120-067	7/1/21 - 6/30/22	\$ 1,644		\$	1,644	\$ (1,370)		\$	274	\$	1,370
Home Instruction	22-100-034-5120-067	7/1/21 - 6/30/22	1,503				(1,503)					1,503
Home Instruction	21-100-034-5120-067	7/1/20 - 6/30/21	3,795	(3,795)		3,795			(1,503)			3,795
<b>New Jersey Nonpublic Handicapped:</b>												
Supplemental Instruction	22-100-034-5120-066	7/1/21 - 6/30/22	83,426			83,426	(59,059)			24,367		59,059
Supplemental Instruction	21-100-034-5120-066	7/1/20 - 6/30/21	76,091		\$ 8,336			\$ (8,336)				67,755
Corrective Speech	22-100-034-5120-066	7/1/21 - 6/30/22	43,710			43,710	(43,710)			17,449		43,710
Exam & Classification	22-100-034-5120-066	7/1/21 - 6/30/22	77,576			77,576	(60,127)					60,127
Exam & Classification	21-100-034-5120-066	7/1/20 - 6/30/21	81,391		738			(738)				80,653
School Development Authority: Emergent and Capital Maintenance Needs	N/A	11/19/21 - 6/30/22	77,164				(77,164)		(77,164)			77,164
<b>Total Special Revenue Fund</b>				(3,795)	64,513	858,480	(852,500)	(64,513)	(78,667)	80,852	(78,667)	1,510,510
<b>Debt Service Fund:</b>												
Debt Service State Aid Support	22-495-034-5120-075	7/1/21 - 6/30/22	558,972			558,972	(558,972)					558,972
<b>Total Debt Service Fund</b>						558,972	(558,972)					558,972
<b>Enterprise Fund:</b>												
<b>State Department of Agriculture:</b>												
COVID-19 Seamless Summer Option	22-100-010-3350-023	7/1/21-6/30/22	28,305			26,261	(28,305)		(2,044)			28,305
COVID-19 Seamless Summer Option	21-100-010-3350-023	7/1/20-6/30/21	19,961	(5,738)		5,738						19,961
<b>Total Enterprise Fund</b>				(5,738)		31,999	(28,305)		(2,044)			48,266
<b>Total State Awards Subject to Single Audit Determination</b>				\$(1,323,157)	\$ 64,513	\$23,745,071	\$(23,524,951)	\$(64,513)	\$(670,172)	\$ 80,852	\$(1,183,889)	\$ 32,738,775
<b>Less: State Awards Not Subject to Single Audit Major Program Determination</b>												
<b>On-Behalf TPAF Pension System Contributions:</b>												
On-Behalf TPAF Post Retirement Contributions	22-495-034-5094-001	7/1/21-6/30/22					(2,613,421)					(2,613,421)
On-Behalf TPAF Pension Contributions	22-495-034-5094-002	7/1/21-6/30/22					(11,030,036)					(11,030,036)
On-Behalf TPAF Non-Contributory Insurance	22-495-034-5094-004	7/1/21-6/30/22					(155,618)					(155,618)
On-Behalf TPAF Long-Term Disability Insurance	22-495-034-5094-004	7/1/21-6/30/22					(3,744)					(3,744)
<b>Subtotal - On-Behalf TPAF Pension System Contributions</b>							(13,802,819)					(13,802,819)
<b>Total State Awards Subject to Single Audit Major Program Determination</b>							\$ (9,722,152)					\$ (9,722,152)

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

SPARTA TOWNSHIP SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Note 1. Basis of Presentation

The accompanying schedules of expenditures of federal and state awards (the “Schedules”) include the federal and state grant activity of the Sparta Township School District under programs of the federal and state governments for the fiscal year ended June 30, 2022. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented on the accrual basis of accounting. These bases of accounting are described in Note 1 to the District’s basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3. Indirect Cost Rate

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

Note 4. Relationship to Basic Financial Statements

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last two state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes these payments are not recognized until the subsequent budget year due to the state deferral and recording of the last two state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$24,784 for the general fund and (\$10,413) for the special revenue fund (of which \$13,956 applies to encumbrances of local grants). See Note 1D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and the special revenue funds.

SPARTA TOWNSHIP SCHOOL DISTRICT  
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

Note 4. Relationship to Basic Financial Statements (Cont'd)

Awards and financial assistance revenue are reported on the Board's financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 9,291	\$ 22,109,958	\$ 22,119,249
Special Revenue Fund	1,721,128	862,442	2,583,570
Debt Service Fund		558,972	558,972
Food Service Fund	<u>1,321,585</u>	<u>28,305</u>	<u>1,349,890</u>
Total Awards	<u>\$ 3,052,004</u>	<u>\$ 23,559,677</u>	<u>\$ 26,611,681</u>

Note 5. Relationship to Federal and State Financial Reports

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

Note 6. Other

Revenue and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2022.

SPARTA TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Summary of Auditors' Results:

- The Independent Auditors' Report expresses a qualified opinion on the financial statements as the District's note disclosure on postemployment benefits other than pensions (OPEB) contains the June 30, 2020 information and not the June 30, 2021 information as the report for Governmental Accounting Standards Board ("GASB") Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the State of New Jersey State Health Benefits Local Education Retired Employees Plan ("SHBP") has not been released by the Division of Pensions and Benefits, Department of the Treasury, State of New Jersey, as of the date of this report. In our opinion, disclosure of this information is required by accounting principles generally accepted in the United States of America.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' 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*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major federal and state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major Federal and State Program; Report on Internal Control Over Compliance Required by the Uniform Guidance and NJ OMB 15-08*.
- The auditor's report on compliance for the major federal and state programs for the District expresses an unmodified opinion on all major federal and state programs.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The District's programs tested as major federal and state programs for the current fiscal year consisted of the following awards:

	<u>Assistance Listing/ State Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
<u>Federal:</u>				
Education Stabilization Fund:				
COVID-19 CRRSA :				
ESSER II	84.425D	3/13/20-9/30/23	\$ 259,733	\$ 228,203
Learning Acceleration	84.425D	3/13/20-9/30/23	25,000	7,416
Mental Health	84.425D	3/13/20-9/30/23	45,000	41,984
COVID-19 ARP Consolidated:				
ESSER III	84.425U	3/13/20-9/30/24	583,732	251,753
Accelerated Learning	84.425U	3/13/20-9/30/24	248,057	20,000
Beyond the School Day	84.425U	3/13/20-9/30/24	40,000	21,530
Mental Health	84.425U	3/13/20-9/30/24	45,000	3,303



SPARTA TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022  
(Continued)

Summary of Auditors' Results: (Cont'd)

- The District's programs tested as major federal and state programs for the current fiscal year consisted of the following awards: (Cont'd)

	<u>Assistance Listing/ State Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
<u>Federal:</u>				
Child Nutrition Cluster:				
Food Distribution Program	10.555	7/1/21-6/30/22	\$ 69,068	\$ 57,966
Food Distribution Program	10.555	7/1/20-6/30/21	54,392	1,652
COVID-19 - Seamless Summer Option:				
Breakfast	10.553	7/1/21-6/30/22	50,496	50,496
Lunch	10.555	7/1/21-6/30/22	1,202,786	1,202,786
Emergency Operational Cost Reimbursement Program	10.555	7/1/21-6/30/22	7,443	7,443
<u>State:</u>				
Special Education Aid	22-495-034-5120-089	7/1/21-6/30/22	2,030,137	2,030,137
Equalization Aid	22-495-034-5120-078	7/1/21-6/30/22	2,000,698	2,000,698
Security Aid	22-495-034-5120-084	7/1/21-6/30/22	252,688	252,688

- The threshold used for distinguishing between Type A and Type B federal and state programs was \$750,000.
- The District was determined to be a "low-risk" auditee for federal and state programs.

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

Findings and Questioned Costs for Federal Awards:

- The audit did not disclose any findings or questioned costs for federal awards as defined in 2 CFR 200.516(a) of the Uniform Guidance.

Findings and Questioned Costs for State Awards:

- The audit did not disclose any findings or questioned costs for state awards as defined in 2 CFR 200.516(a) of the Uniform Guidance and New Jersey's OMB Circular 15-08.

SPARTA TOWNSHIP SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Status of Prior Year Findings:

There were no prior year audit findings.