

**REPORT OF AUDIT**  
**TOWNSHIP OF SPARTA**  
**COUNTY OF SUSSEX**  
**DECEMBER 31, 2014**

**TOWNSHIP OF SPARTA, N.J.**  
**YEAR ENDED DECEMBER 31, 2014**

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**TOWNSHIP OF SPARTA**

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**PART I**

**REPORT OF AUDIT ON FINANCIAL STATEMENTS**

**AND SUPPLEMENTARY DATA**

**YEAR ENDED DECEMBER 31, 2014**

# **Ferraioli, Wielkott, Cerullo & Cuva, P.A.**

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## **INDEPENDENT AUDITOR'S REPORT**

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

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Township of Sparta in the County of Sussex, as of December 31, 2014, and 2013, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.





An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As described in Note 1 of the financial statements, the financial statements are prepared by the Township of Sparta on the basis of the financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Township of Sparta as of December 31, 2014 and 2013 or changes in financial position for the years then ended.

***Basis for Qualified Opinion on Regulatory Basis Accounting Principles***

We are unable to obtain sufficient evidence to support the cost of fixed assets. As more fully describe in Note 1, due to the length of time over which these fixed assets were acquired, it is not practical to determine their actual costs. We are, therefore, unable to express an opinion as to the general fixed assets account group at December 31, 2014, and 2013, stated as \$38,611,397.00 and \$37,858,084.00, respectively.

***Basis for Qualified Opinion on Regulatory Basis Accounting Principles*** (continued)

As described in Note 17 of the financial statements, the Township participates in a Length of Service Award Program (LOSAP) volunteer fire and rescue personnel. The amount reflected in the trust fund statements of \$81,642.79 and \$85,855.29 for 2014 and 2013, respectively, were not audited and, therefore, we express no opinion on the LOSAP program.

***Qualified Opinion on Regulatory Basis of Accounting***

In our opinion, except for the effects of the matter described in “Basis for Qualified Opinion on Regulatory Basis Accounting Principles” paragraph, the financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets as of December 31, 2014 and 2013, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2014 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

***Other Matters***

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Sparta’s basic financial statements. The supplementary information listed in the table of contents and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information listed in the table of contents are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 supplemental information listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2015 on our consideration of the Township of Sparta's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Sparta's internal control over financial reporting and compliance.



Thomas M. Ferry, C.P.A.  
Registered Municipal Accountant  
No. 497

***Ferraioli, Wielkatz, Cerullo & Cuva, PA***

FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
*Certified Public Accountants*

Newton, New Jersey

June 26, 2015

## Township of Sparta, N.J.

## Comparative Balance Sheet - Regulatory Basis

## Current Fund

December 31,

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<u>Assets</u>			
Current Fund:			
Cash-Treasurer	A-4	7,616,901.93	7,025,459.82
Change Fund	A-5	450.00	450.00
		<u>7,617,351.93</u>	<u>7,025,909.82</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Taxes Receivable	A-8	1,496,578.15	1,302,100.02
Tax Title Liens	A-9	635,365.16	974,626.41
Property Acquired for Taxes -			
Assessed Valuation	A-10	652,580.00	652,580.00
Interfund Accounts Receivable	A-12	2,021.22	
		<u>2,786,544.53</u>	<u>2,929,306.43</u>
Deferred Charges:			
Special Emergency Authorizations	A-13	926,000.00	1,209,000.00
		<u>11,329,896.46</u>	<u>11,164,216.25</u>
Federal and State Grant Fund:			
Grants Receivable	A-20	12,433.14	12,433.14
Interfund - Current Fund	A-23	294,194.23	297,679.15
		<u>306,627.37</u>	<u>310,112.29</u>
		<u>11,636,523.83</u>	<u>11,474,328.54</u>

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

## Township of Sparta, N.J.

## Comparative Balance Sheet - Regulatory Basis

## Current Fund

December 31,

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation Reserves:			
Unencumbered	A-3;A-14	1,384,460.64	2,104,536.61
Encumbered	A-3;A-14	465,342.47	248,651.92
Total Appropriation Reserves		1,849,803.11	2,353,188.53
Due to State of New Jersey:			
Senior Citizen and Veteran Deductions	A-7	46,030.46	43,722.28
Interfund Accounts Payable	A-12	294,194.23	298,113.14
Encumbrances Payable - Various Reserves	A-15	534,458.50	8,011.50
Prepaid Taxes	A-16	585,242.63	579,396.21
Local School Tax Payable	A-17		304,688.00
County Tax Payable	A-18	52,792.87	25,271.55
Tax Overpayments	A-19	78,941.60	88,618.39
Due to State of New Jersey:			
Construction Code Surcharge	A-19	7,826.00	7,187.00
Marriage License Surcharge	A-19	625.00	
Reserve for:			
Tax Maps	A-19	14,276.55	46,580.23
Hurricane Irene	A-19	93,985.28	108,370.08
Revaluation of Taxes	A-19	205,861.00	
		3,764,037.23	3,863,146.91
Reserve for Receivables			
Fund Balance	Contra A-1	2,786,544.53 4,779,314.70	2,929,306.43 4,371,762.91
		11,329,896.46	11,164,216.25
Federal and State Grant Fund:			
Appropriated Reserve for Grants	A-21	182,626.91	212,902.88
Unappropriated Reserve for Grants	A-22	102,095.06	78,384.71
Encumbrances Payable	A-24	21,905.40	18,824.70
		306,627.37	310,112.29
		11,636,523.83	11,474,328.54

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

## Township of Sparta, N.J.

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

## Current Fund

Year Ended December 31,

	<u>Ref</u>	<u>2014</u>	<u>2013</u>
Revenues and Other Income:			
Fund Balance Utilized	A-2	2,550,000.00	2,300,000.00
Miscellaneous Revenue Anticipated	A-2	3,936,516.20	3,965,651.19
Receipts from Delinquent Taxes	A-2	1,565,232.86	1,607,759.46
Receipts from Current Taxes	A-2	87,873,746.37	86,355,633.41
Non-Budget Revenue	A-2	255,647.82	184,950.93
Other Credits to Income:			
Tax Sale Premium Cancelled			41,600.00
Outside Liens Cancelled			16,970.19
Appropriated Grants Cancelled			34,947.89
Unappropriated Reserves Cancelled	A-12	2.71	4.09
Unexpended Balance of Appropriation			
Reserves	A-14	510,129.16	545,874.00
Cancellation of Reserve for Encumbrances			36,781.60
Cancellation of Accounts Payable			159.89
Reserves Cancelled			105,356.13
Total Revenues and Other Income		<u>96,691,275.12</u>	<u>95,195,688.78</u>
Expenditures:			
Budget and Emergency Appropriations:			
Operations - Within Caps:			
Salaries and Wages	A-3	8,465,271.00	8,003,909.00
Other Expenses	A-3	6,165,681.00	6,655,634.00
Deferred Charges and Statutory Expenditures -			
Municipal - Within "CAPS"	A-3	2,046,859.37	2,188,610.00
Operations - Excluded from "CAPS"			
Salaries and Wages	A-3	452,347.00	444,796.00
Other Expenses	A-3	1,225,428.00	1,314,516.00
Capital Improvement Fund	A-3	1,000,000.00	1,000,000.00
Municipal Debt Service	A-3	1,892,208.00	2,095,600.75
Deferred Charges and Statutory Expenditures -			
Municipal - Excluded from "CAPS"	A-3	308,700.00	148,700.00
Refund of Prior Year Revenue			121,926.12
Refund of Prior Year Tax Appeals			34,859.10
Interfund Advances	A-12	2,021.22	
Municipal Open Space Tax	A-12	257,218.96	259,550.32
Federal and State Grants Receivable Cancelled			49,574.44
Local District School Tax	A-17	56,642,256.00	55,584,598.00
County Taxes including Added Taxes	A-18	15,275,732.78	15,365,651.06
Total Expenditures		<u>93,733,723.33</u>	<u>93,267,924.79</u>
Excess (Deficit) Revenue Over Expenditures		2,957,551.79	1,927,763.99
Adjustment to Income Before Fund Balance - Expenditures			
Included above Which are by Statute Deferred			
Charges to Budget of Succeeding Year			800,000.00
Statutory Excess to Fund Balance		<u>2,957,551.79</u>	<u>2,727,763.99</u>
Fund Balance, January 1,	A	<u>4,371,762.91</u>	<u>3,943,998.92</u>
		7,329,314.70	6,671,762.91
Decreased by:			
Fund Balance Utilized as Budget Revenue		<u>2,550,000.00</u>	<u>2,300,000.00</u>
Fund Balance, December 31,	A	<u><u>4,779,314.70</u></u>	<u><u>4,371,762.91</u></u>

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

Township of Sparta, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2014

	<u>Ref</u>	<u>Budget</u>	<u>Realized</u>	<u>Excess or (Deficit)</u>
Fund Balance Anticipated	A-1	2,550,000.00	2,550,000.00	
Miscellaneous Revenues:				
Licenses:				
Other	A-11	2,000.00	7,807.00	5,807.00
Alcoholic Beverages	A-11	13,000.00	16,280.00	3,280.00
Fees and Permits	A-11	539,000.00	557,564.90	18,564.90
Fines and Costs:				
Municipal Court	A-11	220,000.00	174,804.45	(45,195.55)
Interest and Costs on Taxes	A-6	335,000.00	460,537.10	125,537.10
Interest on Investments and Deposits	A-11	32,000.00	34,306.67	2,306.67
Payments in Lieu of Taxes on Senior Housing	A-11	152,754.00	162,269.72	9,515.72
Consolidated Municipal Property Tax Relief Aid	A-11	66,592.00	66,592.00	
Energy Receipts	A-11	1,168,829.00	1,168,829.00	
Watershed Moratorium Offset	A-11	29,328.00	29,328.00	
Garden State Trust	A-11	28,476.00	28,476.00	
Uniform Construction	A-11	400,000.00	439,724.20	39,724.20
Interlocal Dispatch Costs	A-11	401,520.00	401,529.00	9.00
Interlocal Finance Hardyston BOE	A-11	5,304.00	5,353.10	49.10
Interlocal Finance Hardyston	A-11	31,212.00	31,212.00	
Interlocal Finance Hardyston MUA	A-11	14,311.00	14,311.00	
Public and Private Revenues:				
Recycling Grant	A-20	27,651.00	27,651.00	
Clean Communities	A-20	42,908.00	42,908.00	
Municipal Court Alcohol Rehab	A-20	527.00	527.00	
Body Armor Grant	A-20	3,696.00	3,696.00	
Municipal Alliance on Alcoholism and Drug Abuse	A-20	16,042.00	16,042.00	
Drive Sober or Get Pulled Over	A-20	3,600.00	3,600.00	
Other Special Items:				
Uniform Fire Safety	A-11	35,000.00	45,470.56	10,470.56
Cable TV Franchise	A-11	76,596.00	80,002.00	3,406.00
Solar Renewable Energy Credit	A-11	120,000.00	117,695.50	(2,304.50)
Total Miscellaneous Revenues	A-1	3,765,346.00	3,936,516.20	171,170.20
Receipts from Delinquent Taxes	A-1;A-2	1,300,000.00	1,565,232.86	265,232.86
Subtotal General Revenues		7,615,346.00	8,051,749.06	436,403.06
Amount to be Raised by Taxes for Support of Municipal Budget - Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes	A-2	17,322,491.00	19,079,680.63	1,757,189.63
Budget Totals		24,937,837.00	27,131,429.69	2,193,592.69
Non-Budget Revenue	A-1;A-2		255,647.82	255,647.82
		24,937,837.00	27,387,077.51	2,449,240.51
	A-3			

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

Township of Sparta, N.J.

Statement of Revenues - Regulatory Basis

Current Fund

Year Ended December 31, 2014

Analysis of Realized Revenues

	<u>Ref.</u>	
Revenue from Collections	A-1; A-8	87,873,746.37
Allocated to School and County Taxes	A-8	<u>72,175,207.74</u>
Balance for Support of Municipal Budget Appropriations		15,698,538.63
Add : Appropriation - Reserve for Uncollected Taxes	A-3	<u>3,381,142.00</u>
Amount for Support of Municipal Budget Appropriations	A-2	<u><u>19,079,680.63</u></u>
Receipts from Delinquent Taxes:		
Delinquent Taxes	A-8	1,293,779.70
Tax Title Liens	A-9	<u>271,453.16</u>
	A-2	<u><u>1,565,232.86</u></u>
Fees and Permits - Other:		
Board of Health - Sewer	A-11	18,752.00
Police	A-11	23,576.57
Clerk	A-11	8,053.60
Marriage License	A-11	291.00
Planning Board	A-11	24,663.00
Zoning	A-11	27,675.00
Registrar	A-11	19,245.00
Tax Assessor	A-11	895.00
Leaf Bags	A-11	2,135.00
Cell Tower	A-11	332,278.77
Quarry Royalties	A-11	<u>99,999.96</u>
	A-2	<u><u>557,564.90</u></u>

Analysis of Non-budget Revenues

	<u>Ref.</u>	
Copies		820.94
Voided Checks		4,890.00
Miscellaneous Refunds		58,770.30
Senior Citizens and Veterans Administrative Cost		2,761.16
Auction Proceeds		20,724.99
Bid Spec		91.84
Lake Mohawk - Old DPW Garage		9,060.04
PILOT - Settlement Agreement - DTH15, LLC		5,580.93
State in Lieu of Tax		1,000.00
FEMA Reimbursements		<u>151,947.62</u>
	A-4	<u><u>255,647.82</u></u>

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



Township of Sparta, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2014

	<u>Ref.</u>	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
		<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>General Appropriations</u>						
Operations - within "CAPS"						
General Administration						
Salaries and Wages		226,271.00	226,271.00	202,601.63	23,669.37	
Other Expenses		11,250.00	11,250.00	6,331.33	4,918.67	
Purchasing						
Other Expenses		79,250.00	79,250.00	64,764.72	14,485.28	
Township Council						
Salaries and Wages		18,500.00	18,500.00	18,449.86	50.14	
Other Expenses		29,000.00	49,000.00	35,763.28	13,236.72	
Clerk						
Salaries and Wages		113,476.00	113,476.00	106,582.14	6,893.86	
Other Expenses		15,500.00	15,500.00	8,829.01	6,670.99	
Elections						
Salaries and Wages		3,000.00	3,000.00		3,000.00	
Other Expenses		15,900.00	15,900.00	15,441.63	458.37	
Financial Administration						
Salaries and Wages		139,488.00	137,488.00	131,358.09	6,129.91	
Other Expenses		30,145.00	32,145.00	26,262.63	5,882.37	
Annual Audit		29,450.00	29,450.00	9,103.75	20,346.25	
Computerized Data Processing						
Salaries and Wages		103,101.00	108,251.00	108,139.11	111.89	
Other Expenses		51,490.00	46,340.00	37,960.88	8,379.12	
Collection of Taxes						
Salaries and Wages		61,660.00	61,660.00	61,179.29	480.71	
Other Expenses		20,360.00	20,360.00	17,115.43	3,244.57	
Assessment of Taxes						
Salaries and Wages		140,865.00	141,865.00	141,813.37	51.63	
Other Expenses		70,950.00	69,950.00	39,368.17	30,581.83	

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

Township of Sparta, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2014

	Ref.	Appropriated		Expended		Unexpended Balance Cancelled
		Budget	Budget After Modification	Paid or Charged	Reserved	
<u>General Appropriations</u>						
Legal Services and Costs						
Salaries and Wages		16,300.00	15,000.00	15,000.00		
Other Expenses		170,000.00	171,300.00	146,988.57	24,311.43	
Municipal Court						
Salaries and Wages		199,190.00	194,190.00	170,941.30	23,248.70	
Other Expenses		20,050.00	20,050.00	9,186.33	10,863.67	
Public Defender						
Other Expenses		10,000.00	15,000.00	15,000.00		
Engineering Services and Costs						
Salaries and Wages		100,047.00	100,047.00	89,754.81	10,292.19	
Other Expenses		15,475.00	15,475.00	5,420.04	10,054.96	
Planning Board						
Salaries and Wages		20,161.00	20,161.00	19,057.15	1,103.85	
Other Expenses		46,250.00	46,250.00	15,509.10	30,740.90	
Planning Department						
Salaries and Wages		69,581.00	69,581.00	66,371.16	3,209.84	
Other Expenses		5,750.00	5,750.00	1,655.92	4,094.08	
Economic Development						
Salaries and Wages		4,430.00	4,430.00	4,430.00		
Other Expenses		13,450.00	13,450.00		13,450.00	
Board of Adjustment						
Salaries and Wages		21,666.00	21,666.00	16,531.96	5,134.04	
Other Expenses		18,100.00	18,100.00	7,114.72	10,985.28	
Insurance:						
General Liability		274,276.00	264,276.00	248,903.90	15,372.10	
Workers Compensation Insurance		256,800.00	256,800.00	247,861.28	8,938.72	
Employee Group Health		2,620,241.00	2,615,241.00	2,177,033.53	438,207.47	
Unemployment Compensation Insurance		20,000.00	20,000.00		20,000.00	

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

Township of Sparta, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2014

	Ref.	Appropriated		Expended		Unexpended Balance Cancelled
		Budget	Budget After Modification	Paid or Charged	Reserved	
<u>General Appropriations</u>						
Police						
Salaries and Wages		4,426,203.00	4,456,203.00	4,424,121.63	32,081.37	
Other Expenses		142,250.00	137,250.00	96,284.27	40,965.73	
Purchase of Police Cars		160,000.00	150,000.00	147,749.61	2,250.39	
Police Dispatch/911						
Salaries and Wages		445,922.00	445,922.00	404,904.81	41,017.19	
Other Expenses		2,500.00	2,500.00	600.00	1,900.00	
Emergency Management Services						
Salaries and Wages		15,000.00	15,000.00	15,000.00		
Other Expenses		12,850.00	12,850.00	11,504.85	1,345.15	
Aid to Volunteer Fire Companies						
Other Expenses		12,000.00	12,000.00	12,000.00		
Aid to Volunteer Ambulance Companies						
Other Expenses		45,000.00	45,000.00		45,000.00	
Fire						
Other Expenses		65,000.00	65,000.00	53,689.04	11,310.96	
Fire Hydrant Service						
Other Expenses		13,000.00	13,000.00	13,000.00		
Uniform Fire Safety						
Salaries and Wages		34,088.00	34,088.00	24,378.11	9,709.89	
Other Expenses		5,012.00	5,012.00	1,186.96	3,825.04	
Municipal Prosecutor						
Other Expenses		37,010.00	37,010.00	33,916.63	3,093.37	
Public Works Functions						
Road Repairs and Maintenance						
Salaries and Wages		699,277.00	680,277.00	643,387.62	36,889.38	
Other Expenses		74,900.00	78,900.00	59,265.90	19,634.10	
Garage and Trash Removal						
Other Expenses		57,500.00	55,300.00	19,123.69	36,176.31	

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

Township of Sparta, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2014

	<u>Ref.</u>	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
		<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>General Appropriations</u>						
Public Building and Grounds						
Salaries and Wages		101,206.00	67,406.00	41,542.46	25,863.54	
Other Expenses		71,100.00	101,100.00	74,406.79	26,693.21	
Vehicle Maintenance						
Salaries and Wages		273,862.00	273,862.00	248,920.76	24,941.24	
Other Expenses		183,495.00	183,495.00	128,940.56	54,554.44	
Snow Removal						
Salaries and Wages		121,770.00	121,770.00	117,730.08	4,039.92	
Other Expenses		254,502.00	254,502.00	129,383.56	125,118.44	
DPW Administration						
Salaries and Wages		174,621.00	176,821.00	176,763.08	57.92	
Other Expenses		10,200.00	10,200.00	10,038.99	161.01	
Municipal Services Act - Condo Costs						
Other Expenses		21,200.00	21,200.00		21,200.00	
Health and Human Services Function						
Health and Welfare Department						
Other Expenses		1,360.00	1,360.00	377.55	982.45	
Environmental Commission (NJSA 40:56A-1 etc.)						
Salaries and Wages		1,760.00	1,760.00	563.36	1,196.64	
Other Expenses		3,125.00	3,125.00	385.00	2,740.00	
Animal Regulations						
Salaries and Wages		25,000.00	25,000.00	24,994.16	5.84	
Other Expenses		25,000.00	25,000.00	23,578.95	1,421.05	
Committee on Aging						
Salaries and Wages		112,132.00	115,932.00	113,627.56	2,304.44	
Other Expenses		26,025.00	26,025.00	24,449.94	1,575.06	
Parks and Recreation Functions						
Recreation Services Functions						
Salaries and Wages		115,360.00	115,360.00	114,239.92	1,120.08	
Other Expenses		25,111.00	30,111.00	21,943.93	8,167.07	

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

Township of Sparta, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2014

	<u>Ref.</u>	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
		<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>General Appropriations</u>						
Maintenance of Parks						
Salaries and Wages		394,101.00	394,101.00	380,986.36	13,114.64	
Other Expenses		98,160.00	93,160.00	78,647.96	14,512.04	
Celebration of Public Events						
Other Expenses		19,000.00	19,000.00	19,000.00		
Utility Expenses and Bulk Purchases						
Electricity		155,000.00	155,000.00	129,182.59	25,817.41	
Street Lighting		80,000.00	80,000.00	62,307.63	17,692.37	
Telephone		70,000.00	70,000.00	64,675.11	5,324.89	
Water		10,800.00	10,800.00	9,459.15	1,340.85	
Natural Gas		69,400.00	69,400.00	63,949.14	5,450.86	
Diesel Fuel, Fuel Oil		3,300.00	3,300.00	384.15	2,915.85	
Sewerage Processing and Disposal		18,000.00	18,000.00	4,490.68	13,509.32	
Gasoline		235,679.00	250,679.00	226,068.00	24,611.00	
State Uniform Construction Code						
Construction Code Official						
Salaries and Wages		306,183.00	306,183.00	303,251.98	2,931.02	
Other Expenses		95,565.00	95,565.00	62,436.34	33,128.66	
Accumulated Absences						
Other Expenses		200,000.00	200,000.00	84,603.31	115,396.69	
Total Operations within "CAPS"		14,610,952.00	14,630,952.00	12,989,266.26	1,641,685.74	
Detail:						
Salaries and Wages	A-1	8,484,221.00	8,465,271.00	8,186,621.76	278,649.24	
Other Expenses	A-1	6,126,731.00	6,165,681.00	4,802,644.50	1,363,036.50	
Deferred Charges and Statutory Expenditures - Municipal within "CAPS"						
Deferred Charges						
Prior Year Deficit in Animal Control Trust		6,900.00	6,900.00	6,699.37		200.63

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

Township of Sparta, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2014

<u>General Appropriations</u>	<u>Ref.</u>	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
		<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Statutory Expenditures:						
Contribution to:						
Public Employees' Retirement System		521,605.00	501,605.00	491,348.00	10,257.00	
Public Employees' Retirement System - ERIP		14,959.00	14,959.00		14,959.00	
Social Security System (O.A.S.I.)		660,000.00	660,000.00	598,873.30	61,126.70	
Police and Firemen's Retirement System of N.J.		863,596.00	863,596.00	808,081.76	55,514.24	
Total Deferred Charges and Statutory Expenditures - Municipal within "CAPS"	A-1	2,067,060.00	2,047,060.00	1,905,002.43	141,856.94	200.63
Total General Appropriations for Municipal Purposes within "CAPS"		16,678,012.00	16,678,012.00	14,894,268.69	1,783,542.68	200.63
Operations - Excluded from "CAPS"						
Maintenance of Free Public Library		1,053,591.00	1,053,591.00	997,330.57	56,260.43	
Emergency Services Volunteer Length of Service Award Program		10,000.00	10,000.00		10,000.00	
Insurance						
Employee Group Health		63,163.00	63,163.00	63,163.00		
Interlocal Municipal Service Agreements						
Other Municipalities Share of Radio System Costs						
Police Dispatch/911		401,520.00	401,520.00	401,520.00		
Salaries and Wages						
Township of Hardyston Finance Officer		31,212.00	31,212.00	31,212.00		
Salaries and Wages						
Hardyston MUA Finance Officer		14,311.00	14,311.00	14,311.00		
Salaries and Wages						
Hardyston BOE Finance		5,304.00	5,304.00	5,304.00		
Salaries and Wages						

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

Township of Sparta, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2014

	<u>Ref.</u>	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
		<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
<u>General Appropriations</u>						
Public and Private Programs Offset by Revenues						
Recycling Tonnage Grant		27,651.00	27,651.00	27,651.00		
Clean Communities Program		42,908.00	42,908.00	42,908.00		
Municipal Court Alcohol Rehab		527.00	527.00	527.00		
Municipal Alliance on Alcoholism and Drug Abuse		16,042.00	16,042.00	16,042.00		
Body Armor Grant		3,696.00	3,696.00	3,696.00		
Drive Sober or Get Pulled Over		3,600.00	3,600.00	3,600.00		
Matching Funds for Grants						
Municipal Alliance on Alcoholism and Drug Abuse						
Other Expenses		4,250.00	4,250.00	4,250.00		
Total Operations - Excluded from "CAPS"		1,677,775.00	1,677,775.00	1,611,514.57	66,260.43	
Detail:						
Salaries & Wages	A-1	452,347.00	452,347.00	452,347.00		
Other Expenses	A-1	1,225,428.00	1,225,428.00	1,159,167.57	66,260.43	
Capital Improvements:						
Capital Improvement Fund		1,000,000.00	1,000,000.00	1,000,000.00		
Total Capital Improvements Excluded from "CAPS"	A-1	1,000,000.00	1,000,000.00	1,000,000.00		
Municipal Debt Service:						
Payment of Bond Principal		870,000.00	870,000.00	870,000.00		
Payment of Bond Anticipation Notes		701,950.00	701,950.00	701,950.00		
Interest on Bonds		294,016.00	294,016.00	294,016.00		
Interest on Notes		26,242.00	26,242.00	26,242.00		
Total Municipal Debt Service-Excluded from "CAPS"	A-1	1,892,208.00	1,892,208.00	1,892,208.00		

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

Township of Sparta, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2014

<u>General Appropriations</u>	<u>Ref.</u>	<u>Appropriated</u>		<u>Expended</u>		<u>Unexpended Balance Cancelled</u>
		<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
Deferred Charges:						
Emergency Authorization						
5 Year Special Emergency		283,000.00	283,000.00	283,000.00		
Deferred Charges to Future Taxation Unfunded:						
Ord # 05-15		25,700.00	25,700.00	25,700.00		
Total Deferred Charges - Municipal - Excluded from "CAPS"	A-1	308,700.00	308,700.00	308,700.00		
Total General Appropriations for Municipal Purposes Excluded from "CAPS"		4,878,683.00	4,878,683.00	4,812,422.57	66,260.43	
Subtotal General Appropriations		21,556,695.00	21,556,695.00	19,706,691.26	1,849,803.11	200.63
Reserve for Uncollected Taxes		3,381,142.00	3,381,142.00	3,381,142.00		
Total General Appropriations		24,937,837.00	24,937,837.00	23,087,833.26	1,849,803.11	200.63
Unencumbered	A				1,384,460.64	
Encumbered	A				465,342.47	
					<u>1,849,803.11</u>	
Analysis of Paid or Charged						
Reserve for Uncollected Taxes	A-2			3,381,142.00		
Cash Disbursed	A-4			19,325,017.26		
Deferred Charges						
Special Emergency Authorization	A-13			283,000.00		
Reserve for Federal and State Grants	A-21			94,424.00		
Matching Funds for Federal and State Grants	A-12			4,250.00		
				<u>23,087,833.26</u>		

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



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

**Comparative Balance Sheet - Regulatory Basis**

**Trust Funds**

**December 31,**

<u>Assets</u>	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Animal Control Trust Fund:			
Cash	B-1	34,787.19	8,145.77
Change Fund	B-2	25.00	25.00
Deficit in Animal Control Expenditures	B-7	<u>5,634.83</u>	<u>5,634.83</u>
		<u>34,812.19</u>	<u>13,805.60</u>
Other Trust Funds:			
Cash	B-1	3,873,369.23	3,096,457.92
Interfund - Current Fund	B-3	<u>433.99</u>	<u>433.99</u>
		<u>3,873,369.23</u>	<u>3,096,891.91</u>
Emergency Services Volunteer Length of Service Award Program (Unaudited)			
Cash	B-1	81,642.79	53,255.29
Contributions Receivable	B-9	<u>21,850.00</u>	<u>32,600.00</u>
		<u>103,492.79</u>	<u>85,855.29</u>
Total Assets		<u><u>4,011,674.21</u></u>	<u><u>3,196,552.80</u></u>

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

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

**Comparative Balance Sheet - Regulatory Basis**

**Trust Funds**

**December 31,**

		<u>2014</u>	<u>2013</u>
<u>Liabilities, Reserves &amp; Fund Balance</u>			
Animal Control Trust Fund:			
Prepaid Licenses	B-4	16,077.00	13,802.00
Reserve for Animal Control			
Fund Expenditures	B-7	18,308.64	
Reserve for Encumbrances	B-6	421.75	
Due to State Department of Health	B-8	4.80	3.60
		<u>34,812.19</u>	<u>13,805.60</u>
Other Trust Fund:			
Interfund - Current Fund	B-3	2,021.22	
Various Reserves	B-5	3,749,498.59	3,021,557.21
Reserve for Encumbrances	B-6	121,849.42	75,334.70
		<u>3,873,369.23</u>	<u>3,096,891.91</u>
Emergency Services Volunteer Length of Service Award Program (Unaudited)			
Net Position Available for Benefits	B-10	<u>103,492.79</u>	<u>85,855.29</u>
Total Liabilities, Reserves and Fund Balance		<u><u>4,011,674.21</u></u>	<u><u>3,196,552.80</u></u>

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

## Township of Sparta, N.J.

## Comparative Balance Sheet - Regulatory Basis

## General Capital Fund

December 31,

<u>Assets</u>	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Cash	C-2;C-3	2,229,132.25	2,475,716.51
Deferred Charges to Future Taxation:			
Funded	C-4	9,670,000.00	10,590,000.00
Unfunded	C-5	1,915,636.51	3,168,586.51
		<u>13,814,768.76</u>	<u>16,234,303.02</u>
<u>Liabilities, Reserves and Fund Balance</u>			
General Serial Bonds	C-6	9,670,000.00	10,590,000.00
Bond Anticipation Notes	C-7	2,178,200.00	3,135,650.00
Improvement Authorizations:			
Funded	C-8	945,876.27	717,688.18
Unfunded	C-8	52,700.79	896,092.49
Capital Improvement Fund	C-9	291,304.16	160,976.79
Reserve for Encumbrances	C-10	322,222.69	322,781.56
Reserve for Developers Contribution	C-11	74,566.00	124,566.00
Reserve for Bond Closing Costs	C-12	6,892.16	
Fund Balance	C-1	273,006.69	286,548.00
		<u>13,814,768.76</u>	<u>16,234,303.02</u>

There were Bonds and Notes Authorized But Not Issued in the Amount of \$7,236.51 and \$32,936.51 on December 31, 2014 and 2013 Per Exhibit C-13.

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

## Township of Sparta, N.J.

## Comparative Statement of Surplus - Regulatory Basis

## General Capital Fund

Year Ended December 31,

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Balance - January 31,	C	<u>286,548.00</u>	<u>223,954.86</u>
Increased by:			
Premium on Bond Anticipation Note Sale		11,458.69	16,886.74
Premium on Bond Sale			<u>45,706.40</u>
	C-2	<u>11,458.69</u>	<u>62,593.14</u>
		<u>298,006.69</u>	<u>286,548.00</u>
Decreased by:			
Improvement Authorizations	C-8	<u>25,000.00</u>	
Balance - December 31,	C	<u><u>273,006.69</u></u>	<u><u>286,548.00</u></u>

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

**Township of Sparta, N.J.**  
**Comparative Balance Sheet - Regulatory Basis**

**Water Utility Fund**

**December 31,**

	<u>Ref</u>	<u>2014</u>	<u>2013</u>
<u>Assets</u>			
Operating Fund:			
Cash	D-7	<u>1,808,522.72</u>	<u>1,418,257.63</u>
Receivables with Full Reserves:			
Consumers Account Receivable	D-11	293,317.20	280,072.42
Liens Receivable	D-12	<u>0.92</u>	<u>0.92</u>
		<u>293,318.12</u>	<u>280,073.34</u>
Total Operating Fund		<u>2,101,840.84</u>	<u>1,698,330.97</u>
Water Assessment Fund			
Cash	D-7;D-8	39,697.95	89,828.46
Assessment Receivable	D-13	<u>136,602.05</u>	<u>176,171.54</u>
Total Water Assessment Fund		<u>176,300.00</u>	<u>266,000.00</u>
Capital Fund:			
Cash	D-7;D-9	291,377.27	1,180,801.09
Fixed Capital	D-14	25,089,848.56	20,954,848.56
Fixed Capital Authorized and Uncompleted	D-15	<u>4,000,000.00</u>	<u>7,536,500.00</u>
Total Capital Fund		<u>29,381,225.83</u>	<u>29,672,149.65</u>
Total Assets		<u>31,659,366.67</u>	<u>31,636,480.62</u>

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

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

**Comparative Balance Sheet - Regulatory Basis**

**Water Utility Fund**

**December 31,**

	<u>Ref</u>	<u>2014</u>	<u>2013</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	D-4;D-16	241,497.37	288,110.50
Encumbered	D-4;D-16	63,987.79	53,971.34
Total Appropriation Reserves:		305,485.16	342,081.84
Water Rents Overpayments	D-17	12,524.54	49,676.16
Accrued Interest on Bonds	D-18	167,569.70	171,996.47
Accrued Interest on Loans	D-19	667.50	810.54
Accrued Interest on Notes	D-20	54,541.07	42,256.51
		<u>540,787.97</u>	<u>606,821.52</u>
Reserve for Receivables	Contra	293,318.12	280,073.34
Fund Balance	D-1	1,267,734.75	811,436.11
Total Operating Fund		<u>2,101,840.84</u>	<u>1,698,330.97</u>
Water Assessment Fund:			
Bond Anticipation Notes	D-22	146,300.00	236,000.00
Reserve for Assessments Receivable	D-24	30,000.00	30,000.00
Total Water Assessment Fund:		<u>176,300.00</u>	<u>266,000.00</u>
Capital Fund:			
Serial Bonds Payable	D-21	9,786,000.00	10,806,000.00
Bond Anticipation Notes	D-22	5,454,500.00	5,671,500.00
Water Supply Fund Loan Payable	D-23	40,135.78	65,834.82
Improvement Authorizations:			
Funded	D-25	1,194.43	31,298.51
Unfunded	D-25	172,624.60	321,631.15
Capital Improvement Fund	D-26	45,939.00	45,939.00
Encumbrances Payable	D-27	96,096.89	337,367.04
Reserve for Amortization	D-28	12,849,872.59	11,657,173.55
Reserve for Deferred Amortization	D-29	490,000.00	320,000.00
Fund Balance	D-3	444,862.54	415,405.58
Total Capital Fund		<u>29,381,225.83</u>	<u>29,672,149.65</u>
Total Liabilities, Reserves and Fund Balances		<u>31,659,366.67</u>	<u>31,636,480.62</u>

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

There were bonds and notes authorized but not issued in the amount of \$195,840.19 and \$694,340.19  
on December 31, 2013 and 2014 per Exhibit D-30

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

## Township of Sparta, N.J.

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

## Water Utility Operating Fund

Year Ended December 31,

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Revenue and Other Income Realized:			
Surplus Anticipated	D-1	424,001.00	155,727.00
Water Rents	D-2	2,918,934.60	2,849,047.21
Fire Hydrant Service	D-2	45,739.68	44,621.50
Cell Tower Fees	D-2	107,284.31	90,857.47
Miscellaneous Revenues Anticipated	D-2	240,360.47	132,998.71
Other Credits to Income:			
Miscellaneous Revenues Not Anticipated	D-2	400,238.65	151,855.66
Unexpended Balance of			
Appropriation Reserves	D-16	239,321.93	170,244.93
Total Income		<u>4,375,880.64</u>	<u>3,595,352.48</u>
Expenditures:			
Operating	D-4	1,821,983.00	1,756,953.00
Capital Improvements	D-4	110,000.00	60,000.00
Debt Service	D-4	1,451,498.00	1,359,773.75
Deferred Charges and			
Statutory Expenditures	D-4	<u>112,100.00</u>	<u>99,000.00</u>
Total Expenditures		<u>3,495,581.00</u>	<u>3,275,726.75</u>
Statutory Excess to Surplus		880,299.64	319,625.73
Fund Balance - January 1,	D	<u>811,436.11</u>	<u>647,537.38</u>
		1,691,735.75	967,163.11
Decreased by:			
Utilized as Anticipated Revenue		<u>424,001.00</u>	<u>155,727.00</u>
Fund Balance - December 31,	D	<u><u>1,267,734.75</u></u>	<u><u>811,436.11</u></u>

**Township of Sparta, N.J.**  
**Statement of Revenues - Regulatory Basis**  
**Water Utility Operating Fund**  
**Year Ended December 31, 2014**

		<u>Anticipated</u>		Excess or (Deficit)
	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	
Surplus Anticipated	D-1	424,001.00	424,001.00	
Water Rents	D-1;D-11	2,849,000.00	2,918,934.60	69,934.60
Fire Hydrant Service	D-1;D-7	40,000.00	45,739.68	5,739.68
Miscellaneous Anticipated	D-1	92,360.00	240,360.47	148,000.47
Water Tower Cell Phone	D-1;D-7	90,220.00	107,284.31	17,064.31
Budget Totals		<u>3,495,581.00</u>	<u>3,736,320.06</u>	<u>240,739.06</u>
		D-4		

Analysis of Miscellaneous Revenue Anticipated

Interest on Delinquent Rents		74,212.77	
Meters Sold		13,698.30	
Sprinklers		38,931.27	
Various Miscellaneous		<u>113,518.13</u>	
	D-7		<u>240,360.47</u>

Analysis of Miscellaneous Revenue Not Anticipated

Interest on Investment		6,470.08	
Connection Fees		263,729.90	
Miscellaneous Refunds		38,127.02	
Miscellaneous		<u>90,000.00</u>	
	D-7		398,327.00
Water Assessment Interest	D-10		<u>1,911.65</u>
	D-1		<u>400,238.65</u>

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



## Township of Sparta, N.J.

## Comparative Statement of Fund Balance - Regulatory Basis

## Water Capital Utility Fund

Year Ended December 31,

		<u>2014</u>	<u>2013</u>
	<u>Ref.</u>		
Balance - January 1,	D	415,405.58	334,129.90
Increased by:			
Premium on Sale of Bond			
Anticipation Notes	D-7	<u>29,456.96</u>	<u>81,275.68</u>
Balance - December 31,	D	<u><u>444,862.54</u></u>	<u><u>415,405.58</u></u>

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

## Township of Sparta, N.J.

## Statement of Expenditures – Regulatory Basis

## Water Utility Operating Fund

Year Ended December 31, 2014

	Ref.	Appropriated		Expended	
		Budget	Budget After Modification	Paid or Charged	Reserved
Operating:					
Salaries and Wages		810,388.00	810,388.00	704,949.44	105,438.56
Other Expenses		1,011,595.00	1,011,595.00	837,026.99	174,568.01
Total Operating	D-1	1,821,983.00	1,821,983.00	1,541,976.43	280,006.57
Capital Improvements					
Capital Improvement Fund		100,000.00	100,000.00	100,000.00	
Capital Outlay		10,000.00	10,000.00	7,698.72	2,301.28
	D-1	110,000.00	110,000.00	107,698.72	2,301.28
Debt Service:					
Payment of Bond and Loan Principal		737,000.00	737,000.00	737,000.00	
Payment of Bond Anticipation Notes		217,000.00	217,000.00	217,000.00	
Interest on Bonds		398,416.00	398,416.00	398,416.00	
Interest on Notes		71,364.00	71,364.00	71,364.00	
Payment of Loan Principal		25,700.00	25,700.00	25,700.00	
Interest on Loans		2,018.00	2,018.00	2,018.00	
Total Debt Service	D-1	1,451,498.00	1,451,498.00	1,451,498.00	
Deferred Charges and Statutory Expenditures:					
Statutory Expenditures:					
Contribution to:					
Public Employee' Retirement System		47,000.00	47,000.00	47,000.00	
Social Security System (O.A.S.I.)		65,100.00	65,100.00	41,922.69	23,177.31
Total Deferred Charges and Statutory Expenditures	D-1	112,100.00	112,100.00	88,922.69	23,177.31
		3,495,581.00	3,495,581.00	3,190,095.84	305,485.16
			D-2		
Unencumbered	D				241,497.37
Encumbered	D				63,987.79
					305,485.16
Cash Disbursed	D-7			2,694,615.84	
Interest on Bonds	D-18			398,416.00	
Interest on Loans	D-19			25,700.00	
Interest on Notes	D-20			71,364.00	
				3,190,095.84	

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

## Township of Sparta, N.J.

## Schedule of Revenues - Water Utility Assessment Fund - Regulatory Basis

## Water Utility Operating Fund

Year Ended December 31, 2014

	Anticipated <u>Budget</u>	<u>Realized</u>
Assessment Cash	<u>89,700.00</u>	<u>89,700.00</u>
	D-6	

## Schedule of Expenditures - Water Utility Assessment Fund - Regulatory Basis

## Water Utility Operating Fund

Year Ended December 31, 2014

	Anticipated <u>Budget</u>	<u>Realized</u>
Payment of Bond Anticipation Notes	<u>89,700.00</u>	<u>89,700.00</u>
	D-5	

## Comparative Balance Sheet - Regulatory Basis

## Sewer Utility Fund

December 31,

	<u>Ref</u>	<u>2014</u>	<u>2013</u>
<u>Assets</u>			
Operating Fund:			
Cash	E-6	<u>208,686.17</u>	<u>195,231.06</u>
Receivables with Full Reserves:			
Consumers Account Receivable	E-10	<u>60,731.95</u>	<u>62,170.86</u>
Total Operating Fund		<u>269,418.12</u>	<u>257,401.92</u>
Sewer Assessment Fund			
Cash	E-6;E-7	10,509.77	8,776.80
Assessment Receivable	E-11	<u>11,403.18</u>	<u>13,136.15</u>
Total Sewer Assessment Fund		<u>21,912.95</u>	<u>21,912.95</u>
Capital Fund:			
Cash	E-6;E-8	45,731.00	41,920.01
Fixed Capital	E-12	8,711,594.25	8,711,594.25
Fixed Capital Authorized and Uncompleted	E-13	<u>142,000.00</u>	<u>142,000.00</u>
Total Capital Fund		<u>8,899,325.25</u>	<u>8,895,514.26</u>
Total Assets		<u><u>9,190,656.32</u></u>	<u><u>9,174,829.13</u></u>

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

## Comparative Balance Sheet - Regulatory Basis

## Sewer Utility Fund

December 31,

	<u>Ref</u>	<u>2014</u>	<u>2013</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	E-5;E-14	30,636.71	52,338.27
Encumbered	E-5;E-14	10,393.93	33,721.45
Total Appropriation Reserves:		41,030.64	86,059.72
Sewer Charge Overpayments	E-15	158.11	1,354.02
Accrued Interest on Bonds	E-16	56,833.60	60,780.22
Accrued Interest on Notes	E-17	108.30	
		98,130.65	148,193.96
Reserve for Receivables	Contra	60,731.95	62,170.86
Fund Balance	E-1	110,555.52	47,037.10
Total Operating Fund		269,418.12	257,401.92
Sewer Assessment Fund:			
Reserve for Assessments Receivable	E-20	11,403.18	13,136.15
Fund Balance	E-4	10,509.77	8,776.80
Total Sewer Assessment Fund:		21,912.95	21,912.95
Capital Fund:			
Serial Bonds Payable	E-18	3,797,000.00	4,135,000.00
Bond Anticipation Notes	E-19	60,000.00	60,000.00
Improvement Authorizations:			
Funded	E-21	46,115.03	34,679.58
Capital Improvement Fund	E-22	3,500.00	3,500.00
Encumbrances Payable	E-23		1,941.95
Reserve for Amortization	E-24	4,910,338.22	4,572,338.22
Reserve for Deferred Amortization	E-25	82,000.00	82,000.00
Fund Balance	E-3	372.00	6,054.51
Total Capital Fund		8,899,325.25	8,895,514.26
Total Liabilities, Reserves and Fund Balances		9,190,656.32	9,174,829.13

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

There were bonds and notes authorized but not issued on December 31, 2014 and 2013 in the amount  
\$4,256.03 and \$4,256.03 per Exhibit E-26.

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

## Township of Sparta, N.J.

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

## Sewer Utility Operating Fund

Year Ended December 31,

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Revenue and Other Income Realized:			
Surplus Anticipated	E-1	47,000.00	70,000.00
Sewer Service Charges	E-2	842,528.84	823,136.32
Board of Education Debt Service	E-2	129,670.20	128,521.96
Sewer Capital Fund Balance	E-2	6,000.00	25,000.00
Sewer Reservation Fees	E-2	2,901.60	2,017.60
Sewer Connection Fees	E-2	106,499.40	75,115.35
Miscellaneous	E-2	20,973.08	17,372.92
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	E-14	<u>53,601.30</u>	<u>104,980.25</u>
Total Income		<u>1,209,174.42</u>	<u>1,246,144.40</u>
Expenditures:			
Operating	E-5	687,637.00	789,744.00
Debt Service	E-5	409,119.00	407,262.00
Deferred Charges and Statutory Expenditures	E-5	<u>1,900.00</u>	<u>8,100.00</u>
Total Expenditures		<u>1,098,656.00</u>	<u>1,205,106.00</u>
Statutory Excess to Surplus		110,518.42	41,038.40
Fund Balance - January 1,	E	<u>47,037.10</u>	<u>75,998.70</u>
		157,555.52	117,037.10
Decreased by:			
Utilized as Anticipated Revenue		<u>47,000.00</u>	<u>70,000.00</u>
Fund Balance - December 31,	E	<u><u>110,555.52</u></u>	<u><u>47,037.10</u></u>

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

**Township of Sparta, N.J.**  
**Statement of Revenues - Regulatory Basis**  
**Sewer Utility Operating Fund**  
**Year Ended December 31, 2014**

		<u>Anticipated</u>		Excess or (Deficit)
	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	
Surplus Anticipated	E-1	47,000.00	47,000.00	
Sewer Rents	E-1;E-10	823,100.00	842,528.84	19,428.84
Sewer Connection Fees	E-1E-6	75,115.00	106,499.40	31,384.40
Sewer Reservation Fees	E-1;E-10	2,017.00	2,901.60	884.60
Miscellaneous Fees	E-1;E-2	16,903.00	20,973.08	4,070.08
Sewer Capital Fund Balance	E-1;E-9	6,000.00	6,000.00	
Board of Education Share of Debt Service	E-1;E-10	<u>128,521.00</u>	<u>129,670.20</u>	<u>1,149.20</u>
Budget Totals		<u>1,098,656.00</u> E-5	<u>1,155,573.12</u>	<u>56,917.12</u>
 <u>Analysis Realized Revenues</u>				
Interest on Sewer Assessments	E-9		29.45	
Interest on Delinquent Rents		20,428.05		
Interest on Investments - Operating		<u>515.58</u>		
	E-6		<u>20,943.63</u>	
			<u>20,973.08</u>	

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

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

**Comparative Statement of Fund Balance - Regulatory Basis**

**Sewer Capital Utility Fund**

**Year Ended December 31,**

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Balance - January 1,	E	6,054.51	30,623.11
Increased by:			
Premium on Sale of Bond			
Anticipation Note	E-6	<u>317.49</u>	<u>431.40</u>
		6,372.00	31,054.51
Decreased by:			
Anticipated Revenue - Sewer Operating	E-9	<u>6,000.00</u>	<u>25,000.00</u>
Balance - December 31,	E	<u><u>372.00</u></u>	<u><u>6,054.51</u></u>

E-4

**Comparative Statement of Assessment Trust Fund Balance - Regulatory Basis**

**Sewer Assessment Trust Fund**

**Year Ended December 31,**

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Balance - January 1,	E	<u>8,776.80</u>	<u>2,654.01</u>
Increased by:			
Cancelled Overpayment			5,255.74
Collection of Unpledged			
Assessments and Liens	E-20	<u>1,732.97</u>	<u>867.05</u>
		<u>1,732.97</u>	<u>6,122.79</u>
Balance - December 31,	E	<u><u>10,509.77</u></u>	<u><u>8,776.80</u></u>

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



## Township of Sparta, N.J.

## Statement of Expenditures - Regulatory Basis

## Sewer Utility Operating Fund

Year Ended December 31, 2014

	Ref.	Appropriated		Expended	
		Budget	Budget After Modification	Paid or Charged	Reserved
Operating:					
Salaries and Wages		24,990.00	24,990.00	24,704.00	286.00
Other Expenses		167,400.00	167,400.00	128,555.36	38,844.64
Other Expenses - SCMUA		495,247.00	495,247.00	495,247.00	
Total Operating	E-1	687,637.00	687,637.00	648,506.36	39,130.64
Debt Service:					
Payment of Bond Principal		260,000.00	260,000.00	260,000.00	
Interest on Bonds		148,419.00	148,419.00	148,419.00	
Interest on Notes		700.00	700.00	700.00	
Total Debt Service	E-1	409,119.00	409,119.00	409,119.00	
Deferred Charges and Statutory Expenditures:					
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)		1,900.00	1,900.00		1,900.00
Total Deferred Charges and Statutory Expenditures	E-1	1,900.00	1,900.00		1,900.00
		1,098,656.00	1,098,656.00	1,057,625.36	41,030.64
			E-2		
Unencumbered	E				30,636.71
Encumbered	E				10,393.93
					41,030.64
Cash Disbursed	E-6			908,506.36	
Interest on Bonds	E-16			148,419.00	
Interest on Notes	E-17			700.00	
				1,057,625.36	

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

## Township of Sparta, N.J.

## Comparative Balance Sheet - Regulatory Basis

## Solid Waste Utility Fund

December 31,

	<u>Ref</u>	<u>2014</u>	<u>2013</u>
<u>Assets</u>			
Operating Fund:			
Cash	F-4	<u>1,701,867.59</u>	<u>1,397,873.99</u>
Receivables with Full Reserves:			
Consumers Account Receivable	F-6	129,218.77	151,979.56
Liens Receivable	F-7	<u>79.27</u>	<u>79.27</u>
		<u>129,298.04</u>	<u>152,058.83</u>
Total Operating Fund		<u><u>1,831,165.63</u></u>	<u><u>1,549,932.82</u></u>
<u>Liabilities, Reserves and Fund Balance</u>			
Operating Fund:			
Appropriation Reserves:			
Unencumbered	F-3;F-8	114,352.31	125,579.68
Encumbered	F-3;F-8	<u>137,000.00</u>	<u>128,268.66</u>
Total Appropriation Reserves		251,352.31	253,848.34
Accounts Payable	F-9	750.00	
Prepaid Solid Waste User Fees	F-10	<u>244,130.42</u>	<u>230,093.58</u>
		<u>496,232.73</u>	<u>483,941.92</u>
Reserve for Receivables	Contra	129,298.04	152,058.83
Fund Balance	F-1	<u>1,205,634.86</u>	<u>913,932.07</u>
Total Operating Fund		<u><u>1,831,165.63</u></u>	<u><u>1,549,932.82</u></u>

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

## Township of Sparta, N.J.

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

## Solid Waste Operating Utility Fund

## Year Ended December 31,

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
Revenue and Other Income Realized:			
Surplus Anticipated	F-2	150,000.00	125,500.00
Solid Waste User Fees	F-2	2,025,804.24	1,957,666.69
Miscellaneous	F-2	21,506.55	23,541.94
Other Credits to Income:			
Unexpended Balance of Appropriation Reserves	F-8	<u>113,539.00</u>	<u>68,117.14</u>
Total Income		<u>2,310,849.79</u>	<u>2,174,825.77</u>
Expenditures:			
Operating	F-3	1,860,147.00	1,764,120.00
Deferred Charges and Statutory Expenditures	F-3	<u>9,000.00</u>	<u>9,000.00</u>
Total Expenditures		<u>1,869,147.00</u>	<u>1,773,120.00</u>
Statutory Excess to Surplus		441,702.79	401,705.77
Fund Balance - January 1,	F	<u>913,932.07</u>	<u>637,726.30</u>
		1,355,634.86	1,039,432.07
Decreased by:			
Utilized as Anticipated Revenue		<u>150,000.00</u>	<u>125,500.00</u>
Fund Balance - December 31,	F	<u><u>1,205,634.86</u></u>	<u><u>913,932.07</u></u>

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

**Township of Sparta, N.J.**  
**Statement of Revenues - Regulatory Basis**  
**Solid Waste Operating Utility Fund**  
**Year Ended December 31, 2014**

		<u>Anticipated</u>		Excess or (Deficit)
	<u>Ref.</u>	<u>Budget</u>	<u>Realized</u>	
Surplus Anticipated	F-1	150,000.00	150,000.00	
Solid Waste User Fees	F-1;F-6	1,714,147.00	2,025,804.24	311,657.24
Miscellaneous Fees	F-1;F-4	<u>5,000.00</u>	<u>21,506.55</u>	<u>16,506.55</u>
Budget Totals		<u>1,869,147.00</u>	<u>2,197,310.79</u>	<u>328,163.79</u>
		F-3		
<u>Analysis Realized Revenues</u>				
Interest & Penalties on Solid Waste Fees		17,367.90		
Interest on Investments - Operating		<u>4,138.65</u>		
	F-4		<u>21,506.55</u>	

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

## Township of Sparta, N.J.

## Statement of Expenditures - Regulatory Basis

## Solid Waste Operating Utility Fund

Year Ended December 31, 2014

	<u>Ref.</u>	<u>Appropriated</u>		<u>Expended</u>	
		<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
Operating:					
Salaries and Wages		119,547.00	119,547.00	119,546.70	0.30
Other Expenses		1,740,600.00	1,740,600.00	1,489,247.99	251,352.01
Total Operating	F-1	1,860,147.00	1,860,147.00	1,608,794.69	251,352.31
Deferred Charges and Statutory Expenditures:					
Statutory Expenditures:					
Contribution to:					
Social Security System (O.A.S.I.)		9,000.00	9,000.00	9,000.00	
Total Deferred Charges and Statutory Expenditures	F-1	9,000.00	9,000.00	9,000.00	
		1,869,147.00	1,869,147.00	1,617,794.69	251,352.31
		F-2			
Appropriations Payable	F				114,352.31
Reserve for Encumbrances	F				137,000.00
					251,352.31
Cash Disbursed	F-4			1,498,247.99	
Interfund - Current Fund	F-5			119,546.70	
				1,617,794.69	

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

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

**Comparative Balance Sheet - Regulatory Basis**

**Public Assistance Fund**

**December 31,**

	<u>Ref.</u>	<u>2014</u>	<u>2013</u>
<u>Assets</u>			
Cash	G-1	<u>4,076.82</u>	<u>4,076.82</u>
<u>Liabilities</u>			
Reserve for Public Assistance	G-5	<u>4,076.82</u>	<u>4,076.82</u>

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

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

**Comparative Statement of General Fixed Assets - Regulatory Basis**

**December 31,**

**(Unaudited)**

	<u>2014</u>	<u>2013</u>
<u>General Fixed Assets:</u>		
Land / Land Improvements		
Buildings	25,171,500.00	25,171,500.00
Machinery and Equipment	<u>13,439,897.00</u>	<u>12,686,584.00</u>
	<u>38,611,397.00</u>	<u>37,858,084.00</u>
 Investment in Fixed Assets	 <u>38,611,397.00</u>	 <u>37,858,084.00</u>

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

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

### **NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2014 AND 2013**

#### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB Codification establishes seven fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP).

The financial statements of the Township of Sparta have been prepared in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Township accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP.

#### **A. Reporting Entity**

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

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

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

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



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

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013  
(CONTINUED)**

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

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

The Township has the following funds and account groups:

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

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

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

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

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

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

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

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

Public Assistance Fund - This fund is used to account for the receipt and disbursement of funds that provide assistance to certain residents of the Township pursuant to Title 44 of New Jersey Statutes.

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

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

## TOWNSHIP OF SPARTA, N.J.

### NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2014 AND 2013 (CONTINUED)

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

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

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

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

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

##### Budgets and Budgetary Accounting

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

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

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013  
(CONTINUED)**

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

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

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

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

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality. During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2014, the Governing Body did not increase the original Current Fund budget. Also, several budget transfers were approved by the governing body.

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

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

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

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

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013  
(CONTINUED)**

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

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

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

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

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

Inventories - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets.

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

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

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

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

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

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013  
(CONTINUED)**

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

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

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

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

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

No depreciation has been provided for in the financial statements.

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

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

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

**Recent Accounting Pronouncements**

In June 2012, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27. This statement, which is effective for fiscal periods beginning after June 15, 2014, will not have any effect on the entity's financial reporting. However, the provisions of this statement will require significant modifications to the disclosure requirements related to the entity's proportionate share of the cost-sharing defined benefit plans reported at the State of New Jersey level.

In January 2013, the Government Accounting Standards Board issued GASB Statement No. 69, Government Combinations and Disposals of Government Operations. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term "government combinations" includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. This Statement, which is effective for financial statements beginning after December 15, 2013, will not have any effect on the entity's financial reporting.

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

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013  
(CONTINUED)**

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

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

**Recent Accounting Pronouncements (continued)**

In April of 2013, the Government Accounting Standards Board issued GASB Statement No. 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This Statement is effective for reporting periods beginning after June 15, 2013 and will not have any impact on the entity's financial statement disclosures.

In November 2013, the Government Accounting Standards Board issued GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68. The provisions of this Statement are required to be applied simultaneously with the provisions of Statement 68 which is effective for periods beginning after June 15, 2014. The provisions of this Statement will require significant modifications to the disclosure requirements related to the entity's proportionate share of the cost-sharing defined benefit plans reported at the State of New Jersey level.

**C. Basic Financial Statements**

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

**NOTE 2: BUDGETARY INFORMATION**

Under New Jersey Statutes, the annual budget is required to be a balanced cash basis document. To accomplish this, the municipality is required to establish a reserve for uncollected taxes. The 2014 statutory budget included a reserve for uncollected taxes in the amount of \$3,381,142.00. To balance the budget, the municipality is required to show a budgeted fund balance. The amount of fund balance budgeted to balance the 2014 statutory budget was \$2,550,000.00.

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

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013  
(CONTINUED)**

**NOTE 2: BUDGETARY INFORMATION (CONTINUED)**

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

N.J.S.A. 40A:4-87 permits special items of revenue and appropriations to be inserted into the annual budget when the item has been made available by any public or private funding source and the item was not determined at the time of budget adoption. During 2014, no items were inserted into the budget.

The municipality may make emergency appropriations, after the adoption of the budget, for a purpose which was not foreseen at the time the budget was adopted or for which adequate provision was not made therein. This type of appropriation shall be made to meet a pressing need for public expenditure to protect or promote the public health, safety, morals or welfare or to provide temporary housing or public assistance prior to the next succeeding fiscal year. Emergency appropriations, except those classified as a special emergency, must be raised in the budgets of the succeeding year. Special emergency appropriations are permitted to be raised in the budgets of the succeeding three or five years. During 2014, there were no emergency authorizations.

**NOTE 3: DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2014, the Township had the following deferred charges:

	<u>Balance Dec. 31, 2014</u>	<u>2015 Budget Appropriation</u>	<u>Balance to Succeeding Years</u>
Current Fund:			
Special Emergency Authorization -			
Hurricane Irene	\$ 166,000.00	\$ 83,000.00	\$ 83,000.00
Revision of Tax Maps	120,000.00	40,000.00	80,000.00
Revaluation of Taxes	<u>640,000.00</u>	<u>160,000.00</u>	<u>480,000.00</u>
	<u>\$926,000.00</u>	<u>\$283,000.00</u>	<u>\$643,000.00</u>

# TOWNSHIP OF SPARTA, N.J.

## NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2014 AND 2013 (CONTINUED)

### NOTE 4: GENERAL FIXED ASSETS (UNAUDITED)

The following schedule is a summarization of changes in the general fixed assets account group for the year 2014.

	<u>Dec. 31, 2013</u>	<u>Additions</u>	<u>Disposals</u>	<u>Dec. 31, 2014</u>
Land, Land Improvements & Buildings	\$25,171,500.00	\$ -	\$ -	\$25,171,500.00
Machinery & Equipment	<u>12,686,584.00</u>	<u>1,505,840.00</u>	<u>752,527.00</u>	<u>13,439,897.00</u>
	<u>\$37,858,084.00</u>	<u>\$1,505,840.00</u>	<u>\$752,527.00</u>	<u>\$38,611,397.00</u>

### NOTE 5: MUNICIPAL DEBT

Long-term debt as of December 31, 2014 consisted of the following:

	<u>Balance Dec. 31, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Dec. 31, 2014</u>	<u>Amount Due Within One Year</u>
General Capital Fund:					
Bonds Payable	<u>\$10,590,000.00</u>	<u>\$1,010,000.00</u>	<u>\$1,930,000.00</u>	<u>\$9,670,000.00</u>	<u>\$895,000.00</u>
Water Capital Fund:					
Bonds Payable	10,806,000.00	5,228,000.00	6,848,000.00	9,786,000.00	795,000.00
Water Supply Loan Payable	<u>65,834.82</u>	<u>                    </u>	<u>25,699.04</u>	<u>40,135.78</u>	<u>26,541.04</u>
	<u>10,871,834.82</u>	<u>5,828,000.00</u>	<u>6,873,699.04</u>	<u>9,826,135.78</u>	<u>821,541.04</u>
Sewer Capital Fund:					
Serial Bonds Payable	<u>4,135,000.00</u>	<u>1,627,000.00</u>	<u>1,965,000.00</u>	<u>3,797,000.00</u>	<u>277,000.00</u>
Compensated Absences Payable	<u>4,200,179.18</u>	<u>299,317.88(1)</u>	<u>                    </u>	<u>4,499,497.06</u>	<u>N/A</u>
Capital Leases	<u>22,453.76</u>	<u>                    </u>	<u>22,453.76</u>	<u>                    </u>	<u>                    </u>
	<u>\$29,819,467.76</u>	<u>\$8,764,317.88</u>	<u>\$10,791,152.80</u>	<u>\$27,792,632.84</u>	<u>\$1,993,541.04</u>

(1) Net increase, includes days used.

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



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

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013  
(CONTINUED)**

**NOTE 5: MUNICIPAL DEBT (CONTINUED)**

The Township's debt is summarized as follows:

<u>Issued</u>	<u>Year 2014</u>	<u>Year 2013</u>	<u>Year 2012</u>
General:			
Bonds and Notes	11,848,200.00	13,725,650.00	13,514,650.00
Water Utility:			
Bonds, Notes and Loans	15,280,635.78	16,543,334.82	16,169,218.57
Assessment Notes	146,300.00	236,000.00	397,000.00
Sewer Utility:			
Bonds and Notes	<u>3,857,000.00</u>	<u>4,195,000.00</u>	<u>4,385,000.00</u>
Total Issued	<u>31,132,135.78</u>	<u>34,699,984.82</u>	<u>34,465,868.57</u>
<u>Less</u>			
Funds Temporarily Held by Pay			
Bonds and Notes:			
Water Utility Assessments	<u>39,697.95</u>	<u>89,828.46</u>	<u>210,243.02</u>
Total Deductions	<u>39,697.95</u>	<u>89,828.46</u>	<u>210,243.02</u>
Net Debt Issued	<u>31,092,437.83</u>	<u>34,610,156.36</u>	<u>34,255,625.55</u>
<u>Authorized but not Issued</u>			
General Capital:			
Bonds and Notes	7,236.51	32,936.51	2,254,150.00
Water Utility:			
Bonds and Notes	694,340.19	195,840.19	765,840.19
Sewer Utility:			
Bonds and Notes	<u>4,256.03</u>	<u>4,256.03</u>	<u>64,256.03</u>
Total Authorized but not Issued	<u>705,832.73</u>	<u>233,032.73</u>	<u>3,084,246.22</u>
Less:			
Self Liquidating - Utility	<u>19,836,232.00</u>	<u>19,159,594.04</u>	<u>20,777,477.99</u>
Net Debt	<u>11,962,038.56</u>	<u>15,683,595.05</u>	<u>16,562,393.78</u>

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

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013  
(CONTINUED)**

**NOTE 5: MUNICIPAL DEBT (CONTINUED)**

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .374%.

SUMMARY OF STATUTORY DEBT CONDITION - ANNUAL DEBT STATEMENT

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Local School Dist. Debt	\$77,588,000.00	\$77,588,000.00	\$ -
Sewer Utility Debt	3,861,256.03	3,861,256.03	-
Water Utility Debt	15,974,975.97	15,974,975.97	-
Water Assessment Debt	146,300.00	39,697.95	106,602.05
General Debt	<u>11,855,436.51</u>	<u>-</u>	<u>11,855,436.51</u>
	<u>\$109,425,968.51</u>	<u>\$97,463,929.95</u>	<u>\$11,962,038.56</u>

Net Debt \$11,962,038.56 divided by Equalized Valuation Basis per N.J.S. 40A:2-2 as amended, 3,197,988,008.33 = .374%.

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

2014	3,197,988,008.33	
2013		3,301,862,007.33
2012		3,311,575,689.00

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

3.50% of Equalized Valuation Basis (Municipal)	\$111,929,580.29
Net Debt	<u>11,962,038.56</u>
Remaining Borrowing Power	<u>\$ 99,967,541.73</u>

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

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013  
(CONTINUED)**

**NOTE 5: MUNICIPAL DEBT (CONTINUED)**

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

Cash Receipts from fees, rents or other charges for year		\$3,736,320.06
Deductions:		
Operating and Maintenance Cost	\$1,934,083.00	
Net Debt	<u>1,451,498.00</u>	
Total Deductions		<u>3,385,581.00</u>
Excess/(Deficit) in Revenue		<u>\$ 350,739.06</u>

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

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

Cash Receipts from fees, rents or other charges for year		\$1,149,573.12
Deductions:		
Operating and Maintenance Cost	\$689,537.00	
Net Debt	<u>409,119.00</u>	
Total Deductions		<u>1,098,656.00</u>
Excess/(Deficit) s in Revenue )		<u>\$ 50,917.12</u>

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

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

Cash Receipts from fees, rents or other charges for year		\$2,197,310.79
Deductions:		
Operating and Maintenance Cost		<u>1,869,147.00</u>
Excess/(Deficit) in Revenue		<u>\$ 328,163.79</u>

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

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

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013  
(CONTINUED)**

**NOTE 5: MUNICIPAL DEBT (CONTINUED)**

The forgoing debt information is in agreement with the Annual Debt Statement filed by the Chief Financial Officer, a revised copy will be filed.

An analysis of long-term debt as of December 31, 2014, consisted of the following:

Paid by Current Fund:

Refunding Bond of 2005 - dated 7/10/2005, in the amount of \$1,815,00.00. This bond is payable in annual installments through 1/01/2015. Interest is paid semi-annually at a rate of 4.10-5.00% per annum. The balance as of December 31, 2014 was \$155,000.00. Outstanding bond principal and interest are paid from the Current Fund of the Township. This Bond was refunded on 9/10/2014.

Refunding Bond of 2011 - dated 9/08/2011, in the amount of \$5,015,000.00. This bond is payable in annual installments through 4/01/2023. Interest is paid semi-annually at a rate of 2.25-5.00% per annum. The balance as of December 31, 2014 was \$4,240,000.00. Outstanding bond principal and interest are paid from the Current Fund of the Township.

General Bond of 2013 - dated 10/15/2013, in the amount of \$4,590,000.00. This bond is payable in annual installments through 10/15/2024. Interest is paid semi-annually at a rate of 1.00-3.00% per annum. The balance as of December 31, 2014 was \$4,265,000.00. Outstanding bond principal and interest are paid from the Current Fund of the Township.

Refunding Bond of 2014 - dated 9/10/2014, in the amount of \$1,010,000.00. This bond is payable in annual installments through 1/01/2021. Interest is paid semi-annually at a rate of 3.00-5.00% per annum. The balance as of December 31, 2014 was \$1,010,000.00. Outstanding bond principal and interest are paid from the Current Fund of the Township.

Paid from Water Utility Fund:

Refunding Bond of 2005 - dated 7/10/2005, in the amount of \$6,185,00.00. This bond is payable in annual installments through 1/01/2015. Interest is paid semi-annually at a rate of 4.00-5.00% per annum. The balance as of December 31, 2014 was \$345,000.00. Outstanding bond principal and interest are paid from the Water Operating Fund of the Township. This Bond was refunded on 9/10/2014.

Water Improvement Bond - dated 1/1/2006, in the amount of \$3,941,000.00. This bond is payable in annual installments through 1/01/2016. Interest is paid semi-annually at a rate of 3.875-3.900% per annum. The balance as of December 31, 2014 was \$394,000.00. Outstanding bond principal and interest are paid from the Water Operating Fund of the Township. This Bond was refunded on 9/10/2014.

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

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013  
(CONTINUED)**

**NOTE 5: MUNICIPAL DEBT (CONTINUED)**

Water Bond of 2011- dated 4/28/2011, in the amount of \$2,310,000.00. This bond is payable in annual installments through 4/01/2026. Interest is paid semi-annually at a rate of 2.00-4.00% per annum. The balance as of December 31, 2014 was \$1,845,000.00. Outstanding bond principal and interest are paid from the Water Operating Fund of the Township.

Water Bond of 2013- dated 10/15/2013, in the amount of \$1,424,000.00. This bond is payable in annual installments through 10/15/2033. Interest is paid semi-annually at a rate of 1.00-4.00% per annum. The balance as of December 31, 2014 was \$1,374,000.00. Outstanding bond principal and interest are paid from the Water Operating Fund of the Township.

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

Water Supply Loan Agreement

The Township of Sparta has entered into three loan agreements with the State of New Jersey for the rehabilitation of the Township of Sparta's Water Supply System. The first two are repayable over 20 years from the date of final consummation of the loans. The third is repayable over 15 years from the final date of final consummation of the loans. The funds have been provided through the Water Supply Fund established by the Water Supply Bond Act of 1981, P.L. 1981c.261. The first and third loan have been paid off; the draw-down of second loan was initiated in 1996 in the amount of \$396,782.00, at an interest rate of 3.25% per annum. The balance at December 31, 2014 is \$40,135.78.

Paid from Sewer Utility Fund:

Refunding Bond of 2005 - dated 7/10/2005, in the amount of \$1,870,00.00. This bond is payable in annual installments through 1/01/2015. Interest is paid semi-annually at a rate of 4.00-5.00% per annum. The balance as of December 31, 2014 was \$100,000.00. Outstanding bond principal and interest are paid from the Sewer Operating Fund of the Township. This Bond was refunded on 9/10/2014.

Sewer Improvement Bond - dated 1/1/2006, in the amount of \$900,000.00. This bond is payable in annual installments through 1/01/2016. Interest is paid semi-annually at a rate of 3.875% per annum. The balance as of December 31, 2014 was \$90,000.00. Outstanding bond principal and interest are paid from the Sewer Operating Fund of the Township. This Bond was refunded on 9/10/2014.

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

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013  
(CONTINUED)**

**NOTE 5: MUNICIPAL DEBT (CONTINUED)**

Paid from Sewer Utility Fund:(continued)

Sewer Bond of 2011- dated 4/28/2011, in the amount of \$2,317,000.00. This bond is payable in annual installments through 4/01/2026. Interest is paid semi-annually at a rate of 2.00-4.00% per annum. The balance as of December 31, 2014 was \$1,980,000.00. Outstanding bond principal and interest are paid from the Sewer Operating Fund of the Township.

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

Total General Capital Bond - listed in above	<u>\$9,670,000.00</u>
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Total Water Utility Capital Bonds and Loans - listed in above	<u>\$9,786,000.00</u>
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Total Sewer Utility Capital Bonds and Loans - listed in above	<u>\$3,797,000.00</u>
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SCHEDULE OF ANNUAL DEBT SERVICE FOR PRINCIPAL AND INTEREST FOR BONDED DEBT  
ISSUED AND OUTSTANDING

Calendar Year	General			Water Fund		
	Principal	Interest	Total	Principal	Interest	Total
2015	895,000.00	256,825.83	1,151,825.83	821,541.04	282,755.72	1,104,296.76
2016	940,000.00	241,762.50	1,181,762.50	765,594.74	311,081.30	1,076,676.04
2017	990,000.00	215,862.50	1,205,862.50	750,000.00	283,753.76	1,033,753.76
2018	1,020,000.00	191,506.25	1,211,506.25	755,000.00	257,753.76	1,012,753.76
2019	1,060,000.00	165,437.50	1,225,437.50	760,000.00	228,731.89	988,731.89
2020-2024	4,765,000.00	372,750.00	5,137,750.00	3,850,000.00	727,021.89	4,577,021.89
2025-2029				1,780,000.00	156,187.50	1,936,187.50
2030-2034				344,000.00	34,640.00	378,640.00
	<u>9,670,000.00</u>	<u>1,444,144.58</u>	<u>11,114,144.58</u>	<u>9,826,135.78</u>	<u>2,281,925.82</u>	<u>12,108,061.60</u>

# TOWNSHIP OF SPARTA, N.J.

## NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2014 AND 2013 (CONTINUED)

### NOTE 5: MUNICIPAL DEBT (CONTINUED)

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

	<u>Sewer Fund</u>			<u>Yearly Total</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	277,000.00	115,945.55	392,945.55	1,993,541.04	655,527.10	2,649,068.14
2016	290,000.00	121,803.13	411,803.13	1,995,594.74	674,646.93	2,670,241.67
2017	300,000.00	111,431.25	411,431.25	2,040,000.00	611,047.51	2,651,047.51
2018	305,000.00	101,206.25	406,206.25	2,080,000.00	550,466.26	2,630,466.26
2019	315,000.00	89,928.12	404,928.12	2,135,000.00	484,097.51	2,619,097.51
2020-2024	1,645,000.00	272,375.00	1,917,375.00	10,260,000.00	1,372,146.89	11,632,146.89
2025-2029	665,000.00	23,625.00	688,625.00	2,445,000.00	179,812.50	2,624,812.50
2030-2034				344,000.00	34,640.00	378,640.00
	<u>3,797,000.00</u>	<u>836,314.30</u>	<u>4,633,314.30</u>	<u>23,293,135.78</u>	<u>4,562,384.70</u>	<u>27,855,520.48</u>

### NOTE 6: BOND ANTICIPATION NOTES

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

# TOWNSHIP OF SPARTA, N.J.

## NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2014 AND 2013 (CONTINUED)

### NOTE 6: BOND ANTICIPATION NOTES (CONTINUED)

The following activity related to Bond Anticipation Notes occurred during the calendar year ended December 31, 2014:

	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
General Capital:				
TD Securities	\$3,135,650.00	\$2,178,200.00	\$3,135,650.00	\$2,178,200.00
Water Capital Fund:				
TD Securities	5,671,500.00	5,454,500.00	5,671,500.00	5,454,500.00
Water Assessment:				
TD Securities	236,000.00	146,300.00	236,000.00	146,300.00
Sewer Capital Fund:				
TD Securities	60,000.00	60,000.00	60,000.00	60,000.00
	<u>\$9,103,150.00</u>	<u>\$7,839,000.00</u>	<u>\$9,103,150.00</u>	<u>\$7,839,000.00</u>

The Township has outstanding at December 31, 2014, a bond anticipation note in the amount of \$2,178,200.00 payable to TD Securities. This note will mature on October 30, 2015 and it is the intent of the Township Council to renew this note for another one year period. The current interest rate on this note is .75%. Principal and interest on this note is paid from the Current Fund Budget of the Township.

The Township has outstanding at December 31, 2014, a bond anticipation note in the amount of \$5,454,500.00 payable to TD Securities. This note will mature on October 30, 2015 and it is the intent of the Township Council to renew this note. The current interest rate on this note is .75%. Principal and interest on this note is paid from the Water Operating Fund Budget of the Township.

The Township has outstanding at December 31, 2014, a bond anticipation note in the amount of \$146,300.00 payable to TD Securities. This note will mature on October 30, 20145 and it is the intent of the Township Council to renew this note for another one year period. The current interest rate on this note is .75%. Principal and interest on this note is paid from the Water Assessment Budget of the Township.

The Township has outstanding at December 31, 2014, a bond anticipation note in the amount of \$60,000.00 payable to TD Securities. This note will mature on October 30, 2015 and it is the intent of the Township Council to renew this note. The current interest rate on this note is .75%. Principal and interest on this note is paid from the Sewer Operating Fund Budget of the Township.



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

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013  
(CONTINUED)**

**NOTE 7: FUND BALANCES APPROPRIATED**

Fund balances at December 31, 2014 and 2013 which were appropriated and included as anticipated revenue in their own respective funds for the years ending December 31, 2015 and 2014 were as follows:

	<u>2015</u>	<u>2014</u>
Current Fund	<u>\$2,550,000.00</u>	<u>\$2,550,000.00</u>
Water Utility Operating Fund	<u>\$ 815,000.00</u>	<u>\$ 424,001.00</u>
Sewer Utility Operating Fund	<u>\$ 94,000.00</u>	<u>\$ 47,000.00</u>
Solid Waste Operating Fund	<u>\$ 164,500.00</u>	<u>\$ 150,000.00</u>

**NOTE 8: ACCRUED VACATION AND SICK BENEFITS**

The Township allows employees to accrue a limited amount of unused vacation and sick pay, which may be taken as time off or paid upon retirement or separation at an agreed-upon rate. However, it is expected that the cost of such unpaid compensation would be included in the Township budget operating expenditures in the year in which it is used. It is estimated that the current cost of such unpaid compensation would approximate \$4,499,497.06.

**NOTE 9: DUE TO/FROM OTHER FUNDS**

Balances due to/from other funds at December 31, 2014 consist of the following:

\$294,194.23 Due to Federal and State Grant Fund from Current Fund for receipts and disbursements made from Current Fund for the Federal and State Grant Fund

2,021.22 Due from Other Trust Fund to the Current Fund for receipts and disbursements.

\$296,215.45

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

## TOWNSHIP OF SPARTA, N.J.

### NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2014 AND 2013 (CONTINUED)

#### NOTE 10: PENSION PLANS

##### Description of Systems:

Substantially all of the Township's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Police and Firemens' Retirement System (PFRS) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Public Employees' Retirement System and the Police and Firemens' Retirement System (PFRS) are considered a cost sharing multiple-employer plans. According to the State of New Jersey Administrative Code, all obligations of the systems will be assumed by the State of New Jersey should the systems terminate.

##### *Public Employees' Retirement System (PERS)*

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to certain qualified members. Membership is mandatory for substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not required to be a member of another State-administered retirement system. Vesting occurs after 8-10 years of service and 25 years for health care coverage. Members are eligible for retirement at age 60 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 60 with 25 or more years of credited 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 contributions. In case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Chapter 103, P.L. 2007 amended the early retirement reduction formula for members hired on or after July 1, 2007 and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 60, plus 3% for every year under age 55.

Chapter 89, P.L. 2008 increased the PERS eligibility age for unreduced benefits from age 60 to age 62 for members hired on or after November 1, 2008; increased the minimum annual compensation required for membership eligibility for new members. Also, it amended the early retirement reduction formula for members hired on or after November 1, 2008 and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 62, plus 3% for every year under age 55.

Chapter 1, P.L. 2010, effective May 21, 2010, changed the membership eligibility criteria for new members of PERS from the amount of compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60 from 1/55, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no

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

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013  
(CONTINUED)**

**NOTE 10: PENSION PLANS (CONTINUED)**

Description of Systems, (continued)

longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined as 1/7th of the required amount, beginning in fiscal year 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 78, P.L. 2011, provides that new members of PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of  $\frac{1}{4}$  of 1% for each month that the member is under age 65. Tier 5 members will be eligible for a service retirement benefit at age 65.

*Police and Firemens' Retirement System (PFRS)*

The Police and Firemens' Retirement System was established in July 1944 under the provisions of N.J.S.A. 43:16A to provide retirement, death and disability benefits to its members. Membership is mandatory for all full time county and municipal police and firemen, and state firemen or officer employees with police powers appointed after June 30, 1944.

Enrolled members of the Police and Firemens' Retirement System may retire at age 55 with no minimum service requirement. The annual allowance is equal to 2% of the members' final compensation for each year of service up to 30 years, plus 1% of each year of creditable service over 30 years. Final compensation equals the compensation for the final year of service prior to retirement. Special retirement is permitted to members who have 25 or more years of creditable service in the system. Benefits fully vest on reaching 10 years of service. Members are always fully vested for their own contributions. In the case of death before retirement, members' beneficiaries are entitled to full payment of members' contributions.

Chapter 1, P.L. 2010, effective May 21, 2010, (Tier 2 employees) eliminated the provision in PFRS that would permit a member to retire, at any age after 25 years of service credit, on a special retirement allowance of 70% of final compensation after the retirement system reaches a funded level of 104%. Also, for new members of PFRS, the law capped the maximum compensation that can be used to calculate a pension from the plan at the annual wage contribution base for Social Security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary.

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

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013  
(CONTINUED)**

**NOTE 10: PENSION PLANS (CONTINUED)**

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

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 for PERS and PFRS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Divisions of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295.

Contribution Requirements

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

The Township's contribution to the Public Employees' Retirement Plan, equal to the required contributions for each year, were as follows:

<u>Year Ended December 31,</u>	<u>PERS</u>	<u>PFRS</u>
2014	548,053.00	808,081.76
2013	567,089.00	1,023,521.00
2012	642,381.00	977,270.00

Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of \$1,500.00 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than \$5,000.00 annually, the official may choose to waiver participation in the DCRP for that office or position. The waiver is irrevocable.

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

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013  
(CONTINUED)**

**NOTE 10: PENSION PLANS (CONTINUED)**

Defined Contribution Retirement Program (continued)

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee, employer and through investment earnings. It is similar to a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment option provided by the employer.

The law requires that three classes of employees enroll in the DCRP detailed as follows:

All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may retain in the PERS.

A Governor appointee with advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.

Other employees commencing service after July 1, 2007, pursuant to an appointment by an elected official or elected governing body which include the statutory untenured Chief Administrative Officer such as the Business Administrator, County Administrator, or Municipal or County Manager, Department Heads, Legal Counsel, Municipal or County Engineer, Municipal Prosecutor and the Municipal Court Judge.

Notwithstanding the foregoing requirements, other employees who hold a professional license or certificate or meet other exceptions are permitted to remain to join or remain in PERS.

Contributions made by employees for DCRP are currently at 5.5% of the base wages. Member contributions are matched by a 3.0% employer contribution.

The Township of Sparta's contributions for DCRP for the years ended December 31, 2014, 2013, and 2012 were \$2,691.05, \$788.61 and \$231.00, respectively, which equals the required contribution for each year. There were 11 employees eligible to be enrolled in the DCRP as of December 31, 2014, 2 employees eligible as of December 31, 2013, and 1 employee as of December 31, 2012.

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

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013  
(CONTINUED)**

**NOTE 11: LOCAL SCHOOL DISTRICT AND REGIONAL HIGH SCHOOL TAXES**

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

**NOTE 12: CASH, CASH EQUIVALENTS AND INVESTMENTS**

**Cash**

**Custodial Credit Risk - Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Township's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2014, \$81,642.79 of the Township's bank balance of \$17,954,625.93 was exposed to custodial credit risk. In comparison, as of December 31, 2013, \$53,255.29 of the Township's bank balance of \$16,663,884.68 was exposed to custodial credit risk.

**Investments**

**Investment Rate Risk**

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

**Credit Risk**

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

**Concentration of Credit Risk**

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

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

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013  
(CONTINUED)**

**NOTE 12: CASH, CASH EQUIVALENTS AND INVESTMENTS (CONTINUED)**

Unaudited Investments

As more fully described in NOTE 17, the Township has created a Length of Service Award Program (LOSAP) for emergency service volunteers. The LOSAP investments are similar to those allowed in a deferred compensation program as specified in NJSA 43:15B-1 et seq. except that all investments are retained in the name of the Township. All investments are valued at fair value. In accordance with NJAC 5:30-14.37, the investments are maintained by Variable Annuity Life Insurance Co., which is an authorized provider approved by the Division of Local Government Services. The balance in the account on December 31, 2014 and 2013 amounted to \$81,642.79 and \$53,255.29 respectively.

The following investments represent 5% or more of the total invested with Variable Annuity Life Insurance Co. on December 31, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Investments under 5%	\$ 5,217.81	\$ 1,650.39
Fidelity VIP ContraFund Portfolio	4,334.07	2,809.83
Fixed	31,663.86	21,605.59
LVIP SSgA S&P 500 Index Fund	<u>40,427.05</u>	<u>27,189.48</u>
Total	<u>\$81,642.79</u>	<u>\$53,255.29</u>

**NOTE 13: RISK MANAGEMENT**

The Township is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township has obtained insurance coverage to guard against these events which will provide minimum exposure to the Township should they occur. During the 2014 calendar year, the Township did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

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

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013  
(CONTINUED)**

**NOTE 14: LEASES**

On July 19, 2011 the Township entered into a long-term lease for the purchase of eleven (11) copiers, totaling \$84,822.46. The lease is for a three (3) year term expiring on 9/15/2014. On January 12, 2014, the Township entered into a long-term lease for twelve (12) copiers to replace the eleven (11) contracted on July 19, 2011. This lease is for a 36 month term beginning 4/1/2014, expiring on 3/1/2017.

The following is a schedule of future minimum lease payments as of December 31, 2014:

Total minimum lease payment	\$68,175.00
Less: amount representing interest	<u>3,006.82</u>
Present Value of net minimum lease payments	<u>\$65,168.18</u>

Calendar Year	<u>Principal</u>	<u>Interest</u>	<u>Total Lease Payments</u>
2015	28,260.03	2,039.97	30,300.00
2016	29,382.12	917.88	30,300.00
2017	<u>7,526.03</u>	<u>48.97</u>	<u>7,575.00</u>
	<u>65,168.18</u>	<u>3,006.82</u>	<u>68,175.00</u>

**NOTE 15: PUBLIC ASSISTANCE**

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

**NOTE 16: HEALTH INSPECTIONS**

The Township of Sparta has elected to have the County of Sussex, Department of Health, do all the health inspections. Therefore, the Township does not have a health inspector.



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

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013  
(CONTINUED)**

**NOTE 17: EMERGENCY SERVICES VOLUNTEER LENGTH OF SERVICE AWARD PLAN (LOSAP)**

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

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

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

We have reviewed the plan for the year ended December 31, 2014 in accordance with the American Institute of Certified Public Accountants (AICPA) Statement on Standards for Accounting and Review Services.

**NOTE 18. TAXES COLLECTED IN ADVANCE**

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

	<u>Balance Dec 31, 2014</u>	<u>Balance Dec 31, 2013</u>
Prepaid Taxes	<u>\$585,242.63</u>	<u>\$579,396.21</u>
Cash Liability for Taxes Collected in Advance	<u>\$585,242.63</u>	<u>\$579,396.21</u>

**NOTE 19: RELATED PARTY TRANSACTIONS**

During 2014, Ms. Molly Whilesmith was a Trustee of the Free Public Library as well as the Mayor of the Township of Sparta. In 2014, \$997,330.57 was paid from 2014 municipal appropriations and \$136,135.03 was paid from the 2013 reserves to the Township of Sparta Free Public Library.

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

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013  
(CONTINUED)**

**NOTE 20: POST-RETIREMENT BENEFITS**

**A. PLAN OVERVIEW**

Township of Sparta ("Sparta") provides post-employment benefits other than pensions ("OPEB") to employees who meet certain criteria. As a result of offering such benefits, Sparta will be required to report the value of such benefits and the associated costs according to the accounting requirements of Governmental Accounting Standards Board Statement No. 45, Accounting and Financial Reporting "by Employers for Postemployment Benefits Other Than Pensions ("GASB 45").

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

The summary below presents the results of the actuarial valuation of the post-retirement medical obligations as of December 31, 2014, including a determination of financial reporting information for the year ending December 31, 2014.

**Results of Valuation**

- *Actuarial Accrued Liability*

The Actuarial Accrued Liability ("AAL") as of December 31, 2014 is \$59,711,504 based upon a discount rate of 4.50% per annum and the plan provisions in effect on December 31, 2014.

- *Annual Required Contribution*

The Annual Required Contribution ("ARC") is the measure of annual cost on an accrual basis. It is comprised of the "Normal Cost" which is the portion of future liabilities attributable to the measurement year, plus 30 year amortization of the Unfunded Actuarial Accrued Liability ("UAAL"). As of the measurement date, the plan had no assets to offset any portion of the AAL, so the UAAL and AAL are equal.

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

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013  
(CONTINUED)**

**NOTE 17: POST-RETIREMENT BENEFITS (CONTINUED)**

The ARC as of December 31, 2014 is \$5,503,034 based upon a discount rate of 4.50% per annum and the plan provisions in effect on December 31, 2014. The breakdown of the ARC is as follows:

(1) Normal Cost	\$ 1,837,253
(2) Actuarial Accrued Liability	\$ 59,711,504
(3) Assets	\$ 0
(4) UAAL = (2)-(3)	\$ 59,711,504
(5) 30 Year Amortization of UAAL at Discount Rate	\$ 3,665,781
(6) ARC = (1)+(5)	\$ 5,503,034

**Basis of Valuation**

This valuation has been conducted as of December 31, 2014 based upon census, plan design and claims information provided by The Fund. Census includes 41 participants currently receiving retiree benefits, and 100 active participants of whom 11 are eligible to retirees of the valuation date. The average age of the active population is 47 and the average age of the retiree population is 64.

Actuarial assumptions were selected with the intention of satisfying the requirements of New Jersey Local Finance Notice 2007-15 in addition to Statement of Government Accounting Standard Number 45.

Demographic assumptions were selected based on those used in by the State Division of Pensions and Benefits in calculating pension benefits taken from the July 1, 2013 report from Buck Consultants. While some assumptions were simplified to reflect the smaller population, and to simplify the valuation process, the valuation results reasonably conform to the requirements of LFN 2007-15.

Health care (economic) assumptions were selected based on those used by the State Health Benefits Program in calculating SHBP member OPEB requirements taken from the July 1, 2013 report from Aon Consultants.

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

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013  
(CONTINUED)**

**NOTE 17: POST-RETIREMENT BENEFITS (CONTINUED)**

**Basis of Valuation (continued)**

**Key Actuarial Assumptions**

<i>Mortality</i>	<i>RP 2000 Combined Healthy Male Mortality Rates Set Forward Three Years</i>
<i>Turnover</i>	<i>NJ State Pensions Ultimate Withdrawal Rates- prior to benefits eligibility</i>
<i>Assumed Retirement Age</i>	<i>At first eligibility after completing 20 years of service for police; 25 years of service for all others</i>
<i>Full Attribution Period</i>	<i>Service to Assumed Retirement Age</i>
<i>Annual Discount Rate</i>	<i>4.50%</i>
<i>Medical Trend</i>	<i>8% in 2014, reducing by 0.5% per annum, leveling at 5% per annum in 2020</i>
<i>Medical Cost Aging Factor</i>	<i>NJ SHBP Medical Morbidity Rates</i>

- Attribution period - The attribution period begins with the date of hire and ends with full benefits eligibility date.
- Per capita cost methods - The valuation reflects per capita net premium costs based on actual 2014 medical, and prescription drug premiums and the plan option selected. Dental benefits are covered at the retiree's expense except for those current retirees where otherwise reported. Plan selections are assumed to remain unchanged in retirement. The age specific cost was derived based on per person costs at the average age of the active population (47) and scaled to each age based on the medical cost aging factors. At age 65, Medicare becomes the primary payor of medical benefits and consequentially, per capita plan costs are offset by Medicare payments. Thus, post 65 medical costs were decreased using the assumption that Medicare picks up 66.7%. The 2014 employer cost for retiree benefits as reported by the Fund was \$860 thousand.

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

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013  
(CONTINUED)**

**NOTE 17: POST-RETIREMENT BENEFITS (CONTINUED)**

- Retiree Contributions - NJ Chapter 78 requires that certain future retirees contribute toward the cost of their benefits. Specifically, those who had retired prior to passage of Chapter 78 and those employees that had more than 25 years of service on the date of passage are grandfathered. All others are subject to the contribution rates in effect when they retire, but not less than 1.5% of their annual retirement allowance from the Public Employees Retirement System. For purposes of this valuation, we have assumed that future retiree contribution percentages will be equal to the current percentages of premium as reported by the Fund so as not to understate actuarial measurements.
- Actuarial valuation method - Projected Unit Credit Funding Method.

**NOTE 21: COMMITMENTS AND CONTINGENT LIABILITIES**

Counsel for the Township has advised us of the following:

There are some matters being defended by the Joint Insurance Fund that the amount either cannot be determined at this time or will not result in a material detrimental effect on the Township's financial position.

**NOTE 22: SUBSEQUENT EVENT**

The Township has evaluated subsequent events through June 26, 2015, the date which the financial statements were available to be issued and no other items were noted for disclosure.

## SUPPLEMENTARY DATA

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

**YEAR ENDED DECEMBER 31, 2014**

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

<u>Name</u>	<u>Title</u>	<u>Amount of Bond</u>	<u>Name of Corporate Surety</u>
Molly Whilesmith	Mayor		
Jerard Murphy	Deputy Mayor		
Gilbert Gibbs	Councilperson		
Christine Quinn	Councilperson		
John Schon	Councilperson		
Steven Levinson	Interim Township Manager to 3/14/2014		
William E. Close	Township Manager from 3/17/2014		
Mary J. Coe	Municipal Clerk		
Grant Rome	Director of Finance; Purchasing Agent	1,000,000	(1)
Mary Jones	Treasurer from 6/2/2014	1,000,000	(1)
Dianne O'Connor	Tax Collector	1,000,000	(1)
Joseph Ferraris	Tax Assessor		
Thomas Ryan	Attorney		
Ernest Reigstad	Chief of Police; Emergency Management Coordinator		
John Opt'hof	Building Inspector		
Eric Powell	Engineer; Director Community Development		
Kathleen Chambers	Registrar of Vital Statistics		
John E. Mulhern	Judge	1,000,000	(1)
Bonnie Diamond	Court Administrator	1,000,000	(1)
Roxanne Landy	Deputy Court Administrator	1,000,000	(1)
Aida Cahill	Violations Clerk to 10/1/2014	1,000,000	(1)
Thomas G. Miller	Violations Clerk from 8/18/2014	1,000,000	(1)
Ernest Reigstad	Emergency Management Director		
Donald Critchlaw	Animal Warden		
Jim Zepp	Director of Public Works		
Philip Spaldi	Director of Utilities		
Thomas M. Ferry, C.P.A., R.M.A.	Auditor		

(1) MEL/JIF Underwriting Unit

All of the Bonds were examined and were properly executed.

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

Township of Sparta  
Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2014

Federal Grantor/Pass-Through Grantor/ Program Title	Federal C.F.D.A. Number	State Account Number	Program or Award Amount	Grant Period To/From	12/31/2014		12/31/2014		MEMO Cumulative Total Expenditures
					(Receivable)	Reserve Balance	(Receivable)	Reserve Balance	
<b>CURRENT FUND</b>									
United States Department of Homeland Security (Passed through NJ Office of Emergency Management) Disaster Grants	97.036	1200-100-066-1200-A92	205,256.10	1/1/13-12/31/13					205,256.10
United States Department of Transportation (Passed through NJ Division of Highway Traffic Safety) Click It or Ticket	20.616	1160-100-066-1160-155	3,250.00	1/1/14-12/31/14					3,250.00
Drive Sober or Get Pulled Over	20.616	1160-100-066-1160-157	3,600.00	1/1/13-12/31/13		3,600.00		3,250.00	-
Drive Sober or Get Pulled Over	20.616	1160-100-066-1160-157	7,975.00	1/1/14-12/31/14				7,975.00	7,975.00
Total US Department of Rural Development:						3,600.00		11,225.00	11,225.00
<b>TOTAL FEDERAL AID</b>						3,600.00		11,225.00	216,481.10

Note: This schedule was not subject to an audit in accordance with Federal OMB Circular A-133.



**Township of Sparta**  
**Schedule of Expenditures of State Awards**  
**For the Year Ended December 31, 2014**

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From/To	12/31/2013		Receipts	Expended	Reserve Cancelled	12/31/2014		MEMO Cumulative Total Expenditures
				(Receivable)	Reserve Balance				(Receivable)	Reserve Balance	
FEDERAL AND STATE GRANT FUND											
NJ Department of Environmental Protection:											
Clean Communities	4900-765-4900-004-V42Y-6020	36,109.00	1/1/11-12/31/11		2,870.26		2,870.26			-	36,109.00
Clean Communities	4900-765-4900-004-V42Y-6020	36,546.00	1/1/12-12/31/12		36,546.00		36,546.00			-	36,546.00
Clean Communities	4900-765-4900-004-V42Y-6020	42,908.53	1/1/13-12/31/13		42,908.53		12,091.72	0.53		30,816.28	12,091.72
Clean Communities	4900-765-042-4900-004	40,169.91	1/1/13-12/31/14			40,169.91			(4,933.14)	40,169.91	-
Highlands Assessment	09-033-011-2116	20,839.65	Prior Years	(4,933.14)	20,839.65		5,938.00			14,901.65	5,938.00
Highlands Grant	N/A	60,499.30	Prior Years	(7,500.00)				0.53	(7,500.00)		60,499.30
Total NJ Department of Environmental Protection:				(12,433.14)	103,164.44	40,169.91	57,445.98		(12,433.14)	85,887.84	151,184.02
NJ Department of Community Affairs:											
Alcohol Education Rehab Fund	9735-760-098-Y900-001-X100-6020	21,041.01	Prior Years		13,180.84					13,180.84	7,860.17
Alcohol Education Rehab Fund	9735-760-098-Y900-001-X100-6020	1,510.00	1/1/11-12/31/11		1,510.00					1,510.00	-
Alcohol Education Rehab Fund	9735-760-098-Y900-001-X100-6020	539.63	1/1/12-12/31/12		539.00					539.00	-
Alcohol Education Rehab Fund	9735-760-098-Y900-001-X100-6020	327.75	1/1/13-12/31/13		527.75			0.75		527.00	-
Alcohol Education Rehab Fund	9735-760-098-Y900-001-X100-6020	354.48	1/1/14-12/31/14			354.48				354.48	-
Alcohol Education Rehab Fund	9735-760-098-9735-001	17,379.72	1/1/12-12/31/12		10,339.83		10,339.83			9,669.83	17,379.72
Municipal Alliance	N/A	16,042.00	1/1/13-12/31/13		16,042.00	18,259.10	6,372.17			18,259.10	6,372.17
Municipal Alliance	N/A	3,717.10	1/1/14-12/31/14		42,139.42	18,613.58	16,712.00	0.75		44,040.25	31,612.06
Total NJ Department of Community Affairs:				-					-		
NJ Division of Motor Vehicles:											
Drunk Driving Enforcement Fund	6400-100-078-6400-YYYY	42,347.15	Prior Years		6,158.70		6,158.70			-	42,347.15
Drunk Driving Enforcement Fund	6400-100-078-6400-YYYY	10,785.60	1/1/12-12/31/12		10,785.00		4,846.03			5,938.97	4,846.03
Drunk Driving Enforcement Fund	6400-100-078-6400-YYYY	18,794.15	1/1/13-12/31/14			18,794.15				18,794.15	-
Total NJ Division of Motor Vehicles:				-	16,943.70	18,794.15	11,004.73	-	-	24,733.12	47,193.18
NJ Department of Solid Waste Protection:											
Recycling Tonnage	4900-752-042-4900-001-V42Y-6020	80,873.94	Prior Years		25,571.21		25,571.21			-	80,873.94
Recycling Tonnage	4900-752-042-4900-001-V42Y-6020	19,879.00	1/1/11-12/31/11		19,879.00		8,194.03			11,684.97	8,194.03
Recycling Tonnage	4900-752-042-4900-001-V42Y-6020	33,331.98	1/1/12-12/31/12		33,331.00					33,331.00	-
Recycling Tonnage	4900-752-042-4900-001-V42Y-6020	27,651.81	1/1/13-12/31/13		27,651.81			0.81		27,651.00	-
Recycling Tonnage	4910-100-042-49100-224	26,303.88	1/1/14-12/31/14			26,303.88				26,303.88	-
Total Department of Environmental Solid Waste Protection:				-	106,433.02	26,303.88	33,765.24	0.81	-	98,970.85	89,067.97
NJ Department of Law and Public Safety											
Body Armor	1020-718-066-1020-001-YC1S-6120	4,498.72	1/1/12-12/31/12		1,405.68		1,405.68			-	4,498.00
Body Armor	1020-718-066-1020-001-YC1S-6120	3,696.62	1/1/13-12/31/13		3,696.62		3,696.00	0.62			3,696.00
Body Armor	1020-718-066-1020-001	3,030.54	1/1/14-12/31/14		5,102.30	3,030.54	5,101.68	0.62		3,030.54	
Total NJ Department of Law and Public Safety				-		3,030.54			-		8,194.00
TOTAL FEDERAL AND STATE GRANT FUND				(12,433.14)	273,782.88	106,912.06	124,029.63	2.71	(12,433.14)	256,662.60	327,251.23
SEWER CAPITAL FUND											
NJ Department of Environmental Protection											
Highlands Protection Fund	2078-100-082-2078-033	21,105.00	1/1/14-12/31/14			21,105.00	21,105.00			-	21,105.00
TOTAL GENERAL CAPITAL FUND				-		21,105.00	21,105.00	-	-	-	21,105.00
TOTAL STATE AID				(12,433.14)	273,782.88	128,017.06	145,134.63	2.71	(12,433.14)	256,662.60	348,356.23

Note: This schedule was not subject to an audit in accordance with N.J. OMB Circular 04-04.

# COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE

## CURRENT FUND

	<u>Year 2014</u>		<u>Year 2013</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<b><u>Revenue and Other Income Realized</u></b>				
Fund Balance Utilized	2,550,000.00	2.64%	2,300,000.00	2.42%
Miscellaneous - From Other Than				
Local Property Tax Levies	3,936,516.20	4.07%	3,965,651.19	4.17%
Collection of Delinquent Taxes				
and Tax Title Liens	1,565,232.86	1.62%	1,607,759.46	1.69%
Collection of Current				
Tax Levy	87,873,746.37	90.88%	86,355,633.41	90.71%
Other Credits to Income	765,779.69	0.79%	966,644.72	1.18%
	<hr/>		<hr/>	
<b><u>Total Revenue and Other Income Realized</u></b>	<b>96,691,275.12</b>	<b>100.00%</b>	<b>95,195,688.78</b>	<b>100.00%</b>
	<hr/>		<hr/>	
<b><u>Expenditures</u></b>				
Budget Expenditures:				
Municipal Purposes	21,556,494.37	23.00%	21,851,765.75	23.43%
Local School Taxes	56,642,256.00	60.43%	55,584,598.00	59.60%
Local Open Space Taxes	257,218.96	0.27%	259,550.32	0.28%
County Taxes	15,275,732.78	16.30%	15,365,651.06	16.47%
Other Expenditures	2,021.22	0.00%	206,359.66	0.22%
	<hr/>		<hr/>	
<b><u>Total Expenditures</u></b>	<b>93,733,723.33</b>	<b>100.00%</b>	<b>93,267,924.79</b>	<b>100.00%</b>
	<hr/>		<hr/>	
<b>Excess (Deficit) in Revenue</b>	<b>2,957,551.79</b>		<b>1,927,763.99</b>	
<b>Adjustments to Income Before Fund Balance:</b>				
<b>Expenditures Included Above Which are by</b>				
<b>    Statute Deferred Charges to Budget</b>				
<b>    of Succeeding Year</b>			<b>800,000.00</b>	
	<hr/>		<hr/>	
<b>Statutory Excess to Fund Balance</b>	<b>2,957,551.79</b>		<b>2,727,763.99</b>	
<b>Fund Balance, January 1,</b>	<b>4,371,762.91</b>		<b>3,943,998.92</b>	
	<hr/>		<hr/>	
	<b>7,329,314.70</b>		<b>6,671,762.91</b>	
<b>Less:</b>				
Utilized as Anticipated Revenue	2,550,000.00		2,300,000.00	
	<hr/>		<hr/>	
<b>Fund Balance, December 31,</b>	<b>4,779,314.70</b>		<b>4,371,762.91</b>	
	<hr/>		<hr/>	

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

**WATER UTILITY OPERATING FUND**

	<b><u>Year 2014</u></b>		<b><u>Year 2013</u></b>	
	<b><u>Amount</u></b>	<b><u>%</u></b>	<b><u>Amount</u></b>	<b><u>%</u></b>
<b><u>Revenue and Other Income Realized</u></b>				
Fund Balance Utilized	424,001.00	9.69%	155,727.00	4.33%
Collection of Water Rents	2,918,934.60	66.71%	2,849,047.21	79.24%
Miscellaneous - From Other				
Than Water Rents	793,623.11	18.14%	420,333.34	11.69%
Other Credits to Income	239,321.93	5.47%	170,244.93	1.63%
<b><u>Total Revenue and Other Income Realized</u></b>	<b><u>4,375,880.64</u></b>	<b><u>100.00%</u></b>	<b><u>3,595,352.48</u></b>	<b><u>100.00%</u></b>
<b><u>Expenditures</u></b>				
Budget Expenditures:				
Operating	1,821,983.00	52.12%	1,756,953.00	53.64%
Capital Improvements	110,000.00	3.15%	60,000.00	1.83%
Debt Service	1,451,498.00	41.52%	1,359,773.75	41.51%
Deferred Charges and Statutory Expenditures	112,100.00	3.21%	99,000.00	3.02%
<b><u>Total Expenditures</u></b>	<b><u>3,495,581.00</u></b>	<b><u>100.00%</u></b>	<b><u>3,275,726.75</u></b>	<b><u>100.00%</u></b>
<b>Excess (Deficit) in Revenue</b>	<b>880,299.64</b>		<b>319,625.73</b>	
<b>Fund Balance, January 1,</b>	<b><u>811,436.11</u></b>		<b><u>647,537.38</u></b>	
	<b>1,691,735.75</b>		<b>967,163.11</b>	
<b>Less:</b>				
Utilized as Anticipated Revenue	<u>424,001.00</u>		<u>155,727.00</u>	
<b>Fund Balance, December 31,</b>	<b><u><u>1,267,734.75</u></u></b>		<b><u><u>811,436.11</u></u></b>	

# COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE

## SEWER UTILITY OPERATING FUND

	<u>Year 2014</u>		<u>Year 2013</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<b><u>Revenue and Other Income Realized</u></b>				
Fund Balance Utilized	47,000.00	3.89%	70,000.00	5.62%
Collection of Sewer User Fees	842,528.84	69.68%	823,136.32	66.05%
Miscellaneous - From Other				
Than Sewer Rents	20,973.08	1.73%	17,372.92	1.39%
Board of Education - Share of Debt Service	129,670.20	10.72%	128,521.96	10.31%
Sewer Capital Fund Balance	6,000.00	0.50%	25,000.00	2.01%
Sewer Reservation Fees	2,901.60	0.24%	2,017.60	0.16%
Sewer Connection Fees	106,499.40	8.81%	75,115.35	6.03%
Other Credits to Income	53,601.30	4.43%	104,980.25	8.42%
<b><u>Total Revenue and Other Income Realized</u></b>	<u>1,209,174.42</u>	<u>100.00%</u>	<u>1,246,144.40</u>	<u>100.00%</u>
<b><u>Expenditures</u></b>				
Budget Expenditures:				
Operating	687,637.00	62.59%	789,744.00	65.53%
Debt Service	409,119.00	37.24%	407,262.00	33.79%
Deferred Charges and Statutory Expenditures	1,900.00	0.17%	8,100.00	0.64%
<b><u>Total Expenditures</u></b>	<u>1,098,656.00</u>	<u>100.00%</u>	<u>1,205,106.00</u>	<u>100.00%</u>
<b>Excess (Deficit) in Revenue</b>	110,518.42		41,038.40	
<b>Fund Balance, January 1,</b>	<u>47,037.10</u>		<u>75,998.70</u>	
	157,555.52		117,037.10	
<b>Less:</b>				
Utilized as Anticipated Revenue	<u>47,000.00</u>		<u>70,000.00</u>	
<b>Fund Balance, December 31,</b>	<u><u>110,555.52</u></u>		<u><u>47,037.10</u></u>	

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

**SOLID WASTE UTILITY OPERATING FUND**

	<u>Year 2014</u>		<u>Year 2013</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<b><u>Revenue and Other Income Realized</u></b>				
Fund Balance Utilized	150,000.00	6.49%	125,500.00	4.62%
Collection of Solid Waste Fees	2,025,804.24	87.66%	1,957,666.69	91.11%
Miscellaneous - From Other				
Than Sewer Rents	21,506.55	0.93%	23,541.94	1.10%
Other Credits to Income	<u>113,539.00</u>	<u>4.91%</u>	<u>68,117.14</u>	<u>3.17%</u>
<b><u>Total Revenue and Other Income Realized</u></b>	<u>2,310,849.79</u>	<u>100.00%</u>	<u>2,174,825.77</u>	<u>100.00%</u>
<b><u>Expenditures</u></b>				
Budget Expenditures:				
Operating	1,860,147.00	99.52%	1,764,120.00	99.49%
Deferred Charges and Statutory Expenditures	<u>9,000.00</u>	<u>0.48%</u>	<u>9,000.00</u>	<u>0.51%</u>
<b><u>Total Expenditures</u></b>	<u>1,869,147.00</u>	<u>100.00%</u>	<u>1,773,120.00</u>	<u>100.00%</u>
<b>Excess (Deficit) in Revenue</b>	441,702.79		401,705.77	
<b>Fund Balance, January 1,</b>	<u>913,932.07</u>		<u>637,726.30</u>	
	1,355,634.86		1,039,432.07	
<b>Less:</b>				
Utilized as Anticipated Revenue	<u>150,000.00</u>		<u>125,500.00</u>	
<b>Fund Balance, December 31,</b>	<u><u>1,205,634.86</u></u>		<u><u>913,932.07</u></u>	

## COMPARATIVE SCHEDULE OF TAX RATE INFORMATION

	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>Tax Rate</u>	<u>3.826</u>	<u>3.745</u>	<u>3.654</u>

### Apportionment of Tax Rate:

Municipal (1)	.751	.732	.719
County	.653	.653	.623
Local School	2.422	2.360	2.312

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

### Assessed Valuation:

2014	2,338,354,165		
2013		2,355,602,984	
2012			2,358,618,971

## COMPARISON OF TAX LEVIES AND COLLECTION CURRENTLY

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2014	89,828,473.94	87,873,746.37	97.82%
2013	88,396,062.92	86,355,633.41	97.69%
2012	86,801,286.66	84,566,096.84	97.42%

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

## DELINQUENT TAXES AND TAX TITLE LIENS

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

<u>Dec 31, Year</u>	<u>Amount of Delinquent Taxes</u>	<u>Tax Title Liens</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2014	1,496,578.15	635,365.16	2,131,943.31	2.37%
2013	1,302,100.02	974,626.41	2,276,726.43	2.58%
2012	1,913,246.32	279,214.36	2,192,460.68	2.52%

### PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

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

<u>Year</u>	<u>Amount</u>
2014	652,580.00
2013	652,580.00
2012	652,580.00

### COMPARISON OF WATER UTILITY LEVIES

<u>Year</u>	<u>Levy</u>	<u>Collections*</u>
2014	2,932,179.38	2,918,934.60
2013	2,884,021.03	2,849,047.21
2012	2,937,356.88	2,973,999.15

### COMPARISON OF SEWER UTILITY LEVIES

<u>Year</u>	<u>Levy</u>	<u>Collections*</u>
2014	973,661.73	975,100.64
2013	935,288.88	953,675.88
2012	931,922.95	959,482.83

### COMPARISON OF SOLID WASTE UTILITY LEVIES

<u>Year</u>	<u>Levy</u>	<u>Collections*</u>
2014	2,003,043.45	2,025,804.24
2013	1,981,032.95	1,957,666.69
2012	1,984,767.14	1,967,203.22

\* Includes collection of prior year receivables.

# COMPARATIVE SCHEDULE OF FUND BALANCES

	<u>Year</u>	<u>Balance December 31</u>	<u>Utilized In Budget of Succeeding Year</u>
<u>Current Fund:</u>	2014	4,779,314.70	2,550,000.00
	2013	4,371,762.91	2,550,000.00
	2012	3,943,998.92	2,300,000.00
	2011	2,242,873.67	1,400,000.00
	2010	1,054,902.09	1,054,500.00
<u>Water Utility:</u>			
Operating Fund:	2014	1,267,734.75	815,000.00
	2013	811,436.11	424,001.00
	2012	647,537.38	155,727.00
	2011	516,880.87	131,518.00
	2010	250,021.25	-
<u>Sewer Utility:</u>			
Operating Fund:	2014	110,555.52	94,000.00
	2013	47,037.10	47,000.00
	2012	75,998.70	70,000.00
	2011	173,616.65	112,000.00
	2010	291,830.89	192,945.29
<u>Solid Waste Utility:</u>			
Operating Fund:	2014	1,205,634.86	164,500.00
	2013	913,932.07	150,000.00
	2012	637,726.30	125,500.00
	2011	240,600.88	99,366.00
	2010	16,954.88	-



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

**Current Fund**

**Year Ended December 31, 2014**

	<u>Ref.</u>		
Balance - December 31, 2013	A		7,025,459.82
Increased by Receipts:			
Miscellaneous Revenue Not Anticipated	A-2	255,647.82	
Collector of Taxes	A-6	89,769,612.75	
Due To State - Senior Citizen and Veteran Deductions	A-7	138,058.18	
Revenue Accounts Receivable	A-11	3,381,555.10	
Interfunds	A-12	2,924,567.40	
Various Cash Liabilities and Reserves	A-19	160,561.95	
			<u>96,630,003.20</u>
			103,655,463.02
Decreased by Disbursements:			
Current Year Budget Appropriations	A-3	19,325,017.26	
Interfunds	A-12	3,191,973.78	
Appropriation Reserves	A-14	1,043,059.37	
Encumbrances Payable - Various Reserves	A-15	8,011.50	
Local District School Taxes	A-17	56,946,944.00	
County Taxes Payable	A-18	15,248,211.46	
Various Cash Liabilities and Reserves	A-19	275,343.72	
			<u>96,038,561.09</u>
Balance - December 31, 2014	A		<u><u>7,616,901.93</u></u>

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

**Schedule of Cash - Change Fund**

**Current Fund**

**Year Ended December 31, 2014**

	<u>Ref.</u>	
Balance - December 31, 2013	A	<u>450.00</u>
Balance - December 31, 2014	A	<u>450.00</u>
<u>Analysis of Balance:</u>		
Tax Collector		200.00
Deputy Clerk		50.00
Municipal Court		100.00
Construction		<u>100.00</u>
		<u>450.00</u>

A-6

**Schedule of Cash - Collector**

**Current Fund**

**Year Ended December 31, 2014**

	<u>Ref.</u>	
Increased by:		
Interest and Costs on Taxes	A-2	460,537.10
Taxes Receivable	A-8	88,452,379.86
Tax Title Liens	A-9	271,453.16
2015 Prepaid Taxes	A-16	<u>585,242.63</u>
		<u>89,769,612.75</u>
Decreased by:		
Turned over to Treasurer	A-4	<u>89,769,612.75</u>

## Township of Sparta, N.J.

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

## Current Fund

Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	A	43,722.28
Increased by:		
Cash Receipts	A-4	<u>138,058.18</u>
		181,780.46
Decreased by:		
Senior Citizens' and Veterans'		
Deductions Per Tax Billings		135,500.00
Senior Citizens' and Veterans'		
Deductions Allowed by Tax Collector		2,750.00
Less: Senior Citizens' and Veterans'		
Deductions Disallowed by Tax		
Collector - Current Year		2,250.00
Less: Senior Citizens' and Veterans'		
Deductions Disallowed by Tax		
Collector for 2013		<u>250.00</u>
	A-8	<u>135,750.00</u>
Balance - December 31, 2014	A	<u><u>46,030.46</u></u>

## Township of Sparta, N.J.

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

## Current Fund

## Year Ended December 31, 2014

Year	Balance, Dec. 31, 2013	Levy	Added Taxes	Collected 2013	2014	Senior Citizen and Veteran Deductions	Transferred to Tax Title Liens	Cancelled	Balance, Dec. 31, 2014
2012	962.12				962.12				
2013	1,301,137.90			1,293,067.58		(250.00)	7,378.51	480.45	461.36
	1,302,100.02			1,294,029.70		(250.00)	7,378.51	480.45	461.36
2014		89,465,665.62	362,808.32	579,396.21	87,158,350.16	136,000.00	193,805.74	264,805.04	1,496,116.79
	1,302,100.02	89,465,665.62	362,808.32	579,396.21	88,452,379.86	135,750.00	201,184.25	265,285.49	1,496,578.15
	A			A-2; A-16	A-2; A-6	A-2; A-7	A-9		A

## Analysis of Tax Levy

## Tax yield:

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

Ref.  
89,465,665.62  
362,808.32  
89,828,473.94

## Tax Levy:

Municipal Open Space Tax  
Local District School Tax  
County Tax  
Added County Taxes

A-12  
A-17  
A-18  
A-18  
A-2  
257,218.96  
56,642,256.00  
15,222,939.91  
52,792.87  
15,275,732.78  
72,175,207.74

Local Tax for Municipal Purposes  
Additional Taxes

A-2  
A-2  
17,322,491.00  
330,775.20  
17,653,266.20  
89,828,473.94

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

**Schedule of Tax Title Liens**

**Current Fund**

**Year Ended December 31, 2014**

	<u>Ref.</u>		
Balance - December 31, 2013	A		974,626.41
Increased by:			
Interest and Costs Accrued by Sale		1,375.16	
6% Penalty Accrued		5,027.60	
Transfers from Taxes Receivable	A-8	<u>201,184.25</u>	
			<u>207,587.01</u>
			1,182,213.42
Decreased by:			
Canceled		275,395.10	
Cash Receipts	A-2;A-6	<u>271,453.16</u>	
			<u>546,848.26</u>
Balance - December 31, 2014	A		<u><u>635,365.16</u></u>

**Schedule of Property Acquired for  
Taxes Assessed Valuation**

**Current Fund**

**Year Ended December 31, 2014**

	<u>Ref.</u>		
Balance - December 31, 2013	A		<u><u>652,580.00</u></u>
Balance - December 31, 2014	A		<u><u>652,580.00</u></u>

## Township of Sparta, N.J.

## Schedule of Revenue Accounts Receivable

## Current Fund

Year Ended December 31, 2014

	<u>Ref.</u>	<u>Accrued</u>	<u>Collected</u>
Clerk:			
Licenses:			
Other	A-2	7,807.00	7,807.00
Alcoholic beverages	A-2	16,280.00	16,280.00
Fees and Permits			
Board of Health - Sewer	A-2	18,752.00	18,752.00
Police	A-2	23,576.57	23,576.57
Clerk	A-2	8,053.60	8,053.60
Marriage License	A-2	291.00	291.00
Planning Board	A-2	24,663.00	24,663.00
Zoning	A-2	27,675.00	27,675.00
Registrar	A-2	19,245.00	19,245.00
Tax Assessor	A-2	895.00	895.00
Leaf Bags	A-2	2,135.00	2,135.00
Cell Tower	A-2	332,278.77	332,278.77
Quarry Royalties	A-2	99,999.96	99,999.96
Municipal Court :			
Fines and Costs	A-2	174,804.45	174,804.45
Watershed Moratorium	A-2	29,328.00	29,328.00
Garden State Trust Pilot	A-2	28,476.00	28,476.00
Payments in Lieu of Taxes on Senior Housing	A-2	162,269.72	162,269.72
Uniform Construction	A-2	439,724.20	439,724.20
Consolidated Municipal Property Tax			
Relief Aid	A-2	66,592.00	66,592.00
Energy Receipts Tax	A-2	1,168,829.00	1,168,829.00
Interest on Investments and Deposits	A-2	34,306.67	34,306.67
Interlocal Dispatch Costs	A-2	401,529.00	401,529.00
Interlocal Finance Hardyston BOE	A-2	5,353.10	5,353.10
Interlocal Finance Hardyston	A-2	31,212.00	31,212.00
Interlocal Finance Hardyston MUA	A-2	14,311.00	14,311.00
Solar Renewable Energy Credits	A-2	117,695.50	117,695.50
Uniform Fire Safety	A-2	45,470.56	45,470.56
Cable TV Franchise Fee	A-2	80,002.00	80,002.00
		<u>3,381,555.10</u>	<u>3,381,555.10</u>
			A-4

## Township of Sparta, N.J.

## Schedule of Interfunds

## Current Fund

Year Ended December 31, 2014

<u>Fund</u>	<u>Ref.</u>	Due From/(To) Balance Dec. 31, 2013	<u>Increased</u>	<u>Decreased</u>	Due From/(To) Balance Dec. 31, 2014
Other Trust Fund	A	(433.99)	3,063,649.30	3,066,104.51	2,021.22
Federal and State Grant Fund	A	(297,679.15)	122,387.06	125,871.98	(294,194.23)
		<u>(298,113.14)</u>	<u>3,186,036.36</u>	<u>3,191,976.49</u>	<u>(292,173.01)</u>
<u>Analysis</u>					
Interfund Accounts Receivable	A-1	(298,113.14)			2,021.22
Interfund Accounts Payable					<u>(294,194.23)</u>
Unappropriated Reserves Cancelled	A-1			2.71	
Appropriations Payable	A-3		4,250.00		
Disbursed	A-4			3,191,973.78	
Received	A-4		2,924,567.40		
Municipal Open Space Tax	A-1; A-8		257,218.96		
			<u>3,186,036.36</u>	<u>3,191,976.49</u>	

## Township of Sparta, N.J.

## Schedule of Deferred Charges - Special Emergency Authorization (40A:4-55)

## Current Fund

## Year Ended December 31, 2014

<u>Date Authorized</u>	<u>Purpose</u>	<u>Amount Authorized</u>	<u>1/5 of Net Amount Authorized</u>	<u>Balance, Dec. 31, 2013</u>	<u>Reduced in 2014</u>	<u>Balance, Dec. 31, 2014</u>
09/27/11	Hurricane Irene Damage	415,000.00	83,000.00	249,000.00	83,000.00	166,000.00
11/27/12	Revision of Tax Map	200,000.00	40,000.00	160,000.00	40,000.00	120,000.00
12/10/13	Revaluation of Taxes	800,000.00	160,000.00	800,000.00	160,000.00	640,000.00
		<u>1,415,000.00</u>	<u>283,000.00</u>	<u>1,209,000.00</u>	<u>283,000.00</u>	<u>926,000.00</u>
				<u>A</u>	<u>A-3</u>	<u>A</u>



## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2014

	Balance, Dec. 31, 2013	Balance after Transfers	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Salaries and Wages Within "CAPS":				
General Administration	22,253.55	22,253.55	8,586.00	13,667.55
Township Council	36.79	36.79		36.79
Township Clerk	2,159.79	2,159.79		2,159.79
Elections	2,719.50	2,719.50		2,719.50
Financial Administration	2,581.93	2,581.93		2,581.93
Computerized Data Processing	78.24	78.24		78.24
Collection of Taxes	439.74	439.74	397.80	41.94
Assessment of Taxes	869.11	869.11		869.11
Legal Services and Costs	4.50	4.50		4.50
Municipal Court	19,107.92	19,107.92	774.00	18,333.92
Engineering Services and Costs	58.12	58.12		58.12
Planning Board	964.68	964.68	188.60	776.08
Planning Department	3,058.37	3,058.37		3,058.37
Board of Adjustment	1,991.51	1,991.51		1,991.51
Police	39,666.23	39,666.23	2,690.74	36,975.49
Police Dispatch 911	18,794.62	18,794.62	18,794.62	0.00
Road Repair and Maintenance	9,423.42	9,423.42	9,423.42	0.00
Public Buildings and Grounds	29,236.91	29,236.91	693.26	28,543.65
Vehicle Maintenance	5,316.52	5,316.52		5,316.52
Snow Removal	126.54	126.54	126.54	0.00
DPW Administration	1,385.40	1,385.40	1,385.40	0.00
Environmental Commission	1,315.09	1,315.09		1,315.09
Committee on Aging	4,272.24	4,272.24	378.00	3,894.24
Recreation Services and Programs	2,127.49	2,127.49		2,127.49
Maintenance of Parks	4,114.58	4,114.58		4,114.58
Construction Official	5,772.67	5,772.67	3,215.00	2,557.67
Total Salaries and Wages Within "CAPS"	177,875.46	177,875.46	46,653.38	131,222.08
Other Expenses Within "CAPS":				
General Administration	3,639.90	3,639.90	505.77	3,134.13
Purchasing	6,431.37	6,431.37	4,609.55	1,821.82
Township Council	430.78	430.78	178.45	252.33
Township Clerk	12,651.95	12,651.95	6,169.89	6,482.06
Elections	687.18	687.18		687.18
Financial Administration	2,957.00	2,957.00	582.00	2,375.00
Audit Services	10,100.00	10,100.00	9,325.00	775.00
Computerized Data Processing	35,670.37	35,670.37	32,987.64	2,682.73
Collection of Taxes	3,121.96	3,121.96		3,121.96
Assessment of Taxes	8,521.73	8,521.73	4,734.30	3,787.43
Revaluation of Taxes	800,000.00	800,000.00	800,000.00	0.00
Legal Services and Costs	41,467.14	41,467.14	30,071.89	11,395.25
Municipal Court	14,687.51	14,687.51	1,734.09	12,953.42
Engineering Services and Costs	5,477.16	5,477.16		5,477.16
Planning Board	3,849.93	3,849.93	3,840.40	9.53
Planning Department	5,079.42	5,079.42	1,362.68	3,716.74
Economic Development	6,742.25	6,742.25		6,742.25
Board of Adjustments	3,199.48	3,199.48	2,873.48	326.00
Insurance				0.00
General Liability	32,500.74	32,500.74		32,500.74
Workers' Compensation Insurance	7,100.00	7,100.00		7,100.00
Employee Group Health	46,892.15	46,892.15	18,869.23	28,022.92
Unemployment Compensation Insurance	10,000.00	10,000.00		10,000.00
Police	49,891.63	49,891.63	43,937.81	5,953.82
Police Dispatch 911	1,556.74	1,556.74		1,556.74
Emergency Management Services	754.00	754.00		754.00
Aid to Volunteer Fire Companies	0.02	0.02		0.02

## Schedule of Appropriation Reserves

## Current Fund

Year Ended December 31, 2014

	Balance, Dec. 31, 2013	Balance after Transfers	Paid or Charged	Balance Lapsed
Aid to Volunteer Ambulance Companies	45,000.00	45,000.00		45,000.00
Fire	18,549.90	18,549.90	18,291.50	258.40
Uniform Fire Safety	13,846.28	13,846.28	919.96	12,926.32
Municipal Prosecutor	6,176.70	6,176.70	6,166.66	10.04
Road Repairs and Maintenance	19,643.57	19,643.57	19,643.57	0.00
Garbage and Trash Removal	21,203.29	21,203.29	2,356.67	18,846.62
Public Buildings and Grounds	18,764.12	18,764.12	13,214.41	5,549.71
Vehicle Maintenance	75,716.43	75,716.43	61,503.06	14,213.37
Snow Removal	44,842.90	44,842.90	44,842.90	0.00
DPW Administration	6,883.06	6,883.06	6,883.06	0.00
Municipal Services Act-Condo Costs	21,200.00	21,200.00	15,193.90	6,006.10
Health and Human Service Function				0.00
Health and Welfare Department	1,140.12	1,140.12	258.07	882.05
Environmental Commission	980.00	980.00		980.00
Animal Regulation	2,242.00	2,242.00	320.00	1,922.00
Committee on Aging	4,372.28	4,372.28	32.36	4,339.92
Recreation Services and Programs	5,937.23	5,937.23	2,476.56	3,460.67
Maintenance of Parks	23,976.28	23,976.28	11,671.80	12,304.48
Celebration of Public Events	686.24	686.24		686.24
Electricity	40,311.60	40,311.60	10,248.83	30,062.77
Street Lighting	10,724.72	10,724.72	10,540.19	184.53
Telephone and Telegraph	6,755.64	6,755.64	5,606.02	1,149.62
Water	1,284.27	1,284.27	92.52	1,191.75
Natural Gas	26,298.88	26,298.88	8,797.32	17,501.56
Diesel Fuel, Fuel Oil	1,926.31	1,926.31		1,926.31
Sewerage Processing and Disposal	13,149.47	13,149.47	483.68	12,665.79
Gasoline	20,245.70	20,245.70	17,817.80	2,427.90
Construction Official	11,692.73	11,692.73	1,449.56	10,243.17
Accumulated Sick Leave	375,000.00	375,000.00	375,000.00	0.00
Total Other expenses Within "CAPS"	1,951,960.13	1,951,960.13	1,595,592.58	356,367.55
Deferred Charges and Statutory Expenditures Within "CAPS":				
Social Security ( O.A.S.I. )	77,153.18	77,153.18	54,678.38	22,474.80
Total Reserves Within "CAPS"	2,206,988.77	2,206,988.77	1,696,924.34	510,064.43
Other Expenses Excluded From "CAPS":				
Maintenance of Free Public Library	136,199.76	136,199.76	136,135.03	64.73
Emergency Services Volunteer Length of Service Award Program	10,000.00	10,000.00	10,000.00	0.00
Total Other Expenses Excluded from "CAPS"	146,199.76	146,199.76	146,135.03	64.73
Total Reserves Excluded from "CAPS"	146,199.76	146,199.76	146,135.03	64.73
Total Reserves	2,353,188.53	2,353,188.53	1,843,059.37	510,129.16
				A-1
Ref				
Unencumbered	A 2,104,536.61			
Encumbered	A 248,651.92			
	2,353,188.53			
Cash Disbursements	A-4		1,043,059.37	
Various Reserves	A-19		800,000.00	
			1,843,059.37	

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## Township of Sparta, N.J.

## Schedule of Encumbrances Payable - Various Reserves

## Current Fund

## Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	A	8,011.50
Increased by:		
Various Cash Liabilities and Reserves	A-19	534,458.50
		<u>542,470.00</u>
Decreased by:		
Cash Disbursements	A-4	8,011.50
		<u>8,011.50</u>
Balance - December 31, 2014	A	<u><u>534,458.50</u></u>

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## Township of Sparta, N.J.

## Schedule of Prepaid Taxes

## Current Fund

## Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	A	579,396.21
Increased by:		
Receipts - Prepaid 2015 Taxes	A-6	585,242.63
		<u>585,242.63</u>
		1,164,638.84
Decreased by:		
Applied to 2014 Taxes	A-8	579,396.21
		<u>579,396.21</u>
Balance - December 31, 2014	A	<u><u>585,242.63</u></u>

## Township of Sparta, N.J.

## Schedule of Local District School Tax Payable

## Current Fund

## Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	A	304,688.00
Increased by:		
Levy Calendar Year 2014	A-1; A-8	56,642,256.00
		<u>56,946,944.00</u>
Decreased by:		
Payments	A-4	<u>56,946,944.00</u>

## Schedule of County Taxes Payable

## Current Fund

## Year Ended December 31, 2014

	<u>Ref.</u>		
Balance - December 31, 2013	A		25,271.55
Increased by:			
Levy	A-8	15,222,939.91	
Added and Omitted Taxes	A-8	<u>52,792.87</u>	
	A-1		<u>15,275,732.78</u>
			15,301,004.33
Decreased by:			
Payments	A-4		<u>15,248,211.46</u>
Balance - December 31, 2014	A		<u>52,792.87</u>

## Township of Sparta, N.J.

## Schedule of Various Cash Liabilities and Reserves

## Current Fund

Year Ended December 31, 2014

<u>Liabilities and Reserves</u>	Balance, Dec. 31, 2013	Increased	Decreased	Balance, Dec. 31, 2014
<u>Liabilities:</u>				
Tax Overpayments	88,618.39	128,807.95	138,484.74	78,941.60
Due to State of New Jersey:				
Construction Code Surcharge	7,187.00	29,204.00	28,565.00	7,826.00
Marriage License Surcharge		2,550.00	1,925.00	625.00
<u>Reserves for:</u>				
Revaluation of Taxes		800,000.00	594,139.00	205,861.00
Tax Maps	46,580.23		32,303.68	14,276.55
Hurricane Irene	108,370.08		14,384.80	93,985.28
	<u>250,755.70</u>	<u>960,561.95</u>	<u>809,802.22</u>	<u>401,515.43</u>
	A			A
	<u>Ref.</u>			
Receipts	A-4	160,561.95		
Disbursed	A-4		275,343.72	
Appropriation Reserves	A-14	800,000.00		
Reserve for Encumbrances	A-15		534,458.50	
		<u>960,561.95</u>	<u>809,802.22</u>	

## Township of Sparta, N.J.

## Schedule of Grants Receivable

## Federal and State Grant Fund

## Year Ended December 31, 2014

<u>Grant</u>	Balance, Dec. 31, 2013	Budget Revenue	Received	Transfer from Unappropriated Reserves	Balance, Dec. 31, 2014
State Grants					
Recycling Tonnage Grant		27,651.00		27,651.00	
Clean Communities Grant		42,908.00		42,908.00	
Body Armor Grant		3,696.00		3,696.00	
Municipal Court Alcohol Rehab		527.00		527.00	
Municipal Alliance Program		16,042.00	16,042.00		12,433.14
Highlands Grant	12,433.14				
Drive Sober or Get Pulled Over		3,600.00		3,600.00	
	<u>12,433.14</u>	<u>94,424.00</u>	<u>16,042.00</u>	<u>78,382.00</u>	<u>12,433.14</u>
	A	A-2	A-23	A-22	A

## Township of Sparta, N.J.

## Schedule of Appropriated Reserves for Grants

## Federal and State Grant Fund

## Year Ended December 31, 2014

<u>Grant</u>	<u>Balance, Dec. 31, 2013</u>	<u>Transfer From 2014 Budget</u>	<u>Expended</u>	<u>Balance, Dec. 31, 2014</u>
Federal Grants:				
Drive Sober or Get Pulled Over		3,600.00	3,600.00	
		3,600.00	3,600.00	
State Grants:				
Alcohol Education & Rehab Grant	15,229.84	527.00		15,756.84
Municipal Alliance on Alcoholism and Drug Abuse				
State Share	26,381.83	16,042.00	16,712.00	25,711.83
Local Share	13,904.71	4,250.00	1,320.34	16,834.37
Recycling Tonnage Grant	78,781.21	27,651.00	33,765.24	72,666.97
Clean Communities	39,416.26	42,908.00	51,507.98	30,816.28
Drunk Driving Enforcement Fund	16,943.70		11,004.73	5,938.97
Body Armor Replacement	1,405.68	3,696.00	5,101.68	
Highlands Commission Grant	20,839.65		5,938.00	14,901.65
	212,902.88	98,674.00	128,949.97	182,626.91
	A			A
State and Federal Grants	<u>Ref.</u>			
Matching Funds for Grants	A-3	94,424.00		
Interfund - Current Fund	A-23	4,250.00	125,869.27	
Encumbrances Payable	A-23		3,080.70	
	A-24	98,674.00	128,949.97	

## Township of Sparta, N.J.

## Schedule of Unappropriated Reserves for Grants

## Federal and State Grant Fund

Year Ended December 31, 2014

<u>Grant</u>	<u>Balance</u> <u>Dec. 31, 2013</u>	<u>Transfer</u> <u>To 2014</u> <u>Budget</u>	<u>Received</u>	<u>Canceled</u>	<u>Balance</u> <u>Dec. 31, 2014</u>
<b>Federal Grants:</b>					
Click It or Ticket			3,250.00		3,250.00
Drive Sober or Get Pulled Over	3,600.00	3,600.00	7,975.00		7,975.00
	<u>3,600.00</u>	<u>3,600.00</u>	<u>11,225.00</u>		<u>11,225.00</u>
<b>State Grants</b>					
Recycling Tonnage Grant	27,651.81	27,651.00	26,303.88	0.81	26,303.88
Clean Communities	42,908.53	42,908.00	40,169.91	0.53	40,169.91
Drunk Driving Enforcement Fund			18,794.15		18,794.15
Alcohol Education and Rehabilitation Fund	527.75	527.00	354.48	0.75	354.48
Municipal Alliance on Alcoholism and Drug Abuse			2,217.10		2,217.10
Body Armor Replacement Fund	3,696.62	3,696.00	3,030.54	0.62	3,030.54
	<u>78,384.71</u>	<u>78,382.00</u>	<u>102,095.06</u>	<u>2.71</u>	<u>102,095.06</u>
	<u>A</u>	<u>A-20</u>	<u>A-23</u>	<u>A-23</u>	<u>A</u>



## Township of Sparta, N.J.

## Schedule of Interfunds

## Federal and State Grant Fund

Year Ended December 31, 2014

Ref.	Due From/(To) Balance		Due From/(To) Balance	
	Dec. 31, 2013		Dec. 31, 2014	
		Increased	Decreased	
Current Fund	A	297,679.15	122,387.06	294,194.23
State Grant Receipts	A-20	16,042.00		
Matching Funds for State Grants	A-21	4,250.00		
State Grant Expenditures	A-21		125,869.27	
Unappropriated Reserves	A-22	102,095.06	2.71	
		<u>122,387.06</u>	<u>125,871.98</u>	

## Township of Sparta, N.J.

## Schedule of Encumbrances Payable

## Federal and State Grant Fund

Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	A	18,824.70
Increased by:		
Appropriated Reserves	A-21	<u>3,080.70</u>
Balance - December 31, 2014	A	<u><u>21,905.40</u></u>

## Township of Sparta, N.J.

## Schedule of Cash

## Trust Funds

Year Ended December 31, 2014

	<u>Ref.</u>	Emergency Services Volunteer Length of Service Award <u>Program</u>	Animal Control Trust <u>Fund</u>	Other Trust Funds <u>Funds</u>
Balance - December 31, 2013	B	<u>53,255.29</u>	<u>8,145.77</u>	<u>3,096,457.92</u>
Increased by Receipts:				
Interfund - Current Fund	B-3			433.99
Prepaid Dog Licenses	B-4		11,646.00	
Other Trust Funds	B-5			22,275,970.40
Dog License Fees - Township Share	B-7		13,975.00	
Cat License Fees	B-7		3,314.00	
Dog Late Fees	B-7		380.00	
Cat Late Fees	B-7		60.00	
Budget Appropriations	B-7		6,699.37	
Miscellaneous	B-7		91.20	
Dog License Fees - State Share	B-8		2,712.00	
Township Contributions	B-9	23,920.00		
Increase in Investment Value	B-10	<u>5,342.50</u>		
Total Receipts		<u>29,262.50</u>	<u>38,877.57</u>	<u>22,276,404.39</u>
		<u>82,517.79</u>	<u>47,023.34</u>	<u>25,372,862.31</u>
Decreased by Disbursements:				
Other Trust Funds	B-5			21,424,158.38
Reserve from Encumbrances	B-6			75,334.70
Reserve (Deficit) for Animal Control Expenditures	B-7		9,525.35	
State Share - Dog Licenses	B-8		2,710.80	
Accounting Charge	B-10	<u>875.00</u>		
Total Disbursements		<u>875.00</u>	<u>12,236.15</u>	<u>21,499,493.08</u>
Balance - December 31, 2014	B	<u><u>81,642.79</u></u>	<u><u>34,787.19</u></u>	<u><u>3,873,369.23</u></u>

**Township of Sparta, N.J.**  
**Schedule of Change Fund**  
**Animal Control Trust Fund**  
**Year Ended December 31, 2014**

Ref.

Balance - December 31, 2013	B	<u>25.00</u>
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Balance - December 31, 2014	B	<u>25.00</u>
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## Township of Sparta, N.J.

## Schedule of Interfunds

## Other Trust Fund

Year Ended December 31, 2014

	Due From/(To) Balance <u>Dec. 31, 2013</u>	<u>Decreased</u>	Due From/(To) Balance <u>Dec. 31, 2014</u>
Interfund - Current	<u>433.99</u>	<u>2,455.21</u>	<u>(2,021.22)</u>
	B		B
	<u>Ref.</u>		
Cash Disbursements	B-1	433.99	
Reserves	B-5	<u>2,021.22</u>	
		<u>2,455.21</u>	

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

**Schedule of Prepaid Licenses - Animal Control**

**Trust Funds**

**Year Ended December 31, 2014**

	<u>Ref.</u>	
Balance - December 31, 2013	B	13,802.00
Increased by:		
Cash Receipts	B-1	<u>11,646.00</u>
		25,448.00
Decreased by:		
Applied	B-7	<u>9,371.00</u>
Balance - December 31, 2014	B	<u><u>16,077.00</u></u>

## Township of Sparta, N.J.

## Schedule of Other Trust Funds

## Trust Funds

Year Ended December 31, 2014

	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
Reserve for P.O.A.A.	2,130.54	10.00	-	2,140.54
Reserve for Recreation Activities	20,900.37	417,668.16	376,306.50	62,262.03
Reserve for Health Plan	6,859.11	10,924.29	1,993.75	15,789.65
Reserve for Outside Police Employment	38,354.25	251,046.37	252,252.86	37,147.76
Reserve for Public Defender	1,422.23	24,096.00	24,760.90	757.33
Reserve for Cash Bonds	68,012.20	-	-	68,012.20
Reserve for Snow Removal	241,637.67	36,209.12	137,187.63	140,659.16
Reserve for Public Safety Donation	5,389.19	175.00	-	5,564.19
Reserve for Fire Safety	2,700.00	100.00	-	2,800.00
Reserve for State Unemployment Insurance Tax	120,543.87	15,527.44	818.91	135,252.40
Reserve for C.O.A.H. Fees	252,311.73	113,074.36	12,967.50	352,418.59
Reserve for Performance Bonds	591,342.53	31,859.13	49,373.81	573,827.85
Reserve for Developer's Escrow	105,678.49	62,775.64	87,426.47	81,027.66
Reserve for Accrued Leave	101,486.75	375,000.00	-	476,486.75
Reserve for Open Space	516,147.40	258,986.50	260,618.35	514,515.55
Reserve for Payroll	11,192.87	19,200,270.60	19,203,110.83	8,352.64
Reserve for Flexible Spending Account	5,839.56	42,531.72	43,037.54	5,333.74
Reserve for Premium on Tax Sale	911,900.00	911,300.00	565,400.00	1,257,800.00
Reserve for Outside Lienholder	17,708.45	524,416.07	532,773.97	9,350.55
	<u>3,021,557.21</u>	<u>22,275,970.40</u>	<u>21,548,029.02</u>	<u>3,749,498.59</u>
	B			B
Encumbrances	Ref.			
Cash Receipts	B-6		121,849.42	
Cash Disbursements	B-1	22,275,970.40		
Interfund - Current Fund	B-1		21,424,158.38	
	B-3		2,021.22	
		<u>22,275,970.40</u>	<u>21,548,029.02</u>	

**Township of Sparta, N.J.**  
**Schedule of Reserve for Encumbrances**  
**Trust Funds**  
**Year Ended December 31, 2014**

	<u>Ref.</u>		
Balance - December 31, 2013	B		75,334.70
Increased by:			
Charges to Animal Control Fund	B-7	421.75	
Charges to Other Trust Reserves	B-5	<u>121,849.42</u>	
			<u>122,271.17</u>
			197,605.87
Decreased by:			
Disbursed	B-1		<u>75,334.70</u>
Balance - December 31, 2014			<u><u>122,271.17</u></u>
<u>Analysis of Balance</u>			
Animal Control Trust Fund	B	421.75	
Other Trust Funds	B	<u>121,849.42</u>	
		<u><u>122,271.17</u></u>	



## Township of Sparta, N.J.

## Reserve (Deficit) for Animal Control Fund Expenditures

## Trust Funds

Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	B	(5,634.83)
Increased by:		
Dog License Fees	B-1	13,975.00
Prepaid Dog Licenses Applied	B-4	9,371.00
Cat License Fees	B-1	3,314.00
Dog Late Fees	B-1	380.00
Cat Late Fees	B-1	60.00
Raised in Current Budget	B-1	6,699.37
Miscellaneous	B-1	91.20
		<u>33,890.57</u>
		28,255.74
Decreased by:		
Expenditures R.S. 4:19-1511	B-1	9,525.35
Encumbrances	B-6	421.75
		<u>9,947.10</u>
Balance - December 31, 2014	B	<u>18,308.64</u>

License Fees Collected

<u>Year</u>	
2013	19,565.00
2012	20,348.00
	<u>39,913.00</u>

## Schedule of Due To State Department of Health

## Trust Funds

Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	B	3.60
Increased by:		
State Fees Collected	B-1	2,712.00
		<u>2,715.60</u>
Decreased by:		
Paid to State	B-1	2,710.80
		<u>2,710.80</u>
Balance - December 31, 2014	B	<u>4.80</u>

## Township of Sparta, N.J.

## Schedule of Contributions Receivable

## Emergency Services Volunteer Length of Services Award Program

Year Ended December 31, 2014

	<u>Ref.</u>		
Balance - December 31, 2013	B		32,600.00
Increased by:			
2014 Township Contributions	B-10		<u>21,850.00</u>
			54,450.00
Decreased by:			
Receipts	B-1	23,920.00	
Adjustment to 2013 Municipal Contributions	B-10	<u>8,680.00</u>	
			<u>32,600.00</u>
Balance - December 31, 2014	B		<u><u>21,850.00</u></u>

B-10

## Schedule of Net Position Available for Benefits

## Emergency Services Volunteer Length of Services Award Program

Year Ended December 31, 2014

	<u>Ref.</u>		
Balance - December 31, 2013	B		85,855.29
Increased by:			
2014 Township Contributions	B-9	21,850.00	
Increase in Investment Value	B-1	<u>5,342.50</u>	
			<u>27,192.50</u>
			113,047.79
Decreased by:			
Accounting Charge	B-1	875.00	
Adjustment to 2013 Municipal Contributions	B-9	<u>8,680.00</u>	
			<u>9,555.00</u>
Balance - December 31, 2014	B		<u><u>103,492.79</u></u>

## Township of Sparta, N.J.

## Schedule of Cash

## General Capital Fund

Year Ended December 31, 2014

	<u>Ref.</u>		
Balance - December 31, 2013	C		2,475,716.51
Increased by Receipts:			
Fund Balance	C-1	11,458.69	
Budget Appropriations:			
Improvement Costs	C-5	25,700.00	
Capital Improvement Fund	C-9	1,000,000.00	
Reserve for Bond Closing Costs	C-12	<u>79,976.04</u>	
			<u>1,117,134.73</u>
			3,592,851.24
Decreased by Disbursements:			
Improvement Authorizations	C-8	969,624.05	
Encumbrances Payable	C-10	322,511.06	
Reserve for Bond Closing Costs	C-12	<u>71,583.88</u>	
			<u>1,363,718.99</u>
Balance - December 31, 2014	C		<u><u>2,229,132.25</u></u>

## Township of Sparta, N.J.

## Analysis of Cash

## General Capital Fund

Year Ended December 31, 2014

	Balance or (Deficit) Dec. 31, 2013	Receipts		Disbursements		Transfers		Balance or (Deficit) Dec. 31, 2014
		Budget Appropriations	Miscellaneous	Improvement Authorizations	Miscellaneous	From	To	
Fund Balance	286,548.00		11,458.69			25,000.00		273,006.69
Capital Improvement Fund	160,976.79	1,000,000.00				1,000,000.00	130,327.37	291,304.16
Reserve for Encumbrances	322,781.56				321,011.06	1,770.50	322,222.69	322,222.69
Reserve for Developers Contribution	124,566.00					50,000.00		74,566.00
Reserve for Bond Closing Costs			79,976.04		71,583.88	1,500.00		6,892.16
<b>Improvement Authorizations:</b>								
99-04 2005 General Improvements	93,260.00							93,260.00
05-15 Acquisition of Land	(25,700.00)	25,700.00		4,950.49				
06-08 2006 General Township Improvements	4,950.49							
07-18 Acquisition of Lands	42,480.45			505.68				42,480.45
07-25 Improvements of White Lake Park	5,094.97			162.92				4,589.29
08-14 2006 - Various Improvements:	162.92							
08-17 Acquisition of Communication/911 Equipment	19,841.09						1,770.50	21,611.59
09-14 2009 - Various Improvements and Equipment:	21,641.84			5,818.70		3,077.00		12,746.14
09-13 2009 - Various Improvements and Equipment	57,882.80			56,750.77		1,132.03		
09-23 Improvements to Town Center	130,327.37					130,327.37		
09-26 Acquisition and Installation of Sustainable Energy Solar Panels	22,115.55							22,115.55
10-16 2010 - Various Improvements and Equipment	35,874.18			34,612.58				1,261.60
10-18 2010 - Various Improvements or Purposes	273,290.00			28,501.71		342.43		244,445.86
10-23 Installation of Solar Panels at Germany Flats	322,810.43			4,898.93				317,911.50
11-10 Improvements to Town Center	(7,236.51)							(7,236.51)
11-14 2011 - Various Improvements and Equipment	8,466.00			8,466.00				
12-10 Various Improvements and Purposes	129,095.64			13,079.66				116,015.98
12-11 Various Capital Improvements	41,928.00			30,999.51				41,928.00
12-12 Purchase Ladder Truck	39,083.00			279,008.49		1,208.46		8,083.49
13-06 Various Capital Improvements	365,475.94			482,273.00		311,058.38	1,000,000.00	85,258.99
14-05 Various Capital Improvements							50,000.00	206,668.62
14-07 Purchase Emergency Traffic Devices								50,000.00
14-08 Upgrades to "911" System				21,095.61		3,904.39	25,000.00	
	<u>2,475,716.51</u>	<u>1,025,700.00</u>	<u>91,434.73</u>	<u>971,124.05</u>	<u>392,594.94</u>	<u>1,529,320.56</u>	<u>1,529,320.56</u>	<u>2,229,132.25</u>
	C							C

**Township of Sparta, N.J.**  
**Schedule of Deferred Charges to Future**  
**Taxation - Funded**  
**General Capital Fund**  
**Year Ended December 31, 2014**

	<u>Ref.</u>	
Balance - December 31, 2013	C	10,590,000.00
Decreased by:		
Serial Bonds Paid by Current Year		
Budget Appropriations and Bond Proceeds	C-6	<u>920,000.00</u>
Balance - December 31, 2014	C	<u><u>9,670,000.00</u></u>



Township of Sparta, N.J.

Schedule of General Serial Bonds Payable

General Capital Fund

Year Ended December 31, 2014

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding, December 31, 2014		Interest Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
			Date	Amount					
Refunding Bond of 2005	07/10/2005	1,815,000.00	01/01/15	155,000.00	5.000%	1,365,000.00		1,210,000.00	155,000.00
Refunding Bonds of 2011	09/08/2011	5,015,000.00	04/01/15	415,000.00	3.000%	4,635,000.00		395,000.00	4,240,000.00
			04/01/16	430,000.00	4.000%				
			04/01/17	345,000.00	2.000%				
			04/01/17	100,000.00	4.000%				
			04/01/18	455,000.00	2.250%				
			04/01/19	465,000.00	2.500%				
			04/01/20	480,000.00	2.750%				
			04/01/21	300,000.00	3.000%				
			04/01/21	200,000.00	5.000%				
			04/01/22	525,000.00	5.000%				
			04/01/23	525,000.00	3.500%				
General Bonds of 2013	10/15/2013	4,590,000.00	10/15/15	325,000.00	1.000%	4,590,000.00		325,000.00	4,265,000.00
			10/15/16	350,000.00	1.500%				
			10/15/17	375,000.00	2.000%				
			10/15/18	400,000.00	2.000%				
			10/15/19	425,000.00	2.000%				
			10/15/20	450,000.00	2.000%				
			10/15/21	450,000.00	2.125%				
			10/15/22	475,000.00	3.000%				
			10/15/23	500,000.00	3.000%				
			10/15/24	515,000.00	3.000%				

## Schedule of General Serial Bonds Payable

## General Capital Fund

## Year Ended December 31, 2014

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## Township of Sparta, N.J.

## Schedule of Bond Anticipation Notes Payable

## General Capital Fund

Year Ended December 31, 2014

Ordinance Number	Improvement Description	Original Note	Date of Original Issue	Date of Issue	Date of Maturity	Interest Rate	Balance Dec. 31, 2013	Increased	Decreased	Balance Dec. 31, 2014
04-07	2004 - General Township Improvements	1,309,000.00	06/03/05	02/21/13 10/30/14	10/31/14 10/30/15	1.00% 0.75%	261,800.00	80,900.00	261,800.00	80,900.00
06-08	2006 - General Township Improvements	1,155,000.00	06/02/06	02/23/13 10/30/14	10/31/14 10/30/15	1.00% 0.75%	315,000.00	145,000.00	315,000.00	145,000.00
06-15	Improvement to Ungerman Field	114,000.00	06/01/07	02/23/13	10/31/14	1.00%	18,550.00		18,550.00	
07-12	2007 Various Improvements	325,000.00	05/30/08	02/23/13 10/30/14	10/31/14 10/30/15	1.00% 0.75%	159,000.00	76,500.00	159,000.00	76,500.00
07-18	Acquisition of Land	2,000,000.00	05/30/08	02/23/13 10/30/14	10/31/14 10/30/15	1.00% 0.75%	1,500,000.00	1,350,000.00	1,500,000.00	1,350,000.00
07-25	Improvement of White Lake Park	952,000.00	05/30/08	02/23/13 10/30/14	10/31/14 10/30/15	1.00% 0.75%	511,500.00	256,000.00	511,500.00	256,000.00
10-23	Installation of Solar Panels at Germany Flats	1,400,000.00	05/26/11	05/26/13 10/30/14	05/25/14 10/30/15	1.00% 0.75%	369,800.00	269,800.00	369,800.00	269,800.00
							<u>3,135,650.00</u>	<u>2,178,200.00</u>	<u>3,135,650.00</u>	<u>2,178,200.00</u>
							C			
							Ref.			
							Renewals	2,178,200.00	2,178,200.00	
							Paid by Current Fund Budget Appropriation		701,950.00	
							Paid by Open Space Trust Fund		255,500.00	
								<u>2,178,200.00</u>	<u>3,135,650.00</u>	

## Township of Sparta, N.J.

## Schedule of Improvement Authorizations

## General Capital Fund

Year Ended December 31, 2014

Ordinance Number	Improvement Description	Ordinance		Balance Dec. 31, 2013		2014 Authorizations	Encumbrances Cancelled	Paid or Charged	Authorization Cancelled	Balance Dec. 31, 2014	
		Date	Amount	Funded	Unfunded					Funded	Unfunded
General Improvements:											
99-04	General Improvements	04/27/99	1,000,000.00	93,260.00						93,260.00	
06-08	2006 General Township Improvements	04/25/06	1,025,000.00	4,950.49				4,950.49			
07-18	Acquisition of Lands	08/28/07	2,100,000.00		42,480.45					42,480.45	
07-25	Improvements of White Lake Park	11/08/07	1,000,000.00		5,094.97			505.68			4,589.29
08-14	2006 - Various Improvements:	06/26/08	651,000.00		162.92			162.92			
08-17	Acquisition of Communication/911 Equipment	06/26/08	199,272.00	19,841.09			1,770.50			21,611.59	
09-13	2009 - Various Improvements and Equipment:	05/26/09	470,000.00		57,882.80			57,882.80			
09-14	2009 - Various Improvements and Equipment:	05/26/09	554,300.00	21,641.84				8,895.70		12,746.14	
09-23	Improvements to Town Center	08/18/09	750,000.00		130,327.37				130,327.37		
09-26	Acquisition and Installation of Sustainable Energy Solar Panels	08/18/09	700,000.00		22,115.55					22,115.55	
10-16	2010 - Various Improvements and Equipment:	08/24/10	311,670.00	35,874.18				34,612.58		1,261.60	
10-18	2010 - Various Improvements or Purposes:	08/24/10	337,050.00		273,290.00			28,844.14		244,445.86	
10-23	Installation of Solar Panels at Germany Flats	11/30/10	1,732,500.00		322,810.43			4,898.93	269,800.00		48,111.50
11-14	2011 - Various Improvements and Equipment:	09/13/11	83,500.00	8,466.00				8,466.00			
12-10	Various Improvements and Purposes	07/10/12	631,000.00	129,095.64				13,079.66		116,015.98	
12-11	Various Capital Improvements	07/10/12	586,000.00		41,928.00					41,928.00	
12-12	Purchase of Ladder Truck	07/10/12	975,000.00	39,083.00				30,999.51		8,083.49	
13-06	Various Capital Improvements	05/14/14	1,000,000.00	365,475.94		1,000,000.00		280,216.95		85,258.99	
14-05	Various Capital Improvements	07/22/14	1,000,000.00			50,000.00		793,331.38		206,668.62	
14-07	Purchase Emergency Traffic Devices	08/26/14	50,000.00			25,000.00				50,000.00	
14-08	Upgrades to "911" System	08/26/14	25,000.00			25,000.00					
				<u>717,688.18</u>	<u>896,092.49</u>	<u>1,075,000.00</u>	<u>1,770.50</u>	<u>1,291,846.74</u>	<u>400,127.37</u>	<u>945,876.27</u>	<u>52,700.79</u>
				C	C		C-10			C	C
Deferred Charges to Future Taxation - Unfunded Capital Improvement Fund											
				Fund Balance		Ref.					
				Developers Contribution		C-1	25,000.00				
						C-11	50,000.00				
						C-5					
						C-9	1,000,000.00				
							<u>1,075,000.00</u>				
				Cash Disbursements		C-2	969,624.05				
				Encumbrances Payable		C-10	322,222.69				
							<u>1,291,846.74</u>				

**Township of Sparta, N.J.**  
**Schedule of Capital Improvement Fund**  
**General Capital Fund**  
**Year Ended December 31, 2014**

	<u>Ref.</u>		
Balance - December 31, 2013	C		160,976.79
Increased by:			
Budget Appropriation	C-2	1,000,000.00	
Improvement Authorizations Cancelled	C-8	<u>130,327.37</u>	
			<u>1,130,327.37</u>
			1,291,304.16
Decreased by:			
Appropriated to Finance Improvement Authorizations	C-8		<u>1,000,000.00</u>
Balance - December 31, 2014	C		<u><u>291,304.16</u></u>

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

**Schedule of Reserve for Encumbrances**

**General Capital Fund**

**Year Ended December 31, 2014**

	<u>Ref.</u>		
Balance - December 31, 2013	C		322,781.56
Increased by:			
Improvement Authorizations	C-8	322,222.69	
Reserve for Bond Closing Costs	C-12	<u>1,500.00</u>	
			<u>323,722.69</u>
			646,504.25
Decreased by:			
Cash Disbursed	C-2	322,511.06	
Cancelled	C-8	<u>1,770.50</u>	
			<u>324,281.56</u>
Balance - December 31, 2014	C		<u><u>322,222.69</u></u>

**Schedule of Reserve for Developers Contribution**

**General Capital Fund**

**Year Ended December 31, 2014**

	<u>Ref.</u>		
Balance - December 31, 2013	C		124,566.00
Decreased by:			
Appropriated to Finance			
Improvement Authorizations	C-8	<u>50,000.00</u>	
Balance - December 31, 2014	C		<u><u>74,566.00</u></u>

## Township of Sparta, N.J.

## Schedule of Reserve for Bond Closing Costs

## General Capital Fund

Year Ended December 31, 2014

	<u>Ref.</u>		
Increased by:			
Cash Receipts	C-2		79,976.04
Decreased by:			
Cash Disbursed	C-2	71,583.88	
Encumbrance		<u>1,500.00</u>	
			<u>73,083.88</u>
Balance - December 31, 2014	C		<u><u>6,892.16</u></u>

## Township of Sparta, N.J.

## Schedule of Bonds and Notes Authorized But Not Issued

## General Capital Fund

Year Ended December 31, 2014

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance</u>		<u>Funded by</u>	
		<u>Dec. 31, 2013</u>	<u>Dec. 31, 2014</u>	<u>Budget</u>	<u>Balance</u>
				<u>Appropriation</u>	<u>Dec. 31, 2014</u>
05-15	Acquisition of Land	25,700.00		25,700.00	7,236.51
11-10	Improvements to Town Center	7,236.51			7,236.51
		<u>32,936.51</u>		<u>25,700.00</u>	<u>7,236.51</u>
		<u>Footnote C</u>		<u>C-5</u>	<u>Footnote C</u>

## Township of Sparta, N.J.

## Schedule of Cash

## Water Utility Fund

Year Ended December 31, 2014

	<u>Ref.</u>	<u>Operating</u>	<u>Assessment</u>	<u>Capital</u>
Balance - December 31, 2013	D	<u>1,418,257.63</u>	<u>89,828.46</u>	<u>1,180,801.09</u>
Increased by Receipts:				
Fire Hydrant Service	D-2	45,739.68		
Miscellaneous Revenues	D-2	240,360.47		
Water Tower Cell Phone Lease	D-2	107,284.31		
Miscellaneous Revenues not Anticipated	D-2	398,327.00		
Water Capital Surplus	D-3			29,456.96
Interfund Receipts	D-10	1,911.65	1,911.65	
Consumer Accounts Receivable	D-11	2,847,812.55		
Water Assessments Receivable	D-13		39,569.49	
Water Rents Overpayments	D-17	37,675.66		
Capital Improvement Fund	D-26			100,000.00
		<u>3,679,111.32</u>	<u>41,481.14</u>	<u>129,456.96</u>
Decreased by Disbursements:				
Budget Appropriations	D-4	2,694,615.84		
Interfund Disbursements	D-10		1,911.65	
Water Rents Overpayments	D-17	3,705.23		
Appropriation Reserves	D-16	102,759.91		
Interest on Bonds	D-18	402,842.77		
Interest on Loans	D-19	25,843.04		
Interest on Notes	D-20	59,079.44		
Assessment Bond Anticipation Notes	D-22		89,700.00	
Improvement Authorizations	D-25			681,513.74
Encumbrances Payable	D-27			337,367.04
		<u>3,288,846.23</u>	<u>91,611.65</u>	<u>1,018,880.78</u>
Balance - December 31, 2014	D	<u><u>1,808,522.72</u></u>	<u><u>39,697.95</u></u>	<u><u>291,377.27</u></u>

## Township of Sparta

## Schedule of Analysis of Water Utility Assessment Trust Cash

## Water Utility Fund

Year Ended December 31, 2014

	Balance Dec.31, 2013	Receipts		Disbursements		Balance Dec. 31, 2014
		Assessments	Receivable	Notes	Paid	
Interfund Payable - Water Operating Fund		1,911.65		1,911.65		
Assessment Notes:						
Ord. No. 06-16	25,069.52	22,121.27		23,100.00		24,090.79
Ord. No. 09-04	64,758.94	17,448.22		66,600.00		15,607.16
	<u>89,828.46</u>	<u>41,481.14</u>		<u>91,611.65</u>		<u>39,697.95</u>
	D					D



## Township of Sparta

## Schedule of Water Utility Capital Cash

## Water Utility Fund

Year Ended December 31, 2014

	Balance Dec. 31, 2013	Receipts		Disbursements		Transfers		Balance Dec. 31, 2014
		Miscellaneous	Improvement Authorizations	Miscellaneous	To	From		
Fund Balance	415,405.58	29,456.96						444,862.54
Reserve for Encumbrances	337,367.04			337,367.04	96,096.89			96,096.89
Capital Improvement Fund	45,939.00	100,000.00				100,000.00		45,939.00
ORD.								
No.								
955	(195,696.07)		144.12					(195,840.19)
04-02	104.08		104.08					
06-09	31,194.43		30,000.00					1,194.43
09-04	Improvements to the Water Supply and Distribution System		33,738.34					370.65
09-16	Improvements to the Water Supply and Distribution System		6,271.48					
10-08	Improvements to the Water Supply and Distribution System		11,233.30					225,000.00
11-12	Improvements to the Water Supply and Distribution System							785.34
12-13	Improvements to the Water Supply and Distribution System							781.22
13-07	Improvement to The Water Supply and Distribution System		245,055.03					
14-06	Improvement to The Water Supply and Distribution System		354,892.39					23,176.67
			681,513.74	337,367.04	100,000.00	96,096.89		(350,989.28)

## Township of Sparta, N.J.

## Schedule of Interfund Accounts Receivable (Payable)

## Water Utility Fund

Year Ended December 31, 2014

		Water Operating Fund	Water Assessment Trust Fund
	Ref.	Water Assessment Fund	Water Operating Fund
Interest on Assessments	D-7		1,911.65
Receipts	D-7	1,911.65	
			<u>1,911.65</u>
Miscellaneous Revenue	D-2	1,911.65	
Disbursements	D-7		1,911.65
			<u>1,911.65</u>

## Township of Sparta, N.J.

## Schedule of Consumer Accounts Receivable

## Water Utility Operating Fund

Year Ended December 31, 2014

	Balance Dec. 31, 2013	Charges	Collections	Balance Dec. 31, 2014
Water Rents & Capacity Charges	<u>280,072.42</u>	<u>2,932,179.38</u>	<u>2,918,934.60</u>	<u>293,317.20</u>
	D		D-2;D-7	D
		<u>Ref.</u>		
Cash Receipts		D-7	2,847,812.55	
Pre-Paid Rents Applied		D-17	<u>71,122.05</u>	
			<u>2,918,934.60</u>	
			D-2	

## Schedule of Water Liens Receivable

## Water Utility Operating Fund

Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	D	<u>0.92</u>
Balance - December 31, 2014	D	<u>0.92</u>

## Township of Sparta, N.J.

## Schedule of Assessment Receivables

## Water Utility Assessment Fund

Year Ended December 31, 2014

Ordinance Number	<u>Improvement Description</u>	<u>Date of Confirmation</u>	<u>Annual Installments</u>	<u>Due Date</u>	<u>Balance Dec. 31 2013</u>	<u>Receipts</u>	<u>Balance Dec. 31 2014</u>	<u>Balance Pledged</u>	
								To	Assessment Notes
06-16	Improvement to Water Supply and Distribution System	02/12/2008	10	07/01/08-17	88,930.48	22,121.27	66,809.21		66,809.21
09-04	Improvement to Water Supply and Distribution System	02/24/2009	10	11/02/09-18	87,241.06	17,448.22	69,792.84		69,792.84
					<u>176,171.54</u>	<u>39,569.49</u>	<u>136,602.05</u>		<u>136,602.05</u>
					D	D-7	D		

**Township of Sparta, N.J.**  
**Schedule of Fixed Capital**  
**Water Utility Capital Fund**  
**Year Ended December 31, 2014**

	<u>Ref.</u>	
Balance December 31, 2013	D	20,954,848.56
Increased by:		
Improvement Authorizations Completed	D-15	<u>4,135,000.00</u>
Balance December 31, 2014	D	<u><u>25,089,848.56</u></u>

Township of Sparta, N.J.  
Schedule of Fixed Capital Authorized and Uncompleted  
Water Utility Capital Fund  
Year Ended December 31, 2014

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance Dec. 31, 2013	2014 Authorizations			Costs to Fixed Capital	Balance Dec. 31, 2014
					Deferred Reserve for Amortization	Deferred Charges to Future Revenue			
955	Improvement to Water Utility System	05/12/98	\$1,200,000.00	1,200,000.00				1,200,000.00	
04-02	Improvement to Water Utility System	03/09/04	800,000.00	800,000.00				800,000.00	
06-09	Improvement to the Water Utility System	04/25/06	875,000.00	875,000.00					875,000.00
09-04	Improvement to Water Supply and Distribution System	02/24/09	250,000.00	250,000.00					250,000.00
09-16	Improvement to Water Supply and Distribution System	07/14/09	3,500,000.00	1,025,000.00				1,025,000.00	
09-25	Improvement to The Water Supply and Distribution System	08/18/09	500,000.00	500,000.00				500,000.00	
10-08	Improvement to Water Supply and Distribution System	05/25/10	1,050,000.00	1,050,000.00					1,050,000.00
11-12	Improvement to Water Supply and Distribution System	08/30/11	466,500.00	466,500.00					466,500.00
12-13	Improvement to The Water Supply and Distribution System	07/10/12	610,000.00	610,000.00				610,000.00	
13-07	Improvement to The Water Supply and Distribution System	05/28/13	760,000.00	760,000.00					760,000.00
14-06	Improvement to The Water Supply and Distribution System	07/22/14	598,500.00		100,000.00	498,500.00			598,500.00
				7,536,500.00	100,000.00	498,500.00		4,135,000.00	598,500.00
				D	D-25	D-25	D-14	D	

## Township of Sparta, N.J.

## Schedule of Appropriation Reserves

## Water Utility Operating Fund

Year Ended December 31, 2014

		Balance, <u>Dec. 31, 2013</u>	Balance After <u>Transfers</u>	<u>Paid</u>	Balance <u>Lapsed</u>
Operating:					
Salaries and Wages		38,578.47	38,578.47	2,879.79	35,698.68
Other Expenses		290,042.62	290,042.62	98,465.22	191,577.40
Capital Improvement Fund:					
Capital Outlay		1,414.90	1,414.90	1,414.90	
Deferred Charges and Statutory					
Expenditures:					
Contribution to:					
Social Security System		12,045.85	12,045.85		12,045.85
		<u>342,081.84</u>	<u>342,081.84</u>	<u>102,759.91</u>	<u>239,321.93</u>
	<u>Ref.</u>			D-7	D-1
Unencumbered	D	288,110.50			
Encumbered	D	<u>53,971.34</u>			
		<u>342,081.84</u>			

## Schedule of Utility Charge Overpayments

## Water Utility Operating Fund

Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	D	49,676.16
Increased by;		
Cash Receipts	D-7	<u>37,675.66</u>
		87,351.82
Decreased by:		
Applied	D-11	71,122.05
Refunded	D-7	<u>3,705.23</u>
		74,827.28
Balance - December 31, 2014	D	<u>12,524.54</u>

## Township of Sparta, N.J.

## Schedule of Accrued Interest on Bonds

## Water Utility Operating Fund

Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	D	171,996.47
Increased by:		
Budget Appropriation for Interest on Bonds	D-4	<u>398,416.00</u>
		570,412.47
Decreased by:		
Interest Paid	D-7	<u>402,842.77</u>
Balance - December 31, 2014	D	<u>167,569.70</u>

Principal Outstanding <u>Dec. 31, 2014</u>	Interest <u>Rate</u>	<u>From</u>	<u>To</u>	Period <u>(days)</u>	Required <u>Amount</u>	Actual <u>Amount</u>
345,000.00	Various	7/1/2014	12/31/2014	183	8,625.00	15,438.69
394,000.00	Various	7/1/2014	12/31/2014	183	7,633.75	13,664.36
1,845,000.00	Various	10/1/2014	12/31/2014	91	15,813.98	28,306.91
1,374,000.00	Various	10/15/2014	12/31/2014	77	10,285.66	18,411.26
5,828,000.00	Various	9/10/2014	12/31/2014	112	51,256.33	91,748.48
<u>9,786,000.00</u>					<u>93,614.72</u>	<u>167,569.70</u>
D-21						

D-19

## Schedule of Accrued Interest on Loans

## Water Utility Operating Fund

Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	D	810.54
Increased by:		
Budget Appropriation for Interest on Loans	D-4	<u>25,700.00</u>
		26,510.54
Decreased by:		
Interest Paid	D-7	<u>25,843.04</u>
Balance - December 31, 2014	D	<u>667.50</u>

Principal Outstanding <u>Dec. 31, 2014</u>	Interest <u>Rate</u>	<u>From</u>	<u>To</u>	Period <u>(days)</u>	Required <u>Amount</u>	Actual <u>Amount</u>
40,135.78	3.25%	09/14/14	12/31/2014	108	<u>385.96</u>	<u>667.50</u>



## Township of Sparta, N.J.

## Schedule of Accrued Interest on Notes

## Water Utility Operating Fund

Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	D	42,256.51
Increased by:		
Budget Appropriation for Interest on Notes	D-4	<u>71,364.00</u>
		113,620.51
Decreased by:		
Interest Paid	D-7	<u>59,079.44</u>
Balance - December 31, 2014	D	<u><u>54,541.07</u></u>

Principal Outstanding <u>Dec. 31, 2014</u>	Interest <u>Rate</u>	<u>From</u>	<u>To</u>	Period <u>(days)</u>	Required <u>Amount</u>	Actual <u>Amount</u>
<u>5,454,500.00</u>	0.75%	10/31/2014	12/31/2014	61	<u>6,836.80</u>	<u>54,541.07</u>
D-22						

## Township of Sparta, N.J.

## Schedule of Water Serial Bonds Payable

## Water Utility Capital Fund

Year Ended December 31, 2014

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Increased by	Decreased by	Balance, Dec. 31, 2014
			Date	Amount				
Refunding of 2005	07/10/2005	6,185,000.00	01/01/15	345,000.00	5.000%		4,475,000.00	345,000.00
	01/01/2006	3,941,000.00	01/01/15 01/01/16	197,000.00 197,000.00	3.875% 3.875%		2,168,000.00	394,000.00
Water Bonds of 2011	04/28/2011	2,310,000.00	04/01/15	155,000.00	3.000%		155,000.00	1,845,000.00
			04/01/16	155,000.00	3.000%			
			04/01/17	155,000.00	3.000%			
			04/01/18	155,000.00	3.000%			
			04/01/19	155,000.00	3.125%			
			04/01/20	155,000.00	3.500%			
			04/01/21	155,000.00	3.500%			
			04/01/22	155,000.00	3.500%			
			04/01/23	155,000.00	3.500%			
			04/01/24	155,000.00	3.625%			
			04/01/25	155,000.00	4.000%			
			04/01/26	140,000.00	4.000%			
			10/15/15	50,000.00	1.000%		1,424,000.00	1,374,000.00
Water Bonds of 2013	10/15/2013	1,424,000.00	10/15/16	55,000.00	1.500%			
			10/15/17	55,000.00	2.000%			
			10/15/18	60,000.00	2.000%			
			10/15/19	60,000.00	2.000%			
			10/15/20	65,000.00	2.000%			
			10/15/21	65,000.00	2.125%			
			10/15/22	70,000.00	2.250%			
			10/15/23	70,000.00	3.000%			
			10/15/24	75,000.00	3.000%			
			10/15/25	75,000.00	3.250%			
			10/15/26	80,000.00	3.250%			
			10/15/27	80,000.00	3.250%			
			10/15/28	85,000.00	3.250%			
			10/15/29	85,000.00	4.000%			
			10/15/30	85,000.00	4.000%			
			10/15/31	85,000.00	4.000%			
			10/15/32	85,000.00	4.000%			
			10/15/33	89,000.00	4.000%			

## Township of Sparta, N.J.

## Schedule of Water Serial Bonds Payable

## Water Utility Capital Fund

Year Ended December 31, 2014

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance, Dec. 31, 2013	Increased by	Decreased by	Balance, Dec. 31, 2014
			Date	Amount					
Water Refunding Bonds of 2014	09/10/2014	5,828,000.00	01/01/15	48,000.00	4.000%				
			01/01/16	345,000.00	4.000%				
			01/01/17	540,000.00	4.000%				
			01/01/18	540,000.00	3.500%				
			01/01/19	545,000.00	5.000%				
			01/01/20	545,000.00	3.000%				
			01/01/21	540,000.00	3.000%				
			01/01/22	545,000.00	5.000%				
			01/01/23	550,000.00	5.000%				
			01/01/24	550,000.00	5.000%				
			01/01/25	540,000.00	5.000%				
			01/01/26	540,000.00	5.000%				
						10,806,000.00	5,828,000.00	6,848,000.00	9,786,000.00
						D			D
						Ref.			
						Reserve for Amortization			
						Refunded			
						D-28			
							5,828,000.00	5,828,000.00	
							1,020,000.00	1,020,000.00	
							5,828,000.00	6,848,000.00	

## Township of Sparta, N.J.

## Schedule of Water Capital Bond Anticipation Notes

## Water Utility Fund

Year Ended December 31, 2014

Ordinance Number	Improvement Description	Original Note		Date of Issue	Date of Maturity	Interest Rate	Balance, Dec. 31, 2013	Increased	Decreased	Balance, Dec. 31, 2014
		Date of Issue	Amount of Issue							
WATER CAPITAL NOTES										
07-11	Improvements to Water Utility System	05/30/08	783,500.00	10/31/13	10/31/14	1.00%	703,500.00	671,500.00	703,500.00	671,500.00
08-15	Improvements to Water Utility System	05/28/09	783,500.00	10/31/13	10/31/14	1.00%	673,500.00	631,500.00	673,500.00	631,500.00
09-16	Improvements to Water Utility System	05/27/10	1,250,000.00	10/31/13	10/31/14	1.00%	1,185,000.00	1,145,000.00	1,185,000.00	1,145,000.00
09-25	Improvements to Water Utility System	05/27/10	475,000.00	10/31/13	10/31/14	1.00%	446,000.00	423,000.00	446,000.00	423,000.00
10-08	Improvements to Water Utility System	05/26/11	1,000,000.00	10/31/13	10/30/15	1.00%	960,000.00	925,000.00	960,000.00	925,000.00
11-12	Improvements to Water Utility System	05/25/12	443,500.00	10/31/13	10/31/14	1.00%	423,500.00	398,500.00	423,500.00	398,500.00
12-13	Improvements to Water Utility System	05/25/13	570,000.00	05/25/13	10/31/14	1.00%	570,000.00	560,000.00	570,000.00	560,000.00
13-07	Improvements to Water Utility System	10/31/13	710,000.00	10/31/13	10/31/14	1.00%	710,000.00	700,000.00	710,000.00	700,000.00
TOTAL WATER CAPITAL NOTES				10/31/14	10/30/15	0.75%	5,671,500.00	5,454,500.00	5,671,500.00	5,454,500.00
				D						
WATER ASSESSMENT NOTES										
06-16	Improvements to Water Utility System	06/01/07	275,000.00	10/31/13	10/31/14	1.00%	84,000.00	60,900.00	84,000.00	60,900.00
09-04	Improvements to Water Utility System	05/27/10	238,000.00	10/31/13	10/31/14	1.00%	152,000.00	85,400.00	152,000.00	85,400.00
TOTAL WATER ASSESSMENT NOTES				10/31/14	10/30/15	0.75%	236,000.00	146,300.00	236,000.00	146,300.00
				D						
				5,907,500.00						
				5,600,800.00						
				5,907,500.00						
Ref.										
				5,600,800.00						
				5,600,800.00						
				89,700.00						
				217,000.00						
				5,907,500.00						

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

**Schedule of Water Supply Fund Loan Payable**

**Water Utility Capital Fund**

**Year Ended December 31, 2014**

	<u>Ref.</u>	
Balance - December 31, 2013	D	65,834.82
Decreased by:		
Loan Paid in 2014	D-28	<u>25,699.04</u>
Balance - December 31, 2014	D	<u><u>40,135.78</u></u>

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

**Schedule of Reserve for Water Assessments Receivable**

**Water Utility Assessment Fund**

**Year Ended December 31, 2014**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance, Dec. 31, 2013</u>	<u>Balance, Dec. 31, 2014</u>
06-10	Water Supply and Distribution System	<u>30,000.00</u> D	<u>30,000.00</u> D

Township of Sparta, N.J.  
Schedule of Improvement Authorizations  
Water Utility Capital Fund  
Year Ended December 31, 2014

Ordinance Number	Improvement Description	Ordinance Date	Amount	Balance Dec. 31, 2013		2014 Authorizations	Paid or Charged	Balance Dec. 31, 2014	
				Funded	Unfunded			Funded	Unfunded
955	Improvement to the Water Utility System	05/21/98	1,200,000.00		144.12		144.12		
04-02	Improvement to the Water Utility System	03/09/04	800,000.00	104.08			104.08		
06-09	Improvement to the Water Utility System	04/25/06	875,000.00	31,194.43			30,000.00	1,194.43	
09-04	Improvement to The Water Supply and Distribution System	02/24/09	250,000.00		34,108.99		33,738.34		370.65
09-16	Improvement to The Water Supply and Distribution System	07/14/09	3,500,000.00		6,271.48		6,271.48		
10-08	Improvement to The Water Supply and Distribution System	05/25/10	1,050,000.00		12,018.64		11,233.30		785.34
11-12	Improvement to The Water Supply and Distribution System	08/30/11	466,500.00		781.22				781.22
12-13	Improvement to The Water Supply and Distribution System	07/10/12	610,000.00		75.00		75.00		
13-07	Improvement to The Water Supply and Distribution System	05/28/13	760,000.00		268,231.70		245,055.03		23,176.67
14-06	Improvement to The Water Supply and Distribution System	07/22/14	598,500.00			598,500.00	450,989.28		147,510.72
				31,298.51	321,631.15	598,500.00	777,610.63	1,194.43	172,624.60
				D	D			D	D

Deferred Charges to Future Revenue D-15;D-30 498,500.00  
Capital Improvement Fund D-15;D-29 100,000.00  
598,500.00

Cash Disbursements D-7 681,513.74  
Encumbrances Payable D-27 96,096.89  
777,610.63

**D-26**

**Township of Sparta, N.J.**  
**Schedule of Capital Improvement Fund**  
**Water Utility Capital Fund**  
**Year Ended December 31, 2014**

	<u>Ref.</u>	
Balance - December 31, 2013	D	45,939.00
Increased by:		
Budget Appropriation	D-7	<u>100,000.00</u>
		145,939.00
Decreased by:		
Appropriated to Finance		
Improvement Authorizations	D-29	<u>100,000.00</u>
Balance - December 31, 2014	D	<u><u>45,939.00</u></u>

**D-27**

**Schedule of Encumbrances Payable**  
**Water Utility Capital Fund**  
**Year Ended December 31, 2014**

	<u>Ref.</u>	
Balance - December 31, 2013	D	337,367.04
Increased by:		
Improvement Authorizations	D-25	<u>96,096.89</u>
		433,463.93
Decreased by:		
Cash Disbursements	D-7	<u>337,367.04</u>
Balance - December 31, 2014	D	<u><u>96,096.89</u></u>



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

**Schedule of Reserve for Amortization**

**Water Utility Capital Fund**

**Year Ended December 31, 2014**

	<u>Ref.</u>		
Balance - December 31, 2013	D		11,657,173.55
Increased by:			
Serial Bonds Paid by Operating Budget	D-21	1,020,000.00	
Transfer from Deferred Reserve			
for Amortization	D-29	147,000.00	
Loans Paid by Operating Budget	D-23	<u>25,699.04</u>	
			<u>1,192,699.04</u>
Balance - December 31, 2014	D		<u><u>12,849,872.59</u></u>

## Township of Sparta, N.J.

## Schedule of Deferred Reserve for Amortization

## Water Utility Capital Fund

Year Ended December 31, 2014

Ordinance Number	Improvement Description	Date of Ordinance	Balance, Dec. 31, 2013	Fixed Capital Authorized	Paid From Operating Budget Notes	To Reserve for Amortization	Balance, Dec. 31, 2014
<u>General Improvements:</u>							
04-02	Improvements to Water Utility System	06/03/05	32,000.00			32,000.00	
06-09	Improvements to Water Utility System	06/02/06	35,000.00				35,000.00
07-11	Various Improvements	06/26/07			32,000.00		32,000.00
08-15	Improvement to the Water Supply and System	06/26/08			42,000.00		42,000.00
09-04	Improvement to the Water Supply and System	02/24/09	12,000.00				12,000.00
09-16	Improvements to Water Utility System	05/27/10	25,000.00		40,000.00	65,000.00	
09-25	Improvements to Water Utility System	05/27/10	13,000.00		23,000.00		36,000.00
10-08	Improvement to the Water Supply and System	05/25/10	70,000.00		35,000.00		105,000.00
11-12	Improvement to the Water Supply and System	08/30/11	43,000.00		25,000.00		68,000.00
12-13	Improvement to the Water Supply and System	07/10/12	40,000.00		10,000.00	50,000.00	
13-07	Improvement to the Water Supply and System	05/28/13	50,000.00		10,000.00		60,000.00
14-06	Improvement to the Water Supply and System	07/22/14		100,000.00			100,000.00
			<u>320,000.00</u>	<u>100,000.00</u>	<u>217,000.00</u>	<u>147,000.00</u>	<u>490,000.00</u>
			D	D-25;D-26	D-22	D-28	D

## Township of Sparta, N.J.

## Schedule of Bonds and Notes Authorized But Not Issued

## Water Utility Capital Fund

Year Ended December 31, 2014

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance, Dec. 31, 2013</u>	<u>2014 Authorizations</u>	<u>Balance, Dec. 31, 2014</u>
955	Improvements to the Water Utility System	195,840.19		195,840.19
14-06	Improvement to The Water Supply and Distribution System		498,500.00	498,500.00
		<u>195,840.19</u>	<u>498,500.00</u>	<u>694,340.19</u>
		Footnote D	D-25	Footnote D

## Township of Sparta, N.J.

## Schedule of Cash

## Sewer Utility Fund

Year Ended December 31, 2014

	<u>Ref.</u>	<u>Operating</u>	<u>Assessment</u>	<u>Capital</u>
Balance - December 31, 2013	E	<u>195,231.06</u>	<u>8,776.80</u>	<u>41,920.01</u>
Increased by Receipts:				
Sewer Connection Fees	E-2	106,499.40		
Miscellaneous Revenue	E-2	20,943.63		
Capital Surplus	E-3			317.49
Interfund Receipts	E-9	6,029.45		
Consumer Accounts Receivable	E-10	973,746.62		
Sewer Assessments Receivable	E-11		1,732.97	
Sewer Rents Overpayments	E-15	158.11		
Bond Anticipation Notes	E-19			60,000.00
Improvement Authorizations	E-21			21,105.00
		<u>1,107,377.21</u>	<u>1,732.97</u>	<u>81,422.49</u>
Decreased by Disbursements:				
Budget Appropriations	E-5	908,506.36		
Interfund Disbursements	E-9			6,000.00
Appropriation Reserves	E-14	32,458.42		
Interest on Bonds	E-16	152,365.62		
Interest on Notes	E-17	591.70		
Bond Anticipation Notes	E-19			60,000.00
Improvement Authorizations	E-21			9,669.55
Reserve for Encumbrances	E-23			1,941.95
		<u>1,093,922.10</u>		<u>77,611.50</u>
Balance - December 31, 2014	E	<u><u>208,686.17</u></u>	<u><u>10,509.77</u></u>	<u><u>45,731.00</u></u>

**Township of Sparta**  
**Analysis of Sewer Utility Assessment Trust Cash**  
**Sewer Utility Fund**  
**Year Ended December 31, 2014**

	Balance Dec.31, 2013	Receipts Assessments Receivable	Balance Dec. 31, 2014
Fund Balance	8,776.80	1,732.97	10,509.77
	E	E-6	E

Township of Sparta  
Schedule of Sewer Utility Capital Cash  
Sewer Utility Fund

Year Ended December 31, 2014

ORD. No.	Improvement Authorizations	Balance Dec. 31, 2013	Receipts		Disbursements		Balance Dec. 31, 2014
			Miscellaneous	Improvement Authorizations	Miscellaneous	Improvement Authorizations	
Fund Balance		6,054.51	317.49				372.00
Reserve for Encumbrances		1,941.95			6,000.00		372.00
Capital Improvement Fund		3,500.00			1,941.95		3,500.00
05-18	Improvements to Sanitary Sewerage System	(4,256.03)					(4,256.03)
10-17	Pump Station Alarm Monitoring System	132.50					132.50
11-17	Improvements to Sanitary Sewerage System	34,547.08	21,105.00	9,669.55			45,982.53
		41,920.01	21,422.49	9,669.55	7,941.95		45,731.00
		E					E

## Township of Sparta, N.J.

## Schedule of Interfund Accounts Receivable (Payable)

## Sewer Utility Fund

Year Ended December 31, 2014

	Ref.	Sewer Operating Fund		Sewer Capital Fund	
		Sewer Capital Fund	Sewer Assessment Fund	Sewer Capital Fund	Sewer Operating Fund
Increased by:					
Revenues	E-2	6,000.00	29.45		
Fund Balance Anticipated in					
Sewer Operating Budget	E-3	<u>6,000.00</u>	<u>29.45</u>	<u>6,000.00</u>	<u>6,000.00</u>
		6,000.00	29.45		6,000.00
Decreased by:					
Receipts	E-6	6,000.00	29.45		
Disbursements	E-6	<u>6,000.00</u>	<u>29.45</u>	<u>6,000.00</u>	<u>6,000.00</u>

## Township of Sparta, N.J.

## Schedule of Consumer Accounts Receivable

## Sewer Utility Operating Fund

Year Ended December 31, 2014

	Balance <u>Dec. 31, 2013</u>	<u>Charges</u>	<u>Collections</u>	Balance <u>Dec. 31, 2014</u>
Sewer Rents & Capacity Charges	<u>62,170.86</u>	<u>973,661.73</u>	<u>975,100.64</u>	<u>60,731.95</u>
	E			E
		<u>Ref.</u>		
		E-6	973,746.62	
		E-15	<u>1,354.02</u>	
			<u>975,100.64</u>	
			E-2	



## Township of Sparta, N.J.

## Schedule of Assessment Receivables

## Sewer Utility Assessment Fund

Year Ended December 31, 2014

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Confirmation</u>	<u>Annual Installments</u>	<u>Due Date</u>	<u>Balance Dec. 31 2013</u>	<u>Cash Receipts</u>	<u>Balance Dec. 31 2014</u>	<u>Balance Pledged to Reserve</u>
05-18	Improvements to Marian Road Sanitary Sewer System	08/23/05	10	1/1,4/1,7/1,10/1	<u>13,136.15</u> E	<u>1,732.97</u> E-6	<u>11,403.18</u> E	<u>11,403.18</u>

**Township of Sparta, N.J.**  
**Schedule of Fixed Capital**  
**Sewer Utility Capital Fund**  
**Year Ended December 31, 2014**

	<u>Ref.</u>	
Balance December 31, 2013	E	<u><u>8,711,594.25</u></u>
Balance December 31, 2014	E	<u><u>8,711,594.25</u></u>

**Township of Sparta, N.J.**  
**Schedule of Fixed Capital Authorized and Uncompleted**  
**Sewer Utility Capital Fund**  
**Year Ended December 31, 2014**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Ordinance</u>		<u>Balance</u>	<u>Balance</u>
		<u>Date</u>	<u>Amount</u>	<u>Dec. 31, 2013</u>	<u>Dec. 31, 2014</u>
10-17	Pump Station Alarm Monitoring System	08/24/10	47,000.00	47,000.00	47,000.00
11-17	Improvement of Sanitary Sewerage System	10/25/11	95,000.00	95,000.00	95,000.00
				<u>142,000.00</u>	<u>142,000.00</u>
				<u>E</u>	<u>E</u>

## Township of Sparta, N.J.

## Schedule of Appropriation Reserves

## Sewer Utility Operating Fund

Year Ended December 31, 2014

	<u>Balance, Dec. 31, 2013</u>	<u>Balance After Transfers</u>	<u>Paid</u>	<u>Balance Lapsed</u>
Operating:				
Salaries and Wages	18,283.36	18,283.36		18,283.36
Other Expenses	63,129.59	63,129.59	32,458.42	30,671.17
Other Expenses - SCMUA	0.01	0.01		0.01
Deferred Charges and Statutory				
Expenditures:				
Contribution to:				
Social Security System	4,646.76	4,646.76		4,646.76
	<u>86,059.72</u>	<u>86,059.72</u>	<u>32,458.42</u>	<u>53,601.30</u>
	<u>Ref.</u>		<u>E-6</u>	<u>E-1</u>
Unencumbered	E 52,338.27			
Encumbered	E 33,721.45			
	<u>86,059.72</u>			

## Schedule of Sewer Utility Charge Overpayments

## Sewer Utility Operating Fund

Year Ended December 31, 2014

Balance - December 31, 2013	<u>Ref.</u> E	1,354.02
Increased by;		
Cash Receipts	E-6	<u>158.11</u>
		1,512.13
Decreased by:		
Applied	E-10	<u>1,354.02</u>
Balance - December 31, 2014	E	<u>158.11</u>

## Township of Sparta, N.J.

## Schedule of Accrued Interest on Bonds

## Sewer Utility Operating Fund

Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	E	60,780.22
Increased by:		
Budget Appropriation for Interest on Bonds	E-5	<u>148,419.00</u>
		209,199.22
Decreased by:		
Interest Paid	E-6	<u>152,365.62</u>
Balance - December 31, 2014	E	<u><u>56,833.60</u></u>

Principal Outstanding Dec. 31, 2014	Interest Rate	From	To	Period (days)	Required Amount	Actual Amount
100,000.00	5.00%	7/1/2014	12/31/2014	183	2,500.00	3,979.08
90,000.00	3.875%	7/1/2014	12/31/2014	183	1,743.75	2,775.41
1,980,000.00	Various	10/1/2014	12/31/2014	91	17,165.33	27,320.89
<u>1,627,000.00</u>	Various	7/1/2014	12/31/2014	183	<u>14,298.67</u>	<u>22,758.22</u>
<u>3,797,000.00</u>					<u><u>35,707.75</u></u>	<u><u>56,833.60</u></u>

E-18

## Schedule of Accrued Interest on Bond Anticipation Notes

## Sewer Utility Operating Fund

Year Ended December 31, 2014

	<u>Ref.</u>	
Increased by:		
Budget Appropriation for Interest on Notes	E-5	<u>700.00</u>
Decreased by:		
Interest Paid	E-6	<u>591.70</u>
Balance - December 31, 2014	E	<u><u>108.30</u></u>

Principal Outstanding Dec. 31, 2014	Interest Rate	From	To	Period (days)	Required Amount	Actual Amount
<u>60,000.00</u>	0.75%	11/01/14	12/31/2014	60	73.97	108.30

## Township of Sparta, N.J.

## Schedule of Sewer Serial Bonds Payable

## Sewer Utility Capital Fund

Year Ended December 31, 2014

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance, Dec. 31, 2013	Increased by	Decreased by	Balance, Dec. 31, 2014
			Date	Amount					
Refunding Bonds of 2005	07/10/05	1,870,000.00	01/01/15	100,000.00	5.000%	1,450,000.00		1,350,000.00	100,000.00
			01/01/15	45,000.00	3.875%	585,000.00		495,000.00	90,000.00
Improvement to the Sanitary Sewer System	01/01/06	900,000.00	01/01/16	45,000.00	3.875%				
Sewer Bonds of 2011	04/28/11	2,317,000.00	04/01/15	125,000.00	3.000%	2,100,000.00		120,000.00	1,980,000.00
			04/01/16	135,000.00	3.000%				
			04/01/17	145,000.00	3.000%				
			04/01/18	155,000.00	3.000%				
			04/01/19	165,000.00	3.125%				
			04/01/20	175,000.00	3.500%				
			04/01/21	180,000.00	3.500%				
			04/01/22	180,000.00	3.500%				
			04/01/23	180,000.00	3.500%				
			04/01/24	180,000.00	3.625%				
			04/01/25	180,000.00	4.000%				
			04/01/26	180,000.00	4.000%				
Sewer Refunding Bonds of 2014	09/10/14	1,627,000	01/01/15	7,000.00	4.000%		1,627,000.00		1,627,000.00
			01/01/16	110,000.00	4.000%				
			01/01/17	155,000.00	4.000%				
			01/01/18	150,000.00	3.500%				
			01/01/19	150,000.00	5.000%				
			01/01/20	150,000.00	3.000%				
			01/01/21	145,000.00	3.000%				
			01/01/22	145,000.00	5.000%				
			01/01/23	155,000.00	5.000%				
			01/01/24	155,000.00	5.000%				
			01/01/25	150,000.00	5.000%				
			01/01/26	155,000.00	5.000%				
						<u>4,135,000.00</u>	<u>1,627,000.00</u>	<u>1,965,000.00</u>	<u>3,797,000.00</u>
						<u>E</u>			<u>E</u>

Ref. E-24  
Reserve for Amortization Refunded

338,000.00  
1,627,000.00  
1,627,000.00  
1,965,000.00

## Township of Sparta, N.J.

## Schedule of Sewer Capital Bond Anticipation Notes

## Sewer Utility Fund

Year Ended December 31, 2014

Ordinance Number	Improvement Description	Original Note		Date of Issue	Date of Issue	Date of Maturity	Interest Rate	Balance, Dec. 31, 2013	Increased	Decreased	Balance, Dec. 31, 2014
		Date of Issue	Amount of Issue								
11-17	Improvement to the Sanitary Sewerage System	11/01/13	60,000.00	11/01/13	11/01/13	11/01/14	1.00%	60,000.00	60,000.00	60,000.00	60,000.00
				11/01/14	11/01/14	10/30/15	0.75%	60,000.00	60,000.00	60,000.00	60,000.00
								<u>60,000.00</u>	<u>60,000.00</u>	<u>60,000.00</u>	<u>60,000.00</u>
								E	E-6	E-6	E

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

**Schedule of Reserve for Sewer Assessments Receivable**

**Sewer Utility Assessment Fund**

**Year Ended December 31, 2014**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance, Dec. 31, 2013</u>	<u>Collections</u>	<u>Balance, Dec. 31, 2014</u>
05-18	Improvements to Marian Road Sanitary Sewer System	<u>13,136.15</u> E	<u>1,732.97</u> E-4	<u>11,403.18</u> E



## Township of Sparta, N.J.

## Schedule of Improvement Authorizations

## Sewer Utility Capital Fund

Year Ended December 31, 2014

Ordinance Number	Improvement Description	Date	Ordinance Amount	Balance		Reimbursement Of Prior Year Expenditure	Paid or Charged	Balance	
				Dec. 31, 2013	Funded			Dec. 31, 2014	Funded
10-17	Pump Station Alarm Monitoring System	08/24/10	47,000.00	132.50				132.50	
11-17	Improvement of Sanitary Sewerage System	10/25/11	95,000.00	34,547.08		21,105.00	9,669.55	45,982.53	
				34,679.58		21,105.00	9,669.55	46,115.03	
				E		E-6	E-6	E	

E-22

**Township of Sparta, N.J.**  
**Schedule of Capital Improvement Fund**  
**Sewer Utility Capital Fund**  
**Year Ended December 31, 2014**

	<u>Ref.</u>	
Balance - December 31, 2013	E	<u><u>3,500.00</u></u>
Balance - December 31, 2014	E	<u><u>3,500.00</u></u>

E-23

**Schedule of Encumbrances Payable**  
**Sewer Utility Capital Fund**  
**Year Ended December 31, 2014**

	<u>Ref.</u>	
Balance - December 31, 2013	E	<u><u>1,941.95</u></u>
Decreased by:		
Cash Disbursement	E-6	<u><u>1,941.95</u></u>

**Township of Sparta, N.J.**  
**Schedule of Reserve for Amortization**  
**Sewer Utility Capital Fund**  
**Year Ended December 31, 2014**

	<u>Ref.</u>	
Balance - December 31, 2013	E	4,572,338.22
Increased by:		
Serial Bonds Paid by Operating Budget	E-18	<u>338,000.00</u>
Balance - December 31, 2014	E	<u><u>4,910,338.22</u></u>

## Township of Sparta, N.J.

## Schedule of Deferred Reserve for Amortization

## Sewer Utility Capital Fund

Year Ended December 31, 2014

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Date of Ordinance</u>	<u>Balance, Dec. 31, 2013</u>	<u>Balance, Dec. 31, 2014</u>
<u>General Improvements:</u>				
10-17	Pump Station Alarm Monitoring System	08/24/10	47,000.00	47,000.00
11-17	Improvement of Sanitary Sewerage System	10/25/11	35,000.00	35,000.00
			<u>82,000.00</u>	<u>82,000.00</u>
			E	E

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

**Schedule of Bonds and Notes Authorized But Not Issued**

**Sewer Utility Capital Fund**

**Year Ended December 31, 2014**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance, Dec. 31, 2013</u>	<u>Balance, Dec. 31, 2014</u>
05-18	Improvements to Marian Road Sanitary Sewer System	4,256.03	4,256.03
		<u>Footnote E</u>	<u>Footnote E</u>

## Township of Sparta, N.J.

## Schedule of Cash

## Solid Waste Operating Utility Fund

Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	F	1,397,873.99
Increased by Receipts:		
Miscellaneous Revenue	F-2	21,506.55
Consumer Accounts Receivable	F-6	1,796,460.66
Prepaid Solid Waste User Fees	F-10	244,130.42
		<u>2,062,097.63</u>
		3,459,971.62
Decreased by Disbursements:		
Budget Appropriations	F-3	1,498,247.99
Interfund Disbursements	F-5	119,546.70
Appropriation Reserves	F-8	140,309.34
		<u>1,758,104.03</u>
Balance - December 31, 2014	F	<u><u>1,701,867.59</u></u>

## Township of Sparta, N.J.

## Schedule of Interfund Accounts Receivable (Payable)

## Solid Waste Operating Utility Fund

Year Ended December 31, 2014

		Current <u>Fund</u>
Increased by:		
Budget Appropriations	F-3	<u>119,546.70</u>
Decreased by:		
Disbursements	F-4	<u>119,546.70</u>

## Township of Sparta, N.J.

## Schedule of Consumer Accounts Receivable

## Solid Waste Operating Utility Fund

Year Ended December 31, 2014

	Balance <u>Dec. 31, 2013</u>	<u>Charges</u>	<u>Collections</u>	Balance <u>Dec. 31, 2014</u>
Solid Waste User Fees	<u>151,979.56</u>	<u>2,003,043.45</u>	<u>2,025,804.24</u>	<u>129,218.77</u>
	F			F
		<u>Ref.</u>		
Cash Receipts		F-4	1,796,460.66	
Pre-Paid Rents Applied		F-10	<u>229,343.58</u>	
			<u>2,025,804.24</u>	
			F-2	

## Schedule of Solid Waste Liens Receivable

## Solid Waste Operating Utility Fund

Year Ended December 31, 2014

	<u>Ref.</u>	
Balance - December 31, 2013	F	<u>79.27</u>
Balance - December 31, 2014	F	<u>79.27</u>



## Township of Sparta, N.J.

## Schedule of Appropriation Reserves

## Solid Waste Operating Utility Fund

Year Ended December 31, 2014

	Balance, Dec. 31, 2013	Balance After Transfers	Paid	Balance Lapsed
Operating:				
Salaries and Wages	9,905.00	9,905.00		9,905.00
Other Expenses	234,943.34	234,943.34	131,309.34	103,634.00
Social Security System	9,000.00	9,000.00	9,000.00	
	<u>253,848.34</u>	<u>253,848.34</u>	<u>140,309.34</u>	<u>113,539.00</u>
	Ref.		F-4	F-1
Appropriation Reserve F	125,579.68			
Reserve for Encumbrances F	<u>128,268.66</u>			
	<u>253,848.34</u>			

F-9

## Schedule of Accounts Payable

## Solid Waste Operating Utility Fund

Year Ended December 31, 2014

	Ref.	
Increased by:		
Solid Waste User Fee Overpayments	F-10	<u>750.00</u>
Balance - December 31, 2014	F	<u>750.00</u>

F-10

## Schedule of Solid Waste User Fee Overpayments

## Solid Waste Operating Utility Fund

Year Ended December 31, 2014

	Ref.	
Balance - December 31, 2013	F	230,093.58
Increased by:		
Cash Receipts	F-4	<u>244,130.42</u>
		474,224.00
Decreased by:		
Applied	F-6	229,343.58
Refunded	F-9	<u>750.00</u>
		<u>230,093.58</u>
Balance - December 31, 2014	F	<u>244,130.42</u>

**Township of Sparta, N.J.**  
**Schedule of Cash-Treasurer**  
**Public Assistance Fund**  
**Year Ended December 31, 2014**

	<u>Ref.</u>	<u>P.A.T.F.</u> <u>Account #1</u>
Balance - December 31, 2013	G	4,076.82
Increased by Receipts:		
Interest	G-4	<u>12.25</u>
		4,089.07
Decreased by Disbursements:		
Interfund - Current	G-6	<u>12.25</u>
Balance - December 31, 2014	G	<u><u>4,076.82</u></u>

**Township of Sparta, N.J.**  
**Schedule of Cash and Reconciliation**  
**Per N.J.S. 40A:5-5**  
**Public Assistance Fund**  
**Year Ended December 31, 2014**

	<u>Ref.</u>	
Balance - December 31, 2014	G-1	4,076.82
Increased by:		
Interest		0.94
		<u>4,077.76</u>
Decreased by:		
Cancelled to Current Fund		<u>4,077.76</u>
<u>Reconciliation - June 30, 2015</u>		P.A.T.F. <u>Account #1</u>
Balance on Deposit per Statement of:		
Lakeland Bank		
Checking		<u>0.00</u>

**Township of Sparta, N.J.**  
**Schedule of Cash and Reconciliation**  
**Public Assistance Fund**  
**Year Ended December 31, 2014**

	<u>Ref.</u>	
Balance - December 31, 2013	G	4,076.82
Increased by Receipts:		
Cash Receipts Record		<u>12.25</u>
		4,089.07
Decreased by Disbursements		
Interfund - Current		<u>12.25</u>
Balance - December 31, 2014	G	<u><u>4,076.82</u></u>

	P.A.T.F. <u>Account #1</u>
<u>Reconciliation - December 31, 2014</u>	
Balance on Deposit per Statement of:	
Lakeland Bank	
Checking	4,076.82
Less: Outstanding Checks	<u>                    </u>
Balance - December 31, 2014	<u><u>4,076.82</u></u>

G-4

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

**Schedule of Revenues**

**Public Assistance Fund**

**Year Ended December 31, 2014**

	<u>Ref.</u>	<u>P.A.T.F. Account #1</u>
Interest Earned	G-6	<u>12.25</u>
Total Revenues (P.A.T.F.)		<u>12.25</u>
Total Receipts		<u>12.25</u>
		G-1

G-5

**Schedule of Reserve for Public Assistance**

**Public Assistance Fund**

**Year Ended December 31, 2014**

	<u>Ref.</u>	
Balance - December 31, 2013	G	<u>4,076.82</u>
Balance - December 31, 2014	G	<u>4,076.82</u>

**Township of Sparta, N.J.**  
**Schedule of Due to Current Fund**  
**Public Assistance Fund**  
**Year Ended December 31, 2014**

	<u>Ref.</u>	<u>P.A.T.F. Account #1</u>
Increased by:		
Cash Receipts	G-4	<u>12.25</u>
Decreased by:		
Cash Disbursements	G-1	<u>12.25</u>

**TOWNSHIP OF SPARTA**

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**PART II**

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

**COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2014**

# Ferraioli, Wielkottz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA  
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## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements-regulatory basis of the Township of Sparta in the County of Sussex as of and for the year ended December 31, 2014 and the related notes to the financial statements, and have issued our report thereon dated June 26, 2015, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting. The regulatory basis opinion was qualified for the Fixed Asset account group and the Length f Services Award Program not being audited.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements-regulatory basis, we considered the Township of Sparta's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements-regulatory basis, but not for the purpose of expressing an opinion on the effectiveness of the Township of Sparta's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township of Sparta's internal control.

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





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

### **Compliance and Other Matters**

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

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

### **Purpose of this Report**

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



Thomas M. Ferry, C.P.A.  
Registered Municipal Accountant  
No. 497

***Ferraioli, Wielkotz, Cerullo & Cuva, PA***  
FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.  
*Certified Public Accountants*

Newton, New Jersey

June 26, 2015

## **GENERAL COMMENTS**

### **Cash Balances**

Cash balances in all funds were verified by independent certificates obtained from the depositories as of December 31, 2014, and at June 26, 2015, in connection with the supplemental reconciliations made for all officials. Cash on hand was counted on that date.

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

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

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

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

## GENERAL COMMENTS (CONTINUED)

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

Effective January 1, 2011, the bid threshold in accordance with N.J.S. 40A:11-3 and 40A:11-4 (as amended) is \$17,500.00 and with a qualified purchasing agent the threshold may be up to \$36,000.00.

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

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

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

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

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

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

### Collection of Interest on Delinquent Taxes and Assessments

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

The governing body on January 7, 2014, adopted the following resolution authorizing interest to be charged on delinquent taxes and assessments.

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

1. The rate of interest to be charged by the Tax Collector on delinquent taxes and assessments are fixed at the rate of eight (8) per cent per annum on the first \$1,500.00 of the delinquency, to remain in full force until January 1, 2015.

## **GENERAL COMMENTS (CONTINUED)**

### **Collection of Interest on Delinquent Taxes and Assessments (continued)**

2. The rate of interest to be charged by the Tax Collector on delinquent taxes and assessments on any amount in excess of \$1,500.00 is hereby fixed at the rate of eighteen (18) per cent per annum, to be calculated from the date the tax was payable, until the date of actual payment, to remain in force until January 1, 2015
3. If payment of any installment is made within ten (10) calendar days following the date upon which the same became payable, no interest shall be charged.
4. If payment is made after the 10<sup>th</sup> calendar day; interest is to be calculated from the date the tax was payable until the date of actual payment.
5. If taxes are not paid by December 31, and the delinquent balance is \$10,000.00 including interest and taxes; a 6% penalty will be charged.

The governing body also on January 7, 2014, adopted the following resolution authorizing interest to be charged on delinquent water, sewer and solid waste charges:

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

1. The rate of interest to be charged by the Tax Collector on delinquent water, sewer and solid waste charges are fixed at the rate of ten (10) per cent of each delinquency, to remain in full force until January 1, 2015.
2. If payment of any installment is made within thirty (30) calendar days following the date upon which the same became payable, no interest shall be charged.
3. If payment is made after the 30<sup>th</sup> calendar day; interest is to be calculated on each delinquency that the water, sewer and solid waste charges were payable until the date of actual payment.

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

### **Delinquent Taxes and Tax Title Liens**

The last tax sale was held on September 19, 2014, and was complete except for parties in bankruptcy court.

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

<u>Year</u>	<u>Number of Liens</u>
2014	56
2013	53
2012	45

## **GENERAL COMMENTS (CONTINUED)**

### **Verification of Delinquent Taxes and Other Charges**

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

The results of the test, which was made as of December 31, 2014 is not yet known, but a separate report will be rendered if any irregularities are developed.

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

## **OTHER COMMENTS:**

### **Municipal Court**

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

- 1) There are several old outstanding reconciling items in the regular and bail accounts that should be investigated.

#### **Management Response:**

The Court Administrator will look into.

- 2) The regular court account and bail account were not reconciled on a monthly basis.

#### **Management Response:**

Every effort will be made to reconcile accounts on a monthly basis.

- 3) There are 297 tickets assigned but not issued over 181 days.

#### **Management Response:**

The Court Administrator will review the process of recalling "Assigned Not Issued" tickets for proper disposition.

## **OTHER COMMENTS (CONTINUED)**

### Finance

- 1) The analysis of Water Utility Capital and Sewer Utility Capital Fund cash included cash deficits for ordinances over 5 years old.

#### Management Response:

The Township is aware of this and is funding through future budgets.

### Outside Offices

- 1) Various outside offices' cashbooks do not agree with the finance office.

#### Management Response:

Every effort will be made to tie in receipts monthly.

## **RECOMMENDATIONS**

It is recommended:

1. That all outstanding reconciling items in the Municipal Court regular and bail accounts be investigated.
2. That every effort be made to reconcile the Municipal Court regular court and bail accounts monthly.
3. That ordinances, with a cash deficit over 5 years, be funded.
4. That all outside office records reconcile to the finance office on a monthly basis.
5. That tickets assigned over 181 days be reassigned or cancelled.

## **Status of Prior Year's Audit Findings/Recommendations**

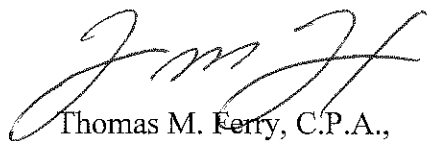
A review was performed on all prior year's recommendations and corrective action was taken on all, with the exception of the following, which are included in this year's recommendations:

1. That all outstanding reconciling items in the Municipal Court regular and bail accounts be investigated.
2. That every effort be made to reconcile the Municipal Court regular court and bail accounts monthly.
3. That ordinances, with a cash deficit over 5 years, be funded.
4. That all outside office records reconcile to the finance office on a monthly basis.

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

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

Very Truly Yours,



Thomas M. Ferry, C.P.A.,  
Registered Municipal Accountant  
No. 497

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