

**SPARTA TOWNSHIP  
SCHOOL DISTRICT**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

**JUNE 30, 2024**

**Responsibility of the Management of  
Sparta Township School District  
Sussex County, New Jersey**



Certified Public Accountants, PC

**SPARTA TOWNSHIP  
SCHOOL DISTRICT**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**For the Fiscal Year Ended June 30, 2024**

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**Dr. Matthew Beck**  
*Superintendent*

**Tara Rossi**  
*Assistant Superintendent*

**Joanne Black**  
*School Business Administrator*

December 19, 2024

Honorable President and Members of the Board of Education  
Sparta Township School District  
18 Mohawk Avenue  
Sparta, NJ 07871

Dear Honorable President and Board Members:

The Annual Comprehensive Financial Report of the Sparta Township School District for the fiscal year ending June 30, 2024 is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Management of the District. To the best of our knowledge and belief, the data presented in this report is accurate in all material aspects and is reported in a manner designed to present, fairly, the financial position and results of the operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Annual Comprehensive Financial Report is presented in four sections, Introduction, Financial, Statistical and Single Audit. The Introduction Section also includes the Letter of Transmittal, the District's Organizational Chart, Roster of Officials, and Consultants and Advisors. The Financial Section includes the Basic Financial Statements and schedules, as well as the auditors' report, therein. The Statistical Section includes financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to the single audit, including the auditors' reports on internal control structure and compliance with applicable law and regulations and findings are included in the Single Audit Section of this report.

## **1. REPORTING ENTITY AND ITS SERVICES:**

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

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

As of June 30, 2024, Sparta Schools enrolled 3,255 students at five schools compared to 3,233 students as of June 30, 2023, which is an increase of 22 students, or 0.68%.

### Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2014 - 2015	3,305.7	-4.87%
2015 - 2016	3,269.5	-1.10%
2016 - 2017	3,209.0	-1.85%
2017 - 2018	3,219.0	0.31%
2018 - 2019	3,113.5	-3.28%
2019 - 2020	3,135.5	0.71%
2020 - 2021	3,068.1	-2.15%
2021 - 2022	3,209.9	4.62%
2022 - 2023	3,234.1	0.76%
2023 - 2024	3,250.9	0.52%

## **2. ECONOMIC CONDITION AND OUTLOOK:**

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

## **3. MAJOR INITIATIVES:**

The Sparta Township Public Schools have undertaken a number of major initiatives focused on student growth and learning. These initiatives range in scope and focus based upon student need, grade level, developmental level and building. Major initiatives have been implemented in the areas of curriculum, technology and facilities in our efforts to improve student outcomes and provide our students with exemplary learning environments and opportunities. The following is a sample of major continued initiatives: Social- emotional professional development for staff and delivery for students, increased student data-analysis to drive instruction, creation of a multi-year district communication plan, increased communication based on a newly created District Communication Plan, and continued safety and security upgrades. Continued review and restructuring of the District response to intervention and gifted and talented manuals to ensure compliance and best practice in our procedures and identification of students in need of enrichment or remediation. Additionally, our district will continue to grow our Preschool program through the PEA-funded initiative.

#### 4. INTERNAL CONTROLS:

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

As a recipient of Federal and State financial assistance, the District, is also responsible that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations to those programs. The internal control structure is also subject to periodic evaluation by District Management.

As a part of the District's single audit described earlier, tests are made to determine the adequacy of the internal structure, including the portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

#### 5. BUDGETARY CONTROLS:

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as restrictions, commitments and assignments of fund balance at June 30, 2024.

#### 6. ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records reflect generally accepted principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in Notes to the Financial Statements, Note 1.

#### 7. CASH MANAGEMENT:

The investment policy of the District is guided in a large part by the State as detailed in the Notes to the Financial Statements, Note 3. The District has adopted a cash management plan requiring it to deposit public funds in public depositories protected from loss under provisions of the Government Unit Deposit Protection Act (GUDPA). GUDPA was enacted 1970 to protect Government Units from a loss of funds in deposits with failed banking institutions in New Jersey. The law requires Government Units to deposit public funds only in public depositories located in New Jersey, where funds are secured in accordance with the Act.



**8. RISK MANAGEMENT:**

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

**9. OTHER INFORMATION:**

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

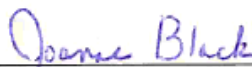
**10. ACKNOWLEDGMENTS:**

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

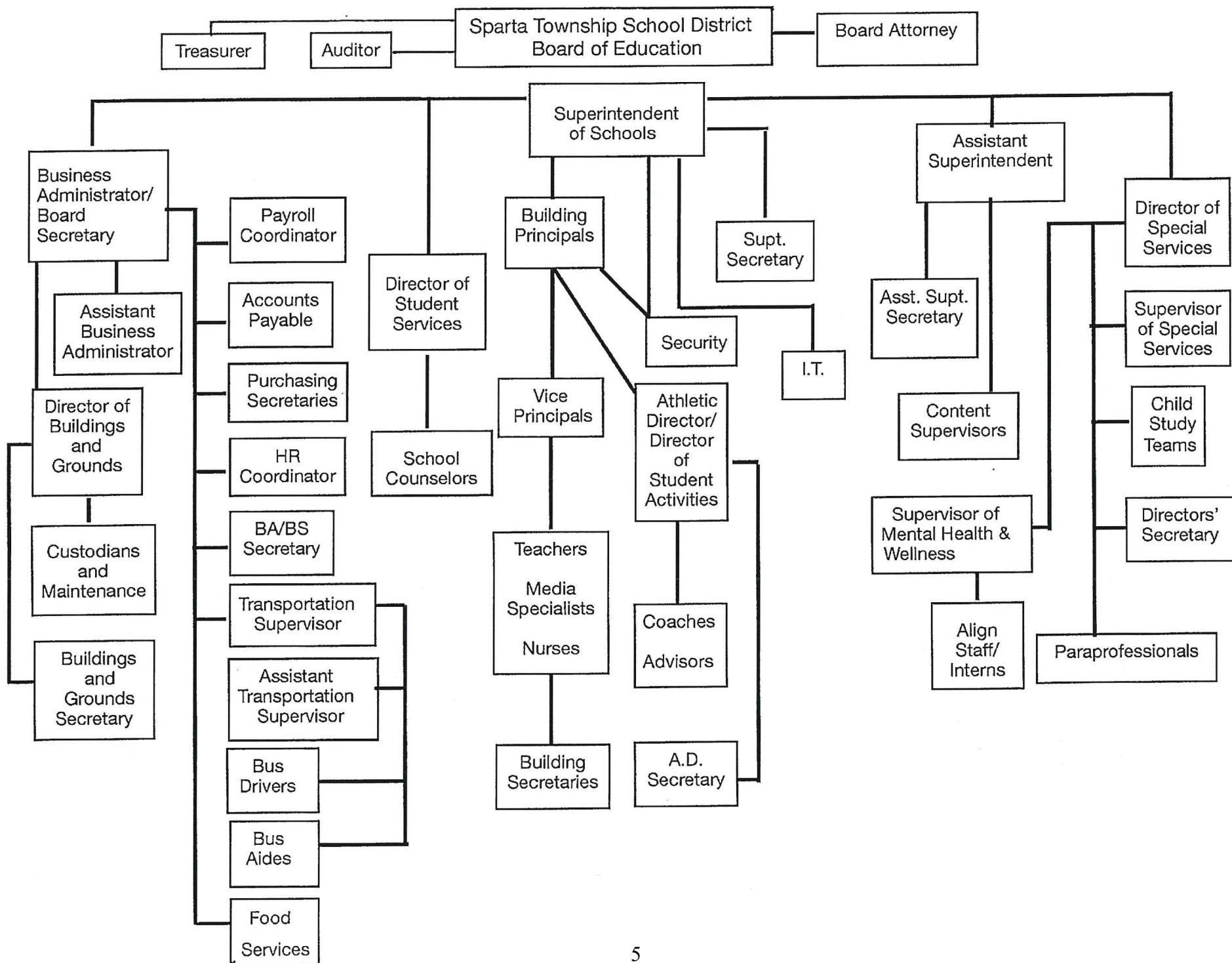
Respectfully Submitted,



Dr. Matthew L. Beck  
Superintendent



Joanne Black, CPA  
School Business Administrator/  
Board Secretary



**SPARTA TOWNSHIP SCHOOL DISTRICT**  
**18 Mohawk Ave**  
**Sparta, NJ 07871**  
**Roster of Officials**  
**June 30, 2024**

<b>Members of the Board of Education</b>	<b>Title</b>	<b>Term Expires</b>
Kurt Morris	President	2025
Wendy Selander	Vice President	2024
Craig Palleschi		2024
Emily Serafino		2024
Vanessa Serrano		2024
Lauren Collier		2025
Leigh McMichael		2025
Kaitlin Gagnon		2026
Chad Wood		2026

<b>Other Officials</b>	<b>Title</b>
Dr. Matthew Beck	Superintendent of Schools
Tara Rossi	Assistant Superintendent
Joanne Black	Business Administrator
Barbara Decker	Assistant Business Administrator
Kerry A. Keane	Treasurer

**SPARTA TOWNSHIP SCHOOL DISTRICT**  
**18 Mohawk Ave**  
**Sparta, NJ 07871**  
**Roster of Officials**  
**June 30, 2024**

**AUDIT FIRM**

BKC, CPAs, PC  
39 State Route 12, Ste 2  
Flemington, NJ 08822

**ATTORNEY**

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

**ARCHITECT**

Di Cara Rubino  
Wayne, NJ

**OFFICIAL DEPOSITORY**

Valley Bank  
Sparta, NJ



Certified Public Accountants, PC  
[www.bkc-cpa.com](http://www.bkc-cpa.com)

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## **Independent Auditors' Report**

Honorable President and  
Members of the Board of Education  
Sparta Township Public School District  
Sparta, New Jersey

### Report on the Financial Statements

#### Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Sparta Township School District (the District) in the County of Sussex, as of and for the year ended June 30, 2024, and the related Notes to the Financial Statements, which collectively comprise the District's Basic Financial Statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedules, Schedules Related to Accounting and Reporting for Pensions, and Schedules Related to Accounting and Reporting for Other Postemployment Employee Benefits listed in the Table of Contents be presented to supplement the Basic Financial Statements. Such information is the responsibility of Management and, although not a part of the Basic Financial Statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the Basic Financial Statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of Management about the methods of preparing the information and comparing the information for consistency with Management's responses to our inquiries, the Basic Financial Statements, and other knowledge we obtained during our audit of the Basic Financial Statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's Basic Financial Statements. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* and Schedule of Expenditures of State Financial Assistance required by New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are also presented for purposes of additional analysis not a required part of the Basic Financial Statements.

Such information is 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. The information has been subjected to the auditing procedures applied in the audit of the Basic Financial Statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the Basic Financial Statements or to the Basic Financial Statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards, and Schedule of Expenditures of State Financial Assistance are fairly stated, in all material respects, in relation to the Basic Financial Statements as a whole.

### Other Information

Management is responsible for the Other Information included in the annual report. The Other Information comprises the Introductory, Combining and Individual Non-Major Fund Financial Schedules and Statistical Sections but does not include the Basic Financial Statements and our auditors' report thereon. Our opinion on the Basic Financial Statements do not cover the Other Information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 District's internal control over financial reporting and compliance.



BKC, CPAs, PC



Michael Holk, CPA, PSA  
NO. 20CS00265600

December 19, 2024  
Flemington, New Jersey



## **REQUIRED SUPPLEMENTARY INFORMATION - PART I**

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2024**  
**Unaudited**

The discussion and analysis of Sparta Township Public School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the Basic Financial Statements and Notes to the Financial Statements to enhance their understanding of the School District's financial performance.

**Financial Highlights**

**Key financial highlights for 2024 are as follows:**

- In total, net position increased \$6,598,018 which represents a 54.82% increase from fiscal year 2023.
- General revenues accounted for \$105,903,692 in revenue or 89.89% of total revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$11,908,641 or 10.11% to total revenues of \$117,812,333.
- Total assets of governmental activities increased by \$30,438 as cash and cash equivalents decreased by \$1,212,997, receivables increased by \$363,914 and capital assets increased by \$879,521.
- The School District had \$111,214,315 in expenses; only \$11,908,641 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily property taxes) of \$105,903,692 were adequate to provide for these programs.
- Among major funds, the general fund had \$91,200,316 in revenues, \$90,515,303 in expenditures and \$250,222 in net other financing uses. The general fund's balance decreased \$434,791 from 2023.

**Using this Annual Comprehensive Financial Report (ACFR)**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Sparta Township Public School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund Financial Statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2024**  
**Unaudited**

The Fund Financial Statements also look at the School District's most significant funds with all other non-major funds presented in total in one column. In the case of Sparta Township Public School District, the general fund is by far the most significant fund.

**Reporting the School District as a Whole**

**Statement of Net Position and the Statement of Activities**

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during 2024?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in position. This change in net position is important because it tells the reader that, for the School District as a whole, the financial positions of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, and some not. No financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the School District reports governmental activities. Governmental activities are the activities where most of the School District's programs and services are reported including, but not limited to, instruction, support services, operation and maintenance of plant facilities, pupil transportation and extracurricular activities.

**Reporting the School District's Most Significant Funds**

**Fund Financial Statements**

Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multitude of financial transactions. However, these Fund Financial Statements focus on the School District's most significant funds. The School District's major governmental funds are the general fund, special revenue fund, capital projects fund and debt service fund.

**Governmental Funds**

The School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future years.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2024**  
**Unaudited**

These funds measure and report the operating results by measuring cash on hand and other assets that can be easily converted to cash. The governmental fund statements provide a detailed short-term view of the School District's general government operations and the basic services it provided.

Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**The School District as a Whole**

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position at June 30, 2024 compared to June 30, 2023.

**Table 1**  
**Net Position**

	06/30/2024	Restated 06/30/2023	Variance	
			Dollars	Percent
Assets				
Current & other assets	\$ 11,561,648	\$ 12,243,999	\$ (682,351)	-5.57%
Capital assets	71,070,933	70,207,440	863,493	1.23%
Total assets	82,632,581	82,451,439	181,142	0.22%
Deferred outflows of resources				
Deferred amount of pension activity	1,628,194	1,086,771	541,423	49.82%
Deferred amount of bond refunding	6,228,526	6,747,570	(519,044)	-7.69%
Total deferred outflow of resources	7,856,720	7,834,341	22,379	2.86%
Liabilities				
Long-term liabilities	68,070,818	73,686,550	(5,615,732)	-7.62%
Other liabilities	2,268,620	1,700,505	568,115	33.41%
Total liabilities	70,339,438	75,387,055	(5,047,617)	-6.70%
Deferred pension activity				
Total deferred inflow of resources	1,515,985	2,862,865	(1,346,880)	-47.05%
Net position				
Net investment in capital assets	21,837,780	16,141,223	5,696,557	35.29%
Restricted	3,174,412	6,202,965	(3,028,553)	-48.82%
Unrestricted	(6,378,314)	(10,308,328)	3,930,014	38.12%
Total net position	\$ 18,633,878	\$ 12,035,860	\$ 6,598,018	54.82%

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2024**  
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Total assets increased \$1,184,142. Cash and cash equivalents decreased by \$1,046,842, receivables and other assets increased by \$364,491, and capital assets increased by \$863,493. Unrestricted net position, the part of net position that can be used to finance day to day activities without constraints established by grants or legal requirements, of the School District, increased by \$3,930,014.

The negative balance in unrestricted net position is the result of reporting required by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

Table 2 shows the changes in net position for fiscal year ended June 30, 2024 compared to June 30, 2023.

**Table 2**  
**Changes in Net Position**

	06/30/2024	06/30/2023	Variance	
			Dollars	Percent
Revenues				
Program revenues				
Changes for services	\$ 7,478,606	\$ 8,488,642	\$ (1,010,036)	-11.90%
Operating grants	4,430,035	2,927,057	1,502,978	51.35%
General revenues				
Property taxes	70,783,554	67,097,572	3,685,982	5.49%
Unrestricted grants	32,786,979	28,313,752	4,473,227	15.80%
Other	2,333,159	413,312	1,919,847	464.50%
Total revenues	117,812,333	107,240,335	10,571,998	9.86%
Program expenses				
Instruction				
Regular	47,425,826	42,538,529	4,887,297	11.49%
Special	12,902,705	12,287,274	615,431	5.01%
Other Special	468,447	1,580,703	(1,112,256)	-70.36%
Other	5,946,290	5,559,991	386,299	6.95%
Support services				
Tuition	2,868,733	2,727,529	141,204	5.18%
Student & instructional related services	17,911,901	17,055,709	856,192	5.02%
General & business administration	2,222,551	2,105,902	116,649	5.54%
School administration	5,306,625	5,232,907	73,718	1.41%
Plant operations & maintenance	7,096,726	7,110,163	(13,437)	-0.19%
Transportation	6,162,029	6,639,883	(477,854)	-7.20%
Transfer to charter school	509,572	269,800	239,772	88.87%
Food service	1,287,168	1,174,456	112,712	9.60%
Interest on long term debt	1,105,742	1,383,794	(278,052)	-20.09%
Total expenses	111,214,315	105,666,640	5,547,675	5.25%
Change in net position	\$ 6,598,018	\$ 1,573,695	\$ 5,024,323	319.27%

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
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**Unaudited**

**Governmental Activities**

The unique nature of property taxes in New Jersey creates the need to routinely seek voter approval for the School District operations. Property taxes made up 60.82% of revenues for governmental activities for the Sparta Township Public School District for fiscal year 2024.

Instruction comprises 60.01% of the District's expenses. Support service expenses and interest on debt make up 39.99% of the expenses.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 show the total cost of services and the net cost of services for 2024 and 2023. That is, it identifies the cost of these services supported by tax revenue and unrestricted state entitlements.

Table 3 provides a summary of the School District's cost of governmental services in fiscal year ending June 30, 2024 compared to June 30, 2023.

**Table 3**  
**Cost of Governmental Services**

	Total Cost of Services		Net Cost of Services	
	06/30/2024	06/30/2023	06/30/2024	06/30/2023
Instruction	\$ 66,743,268	\$ 61,966,497	\$ 61,309,969	\$ 56,564,094
Support services				
Tuition	2,868,733	2,727,529	1,777,515	2,058,424
Student & instructional staff	17,911,901	17,055,709	15,002,771	14,189,085
General & business administration	2,222,551	2,105,902	2,085,885	1,998,942
School administration	5,306,625	5,232,907	5,033,294	4,978,877
Plant operations & maintenance	7,096,726	7,110,163	6,620,958	6,605,198
Pupil transportation	6,162,029	6,639,883	6,012,619	6,392,538
Transfer to charter school	509,572	269,800	509,572	269,800
Food services	1,287,168	1,174,456	(152,651)	(189,811)
Interest on long-term debt	1,105,742	1,383,794	1,105,742	1,383,794
Total expenses	<u>\$ 111,214,315</u>	<u>\$ 105,666,640</u>	<u>\$ 99,305,674</u>	<u>\$ 94,250,941</u>

Instructional expenses include activities dealing directly with the teaching of pupils and the interaction between teacher and student.

Pupils and instructional staff include the activities involved with assisting staff with the content and process of teaching to students.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
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General administration, school administration and business administration include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of facilities activities involve keeping the school grounds, buildings and equipment in a safe and effective working condition.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by state law.

Interest and fiscal charges involve the transactions associated with the payment of interest and other related charges to debt of the School District.

The dependence upon tax revenues is apparent. For all activities general revenue support is 89.89%. The community, as a whole, is the primary support or funding source for the Sparta Township Public School District.

#### **The School District's Funds**

Information about the School District's major funds starts in the section entitled Fund Financial Statements. These funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$101,097,703, expenditures of \$104,591,601 and other financing sources of \$200,859. The change in fund balance for the year was most significant in the capital projects fund, reflecting a decrease of \$3,696,905.

#### **General Fund Budgeting Highlights**

The School District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the general fund.

During the course of the fiscal year 2024, the School District amended its general fund budget as needed.

The School District uses program-based budgeting. The budgeting systems are designed to tightly control total program budgets but provide the flexibility for program management.

For the general fund, budgetary basis revenues and other financing sources were \$73,260,749, \$744,593 over original budgeted estimates of \$72,516,156.

The general fund revenues of the School District were more than expenditures and net other financing uses by \$639,227. The financial position of the School District highlights the dependency on the tax levy as well as the limitations of the 2% cap.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
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**Capital Assets**

At the end of the fiscal year 2024, the School District had \$71,070,933 invested in land, building, furniture and equipment. Table 4 provides a summary of the School District's capital assets net of depreciation for the fiscal year ended June 30, 2024 compared to June 30, 2023.

**Table 4**  
**Capital Assets at Year-end (Net of Depreciation)**

	06/30/2024	Restated 06/30/2023	Variance	
			Dollars	Percent
Land	\$ 649,333	\$ 649,333	\$ -	0.00%
Construction in progress	-	2,133,063	(2,133,063)	-100.00%
Land improvements	7,110,028	7,617,193	(507,165)	-6.66%
Building & improvements	60,746,929	56,648,348	4,098,581	7.24%
Furniture & equipment	2,564,643	3,159,503	(594,860)	-18.83%
	<u>\$ 71,070,933</u>	<u>\$ 70,207,440</u>	<u>\$ 863,493</u>	1.23%

Overall capital assets increased by \$863,493 from fiscal year 2023 to fiscal year 2024. Increases in capital assets were offset by depreciation expenses for the year.

**Long-term liabilities**

At June 30, 2024, the School District had \$68,070,818 in long-term liabilities. This amount is detailed in Table 5 below for June 30, 2024 compared to June 30, 2023.

**Table 5**  
**Long-term Liabilities**

	06/30/2024	06/30/2023	Variance	
			Dollars	Percent
General obligation bonds payable	\$ 44,210,000	\$ 48,715,000	\$ (4,505,000)	-9.25%
Unamortized bond premiums	3,814,144	4,131,989	(317,845)	-7.69%
Compensated absences liability	1,089,815	1,158,004	(68,189)	-5.89%
Leases payable	7,437,535	7,966,798	(529,263)	-6.64%
Net pension liability	11,519,324	11,714,759	(195,435)	-1.67%
	<u>\$ 68,070,818</u>	<u>\$ 73,686,550</u>	<u>\$ (5,615,732)</u>	-7.62%



**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2024**  
**Unaudited**

**For the Future**

Currently, the District is in good financial condition. The District Administration and Sparta Township Board of Education are grateful for the community support of the schools. However, due to an environment in past years' of a reduction in state aid and increased enrollment, there is an increasing reliance on local property taxes to fund school district operations. Future finances will continue to be challenged with legislation that impacts the financial operation of the School District. S1701, adopted by the State of New Jersey on June 17, 2004, forced the District to cut its allowable unassigned general fund balance to 2% at the end of the 2010/2011 school year. This has left the District with very little protection in the event of any significant emergencies. This law also places limits on the District's ability to transfer funds into capital reserve for the construction and maintenance of school facilities, the ability to transfer available fund balance as needed, and the ability to transfer available funds between appropriation accounts, and severely impacts our ability to maintain and improve our facilities. Also, the S2 initiative has placed an estimated reduction in state aid to the District in the amount of about \$1.2 million over a 6-year period.

**Contacting the School District's Financial Management**

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

## **DISTRICT-WIDE FINANCIAL STATEMENTS**

The Statement of Net Position and the Statement of Activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Statement of Net Position**  
**June 30, 2024**

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	\$ 5,575,116	\$ 770,166	\$ 6,345,282
Inventory	-	27,948	27,948
Receivables, net	2,005,307	8,700	2,014,007
Restricted assets			
Capital reserve account - cash	1,691,793	-	1,691,793
Maintenance reserve - cash	861,352	-	861,352
Scholarships - cash	29,798	-	29,798
Student activities - cash	161,136	-	161,136
Unemployment claims - cash	303,629	-	303,629
Capital projects - cash	126,703	-	126,703
Capital assets, net			
Land	649,333	-	649,333
Other capital assets, net of depreciation	70,298,466	123,134	70,421,600
Total assets	<u>81,702,633</u>	<u>929,948</u>	<u>82,632,581</u>
Deferred outflows of resources			
Deferred amount on pension activity	1,628,194	-	1,628,194
Deferred amount on bond refunding	6,228,526	-	6,228,526
	<u>7,856,720</u>	<u>-</u>	<u>7,856,720</u>
Liabilities			
Accounts payable	1,416,887	23	1,416,910
Accrued interest	392,908	-	392,908
Deferred revenue	198,877	43,370	242,247
Payroll deductions and withholdings payable	70,594	-	70,594
Due to state	145,961	-	145,961
Long-term liabilities			
Due within one year	5,593,741	-	5,593,741
Due beyond one year	62,477,077	-	62,477,077
Total liabilities	<u>70,296,045</u>	<u>43,393</u>	<u>70,339,438</u>
Deferred inflows of resources			
Deferred amount on pension liability	<u>1,515,985</u>	<u>-</u>	<u>1,515,985</u>

See accompanying notes to the financial statements.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Statement of Net Position (continued)**  
**June 30, 2024**

	Governmental Activities	Business-Type Activities	Total
Net position			
Net investment in capital assets	\$ 21,714,646	\$ 123,134	\$ 21,837,780
Restricted for			
Capital reserve	1,691,793	-	1,691,793
Maintenance reserve	861,352	-	861,352
Unemployment claims	303,629	-	303,629
Scholarships	29,798	-	29,798
Student Activities	161,137	-	161,137
Capital projects	126,703	-	126,703
Unrestricted	(7,141,735)	763,421	(6,378,314)
Total net position	<u>\$ 17,747,323</u>	<u>\$ 886,555</u>	<u>\$ 18,633,878</u>

See accompanying notes to the financial statements.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Statement of Activities**  
**For the Year Ended June 30, 2024**

Functions/Programs	Direct Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue & Changes in Net Position		
			Charges for Services	Operating Grants & Contribution	Capital Grants & Contribution	Governmental Activities	Business- Type Activities	Total
Governmental activities								
Instruction								
Regular	\$ 23,625,013	\$ 23,800,813	\$ 2,875,923	\$1,207,441	\$ -	\$ (43,342,462)	\$ -	\$ (43,342,462)
Special education	6,679,026	6,223,679	808,110	71,789	-	(12,022,806)	-	(12,022,806)
Other special education	260,374	208,073	23,768	83,807	-	(360,872)	-	(360,872)
Other instruction	3,004,507	2,941,783	362,461	-	-	(5,583,829)	-	(5,583,829)
Support services								
Tuition	2,868,733	-	-	1,091,218	-	(1,777,515)	-	(1,777,515)
Students and instruction related services	10,052,241	7,859,660	1,424,641	1,484,489	-	(15,002,771)	-	(15,002,771)
General and business administration services	1,402,945	819,606	136,666	-	-	(2,085,885)	-	(2,085,885)
School administration services	3,222,196	2,084,429	273,331	-	-	(5,033,294)	-	(5,033,294)
Plant operations and maintenance	6,049,489	1,047,237	418,561	57,207	-	(6,620,958)	-	(6,620,958)
Pupil transportation	5,601,473	560,556	106,956	42,454	-	(6,012,619)	-	(6,012,619)
Transfer to charter schools	509,572	-	-	-	-	(509,572)	-	(509,572)
Interest on long-term debt	1,105,742	-	-	-	-	(1,105,742)	-	(1,105,742)
Total governmental activities	<u>64,381,311</u>	<u>45,545,836</u>	<u>6,430,417</u>	<u>4,038,405</u>	<u>-</u>	<u>(99,458,325)</u>	<u>-</u>	<u>(99,458,325)</u>
Business-type activities								
Food service	1,287,168	-	1,048,189	391,630	-	-	152,651	152,651
Total business-type activities	<u>1,287,168</u>	<u>-</u>	<u>1,048,189</u>	<u>391,630</u>	<u>-</u>	<u>-</u>	<u>152,651</u>	<u>152,651</u>
Total primary government	<u>\$ 65,668,479</u>	<u>\$ 45,545,836</u>	<u>\$ 7,478,606</u>	<u>\$4,430,035</u>	<u>\$ -</u>	<u>(99,458,325)</u>	<u>152,651</u>	<u>(99,305,674)</u>
General revenues, special items and transfers								
Property taxes levied for general purposes						65,905,038	-	65,905,038
Property taxes levied for debt service						4,878,516	-	4,878,516
Federal and state aid not restricted						32,786,979	-	32,786,979
Investment earnings						458,577	-	458,577
Miscellaneous income						1,874,582	-	1,874,582
Total general revenues, special items and transfers						<u>105,903,692</u>	<u>-</u>	<u>105,903,692</u>
Change in net position						6,445,367	152,651	6,598,018
Net position - beginning (as restated)						11,301,956	733,904	12,035,860
Net position - ending						<u>\$ 17,747,323</u>	<u>\$ 886,555</u>	<u>\$ 18,633,878</u>

See accompanying notes to the financial statements.

## **FUND FINANCIAL STATEMENTS**

The individual fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Governmental Funds**  
**Balance Sheet**  
**June 30, 2024**

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 3,748,473	\$ -	\$ -	\$ -	\$ 3,748,473
Due from other funds	275,199	55,051	-	-	330,250
Receivables from other governments					
State	1,052,569	2,147	-	-	1,054,716
Federal	-	553,835	-	-	553,835
Local	22,533	-	-	-	22,533
Other accounts receivable	362,117	12,106	-	-	374,223
Restricted cash and cash equivalents	2,856,774	190,934	126,703	-	3,174,411
<b>Total assets</b>	<u><u>\$ 8,317,665</u></u>	<u><u>\$ 814,073</u></u>	<u><u>\$ 126,703</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 9,258,441</u></u>
<b>Liabilities and fund balances</b>					
<b>Liabilities</b>					
Due to other funds	\$ 55,051	\$ 275,199	\$ -	\$ -	\$ 330,250
Accounts payable	1,413,786	3,101	-	-	1,416,887
Payroll deductions and withholdings payable	70,594	-	-	-	70,594
Deferred revenues	-	198,877	-	-	198,877
Due to state	-	145,961	-	-	145,961
<b>Total liabilities</b>	<u><u>1,539,431</u></u>	<u><u>623,138</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>2,162,569</u></u>

See accompanying notes to the financial statements.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Governmental Funds**  
**Balance Sheet (continued)**  
**June 30, 2024**

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
Liabilities and fund balances					
Fund balances					
Restricted fund balance					
Excess surplus - designated for subsequent year's expenditures	\$ 570,003	\$ -	\$ -	\$ -	\$ 570,003
Excess surplus - current year	798,139	-	-	-	798,139
Capital reserve	1,691,793	-	-	-	1,691,793
Maintenance reserve	861,352	-	-	-	861,352
Unemployment claims	303,629	-	-	-	303,629
Scholarship	-	29,798	-	-	29,798
Student activities	-	161,137	-	-	161,137
Capital projects	-	-	126,703	-	126,703
Committed fund balance					
Year-end encumbrances	557,900	-	-	-	557,900
Assigned fund balance					
Designated for subsequent year's expenditures	699,997	-	-	-	699,997
Unassigned fund balance	1,295,421	-	-	-	1,295,421
Total fund balances	<u>6,778,234</u>	<u>190,935</u>	<u>126,703</u>	<u>-</u>	<u>7,095,872</u>
Total liabilities and fund balances	<u>\$ 8,317,665</u>	<u>\$ 814,073</u>	<u>\$ 126,703</u>	<u>\$ -</u>	

Amounts reported for governmental activities in the  
Statement of Net Position (A-1) are different because:

Capital assets used in government activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$138,836,561 and the accumulated depreciation is \$67,888,762.	70,947,799
Deferred outflows and inflows of resources related are applicable to future periods and, therefore, are not reported in the funds.	6,340,735
Self-insured health benefits funds are used by the District to charge the costs of health benefits. The assets and liabilities of the self-insured health benefits fund are included with governmental activities.	1,826,643
Long-term liabilities, including bonds payable and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(68,070,818)
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	<u>(392,908)</u>
Total net position of governmental activities	<u>\$ 17,747,323</u>

See accompanying notes to the financial statements.



**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Governmental Funds**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Fiscal Year Ended June 30, 2024**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Revenues					
Local sources					
Local tax levy	\$ 65,905,038	\$ -	\$ -	\$ 4,878,516	\$ 70,783,554
Interest on investments	438,521	-	2,269	-	440,790
Rent and royalties	91,752	-	-	-	91,752
Miscellaneous	121,824	506,621	-	-	628,445
Total local sources	66,557,135	506,621	2,269	4,878,516	71,944,541
Federal sources	13,256	2,185,366	-	-	2,198,622
State sources	24,629,925	1,743,095	-	581,520	26,954,540
Total revenues	91,200,316	4,435,082	2,269	5,460,036	101,097,703
Expenditures					
Current					
Instructional					
Regular instruction	22,459,763	1,385,381	-	-	23,845,144
Special education instruction	6,607,237	71,789	-	-	6,679,026
Other special instruction	172,130	88,244	-	-	260,374
Other instruction	3,004,507	-	-	-	3,004,507
Support service and undistributed costs					
Tuition	1,777,515	1,091,218	-	-	2,868,733
Student and instruction related services	7,963,764	2,088,477	-	-	10,052,241
General and business administrative services	1,402,945	-	-	-	1,402,945
School administrative services	3,222,196	-	-	-	3,222,196
Plant operations and maintenance	6,421,832	69,355	-	-	6,491,187
Pupil transportation	5,669,766	-	-	-	5,669,766
Unallocated benefits	29,558,088	122,624	-	-	29,680,712

See accompanying notes to the financial statements.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Governmental Funds**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances (continued)**  
**For the Fiscal Year Ended June 30, 2024**

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Expenditures (cont'd)					
Capital outlay	\$ 1,731,225	\$ -	\$ 3,699,174	\$ -	\$ 5,430,399
Transfer to charter schools	509,572	-	-	-	509,572
Debt service					
Principal	-	-	-	4,505,000	4,505,000
Interest & other charges	14,763	-	-	955,036	969,799
Total expenditures	<u>90,515,303</u>	<u>4,917,088</u>	<u>3,699,174</u>	<u>5,460,036</u>	<u>104,591,601</u>
Excess (deficit) of revenues over (under) expenditures	685,013	(482,006)	(3,696,905)	-	(3,493,898)
Other financing sources (uses)					
Lease purchase	200,859	-	-	-	200,859
Transfers in (out)	<u>(451,081)</u>	<u>451,081</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(250,222)</u>	<u>451,081</u>	<u>-</u>	<u>-</u>	<u>200,859</u>
Net change in fund balance	434,791	(30,925)	(3,696,905)	-	(3,293,039)
Fund balances, July 1	<u>6,343,443</u>	<u>221,860</u>	<u>3,823,608</u>	<u>-</u>	<u>10,388,911</u>
Fund balances, June 30	<u><u>\$ 6,778,234</u></u>	<u><u>\$ 190,935</u></u>	<u><u>\$ 126,703</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 7,095,872</u></u>

See accompanying notes to the financial statements.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances of Governmental Funds to the Statement of Activities**  
**For the Fiscal Year Ended June 30, For the Fiscal Year Ended June 30, 2024**

Total net changes in fund balances - governmental fund (from B-2) \$ (3,293,039)

Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expenses. This is the amount by which capital outlays exceeds depreciation in the period:

Capital outlays	\$ 5,430,399	
Depreciation expense	<u>(4,550,878)</u>	879,521

Repayment of debt principal and leases are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position and are not reported in the Statement of Activities:

Lease payments	730,122	
Debt principal payments	<u>4,505,000</u>	5,235,122

Governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities:

Amortization of bond premium		317,845
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In the Statement of Activities, interest on long-term debt is accrued regardless of when due. In the governmental funds interest is reported when due. The accrued interest is a reconciling item.

65,256

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes**  
**in Fund Balances of Governmental Funds to the Statement of Activities (continued)**  
**For the Fiscal Year Ended June 30, For the Fiscal Year Ended June 30, 2024**

Governmental funds report lease proceeds as financing sources whereas issuing debt increased long-term liabilities in the government-wide statements. \$ (200,859)

Governmental funds report district pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense. 2,083,738

In the Statement of Activities, deferred outflows and inflows from a refunding issues is amortized over the remaining life of the old or new debt, whichever is shorter. (519,044)

The activities of the self-insured health benefits fund are not recognized in the governmental funds but are included as governmental activities in the Statement of Activities. 1,808,638

In the Statement of Activities, compensated absences and early retirement benefits are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation. 68,189

Change in net position of governmental activities \$ 6,445,367

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Proprietary Funds**  
**Combining Statement of Net Position**  
**June 30, June 30, 2024**

		Governmental Activities	
	Enterprise Fund	Internal Service Fund	
	Food Service Fund	Self-Insured Health Benefits	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 770,166	\$ 1,826,643	\$ 2,596,809
Receivables from other governments			
State	906	-	906
Federal	7,794	-	7,794
Inventory	27,948	-	27,948
Total current assets	<u>806,814</u>	<u>1,826,643</u>	<u>2,633,457</u>
Noncurrent assets			
Capital assets	755,744	-	755,744
Less: accumulated depreciation	632,610	-	632,610
Total noncurrent assets	<u>123,134</u>	<u>-</u>	<u>123,134</u>
Total assets	<u>929,948</u>	<u>1,826,643</u>	<u>2,756,591</u>
Liabilities			
Current liabilities			
Unearned revenues - commodities	3,585	-	3,585
Unearned revenues - prepaid sales	39,785	-	39,785
Accounts payable	23	-	23
Total liabilities	<u>43,393</u>	<u>-</u>	<u>43,393</u>
Net position			
Net investment in capital assets	123,134	-	123,134
Unrestricted	763,421	1,826,643	2,590,064
Total net position	<u>\$ 886,555</u>	<u>\$ 1,826,643</u>	<u>\$ 2,713,198</u>

See accompanying notes to the financial statements.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Proprietary Funds**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Year Ended June 30, For the Year Ended June 30, 2024**

	Enterprise Fund	Governmental Activities Internal Service Fund Self-Insured Health Benefits	Total
	Food Service Fund		
Operating revenues			
Charges for services			
Daily sales - reimbursable programs	\$ 692,280	\$ -	\$ 692,280
Daily sales - non-reimbursable programs	355,909	-	355,909
Services provided by other funds	-	5,941,988	5,941,988
Total operating revenues	<u>1,048,189</u>	<u>5,941,988</u>	<u>6,990,177</u>
Operating expenses			
Cost of sales - reimbursable programs	356,722	-	356,722
Cost of sales - nonreimbursable programs	137,519	-	137,519
Commodity food costs	135,306	-	135,306
Salaries	414,179	-	414,179
Supports services - employee benefits	59,938	5,903,895	5,963,833
Purchased professional / technical services	3,305	-	3,305
Purchased property services	4,464	-	4,464
Other purchased services			
Insurance	64,252	-	64,252
Management fee	50,000	-	50,000
Supplies and materials	40,849	-	40,849
Depreciation	20,613	-	20,613
Miscellaneous expenditures	21	-	21
Total operating expenses	<u>1,287,168</u>	<u>5,903,895</u>	<u>7,191,063</u>
Operating income (loss)	<u>(238,979)</u>	<u>38,093</u>	<u>(200,886)</u>
Non-operating revenues (expenses)			
State sources			
State school lunch program	18,438	-	18,438
Federal sources			
National school lunch program			
Cash assistance	153,938	-	153,938
Non-cash assistance (commodities)	135,306	-	135,306
National school breakfast program	5,377	-	5,377
Supply chain assistance	77,918	-	77,918
P-EBT	653	-	653
Other sources			
Interest earned on investments	-	17,787	17,787
Self-Insurance Stop-Loss	-	1,752,758	1,752,758
Total non-operating revenues (expenses)	<u>391,630</u>	<u>1,770,545</u>	<u>2,162,175</u>
Change in net position	152,651	1,808,638	1,961,289
Net position, beginning (as restated)	<u>733,904</u>	<u>18,005</u>	<u>751,909</u>
Net position, ending	<u>\$ 886,555</u>	<u>\$ 1,826,643</u>	<u>\$ 2,713,198</u>

See accompanying notes to the financial statements.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Proprietary Funds**  
**Combining Statement of Cash Flows**  
**For the Year Ended June 30, For the Year Ended June 30, 2024**

	Enterprise Fund	Governmental Activities	
	Food Service Fund	Internal Service Fund Self-Insured Health Benefits	Total
Cash flows from operating activities			
Receipts from customers	\$ 1,048,119	\$ -	\$ 1,048,119
Receipts from services provided	-	5,941,988	5,941,988
Payments to Food Service Management Company	(1,105,385)	-	(1,105,385)
Payments for insurance claims	-	(5,903,895)	(5,903,895)
Payments to vendors (net)	(34,598)	-	(34,598)
Net cash provided by (used for) operating activities	(91,864)	38,093	(53,771)
Cash flows from non-capital financing activities			
State sources	18,410	-	18,410
Federal sources	244,194	-	244,194
Self-Insurance Stop-Loss	-	1,752,758	1,752,758
Net cash provided by (used for) non-capital financing activities	262,604	1,752,758	2,015,362
Cash flows from investing activities			
Interest earned on investments	-	17,787	17,787
Net cash provided by (used for) investing activities	-	17,787	17,787
Cash flows from capital financing activities			
Acquisition of equipment	(4,585)	-	(4,585)
Net cash provided by (used for) financing activities	(4,585)	-	(4,585)
Net increase (decrease) in cash and cash equivalents	166,155	1,808,638	1,974,793
Cash and cash equivalents, beginning	604,011	18,005	622,016
Cash and cash equivalents, ending	\$ 770,166	\$ 1,826,643	\$ 2,596,809
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities			
Operating activities			
Operating income (loss)	\$ (238,979)	\$ 38,093	\$ (200,886)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities			
Depreciation	20,613	-	20,613
Federal food donation program	135,306	-	135,306
Increase (decrease) in accounts payable	(179)	-	(179)
(Increase) decrease in inventory	(6,857)	-	(6,857)
Increase (decrease) in unearned revenue	(1,768)	-	(1,768)
Net cash provided by (used for) operating activities	\$ (91,864)	\$ 38,093	\$ (53,771)

See accompanying notes to the financial statements.

## **NOTES TO THE FINANCIAL STATEMENTS**



**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies

The financial statements of the Sparta Township Public School District (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local Governmental Units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below.

The Basic Financial Statements include:

A Management's Discussion and Analysis (MD&A) providing an analysis of the District's over-all financial position and results of operations.

Basic Financial Statements prepared using full-accrual accounting for all of the District's activities.

A. Reporting entity

The District is a Type II district located in the County of Sussex, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year-terms. The purpose of the District is to educate students in Grades K-12. The District serves the Township of Sparta. The District had an approximate enrollment at June 30, 2024 of 3,255 students.

The primary criterion for including activities within the District's reporting entity as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

1. The Organization is legally separate (can sue or be sued in their own name).
2. The District holds the corporate powers of the Organization.
3. The District appoints a voting majority of the Organization's board.
4. The District is able to impose its will on the Organization.
5. The Organization has the potential to impose a financial benefit/burden on the District.
6. There is a fiscal dependency by the Organization on the District.

Based on the aforementioned criteria, the District has no component units.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies (continued)

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The District has elected to treat all of its governmental funds as major funds and they are reported as separate columns in the Fund Financial Statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary Fund Financial Statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Fund Financial Statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, early retirement, arbitrage rebates, and postemployment healthcare benefits, are recorded only when payment is due.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

Property taxes, tuition and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. As under New Jersey State Statute, a municipality is required to remit to its school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive monies under the established payment schedule and the unpaid amount is considered to be accounts receivable. All other revenue items are considered to be measurable and available only when the District receives cash.

Amounts reported as program revenues include 1) charges to students for tuition, fees, rental, material, supplies, or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, and unrestricted state aid.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted, as they are needed.

The District reports the following major governmental funds:

*General Fund* - The general fund is the general operating fund of the District and is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment, which are classified in the capital outlay sub-fund.

As required by the New Jersey State Department of Education, the District includes budgeted capital outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to current expense by Board Resolution.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)

As a result of implementing GASB Statement No. 84, *Fiduciary Activities*, amounts maintained for unemployment claims and payroll withholdings for employee salary deductions are included in the general fund. Amounts maintained for unemployment claims are used to account for the portion of employee deductions for unemployment compensation required to be deposited and accumulated for future unemployment claims under the Benefit Reimbursement Method.

*Special Revenue Fund* - The District accounts for the proceeds of specific revenue sources from State and Federal Government (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted to expenditures for specified purposes in the special revenue fund. As a result of implementing GASB Statement No. 84, *Fiduciary Activities*, amounts maintained for student activities and private purpose scholarships are included in the special revenue fund. The amounts are considered to be restricted and available to use for specific expenditures. Amounts maintained for student activities are derived from athletic events or other activities of pupil organizations and accumulated for payment of student group activities. Amounts maintained for private purpose scholarship accounts are utilized for scholarship awards to qualifying students.

*Capital Projects Fund* - The capital projects fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

*Debt Service Fund* - The debt service fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

Additionally, the District reports the following fund types:

Proprietary fund types

*Proprietary Fund* - The focus of proprietary fund measurement is upon determination of net income, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the District:

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies (continued)

C. Measurement focus, basis of accounting, and financial statement presentation (continued)  
Proprietary fund types (continued)

*Enterprise Fund* - The enterprise fund is utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges; or, where the District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

The District's enterprise fund is comprised of the food service fund.

*Internal Service Fund* - The internal service fund is utilized to charge costs for certain activities to individual funds or other governmental entities

The District's internal service fund is comprised of the self-insured health benefits fund which is utilized to charge costs for health benefits insurance.

All proprietary funds are accounted for on a current financial resource's measurement focus. This means that all assets and liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (total net position) segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Equipment	12 - 20 Years
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Fiduciary fund types

The District does not have funds that meet the criteria of a fiduciary fund as defined by GASB Statement No. 84, *Fiduciary Activities*.

D. Budgets/budgetary control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the County office and, if necessary, are voted upon at the annual school election in November. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line-item accounts within each fund. Line-item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum Chart of Accounts referenced in N.J.A.C. 6:23-16.2(f)1. All budget amendments must be approved by School Board Resolution.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies (continued)

D. Budgets/budgetary control (continued)

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

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

E. Encumbrances

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

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

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

F. Tuition receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

G. Tuition payable

Tuition charges for the fiscal year 2023-2024 are based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Short-term interfund receivable and payables

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

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies (continued)

I. Inventories and prepaid items

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. The commodities inventory value at Balance Sheet date is reported as unearned revenue as title does not pass to the school district until the commodities are used. Prepaid items in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2024.

J. Capital assets

Capital assets, which include land, land improvements, buildings and improvements, vehicles and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

All reported capital assets, except for land and construction in progress, of the District are depreciated using the straight-line method over the following estimated lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Building improvements & portable classroom	20 - 50
Land improvements	20
Furniture	20
Maintenance equipment	15
Musical instruments	10
Athletic equipment	10
Audio visual equipment	10
Office equipment	5 - 10
Computer equipment	5 - 10

K. Compensated absences

The District accounts for compensated absences (e.g., unused vacation and sick leave) as directed by GASB Statement No. 16, *Accounting for Compensated Absences*. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies (continued)

K. Compensated absences (continued)

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

The liability for compensated absences was accrued using the vesting method, whereby the liability is calculated by vesting balances as of the Balance Sheet date for which a payment is probable. Salary related payments for the employer's share of Social Security and Medicare taxes are included.

For the government-wide statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, in the Fund Financial Statements, all of the compensated absences are considered long-term and therefore are not a fund liability. This represents a reconciling item between the fund and government-wide presentations.

L. Unearned revenue

Unearned revenue in the general fund and special revenue fund represents cash, which has been received but not yet earned. See Note 1 (E) regarding the special revenue fund.

Unearned revenue in the enterprise fund includes United States government commodity inventories at year-end. The aid revenue associated with this commodity inventory is deferred until it is used in the operations of the food service fund. Prepaid lunch debit card revenue balances at year-end are also included in unearned revenue.

M. Long-term obligations

In the government-wide financial statements and in internal service fund types in the Fund Financial Statements, long-term debt and other long-term obligations are reported as liabilities in the applicable Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method.

In the Fund Financial Statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses.



**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies (continued)

N. Net position

Net position represents the difference between the sum of assets and deferred outflows of resources, and the sum of liabilities and deferred inflows of resources. Net position is classified into the following three components:

- Net investment in capital assets - This component represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for the acquisition, construction, or improvement of those assets.
- Restricted - Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by credits, grantors, or laws or regulations of their governments.
- Unrestricted - Net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

O. Fund balances - governmental funds

In the Fund Financial Statements, governmental funds report the following classifications of fund balance:

- Non-spendable - includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.
- Restricted - includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.
- Committed - includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision-making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.
- Assigned - includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 1 - Summary of significant accounting policies (continued)

O. Fund balances - governmental funds (continued)

- Unassigned - includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the general fund. The District reports all amounts that meet the unrestricted general fund balance policy described below as unassigned:

When expenditure is incurred for purposes which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

P. Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires Management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results could differ from those estimates.

Q. Allocation of indirect expenses

Certain expenses, which have not been charged to a specific function in the District's Fund Financial statements, have been allocated to the functions for the government-wide statements. Employee benefits, on-behalf TPAF Pension contributions, reimbursed TPAF Social Security contributions and compensated absences accruals have been allocated based on salaries by function. Depreciation expense which was not specifically identified by function has been allocated based on the current year expenses by function.

R. Deferred outflows/inflows of resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Currently, the District has three items that qualify for reporting in this category, deferred amount on pension activity, bond premium, and loss on refunding long-term debt. In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has two items that qualify for reporting in this category, deferred amount on pension activity and gain on refunding long-term debt.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 2 - Tax assessments and property taxes

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners.

Upon the filing of certified adopted budgets by the Municipality, the Municipality's local school districts, and the County, the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provision for the assessment of property, levying of taxes and the collection thereof are set forth in N.J.S.A. 54:4 et seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special districts.

Tax bills are mailed annually in June. The taxes are due August 1 and November 1, respectively, and are adjusted to reflect the current fiscal year's total tax liability. The preliminary taxes due February 1 and May 1 of the succeeding fiscal year are based upon one-half of the current year's total tax.

School taxes are guaranteed, as to amount of collection, by the Municipality (the collection agency) and are transmitted to the School District in accordance with the Schedule of Tax Installments as certified by the School District's Board of Education on an annual basis.

Note 3 - Deposits and cash equivalents and investments

Cash and cash equivalents include petty cash, change funds, and cash in banks.

New Jersey Governmental Units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey Governmental Units. In addition, other state statutes permit investments in obligations issued by local authorities and other state agencies. The State of New Jersey does not place any limit on the amount that the District may invest with any one issuer.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Notes to the Financial Statements**

**Note 3 - Deposits, cash equivalents, and investments (continued)**

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of Governmental Units. The statute requires that no Governmental Unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include savings and loan institutions, banks (both state and national banks) and saving banks the deposits of which are federally insured.

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits might not be recovered. The District does not have a policy for custodial credit risk. New Jersey statutes require that cash be deposited only in New Jersey based banking institutions that participate in the New Jersey Governmental Unit Deposit Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. Under the act, the first \$250,000 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the District in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds, employee salary withholdings, or funds that may pass to the District relative to the happening of a future condition.

As of June 30, 2024, the District's bank balances were exposed to custodial credit risk as follows:

Insured by the FDIC	\$ 500,000
Insured by GUDPA	10,103,568
Total bank balances	<u>\$ 10,603,568</u>

Deposits at June 30, 2024 appear in the financial statements as summarized below:

	<u>Ref.</u>	
Unrestricted cash		
Governmental funds, Balance Sheet	B-1	\$ 3,748,473
Enterprise funds, Statement of Net Position	B-4	770,166
Self-insured health benefits fund,		
Statement of Net Position	B-4	1,826,643
Restricted cash		
Governmental funds, Balance Sheet	B-1	3,174,411
Total cash		<u>\$ 9,519,693</u>

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 4 - Capital assets

Capital asset activity for the fiscal year ended June 30, 2024 is as follows:

	Beginning Balance (as restated)	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets, not being depreciated or amortized				
Land	\$ 649,333	\$ -	\$ -	\$ 649,333
Construction in progress	2,133,063	5,154,430	7,287,493	-
Total	2,782,396	5,154,430	7,287,493	649,333
Capital assets, being depreciated or amortized				
Site improvements	12,014,292	14,978	-	12,029,270
Building & improvements	107,283,497	7,287,493	-	114,570,990
Machinery, Equipment & vehicles	11,325,977	260,991	-	11,586,968
Total	130,623,766	7,563,462	-	138,187,228
Accumulated depreciation or amortization				
Site improvements	4,397,099	522,144	-	4,919,243
Building & improvements	50,635,149	3,188,911	-	53,824,060
Machinery, equipment & vehicles	8,305,636	839,823	-	9,145,459
Total	63,337,884	4,550,878	-	67,888,762
Total capital assets, being depreciated or amortized, net	67,285,882	3,012,584	-	70,298,466
Transfers	-	(7,287,493)	(7,287,493)	-
Governmental activities capital assets, net	\$ 70,068,278	\$ 879,521	\$ -	70,947,799
	Beginning Balance	Increases	Decreases	Ending Balance
Business type activities				
Furniture & equipment	\$ 751,159	\$ 4,585	\$ -	\$ 755,744
Less: accumulated depreciation	611,997	20,613	-	632,610
Business type activities capital assets, net	\$ 139,162	\$ (16,028)	\$ -	\$ 123,134

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 4 - Capital assets (continued)

Depreciation expense was charged to governmental functions in the current year as follows:

Instruction	
Regular	\$ 2,123,072
Special education	594,673
Other special instruction	23,183
Other instruction	267,509
Support services	
Student & instruction	895,010
General & business administration	124,912
School administration	286,891
Plant maintenance	14,610
Transportation	221,018
Total depreciation expense, governmental activities	<u>\$ 4,550,878</u>

Note 5 - Long-term debt

Long-term liability activity for the fiscal year ended June 30, 2024 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds payable	\$ 48,715,000	\$ -	\$ 4,505,000	\$ 44,210,000	\$ 4,440,000
Compensated absences payable	1,158,004	-	68,189	1,089,815	-
PERS net pension liability	11,714,759	-	195,435	11,519,324	-
Leases Payable	7,966,798	200,859	730,122	7,437,535	835,896
Bond premium	4,131,989	-	317,845	3,814,144	317,845
Total governmental activities long-term liabilities	<u>\$ 73,686,550</u>	<u>\$ 200,859</u>	<u>\$ 5,816,591</u>	<u>\$ 68,070,818</u>	<u>\$ 5,593,741</u>

Payments on the general obligation bonds are made in the debt service fund from property taxes and state aid. The other long-term debts are paid in the current expenditures budget of the District's general fund.

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2024, including interest payments are listed as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 4,440,000	\$ 831,908	\$ 5,271,908
2026	4,530,000	696,309	5,226,309
2027	4,515,000	611,110	5,126,110
2028	3,860,000	545,438	4,405,438
2029	3,760,000	491,861	4,251,861
2030-2034	16,950,000	1,574,361	18,524,361
2035-2036	6,155,000	190,434	6,345,434
Total	<u>\$ 44,210,000</u>	<u>\$ 4,941,421</u>	<u>\$ 49,151,421</u>

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Notes to the Financial Statements**

**Note 5 - Long-term debt (continued)**

*General Obligation Bonds* - General obligation school building bonds payable at June 30, 2024, with their outstanding balances are comprised of the following individual issues:

\$54,355,000 - 2015 refunding school bonds, interest at 2.50%-3.00%, due in annual installments beginning February 15, 2015 to February 15, 2025.	\$ 2,730,000
\$7,830,000 - 2018 refunding school bonds, interest at 5.00%, due in annual installments beginning September 1, 2019 to September 1, 2026.	2,780,000
\$41,405,000 - 2020 refunding school bonds, interest at 0.628%-3.00%, due in annual installments beginning February 15, 2020 to February 15, 2036.	38,700,000
<b>Total</b>	<b>\$ 44,210,000</b>

The general obligation bonded debt of the District is limited by state law to 4% of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2024 is \$156,881,019. General obligation debt at June 30, 2024 is \$44,210,000, resulting in a legal debt margin of \$112,671,019.

*Leases payable* - Leases payable at June 30, 2024, with their outstanding balances are comprised of the following:

<u>Fiscal Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 835,896	\$ 151,980	\$ 987,876
2026	659,775	135,903	795,678
2027	437,729	122,575	560,304
2028	454,976	113,286	568,262
2029	445,364	103,776	549,140
2030-2033	2,504,547	369,402	2,873,949
2034-2038	2,099,248	91,134	2,190,382
<b>Total</b>	<b>\$ 7,437,535</b>	<b>\$ 1,088,056</b>	<b>\$ 8,525,591</b>

\$7,373,783 - Lease commencing 5/3/2022, 2.101% interest, due in annual installments beginning March 22, 2023 to September 22, 2037.	\$ 6,989,574
\$500,000 - Lease commencing 9/1/2021, 0.738% interest, due in annual installments beginning September 21, 2021 to September 1, 2025.	297,401
\$105,366 - Lease commencing 6/1/2021, 1.616% interest, due in annual installments beginning June 1, 2021 to June 1, 2025.	19,701
\$200,859 - Lease commencing 9/7/2023, 4.390% interest, due in annual installments beginning September 7, 2023 to September 7, 2025.	130,859
<b>Total</b>	<b>\$ 7,437,535</b>

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plans

Description of systems

Substantially all of the Board's employees participate in one of the following defined benefit public employee retirement systems which have been established by state statute: The Teachers' Pension and Annuity Fund (TPAF), Public Employees' Retirement System (PERS) and the Defined Contribution Retirement Program (DCRP). The PERS and TPAF systems are sponsored and administered by the State of New Jersey. The DCRP system is administered by Empower for the Division of Pensions and Benefits. The TPAF retirement system is considered a multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Board and the system's other related non-contributing employers.

A. Public Employees' Retirement System (PERS)

Plan description

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's annual financial statements which can be found at [www.state.nj.us/treasury/pensions/annual-reports.shtml](http://www.state.nj.us/treasury/pensions/annual-reports.shtml).

The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after 10 years of service.

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Member Eligibility</u>
1	Enrolled prior to July 1, 2007
2	Enrolled on or after July 1, 2007 and prior to November 2, 2008
3	Enrolled on or after November 2, 2008 and prior to May 22, 2010
4	Enrolled on or after May 22, 2010 and prior to June 28, 2011
5	Enrolled on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.



**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plan (continued)

A. Public Employees' Retirement System (PERS) (continued)

Allocation methodology and reconciliation to financial statements

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension expense. The employer and nonemployer allocation percentages presented in the Schedule of Employer and Nonemployer Allocations and applied to amounts presented in the Schedule of Pension Amounts by Employer and Nonemployer are based on the ratio of the contributions of an individual employer to the total contributions to PERS during the measurement period July 1, 2022 through June 30, 2023. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the Schedule of Pension Amounts by Employer and Nonemployer may result in immaterial differences. Contributions from employers are recognized when due, based on statutory requirements.

Although the Division administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense excluding that attributable to employer-paid member contributions are determined separately for each individual employer of the state and local groups of the Plan.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the Schedule of Employer and Nonemployer Allocations are applied to amounts presented in the Schedule of Pension Amounts by Employer and Nonemployer. The allocation percentages for each group as of June 30, 2023 measurement date are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal year ended June 30, 2023 measurement date.

Contributions

The contribution policy for PERS is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For State fiscal year 2023, the State's pension contribution was more than the actuarial determined amount.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plan (continued)

A. Public Employees' Retirement System (PERS) (continued)

Contributions (continued)

The employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, PL 2009 provided an option for employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The Actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15-years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

The District's contractually required contribution rate for the year ended June 30, 2024 was 16.07% of the District's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

The contribution rate was 7.50% of base salary effective July 1, 2018.

Special funding situation

Under N.J.S.A. 43:15A-15, local participating employers are responsible for their own contributions based on actuarially determined amounts, except where legislation was passed that legally obligated the State if certain circumstances occurred. The legislation, which legally obligates the State, is Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a non-employer contributing entity. Since the local participating employers do not contribute under this legislation directly to the Plan (except for employer specific financed amounts), there is no net pension liability, deferred outflows of resources, or deferred inflows of resources to report in the financial statements of the local participating employers related to this legislation. However, the Notes to the Financial Statements of the local participating employers must disclose the portion of the non-employer contributing entities' total proportionate share of the collective net pension liability that is associated with the local participating employer. In addition, each local participating employer must recognize pension expense associated with the employer as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

During the State fiscal year ending June 30, 2023, the State of New Jersey contributed \$35,924 to the PERS for normal pension benefits on behalf of the District.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plan (continued)

A. Public Employees' Retirement System (PERS) (continued)

Collective net pension liability and actuarial information

The District's proportionate share of the net pension liability for PERS as of the measurement date of June 30, 2023:

Net pension liability	\$ 11,519,324
Proportionate share	0.0795293170%

Plan fiduciary net position as a percentage of the total pension liability	65.23%
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The total pension liability for the June 30, 2023 measurement date was determined by an actuarial valuation as of July 1, 2022, which was rolled forward to June 30, 2023. This actuarial valuation used the following actuarial assumptions:

Inflation rate	
Price	2.75%
Wage	3.25%

Salary increases (based on years of service)	2.75 - 6.55%
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Investment rate of return	7.00%
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Preretirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plan (continued)

A. Public Employees' Retirement System (PERS) (continued)

Long-term expected rate of return

In accordance with state statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees, and the Actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2023 measurement date are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocations</u>	<u>Long-Term Expected Rate of Return</u>
U.S. equity	28.00%	8.98%
Non-U.S. developed markets equity	12.75%	9.22%
International small cap equity	1.25%	9.22%
Emerging markets equity	5.50%	11.13%
Private equity	13.00%	12.50%
Real estate	8.00%	8.58%
Real assets	3.00%	8.40%
High yield	4.50%	6.97%
Private credit	8.00%	9.20%
Investment grade credit	7.00%	5.19%
Cash equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk mitigation strategies	3.00%	6.21%

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments and the municipal bond rate was applied to all projected benefit payments to determine the total pension liability.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plan (continued)

A. Public Employees' Retirement System (PERS) (continued)

Sensitivity of the collective net pension liability to changes in the discount rate

The following presents the collective net pension liability of the District as of June 30, 2023, measurement date, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

District's proportionate share of the net pension liability

At current discount rate (7.00%)	\$ 11,519,324
At a 1% lower rate (6.00%)	15,122,135
At a 1% higher rate (8.00%)	8,632,632

Collective deferred outflows of resources and deferred inflows of resources

At the June 30, 2023 measurement date, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 110,140	\$ 47,087
Changes of assumptions	25,306	698,120
Net difference between projected and actual earnings on pension plan investments	53,048	-
Changes in proportion and differences between district contributions and proportionate share of contributions	376,769	770,778
District contributions subsequent to the measurement date	1,062,931	-
Total	<u>\$ 1,628,194</u>	<u>\$ 1,515,985</u>

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plan (continued)

A. Public Employees' Retirement System (PERS) (continued)

Collective deferred outflows of resources and deferred inflows of resources (continued)

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the fiscal year ended June 30, 2023 measurement date:

	Beginning Balance	Net Change in Activity	Ending Balance
Deferred outflows of resources			
Differences between expected and actual experience	\$ 84,552	\$ 25,588	\$ 110,140
Changes of assumptions	36,296	(10,990)	25,306
Differences between expected and experience	484,863	(431,815)	53,048
Changes in proportion	-	-	-
District contribution subsequent to measurement date	-	-	-
Deferred inflows of resources			
Differences between expected and actual experience	(74,563)	27,476	(47,087)
Changes of assumptions	(1,754,163)	1,056,043	(698,120)
Net changes	<u>\$ (1,223,015)</u>	<u>\$ 666,302</u>	<u>\$ (556,713)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding employer specific amounts, deferrals from District contributions subsequent to the measurement date, and deferrals from change on proportion) will be recognized in pension expense (benefit) as follows:

Fiscal Year Ended June 30,

2024	\$ (608,175)
2025	(339,460)
2026	474,373
2027	(84,894)
2028	1,443
Total	<u>\$ (556,713)</u>

Changes in proportion

The previous amounts do not include employer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer over the average of the expected remaining service lives of all plan members, which is 5.08, 5.04, 5.13, 5.16, 5.21, and 5.63 years for the 2023, 2022, 2021, 2020, 2019, and 2018, respectively.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plan (continued)

A. Public Employees' Retirement System (PERS) (continued)

Pension expense (benefit)

For the fiscal year ended June 30, 2024, the District recognized net pension expense (benefit) of (\$19,279), which represents the District's proportionate share of allocable plan pension expense (benefit) of (\$116,109), plus the net amortization of deferred amounts from changes in proportion of \$158,235, plus the pension expense related to specific liabilities of individual employers of \$22,631, and plus other adjustments to the net pension liability of (\$84,036). The components of allocable pension expense, which exclude amounts attributable to employer paid member contributions and pension expense related to specific liabilities of individual employers, for the District for the fiscal year ended June 30, 2023 measurement date are as follows:

Service cost	\$ 963,656
Interest on total pension liability	3,639,214
Benefit changes	-
Member contributions	(777,187)
Administrative expense	17,006
Expected investment return net of investment expense	(2,145,140)
Pension expense related to specific liabilities of individual employers	(14,322)
Recognition (amortization) of deferred inflows/outflows of resources	
Differences between projected and actual experience	62,822
Changes of assumptions	(1,757,294)
Difference between projected and actual investment earnings on pension plan investments	(104,864)
Pension expense (benefit)	<u>\$ (116,109)</u>

B. Teacher's Pension and Annuity Fund (TPAF)

Plan description

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

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

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plan (continued)

B. Teacher's Pension and Annuity Fund (TPAF) (continued)

Plan description (continued)

The following represents the membership tiers for TPAF:

<u>Tier</u>	<u>Member Eligibility</u>
1	Enrolled prior to July 1, 2007
2	Enrolled on or after July 1, 2007 and prior to November 2, 2008
3	Enrolled on or after November 2, 2008 and prior to May 22, 2010
4	Enrolled on or after May 22, 2010 and prior to June 28, 2011
5	Enrolled on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, Tiers 3 and 4 with 25 years or more of service credit before age 62, and Tier 5 before age 65 with 30 years or more of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year 2023, the State's pension contribution was more than the actuarial determined amount.

Special funding situation

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



**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plan (continued)

B. Teacher's Pension and Annuity Fund (TPAF) (continued)

Special funding situation (continued)

During the State fiscal year ended June 30, 2023, the State of New Jersey contributed \$11,523,997 to the TPAF for normal pension benefits on behalf of the District.

The contribution rate was 7.50% of base salary effective July 1, 2018.

Collective net pension liability and actuarial information

The District's proportionate share of the net pension liability for TPAF for fiscal year ended June 30, 2023 measurement date is as follows:

District proportionate share of net pension liability	\$ 216,068,127
Less: State proportionate share of net pension liability	74,922,760
Net pension liability	<u>\$ 141,145,367</u>

Proportionate share	0.2765784505%
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Plan fiduciary net position as a percentage of the total pension liability	34.68%
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Actuarial assumptions

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

Inflation rate	
Price	2.75%
Wage	3.25%
Salary increases (based on years of service)	2.75 – 4.25%
Investment rate of return	7.00%

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

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plan (continued)

B. Teacher's Pension and Annuity Fund (TPAF) (continued)

Actuarial assumptions (continued)

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

Long-term expected rate of return

In accordance with state statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2023 measurement date) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the Board of Trustees, and the Actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2023 measurement date are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocations</u>	<u>Long-Term Expected Rate of Return</u>
U.S. equity	28.00%	8.98%
Non-U.S. developed markets equity	12.75%	9.22%
International small cap equity	1.25%	9.22%
Emerging markets equity	5.50%	11.13%
Private equity	13.00%	12.50%
Real estate	8.00%	8.58%
Real assets	3.00%	8.40%
High yield	4.50%	6.97%
Private credit	8.00%	9.20%
Investment grade credit	7.00%	5.19%
Cash equivalents	2.00%	3.31%
U.S. Treasuries	4.00%	3.31%
Risk mitigation strategies	3.00%	6.21%

Discount rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments after that date in determining the total pension liability.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plan (continued)

B. Teacher's Pension and Annuity Fund (TPAF) (continued)

Sensitivity of the collective net pension liability to changes in the discount rate

The following presents the collective net pension liability of the District as of June 30, 2023 measurement date, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

District's proportionate share of the net pension liability

At current discount rate (7.00%)	\$ 141,145,367
At a 1% lower rate (6.00%)	166,436,000
At a 1% higher rate (8.00%)	119,844,642

Pension expense (benefit)

The components of allocable pension expense (benefit), which exclude amounts related to specific liabilities of individual employers, for the District for the fiscal year ended June 30, 2023 measurement date are as follows:

Service cost	\$ 3,767,603
Interest on total pension liability	14,550,792
Benefit changes	-
Member contributions	(2,576,667)
Administrative expense	37,508
Expected investment return net of investment expense	(4,705,731)
Pension expense related to specific liabilities of individual employers	(1,242)
Recognition (amortization) of deferred inflows/outflows of resources	
Differences between projected and actual experience	540,616
Changes of assumptions	(8,420,037)
Difference between projected and actual investment earnings on pension plan investments	274,689
Pension expense (benefit)	<u>\$ 3,467,531</u>

C. Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) was established under the provisions Ch. 92, PL 2007 and expanded under the provisions of Ch. 89, PL 2008 and Ch. 1, PL 2010 to provide eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Employees eligible to enroll in the program include the following: First, employees enrolled in the Public Employees Retirement System (PERS) or Teachers Pension and Annuity Fund (TPAF) on or after July 1, 2007 who earn salary in excess of maximum compensation limits. Also, employees otherwise eligible to enroll in the TPAF and PERS who do not earn the minimum salary (\$9,300 in 2024) but who earn salary of at least \$5,000 annually are eligible to participate. The Program Administrator, Empower, makes information regarding the program available on its New Jersey Defined Contribution Program website: [njplans.empower-retirement.com](http://njplans.empower-retirement.com).

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 6 - Pension plan (continued)

C. Defined Contribution Retirement Program (continued)

Contribution rates for DCRP provide for employee contributions of 5.50% of annual contractual compensation as defined. The District's contribution to the DCRP for fiscal year ended June 30, 2024 was \$14,841.

D. Other pension plan information

During the fiscal year ended June 30, 2024, the State of New Jersey contributed \$3,341,209 to the TPAF for postretirement medical benefits, \$138,428 for non-contributory insurance premiums, \$4,394 for long-term disability insurance, and \$12,138,054 for normal costs and accrued liability costs on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$2,521,918 during the year ended June 30, 2024 for the employer's share of Social Security contributions for TPAF members calculated on their base salaries. These amounts have been included in the financial statements and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB Statement No. 68.

Note 7 - Postretirement benefits

The State Health Benefit State Retired Employees Plan (State Retired OPEB Plan) is a single-employer defined benefit OPEB plan with a special funding situation. The State Retired OPEB Plan is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other than Pensions*. The State Retired OPEB Plan is treated as a cost-sharing multiple employer plan with a special funding situation for allocating the total OPEB liability and related OPEB amounts since each employer mentioned above is required to issue stand-alone financial statements. The State Retired OPEB Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and the covered dependents of the employees. The State also offers dental care to retirees, however, since dental benefits are completely paid for by the retirees, there is no OPEB liability for these benefits. In fiscal year 2022, the State paid OPEB benefits for 161,238 State and local retirees.

In accordance with N.J.S.A. 52:14-17.32, the State is required to pay the premiums or periodic charges for health benefits of State employees who retire with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Judicial Retirement System (JRS), the State Police Retirement System (SPRS), the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen's Retirement System (PFRS), and the Alternate Benefit Program (ABP).

The employer contributions for the participating local education employers are legally required to be funded by the State in accordance with N.J.S.A. 52:14-17.32f. According to this law, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: TPAF, PERS, PFRS, or ABP.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Notes to the Financial Statements**

**Note 7 - Postretirement benefits (continued)**

Pursuant to P.L.2011, c.78, future retirees eligible for postemployment medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

The State is legally required to pay for the OPEB benefit coverage for the participating local education employers. Therefore, these employers are considered to be in a special funding situation as defined by GASB Statement No. 75 and the State is treated as a non-employer contributing entity. The State, as a non-employer contributing entity, reported a fiscal year 2023 total OPEB liability of \$52,361,668,239 for this special funding situation.

Additional information on Pensions and OPEB can be accessed at <https://www.state.nj.us/treasury/taxation/payments-notices.shtml>.

**Total OPEB liability**

The State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportionate share percentage determined under Paragraphs 193 and 203 through 205 of GASB Statement No. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Accordingly, the following OPEB liability note information is reported at the State's level and is not specific to the District.

Under a special funding situation, the State, a non-employer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. Therefore, the following OPEB liability note information is reported at the State's level and is not accrued by the District.

For purposes of reporting required GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the District's proportionate share of allocable OPEB liability and employer OPEB expense and related revenue as of June 30, 2023 measurement date is as follows:

State's proportionate share of the OPEB liability	\$ 52,361,668,239
District's proportionate share of the State's OPEB liability	128,811,808
Employer OPEB expense and related revenue	4,058,823
Allocable proportionate percentage	0.2460040185%

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 7 - Postretirement benefits (continued)  
Changes in the total OPEB liability

	<u>Total OPEB Liability</u>
Total OPEB liability at June 30, 2022	\$ 123,650,490
Service cost	5,270,603
Interest cost	4,536,594
Change of benefit terms	-
Differences between expected and actual experiences	(1,485,418)
Changes of assumptions	259,631
Member contributions	116,257
Gross benefit payments	(3,536,349)
Total OPEB liability at June 30, 2023	<u>\$ 128,811,808</u>

There were no changes of the benefit terms from June 30, 2022 to June 30, 2023.

Changes of assumptions and other inputs reflect a change in the discount rate from 3.54% as of the June 30, 2022 Plan measurement date to 3.65% as of the June 30, 2023 Plan measurement date.

The total non-employer OPEB liability as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2022, which was rolled forward to June 30, 2023. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>TPAF</u>	<u>PERS</u>
	(based on years of service)	(based on years of service)
Salary increases	2.75% - 4.25 %	2.75% - 6.55%

Preretirement mortality rates were based on the Pub-2010 Healthy Teachers (TPAF/ABP) and General (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 General classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 General classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disabled retirees. Future disabled retirees was based on the Pub-2010 Safety (PERS), General (PERS), and Teachers (TPAF/ABP) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of the TPAF and PERS experience studies prepared for July 1, 2018 - June 30, 2021.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 7 - Postretirement benefits (continued)

Changes in the total OPEB liability (continued)

100% of active members are considered to participate in the Plan upon retirement.

Health care trend assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 PPO, the trend is increasing to 14.80% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.40% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount rate

The discount rate for June 30, 2023 was 3.65%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Sensitivity of the total OPEB liability to changes in the discount rates

The following presents the total non-employer OPEB liability as of June 30, 2023 measurement date, using the District's allocable proportionate percentage, calculated using the discount rate as disclosed above as well as what the total non-employer OPEB liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

Total OPEB liability (school retirees)

At current discount rate (3.65%)	\$ 128,811,808
At a 1% lower rate (2.65%)	151,009,731
At a 1% higher rate (4.65%)	110,989,453

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the total non-employer OPEB liability, as well as what the total non-employer OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% point lower or 1% point higher than the current healthcare cost trend rates:

Total OPEB liability (school retirees)

Healthcare cost trend rate	\$ 128,811,808
At a 1% lower rate (1% decrease)	106,933,660
At a 1% higher rate (1% increase)	157,439,421

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Notes to the Financial Statements**

Note 7 - Postretirement benefits (continued)

OPEB expense and deferred outflows and inflows of resources related to OPEB

For the fiscal year ended June 30, 2023, the District recognized OPEB expense of \$4,058,523 determined by the State as the total OPEB liability for benefits provided through a defined benefit OPEB plan that is not administered through a Trust that meets the criteria in Paragraph 4 of GASB Statement No. 75 and in which there is a special funding situation.

In accordance with GASB Statement No. 75, the District's proportionate share of school retirees OPEB is zero, there is no recognition of the allocation of proportionate share of deferred outflows of resources and deferred inflows of resources.

Note 8 - Deferred compensation

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

Equitable	PenServ Plan Services	Fidelity Investments
Invesco	AIG Valic	Lincoln Investment Planning
Lincoln Financial	Security Benefit	

Note 9 - Inventory

Inventory in the food service fund as of June 30, 2024 consisted of the following:

Food	\$ 15,133
Supplies	12,815
Total	<u>\$ 27,948</u>

Note 10 - Contingent liabilities

Litigation

The District is involved in legal proceedings that are incidental to its operations. These legal proceedings are not likely to have material adverse effect on the financial position of the District.

Grantor agencies

Amounts received, or are receivables, from grantor agencies could be subject to audit and adjusted by grantor agencies. Any disallowed claims, including amounts already collected, may result in a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the Grantor cannot be determined at this time, although the District expects such amount, if any, to be immaterial.



**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Notes to the Financial Statements**

**Note 11 - Risk management**

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

*Property and Liability Insurance* - The District maintains commercial insurance coverage for property, liability, and student accident and surety bonds. There was no significant reduction in insurance coverage from coverage of the prior year. The District did not have any insurance settlements which exceeded insurance coverage for the past three years. A complete Schedule of Insurance Coverage can be found in the Statistical Section of the Annual Comprehensive Financial Report.

*New Jersey Unemployment Compensation Insurance* - The District has elected to fund its NJ Unemployment Compensation Insurance under the Benefit Reimbursement Method. Under this plan, the District is required to reimburse the NJ Unemployment Trust Fund for Benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, and interest earnings, employee contributions, reimbursements to the state for benefits paid and the ending balance available for claims of the District's unemployment compensation insurance fund:

<u>Fiscal Year</u>	<u>Other</u>	<u>Interest Earnings</u>	<u>Employee Contrib.</u>	<u>Amount Reimbursed</u>	<u>Ending Balance Available for Claims</u>
2023 - 2024	\$ -	\$ 13,059	\$ 72,528	\$ 145,503	\$ 303,629
2022 - 2023	-	6,664	71,992	89,570	363,545
2021 - 2022	-	-	64,513	-	374,459

**Note 12 - Reserve accounts**

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

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long-Range Facilities Plan (LRFP) and updated annually in the Quality Single Accountability Continuum (QSAC). Upon submission of the LRFP to the Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:26-9.1(d)1, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Notes to the Financial Statements**

**Note 12 - Reserve accounts (continued)**

Districts are allowed as per N.J.S.A. 18A:7F-41(a) and 41(b) to deposit to the reserves by Board Resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. The following schedule is a summarization of the reserve accounts for the current year:

Reserve	Beginning Balance	District Contrib.	Interest Earnings	Return Unused Withdrawal	Withdrawal	Ending Balance
Capital	\$ 1,257,600	\$ 500,000	\$ 47,468	\$ 11,725	\$ 125,000	\$ 1,691,793
Maintenance	536,352	725,000	-	-	400,000	861,352
Total	<u>\$ 1,793,952</u>	<u>\$ 1,225,000</u>	<u>\$ 47,468</u>	<u>\$ 11,725</u>	<u>\$ 525,000</u>	<u>\$ 2,553,145</u>

**Note 13 - Interfund receivables and payables**

The composition of interfund balances as of June 30, 2024 is as follows:

	Receivable	Payable
General fund	\$ 275,199	\$ 55,051
Special revenue fund	55,051	275,199
Total	<u>\$ 330,250</u>	<u>\$ 330,250</u>

As of June 30, 2024, the following interfund balances were on the District's records. The balance due from the special revenue fund to the general fund represents a loan from the general fund of \$275,199 due to cash flow issues relating to the delayed receipt of grant revenues. The balance of \$55,051 due to the special revenue fund from the general fund is related to the reallocation of expenditures.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Notes to the Financial Statements**

**Note 14 - Fund balances**

As described in Note 1 (O), fund balance may be restricted, committed or assigned. An analysis of the general fund balance on June 30, 2024 is as follows:

**Restricted**

Excess surplus - designated for subsequent year's expenditures. Amount appropriated in the succeeding year's budget to reduce tax requirements.	\$ 570,003
Excess surplus - represents amount in excess of allowable percentage of expenditures. In accordance with State statute, the excess surplus is designated for utilization in succeeding year's budgets.	798,139
Capital reserve account - represents funds restricted to capital projects in the Districts long range facilities plan.	1,691,793
Maintenance reserve account - represents funds accumulated for the required maintenance of a facility in accordance with the EFCFA (N.J.S.A.18A:76-9).	861,352
Unemployment - represents funds accumulated for future unemployment claims.	303,629

**Committed**

Year-end encumbrance - represents fund balance committed for purchase orders that have been issued but goods or services were not received as of June 30.	557,900
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**Assigned**

Designated for subsequent year's expenditures	699,997
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**Unassigned**

Undesignated - represents fund balance which has not been restricted or designated.	1,977,850
Total fund balance - budgetary basis (Exhibit C-1)	7,460,663
Last state aid payments not recognized on GAAP basis	(682,429)
Total fund balance - GAAP basis (Exhibit B-1)	<u>\$ 6,778,234</u>

**Note 15 - Calculation of excess surplus**

In accordance with N.J.S.A. 18A:7F-7, as amended by PL 2004, Ch. 73 (S1701), the designation for Reserved Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve general fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2024 is \$798,139.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Notes to the Financial Statements**

**Note 16 - Restatement of prior year net position**

During the fiscal year ended June 30, 2024, the District has determined a restatement of the prior year net position is necessary. Due to ongoing updates to the District's capital asset inventory, adjustments to the inventory report value are necessary. The following is a summary of the District's restatement of net position as of June 30, 2023:

	Governmental Activities
Net position, June 30, 2023	\$ 10,149,973
Additions	
Change in capital assets, net	1,151,983
Net position, June 30, 2023, as restated	<u>\$ 11,301,956</u>

**Note 17 - Recent accounting pronouncements not yet effective**

The following is of recent accounting pronouncements which are not yet effective as of the year-end date of this report.

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. This statement is effective for reporting periods beginning after December 15, 2023. The District is evaluating the effect of the pronouncement on financial reporting.

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. This statement is effective for reporting periods beginning after June 15, 2024. The District is evaluating the effect of the pronouncement on financial reporting.

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This statement is effective for reporting periods beginning after June 15, 2025. The District is evaluating the effect of the pronouncement on financial reporting.

**Note 18 - Deficit balance in unrestricted net position**

The District is reporting a deficit balance in unrestricted net position for governmental activities as of June 30, 2024 of (\$7,141,735) on Schedule A-1 Statement of Net Position. The deficit balance is the result of reporting required by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the state.

**Note 19 - Subsequent events**

The District has evaluated subsequent events through December 19, 2024, which is the date the financial statements were available to be issued and no additional items were noted for disclosure.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

## **BUDGETARY COMPARISON SCHEDULES**

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2024**

	Unaudited				Variance
	Original	Budget	Final		Final
	Budget	Transfers	Budget	Actual	to Actual
Revenues					
Local sources					
Local tax levy	\$ 65,905,038	\$ -	\$ 65,905,038	\$ 65,905,038	\$ -
Tuition from individuals	280,000	(280,000)	-	-	-
Rents and royalties	50,000	(5,000)	45,000	91,752	46,752
Private contributions	-	-	-	7,500	7,500
Unrestricted miscellaneous revenues	92,000	-	92,000	492,318	400,318
Interest earned on maintenance reserve	500	-	500	-	(500)
Interest earned on capital reserve funds	1,500	-	1,500	47,468	45,968
Other restricted miscellaneous revenues	-	-	-	13,059	13,059
Total	66,329,038	(285,000)	66,044,038	66,557,135	513,097
State sources					
Categorical transportation aid	1,128,376	-	1,128,376	1,128,376	-
Extraordinary aid	400,000	-	400,000	824,411	424,411
Categorical special education aid	2,735,914	-	2,735,914	2,735,914	-
Equalization aid	1,646,501	-	1,646,501	1,646,501	-
Categorical security aid	252,688	-	252,688	252,688	-
Other state aid	-	-	-	102,468	102,468
TPAF Pension (on-behalf)	-	-	-	12,138,054	12,138,054
TPAF Non-contributory insurance	-	-	-	138,428	138,428
TPAF Social Security (reimbursed)	-	-	-	2,521,918	2,521,918
TPAF Postretirement benefits	-	-	-	3,341,209	3,341,209
TPAF Long-term disability insurance	-	-	-	4,394	4,394
Total	6,163,479	-	6,163,479	24,834,361	18,670,882
Federal Sources					
Medicaid reimbursement	23,639	-	23,639	13,256	(10,383)
Total	23,639	-	23,639	13,256	(10,383)
Total revenues	\$ 72,516,156	\$ (285,000)	\$ 72,231,156	\$ 91,404,752	\$ 19,173,596

See independent auditor's report.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2024**

	Unaudited				Variance
	Original	Budget	Final	Actual	Final
	Budget	Transfers	Budget		to Actual
Expenditures					
Current					
Instruction - regular program					
Salaries of Teachers					
Preschool	\$ 264,289	\$ (158,046)	\$ 106,243	\$ 29,385	\$ 76,858
Kindergarten	908,120	31,302	939,422	938,757	665
Grades 1-5	5,729,248	179,015	5,908,263	5,907,085	1,178
Grades 6-8	5,806,407	(128,507)	5,677,900	5,676,436	1,464
Grades 9-12	7,985,475	205,108	8,190,583	8,190,582	1
Home instruction					
Salaries of teacher	-	7,000	7,000	5,806	1,194
Other salaries for instruction	15,000	(2,000)	13,000	12,566	434
Purchased professional - educational services	35,000	14,500	49,500	39,438	10,062
Regular programs - undistributed instruction					
Other salaries for instruction	258,637	(22,579)	236,058	216,512	19,546
Purchased professional - educational services	17,905	5,245	23,150	10,550	12,600
Other purchased services	1,063,693	(90,365)	973,328	887,332	85,996
General supplies	651,751	63,243	714,994	518,992	196,002
Textbooks	19,479	111,675	131,154	25,790	105,364
Other objects	2,000	-	2,000	532	1,468
Total	22,757,004	215,591	22,972,595	22,459,763	512,832
Special education					
Learning and/or language disabilities					
Salaries of Teachers	478,459	77,158	555,617	555,617	-
Other salaries for instruction	221,074	43,047	264,121	242,401	21,720
Other purchased services	29,118	5,714	34,832	34,612	220
General supplies	7,190	5,376	12,566	8,169	4,397
Total	735,841	131,295	867,136	840,799	26,337
Emotional regulation impairment					
Salaries of Teachers	179,508	12,813	192,321	192,236	85
Other salaries for instruction	71,194	13,484	84,678	70,423	14,255
General supplies	6,500	3,000	9,500	6,845	2,655
Total	257,202	29,297	286,499	269,504	16,995
Multiple disabilities					
Salaries of Teachers	435,768	(38,815)	396,953	396,953	-
Other salaries for instruction	224,588	4,129	228,717	228,716	1
Other purchased services	32,000	(13,064)	18,936	15,030	3,906
General supplies	4,000	3,000	7,000	3,768	3,232
Total	696,356	(44,750)	651,606	644,467	7,139
Resource room/resource center					
Salaries of Teachers	4,097,719	(181,873)	3,915,846	3,894,720	21,126
Other salaries for instruction	458,284	19,263	477,547	476,497	1,050
Other purchased services	34,673	25,463	60,136	32,873	27,263
General supplies	8,945	4,105	13,050	7,709	5,341
Total	4,599,621	(133,042)	4,466,579	4,411,799	54,780

See independent auditor's report.



**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2024**

	Unaudited				Variance
	Original	Budget	Final	Actual	Final
	Budget	Transfers	Budget		to Actual
Preschool disabilities - full-time					
Salaries of Teachers	\$ 345,730	\$ (113,329)	\$ 232,401	\$ 224,892	\$ 7,509
Other salaries for instruction	328,174	(99,431)	228,743	190,374	38,369
Other purchased services	-	2,416	2,416	2,416	-
General supplies	400	2,600	3,000	2,400	600
Total	674,304	(207,744)	466,560	420,082	46,478
Home instruction					
Salaries of Teachers	12,000	-	12,000	11,959	41
Purchased professional-educational services	48,500	(21,100)	27,400	8,627	18,773
Total	60,500	(21,100)	39,400	20,586	18,814
Total special education	7,023,824	(246,044)	6,777,780	6,607,237	170,543
Bilingual education - instruction					
Salaries of Teachers	171,386	1,186	172,572	172,130	442
General supplies	494	-	494	-	494
Total	171,880	1,186	173,066	172,130	936
School-sponsored co/extra curricular activities - instruction					
Salaries	349,837	57,000	406,837	401,272	5,565
Purchased services	47,350	(19,775)	27,575	23,962	3,613
Supplies and materials	39,241	(15,140)	24,101	17,864	6,237
Other objects	9,455	-	9,455	7,663	1,792
Total	445,883	22,085	467,968	450,761	17,207
School-sponsored athletics - instruction					
Salaries	749,391	11,000	760,391	694,764	65,627
Purchased services	259,939	(9,000)	250,939	215,681	35,258
Supplies and materials	118,806	(11,000)	107,806	72,610	35,196
Other objects	45,636	9,000	54,636	49,232	5,404
Total	1,173,772	-	1,173,772	1,032,287	141,485
Instructional alternative ed program - instruction					
Salaries of Teachers	-	295,565	295,565	273,334	22,231
General supplies	-	5,895	5,895	4,451	1,444
Other objects	-	450	450	149	301
Total	-	301,910	301,910	277,934	23,976
Other supplemental/at-risk programs - instruction					
Salaries of Teachers	1,193,883	64,041	1,257,924	1,242,059	15,865
Other purchased services	17,840	(13,356)	4,484	-	4,484
General supplies	7,650	-	7,650	1,466	6,184
Total	1,219,373	50,685	1,270,058	1,243,525	26,533

See independent auditor's report.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2024**

	Unaudited				Variance
	Original	Budget	Final		Final
	Budget	Transfers	Budget	Actual	to Actual
Other instructional programs - instruction					
Salaries	\$ 295,565	\$ (295,565)	\$ -	\$ -	\$ -
Supplies and materials	5,895	(5,895)	-	-	-
Other objects	450	(450)	-	-	-
Total	301,910	(301,910)	-	-	-
Total instruction regular	<u>\$ 33,093,646</u>	<u>\$ 43,503</u>	<u>\$ 33,137,149</u>	<u>\$ 32,243,637</u>	<u>\$ 893,512</u>
Undistributed expenditures					
Undistributed expenditures - instruction					
Tuition to other LEAs within the State - special	\$ 300,949	\$ (41,350)	\$ 259,599	\$ 229,961	\$ 29,638
Tuition to county vocational school district - regular	125,000	(7,427)	117,573	94,601	22,972
Tuition to county vocational school district - special	-	21,312	21,312	9,427	11,885
Tuition to private school for the disabled within state	1,582,123	(1,086)	1,581,037	1,402,451	178,586
Tuition - state facilities	41,075	-	41,075	41,075	-
Total	<u>2,049,147</u>	<u>(28,551)</u>	<u>2,020,596</u>	<u>1,777,515</u>	<u>243,081</u>
Undistributed expenditures - attendance and social work					
Salaries	122,880	7,680	130,560	126,400	4,160
Total	<u>122,880</u>	<u>7,680</u>	<u>130,560</u>	<u>126,400</u>	<u>4,160</u>
Undistributed expenditures - health services					
Salaries	471,201	47,200	518,401	498,576	19,825
Purchased professional and technical services	68,000	17,677	85,677	51,679	33,998
Other purchased services	3,065	(59)	3,006	1,342	1,664
Supplies and materials	20,752	3,608	24,360	20,801	3,559
Other objects	939	-	939	574	365
Total	<u>563,957</u>	<u>68,426</u>	<u>632,383</u>	<u>572,972</u>	<u>59,411</u>
Undistributed expenditures - speech/ot/pt and related services					
Salaries	1,113,690	(149,995)	963,695	962,819	876
Purchased professional - educational services	377,410	(45,260)	332,150	254,946	77,204
Supplies and materials	5,845	-	5,845	2,417	3,428
Total	<u>1,496,945</u>	<u>(195,255)</u>	<u>1,301,690</u>	<u>1,220,182</u>	<u>81,508</u>
Undistributed expend - other supp. service stds. - extra service					
Salaries	731,885	55,364	787,249	787,179	70
Purchased professional - educational services	384,410	40,938	425,348	95,931	329,417
Supplies and materials	33,395	(4,000)	29,395	16,794	12,601
Other objects	1,000	(7)	993	-	993
Total	<u>1,150,690</u>	<u>92,295</u>	<u>1,242,985</u>	<u>899,904</u>	<u>343,081</u>

See independent auditor's report.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2024**

	Unaudited				Variance
	Original	Budget	Final	Actual	Final
	Budget	Transfers	Budget		to Actual
Undistributed expenditures - guidance					
Salaries of other Professional Staff	\$ 1,172,182	\$ 9,698	\$ 1,181,880	\$ 1,179,854	\$ 2,026
Salaries of Secretarial and Clerical Assistants	150,257	-	150,257	150,256	1
Other salaries	279,268	-	279,268	278,920	348
Purchased professional - educational services	6,600	(2,000)	4,600	3,465	1,135
Other purchased professional and technical services	2,500	-	2,500	-	2,500
Other purchased services	7,839	-	7,839	4,591	3,248
Supplies and materials	27,437	4,000	31,437	-	31,437
Other objects	3,257	-	3,257	505	2,752
Total	1,649,340	11,698	1,661,038	1,617,591	43,447
Undistributed expenditures - child study teams					
Salaries of other Professional Staff	1,543,800	(65,842)	1,477,958	1,465,813	12,145
Salaries of Secretarial and Clerical Assistants	103,627	37,429	141,056	140,443	613
Other salaries	-	100,000	100,000	100,000	-
Purchased professional - educational services	55,000	(16,990)	38,010	4,875	33,135
Other purchased professional & technical services	24,122	-	24,122	23,122	1,000
Other purchased services	26,000	(354)	25,646	17,903	7,743
Supplies and materials	12,942	19,263	32,205	23,870	8,335
Other objects	6,507	(2,500)	4,007	2,589	1,418
Total	1,771,998	71,006	1,843,004	1,778,615	64,389
Undistributed expenditures - improvement of inst. service					
Salaries of Supervisor of Instruction	828,928	(205,351)	623,577	623,577	-
Salaries of other Professional Staff	153,108	-	153,108	152,737	371
Salaries of Secretarial and Clerical Assist	58,093	-	58,093	58,050	43
Other salaries	15,000	67,270	82,270	77,750	4,520
Other purchased professional and technical services	10,000	(10,000)	-	-	-
Other purchased services	22,198	341	22,539	10,073	12,466
Supplies and materials	3,000	-	3,000	2,002	998
Other objects	15,500	(1,500)	14,000	10,849	3,151
Total	1,105,827	(149,240)	956,587	935,038	21,549
Undistributed expenditures - edu. media service/sch. library					
Salaries	492,358	(4,238)	488,120	485,561	2,559
Salaries of technology coordinators	505,553	(282,964)	222,589	222,516	73
Other purchased services	40,418	305	40,723	37,737	2,986
Supplies and materials	26,075	(305)	25,770	23,039	2,731
Total	1,064,404	(287,202)	777,202	768,853	8,349
Undistributed expenditures - instructional staff training services					
Other salaries	5,500	-	5,500	2,293	3,207
Other purchased professional and technical services	23,275	30,350	53,625	31,475	22,150
Other purchased services	39,078	(4,880)	34,198	5,681	28,517
Supplies and materials	1,500	2,200	3,700	2,900	800
Other objects	2,108	-	2,108	1,860	248
Total	71,461	27,670	99,131	44,209	54,922

See independent auditor's report.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2024**

	Unaudited				Variance
	Original	Budget	Final	Actual	Final
	Budget	Transfers	Budget		to Actual
Undistributed expenditures - support service - general admin.					
Salaries	\$ 280,942	\$ -	\$ 280,942	\$ 280,941	\$ 1
Legal services	150,000	29,450	179,450	176,647	2,803
Audit fees	74,400	76,750	151,150	89,100	62,050
Architectural/engineering services	78,486	(24,801)	53,685	25,928	27,757
Other purchased professional services	42,500	4,743	47,243	47,206	37
Purchased technical services	-	6,200	6,200	6,200	-
Communications/telephone	85,558	7,935	93,493	80,232	13,261
BOE other purchased services	5,000	6,800	11,800	11,043	757
Miscellaneous purchased services	26,380	(8,885)	17,495	9,644	7,851
General supplies	3,650	(400)	3,250	218	3,032
BOE in-house training/meeting supplies	2,300	(1,415)	885	169	716
Judgments against the school district	15,000	12,500	27,500	15,202	12,298
Miscellaneous expenditures	8,700	(4,100)	4,600	4,524	76
BOE membership dues and fees	24,380	5,315	29,695	29,695	-
Total	797,296	110,092	907,388	776,749	130,639
Undistributed expenditures - support service - school admin.					
Salaries of principals/assistant principals	1,640,552	(49,878)	1,590,674	1,534,695	55,979
Salaries of other professional staff	220,093	16,418	236,511	220,511	16,000
Salaries of secretarial and clerical assistants	652,745	(32,354)	620,391	607,247	13,144
Unused vacation payment to terminated/retired staff	-	42,496	42,496	42,066	430
Purchased professional and technical services	3,000	1,675	4,675	-	4,675
Other purchased services	26,076	3,000	29,076	20,271	8,805
Supplies and materials	80,823	(13,611)	67,212	41,992	25,220
Other objects	14,750	4,410	19,160	15,040	4,120
Total	2,638,039	(27,844)	2,610,195	2,481,822	128,373
Undistributed expenditures - central services					
Salaries	585,110	(243)	584,867	571,986	12,881
Unused vacation payment to terminated/retired staff	-	15,000	15,000	13,977	1,023
Purchased technical services	29,700	21,457	51,157	20,131	31,026
Miscellaneous purchased services	1,500	16,200	17,700	6,664	11,036
Sale/lease-back payments	4,125	-	4,125	2,060	2,065
Supplies and materials	10,000	674	10,674	8,053	2,621
Other objects	-	3,326	3,326	3,325	1
Total	630,435	56,414	686,849	626,196	60,653
Undistributed expenditures - admin. info. technology					
Salaries	227,092	110,032	337,124	337,124	-
Purchased technical services	97,145	(369)	96,776	16,920	79,856
Other purchased services	427,684	(17,121)	410,563	364,143	46,420
Supplies and materials	35,000	(7,585)	27,415	22,187	5,228
Total	786,921	84,957	871,878	740,374	131,504

See independent auditor's report.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2024**

	Unaudited				Variance
	Original	Budget	Final		Final
	Budget	Transfers	Budget	Actual	to Actual
Undistributed expenditures - req. maint. for school facilities					
Salaries	\$ 445,371	\$ -	\$ 445,371	\$ 434,055	\$ 11,316
Cleaning, repair, and maintenance services	348,150	33,453	381,603	380,308	1,295
General supplies	138,000	(6,200)	131,800	115,700	16,100
Other objects	6,400	2,575	8,975	8,600	375
Total	937,921	29,828	967,749	938,663	29,086
Undistributed expenditures - custodial services					
Salaries	1,649,846	(1,587,006)	62,840	62,795	45
Salaries of non-instructional aides	203,169	1,485,907	1,689,076	1,629,155	59,921
Unused vacation payment to terminated/retired staff	-	2,404	2,404	2,404	-
Purchased professional and technical services	18,000	(2,425)	15,575	15,575	-
Cleaning, repair, and maintenance service	213,135	(40,675)	172,460	165,527	6,933
Lease purchase pymts - energy savings impr prog	595,550	-	595,550	595,550	-
Other purchased property services	142,105	(9,756)	132,349	132,349	-
Insurance	851,873	(38,763)	813,110	813,110	-
Miscellaneous purchased services	8,200	(4,400)	3,800	3,186	614
General supplies	194,975	(23,166)	171,809	148,213	23,596
Energy (natural gas)	188,000	40,694	228,694	210,716	17,978
Energy (electricity)	634,450	137,950	772,400	772,397	3
Energy (oil)	28,000	9,447	37,447	37,447	-
Energy (gasoline)	11,500	(4,500)	7,000	3,789	3,211
Total	4,738,803	(34,289)	4,704,514	4,592,213	112,301
Undistributed expenditures - care and upkeep of grounds					
Salaries	285,706	(8,000)	277,706	277,345	361
Cleaning, repair, and maintenance service	77,002	(8,816)	68,186	64,535	3,651
General supplies	83,100	(29,159)	53,941	48,396	5,545
Other objects	7,200	(6,704)	496	496	-
Total	453,008	(52,679)	400,329	390,772	9,557
Undistributed expenditures - security					
Salaries	381,875	10,228	392,103	391,698	405
Purchased professional and technical services	56,000	44,390	100,390	100,387	3
Cleaning, repair, and maintenance service	1,000	2,175	3,175	2,175	1,000
General supplies	5,740	1,150	6,890	3,667	3,223
Other objects	-	5,610	5,610	2,257	3,353
Total	444,615	63,553	508,168	500,184	7,984

See independent auditor's report.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2024**

	Unaudited				Variance
	Original	Budget	Final		Final
	Budget	Transfers	Budget	Actual	to Actual
Undistributed expenditures - student transportation service					
Salaries for pupil trans. (between home & school) - reg.	\$ 330,987	\$ (34,413)	\$ 296,574	\$ 293,508	\$ 3,066
Salaries for pupil trans (between home & school) - sp ed	333,834	36,515	370,349	369,479	870
Salaries for pupil trans (other than between home & school)	64,250	(2,102)	62,148	48,900	13,248
Other purchased professional and technical service	19,311	-	19,311	16,042	3,269
Cleaning, repair, and maint. services	98,280	30,000	128,280	118,523	9,757
Lease purchase payments - school buses	69,382	-	69,382	21,754	47,628
Contract service-aid in lieu pymts. - non-public schools	194,262	(65,298)	128,964	116,979	11,985
Contract service (between home & school) - vendors	2,869,852	(133,540)	2,736,312	2,733,301	3,011
Contr service (oth. than between home & school) - vend	187,264	5,298	192,562	91,198	101,364
Contract service (sp. ed. stds) - vendors	55,309	5,326	60,635	24,033	36,602
Contract service (sp. ed. stds) - joint agreements	3,527	-	3,527	2,910	617
Contract service (reg. students) - ESCs and CTSAs	190,166	91,952	282,118	271,161	10,957
Contract service (spl. ed. students) - ESCs and CTSAs	1,666,960	(61,953)	1,605,007	1,422,709	182,298
Miscellaneous purchased services - transportation	5,000	-	5,000	4,341	659
General supplies	4,680	-	4,680	4,179	501
Transportation supplies	200,245	-	200,245	130,349	69,896
Other objects	525	-	525	400	125
Total	6,293,834	(128,215)	6,165,619	5,669,766	495,853
Unallocated benefits - employee benefits					
Social Security contributions	841,275	31,264	872,539	868,491	4,048
Other retirement contributions - PERS	1,427,969	(358,545)	1,069,424	1,064,734	4,690
Unemployment compensation	-	72,975	72,975	72,975	-
Workmen's compensation	366,655	21,550	388,205	383,618	4,587
Health benefits	8,116,722	(36,401)	8,080,321	8,076,184	4,137
Tuition reimbursement	200,000	41,676	241,676	234,810	6,866
Other employee benefits	592,647	(5,235)	587,412	535,749	51,663
Unused sick payment to terminated/retired staff	75,000	106,500	181,500	177,524	3,976
Total	11,620,268	(126,216)	11,494,052	11,414,085	79,967
On-behalf TPAF Pension contribution	-	-	-	12,138,054	(12,138,054)
On-behalf TPAF Non-contributory insurance	-	-	-	138,428	(138,428)
On-behalf TPAF Postretirement medical benefits	-	-	-	3,341,209	(3,341,209)
On-behalf TPAF Long-term disability insurance	-	-	-	4,394	(4,394)
Reimbursed TPAF Social Security contribution	-	-	-	2,521,918	(2,521,918)
Total	-	-	-	18,144,003	(18,144,003)
Total undistributed expenditures	\$ 40,387,789	\$ (405,872)	\$ 39,981,917	\$ 56,016,106	\$ (16,034,189)
Total current	\$ 73,481,435	\$ (362,369)	\$ 73,119,066	\$ 88,259,743	\$ (15,140,677)

See independent auditor's report.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2024**

	Unaudited				Variance
	Original	Budget	Final	Actual	Final
	Budget	Transfers	Budget		to Actual
Capital outlay					
Equipment					
Vocational programs					
School-sponsored and other instructional programs	\$ -	\$ 15,582	\$ 15,582	\$ 15,582	\$ -
Undistributed					
Undistributed expend. - support service - inst. staff	-	2,043	2,043	2,043	-
Undistributed expend. - custodial services	-	16,120	16,120	6,177	9,943
Total equipment	-	33,745	33,745	23,802	9,943
Facilities acquisition and construction service					
Architectural/engineering services	66,161	-	66,161	63,563	2,598
Construction services	1,299,278	176,307	1,475,585	1,443,001	32,584
Assessment for debt service on SDA funding	14,763	-	14,763	14,763	-
Total facilities acquisition and construction service	1,380,202	176,307	1,556,509	1,521,327	35,182
Assets acquired under leases (non-budgeted)					
Undistributed					
Undistributed expend. - instructional supplies	-	-	-	200,859	(200,859)
Total assets acquired under leases	-	-	-	200,859	(200,859)
Total capital outlay	\$ 1,380,202	\$ 210,052	\$ 1,590,254	\$ 1,745,988	\$ (155,734)
Transfer of funds to charter schools	\$ 385,000	\$ 125,000	\$ 510,000	\$ 509,572	\$ 428
Total expenditures	\$ 75,246,637	\$ (27,317)	\$ 75,219,320	\$ 90,515,303	\$ (15,295,983)
Excess (deficiency) of revenues over (under) expenditures	\$ (2,730,481)	\$ (257,683)	\$ (2,988,164)	\$ 889,449	\$ 3,877,613
Other financing sources (uses)					
Operating transfer out					
Transfer to food service fund - board contribution	(83)	-	(83)	-	83
Transfer to special revenue fund - preschool programs	-	(451,081)	(451,081)	(451,081)	-
Leases (non-budgeted)	-	-	-	200,859	200,859
Total other financing sources (uses)	(83)	(451,081)	(451,164)	(250,222)	200,942
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(2,730,564)	(708,764)	(3,439,328)	639,227	4,078,555
Fund balances, July 1	6,821,436	-	6,821,436	6,821,436	-
Fund balances, June 30	\$ 4,090,872	\$ (708,764)	\$ 3,382,108	\$ 7,460,663	\$ 4,078,555

See independent auditor's report.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**General Fund**  
**Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2024**

	Original Budget	Unaudited Budget Transfers	Final Budget	Actual	Variance Final to Actual
Recapitulation of excess (deficiency) of revenues over (under) expenditures					
Adjustment for prior year encumbrances	\$ (1,436,848)	\$ -	\$ (1,436,848)	\$ (1,436,848)	\$ -
Increase in capital reserve	-	511,725	511,725	511,725	-
Interest deposit to capital reserve	1,500	-	1,500	47,468	45,968
Withdrawal from capital reserve	-	(125,000)	(125,000)	(125,000)	-
Increase in maintenance reserve	-	725,000	725,000	725,000	-
Interest earned on maintenance reserve	500	-	500	-	(500)
Withdrawal from maintenance reserve	(400,000)	-	(400,000)	(400,000)	-
Interest earned on unemployment compensation	-	-	-	13,059	13,059
Withdrawal from unemployment compensation	-	(72,975)	(72,975)	(72,975)	-
Budgeted fund balance	(895,716)	(1,747,514)	(2,643,230)	1,376,798	4,020,028
<b>Total</b>	<b>\$ (2,730,564)</b>	<b>\$ (708,764)</b>	<b>\$ (3,439,328)</b>	<b>\$ 639,227</b>	<b>\$ 4,078,555</b>
Recapitulation of fund balance					
Restricted fund balance					
Excess surplus - designated for subsequent year's expenditures				\$ 570,003	
Excess surplus - current year				798,139	
Capital reserve				1,691,793	
Maintenance reserve				861,352	
Unemployment compensation				303,629	
Committed fund balance					
Year-end encumbrances				557,900	
Assigned fund balance					
Designated for subsequent year's expenditures				699,997	
Unassigned fund balance				1,977,850	
Fund balance per budgetary basis				7,460,663	
Reconciliation to governmental statements (GAAP)					
Last state aid payments not recognized on GAAP basis				(682,429)	
Fund balance per governmental funds (GAAP)				\$ 6,778,234	

See independent auditor's report.



**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2024**

	Original Budget	Unaudited Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Local sources	\$ 525,108	\$ -	\$ 525,108	\$ 509,729	\$ (15,379)
State sources	2,037,105	-	2,037,105	1,886,924	(150,181)
Federal sources	2,413,710	(10,767)	2,402,943	2,217,178	(185,765)
Total revenues	<u>4,975,923</u>	<u>(10,767)</u>	<u>4,965,156</u>	<u>4,613,831</u>	<u>(351,325)</u>
Other Financing Sources					
Transfers In	451,081	-	451,081	451,081	-
Total revenues & other financing sources	<u>\$ 5,427,004</u>	<u>\$ (10,767)</u>	<u>\$ 5,416,237</u>	<u>\$ 5,064,912</u>	<u>\$ (351,325)</u>
Expenditures					
Instruction					
Salaries	\$ 846,641	\$ (205,339)	\$ 641,302	\$ 641,302	\$ -
Purchased professional and technical services	334,005	173,619	507,624	338,174	169,450
Other purchased services	210,757	26,701	237,458	230,511	6,947
General supplies	1,058,523	(642,339)	416,184	400,772	15,412
Other objects	31,581	(27,707)	3,874	367	3,507
Total	<u>2,481,507</u>	<u>(675,065)</u>	<u>1,806,442</u>	<u>1,611,126</u>	<u>195,316</u>
Support services					
Tuition	895,495	195,723	1,091,218	1,091,218	-
Salaries	368,438	487,389	855,827	855,827	-
Employee benefits	251,202	(120,589)	130,613	130,427	186
Purchased professional and technical services	718,687	(40,344)	678,343	658,708	19,635
Plant operations and maintenance	-	96,353	96,353	83,825	12,528
Other purchased services	-	117,003	117,003	-	117,003
Transportation	42,454	-	42,454	42,454	-
Supplies and materials	60,023	63,263	123,286	123,197	89
Student activities	422,603	-	422,603	422,603	-
Scholarships	5,000	-	5,000	5,000	-
Total	<u>2,763,902</u>	<u>798,798</u>	<u>3,562,700</u>	<u>3,413,259</u>	<u>149,441</u>

See independent auditors' reports.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Budgetary Comparison Schedule (continued)**  
**For the Fiscal Year Ended June 30, 2024**

	Original Budget	Unaudited Budget Transfers	Final Budget	Actual	Variance Final to Actual
Capital outlay					
Facilities	\$ 78,020	\$ -	\$ 78,020	\$ 71,452	\$ 6,568
Instructional equipment	49,500	(49,500)	-	-	-
Non-instructional equipment	85,000	(85,000)	-	-	-
Total	<u>212,520</u>	<u>(134,500)</u>	<u>78,020</u>	<u>71,452</u>	<u>6,568</u>
Total expenditures	<u>\$ 5,457,929</u>	<u>\$ (10,767)</u>	<u>\$ 5,447,162</u>	<u>\$ 5,095,837</u>	<u>\$ 351,325</u>
Excess (deficiency) of revenues over (under) expenditures	\$ (30,925)	\$ -	\$ (30,925)	\$ (30,925)	\$ -
Fund balances, July 1	<u>221,860</u>	<u>-</u>	<u>221,860</u>	<u>221,860</u>	<u>-</u>
Fund balances, June 30	<u>\$ 190,935</u>	<u>\$ -</u>	<u>\$ 190,935</u>	<u>\$ 190,935</u>	<u>\$ -</u>
Recapitulation of fund balance					
Restricted fund balance					
Scholarship				\$ 29,798	
Student activities				<u>161,137</u>	
Fund balance per budgetary basis				<u>190,935</u>	
Reconciliation to governmental statements (GAAP)					
Last state aid payments not recognized on GAAP basis				<u>-</u>	
Fund balance per governmental funds (GAAP)				<u>\$ 190,935</u>	

See independent auditors' reports.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Notes to Required Supplementary Information**  
**Budget-to-GAAP Reconciliation**  
**For the Fiscal Year Ended June 30, 2024**

Explanation of Differences Between Budgetary Inflows and  
Outflows and GAAP Revenues and Expenditures

<u>Sources/Inflows of Resources</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$ 91,404,752	\$ 4,613,831
 Differences - Budget to GAAP		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized:		
Outstanding encumbrances - prior year	-	73,480
Outstanding encumbrances - prior year canceled	-	(46,534)
Outstanding encumbrances - current year	-	(205,695)
 Differences - Budget to GAAP		
The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expenses (GASB 33):		
State aid receivable prior year	477,993	-
State aid receivable current year	(682,429)	-
Total revenues (GAAP basis)	<u>\$ 91,200,316</u>	<u>\$ 4,435,082</u>
 <u>Uses/Outflows of Resources</u>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 90,515,303	\$ 5,095,837
 Differences - Budget to GAAP		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized:		
Outstanding encumbrances - prior year	-	73,480
Outstanding encumbrances - prior year canceled	-	(46,534)
Outstanding encumbrances - current year	-	(205,695)
Total expenditures (GAAP basis)	<u>\$ 90,515,303</u>	<u>\$ 4,917,088</u>

See independent auditors' report.

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

**SCHEDULES RELATED TO ACCOUNTING  
AND REPORTING FOR PENSIONS (GASB 68)  
(UNAUDITED)**

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Public Employees Retirement System**  
**Last Ten Fiscal Years**

	District's proportion of the net pension liability (asset)		District's covered employee payroll	District's proportion of the net pension liability (asset) as a percentage of its covered employee payroll	Plan fiduciary net position as as a percentage of the total pension liability
	Percentage	Value			
2015	0.0768273311%	\$ 17,246,196	\$ 5,084,021	339.22%	47.93%
2016	0.0802807819%	23,776,865	5,370,633	442.72%	40.14%
2017	0.0746375296%	17,374,424	5,137,929	338.16%	48.10%
2018	0.0784852834%	15,453,361	5,235,245	295.18%	53.60%
2019	0.0828922067%	14,935,918	5,733,801	260.49%	56.27%
2020	0.0845062726%	13,780,763	5,958,254	231.29%	58.32%
2021	0.0837349000%	9,919,654	6,101,321	162.58%	70.33%
2022	0.0776255133%	11,714,759	5,592,092	209.49%	62.91%
2023	0.0795293170%	11,519,324	6,380,329	180.54%	65.23%
2024	N/A	N/A	6,616,154	N/A	N/A

N/A = Information not available

See independent auditors' report.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Schedule of District's Contributions**  
**Public Employees Retirement System**  
**Last Ten Fiscal Years**

	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	District's covered employee payroll	Contributions as a percentage of covered employee payroll
2015	\$ 619,725	N/A	N/A	\$ 5,084,021	12.19%
2016	660,509	\$ (660,509)	\$ -	5,370,633	12.30%
2017	730,259	(730,259)	-	5,137,929	14.21%
2018	715,762	(715,762)	-	5,235,245	13.67%
2019	785,678	(785,678)	-	5,733,801	13.70%
2020	811,181	(811,181)	-	5,958,254	13.61%
2021	924,456	(924,456)	-	6,101,321	15.15%
2022	980,633	(980,633)	-	5,592,092	17.54%
2023	978,895	(978,895)	-	6,380,329	15.34%
2024	1,062,931	(1,062,931)	-	6,616,154	16.07%

See independent auditors' report.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Schedule of the District's Proportionate Share of the Net Pension Liability**  
**Teacher's Pension and Annuity Fund**  
**Last Ten Fiscal Years**

	Proportionate share of net pension liability (asset)				District's covered employee payroll	District's proportion of the net pension liability (asset)	Plan fiduciary
	District's proportion		State's proportion	Total		as a percentage of its covered employee payroll	as a percentage of the total pension liability
	Percentage	Value					
2015	0.2665855069%	\$ -	\$158,816,692	\$ 158,816,692	\$ 25,734,948	0.00%	28.71%
2016	0.2512752554%	-	200,791,218	200,791,218	25,904,648	0.00%	22.33%
2017	0.2552440455%	-	172,218,678	172,218,678	27,078,583	0.00%	25.41%
2018	0.2554278667%	-	160,802,479	160,802,479	28,329,425	0.00%	26.49%
2019	0.2527631385%	-	158,797,350	158,797,350	28,545,804	0.00%	26.95%
2020	0.2587500539%	-	174,209,187	174,209,187	29,883,372	0.00%	24.60%
2021	0.2645594088%	-	126,039,161	126,039,161	31,244,591	0.00%	35.52%
2022	0.2621709121%	-	138,240,404	138,240,404	32,210,104	0.00%	32.29%
2023	0.2679367556%	-	141,145,367	141,145,367	34,425,281	0.00%	34.68%
2024	N/A	N/A	N/A	N/A	34,724,526	N/A	N/A

N/A = Information not available

See independent auditors' report.



**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Schedule of District's Contributions**  
**Teacher's Pension and Annuity Fund**  
**Last Ten Fiscal Years**

	Contractually required contribution	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	District's covered employee payroll	Contributions as a percentage of covered employee payroll
2015	\$ 7,666,830	\$ (1,358,486)	\$ 6,308,344	\$ 25,734,948	29.79%
2016	9,697,189	(2,043,583)	7,653,606	25,904,648	37.43%
2017	15,086,666	(2,772,603)	12,314,063	27,078,583	55.71%
2018	11,930,438	(3,722,309)	8,208,129	28,329,425	42.11%
2019	9,374,222	(5,088,987)	4,285,235	28,545,804	32.84%
2020	9,366,292	(5,802,801)	3,563,491	29,883,372	31.34%
2021	10,833,069	(7,620,991)	3,212,078	31,244,591	34.67%
2022	2,965,757	(11,030,036)	(8,064,279)	32,210,104	9.21%
2023	11,213,826	(11,213,826)	-	34,425,281	32.57%
2024	11,523,997	(11,523,997)	-	34,724,526	33.19%

See independent auditors' report.

**SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR  
OTHER POSTEMPLOYMENT EMPLOYEE BENEFITS (GASB 75)  
(UNAUDITED)**

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Schedule of the District's Proportionate Share of the Net Other**  
**Postemployment Employee Benefits Liability**  
**Last Ten Fiscal Years**

	Proportionate share of other postemployment employee benefits liability (asset)				District's covered employee payroll	District's proportion of the	Plan fiduciary net position
	District's proportion		State's proportion	Total		other postemployment employee	as a percentage of the
	Percentage	Value				liability (asset) as a percentage	total other postemployment
						of its covered employee payroll	employee benefits liability
2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2017	0.00%	\$ -	\$ 126,569,401	\$ 126,569,401	\$ 32,216,512	0.00%	0.00%
2018	0.00%	-	110,508,100	110,508,100	33,564,670	0.00%	0.00%
2019	0.00%	-	100,065,325	100,065,325	34,279,605	0.00%	0.00%
2020	0.00%	-	161,339,447	161,339,447	35,841,626	0.00%	0.00%
2021	0.00%	-	145,108,919	145,108,919	37,345,912	0.00%	0.00%
2022	0.00%	-	123,650,490	123,650,490	37,802,196	0.00%	0.00%
2023	0.00%	-	128,811,808	128,811,808	40,805,610	0.00%	0.00%
2024	N/A	N/A	N/A	N/A	41,340,680	N/A	N/A

N/A = Information not available

See independent auditors' report.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Notes to the Required Supplementary Information - Part III**  
**(Unaudited)**  
**June 30, 2024**

- Note 1 - Special funding situation - PERS, TPAF and other postretirement benefits  
The participating employer allocations included in the supplemental Schedule of Employer Special Funding Allocations and the supplemental Schedule of Special Funding Amounts by Employer for each local employer are provided as each local employer is required to record in their financial statements, as an expense and corresponding revenue, their proportionate share of the pension expense and other postretirement benefits (OPEB) expense allocated to the State of New Jersey (the State) under the special-funding situation and include their proportionate share of the net pension liability and OPEB liability in their respective notes to their financial statements. For this purpose, the proportionate share was developed based on actual contributions made to the Public Employees' Retirement System (PERS), Teachers' Pension and Annuity Fund (TPAF) and for OPEB allocated to employers based upon covered payroll and adjusted by expected State Early Retirement Incentive contributions for the respective fiscal year.
- Note 2 - Changes in assumptions - TPAF  
The discount rate was 7.00% in State fiscal year 2022 and 7.00% in State fiscal year 2023. The inflation rate was 2.75% in State fiscal year 2022 and 2.75% in State fiscal year 2023.
- Note 3 - Changes in assumptions - PERS  
The discount rate was 7.00% in State fiscal year 2022 and 7.00% in State fiscal year 2023. The inflation rate was 2.75% for State fiscal year 2022 and 2.75% for State fiscal year 2023.
- Note 4 - Changes in assumptions - other postretirement employee benefits  
The other postretirement employee benefits discount rate increased from 3.54% in State fiscal year 2022 to 3.65% in State fiscal year 2023.
- Note 5 - Changes in healthcare trend assumptions - other postretirement employee benefits  
For pre-Medicare medical benefits, the trend rate is initially 6.50% and decreases to a 4.50% long-term trend rate after nine years. For post-65 PPO, the trend is increasing to 14.80% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is increasing to 17.40% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 9.50% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

## **SPECIAL REVENUE FUND**

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted expenditures for specific purposes.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues**  
**and Expenditures - Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2024**

	IDEA Basic	IDEA Preschool	ESEA Title IA	ESEA Title IIA	ESEA Title IV	High Impact Tutoring	CRRSA ESSER II	CRRSA Learning Acceleration
Revenues								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-	-
Federal sources	1,295,544	30,945	114,192	78,207	13,789	110,642	4,128	9,855
Total revenues	1,295,544	30,945	114,192	78,207	13,789	110,642	4,128	9,855
Other financing sources								
Transfer from general fund	-	-	-	-	-	-	-	-
Total revenues and other financing sources	<u>\$ 1,295,544</u>	<u>\$ 30,945</u>	<u>\$ 114,192</u>	<u>\$ 78,207</u>	<u>\$ 13,789</u>	<u>\$ 110,642</u>	<u>\$ 4,128</u>	<u>\$ 9,855</u>
Expenditures								
Instruction								
Salaries	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ -
Purchased professional and technical services	72,399	-	-	-	-	105,260	-	-
Other purchased services	-	-	26,701	-	-	-	-	-
General supplies	-	-	19,054	-	1,649	-	-	5,118
Other objects	-	-	-	-	-	-	-	-
Total	<u>72,399</u>	<u>-</u>	<u>95,755</u>	<u>-</u>	<u>1,649</u>	<u>105,260</u>	<u>-</u>	<u>5,118</u>
Support services								
Tuition	863,805	30,945	-	-	-	-	-	-
Salaries	1,820	-	8,000	4,500	7,495	5,000	3,835	4,400
Employee benefits	-	-	4,437	344	573	382	293	337
Purchased professional and technical services	357,520	-	6,000	73,363	4,072	-	-	-
Plant operations & maintenance	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Supplies and materials	-	-	-	-	-	-	-	-
Student activities	-	-	-	-	-	-	-	-
Scholarships	-	-	-	-	-	-	-	-
Total	<u>1,223,145</u>	<u>30,945</u>	<u>18,437</u>	<u>78,207</u>	<u>12,140</u>	<u>5,382</u>	<u>4,128</u>	<u>4,737</u>
Capital								
Facilities	-	-	-	-	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 1,295,544</u>	<u>\$ 30,945</u>	<u>\$ 114,192</u>	<u>\$ 78,207</u>	<u>\$ 13,789</u>	<u>\$ 110,642</u>	<u>\$ 4,128</u>	<u>\$ 9,855</u>
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balances, July 1	-	-	-	-	-	-	-	-
Fund balances, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' reports.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues**  
**and Expenditures - Budgetary Basis (continued)**  
**For the Fiscal Year Ended June 30, 2024**

	CRRSA Mental Health	ASCERS	ARP ESSER III	ARP Accelerated Learning	NJTSS Mental Health	ARP Summer Learning	ARP Beyond the School Day	ARP IDEA Basic
Revenues								
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State sources	-	-	-	-	-	-	-	-
Federal sources	437	203,810	205,799	82,878	38,481	62	2,322	26,087
Total revenues	437	203,810	205,799	82,878	38,481	62	2,322	26,087
Other financing sources								
Transfer from general fund	-	-	-	-	-	-	-	-
Total revenues and other financing sources	<u>\$ 437</u>	<u>\$ 203,810</u>	<u>\$ 205,799</u>	<u>\$ 82,878</u>	<u>\$ 38,481</u>	<u>\$ 62</u>	<u>\$ 2,322</u>	<u>\$ 26,087</u>
Expenditures								
Instruction								
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Purchased professional and technical services	-	-	-	-	5,000	-	-	-
Other purchased services	-	203,810	-	-	-	-	-	-
General supplies	-	-	112,085	-	11,317	-	-	-
Other objects	-	-	-	-	-	62	62	-
Total	<u>-</u>	<u>203,810</u>	<u>112,085</u>	<u>-</u>	<u>16,317</u>	<u>62</u>	<u>62</u>	<u>-</u>
Support services								
Tuition	-	-	-	-	-	-	-	26,087
Salaries	406	-	582	16,275	-	-	2,099	-
Employee benefits	31	-	-	1,245	-	-	161	-
Purchased professional and technical services	-	-	93,132	65,358	21,798	-	-	-
Plant operations & maintenance	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Supplies and materials	-	-	-	-	366	-	-	-
Student activities	-	-	-	-	-	-	-	-
Scholarships	-	-	-	-	-	-	-	-
Total	<u>437</u>	<u>-</u>	<u>93,714</u>	<u>82,878</u>	<u>22,164</u>	<u>-</u>	<u>2,260</u>	<u>26,087</u>
Capital								
Facilities	-	-	-	-	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 437</u>	<u>\$ 203,810</u>	<u>\$ 205,799</u>	<u>\$ 82,878</u>	<u>\$ 38,481</u>	<u>\$ 62</u>	<u>\$ 2,322</u>	<u>\$ 26,087</u>
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balances, July 1	-	-	-	-	-	-	-	-
Fund balances, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' reports.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Combining Schedule of Program Revenues**  
**and Expenditures - Budgetary Basis (continued)**  
**For the Fiscal Year Ended June 30, 2024**

	Preschool Expansion Aid	SDA Emergent and Capital Maintenance Needs	Non-public	Local	Scholarships	Student Activities	Total
Revenues							
Local sources	\$ -	\$ -	\$ -	\$ 113,051	\$ 1,368	\$ 395,310	\$ 509,729
State sources	1,076,774	71,452	738,698	-	-	-	1,886,924
Federal sources	-	-	-	-	-	-	2,217,178
Total revenues	1,076,774	71,452	738,698	113,051	1,368	395,310	4,613,831
Other financing sources							
Transfer from general fund	451,081	-	-	-	-	-	451,081
Total revenues and other financing sources	<u>\$ 1,527,855</u>	<u>\$ 71,452</u>	<u>\$ 738,698</u>	<u>\$ 113,051</u>	<u>\$ 1,368</u>	<u>\$ 395,310</u>	<u>\$ 5,064,912</u>
Expenditures							
Instruction							
Salaries	\$ 585,885	\$ -	\$ -	\$ 5,417	\$ -	\$ -	\$ 641,302
Purchased professional and technical services	-	-	155,515	-	-	-	338,174
Other purchased services	-	-	-	-	-	-	230,511
General supplies	-	-	144,158	107,391	-	-	400,772
Other objects	-	-	-	243	-	-	367
Total	585,885	-	299,673	113,051	-	-	1,611,126
Support services							
Tuition	-	-	170,381	-	-	-	1,091,218
Salaries	638,785	-	162,630	-	-	-	855,827
Employee benefits	122,624	-	-	-	-	-	130,427
Purchased professional and technical services	32,113	-	5,352	-	-	-	658,708
Plant operations & maintenance	-	-	83,825	-	-	-	83,825
Transportation	42,454	-	-	-	-	-	42,454
Supplies and materials	105,994	-	16,837	-	-	-	123,197
Student activities	-	-	-	-	-	422,603	422,603
Scholarships	-	-	-	-	5,000	-	5,000
Total	941,970	-	439,025	-	5,000	422,603	3,413,259
Capital							
Facilities	-	71,452	-	-	-	-	71,452
Total	-	71,452	-	-	-	-	71,452
Total expenditures	<u>\$ 1,527,855</u>	<u>\$ 71,452</u>	<u>\$ 738,698</u>	<u>\$ 113,051</u>	<u>\$ 5,000</u>	<u>\$ 422,603</u>	<u>\$ 5,095,837</u>
Excess (deficiency) of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ (3,632)	\$ (27,293)	\$ (30,925)
Fund balances, July 1	-	-	-	-	33,430	188,430	221,860
Fund balances, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,798</u>	<u>\$ 161,137</u>	<u>\$ 190,935</u>

See independent auditors' reports.



**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Schedule of Preschool Education Aid - Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2024**

	Final Budget	Actual	Variance Final to Actual
Expenditures			
Instruction			
Salaries	\$ 425,130	\$ 425,130	\$ -
Other salaries for instruction	160,755	160,755	-
Total	<u>585,885</u>	<u>585,885</u>	<u>-</u>
Support services			
Salaries - program director	75,577	75,577	-
Salaries - other professional staff	426,302	426,302	-
Salaries - secretarial & clerical	9,100	9,100	-
Salaries - other	33,096	33,096	-
Salaries - community parent involvement	48,615	48,615	-
Salaries - master teachers	46,095	46,095	-
Employee benefits	122,624	122,624	-
Purchased professional and technical services	32,113	32,113	-
Transportation	42,454	42,454	-
Supplies	105,994	105,994	-
Total	<u>941,970</u>	<u>941,970</u>	<u>-</u>
Total expenditures	<u><u>\$ 1,527,855</u></u>	<u><u>\$ 1,527,855</u></u>	<u><u>\$ -</u></u>

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Special Revenue Fund**  
**Schedule of Preschool Education Aid - Budgetary Basis (continued)**  
**For the Fiscal Year Ended June 30, 2024**

Calculation of Budget & Carryover

Total revised 2023 - 2024 preschool education aid allocation	\$ 1,076,774
Add: actual ECPA/PEA carryover (June 30, 2023)	-
Add: budgeted transfer from general fund	<u>451,081</u>
Total preschool education aid funds available for 2023 - 2024 budget	1,527,855
Less: 2023 - 2024 budgeted preschool education aid	<u>(1,527,855)</u>
Available and unbudgeted preschool education aid funds as of June 30, 2024	-
Add: 2023 - 2024 unexpended preschool education aid	<u>-</u>
2023 - 2024 Actual carryover preschool education aid	<u><u>\$ -</u></u>
Preschool education aid carryover budgeted for preschool programs 2024 - 2025	<u><u>\$ -</u></u>

## **CAPITAL PROJECTS FUND**

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Summary Schedule of Project Expenditures**  
**For the Fiscal Year Ended June 30, 2024**

Description	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations 06/30/24
			Prior Years	Current Year	
Energy savings improvement program	2022	\$ 7,914,837	\$ 4,103,757	\$ 3,699,174	\$ 111,906
		<u>\$ 7,914,837</u>	<u>\$ 4,103,757</u>	<u>\$ 3,699,174</u>	<u>\$ 111,906</u>

See independent auditors' report.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budgetary Basis**  
**For the Fiscal Year Ended June 30, 2024**

Revenues and other financing sources	
Local sources	
Interest earned	\$ 2,269
Total revenues and other financing sources	<u>2,269</u>
Expenditures and other financing uses	
Purchased professional & technical services	1,613
Construction	<u>3,697,561</u>
Total expenditures	<u>3,699,174</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures & other financing uses	 (3,696,905)
Fund balance - beginning	<u>3,823,608</u>
Fund balance - ending	<u><u>\$ 126,703</u></u>

See independent auditors' report.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Capital Projects Fund**  
**Schedule of Project Revenues, Expenditures, Project Balance and Project Status**  
**Budgetary Basis**  
**Energy Savings Improvement Program (ESIP)**  
**For the Fiscal Year Ended June 30, 2024**

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and other financing sources				
Local sources				
Transfers in from capital reserve	\$ 541,054	\$ -	\$ 541,054	\$ 541,054
Financed purchase proceeds	7,373,783	-	7,373,783	7,373,783
Total revenues	<u>7,914,837</u>	<u>-</u>	<u>7,914,837</u>	<u>7,914,837</u>
Expenditures and other financing uses				
Purchased professional & technical services	35,340	1,613	36,953	200,000
Construction	<u>4,068,417</u>	<u>3,697,561</u>	<u>7,765,978</u>	<u>7,714,837</u>
Total expenditures	<u>4,103,757</u>	<u>3,699,174</u>	<u>7,802,931</u>	<u>7,914,837</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 3,811,080</u>	<u>\$ (3,699,174)</u>	<u>\$ 111,906</u>	<u>\$ -</u>

Additional Project Information

Project number	N/A
Authorization date	N/A
Bond authorized	N/A
Bonds issued	N/A
Original authorized cost	\$ 7,373,783
Additional authorized cost	541,054
Revised authorized cost	7,914,837
Percentage completion	98.59%

See independent auditors' report.

## **LONG-TERM DEBT SCHEDULES**

The Long-Term Debt Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the School District. This includes serial bonds outstanding, obligations under leases, and early retirement program.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Long-Term Debt**  
**Schedule of Serial Bonds**  
**June 30, 2024**

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance	Issued	Retired	Balance
			Date	Amount		07/01/23			06/30/24
2015 School Refunding Bonds	02/18/15	\$ 54,355,000	02/15/25	\$ 2,730,000	3.00%	\$ 5,515,000	\$ -	\$ 2,785,000	\$ 2,730,000
2018 School Refunding Bonds	06/06/18	7,830,000	09/01/24	945,000	5.00%	3,745,000	-	965,000	2,780,000
			09/01/25	930,000	5.00%	-	-	-	-
			09/01/26	400,000	4.25%	-	-	-	-
			09/01/26	505,000	5.00%	-	-	-	-
2020 School Refunding Bonds	08/15/20	41,405,000	02/15/25	765,000	0.89%	39,455,000	-	755,000	38,700,000
			02/15/26	3,600,000	1.13%	-	-	-	-
			02/15/27	3,610,000	1.23%	-	-	-	-
			02/15/28	3,860,000	1.39%	-	-	-	-
			02/15/29	3,760,000	1.49%	-	-	-	-
			02/15/30	3,610,000	1.64%	-	-	-	-
			02/15/31	3,465,000	1.74%	-	-	-	-
			02/15/32	3,380,000	1.84%	-	-	-	-
			02/15/33	3,290,000	1.94%	-	-	-	-
			02/15/34	3,205,000	1.99%	-	-	-	-
			02/15/35	3,115,000	2.04%	-	-	-	-
			02/15/36	3,040,000	2.09%	-	-	-	-
									\$ 48,715,000

See independent auditors' report.



**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Long-Term Debt**  
**Schedule of Obligations Under Leases**  
**For the Fiscal Year Ended June 30, 2024**

Description	Interest Rate	Amount of Original Issue	Balance 07/01/23	Issued	Retired	Balance 06/30/24
Buses	2.339%	\$ 227,501	\$ 46,539	\$ -	\$ 46,539	\$ -
Buses	1.616%	105,366	41,455	-	21,754	19,701
Chromebooks	0.988%	250,000	83,331	-	83,331	-
Technology equipment	0.738%	500,000	364,201	-	66,800	297,401
Energy savings incentive program	2.101%	7,431,272	7,431,272	-	441,698	6,989,574
Chromebooks	4.390%	200,859	-	200,859	70,000	130,859
			<u>\$ 7,966,798</u>	<u>\$ 200,859</u>	<u>\$ 730,122</u>	<u>\$ 7,437,535</u>

See independent auditors' report.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Debt Service Fund**  
**Budgetary Comparison Schedule**  
**For the Fiscal Year Ended June 30, 2024**

	Original Budget	Unaudited Budget Transfers	Final Budget	Actual	Variance Final to Actual
Revenues					
Local sources					
Local tax levy	\$ 4,878,516	\$ -	\$ 4,878,516	\$ 4,878,516	\$ -
State sources					
Debt service aid	581,520	-	581,520	581,520	-
Total revenues	<u>5,460,036</u>	<u>-</u>	<u>5,460,036</u>	<u>5,460,036</u>	<u>-</u>
Expenditures					
Regular debt service					
Interest on bonds	955,036	-	955,036	955,036	-
Redemption of principal	4,505,000	-	4,505,000	4,505,000	-
Total expenditures	<u>5,460,036</u>	<u>-</u>	<u>5,460,036</u>	<u>5,460,036</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-
Fund balance, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See independent auditors' report.

## **LONG-TERM DEBT SCHEDULES**

The Long-Term Debt Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the School District. This includes serial bonds outstanding, obligations under leases, and early retirement program.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Statistical Section J Series**

CONTENTS	PAGE
<b>FINANCIAL TRENDS</b>	
These schedules contain trend information to help the reader understand how the District's financial performance and wellbeing have changed over time.	J-1 to J-5
<b>REVENUE CAPACITY</b>	
These schedules contain trend information to help the reader assess the District's most significant local revenue sources, the property tax.	J-6 to J-9
<b>DEBT CAPACITY</b>	
These schedules contain trend information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	J-10 to J-13
<b>DEMOGRAPHIC AND ECONOMIC INFORMATION</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	J-14 to J-15
<b>OPERATING INFORMATION</b>	
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	J-16 to J-20
<b>Sources:</b> Unless otherwise noted, the information in these schedules are derived from the Annual Comprehensive Financial Reports (ACFR) for the relevant year.	
The District implemented GASB Statement No. 84 in the fiscal year ending June 30, 2021. Schedules presenting information relating to the implementation of GASB Statement No. 84 include information beginning in that year.	

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Government activities										
Net investment in capital assets	\$ 10,690,576	\$ 12,953,122	\$ 10,732,742	\$ 12,462,718	\$ 14,414,009	\$ 18,656,271	\$ 19,779,508	\$ 17,465,216	\$ 14,850,078	\$ 21,714,646
Restricted	4,133,114	4,318,653	6,992,480	9,272,742	7,022,305	8,076,372	7,889,804	5,409,620	6,202,965	3,174,412
Unrestricted	(20,634,271)	(23,352,947)	(24,575,528)	(25,679,469)	(23,485,640)	(24,803,168)	(21,294,145)	(12,375,867)	(10,903,070)	(7,141,735)
Total governmental activities	<u>\$ (5,810,581)</u>	<u>\$ (6,081,172)</u>	<u>\$ (6,850,306)</u>	<u>\$ (3,944,009)</u>	<u>\$ (2,049,326)</u>	<u>\$ 1,929,475</u>	<u>\$ 6,375,167</u>	<u>\$ 10,498,969</u>	<u>\$ 10,149,973</u>	<u>\$ 17,747,323</u>
Business-type activities										
Net investment in capital assets	\$ 269,323	\$ 293,342	\$ 264,319	\$ 246,002	\$ 212,478	\$ 183,631	\$ 166,015	\$ 135,609	\$ 139,162	\$ 123,134
Unrestricted	15,829	53,383	80,303	114,842	187,596	164,482	77,772	404,512	594,742	763,421
Total business-type activities	<u>\$ 285,152</u>	<u>\$ 346,725</u>	<u>\$ 344,622</u>	<u>\$ 360,844</u>	<u>\$ 400,074</u>	<u>\$ 348,113</u>	<u>\$ 243,787</u>	<u>\$ 540,121</u>	<u>\$ 733,904</u>	<u>\$ 886,555</u>
District-wide										
Net investment in capital assets	\$ 10,959,899	\$ 13,246,464	\$ 10,997,061	\$ 12,708,720	\$ 14,626,487	\$ 18,839,902	\$ 19,945,523	\$ 17,600,825	\$ 14,989,240	\$ 21,837,780
Restricted	4,133,114	4,318,653	6,992,480	9,272,742	7,022,305	8,076,372	7,889,804	5,409,620	6,202,965	3,174,412
Unrestricted	(20,618,442)	(23,299,564)	(24,495,225)	(25,564,627)	(23,298,044)	(24,638,686)	(21,216,373)	(11,971,355)	(10,308,328)	(6,378,314)
Total district-wide	<u>\$ (5,525,429)</u>	<u>\$ (5,734,447)</u>	<u>\$ (6,505,684)</u>	<u>\$ (3,583,165)</u>	<u>\$ (1,649,252)</u>	<u>\$ 2,277,588</u>	<u>\$ 6,618,954</u>	<u>\$ 11,039,090</u>	<u>\$ 10,883,877</u>	<u>\$ 18,633,878</u>

\*

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

\* as restated

See independent auditors' report.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities										
Instruction										
Regular	\$ 30,414,029	\$ 30,790,085	\$ 35,691,558	\$ 34,606,214	\$ 32,631,972	\$ 31,274,965	\$ 33,462,907	\$ 29,957,773	\$ 42,538,529	\$ 47,425,826
Special education	8,112,234	8,724,631	10,300,417	10,914,087	9,786,081	9,093,125	9,856,718	9,346,444	12,287,274	12,902,705
Other special education	316,459	627,416	553,048	527,022	136,566	148,246	127,279	180,359	1,580,703	468,447
Other instruction	2,734,382	2,865,976	3,061,034	3,262,993	4,042,438	3,990,531	4,191,390	3,807,100	5,559,991	5,946,290
Support services										
Tuition	2,759,807	2,684,197	2,655,176	2,420,389	2,155,425	2,121,825	1,861,446	2,144,761	2,727,529	2,868,733
Student & instruction related services	9,123,395	9,935,714	11,439,504	12,527,448	11,971,491	12,509,087	12,791,885	11,570,715	17,055,709	17,911,901
General & business administrative services	2,544,838	2,679,319	2,661,686	2,403,072	1,842,802	1,880,714	2,093,916	1,889,193	2,105,902	2,222,551
School administration	4,856,431	5,453,989	5,561,776	5,572,995	5,274,584	4,955,490	5,332,025	4,785,722	5,232,907	5,306,625
Plant operations & maintenance	6,767,680	6,833,619	6,886,289	7,246,144	7,626,788	7,419,712	7,371,420	7,381,472	7,110,163	7,096,726
Pupil transportation	4,992,244	4,705,065	4,819,551	4,816,163	4,729,532	4,513,546	4,587,568	5,005,378	6,639,883	6,162,029
Transfer to Charter School	233,906	373,175	174,152	254,577	419,066	385,792	287,660	218,288	269,800	509,572
Interest on long-term debt	4,289,072	2,695,757	2,591,096	2,347,551	2,239,534	2,122,943	1,203,615	679,487	1,383,794	1,105,742
Unallocated Debt Service	2,570,248	2,570,248	2,638,904	2,646,075	2,627,029	2,703,966	2,823,002	2,823,002	-	-
Total governmental activities expenses	79,714,725	80,939,191	89,034,191	89,544,730	85,483,308	83,119,942	85,990,831	79,789,694	104,492,184	109,927,147
Business-type activities										
Food services	955,855	891,526	902,693	881,323	904,348	729,559	645,146	1,135,520	1,174,456	1,287,168
Total business-type activities	955,855	891,526	902,693	881,323	904,348	729,559	645,146	1,135,520	1,174,456	1,287,168
Total district expenses	\$ 80,670,580	\$ 81,830,717	\$ 89,936,884	\$ 90,426,053	\$ 86,387,656	\$ 83,849,501	\$ 86,635,977	\$ 80,925,214	\$ 105,666,640	\$ 111,214,315

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Changes in Net Position (continued)**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Program revenues										
Governmental activities										
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 480,806	\$ 587,724	\$ 7,571,123	\$ 6,430,417
Operating grants & contributions	19,615,528	21,978,507	27,768,329	30,825,749	22,349,553	19,891,811	21,584,507	14,492,613	2,480,309	4,038,405
Capital grants & contributions	229,910	-	-	-	-	-	-	-	-	-
Total governmental activities	19,845,438	21,978,507	27,768,329	30,825,749	22,349,553	19,891,811	22,065,313	15,080,337	10,051,432	10,468,822
Business-type activities										
Charges for services										
Food service	702,817	743,090	744,113	694,065	786,527	544,862	16,211	81,964	917,519	1,048,189
Operating grants & contributions	115,540	135,530	156,140	149,476	155,818	131,885	524,430	1,349,890	446,748	391,630
Total business-type activities	818,357	878,620	900,253	843,541	942,345	676,747	540,641	1,431,854	1,364,267	1,439,819
Total district-wide program revenues	\$ 20,663,795	\$ 22,857,127	\$ 28,668,582	\$ 31,669,290	\$ 23,291,898	\$ 20,568,558	\$ 22,605,954	\$ 16,512,191	\$ 11,415,699	\$ 11,908,641
Net (expense) revenues										
Governmental activities	\$ (59,869,287)	\$ (58,960,684)	\$ (61,265,862)	\$ (58,718,981)	\$ (63,133,755)	\$ (63,228,131)	\$ (63,925,518)	\$ (64,709,357)	\$ (94,440,752)	\$ (99,458,325)
Business-type activities	(137,498)	(12,906)	(2,440)	(37,782)	37,997	(52,812)	(104,505)	296,334	189,811	152,651
Total district-wide net expenses	\$ (60,006,785)	\$ (58,973,590)	\$ (61,268,302)	\$ (58,756,763)	\$ (63,095,758)	\$ (63,280,943)	\$ (64,030,023)	\$ (64,413,023)	\$ (94,250,941)	\$ (99,305,674)
General revenues & other changes in net position										
Governmental activities										
Property taxes levied for general purposes	\$ 52,416,339	\$ 53,464,665	\$ 54,533,958	\$ 55,624,637	\$ 56,737,130	\$ 58,309,089	\$ 59,863,472	\$ 61,060,741	\$ 62,281,956	\$ 65,905,038
Taxes levied for debt service	4,674,200	4,589,644	5,213,991	5,149,102	4,664,384	5,023,263	5,100,371	4,683,004	4,815,616	4,878,516
Unrestricted grants & contributions	614,990	631,919	575,191	594,728	3,351,018	3,231,251	3,282,404	2,844,105	28,313,752	32,786,979
Investment earnings	-	-	-	-	-	-	-	-	196,457	458,577
Miscellaneous income	222,915	210,441	173,588	256,811	275,906	157,451	124,963	245,309	198,040	1,874,582
Transfer in(out)	-	-	-	-	-	-	-	-	(150)	-
Total governmental activities	57,928,444	58,896,669	60,496,728	61,625,278	65,028,438	66,721,054	68,371,210	68,833,159	95,805,671	105,903,692

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Changes in Net Position (continued)**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General revenues & other changes in net position (cont'd)										
Business-type activities										
Investment earnings	\$ 215	\$ 256	\$ 337	\$ 435	\$ 1,233	\$ 1,188	\$ 179	\$ -	\$ -	\$ -
Miscellaneous income	-	-	-	-	-	-	-	-	18,815	-
Transfer in (out)	-	-	-	-	-	-	-	-	150	-
Other	6,164	7,030	-	53,569	-	(337)	-	-	-	-
Total business-type activities	6,379	7,286	337	54,004	1,233	851	179	-	18,965	-
Total district-wide	<u>\$ 57,934,823</u>	<u>\$ 58,903,955</u>	<u>\$ 60,497,065</u>	<u>\$ 61,679,282</u>	<u>\$ 65,029,671</u>	<u>\$ 66,721,905</u>	<u>\$ 68,371,389</u>	<u>\$ 68,833,159</u>	<u>\$ 95,824,636</u>	<u>\$ 105,903,692</u>
Change in net position										
Governmental activities	\$ (1,940,843)	\$ (64,015)	\$ (769,134)	\$ 2,906,297	\$ 1,894,683	\$ 3,492,923	\$ 4,445,692	\$ 4,123,802	\$ 1,364,919	\$ 6,445,367
Business-type activities	(131,119)	(5,620)	(2,103)	16,222	39,230	(51,961)	(104,326)	296,334	208,776	152,651
Total district	<u>\$ (2,071,962)</u>	<u>\$ (69,635)</u>	<u>\$ (771,237)</u>	<u>\$ 2,922,519</u>	<u>\$ 1,933,913</u>	<u>\$ 3,440,962</u>	<u>\$ 4,341,366</u>	<u>\$ 4,420,136</u>	<u>\$ 1,573,695</u>	<u>\$ 6,598,018</u>

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.



**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Fund Balances - Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General fund										
Restricted	\$ 2,876,640	\$ 3,818,836	\$ 6,506,652	\$ 8,793,911	\$ 6,949,135	\$ 7,797,736	\$ 7,632,232	\$ 5,200,415	\$ 2,923,216	\$ 4,224,916
Committed	-	-	-	-	-	-	-	-	1,436,848	557,900
Assigned	231,916	546,237	725,863	267,440	2,293,931	883,781	1,751,889	1,251,648	700,000	699,997
Unassigned	608,338	638,261	718,973	746,696	904,374	937,131	1,707,034	2,441,209	1,283,379	1,295,421
Total general fund	<u>\$ 3,716,894</u>	<u>\$ 5,003,334</u>	<u>\$ 7,951,488</u>	<u>\$ 9,808,047</u>	<u>\$ 10,147,440</u>	<u>\$ 9,618,648</u>	<u>\$ 11,091,155</u>	<u>\$ 8,893,272</u>	<u>\$ 6,343,443</u>	<u>\$ 6,778,234</u>
						*				
All other governmental funds										
Restricted, reported in										
Special revenue fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 205,466	\$ 181,099	\$ 205,902	\$ 221,860	\$ 190,935
Capital projects fund	1,256,474	499,817	485,828	478,831	-	-	-	-	3,823,608	126,703
Debt service fund	-	-	-	-	73,170	73,170	76,473	3,303	-	-
Committed	-	-	-	-	-	-	-	5,161,648	-	-
Total all other governmental funds	<u>\$ 1,256,474</u>	<u>\$ 499,817</u>	<u>\$ 485,828</u>	<u>\$ 478,831</u>	<u>\$ 73,170</u>	<u>\$ 278,636</u>	<u>\$ 257,572</u>	<u>\$ 5,370,853</u>	<u>\$ 4,045,468</u>	<u>\$ 317,638</u>
						*				

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

\* as restated

See independent auditors' report.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Changes in Fund Balances - Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Revenues</b>										
Tax levy	\$ 57,090,539	\$ 58,054,309	\$ 59,747,949	\$ 60,773,739	\$ 61,401,514	\$ 63,332,352	\$ 64,963,843	\$ 65,743,745	\$ 67,097,572	\$ 70,783,554
Tuition charges	-	-	-	-	-	-	-	-	294,207	-
Interest earnings	-	-	-	-	-	-	-	-	195,869	440,790
Rents and royalties	-	-	-	-	-	-	-	-	165,225	91,752
Miscellaneous	281,326	313,285	415,547	490,317	491,843	356,465	673,206	908,851	822,263	628,445
State sources	12,984,712	13,818,404	14,715,699	15,937,956	17,244,500	17,875,938	20,058,648	23,531,372	24,030,053	26,954,540
Federal sources	1,108,963	1,035,572	1,071,800	1,017,528	1,069,685	999,128	1,285,681	1,730,419	1,526,192	2,198,622
<b>Total revenues</b>	<b>71,465,540</b>	<b>73,221,570</b>	<b>75,950,995</b>	<b>78,219,540</b>	<b>80,207,542</b>	<b>82,563,883</b>	<b>86,981,378</b>	<b>91,914,387</b>	<b>94,131,381</b>	<b>101,097,703</b>
<b>Expenditures</b>										
Instruction										
Regular instruction	17,888,723	17,895,444	17,748,520	18,046,598	19,518,079	19,858,686	20,660,866	21,074,111	21,970,865	22,459,763
Special education instruction	4,583,825	4,654,295	4,991,563	5,372,214	5,376,111	5,291,938	5,443,525	6,139,032	6,314,476	6,607,237
Other special instruction	110,397	128,871	80,320	69,686	71,025	84,267	71,798	123,678	164,952	172,130
Other instruction	1,754,976	2,163,204	2,204,766	2,356,085	2,483,470	2,560,827	2,665,224	2,848,251	3,219,529	3,004,507
Support services										
Tuition	2,359,558	2,332,164	2,289,056	1,988,244	1,888,805	1,885,708	1,584,086	1,879,270	2,058,424	1,777,515
Student & instructional related services	5,849,522	6,243,081	6,063,175	6,842,423	7,156,185	7,569,063	7,601,572	7,832,351	8,281,610	7,963,764
General administration	1,150,852	1,205,045	1,206,367	896,532	651,684	699,249	903,475	911,097	892,873	776,750
School administration services	2,901,024	2,904,882	3,021,794	3,048,905	3,254,022	3,192,739	3,461,469	3,584,508	3,587,718	3,222,196
Central services	587,857	586,055	559,098	558,563	622,402	664,552	586,232	567,974	630,213	626,195
Plant operations & maintenance	5,112,652	5,109,466	4,838,195	4,970,295	5,591,245	5,657,184	5,655,833	6,109,762	5,900,984	6,421,832
Pupil transportation	4,445,043	4,187,130	4,176,448	4,130,652	4,132,202	4,034,299	4,120,998	4,700,862	5,573,046	5,669,766
Employee benefits	10,762,894	10,092,756	10,095,510	10,098,922	10,012,570	10,116,644	10,331,537	10,447,817	10,484,700	11,414,085
On-behalf TPAF Pension & Social Security contributions	5,410,581	6,404,382	7,213,428	8,311,911	9,603,136	10,310,059	12,446,732	16,201,722	16,966,332	18,144,003
Capital outlay	1,994,048	658,850	2,692,245	1,862,210	2,948,464	3,844,237	1,652,604	3,897,326	1,304,126	1,731,225
Transfer to charter schools	233,906	373,175	174,152	254,577	419,066	385,792	287,660	218,288	269,800	509,572
Capital projects	598,948	159,742	13,990	6,995	-	-	-	2,212,135	1,891,622	3,699,174
Special revenue funds	1,712,653	1,671,682	1,827,015	1,811,334	1,886,756	1,840,263	2,463,218	3,059,442	2,891,042	4,917,088
Debt service										
Principal	2,680,000	2,910,000	2,875,000	2,930,000	3,100,000	3,070,000	3,755,000	4,000,000	4,512,238	4,505,000
Interest & other charges	3,309,190	3,011,563	2,914,181	2,813,832	2,567,694	2,535,081	1,943,472	1,315,146	1,149,384	969,799
<b>Total expenditures</b>	<b>73,446,649</b>	<b>72,691,787</b>	<b>74,984,823</b>	<b>76,369,978</b>	<b>81,282,916</b>	<b>83,600,588</b>	<b>85,635,301</b>	<b>97,122,772</b>	<b>98,063,934</b>	<b>104,591,601</b>

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Changes in Fund Balances - Governmental Funds (continued)**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Excess (deficiency) of revenues over (under) expenditures	\$ (1,981,109)	\$ 529,783	\$ 966,172	\$ 1,849,562	\$ (1,075,374)	\$ (1,036,705)	\$ 1,346,077	\$ (5,208,385)	\$ (3,932,553)	\$ (3,493,898)
Other financing sources (uses)										
Lease purchase	524,618	-	1,967,993	-	1,009,106	227,501	105,366	8,123,783	57,489	200,859
Transfers out	-	-	-	-	-	-	-	-	(150)	-
Total other financing sources (uses)	524,618	-	1,967,993	-	1,009,106	227,501	105,366	8,123,783	57,339	200,859
Net change in fund balances	<u>\$ (1,456,491)</u>	<u>\$ 529,783</u>	<u>\$ 2,934,165</u>	<u>\$ 1,849,562</u>	<u>\$ (66,268)</u>	<u>\$ (809,204)</u>	<u>\$ 1,451,443</u>	<u>\$ 2,915,398</u>	<u>\$ (3,875,214)</u>	<u>\$ (3,293,039)</u>
Debt service as a percentage of non-capital expenditures	9.23%	8.98%	8.71%	8.35%	7.80%	7.56%	7.28%	6.20%	6.35%	5.84%

Source: District Records

Notes: 1) Non-capital expenditures are total expenditures less capital outlay.  
2) During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**General Fund - Other Local Revenues by Source**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Interest income	\$ 21,361	\$ 14,740	\$ 15,301	\$ 28,602	\$ 68,988	\$ 55,104	\$ 40,370	\$ 43,672	\$ 183,341	\$ 438,521
Tuition	97,593	68,817	88,567	191,732	139,215	135,782	76,766	162,867	294,207	-
Building use fees	-	-	-	-	-	-	-	-	143,975	91,752
Equipment rental	-	-	-	-	-	-	-	-	21,250	-
Prior year refunds	-	-	-	11,554	16,333	-	-	-	182,915	9,139
Miscellaneous other	-	-	-	-	-	-	-	-	7,784	110,921
Event admissions	-	-	-	-	-	-	-	-	7,221	1,764
Annual totals	<u>\$ 118,954</u>	<u>\$ 83,557</u>	<u>\$ 103,868</u>	<u>\$ 231,888</u>	<u>\$ 224,536</u>	<u>\$ 190,886</u>	<u>\$ 117,136</u>	<u>\$ 206,539</u>	<u>\$ 840,693</u>	<u>\$ 652,097</u>

Source: District records

Note: During the year ended June 30, 2021, the District implemented GASB Statement No. 84.

See independent auditors' report.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Assessed Value and Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

	Fiscal Year Ended June 30,									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Vacant land	\$ 47,935,200	\$ 56,577,700	\$ 54,904,000	\$ 54,369,700	\$ 63,779,600	\$ 63,641,500	\$ 52,845,600	\$ 44,418,700	\$ 42,347,500	\$ 39,592,900
Residential	2,038,625,800	2,585,713,700	2,581,343,000	2,575,471,100	2,573,020,900	2,582,484,000	2,603,349,200	2,630,593,600	2,635,749,000	2,640,591,200
Farm regular	21,973,200	30,199,100	29,704,700	29,756,800	30,403,800	31,900,900	31,199,800	31,251,400	32,302,800	32,404,800
Qualified farm	762,600	839,200	816,700	811,100	813,600	852,900	828,500	825,700	756,400	813,700
Commercial	186,852,900	259,597,800	259,127,000	263,296,200	266,270,600	268,530,200	295,778,800	297,996,300	303,374,800	305,687,500
Industrial	32,594,700	40,849,800	41,094,600	41,080,800	41,838,700	41,955,800	41,955,800	41,955,800	41,955,800	42,331,800
Apartment	3,588,700	5,922,900	5,922,900	12,147,900	12,147,900	12,147,900	16,839,900	16,839,900	16,839,900	16,839,900
Total assessed value	2,332,333,100	2,979,700,200	2,972,912,900	2,976,933,600	2,988,275,100	3,001,513,200	3,042,797,600	3,063,881,400	3,073,326,200	3,078,261,800
Public utilities (a)	5,651,983	-	-	-	-	-	-	-	-	-
Net valuation taxable	<u>\$ 2,337,985,083</u>	<u>\$ 2,979,700,200</u>	<u>\$ 2,972,912,900</u>	<u>\$ 2,976,933,600</u>	<u>\$ 2,988,275,100</u>	<u>\$ 3,001,513,200</u>	<u>\$ 3,042,797,600</u>	<u>\$ 3,063,881,400</u>	<u>\$ 3,073,326,200</u>	<u>\$ 3,078,261,800</u>
Estimated actual county equalized value	<u>\$ 3,134,299,119</u>	<u>\$ 3,045,962,744</u>	<u>\$ 3,083,772,077</u>	<u>\$ 3,111,077,036</u>	<u>\$ 3,203,716,178</u>	<u>\$ 3,297,251,767</u>	<u>\$ 3,310,614,834</u>	<u>\$ 3,528,597,720</u>	<u>\$ 3,933,605,785</u>	<u>\$ 4,351,701,746</u>
Percentage of net valuation to estimated actual equalized value	<u>74.59%</u>	<u>97.82%</u>	<u>96.41%</u>	<u>95.69%</u>	<u>93.28%</u>	<u>91.03%</u>	<u>91.91%</u>	<u>86.83%</u>	<u>78.13%</u>	<u>70.74%</u>
Total direct school tax rate (b)	<u>\$ 2.460</u>	<u>\$ 1.980</u>	<u>\$ 2.030</u>	<u>\$ 2.040</u>	<u>\$ 2.090</u>	<u>\$ 2.170</u>	<u>\$ 2.120</u>	<u>\$ 2.168</u>	<u>\$ 2.243</u>	<u>\$ 2.319</u>
		*								

Source: Municipal tax assessor

Notes: Real property is required to be assessed at some percentage of true value (fair or market value) established by each County Board of Taxation.  
Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment.

- (a) Taxable value of machinery, implements and equipment of telephone and messenger system companies.  
(b) Tax rates are per \$100.

\* Revaluation/reassessment

See independent auditors' report.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**  
**(Rate Per \$100 of Assessed Value)**

Assessment Year	School District Direct Rate				Regional School Rate	Overlapping Rates		Fire District	Total Direct & Overlapping Tax Rate
	Basic	General	(From J-6)	Total Direct		Municipality	County		
	Rate (a)	Obligation Debt Service (b)	School Tax Rate						
2015	\$ 2.259	\$ 0.201	\$ 2.460	\$ -	\$ 0.770	\$ 0.660	\$ -	\$ 3.890	
2016	* 1.823	0.157	1.980	-	0.620	0.530	-	3.130	
2017	1.853	0.177	2.030	-	0.620	0.560	-	3.210	
2018	1.867	0.173	2.040		0.630	0.570	-	3.240	
2019	1.931	0.159	2.090	-	0.640	0.580	-	3.310	
2020	1.998	0.172	2.170	-	0.640	0.600	-	3.410	
2021	1.954	0.166	2.120	-	0.630	0.590	-	3.340	
2022	2.014	0.154	2.168	-	0.629	0.605	-	3.402	
2023	2.082	0.161	2.243	-	0.627	0.616	-	3.486	
2024	2.159	0.160	2.319	-	0.617	0.653	-	3.589	

Sources: Municipal Tax Collector

Notes: N.J.S.A.18A:7F-5d limits the amount that the District can submit for a general fund tax levy. The levy when added to other components of the District's net budget may not exceed the pre-budget by more than the spending growth limitation calculated as follows: the pre-budget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

(a) The District's basic tax rate is calculated from the A4F Form which is submitted with the budget and the net valuation taxable.

(b) Rates for debt service are based on each year's requirements.

\* Revaluation/reassessment

See independent auditors' report.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Principal Property Taxpayers**  
**Current Year and Nine Years Ago**

	2024			2015		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
NV Retail Holdings, LLC	\$ 21,505,800	1	0.70%	\$ -		0.00%
Jersey Investors Growth	19,654,000	2	0.64%	13,535,300	1	0.58%
Sparta Senior Living	9,122,400	3	0.30%	-		0.00%
AHS Hospital Corp	9,108,400	4	0.30%	4,600,000	6	0.20%
Braen Royalty LLC	8,137,900	5	0.26%	6,069,700	3	0.26%
376 Lafayette JV, LLC	7,075,100	6	0.23%	-		0.00%
Sparta Ecumential Council	6,225,000	7	0.20%	-		0.00%
Heller Property Partners, LP	5,616,800	8	0.18%	-		0.00%
Lake Mohawk Country Club	5,355,700	9	0.17%	5,514,900	5	0.24%
Sparta Residence, LLC	4,692,000	10	0.15%	-		0.00%
Cofrancesco/Grinnell	-		0.00%	6,629,400	2	0.28%
United Tel of NJ % Embarq	-		0.00%	5,651,983	4	0.24%
Heller Sparta, LLC	-		0.00%	3,878,600	7	0.17%
Terry-Lynn, Inc	-		0.00%	3,574,200	8	0.15%
Lake Mohawk Golf Club	-		0.00%	3,573,800	9	0.15%
Serolf Properties LLC	-		0.00%	3,340,900	10	0.14%
	<u>\$ 96,493,100</u>		<u>3.13%</u>	<u>\$ 56,368,783</u>		<u>2.41%</u>

Source: Municipal Tax Assessor

See independent auditors' report.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Property Tax Levies and Collections**  
**Last Ten Years**

Year Ending June 30,	Taxes Levied for the Year	Collected within the Year of the Levy (a)	
		Amount	Percentage of Levy
2015	\$ 57,090,539	\$ 57,090,539	100.00%
2016	58,054,309	58,054,309	100.00%
2017	59,747,949	59,747,949	100.00%
2018	60,773,739	60,773,739	100.00%
2019	61,401,514	61,401,514	100.00%
2020	63,332,352	63,332,352	100.00%
2021	64,963,843	64,963,843	100.00%
2022	65,743,745	65,743,745	100.00%
2023	67,097,572	67,097,572	100.00%
2024	70,783,554	70,783,554	100.00%

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

- (a) School taxes are collected by the Municipal tax collector. Under New Jersey State Statute, a municipality is required to remit to the School District the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.



**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year Ending June 30,	Governmental Activities				Business-Type Activities Leases	Total District	% of	
	General Obligation Bonds	Certificates of Participation	Leases	Bond Anticipation Notes (BANs)			Personal Income (a)	Per Capita (a)
2015	\$ 69,050,000	\$ -	\$ 573,996	\$ -	\$ 69,623,996	6.73%	\$ 3,642	
2016	66,140,000	-	170,829	-	66,310,829	6.29%	3,503	
2017	63,265,000	-	1,783,057	-	65,048,057	6.03%	3,457	
2018	59,765,000	-	1,169,171	-	60,934,171	5.51%	3,256	
2019	56,665,000	-	1,158,214	-	57,823,214	5.04%	3,100	
2020	53,595,000	-	708,109	-	54,303,109	4.54%	2,919	
2021	56,970,000	-	508,035	-	57,478,035	4.56%	3,091	
2022	52,970,000	-	8,166,547	-	61,136,547	4.31%	3,060	
2023	48,715,000	-	7,966,798	-	56,681,798	3.94%	2,822	
2024	44,210,000	-	7,437,535	-	51,647,535	N/A	2,557	

Notes: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

- (a) See Exhibit J-14 for personal income and population data.  
These ratios are calculated using personal income and population for the prior calendar year.

N/A Information is not available

See independent auditors' report.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Ratios of Net General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

Fiscal Year Ending June 30,	General Bonded Debt Outstanding			% of Actual Taxable Value of Property (a)	Per Capita (b)
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2015	\$ 69,050,000	\$ -	\$ 69,050,000	2.95%	\$ 3,612
2016	* 66,140,000	-	66,140,000	2.22%	3,494
2017	63,265,000	-	63,265,000	2.13%	3,362
2018	59,765,000	-	59,765,000	2.01%	3,194
2019	56,665,000	-	56,665,000	1.90%	3,038
2020	53,595,000	-	53,595,000	1.79%	2,881
2021	56,970,000	-	56,970,000	1.87%	3,063
2022	52,970,000	-	52,970,000	1.73%	2,652
2023	48,715,000	-	48,715,000	1.59%	2,425
2024	44,210,000	-	44,210,000	1.44%	2,189

Notes: Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

(a) See Exhibit J-6 for property tax data.

(b) Population data can be found in Exhibit J-14.

See independent auditors' report.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Direct and Overlapping Governmental Activities Debt**  
**As of December 31, 2023**

Governmental Unit	<u>Debt Outstanding</u>	<u>Estimated % Applicable (a)</u>	<u>Estimated Share of Debt</u>
Debt repaid with property taxes			
Municipality	\$ 5,433,534	100.00%	\$ 5,433,534
County general obligation debt	88,319,376	18.62%	<u>16,445,068</u>
Subtotal, overlapping debt			21,878,602
School District direct debt			<u>47,750,000</u>
Total direct and overlapping debt			<u><u>\$ 69,628,602</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the County Board of Taxation. Debt outstanding data provided by each Governmental Unit.

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

- (a) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another Governmental Unit's taxable value that is within the District's boundaries and dividing it by each unit's total taxable value.

See independent auditors' report.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

Legal Debt Margin Calculation for Fiscal Year 2024

	Equalized Valuation Basis	
	2023	\$ 4,340,243,186
	2022	3,921,517,215
	2021	3,504,316,020
		<u>\$ 11,766,076,421</u>
Average equalized valuation of taxable property		<u>\$ 3,922,025,474</u>
Debt limit (4.0% of average equalization value)	(a)	\$ 156,881,019
Total net debt applicable to limit		<u>44,210,000</u>
Legal debt margin		<u>\$ 112,671,019</u>

	Fiscal Year				
	2020	2021	2022	2023	2024
Debt limit	\$ 127,591,152	\$ 129,709,549	\$ 133,931,944	\$ 142,501,847	\$ 156,881,019
Total net debt applicable	<u>53,595,000</u>	<u>56,970,000</u>	<u>52,970,000</u>	<u>48,715,000</u>	<u>44,210,000</u>
Legal debt margin	<u>\$ 73,996,152</u>	<u>\$ 72,739,549</u>	<u>\$ 80,961,944</u>	<u>\$ 93,786,847</u>	<u>\$ 112,671,019</u>
Total net debt applicable to the limit as a percentage of debt limit	42.01%	43.92%	39.55%	34.19%	28.18%

	Fiscal Year				
	2015	2016	2017	2018	2019
Debt limit	\$ 127,919,520	\$ 125,118,602	\$ 124,191,997	\$ 123,883,265	\$ 125,031,659
Total net debt applicable	<u>69,050,000</u>	<u>66,140,000</u>	<u>63,265,000</u>	<u>59,765,000</u>	<u>56,665,000</u>
Legal debt margin	<u>\$ 58,869,520</u>	<u>\$ 58,978,602</u>	<u>\$ 60,926,997</u>	<u>\$ 64,118,265</u>	<u>\$ 68,366,659</u>
Total net debt applicable to the limit as a percentage of debt limit	53.98%	52.86%	50.94%	48.24%	45.32%

Source: Equalized valuation basis obtained from the annual report of the State of New Jersey Department of Treasury, Division of Taxation.

(a) Limit set by N.J.S.A. 18A:24-19.

See independent auditors' report.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

Year	Population (a)	Personal Income (b)	Per Capita Personal Income (c)	Unemployment Rate (d)
2015	19,119	\$ 1,034,643,804	\$ 54,116	4.3%
2016	18,932	1,054,928,904	55,722	3.8%
2017	18,816	1,078,664,832	57,327	3.4%
2018	18,714	1,106,820,816	59,144	3.2%
2019	18,650	1,147,553,150	61,531	2.8%
2020	18,604	1,195,939,536	64,284	8.0%
2021	18,598	1,261,204,772	67,814	5.0%
2022	19,976	1,419,474,584	71,059	3.0%
2023	20,085	1,439,512,035	71,671	3.8%
2024	20,195	N/A	N/A	N/A

Sources:

- (a) Population information provided by the NJ Dept of Labor and Workforce Development.
- (b) Personal income has been estimated based upon the municipal population and per capita personal income presented.
- (c) Per capita personal income by County estimated based upon the 2020 census published by the U.S. Bureau of Economic Analysis.
- (d) Unemployment data provided by the NJ Dept of Labor and Workforce Development.

N/A Information is not available

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Principal Employers**  
**Current Year and Nine Years Ago**

2024

			Percentage of
			Total Municipal
Employer	Employees	Rank	Employment

INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

2015

			Percentage of
			Total Municipal
Employer	Employees	Rank	Employment

INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

See independent auditors' report.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Full Time Equivalent District Employees by Function/Program**  
**Last Ten Fiscal Years**

Function/program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Instruction										
Regular	248.2	256.6	245.5	249.0	252.0	257.3	251.0	271.0	278.7	269.3
Special education	70.5	67.0	69.8	65.0	69.0	75.4	82.0	84.8	79.2	79.0
Support services										
Student and instruction related services	88.0	97.1	97.0	94.0	94.0	100.0	92.0	90.0	109.0	122.6
General administration	4.0	4.0	4.0	6.0	6.0	4.0	4.0	5.0	8.0	7.0
School administration services	41.5	42.1	41.6	41.0	41.0	47.6	37.5	47.0	36.5	34.6
Plant operations and maintenance	38.0	38.5	40.0	41.0	46.0	40.1	45.0	38.0	44.0	46.0
Pupil transportation	25.0	21.7	19.0	21.0	21.0	23.5	20.5	20.0	16.0	21.0
Business and other support services	7.0	7.0	6.0	6.0	6.0	6.2	6.2	7.0	10.0	10.0
Total	<u>522.2</u>	<u>534.0</u>	<u>522.9</u>	<u>523.0</u>	<u>535.0</u>	<u>554.1</u>	<u>538.2</u>	<u>562.8</u>	<u>581.4</u>	<u>589.5</u>

Source: District Personnel Records

See independent auditors' report.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Operating Statistics**  
**Last Ten Fiscal Years**

Fiscal Year	June 30 Enrollment	Operating Expenditures (a)	Cost Per Pupil	Percentage Change	Teaching Staff ( b )	Teacher Ratio					Average Daily	Average Daily	% Change in Average	Student
						Elementary School			Middle School	High School	Enrollment (ADE) ( c )	Attendance (ADA) ( c )	Daily Enrollment	Attendance Percentage
						Helen Morgan	Alpine	Mohawk Avenue						
2015	3,328	\$ 64,864,463	\$ 19,491	8.22%	319.0	1:10.5	1:12.0	1:10.1	1:9.8	1:10.2	3,305.7	3,153.0	-4.87%	95.38%
2016	3,292	65,951,632	20,034	2.79%	323.0	1:10.6	1:11.0	1:10.2	1:9.5	1:10.0	3,269.5	3,125.0	-1.10%	95.58%
2017	3,252	66,489,407	20,446	2.06%	315.0	1:11.4	1:11.0	1:11.1	1:9.6	1:9.8	3,209.0	3,101.0	-1.85%	96.63%
2018	3,187	68,756,941	21,574	5.52%	322.0	1:6.8	1:6.6	1:5.3	1:6.6	1:6.8	3,219.0	3,093.0	0.31%	96.09%
2019	3,224	72,666,758	22,539	4.47%	327.0	1:5.7	1:6.5	1:5.5	1:6.4	1:6.8	3,113.5	2,997.0	-3.28%	96.26%
2020	3,113	74,151,270	23,820	5.68%	333.0	1:9.4	1:11.1	1:9.5	1:8.4	1:9.2	3,135.5	3,036.0	0.71%	96.83%
2021	3,037	78,284,225	25,777	8.22%	333.0	1:9.2	1:10.4	1:7.9	1:8.5	1:8.8	3,068.1	2,982.0	-2.15%	97.19%
2022	3,186	85,698,165	26,898	4.35%	343.0	1:9.5	1:9.4	1:10.8	1:12.8	1:10.9	3,209.9	2,962.0	4.62%	92.28%
2023	3,233	89,206,564	27,593	2.58%	357.9	1:10.4	1:9.9	1:11.0	1:12.0	1:11.7	3,234.1	3,011.2	0.76%	93.11%
2024	3,255	93,686,403	28,782	4.31%	339.3	1:10.0	1:9.6	1:9.9	1:11.9	1:11.0	3,250.9	3,036.9	0.52%	93.42%

Source: District Records

- (a) Operating expenditures equal total expenditures less debt service and capital outlay.
- (b) Teaching staff includes only full-time equivalents or certificated staff.
- (c) Average Daily Enrollment and Average Daily Attendance are obtained from the School Register Summary.

See independent auditors' report.



**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**School Building Information**  
**Last Ten Fiscal Years**

District Building	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<u>Elementary</u>										
<u>Helen Morgan (1958)</u>										
Square feet	60,515	60,515	60,515	60,515	60,515	60,515	60,515	60,515	60,515	60,515
Capacity (students)	672	672	672	672	672	672	672	672	672	672
Enrollment	509	494	470	467	444	429	442	473	471	464
<u>Alpine (1964)</u>										
Square feet	63,240	63,240	63,240	63,240	63,240	63,240	63,240	63,240	63,240	63,240
Capacity (students)	805	805	805	805	805	805	805	805	805	805
Enrollment	631	631	664	664	692	671	621	703	737	761
<u>Mohawk Avenue (1935)</u>										
Square feet	47,300	47,300	47,300	47,300	47,300	47,300	47,300	47,300	47,300	47,300
Capacity (students)	350	350	350	350	350	350	350	350	350	350
Enrollment	221	225	222	196	224	212	206	231	219	244
<u>Middle</u>										
Square feet	132,500	132,500	132,500	132,500	132,500	132,500	132,500	132,500	132,500	132,500
Capacity (students)	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175
Enrollment	825	799	801	768	753	724	714	721	744	747
<u>High School</u>										
Square feet	255,127	255,127	255,127	255,127	255,127	255,127	255,127	255,127	255,127	255,127
Capacity (students)	1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075	1,075
Enrollment	1,142	1,122	1,095	1,092	1,111	1,077	1,054	1,058	1,062	1,039

Number of schools at June 30, 2024:

Elementary	3
Middle School	1
High School	1
Other	-

Source: District Records

Note: Year of original construction is shown in parentheses. Increase in square footage and capacity are the result of renovations and additions. Enrollment is based on the annual October District count.

See independent auditors' report.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Schedule of Required Maintenance**  
**Last Ten Fiscal Years**

Undistributed Expenditures - Required Maintenance for School Facilities

Fiscal Year Ending	Helen Morgan School	Alpine School	Mohawk Avenue School	Middle Total	Senior High School	Total
2015	115,657	124,192	253,480	133,226	339,957	\$ 966,512
2016	69,438	92,225	144,578	124,887	228,029	659,157
2017	115,486	144,160	69,786	188,817	260,856	779,105
2018	56,723	49,874	27,275	95,336	544,159	773,367
2019	203,349	94,338	47,227	157,830	366,394	869,138
2020	362,613	129,512	112,507	73,273	318,383	996,288
2021	140,664	57,261	214,793	245,091	431,420	1,089,229
2022	159,760	93,304	190,449	224,060	380,626	1,048,199
2023	180,821	121,656	82,939	184,663	398,365	968,444
2024	159,102	155,872	88,562	159,117	376,010	938,663
Total school facilities	<u>\$ 1,563,613</u>	<u>\$ 1,062,394</u>	<u>\$ 1,231,596</u>	<u>\$ 1,586,300</u>	<u>\$ 3,644,199</u>	<u>\$ 9,088,102</u>

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

Source: District Records

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Insurance Schedule**  
**June 30, 2024**  
**(Unaudited)**

	Coverage	Deductible
School Alliance Insurance Fund:		
Property - Blanket Building and Contents Including Boiler and Building and Personal Property	\$ 500,000,000	\$ 2,500
Inland Marine - Auto Physical Damage	-	1,000
General Liability including Auto, Employee Benefits		
Each Occurance	10,000,000	-
General Aggregate	100,000,000	-
Product Completed Ops		
Personal Injury		
Fire Damage	2,500,000	-
Medical Expenses (Excluding Students Taking Part in Athletics)	10,000	-
Employee Benefits Liability	5,000,000	-
Sexual Abuse/Molestation		
Occurrence/Fund Agg.	1,000,000/28,000,000	-
Security Guard Coverage	Included	
Automobile Coverage	10,000,000	Occurrence 1,000
Combined Single Limit		
Hired/Non Owned		
Environmental Impairment Liability	1,000,000/10,000,000	Fund Aggregate 50,000
Excludes mold/fungi/fungus/legionella		
Crime Coverage	50,000	Inside/Outside 1,000
Blanket Dishonesty Bond	500,000	1,000
Boiler and Machinery	100,000,000	2,500

See independent auditors' report.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Insurance Schedule**  
**June 30, 2024**  
**(Unaudited)**

	Coverage	Deductible	
Cyber Liability - First Party	\$ 750,000		Various
Cyber Liability - Third Party	2,000,000		Various
School Board Legal	5,000,000/5,000,000		\$10,000
Excess School Board Legal	5,000,000		-
Workers' Compensation	Statutory		
Employer's Liability	5,000,000		-
Supplemental Indemnity	Statutory		
Bond for School Business			
Administrator eff 7/1/23	500,000	Selective Insurance	-
Bond for Treasurer of			
School Monies eff 6/30/24	500,000	Selective Insurance	-
Student Accident- Base- including			
Football effective 9/1/23	25,000	All students & athletes	-
Student Accident - CAT including			
Football effective 9/1/23	6,000,000	All students & athletes	25,000

See independent auditors' report.

## **SINGLE AUDIT SECTION**

**OTHER REPORTING REQUIRED BY  
GOVERNMENT AUDITING STANDARDS - PART I**



**Independent Auditors' Report on Internal Control Over Financial Reporting and  
on Compliance and Other Matters Based on an Audit of Financial Statements Performed  
in Accordance with *Government Auditing Standards***

Honorable President and  
Members of the Board of Education  
Sparta Township Public School District  
Sparta, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, and the aggregate remaining fund information of the Sparta Township Public School District (the District) in the County of Sussex, as of and for the year ended June 30, 2024, and the related Notes to the Financial Statements, which collectively comprise the District's Basic Financial Statements, and have issued our report thereon dated December 19, 2024.

**Report on Internal Control Over Financial Reporting**

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

A deficiency in internal control exists when the design or operation of a control does not allow Management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 or significant deficiencies may exist that were not identified.

### Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

### 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



BKC, CPAs, PC



Michael A. Holk, CPA, PSA  
NO. 20CS00265600

December 19, 2024  
Flemington, New Jersey





Certified Public Accountants, PC  
[www.bkc-cpa.com](http://www.bkc-cpa.com)

**Independent Auditors' Report on Compliance for Each Major Program  
and on Internal Control Over Compliance Required by the Uniform Guidance  
and the New Jersey OMB Circular 15-08**

Honorable President and  
Members of the Board of Education  
Sparta Township Public School District  
Sparta, New Jersey

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Sparta Township School District's (the District) compliance with the types of compliance requirements as subject to audit in the OMB Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2024. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal and State Program

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

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

### Responsibilities of Management for Compliance

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

### Auditors' Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, we:

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

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

Report on Internal Control Over Compliance

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

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

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

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

**BKC, CPAs, PC**Michael A. Holk, CPA,  
PSA NO. 20CS00265600December 19, 2024  
Flemington, New Jersey

## **SUPPLEMENTARY INFORMATION**

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Schedule of Expenditures of Federal Awards, Schedule A**  
**For the Fiscal Year Ended June 30, 2024**

Grantor/Program Title	Federal AL Number	FAIN Number	Program or Award Amount	Grant Period		Balance 06/30/23	Carryover Amount	Cash Received	Budgetary Expenditure	Adjustment	Repayment of Prior Year Balance	Balance June 30, 2024		
				From	To							Accounts Receivable	Deferred Revenue	Due to Grantor
General Fund														
U.S. Department of Health and Human Services														
Medicaid Cluster														
Medicaid Assistance Program	93.778	N/A	\$ 13,256	07/01/23	06/30/24	\$ -	\$ -	\$ 13,256	\$ 13,256	\$ -	\$ -	\$ -	\$ -	\$ -
Total general fund						-	-	13,256	13,256	-	-	-	-	-
Special Revenue Fund														
U.S. Department of Education passed through State Department of Education														
Special education cluster (IDEA)														
ARP - Part B, Basic	84.027X	H027X210100	192,729	07/01/21	09/30/22	(2,782)	-	28,869	26,087	-	-	-	-	-
IDEA Part B, Basic	84.027A	H027A230100	1,303,397	07/01/22	06/30/23	(294,550)	-	254,312	-	46,371	-	-	6,133	-
IDEA Part B, Basic	84.027A	H027A240100	1,447,703	07/01/23	06/30/24	-	-	1,090,705	1,295,544	-	-	(204,839)	-	-
IDEA Preschool	84.173A	H173A240114	30,945	07/01/23	06/30/24	-	-	30,945	30,945	-	-	-	-	-
Total special education cluster (IDEA)						(297,332)	-	1,404,831	1,352,576	46,371	-	(204,839)	6,133	-
Title I A	84.010	S010A230030	85,418	07/01/22	06/30/23	(5,017)	-	21,136	16,119	-	-	-	-	-
Title I A	84.010	S010A240030	100,452	07/01/23	06/30/24	-	-	83,291	98,073	-	-	(14,782)	-	-
Title II A	84.367A	S367A230029	74,846	07/01/22	06/30/23	(18,138)	-	30,138	12,000	-	-	-	-	-
Title II A	84.367A	S367A240029	82,337	07/01/23	06/30/24	-	-	29,761	66,207	-	-	(36,446)	-	-
Title IV A	84.424	S424A240031	20,000	07/01/23	06/30/24	-	-	4,000	4,000	-	-	-	-	-
Title IV A	84.424A	S424A230031	17,361	07/01/23	09/30/23	-	-	-	9,789	-	-	(9,789)	-	-
COVID-19														
CRRSA - ESSER II	84.425D	S425D210027	259,733	03/13/20	09/30/23	(6,390)	-	13,147	4,128	(2,629)	-	-	-	-
CRRSA - Learning Acceleration	84.425D	S425D210027	25,000	03/13/20	09/30/23	-	-	9,855	9,855	-	-	-	-	-
CRRSA - Mental Health	84.425D	S425D210027	45,000	03/13/20	09/30/23	(2,630)	-	388	437	2,679	-	-	-	-
ARP ESSER														
ARP - ESSER	84.425U	S425U210027	583,732	03/13/20	09/30/24	(16,481)	-	199,716	205,799	5,454	-	(17,110)	-	-
Accelerated Learning Coach and Educator Support	84.425U	S425U210027	248,057	03/13/20	09/30/24	(38,493)	-	50,667	82,878	-	-	(70,704)	-	-
Evidenced Based Summer Learning and Enrichment	84.425U	S425U210027	40,000	03/13/20	09/30/24	-	-	-	62	-	-	(62)	-	-
Evidenced Based Beyond the School Day	84.425U	S425U210027	40,000	03/13/20	09/30/24	-	-	-	2,322	-	-	(2,322)	-	-
NJTSS Mental Health Support Staffing	84.425U	S425U210027	45,000	03/13/20	09/30/24	(199)	-	10,889	38,481	-	-	(27,791)	-	-
High Impact Tutoring	21.027	SFLRDOE1SES	114,968	10/11/23	08/31/24	-	-	-	110,642	-	-	(110,642)	-	-
U.S. Department of Treasury passed through the State Department of Education														
COVID-19 ACSERS (additional or compensatory special education and related services to students with disabilities)	21.027	SFLRDOE1SES	45,591	7/1/2022	06/30/23	(23,621)	-	23,621	-	-	-	-	-	-
COVID-19 ACSERS (additional or compensatory special education and related services to students with disabilities)	21.027	SFLRDOE1SES	210,757	7/1/2023	06/30/24	-	-	105,379	203,810	-	-	(98,431)	-	-
Total special revenue fund						(408,301)	-	1,986,819	2,217,178	51,875	-	(592,918)	6,133	-

See independent auditors' report.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Schedule of Expenditures of Federal Awards, Schedule A (continued)**  
**For the Fiscal Year Ended June 30, 2024**

Grantor/Program Title	Federal AL Number	FAIN Number	Program or Award Amount	Grant Period		Balance 06/30/23	Carryover Amount	Cash Received	Budgetary Expenditure	Adjustment	Repayment of Prior Year Balance	Balance June 30, 2024		
				From	To							Accounts Receivable	Deferred Revenue	Due to Grantor
Enterprise Fund														
U.S. Department of Agriculture passed through State Department of Agriculture														
Child Nutrition Cluster														
National School Lunch Program														
Non-Cash Assistance (Commodities)	10.555	231NJ304N1099	\$ 70,893	07/01/22	06/30/23	\$ 1,849	\$ -	\$ -	\$ 1,849	\$ -	\$ -	\$ -	\$ -	\$ -
Non-Cash Assistance (Commodities)	10.555	241NJ304N1099	137,042	07/01/23	06/30/24	-	-	137,042	133,457	-	-	-	3,585	-
COVID-19 Seamless Summer Option														
Breakfast	10.553	231NJ304N1099	3,978	07/01/22	06/30/23	(333)	-	333	-	-	-	-	-	-
Breakfast	10.553	241NJ304N1099	5,377	07/01/23	06/30/24	-	-	5,085	5,377	-	-	(292)	-	-
Lunch	10.555	231NJ304N1099	194,067	07/01/22	06/30/23	(13,769)	-	13,769	-	-	-	-	-	-
Lunch	10.555	241NJ304N1099	153,938	07/01/23	06/30/24	-	-	146,436	153,938	-	-	(7,502)	-	-
Total Child Nutrition Cluster						(12,253)	-	302,665	294,621	-	-	(7,794)	3,585	-
P-EBT	10.649	2022225900941	653	07/01/23	06/30/24	-	-	653	653	-	-	-	-	-
Supply Chain Assistance	10.555	241NJ304N1099	77,918	07/01/23	06/30/24	-	-	77,918	77,918	-	-	-	-	-
Total Enterprise Fund						(12,253)	-	381,236	373,192	-	-	(7,794)	3,585	-
Total federal awards						\$ (420,554)	\$ -	\$ 2,381,311	\$ 2,603,626	\$ 51,875	\$ -	\$ (600,712)	\$ 9,718	\$ -

See independent auditors' report.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Schedule of Expenditures of State Financial Assistance, Schedule B**  
**For the Fiscal Year Ended June 30, 2024**

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From	Grant Period To	Balance June 30, 2023		Cash Received	Budgetary Expenditure	Adjustments/ Repayments	Balance June 30, 2024			Memo	
					Deferred Rev. (Accts. Rec)	Due to Grantor				Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure
State Department of Education														
General Fund														
Special Education Categorical Aid	24-495-034-5120-089	\$ 2,735,914	07/01/23	06/30/24	\$ -	\$ -	\$ 2,411,966	\$ 2,735,914	\$ -	\$ -	\$ -	\$ -	\$ 323,948	\$ 2,735,914
Equalization Aid	24-495-034-5120-078	1,646,501	07/01/23	06/30/24	-	-	1,451,546	1,646,501	-	-	-	-	194,955	1,646,501
Security Aid	24-495-034-5120-084	252,688	07/01/23	06/30/24	-	-	222,768	252,688	-	-	-	-	29,920	252,688
Transportation Aid	24-495-034-5120-014	1,128,376	07/01/23	06/30/24	-	-	994,770	1,128,376	-	-	-	-	133,606	1,128,376
Extraordinary Aid	23-100-034-5120-044	562,638	07/01/22	06/30/23	(562,638)	-	562,638	-	-	-	-	-	-	562,638
Extraordinary Aid	24-100-034-5120-044	824,411	07/01/23	06/30/24	-	-	-	824,411	-	(824,411)	-	-	-	824,411
Non-Public Transportation Aid	23-495-034-5120-014	70,908	07/01/22	06/30/23	(70,908)	-	70,908	-	-	-	-	-	-	70,908
Non-Public Transportation Aid	24-495-034-5120-014	102,468	07/01/23	06/30/24	-	-	-	102,468	-	(102,468)	-	-	-	102,468
On-Behalf TPAF Pension Contribution - Teachers' Pension & Annuity Fund	24-495-034-5094-002	12,138,054	07/01/23	06/30/24	-	-	12,138,054	12,138,054	-	-	-	-	-	12,138,054
On-Behalf TPAF Pension Contribution - Non-Contributory Insurance	24-495-034-5094-004	138,428	07/01/23	06/30/24	-	-	138,428	138,428	-	-	-	-	-	138,428
On-Behalf TPAF Pension Contribution - Post Retirement Medical	24-495-034-5094-001	3,341,209	07/01/23	06/30/24	-	-	3,341,209	3,341,209	-	-	-	-	-	3,341,209
On-Behalf TPAF Pension Contribution - Long-Term Disability Insurance	24-495-034-5094-001	4,394	07/01/23	06/30/24	-	-	4,394	4,394	-	-	-	-	-	4,394
Reimbursed TPAF Social Security Contribution	23-495-034-5094-003	2,487,265	07/01/22	06/30/23	(121,778)	-	121,778	-	-	-	-	-	-	2,487,265
Reimbursed TPAF Social Security Contribution	24-495-034-5094-003	2,521,918	07/01/23	06/30/24	-	-	2,396,228	2,521,918	-	(125,690)	-	-	-	2,521,918
Total General Fund					(755,324)	-	23,854,687	24,834,361	-	(1,052,569)	-	-	682,429	27,955,172
Special Revenue Fund														
N.J. Nonpublic Textbook Aid	23-495-034-5120-064	85,074	07/01/22	06/30/23	-	4,214	-	-	4,214	-	-	-	-	80,860
N.J. Nonpublic Textbook Aid	24-495-034-5120-064	78,506	07/01/23	06/30/24	-	-	78,506	77,812	-	-	-	694	-	77,812
N.J. Nonpublic Nursing Services	23-100-034-5120-070	145,936	07/01/22	06/30/23	-	90,157	-	-	90,157	-	-	-	-	55,779
N.J. Nonpublic Nursing Services	24-100-034-5120-070	164,640	07/01/23	06/30/24	-	-	164,640	153,369	-	-	-	11,271	-	153,369
N.J. Nonpublic Security Aid	23-100-034-5120-509	267,115	07/01/22	06/30/23	-	8,877	-	-	8,877	-	-	-	-	258,238
N.J. Nonpublic Security Aid	24-100-034-5120-509	281,260	07/01/23	06/30/24	-	-	281,260	268,643	-	-	-	12,617	-	268,643
N.J. Nonpublic Technology Aid	23-100-034-5120-373	54,138	07/01/22	06/30/23	-	368	-	-	368	-	-	-	-	53,770
N.J. Nonpublic Technology Aid	24-100-034-5120-373	66,542	07/01/23	06/30/24	-	-	66,542	66,345	-	-	-	197	-	66,345

See independent auditors' report.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Schedule of Expenditures of State Financial Assistance, Schedule B (continued)**  
**For the Fiscal Year Ended June 30, 2024**

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period		Balance June 30, 2023		Cash Received	Budgetary Expenditure	Adjustments/ Repayments	Balance June 30, 2024			Memo	
			From	To	Deferred Rev. (Accts. Rec)	Due to Grantor				Accounts Receivable	Deferred Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditure
State Department of Education (continued)														
Special Revenue Fund (continued)														
N.J. Nonpublic Auxiliary Services														
Compensatory Education	23-100-034-5120-067	\$ 145,776	07/01/22	06/30/23	\$ -	\$ 25,860	\$ -	\$ -	\$ 25,860	\$ -	\$ -	\$ -	\$ -	\$ 119,916
Compensatory Education	24-100-034-5120-067	115,981	07/01/23	06/30/24	-	-	115,981	64,015	-	-	-	51,966	-	64,015
English as a Second Language	23-100-034-5120-067	2,005	07/01/22	06/30/23	-	402	-	-	402	-	-	-	-	1,603
English as a Second Language	24-100-034-5120-067	1,831	07/01/23	06/30/24	-	-	1,831	-	-	-	-	1,831	-	-
Home Instruction	23-100-034-5120-067	1,866	07/01/21	06/30/23	(1,866)	-	1,866	-	-	-	-	-	-	1,866
Home Instruction	24-100-034-5120-067	2,147	07/01/23	06/30/24	-	-	-	2,147	-	(2,147)	-	-	-	2,147
N.J. Nonpublic Handicapped														
Supplemental Instruction	23-100-034-5120-066	93,426	07/01/22	06/30/23	-	38,161	-	-	38,161	-	-	-	-	55,265
Supplemental Instruction	24-100-034-5120-066	65,254	07/01/23	06/30/24	-	-	65,255	32,604	-	-	-	32,651	-	32,603
Exam & Classification	23-100-034-5120-066	77,576	07/01/22	06/30/23	-	26,368	-	-	26,368	-	-	-	-	51,208
Exam & Classification	24-100-034-5120-066	59,937	07/01/23	06/30/24	-	-	59,937	56,205	-	-	-	3,732	-	56,205
Speech	23-100-034-5120-066	46,500	07/01/22	06/30/23	-	16,926	-	-	16,926	-	-	-	-	29,574
Speech	24-100-034-5120-066	48,360	07/01/23	06/30/24	-	-	48,360	17,558	-	-	-	30,802	-	17,558
School Climate	23-WB01-G02	6,660	07/01/22	06/30/23	-	200	-	-	-	-	-	200	-	6,460
School Development Authority														
Emergent and Capital Maintenance Needs	N/A	78,020	7/1/2023	06/30/24	-	-	78,020	71,452	-	-	6,568	-	-	78,020
Preschool expansion aid	24-495-034-5120-086	1,076,774	7/1/2023	06/30/24	-	-	1,076,774	1,076,774	-	-	-	-	-	1,076,774
Total Special Revenue Fund					(1,866)	211,533	2,038,972	1,886,924	211,333	(2,147)	6,568	145,961	-	2,608,030
Debt Service Fund														
Debt Service Aid	24-495-034-5120-017	581,520	07/01/23	06/30/24	-	-	581,520	581,520	-	-	-	-	-	581,520
State Department of Agriculture														
Enterprise Fund														
State School Lunch Program	23-100-010-3350-023	12,100	07/01/22	06/30/23	(875)	-	875	-	-	-	-	-	-	12,100
State School Lunch Program	24-100-010-3350-023	18,438	07/01/23	06/30/24	-	-	17,532	18,438	-	(906)	-	-	-	18,438
State School Breakfast Program	23-100-010-3350-023	30	07/01/22	06/30/23	(3)	-	3	-	-	-	-	-	-	30
Total Enterprise Fund					(878)	-	18,410	18,438	-	(906)	-	-	-	30,568
Total State Financial Assistance					\$ (758,068)	\$ 211,533	\$ 26,493,589	27,321,243	\$ 211,333	\$ (1,055,622)	\$ 6,568	\$ 145,961	\$ 682,429	\$ 31,175,290
Less: On-Behalf TPAF Pension System Contributions														
On-Behalf TPAF Pension Contribution - Teachers' Pension & Annuity Fund														
On-Behalf TPAF Pension Contribution - Non-Contributory Insurance	24-495-034-5094-002	12,138,054	07/01/23	06/30/24				12,138,054						
On-Behalf TPAF Pension Contribution - Postretirement Medical	24-495-034-5094-001	3,341,209	07/01/23	06/30/24				3,341,209						
On-Behalf TPAF Pension Contribution - Long-Term Disability Insurance	24-495-034-5094-001	4,394	07/01/23	06/30/24				4,394						
Total for State Financial Assistance - Major Program Determination								\$ 11,699,158						

See independent auditors' report.



**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance**  
**For the Fiscal Year Ended June 30, 2024**

Note 1 - General

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance present the activity of all federal awards and state financial assistance programs of the Sparta Township School District. The District is defined in Note 1 (A) to the District's Basic Financial Statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies, is included on the Schedules of Expenditures of Federal Awards and State Financial Assistance.

Note 2 - Basis of accounting

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1 (C) and 1 (D) to the District's Basic Financial Statements.

Note 3 - Relationship of financial statements

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$204,436) for the general fund and (\$178,749) for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance**  
**For the Fiscal Year Ended June 30, 2024**

Note 3 - Relationship of financial statements (continued)

Financial assistance revenues are reported in the District's Basic Financial Statements on a GAAP basis as follows:

	Federal	State	Total
General fund	\$ 13,256	\$ 24,629,925	\$ 24,643,181
Special revenue fund	2,185,366	1,743,095	3,928,461
Debt service fund	-	581,520	581,520
Food service fund	373,192	18,438	391,630
Total awards and financial assistance	<u>\$ 2,571,814</u>	<u>\$ 26,972,978</u>	<u>\$ 29,544,792</u>

Note 4 - Relationship to federal and state financial reports

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

Note 5 - Other

Revenues and expenditures reported under the USDA Commodities Program represent current year distributions, respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the fiscal year ended June 30, 2024. TPAF Social Security contribution represents the amount reimbursed by the State for the employer's share of Social Security contributions for TPAF members for the fiscal year ended June 30, 2024.

Note 6 - Indirect Costs

The District has elected not to utilize the 10% de minimis indirect cost rate.

**OTHER REPORTING REQUIRED BY  
GOVERNMENT AUDITING STANDARDS - PART II**

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2024**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued Unmodified

Internal Control Over Financial Reporting:

1. Were material weakness(es) identified?      Yes   X   No
2. Were significant deficiencies identified?      Yes   X   None reported

Noncompliance material to Basic  
Financial Statements noted?

     Yes   X   No

Federal Awards

Internal Control Over Major Programs:

1. Were material weakness(es) identified?      Yes   X   No
2. Were significant deficiencies identified?      Yes   X   None reported

What was the type of auditors' report issued on compliance for  
major programs?

Unmodified

Were any audit findings disclosed that are required to be  
reported in accordance with 2 CFR 200 Section .516(a)?

     Yes   X   No

Identification of Major Programs:

<u>CFDA Number(s)</u>	<u>FEIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
		<u>IDEA Cluster:</u>
<u>84.027A</u>	<u>H027A240100</u>	<u>IDEA Basic</u>
<u>84.173A</u>	<u>H173S240114</u>	<u>IDEA Preschool</u>
<u>84.027X</u>	<u>H027X210100</u>	<u>ARP IDEA Basic</u>

What was the dollar threshold used to distinguish between Type  
A and Type B programs?

\$750,000

Did the auditee qualify as a low-risk auditee?

  X   Yes      No

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2024**

Section I - Summary of Auditors' Results (continued)

State Awards

What was the dollar threshold used to distinguish between Type A and Type B programs? \$750,000

Did the auditee qualify as a low-risk auditee? X Yes    No

Internal Control Over Major Programs:

1. Were material weakness(es) identified?    Yes X No

2. Were there significant deficiencies identified that are not considered to be material weaknesses?    Yes X None reported

What was the type of auditors' report issued on compliance for major programs? Unmodified

Were any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08 as applicable?    Yes X No

Identification of Major Programs:

<u>State Grant/Project Numbers</u>	<u>Name of State Program</u>
<u>24-495-034-5120-089</u>	<u>State Aid Public Cluster:</u>
<u>24-495-034-5120-078</u>	<u>Special Education Categorical Aid</u>
<u>24-495-034-5120-084</u>	<u>Equalization Aid</u>
<u>24-495-034-5094-003</u>	<u>Security Aid</u>
<u>24-495-034-5120-086</u>	<u>Reimbursed TPAF Social Security Contribution</u>
	<u>Preschool Expansion Aid</u>

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2024**

Section II - Financial Statement Findings

There were no findings or questioned costs for the fiscal year ended June 30, 2024.

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

There were no findings or questioned costs for the fiscal year ended June 30, 2024.

**SPARTA TOWNSHIP PUBLIC SCHOOL DISTRICT**  
**Summary Schedule of Prior Year Audit Findings**  
**and Questioned Costs as Prepared by Management**  
**For the Fiscal Year Ended June 30, 2024**

Status of Prior Year Findings

There were no prior year findings or questioned costs.