

HAZLET TOWNSHIP SCHOOL DISTRICT

Hazlet, New Jersey
County of Monmouth

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2023**

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**ANNUAL COMPREHENSIVE FINANCIAL REPORT
OF THE
HAZLET TOWNSHIP SCHOOL DISTRICT
HAZLET, NEW JERSEY**

YEAR ENDED JUNE 30, 2023

**PREPARED BY DISTRICT FINANCE OFFICER
SCHOOL BUSINESS ADMINISTRATOR/BOARD SECRETARY
TRACY PETRINO**

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INTRODUCTORY SECTION

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November 28, 2023

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

Dear Board Members/Citizens:

It is with pleasure that we submit the Annual Financial Comprehensive Report ("ACFR") of the Hazellet Township School District ("District") for the fiscal year ended June 30, 2023. This ACFR includes the District's Basic Financial Statement prepared in accordance with Governmental Accounting Standards Board Statement 34. The District believes that this financial reporting model provides all users of this document with much more useful financial and statistical information than ever before. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, data presented in this report are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Annual Financial Comprehensive Report is presented in four sections as follows:

- ◆ The Introductory Section contains a Table of Contents, Letter of Transmittal, List of Principal Officials, and an Organizational Chart of the School District;
- ◆ The Financial Section begins with the Independent Auditors' Report and includes the Management's Discussion and Analysis, the Basic Financial Statements and Notes providing an overview of the District's financial position and operating results, and other schedules providing detailed budgetary information;
- ◆ The Statistical Section includes selected economic and demographic information, financial trends, and the fiscal capacity of the District, generally presented on a multi-year basis;
- ◆ The Single Audit Section – The District is required to undergo an annual audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the independent auditor's report on the internal control and compliance with applicable laws, regulations, contracts and grants, along with findings and questioned costs, if any, is included in the single audit section of this report.



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1. REPORTING ENTITY AND ITS SERVICES

The Hazlet Township School District is an independent reporting entity within the criteria adopted by the GASB as established by Statement No. 14. All funds of the District are included in this report. The Hazlet Township Board of Education and all its schools constitute the District's reporting entity.

The District continues to maintain a high quality of education by providing a full range of programs and services appropriate to grades Pre-K through 12. These include regular education programs for the very able students (gifted and talented), as well as special education for handicapped youngsters placed within and outside of the District. One Early Childhood Learning Center, three lower and two upper elementary schools, a middle school and a high school comprise the District's school facilities.

Supervising District-wide goals is a District Superintendent, an Assistant Superintendent, a School Business Administrator/Board Secretary, a Director of Curriculum, Instruction and Testing, District-wide Supervisors of Math, Science, and Language Arts, an Athletic Director, a Director of School Counseling, a Director of Special Services and a Supervisor of Special Services. Each elementary school has its own principal. The Hazlet Middle School has one principal and one assistant principal. Raritan High School has one principal and two assistant principals.

The Board of Education ("Board") comprised of nine members, each elected to three-year terms, meets on the fourth Monday of each month for the regular Board Meeting. During its meetings, the Board determines District goals and priorities, and conducts the business of the Board. All Board meetings are open to the public and begin at 7:00 pm.

Parent Teacher Organizations (PTOs) are highly active in the District and provide community support for a variety of programs and activities for the children.

To maintain effective communications, the District maintains an active website, Facebook page, and Twitter feeds, also monthly Superintendent and school newsletters are available for the parents of the children in the school. Information about the budget is available on the District website and conveyed through a series of budget discussions held at Board meetings. The budget review process begins in November with the administration, January at the Board of Education Meeting and a public hearing is held annually. All members of the community are invited to attend the public hearing. The District maintains a website that contains a wealth of District information and District contacts for public access. Each Board meeting agenda is posted on the website prior to the meeting and minutes are posted the week following the meeting.

Each of the schools in the District follows the District-wide mission of "Educating our students...to achieve their maximum potential." The District's Vision and Goals as well as individual educational approaches to the teaching of children maintain a unique personality that makes up each school. All curricula in our District have been aligned to the New Jersey Student Learning Standards.

"Educating our students...to achieve their maximum potential."



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The New Jersey Department of Education's 2023 Taxpayers' Guide to Education Spending for all school districts in the State compares districts with those that are similar in enrollment/configurations. The information on expenditures was taken from certified 2021-22 budgets on file with the State Department of Education. This report shows that the District budgeted \$18,948 per pupil of the other K-12 school districts in the state with enrollments between 1,801 and 3,500 children, Hazlet ranked 45th in total cost per pupil of the 74 similar type districts.

Elementary Schools: Grades Pre-K through 6

For the 2022-23 school year the District was comprised of an Early Childhood Learning Center serving our preschool and full day kindergarten students (Sycamore Drive), three lower elementary schools (Lillian Drive, Middle Road, and Raritan Valley) and two upper elementary schools (Beers Street and Cove Road) that offer students a comprehensive educational program.

Sycamore Drive – a grade Pre-K to K school of approximately 272 students. There is one administrator and a staff of 24 teachers, instructional assistants and school aides. The school is located on Sycamore Drive, Hazlet.

Lillian Drive - a grade 1 to 4 school of approximately 241 students. There is one administrator and a staff of 25 teachers, instructional assistants and school aides. The school is located on Lillian Drive, Hazlet.

Middle Road - a grade 1 to 4 school of approximately 270 students. There is one administrator and a staff of 26 teachers, instructional assistants and school aides. The school is located on Middle Road, Hazlet.

Raritan Valley - a grade 1 to 4 school of approximately 252 students. There is one administrator and a staff of 31 teachers, instructional assistants and school aides. The school is located on Cresci Boulevard, Hazlet.

Beers Street - a grade 5 to 6 school of approximately 173 students. There is one administrator and a staff of 27 teachers, instructional assistants and school aides. The school is located on Beers Street, Hazlet.

Cove Road - a grade 5 to 6 school of approximately 207 students. There is one administrator and a staff of 21 teachers, instructional assistants and school aides. The school is located on Cove Road, Hazlet.

The District's philosophy is that children learn best by being active learners. Towards this end, the District has established an early literacy program where students begin pre-reading and pre-writing as soon as they enter kindergarten or in the District-run preschool program. Each day, students are immersed in an environment of books and educational materials.

The classroom teacher models appropriate reading and writing behaviors and reads to them regularly. Gradually, students view themselves as authors and see themselves as readers. Every attempt is made



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to make learning relevant. Students are taught skills that are directly applied to their reading and writing, which is then integrated into the various disciplines.

In math, students begin by using manipulatives. This tactile method enables them to develop concepts prior to being introduced to the abstract algorithms.

The Science program is hands-on, and students are encouraged to investigate and explore. They are scientists using scientific methods of inquiry and discovery.

In the Social Studies program, the students learn skills and concepts of geography, history, economics, and the social sciences. A tolerance curriculum has been recently integrated into the Social Studies program as well.

A World Language program begins in kindergarten where the language of focus is Spanish.

Enrichment classes exist at each grade in each elementary school. All students in Kindergarten through grade 2 receive push-in enrichment instruction. Selected students in grades 3-6 are provided with an enriched program and are expected to engage themselves in higher level thinking and creative activities.

Hazlet Middle School

Grades 7 and 8

Hazlet Middle School is a grade 7-8 school of approximately 394 students during the 2022-2023 school year. There are two administrators and a staff of 47 teachers, instructional assistants, and school aides. The school is located on Union Avenue, Hazlet.

The Math program is organized around the National Council of Teachers of Mathematics Standards and the New Jersey Student Learning Standards.

Language Arts encompasses reading, literature, writing, grammar, listening and vocabulary skills and public speaking. The various components of language arts are integrated so that they are more relevant to students. Research and study skills are incorporated into this program as well.

The 7th grade Social Studies curriculum focuses on a study of the Middle Ages, the Renaissance, the emergence of modern Europe and the Industrial Revolution. The 8th grade Social Studies curriculum focuses on American history. To provide our students a meaningful, relevant program, a thematic and chronological approach is used in both grades. Geography and civics are integrated at both levels.

The Science program in Hazlet provides students with experiences that foster an awareness of the role of science in their present and future worlds. It provides the students with an opportunity to develop their



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individual potential for becoming responsible members of society. In this class, they perform highly sophisticated scientific research.

The philosophy of the middle school is to meet the unique needs of the preadolescent child. For students, this is a period of change and upheaval. This is a time when students are very interested in the world around them and have a need to explore their options. Courses available in related arts at grade 7 and/or 8 are art, music, computer technology, study skills, applied technology, health, and physical education. Hazlet Middle School also offers LAUNCH (formerly AVID (Advancement Via Individual Determination) for grades 7 and 8.

Raritan High School

Raritan High School is a grade 9-12 school of approximately 820 full and part time students. There are 3 administrators and a staff of 86 teachers, instructional assistants, and school aides. The school is located on Middle Road, Hazlet.

This educational facility boasts a state-of-the-art auditorium, Global Communications Classroom, Television Production Studio, Computer and Art Labs, Fabrication Lab and Culinary Arts Lab, which benefits not only the educational community, but the Township of Hazlet as well. The school offers both advanced placement classes and dual enrollment with local colleges and universities. Additionally, Raritan High School offers its students the opportunity to graduate with a capstone diploma from the College Board or an associate degree from Brookdale Community College through our Explorer Early College Academy. The school is organized by academic department. Each department represents the major academic disciplines of math, language arts, social studies, science, world language, technology, fine arts and health and physical education. Raritan High School also offered LAUNCH in grades 9 – 12.

The math program is aligned to address both the National Council of Teachers of Mathematics Standards and the New Jersey Student Learning Standards. The extensive math curriculum includes algebra, geometry, calculus, trigonometry, and statistics. Honors options are available for each of these courses as well as advanced placement for calculus and statistics.

Language Arts encompasses reading, literature, writing, grammar, listening and vocabulary skills and public speaking. The various components of language arts are integrated so they are more relevant to students. Research and study skills are incorporated into this program. Honors and advanced placement courses are a key part of the curriculum.

The high school social studies curriculum engages students in exploratory research, genocide studies, current US issues as well as psychology and world history. Opportunities for advanced placement and dual enrollment studies are provided for in the curriculum. An honors social studies program is also offered to select students.



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The science program at Hazlet provides students with experiences that foster an awareness of the role of science in their present and future worlds. It provides the students with an opportunity to develop their individual potential for becoming responsible members of society. Several students can take honors, advanced placement and dual enrollment science courses. In these classes, they perform highly sophisticated scientific research.

The philosophy of high school is to meet the many needs of its students. For students, this is a period of change and preparation for career choices. Toward this end, in addition to the regular curriculum, the school offers many courses that may lead to career interest and prepare students with the academic foundation needed for college. Some of our students can participate in a partnership with Bayshore Hospital. Students can explore courses in art, business, home economics, performing arts and technical education.

Special Education

The Special Education program is an integral part of each school. As of June 30, 2023, there were approximately 550 classified as students with disabilities in the District and approximately 32 students were placed out-of-district. Most of our classified students are placed in regular classes alongside their typically developing peers for 80% or more of their day. In addition, a pre-school handicapped program and life skills programs are available as well as classes for those who have mild to severe learning and/or language disabilities. The district offers a host of related services including applied behavior analysis, speech therapy, occupational therapy, and physical therapy.

Core Curriculum Content Standards

All District curricula are aligned with the [New Jersey Student Learning Standards](#).

Staff Development

The Hazel Township Public School System provides its teaching staff with many opportunities for professional development.

- Our District focused on professional development activities in the following areas: Professional conferences, workshops, articulation meetings between buildings for Pre-K-12 staff members, regularly scheduled departmental and grade-level programs Pre-K-12, District-wide in-service workshops and summer workshops.
- Numerous professional development activities aligned to the New Jersey Student Learning Standards took place in the 2022-2023 school year. Teacher lesson plans were monitored to include the New Jersey Student Learning Standards. Professional Development Plans, related to building objectives, included Pupil Performance and Student Assessment.



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- In October and February, the District held its annual full-day Professional Development In-Service using many of its capable staff members to conduct training sessions. Additional afternoon workshops were scheduled throughout the school year.
- Our District provides for a Tuition Reimbursement Program for approved graduate study. District Administrators, Principals, Vice-Principals and Supervisors review staff Professional Development Plans for alignment with professional growth opportunities.
- The District maintains a four-year mentor/novice teacher training program including professional teaching portfolios, action research and reflective video journals.
- A summer institute took place to offer support and guidance to new teachers and mentors for the start of the school year
- Professional Development Opportunities were offered through the District's Professional Development Academy totaling over 150 workshops for staff members, administrators, parents, and families.
- Partnership activities with local universities facilitated professional development in early literacy, mathematics instruction, mentor and novice teacher training and data driven decision making.

ECONOMIC CONDITION AND OUTLOOK

During the 2022-2023 school year, the District continued to focus on maintaining its good financial condition. Adjustments in State Aid to education and the District exceeding the expected \$4.7 million reduction in State Aid that Hazel Township Schools was expecting over the next five years is causing an increased reliance on local property taxes. Hazel Township is primarily a residential community with few ratables; thus, the burden is focused on homeowners to foot the tax burden. With that in mind the 2022-23 budget was developed with the tax increase in consideration. ESSER Grants allowed the District to offset some onetime costs in 2022-2023.

MAJOR INITIATIVES

District-Wide Curriculum:

During the 2022-23 school year; the District continues to focus on increasing student performance, with a major emphasis on early literacy; curricular initiatives included:

Kindergarten Screening
General Education Preschool
Directed Reading Assessment (Grades K-6)
Updated Intervention and Referral Services procedures at all schools
Expanded After School Tutoring and Summer Enrichment Programs
Basic Skills Targeted Reading Program expanded to include grade 3
Increased enrichment students attending convocations
Writers' Workshop (targeted writing program) training for elementary teachers

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Readers' Workshop training for elementary teachers
Parent workshops on reading, writing, science, technology, and math
Staff workshops on literacy, mathematics and science instruction, technology integration, inclusion/co-teaching, and data assessment analysis
Sunday on-line reading program
Advanced Placement ("AP") teacher training
Mandatory participation and funding of AP exams
Dual enrollment with local colleges and universities
Additional Technology devices including 1:1 Chromebooks for all students in grades 1 through 12

Technology:

District-wide technology is used to increase productivity, to enhance communication, and to enrich curriculum and instruction. Every classroom, computer lab, media center, office in all eight schools and the central office are linked together via a local and wide area network. All administrators, teachers, and support staff have access to computers, printers, email accounts, and the Internet within their respective work areas. All our 8 schools have a wireless environment and recently improved bandwidth with laptops, Chromebooks, and other necessary equipment for the students' use.

- The District has a Network Administrator, Two Level 2 and 2 Level 1 full-time computer technicians, focusing on more complex and difficult repairs, while also completing basic technological installations and maintenance and staff training. Various users in the district are responsible for the maintenance of a District website with its subsequent school sites. The technology department is primarily focused on the cybersecurity aspect of its users and environment. This is done via phishing testing, Multi Factor Authentication and training of users.
- This year the District was able to purchase/replace over 50 interactive whiteboards throughout the district. Each homeroom and a large number of other learning spaces now have boards with advanced technical functionality to enhance the learning process. Each year the district replaces chromebooks for three grade levels. The devices that are replaced on a 4 year basis are then repurposed to carts at the younger grades.
- The District purchased numerous other devices and software to increase the infusion of technology in the classrooms and computer labs, including Google Apps for Education and 3D printers.

Pupil Enrollment:

The District completed the 2022-2023 fiscal year with an enrollment of 2,629 students, a decrease of 8 students over the previous year's enrollment. The following details the changes in the student enrollment of the District over the last ten years. The table presents the actual historical pupil enrollment, as of June 30, for the school years 2015-16 through 2022-23.

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<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2022-23	2,906	
2021-22	2,629	(3.0%)
2020-21	2,637	(2.8%)
2019-20	2,715	(2.1%)
2018-19	2,774	(2.0%)
2017-18	2,832	(2.4%)
2016-17	2,901	(4.2%)
2015-16	3,028	(1.2%)

Community Involvement:

- The Veterans of Foreign Wars and The Ladies Auxiliary Post 4303 award bonds and certificates to our students in grades 7-12 for their participation in essay and art contests. Numerous events take place in our schools honoring Veterans Day, Flag Day, Pearl Harbor Day, Loyalty Day, and Memorial Day.
- Our community continues to acknowledge October as "Learning Disabilities Month".
- The Annual Special Olympics Winter Ball continues to have active participation from members of the Board of Education, Hazlet staff and community members.
- Career Days are held at all schools, utilizing the talents of people both in and out of the community.
- The involvement of parents, staff and student suggestions in our Summer Reading Program continues to be successful.
- Our school facilities are used daily by community people and various organizations for meetings and recreational purposes.
- The Athletic Department continues to raise funds from corporate sponsorship to support all high school athletic teams and to improve our athletic and school facilities.
- The continuation of a partnership by Barnes and Noble affords us to have all of our elementary school's review summer readings.
- Our Special Education Parent Advocacy Group meets regularly.
- A Rocket Launchers Booster Association comprised of parents, community members, coaches, teachers, and administrators coordinate the activities of all high school booster organizations for all athletic and extra-curricular groups. The Raritan High School Athletic Hall of Fame committee of administrators, community persons, alumni and staff held the Raritan High School Hall of Fame dinner.
- Numerous organizations including HYAL, HUSA, Hazlet Recreation, Boy Scouts and Girl Scouts use the District Facilities to hold meetings and events.



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Technology:

- District-wide technology is used to increase productivity, to enhance communication, and to enrich curriculum and instruction.
- In-service training sessions were held, including classes in website creation and maintenance and the use of interactive Smartboards, Chromebooks and other instructional tools were offered to all interested staff members through our Master Teacher Innovation Labs.
- The District maintains e-mail for its users and a website for all stakeholders. All full-time staff members have e-mail addresses.
- All Schools have had an adequate connection to the Internet, a full wireless environment is maintained in all the schools.
- Upgrading/addition of computer hardware, including updated computer labs, mobile labs, and software throughout the District.
- Increased integration of technology as a regular part of classroom instruction.
- The District maintains an up-to-date website and the use of X and Facebook has been instrumental in promoting parental communications with the District.

Special Services:

- During the 2022-23 school year, the Department of Special Services, through behavior consultants and the child study team, continued to address the needs of the autistic population and students with moderate to severe behavior problems. Training for teachers, aides, and Child Study Team members is on-going and includes topics such as: Applied Behavioral Analysis/Verbal Behavior, pairing, manding, prompting, prompt fading, reinforcement survey inventories, Functional Behavior Assessments, Behavior Intervention Plans and co-teaching.
- The part-time early childhood specialist provided on-going training and classroom coaching and mentoring to the preschool teachers in the state-approved curriculum, The Creative Curriculum. Data collection began with targeted goals incorporated into the Individual Education Plans, as well as progress reports distributed three times this past year.
- A half-day integrated preschool class was successful in that special education preschool students were educated in a general education preschool class, promoting federal and state mandates of instruction in the least restrictive environment. All preschool students were educated in District this year, with one exception.
- High school students continue to participate in community-based experiences that promote career awareness, job readiness and pre-vocational skills. The focus remains on socialization skills within the community and appropriate social skills interpersonally. A school social worker provides weekly group social skill lessons weekly to students, based on the research by Jed Baker.
- In the high school, the Structured Learning Experience Educator provided daily instruction to special education upper classmen in the areas of job readiness, career awareness, job applications, and daily living skills. The successful students received 15 credits for their participation in the program that



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Tracy Petrino

School Business Administrator/
Board Secretary
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took them to work in the community at locations such as: Best Buy, Barnes and Noble, Hazlet Library, Fullfil, and the Sycamore Drive School.

- The special education Parents' Advisory Group held meetings in District.
- The Professional Development Academy provided numerous trainings to special education teachers, Child Study Team members, related service providers, nurses, and aides.
- Special Education Guidelines were electronically sent to all principals for publication in their Parent Handbooks for the 2019-20 school year.
- There were articulation meetings between 6th, 7th, 8th, 9th grade teachers to improve understanding of middle school and high school academic expectations for special education students. Revised Individual Education Plan goals and objectives reflect more realistic and meaningful information to be included in the Present Levels of Academic and Functional Performance section of the Individual Educational Plan.

Business:

Accomplishment and initiatives for the 2022-23 school year were as follows:

- The Business Office sought out competitive bids on numerous projects. The Business Office provides direct access to its budgetary system for all schools for input of purchase orders and budgetary account review. This system was also used to develop the 2022-23 District budget.
- The District maintains a Power Purchase Agreement for the acquisition of electricity; this agreement will save the District \$1.7 million over fifteen years and started an energy management program.
- The District maintains a self-insured dental insurance program.
- The District made a profit in food service operations during the year and some of those funds were reinvested into new equipment for the program; the breakfast program is now operational in all our schools.
- The District agreements are in existence with Hazlet Township for custodial and technology services and other school districts.
- The District maintains the Long-Range Facilities Plan and Comprehensive Maintenance Plan for submission to the New Jersey Department of Education and continued maintenance of our facilities.

Personnel:

The District employed approximately 450 full time equivalent persons during the 2022-23 school year. The certificated staff numbered approximately 330; including 21 administrators and supervisors; certified staff includes teachers as well as educational support personnel (nurses, guidance counselors, child study team members, etc.); other employees include instructional assistants, school aides, bus attendants, secretaries, technology staff and custodial and maintenance employees were also part of the staff.



Business Office

Scott Ridley, Ed. D
Superintendent of Schools
sridley@hazlet.org

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One of the greatest challenges of a school district is to retain high standards for its staff, especially during a period when teacher shortages in some areas persisted. The District was able to accomplish this through a highly competitive recruitment and selection process. Additionally, an impressive array of in-service opportunities allowed staff members to stay current and to improve their instructional skills, a hallmark of a progressive and innovative school district.

The District, for example, continued its new teacher mentoring program. All newly certified teachers and most teachers new to the District were assigned mentors as well as supervisory advocates to assist them in their first year. District administrators further provided these teachers with an extensive in-service program and meetings throughout the school year designed to help them acclimate to their new working environment.

4. INTERNAL ACCOUNTING CONTROLS

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

As a recipient of federal and state awards, the District also is responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws, regulations, contracts and grants related to those programs. This internal control system is also subject to periodic evaluation by the district management. As part of the District's single audit, described earlier, tests are made to determine adequacy of the internal control system, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

The District has retained Strauss Esmay Associates to assist in the maintenance of an up to date District Policy Manual and Regulations.

A Standard Operating Procedures Manual is maintained by the Business Office in the District.



Business Office

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Superintendent of Schools
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5. BUDGETARY CONTROLS

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipalities. Annual appropriated budgets are adopted for the General Fund, the Special Revenue Funds, and the Debt Service Fund. Transfers among line items are approved by the Board of Education and reconciled with the requirements of P.L. 2004, C.73, commonly known as S-1701. 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 reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at fiscal year end.

6. CASH MANAGEMENT

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

7. RISK MANAGEMENT

The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, fidelity bonds and worker's compensation. A Schedule of Insurance Coverage is found in Schedule J-20.

8. OTHER INFORMATION

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Holman Frenia Allison, P.C. was selected by the Board to perform the audit. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB's 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 as well as both the required and other supplementary information is included in the financial section of this report. The auditor's report related specifically to the single audit is included in the single audit section of this report.



Business Office

Scott Ridley, Ed. D
Superintendent of Schools
sridley@hazlet.org

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Board Secretary
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9. ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Hazel Township Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the 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 our Business Office staff.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Scott Ridley", written over a horizontal line.

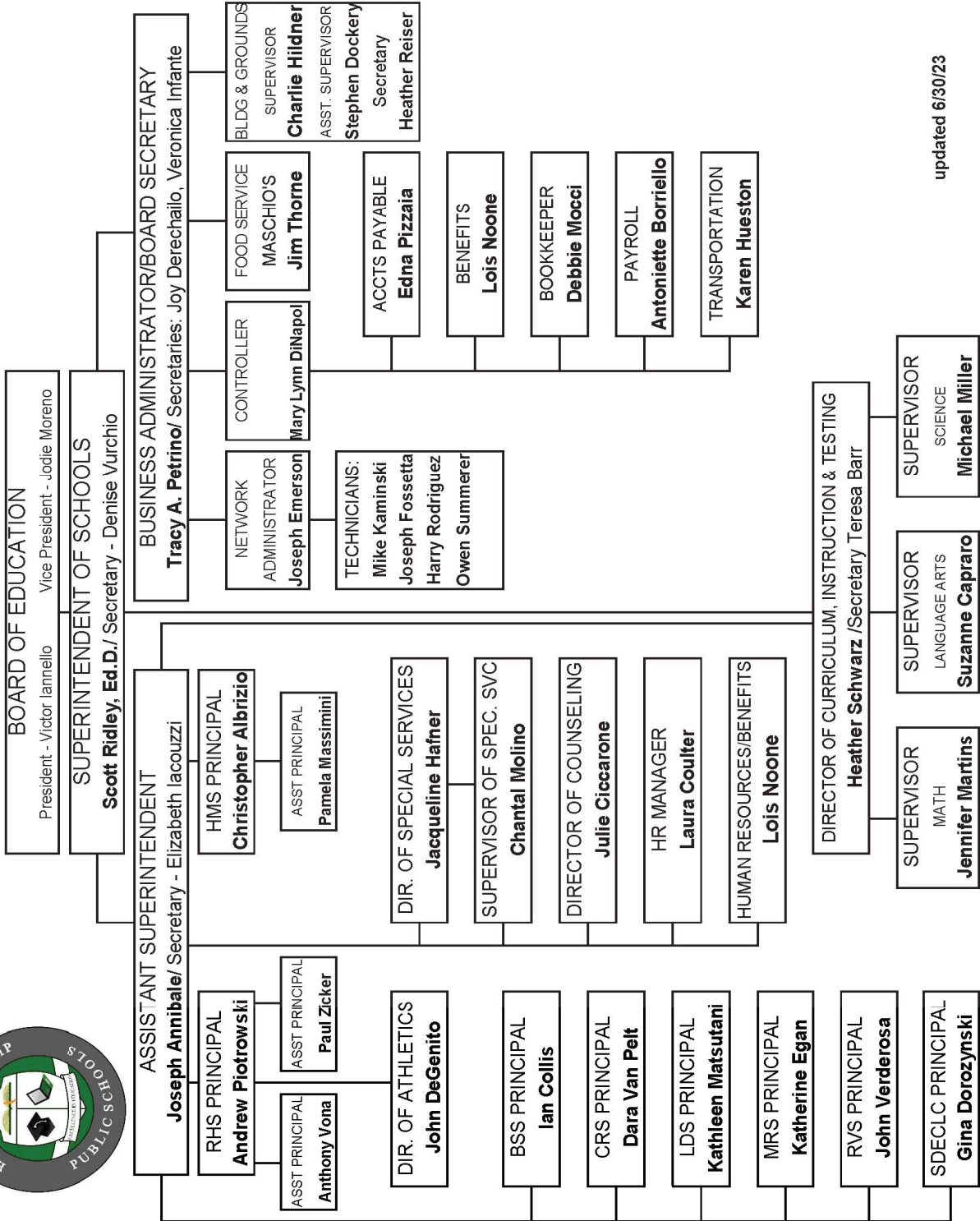
Scott Ridley, Ed. D
Superintendent of Schools

A handwritten signature in blue ink, appearing to read "Tracy Petrino", written over a horizontal line.

Tracy Petrino
School Business Administrator



HAZLET TOWNSHIP PUBLIC SCHOOLS ORGANIZATIONAL CHART



updated 6/30/23

**HAZLET TOWNSHIP SCHOOL DISTRICT
HAZLET, NEW JERSEY
ROSTER OF OFFICIALS
JUNE 30, 2023**

Members of the Board of Education

TERM EXPIRES

Victor J. Iannello, Jr., President	2023
Jodie Moreno, Vice President	2023
Edward Barrett	2025
Nathan Bibb	2024
Lisa A. Brown	2025
John Granite	2023
Steve Grossman	2024
Laura O'Hara	2025
George Theis	2024

Other Officials

Dr. Scott Ridley, Superintendent of Schools
Tracy Petrino, School Business Administrator/Board Secretary
Patricia C. Smith, Treasurer of School Monies
Michael Gross, Esq., Board Attorney

**HAZLET TOWNSHIP SCHOOL DISTRICT
HAZLET, NEW JERSEY
CONSULTANTS AND ADVISORS
JUNE 30, 2023**

AUDITOR/AUDIT FIRM

Jerry W. Conaty, CPA, CFE, RMA, PSA
Holman Frenia Allison, P. C.
1985 Cedar Bridge Ave., Suite 3
Lakewood, NJ 08701

ATTORNEY

Michael Gross, Esq.
Kenney, Gross, Kovats & Campbell
The Courts of Red Bank 130 Maple Ave, Building 8
Red Bank, New Jersey 07701

OFFICIAL DEPOSITORY

Valley National Bank

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FINANCIAL SECTION

Second Section

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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Hazlet Township School District
County of Monmouth
Hazlet, NJ 07730

Report on the Financial Statements

Opinions

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 Hazlet Township School District ("School District"), County of Monmouth, New Jersey, as of and for the fiscal year ended, June 30, 2023, and the related notes to the financial statements, which collectively comprise the School 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 School District as of June 30, 2023, 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 Opinions

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 in compliance with audit requirement prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the School 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 opinions.

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; this includes 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 School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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, *Government Auditing Standards*, and audit requirements prescribed by the Office of School Finance Department of Education, State of New Jersey 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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards* and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, 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 School 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 School 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 information, and the schedules related to accounting and reporting for pensions and other post employment benefits, as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 opinions on the financial statements that collectively comprise the School District's basic financial statements. The introductory section, combining statements and related major fund supporting statements and schedules, and statistical section are presented for purposes of additional analysis, as required by the Division of Administration and Finance, Department of Education, State of New Jersey, and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance, 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 New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and 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 and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 28, 2023 on our consideration of the School 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 describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the School District's internal control over financial reporting and compliance.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Jerry W. Conaty
Certified Public Accountant
Public School Accountant, No. 2407

Lakewood, New Jersey
November 28, 2023

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REQUIRED SUPPLEMENTARY INFORMATION - PART I

Management's Discussion and Analysis

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HAZLET TOWNSHIP SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2023 UNAUDITED

This section of the Hazlet Township's School District Annual Comprehensive Financial Report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2023. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follow this section.

Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 - *Basic Financial Statements- Management's Discussion and Analysis-for State and Local Governments* issued in June 1999 that is also required by the New Jersey State Department of Education. Certain comparative information between the current fiscal year (2022-2023) and the prior fiscal year (2021-2022) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2023 are as follows:

- In total, net position of governmental activities increased \$1,597,735.12 which represents a 09.27% increase from 2022. Total net position of business-type activities decreased \$193,779.15, which represents a 25.83% decrease from 2022.
- General revenues accounted for \$58,573,384.75 in revenue or 84.14% of all revenues. Program specific revenues in the form of charges for services, operating grants and contributions, and capital grants and contributions accounted for \$11,040,991.36 or 15.86% of total revenues of \$69,614,376.11.
- Total assets of governmental activities decreased by \$1,185,799.38 as cash and cash equivalents increased by \$5,065,303.21, receivables decreased by \$17,378.32, restricted cash and cash equivalents decreased by \$2,764,587.16, and total capital assets decreased by \$3,473,384.25.
- Total liabilities of governmental activities increased by \$1,116,789.43 as non-current liabilities due beyond one year decreased by \$114,993.94.
- The District had \$66,748,244.42 in governmental activity expenses; only \$9,772,594.79 of these expenses were offset by program specific charges for services, grants, or contributions. General revenues from governmental activities (primarily property taxes) of \$58,573,384.75 were adequate to provide for these programs, resulting in an increase in net position for governmental activities of \$1,597,735.12.
- In the governmental funds, the general fund had \$67,261,378.86 in revenues and \$65,565,111.02 in expenditures. The general fund's fund balance increased by \$1,696,267.84 over 2022.

USING THIS ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)

This annual report consists of a series of financial statements and notes to these financial statements. These statements are organized in a way to allow the reader to understand the Hazlet Township School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) Government-wide financial statements, 2) Fund financial statements, and 3) Notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with an overview of the District's finances, in a manner similar to a private-sector business.

The Statement of Net Position (A-1) presents information on the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Changes in Net Position (A-2) presents information showing how the net position of the District changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods of the district.

The government-wide financial statements can be found as Exhibits A-1 and A-2 in this report.

Fund Financial Statements. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance for the general fund, special revenue fund, capital projects fund, and debt service fund, all of which are considered to be major funds.

The general and special revenue funds utilize a legally adopted annual budget. A budgetary comparison statement has been provided for the general fund and special revenue fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found as Exhibits B-1 through B-3 in this report.

Proprietary Funds

The District maintains two proprietary fund types, an enterprise fund and a shared services fund. The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the District is that the costs of providing goods or services be financed through user charges. The food services enterprise fund provides for the operation of food services in all schools within the District. The shared services enterprise fund accounts for the financial transactions related to the operations of the School District's shared service agreements with surrounding communities. The proprietary funds have been included within business-type activities in the district-wide financial statements.

The food services and shared services fund's detail financial statements can be found as Exhibits B-4 through B-6 in this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are not reflected in the district-wide financial statement because the resources of those funds are not available to support the District's own programs.

The custodial fund's financial statements can be found as Exhibits B-7 and H-1 through H-3 in this report.

Notes to the Financial Statements. The notes provide additional information that is essential for a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found after the fund financial statements in this report.

Other Information. The combining and individual fund statements referred to earlier in connection with governmental and enterprise funds are presented immediately following the notes to the financial statements.

Government-Wide Financial Analysis

The District's financial position is the result of several types of financial transactions, including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

As noted earlier, net position may serve over time as a useful indicator of the District's financial position. The following table provides a summary of net position for June 30, 2023 and 2022, respectively:

Net Position
June 30, 2023

	Governmental Activities		Business-Type Activities	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Assets				
Current and Other				
Assets	\$ 19,270,339.28	\$ 16,982,754.41	\$ 405,975.96	\$ 410,549.23
Capital Assets, Net	58,229,323.05	61,702,707.30	163,444.26	355,064.37
Total Assets	<u>77,499,662.33</u>	<u>78,685,461.71</u>	<u>569,420.22</u>	<u>765,613.60</u>
Deferred Outflows of Resources				
Deferred Outflows				
Relating to Pension	2,045,023.00	1,887,727.00	-	-
Deferred Charges on Refunding of Debt	24,485.90	28,135.97	-	-
Total Assets and Deferred Outflows of Resources	<u>2,069,508.90</u>	<u>1,915,862.97</u>	-	-
Liabilities				
Long-Term Liabilities	55,621,553.53	55,421,559.59	-	-
Other Liabilities	3,155,000.86	2,238,205.37	12,861.02	15,275.25
Total Liabilities	<u>58,776,554.39</u>	<u>57,659,764.96</u>	<u>12,861.02</u>	<u>15,275.25</u>
Deferred Inflows of Resources				
Deferred Inflows				
Relating to Pension	1,965,189.00	5,711,867.00	-	-
Net Position				
Net Investment in				
Capital Assets	16,810,551.88	18,278,735.44	163,444.26	355,064.37
Restricted	11,356,204.64	13,773,380.93	-	-
Unrestricted	(9,339,328.68)	(14,822,423.65)	393,114.94	395,273.98
Total Net Position	<u>\$ 18,827,427.84</u>	<u>\$ 17,229,692.72</u>	<u>\$ 556,559.20</u>	<u>\$ 750,338.35</u>

The District's largest net position component is the Net Investment in Capital Assets as shown above. Restricted balances represent resources that are subject to external restrictions on how they may be used.

Restricted net position decreased \$2,417,176.29 from the prior year to \$11,356,204.64 at June 30, 2023.

Unrestricted net position may be used to meet the District's ongoing operating obligations to vendors, debtors and employees. The unrestricted net position includes the unassigned General Fund balance netted with the amount of long-term obligations that are not invested in capital assets. The (\$9,339,328.68) is shown as unrestricted net position for Governmental Activities.

The following table provides a summary of revenues and expenses for the District’s governmental and business-type activities and the change in net position for June 30, 2023 and 2022. Significant variances in revenues and expenditures from year to year, and explanations thereof, are detailed in the ‘Financial Analysis of the District’s Funds’ section later in this report.

	<u>June 30, 2023</u>		
	Governmental	Business-Type	Total
	<u>Activities</u>	<u>Activities</u>	
Revenues:			
Program Revenues:			
Charges for Services	\$ -	\$ 800,516.16	\$ 800,516.16
Operating Grants and Contributions	9,772,594.79	467,880.41	10,240,475.20
General Revenues:			
Property Taxes	45,244,278.00	-	45,244,278.00
Federal and State Aid	12,029,773.14	-	12,029,773.14
Miscellaneous	1,299,333.61	-	1,299,333.61
Total Revenues	<u>68,345,979.54</u>	<u>1,268,396.57</u>	<u>69,614,376.11</u>
Expenses:			
Instructional Services	35,639,360.15	-	35,639,360.15
Support Services	29,309,882.52	1,462,175.72	30,772,058.24
Interest and Other Charges	1,799,001.75	-	1,799,001.75
Total Expenses	<u>66,748,244.42</u>	<u>1,462,175.72</u>	<u>68,210,420.14</u>
Change in Net Position	1,597,735.12	(193,779.15)	1,403,955.97
Net Position, Beginning	17,229,692.72	750,338.35	17,980,031.07
Net Position, Ending	<u>\$ 18,827,427.84</u>	<u>\$ 556,559.20</u>	<u>\$ 19,383,987.04</u>
<u>June 30, 2022</u>			
	Governmental	Business-Type	Total
	<u>Activities</u>	<u>Activities</u>	
Revenues:			
Program Revenues:			
Charges for Services	\$ -	\$ 233,872.26	\$ 233,872.26
Operating Grants and Contributions	12,619,185.26	1,527,861.41	14,147,046.67
General Revenues:			
Property Taxes	44,410,788.00	-	44,410,788.00
Federal and State Aid	11,967,152.64	-	11,967,152.64
Miscellaneous	534,125.96	-	534,125.96
Total Revenues	<u>69,531,251.86</u>	<u>1,761,733.67</u>	<u>71,292,985.53</u>
Expenses:			
Instructional Services	35,965,339.71	-	35,965,339.71
Support Services	29,303,531.51	1,465,257.57	30,768,789.08
Interest and Other Charges	1,578,468.34	-	1,578,468.34
Total Expenses	<u>66,847,339.56</u>	<u>1,465,257.57</u>	<u>68,312,597.13</u>
Change in Net Position	2,683,912.30	296,476.10	2,980,388.40
Net Position, Beginning	14,545,780.42	453,862.25	14,999,642.67
Net Position, Ending	<u>\$ 17,229,692.72</u>	<u>\$ 750,338.35</u>	<u>\$ 17,980,031.07</u>

Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. The unassigned fund balance is divided between designated balances and undesignated balances. The capital projects fund is restricted by state law to be spent for the purpose of the fund and is not available for spending at the District's discretion.

Financial Information at Fiscal Year-End

The following schedule presents a summary of the general fund, special revenue fund, and debt service fund expenditures for the fiscal year ended June 30, 2023 and 2022 and the amount and percentage of increases and (decreases) in relation to prior year revenues.

	<u>June 30, 2023</u>			
	Amount	Percent Of Total	Increase (Decrease) From 2022	Percent of Increase (Decrease)
Current Expenditures:				
Instruction	\$ 24,325,029.56	33.89%	\$ 787,892.10	3.35%
Undistributed	43,681,688.03	60.87%	1,861,858.98	4.45%
Capital Outlay	173,973.13	0.24%	(851,447.72)	-83.03%
Special Schools	145,064.72	0.20%	53,775.97	58.91%
Debt Service:				
Principal	1,695,000.00	2.36%	20,000.00	1.19%
Interest	1,745,527.30	2.43%	(61,168.37)	-3.39%
Total	<u>\$ 71,766,282.74</u>	<u>100.00%</u>	<u>\$ 1,810,910.96</u>	<u>2.59%</u>

	<u>June 30, 2022</u>			
	Amount	Percent Of Total	Increase (Decrease) From 2021	Percent of Increase (Decrease)
Current Expenditures:				
Instruction	\$23,537,137.46	33.65%	\$ 1,139,291.97	5.09%
Undistributed	41,819,829.05	59.78%	4,231,810.26	11.26%
Capital Outlay	1,025,420.85	1.47%	(1,649,273.58)	-61.66%
Special Schools	91,288.75	0.13%	(14,800.05)	-13.95%
Debt Service:				
Principal	1,675,000.00	2.39%	(20,000.00)	-1.18%
Interest	1,806,695.67	2.58%	(99,885.82)	-5.24%
Total	<u>\$ 69,955,371.78</u>	<u>100.00%</u>	<u>\$ 3,587,142.78</u>	<u>5.40%</u>

Instruction costs increased primarily due to negotiated salary increases and additional instructional positions being added.

General Fund Budgetary Highlights

Throughout the year, as necessary, budget transfers were effectuated between budget accounts to re-align the 2022-2023 budget. Budget transfers were effectuated based on expected positive and negative budget variances. The budget is continually managed and revised with budget transfers as necessary or practical to do so.

Significant Budget Transfers and Variations:

- TPAF, which is the state’s contribution to the pension fund, is an “on-behalf” revenue and expenditure item to the district and is required to be reflected in the financial statements.
- Reallocations were made among the various salary budget accounts to reflect changes in the personnel budget for the 2022-2023 year.
- Transfers were made into purchased services for special education programs to provide funds for required additional services.

Proprietary Funds. The District’s proprietary funds provides the same type of information found in the district-wide financial statements, but in more detail.

The Food Services Enterprise Fund showed a change in net position of \$183,845.30 in 2022-2023 as compared to a change in net position of \$(80,375.47) in 2021-2022. The food service fund required no contributions from the Board in 2021-2022 or in the 2022-2023 year.

The Shared Services Enterprise Fund showed a change in net position of \$(9,933.85) in 2022-2023 as compared to a change in net position of \$577.93 in 2021-2022. The shared service fund required no contributions from the Board in 2021-2022 or in the 2022-2023 year.

Capital Assets

At June 30, 2023 the District has capital assets of \$58,392,767.31, net of depreciation, which includes land, construction in progress, land improvements, buildings/construction, machinery and equipment.

	<u>June 30, 2023</u>	
	Governmental Activities	Business-Type Activities
Land	\$ 4,526,730.00	\$ -
Buildings/Construction	52,758,589.40	50,303.26
Machinery and Equipment	944,003.65	113,141.00
Total	<u>\$ 58,229,323.05</u>	<u>\$ 163,444.26</u>

	<u>June 30, 2022</u>	
	Governmental Activities	Business-Type Activities
Land	\$ 4,526,730.00	\$ -
Buildings/Construction	55,870,757.83	180,469.65
Machinery and Equipment	1,305,219.47	174,594.72
Total	<u>\$ 61,702,707.30</u>	<u>\$ 355,064.37</u>

Additional information on the District's capital assets can be found in Note 5 to the basic financial statements.

Debt Administration and Other Obligations

At June 30, 2023 and 2022, the District’s outstanding debt issues included \$37,025,000.00 and \$38,720,000.00 respectively of general obligation bonds and \$2,928,791.46 and \$3,004,726.76 respectively in compensated absences payable.

Additional information on the District's debt administration and other obligations can be found in Note 7 to the basic financial statements.

Economic Factors and Subsequent Year's Budgets

- The District anticipates that the approved 2023-2024 budget will be adequate to satisfy all 2023-2024 financial needs, barring any significant unexpected situations or conditions unforeseen at this time.
- It is expected the State of New Jersey will again delay the final state aid payments to school districts for 2023-2024.

Requests for Information

This financial report is designed to provide a general overview of the Hazlet School District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business Administrator/Board Secretary's Office, Hazlet Township School District, 421 Middle Road, Hazlet, New Jersey 07730. Please visit our website at www.hazlet.org.

BASIC FINANCIAL STATEMENTS

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A. Government-Wide Financial Statements

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HAZLET TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS:			
Cash & Cash Equivalents	\$ 12,690,550.33	\$ 316,635.76	\$ 13,007,186.09
Investments	26,524.73	-	26,524.73
Receivables, Net (Note 4)	1,821,923.33	55,957.09	1,877,880.42
Inventory	-	33,383.11	33,383.11
Restricted Cash & Cash Equivalents	4,731,340.89	-	4,731,340.89
Capital Assets, Net (Note 5)			
Non-Depreciable	4,526,730.00	-	4,526,730.00
Depreciable	53,702,593.05	163,444.26	53,866,037.31
Total Assets	<u>77,499,662.33</u>	<u>569,420.22</u>	<u>78,069,082.55</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	2,045,023.00	-	2,045,023.00
Related to Loss on Debt Refunding	24,485.90	-	24,485.90
Total Deferred Outflow of Resources	<u>2,069,508.90</u>	<u>-</u>	<u>2,069,508.90</u>
LIABILITIES:			
Accounts Payable	124,376.08	-	124,376.08
Due to Other Governments	1,000,968.00	-	1,000,968.00
Unearned Revenue	25,696.42	19,926.64	45,623.06
Accrued Interest	772,510.42	-	772,510.42
Payroll Deductions and Withholdings	1,082,743.08	-	1,082,743.08
Unemployment Trust Liability	141,641.24	-	141,641.24
Internal Balances	7,065.62	(7,065.62)	-
Noncurrent Liabilities (Note 7):			
Due Within One Year	2,093,850.76	-	2,093,850.76
Due in More Than One Year	53,527,702.77	-	53,527,702.77
Total Liabilities	<u>58,776,554.39</u>	<u>12,861.02</u>	<u>58,789,415.41</u>
DEFERRED INFLOWS OF RESOURCES:			
Related to Pensions (Note 8)	1,965,189.00	-	1,965,189.00
Total Deferred Inflow of Resources	<u>1,965,189.00</u>	<u>-</u>	<u>1,965,189.00</u>
NET POSITION:			
Net Investment in Capital Assets	16,810,551.88	163,444.26	16,973,996.14
Restricted for:			
Capital Projects	3,092,921.53	-	3,092,921.53
Debt Service	2.93	-	2.93
Emergency Reserve (Note 3)	250,000.00	-	250,000.00
Maintenance Reserve (Note 3)	1,100,000.00	-	1,100,000.00
Unemployment Reserve	173,799.28	-	173,799.28
Scholarship Reserve	43,298.61	-	43,298.61
Student Activities Reserve	97,846.20	-	97,846.20
Excess Surplus	6,598,336.09	-	6,598,336.09
Unrestricted (Deficit) (Note 18)	<u>(9,339,328.68)</u>	<u>393,114.94</u>	<u>(8,946,213.74)</u>
Total Net Position	<u>\$ 18,827,427.84</u>	<u>\$ 556,559.20</u>	<u>\$ 19,383,987.04</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

HAZLET TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental Activities:						
Instruction:						
Regular Instruction	\$ 25,808,665.67	\$ -	\$ 5,948,505.19	\$ (19,860,160.48)	\$ -	\$ (19,860,160.48)
Special Education Instruction	6,782,040.42	-	1,132,648.39	(5,649,392.03)	-	(5,649,392.03)
Other Instruction	3,048,654.06	-	509,146.64	(2,539,507.42)	-	(2,539,507.42)
Support Services:						
Tuition	2,400,532.95	-	102,363.47	(2,298,169.48)	-	(2,298,169.48)
Student & Instruction Related Services	8,791,248.63	-	1,315,423.46	(7,475,825.17)	-	(7,475,825.17)
General Administrative	1,583,013.39	-	67,502.82	(1,515,510.58)	-	(1,515,510.58)
School Administrative Services	3,150,165.20	-	134,329.31	(3,015,835.89)	-	(3,015,835.89)
Central Services	778,504.35	-	33,196.96	(745,307.39)	-	(745,307.39)
Administrative Info. Technology	171,607.66	-	7,317.69	(164,289.97)	-	(164,289.97)
Plant Operations & Maintenance	7,650,964.47	-	318,168.22	(7,332,796.25)	-	(7,332,796.25)
Pupil Transportation	4,783,845.86	-	203,992.64	(4,579,853.22)	-	(4,579,853.22)
Special Schools	145,064.72	-	-	(145,064.72)	-	(145,064.72)
Interest & Other Charges	1,653,937.03	-	-	(1,653,937.03)	-	(1,653,937.03)
Total Governmental Activities	66,748,244.42	-	9,772,594.79	(56,975,649.63)	-	(56,975,649.63)
Business-Type Activities:						
Food Service	1,421,305.97	769,580.26	467,880.41	-	(183,845.30)	(183,845.30)
Other Enterprise Fund	40,869.75	30,935.90	-	-	(9,933.85)	(9,933.85)
Total Business-Type Activities	1,462,175.72	800,516.16	467,880.41	-	(193,779.15)	(193,779.15)
Total Primary Government	\$ 68,210,420.14	\$ 800,516.16	\$ 10,240,475.20	(56,975,649.63)	(193,779.15)	(57,169,428.78)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes				42,887,528.00	-	42,887,528.00
Property Taxes, Levied for Debt Service				2,356,750.00	-	2,356,750.00
Federal & State Aid Restricted				1,111,832.17	-	1,111,832.17
Federal & State Aid Not Restricted				10,917,940.97	-	10,917,940.97
Tuition Charges				230,165.00	-	230,165.00
Transportation Charges				60,775.00	-	60,775.00
Miscellaneous				1,008,393.61	-	1,008,393.61
Total General Revenues				58,573,384.75	-	58,573,384.75
Change In Net Position				1,597,735.12	(193,779.15)	1,403,955.97
Net Position - Beginning				17,229,692.72	750,338.35	17,980,031.07
Net Position - Ending				\$ 18,827,427.84	\$ 556,559.20	\$ 19,383,987.04

The accompanying Notes to Financial Statements are an integral part of this statement.

B. Fund Financial Statements

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Governmental Funds

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HAZLET TOWNSHIP SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2023

	MAJOR FUNDS			TOTAL GOVERNMENTAL FUNDS
	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	
ASSETS				
Cash & Cash Equivalents	\$ 13,154,496.40	\$ -	\$ 2.93	\$ 13,154,499.33
Investments	-	26,524.73	-	26,524.73
Receivables, Net:				
Interfund Receivable	224,493.71	-	-	224,493.71
Due from Other Governments:				
Federal	-	722,533.23	-	722,533.23
State	1,079,232.00	4,567.82	-	1,083,799.82
Other	-	12,570.28	-	12,570.28
Other Accounts Receivable	3,020.00	-	-	3,020.00
Restricted Cash & Cash Equivalents	4,616,720.81	114,620.08	-	4,731,340.89
Total Assets	\$ 19,077,962.92	\$ 880,816.14	\$ 2.93	\$ 19,958,781.99
LIABILITIES & FUND BALANCES				
Liabilities:				
Cash Deficit	\$ -	\$ 463,949.00	\$ -	\$ 463,949.00
Accounts Payable	99,887.88	24,488.20	-	124,376.08
Intergovernmental Payable:				
State	-	1,044.00	-	1,044.00
Interfund Payable	7,065.62	224,493.71	-	231,559.33
Unearned Revenue	-	25,696.42	-	25,696.42
Payroll Deductions and Withholdings	1,082,743.08	-	-	1,082,743.08
Unemployment Trust Liability	141,641.24	-	-	141,641.24
Total Liabilities	1,331,337.82	739,671.33	-	2,071,009.15
Fund Balances:				
Restricted for:				
Capital Reserve	3,092,921.53	-	-	3,092,921.53
Maintenance Reserve	1,100,000.00	-	-	1,100,000.00
Emergency Reserve	250,000.00	-	-	250,000.00
Unemployment Reserve	173,799.28	-	-	173,799.28
Scholarship	-	43,298.61	-	43,298.61
Student Activities	-	97,846.20	-	97,846.20
Excess Surplus	3,109,118.86	-	-	3,109,118.86
Excess Surplus Designated for Subsequent Year	3,489,217.23	-	-	3,489,217.23
Debt Service	-	-	2.93	2.93
Assigned to:				
Other Purposes	147,446.79	-	-	147,446.79
Designated for Subsequent Year's Expenditures	4,519,817.77	-	-	4,519,817.77
Unassigned	1,864,303.64	-	-	1,864,303.64
Total Fund Balances	17,746,625.10	141,144.81	2.93	17,887,772.84
Total Liabilities & Fund Balances	\$ 19,077,962.92	\$ 880,816.14	\$ 2.93	
Amounts reported for governmental activities in the statement of net position (A-1) are different because:				
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$89,172,852.33 and the accumulated depreciation is \$30,943,529.28.				58,229,323.05
Deferred outflows and inflows of resources related to pensions and deferred charges or credits on debt refunding are applicable to future reporting periods and therefore are not reported in the funds.				
Deferred Outflows Related to Pensions				2,045,023.00
Deferred Inflows Related to Pensions				(1,965,189.00)
Deferred Outflow Related to the Loss on Bond Refunding of Debt				24,485.90
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.				(772,510.42)
Accrued pension contributions for the June 30, 2023 plan year are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in accounts payable in the government-wide statement of net position.				(999,924.00)
Long-term liabilities, including net pension liability and bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.				(55,621,553.53)
Net Position of Governmental Activities				\$ 18,827,427.84

**HAZLET TOWNSHIP SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2023**

	MAJOR FUNDS			TOTAL GOVERNMENTAL FUNDS
	GENERAL FUND	SPECIAL REVENUE FUND	DEBT SERVICE FUND	
Revenues:				
Local Sources:				
Local Tax Levy	\$ 42,887,528.00	\$ -	\$ 2,356,750.00	\$ 45,244,278.00
Tuition Charges	230,165.00	-	-	230,165.00
Transportation Charges	60,775.00	-	-	60,775.00
Miscellaneous	793,553.02	138,267.48	1.00	931,821.50
Total Local Sources	43,972,021.02	138,267.48	2,356,751.00	46,467,039.50
State Sources	23,136,157.80	226,631.06	1,081,198.00	24,443,986.86
Federal Sources	45,161.97	2,351,362.14	-	2,396,524.11
Total Revenues	67,153,340.79	2,716,260.68	3,437,949.00	73,307,550.47
Expenditures:				
Instruction:				
Regular Instruction	15,976,982.15	1,638,276.73	-	17,615,258.88
Special Education Instruction	4,628,964.52	-	-	4,628,964.52
Other Instruction	2,080,806.16	-	-	2,080,806.16
Support Services:				
Tuition	1,883,060.15	-	-	1,883,060.15
Attendance & Social Work Services	342,474.96	-	-	342,474.96
Health Services	810,123.70	-	-	810,123.70
Student & Instruction Related Services	4,649,244.93	1,094,312.52	-	5,743,557.45
General Administrative	1,241,769.85	-	-	1,241,769.85
School Administrative Services	2,471,098.11	-	-	2,471,098.11
Central Services	610,685.44	-	-	610,685.44
Administrative Information Technology	134,614.92	-	-	134,614.92
Plant Operations & Maintenance	5,852,966.16	-	-	5,852,966.16
Pupil Transportation	3,752,612.31	-	-	3,752,612.31
Unallocated Benefits	8,575,346.18	-	-	8,575,346.18
On Behalf TPAF Pension and Social				
Security Contributions	12,263,378.80	-	-	12,263,378.80
Capital Outlay	143,338.96	30,634.17	-	173,973.13
Special Schools	145,064.72	-	-	145,064.72
Debt Service:				
Principal	-	-	1,695,000.00	1,695,000.00
Interest & Other Charges	2,579.00	-	1,742,948.30	1,745,527.30
Total Expenditures	65,565,111.02	2,763,223.42	3,437,948.30	71,766,282.74
Excess/(Deficiency) of Revenues				
Over Expenditures	1,588,229.77	(46,962.74)	0.70	1,541,267.73
Other Financing Sources (Uses):				
Cancellation of Prior Year Accounts Payable	108,038.07	-	-	108,038.07
Total Other Financing Sources (Uses)	108,038.07	-	-	108,038.00
Net Changes in Fund Balances	1,696,267.84	(46,962.74)	0.70	1,649,305.80
Fund Balance, July 1	16,050,357.26	188,107.55	2.23	16,238,467.04
Fund Balance, June 30	\$ 17,746,625.10	\$ 141,144.81	\$ 2.93	\$ 17,887,772.84

The accompanying Notes to Financial Statements are an integral part of this statement.

**HAZLET TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023**

Total Net Changes in Fund Balances - Governmental Funds (B-2)		\$ 1,649,305.80
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 expense. This is the amount by which depreciation exceeded capital outlays in the period.		
Depreciation Expense	\$ (3,457,778.63)	
Revaluation of Capital Assets	(269,662.58)	
Capital Outlays	254,056.96	(3,473,384.25)
Governmental funds report School District pension contributions as expenditures. However in the statement of activities, the cost of pension benefits earned is reported as pension expense. This is the amount by which pension benefits earned exceeded the School District's pension contributions in the current period.		
		1,559,288.00
Repayment of long-term debt principal and obligation of lease purchase agreements are an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		
		1,695,000.00
Governmental funds report the effect of premiums, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these transactions is as follows:		
Amortization of Premium on Bonds	313,850.76	
Amortization of Loss on Early Retirement of Debt	(3,650.07)	310,200.69
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation (+).		
		(218,610.42)
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) 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 reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		
		75,935.30
Change in Net Position of Governmental Activities		\$ 1,597,735.12

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Proprietary Funds

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**HAZLET TOWNSHIP SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2023**

	MAJOR FUNDS		
	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	FOOD SERVICE	SHARED SERVICE	TOTALS
ASSETS			
Current Assets:			
Cash & Cash Equivalents	\$ 334,592.02	\$ -	\$ 334,592.02
Accounts Receivable:			
Federal	26,779.54	-	26,779.54
State	1,482.24	-	1,482.24
Other Accounts Receivable	27,695.31	-	27,695.31
Interfund Receivable	-	7,065.62	7,065.62
Inventories	33,383.11	-	33,383.11
Total Current Assets	423,932.22	7,065.62	430,997.84
Noncurrent Assets:			
Capital Assets	613,996.38	-	613,996.38
Less: Accumulated Depreciation	(450,552.12)	-	(450,552.12)
Total Capital Assets, Net	163,444.26	-	163,444.26
Total Noncurrent Assets	163,444.26	-	163,444.26
Total Assets	587,376.48	7,065.62	594,442.10
LIABILITIES			
Current Liabilities:			
Cash Deficit	-	17,956.26	17,956.26
Unearned Revenue	19,926.64	-	19,926.64
Total Current Liabilities	19,926.64	17,956.26	37,882.90
NET POSITION			
Net Investment in Capital Assets	163,444.26	-	163,444.26
Unrestricted	404,005.58	(10,890.64)	393,114.94
Total Net Position	\$ 567,449.84	\$ (10,890.64)	\$ 556,559.20

The accompanying Notes to Financial Statements are an integral part of this statement.

**HAZLET TOWNSHIP SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 YEAR ENDED JUNE 30, 2023**

	MAJOR FUNDS		
	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS		
	FOOD SERVICE	SHARED SERVICE	TOTALS
Operating Revenues:			
Charges for Services:			
Daily Sales - Reimbursable Programs	\$ 471,143.45	\$ -	\$ 471,143.45
Daily Sales - Non-Reimbursable Programs	298,436.81	-	298,436.81
Program Income	-	30,935.90	30,935.90
Total Operating Revenues	769,580.26	30,935.90	800,516.16
Operating Expenses:			
Cost of Sales - Reimbursable Programs	335,331.05	-	335,331.05
Cost of Sales - Non-Reimbursable Programs	212,409.05	-	212,409.05
Salaries	513,556.10	40,869.75	554,425.85
Employee Benefits	72,607.34	-	72,607.34
Purchased Property Services	114,458.70	-	114,458.70
Other Purchased Services	88,792.64	-	88,792.64
Supplies and Materials	11,303.29	-	11,303.29
Depreciation	26,069.85	-	26,069.85
Management and Administrative Fees	46,640.00	-	46,640.00
Other	137.95	-	137.95
Total Operating Expenses	1,421,305.97	40,869.75	1,462,175.72
Operating Income/(Loss)	(651,725.71)	(9,933.85)	(661,659.56)
Nonoperating Revenues (Expenses):			
State Sources:			
State School Lunch Program	15,528.34	-	15,528.34
State School Breakfast Program	5,027.90	-	5,027.90
Federal Sources:			
National School Lunch Program	318,940.69	-	318,940.69
National School Breakfast Program	57,967.44	-	57,967.44
COVID Supply Chain Assistance	136,128.53	-	136,128.53
Food Distribution Program	85,565.05	-	85,565.05
Interest Revenue	14,272.72	-	14,272.72
Revaluation of Capital Assets	(165,550.26)	-	(165,550.26)
Total Nonoperating Revenues/(Expenses)	467,880.41	-	467,880.41
Change in Net Position	(183,845.30)	(9,933.85)	(193,779.15)
Total Net Position - Beginning	751,295.14	(956.79)	750,338.35
Total Net Position - Ending	\$ 567,449.84	\$ (10,890.64)	\$ 556,559.20

The accompanying Notes to Financial Statements are an integral part of this statement.

**HAZLET TOWNSHIP SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2023**

	MAJOR FUNDS		
	BUSINESS-TYPE		
	ACTIVITIES - ENTERPRISE FUNDS		
	FOOD SERVICE	SHARED SERVICE	TOTALS
Cash Flows From Operating Activities:			
Receipts from Customers	\$ 836,324.82	\$ 30,935.90	\$ 867,260.72
Payments to Employees	(513,556.10)	(40,869.75)	(554,425.85)
Payments for Employee Benefits	(72,607.34)	-	(72,607.34)
Payments to Suppliers	(734,740.06)	-	(734,740.06)
Net Cash Provided by/(Used for) Operating Activities	(484,578.68)	(9,933.85)	(494,512.53)
Cash Flows From Noncapital Financing Activities:			
Interest Income	14,272.72	-	14,272.72
State Sources	20,556.24	-	20,556.24
Federal Sources	513,036.66	-	513,036.66
Net Cash Provided by/(Used for) Noncapital Financing Activities	547,865.62	-	547,865.62
Net Increase/(Decrease) in Cash & Cash Equivalents	63,286.94	(9,933.85)	53,353.09
Balances - Beginning of Year	271,305.08	(8,022.41)	263,282.67
Balances - End of Year	\$ 334,592.02	\$ (17,956.26)	\$ 316,635.76
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:			
Operating Income/(Loss)	\$ (651,725.71)	\$ (9,933.85)	\$ (661,659.56)
Adjustments to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:			
Depreciation	26,069.85	-	26,069.85
Food Distribution Program	85,565.05	-	85,565.05
(Increase)/Decrease in Accounts Receivable, Net	69,158.79	-	69,158.79
(Increase)/Decrease in Inventories	(11,232.43)	-	(11,232.43)
Increase/(Decrease) in Unearned Revenue	(2,414.23)	-	(2,414.23)
Total Adjustments	167,147.03	-	167,147.03
Net Cash Provided/(Used) by Operating Activities	\$ (484,578.68)	\$ (9,933.85)	\$ (494,512.53)

The accompanying Notes to Financial Statements are an integral part of this statement.

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Fiduciary Fund

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**HAZLET TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2023**

	CUSTODIAL FUND
	ROCKET LAUNCHERS
ASSETS	
Cash & Cash Equivalents	\$ 146,583.76
Total Assets	\$ 146,583.76
LIABILITIES	
Payable for Student Related Activities	\$ 146,583.76
Total Liabilities	\$ 146,583.76

The accompanying Notes to Financial Statements are an integral part of this statement.

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HAZLET TOWNSHIP SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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**HAZLET TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023**

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Hazlet Township School District (hereafter referred to as the “School District”) have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

Reporting Entity

The School District is a Type II district located in the County of Monmouth, 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 appointed to three-year terms. These terms are staggered so that three members’ terms expire each year. The District provides a full range of educational services appropriate to grades levels Preschool through 8th grade. These include regular, vocational, as well as special education for handicapped youngsters. The School District has an approximate enrollment at June 30, 2023 of 2,734 students.

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

- ◆ the organization is legally separate (can sue or be sued in their own name);
- ◆ the School District holds the corporate powers of the organization;
- ◆ the School District appoints a voting majority of the organization’s board
- ◆ the School District is able to impose its will on the organization;
- ◆ the organization has the potential to impose a financial benefit/burden on the School District
- ◆ there is a fiscal dependency by the organization on the School District.

There were no additional entities required to be included in the reporting entity under the criteria as described above. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

Component Units

GASB Statement No.14, *The Financial Reporting Entity* , provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units* , and GASB Statement No. 61, *The Financial Reporting Entity: Omnis – an Amendment of GASB Statements No. 14 and No. 34* , GASB Statement No. 80, *Blending Requirements for certain component Units - an Amendment of GASB Statement No. 14* and GASB Statement No. 97, *Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plan- an Amendment of GASB Statements No. 14 and No. 84* . The School District had no component units as of for the year ended June 30, 2022.

**HAZLET TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

Basis of Accounting, Measurement Focus and Financial Statement Presentation

The accounts of the School District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

A. Government-Wide Financial Statements

The School District's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the School District accompanied by a total column. Fiduciary activities of the School District are not included in these statements.

These statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the School District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. The types of transactions reported as program revenues for the School District are reported in three categories: 1) charges for services, 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.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

B. Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. The School District has presented all major funds that met those qualifications.

**HAZLET TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. (The School District’s deferred outflows of resources and deferred inflows of resources are noncurrent.) The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the School District, are property tax and intergovernmental revenues. Expenditures are recorded in the accounting period in which the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursements for specific purposes or projects are recognized in the period in which the expenditures are recorded. All other revenue items are considered to be measurable and available only when cash is received by the School District. Transfers between governmental funds are recorded when the related liability is incurred. These transfers do not represent revenues (expenditures) to the School District and are, therefore, reported as other financing sources (uses) in the governmental fund financial statements.

Since the fund level statements are presented using a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is presented on the page following each fund level statement that summarizes the adjustments necessary to convert the fund level statements into the government-wide presentations.

The School District funds outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted resources are available for use, it is the School District’s policy to use restricted resources first, then unrestricted resources as they are needed. In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the School District’s policy to consider restricted fund balance to have been depleted before any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**HAZLET TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

The School District reports the following major governmental funds:

General Fund - The general fund is the general operating fund of the School 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 noninstructional equipment which are classified in the capital outlay sub-fund.

As required by the New Jersey Department of Education the School 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, interest earnings and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment.

Special Revenue Fund - The special revenue fund is used to account for the proceeds of specific revenue from state and federal government, other than major capital projects, debt service or proprietary funds, and local appropriations that are restricted or committed to expenditures for specified purposes.

Debt Service Fund - The debt service fund is used to account for the accumulation of financial resources that are restricted, committed, or assigned to an expenditure for the payment of general long-term debt principal, interest and related costs of governmental funds.

C. Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund and for the non-major funds aggregated.

**HAZLET TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities (whether current or noncurrent), and deferred inflows of resources are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

The School District reports the following major proprietary funds:

Food Service Fund – The food service fund accounts for the financial transactions related to the food service operations of the School District.

Shared Service Fund – The shared service fund accounts for the financial transactions related to the operations of the School District's shared service agreements with surrounding communities.

D. Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position. The School District’s fiduciary funds include Custodial Funds, which are used to report fiduciary activities where the School District controls assets that are collected on behalf of other entities. These assets are not held in a trust and are distributed in accordance with applicable policies. The Custodial Funds are accounted for on a spending or "economic resources" measurement focus and the accrual basis of accounting in accordance with GASBS No. 84, *Fiduciary Activities*.

The School District reports the following major Fiduciary fund:

Custodial Fund - Custodial Fund (Rocket Launchers Fund) are assets held by a governmental entity either as trustee or as an agent for other parties and cannot be used to finance the governmental entities own operating programs.

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. In accordance with P.L.2011 c.202, which became effective January 17, 2012, the School District eliminated the April annual voter referendum on budgets which met the statutory tax levy cap limitations and the board of education members are elected at the November general election. 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. 6A:23-2-2(f)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year in accordance with N.J.A.C. 6A:23-2-11.

**HAZLET TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 1. Summary of Significant Accounting Policies (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 one or more June 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.

The budget, as detailed on Exhibit C-1, Exhibit C-2, and Exhibit I-3, includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounts as presented in the general fund budgetary comparison schedules and the special revenue fund budgetary comparison schedule to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds. Note that the School District does not report encumbrances outstanding at fiscal year-end as expenditures in the general fund since the general fund budget follows modified accrual basis with the exception of the revenue recognition policy for the last state aid payments.

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 assigned fund balances at fiscal year-end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund for which the School District has received advances are reflected in the balance sheet as a reduction of the accounts receivables or as unearned revenue at fiscal year-end.

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

**HAZLET TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

Cash, Cash Equivalents and Investments

Cash and Cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are considered cash equivalents and stated at cost.

Investments are stated at fair value in accordance with Governmental Accounting Standards Board (GASB). New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

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 Governmental Unit Deposit Protection Act (“GUDPA”). GUDPA was enacted in 1970 to protect governmental units from loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the governmental units.

For purposes of the statement of cash flows, the School District considers all highly liquid investments (including restricted assets) with a maturity when purchased of twelve months or less and all local government investment pools to be cash equivalents.

Tuition Receivable/Payable

Tuition rates were established by the receiving School District based on estimated costs. The charges are subject to adjustment when the actual costs are determined.

Inventories

Inventories are valued at cost, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when consumed rather than when purchased.

Interfund Receivables/Payables

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the School District and that are due within one year. As previously mentioned, these amounts are eliminated in the governmental and business-type columns of the Statement of Net Position, except for the net residual amounts due between governmental and business-type activities, which are presented as Internal Balances in the Statement of Net Position.

**HAZLET TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Purchased or constructed assets are recorded at actual cost or estimated historical cost if actual cost is unavailable. Donated capital assets are recorded at estimated fair market value at the date of donation. All reported capital assets except land and construction in progress are depreciated. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. The School District has established a threshold of \$2,000 for capitalization of depreciable assets.

Capital assets of the School District are depreciated or amortized using the straight-line method over the following estimated useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Land Improvements	10-20 Years	N/A
Building and improvements	10-50 Years	N/A
Furniture and Equipment	5-20 Years	5-12 Years
Vehicles	5-10 Years	4-6 Years

Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the School District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific event that is outside the control of the School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place.

The entire compensated absences liability is reported on the government-wide financial statements and proprietary fund financial statements. Compensated absences liability is not recorded in the governmental funds. Instead expenditures are recognized in the governmental funds as payments come due each period, for example, as a result of resignations or retirements.

Unearned Revenue

Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied and is recorded as a liability until the revenue is both measureable and the School District is eligible to realize the revenue.

**HAZLET TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. In general, government fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds, are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources.

Accounting 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 assumption that affect certain reported amounts reported in the financial statements and accompanying note disclosures. Actual results could differ from those estimates.

Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Deferred Outflows and Deferred 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.

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 a future periods and so will not be recognized as an inflow of resources (revenue) until that time.

**HAZLET TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

Bond Premiums, Discounts and Issuance Costs

In the government-wide financial statements and in the proprietary fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when bonds are issued.

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the current period. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

Pensions

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

Fund Balance

In accordance with Government Accounting Standards Board 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, fund balances in the governmental funds financial statements are classified into the following five categories, as defined below:

Non-spendable – This classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Non-spendable items are not expected to be converted to cash or are not expected to be converted to cash within the next year.

Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Education. These amounts cannot be used for any other purpose unless the Board of Education removes or changes the specified use by taking the same type of action (resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

**HAZLET TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

Assigned – This classification includes amounts that are constrained by the School District’s intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Education or through the Board of Education delegating this responsibility to the business administrator through the budgetary process.

Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, it is the School District’s policy to consider restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, it is the School District’s policy to consider amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

Net Position

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

Net Investment in Capital Assets – This components represents capital assets, net of accumulated depreciation, net of outstanding balances of borrowings used for acquisition, construction, or improvement of those assets.

Restricted – This component of 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 creditors, grantors or laws or regulations of other governments.

Unrestricted – This component of net position is reported as unrestricted when it does not meet the criteria of the other two components of net position.

Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2023 and November 28, 2023, the date that the financial statements were available for issuance, for possible disclosure and recognition in the financial statements, and no items have come to the attention of the School District that would require disclosure.

**HAZLET TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 1. Summary of Significant Accounting Policies (Continued)

Impact of Recently Issued Accounting Principles

Adopted Accounting Pronouncements

The following GASB Statements became effective for the fiscal year ended June 30, 2023:

- Statement No. 96, *Subscription-Based Information Technology Arrangements*.
- Statement No. 99, *Omnibus 2022*.

Management has determined the implementation of these Statements did not have a significant impact on the District's financial statements.

Accounting Pronouncements Effective in Future Reporting Periods

- Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2023.
- Statement No. 101, *Compensated Absences*. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023.

Management has not yet determined the potential impact on the District's financial statements.

Note 2. Deposits and Investments

Deposits

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Board's deposits may not be recovered. Although the Board does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 et seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of GUDPA. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Public fund owned by the Board in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled trust funds such as salary withholdings, student activity fund or other funds that may pass to the Board relative to the happening of a future condition. Such funds are shown as Uninsured and Uncollateralized in the schedule below. As of June 30, 2023, the School District's bank balance of \$18,471,954.20 was exposed to custodial credit risk as follows:

Insured under FDIC and GUDPA	\$ 16,777,876.83
Uninsured and Uncollateralized	1,694,077.37
	1,694,077.37
Total	\$ 18,471,954.20

**HAZLET TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 2. Deposits and Investments (Continued)

Investments

<u>Investment Type</u>	<u>Fair Value</u>	<u>Carrying Value</u>	<u>Investment Maturities (in Years)</u>			
			<u>Less Than 1 Year</u>	<u>1-5 Years</u>	<u>6-10-Years</u>	<u>Over 10 Years</u>
Stocks	<u>\$ 26,524.73</u>	<u>\$ 26,524.73</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,524.73</u>

Fair Value Measurement - The School District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. Investments are required to be categorized based on the fair value of inputs of Level 1, 2 and 3. Under Level 1 inputs, investments are required to be categorized based on quoted market prices in active markets for identical investments. Level 2 inputs are based primarily on using observable measurement criteria, including quoted market prices of similar investments in active and inactive markets and other observable corroborated factors. Level 3 inputs are assets measured at fair value on a recurring basis using significant unobservable measurement criteria based on the best information available.

All of the School District's investments described above are classified in Level 1 and are valued using prices quoted in active markets for those securities. The School District does not hold any investments that are measured using Level 2 and Level 3 inputs.

Note 3. Reserve Accounts

Capital Reserve

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

Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a School District may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A School 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 *N.J.S.A.19:60-2*. Pursuant to *N.J.A.C.6:23A-14.1(g)*, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

**HAZLET TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 3. Reserve Accounts (Continued)

Capital Reserve

The activity of the capital reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance, July 1, 2022	\$	5,972,128.77
Increased by:		
Deposits Approved by Board		2,000,000.00
Interest Earnings		120,792.76
		8,092,921.53
Decreased by:		
Budget Withdrawals		(5,000,000.00)
Ending Balance, June 30, 2023	\$	3,092,921.53

Emergency Reserve

The School District established an emergency reserve account in the 2012-2013 school year for the accumulation of funds for use in accordance with N.J.S.A. 18A: 7F-41c(1) to finance unanticipated general fund expenditures.

There was no activity of the emergency reserve for the July 1, 2022 to June 30, 2023 fiscal year as follows:

Balance, July 1, 2022 and June 30, 2023	\$	250,000.00
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Maintenance Reserve

The School District established a maintenance reserve account in June of 2019 for the accumulation of funds for use as required maintenance of a facility in subsequent fiscal years.

Funds placed in the maintenance reserve account are restricted to maintenance projects in the School District's approved Maintenance Plan (M-1). A School District may increase the balance in the maintenance reserve account by appropriating funds in the annual general fund budget certified for taxes or by transfer by Board resolution at year-end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. The balance in the account cannot at any time exceed four percent of the replacement cost of the school district's school facilities for the current year.

There was no activity of the maintenance reserve for the July 1, 2022 to June 30, 2023 fiscal year as follows:

Balance, July 1, 2022 and June 30, 2023	\$	1,100,000.00
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**HAZLET TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 3. Reserve Accounts (Continued)

Unemployment Claim Reserve

Unemployment Claim Reserve funds are restricted pursuant to N.J.S.A. 43:21-7.3(g), which requires that employer and employee contributions be held in a trust fund maintained by the governmental entity or instrumentality for unemployment benefit cost purposes and any surplus remaining in this trust fund must be retained in reserve for payment of benefit costs in subsequent years.

The activity of the unemployment claim reserve for the July 1, 2022 to June 30, 2023 fiscal year is as follows:

Beginning Balance, July 1, 2022	\$	173,799.28
Increased by:		
Interest Earnings		10,517.44
Decreased by:		
Interest Transferred to General Fund		(10,517.44)
		(10,517.44)
Ending Balance, June 30, 2023	\$	173,799.28

Note 4. Accounts Receivable

Accounts receivable at June 30, 2023 consisted of accounts and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state and federal programs, the current fiscal year guarantee of federal funds and the budgetary control of New Jersey governmental entities. Accounts receivable in the School District's governmental and business-type activities as of June 30, 2022, consisted of the following:

<u>Description</u>	Governmental Funds		Total Governmental Activities
	General	Special	
	<u>Fund</u>	Revenue <u>Fund</u>	
Federal Awards	\$ -	\$ 722,533.23	\$ 722,533.23
State Awards	1,079,232.00	4,567.82	1,083,799.82
Tuition	3,020.00	-	3,020.00
Other	-	12,570.28	12,570.28
Total	\$ 1,082,252.00	\$ 739,671.33	\$ 1,821,923.33
<u>Description</u>	Proprietary Funds		Total Business-Type Activities
	Shared Service	Food Service	
	<u>Fund</u>	<u>Fund</u>	
Federal Awards	\$ -	\$ 26,779.54	\$ 26,779.54
State Awards	-	1,482.24	1,482.24
Other	-	27,695.31	27,695.31
Total	\$ -	\$ 55,957.09	\$ 55,957.09

**HAZLET TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 5. Capital Assets

Capital assets activity for the year ended June 30, 2023 was as follows:

	Governmental Activities			Balance June 30, 2023
	Balance July 1, 2022	Additions	Retirements and Adjustments	
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 4,526,730.00	\$ -	\$ -	\$ 4,526,730.00
Total Capital Assets not being depreciated	4,526,730.00	-	-	4,526,730.00
Capital Assets being depreciated:				
Buildings and Improvements	81,057,576.01	50,125.00	111,360.19	81,219,061.20
Equipment	3,173,655.50	203,931.96	49,473.67	3,427,061.13
Total Capital Assets being depreciated	84,231,231.51	254,056.96	160,833.86	84,646,122.33
Less: Accumulated Depreciation:				
Buildings and Improvements	(25,186,818.18)	(3,224,273.51)	(49,380.11)	(28,460,471.80)
Equipment	(1,868,436.03)	(233,505.12)	(381,116.33)	(2,483,057.48)
Total Accumulated Depreciation	(27,055,254.21)	(3,457,778.63)	(430,496.44)	(30,943,529.28)
Total Capital Assets being depreciated, net	57,175,977.30	(3,203,721.67)	(269,662.58)	53,702,593.05
Total Governmental Activities Capital Assets, net	\$ 61,702,707.30	\$ (3,203,721.67)	\$ (269,662.58)	\$ 58,229,323.05
Business-Type Activities				
	Business-Type Activities			Balance June 30, 2023
	Balance July 1, 2022	Additions	Retirements and Transfers	
Business-Type Activities:				
Buildings	\$ 229,757.00	\$ -	\$ (125,057.60)	\$ 104,699.40
Equipment	549,361.72	-	(40,064.74)	509,296.98
Total Capital Assets being depreciated	779,118.72	-	(165,122.34)	613,996.38
Less: Accumulated Depreciation:				
Buildings	(49,287.86)	(5,108.07)	(0.21)	(54,396.14)
Equipment	(374,766.49)	(20,961.78)	(427.71)	(396,155.98)
Total Capital Assets being depreciated, net	(424,054.35)	(26,069.85)	(427.92)	(450,552.12)
Total Business-Type Activities Capital Assets, net	\$ 355,064.37	\$ (26,069.85)	\$ (165,550.26)	\$ 163,444.26

**HAZLET TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 5. Capital Assets (Continued)

Depreciation expense was charged to functions/programs of the School District as follows:

<u>Governmental Activities</u>	
Instruction:	
Regular Instruction	\$ 1,291,334.70
Special Education Instruction	339,338.90
Other Instruction	152,539.18
Support Services:	
Tuition	138,042.87
Student & Instruction Related Services	505,541.57
General Administrative	91,031.33
School Administrative Services	181,150.60
Central Services	44,767.97
Administrative Info. Technology	9,868.31
Plant Operations & Maintenance	429,067.68
Pupil Transportation	275,095.50
	<hr/>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 3,457,778.63</u></u>

Note 6. Interfund Receivables, Payables and Transfers

Individual fund receivables/payables balances at June 30, 2023 are as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 224,493.71	\$ 7,065.62
Special Revenue Fund	-	224,493.71
Enterprise Funds	7,065.62	-
	<hr/>	<hr/>
	<u><u>\$ 231,559.33</u></u>	<u><u>\$ 231,559.33</u></u>

The interfund receivables and payables above predominately resulted from payment made by certain funds on behalf of other funds. All interfund balances are expected to be repaid within one year.

There were no interfund transfers for the year ended June 30, 2023.

**HAZLET TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 7. Long-Term Obligations

During the fiscal year-ended June 30, 2023 the following changes occurred in long-term obligations for the governmental and business-type activities:

	Balance <u>June 30, 2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2023</u>	Balance Due Within <u>One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 38,720,000.00	\$ -	\$ 1,695,000.00	\$ 37,025,000.00	\$ 1,780,000.00
Unamortized Bond					
Premiums	4,732,107.83	-	313,850.76	4,418,257.07	313,850.76
Compensated Absences	3,004,726.76	-	75,935.30	2,928,791.46	-
Net Pension Liability	8,964,725.00	2,284,780.00	-	11,249,505.00	-
	<u>\$ 55,421,559.59</u>	<u>\$ 2,284,780.00</u>	<u>\$ 2,084,786.06</u>	<u>\$ 55,621,553.53</u>	<u>\$ 2,093,850.76</u>

For governmental activities, the bonds payable are liquidated from the School District's debt service fund. Compensated absences, capital leases, unamortized bond premiums and the net pension liability are liquidated by the general fund.

Bonds Payable

The voters of the municipality through referendums authorize bonds in accordance with State Law. All bonds are retired in serial installments within the statutory period of usefulness.

During Septemeber 2017, the School District issued \$13,090,000 of General Obligation Bonds. The General Obligation Bonds were issued at varying interest rates of 4.00% to 5.00% and mature on July 15, 2037.

During July 2018, the School District issued \$25,635,000 of General Obligation Bonds. The General Obligation Bonds were issued at varying interest rates of 4.00% to 5.00% and mature on July 15, 2038.

During March 2021, the School District issued \$3,445,000 of Refunding Bonds to refund the callable portion of the outstanding 2010 Bond Issue. The Refunding Bonds generated \$449,590.28 in gross debt service savings and an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$425,676.75, or a net annual present value savings of 12.3854%. The Refunding Bonds were issued at an interest rate of 4.00% and mature on February 1, 2030.

**HAZLET TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 7. Long-Term Obligations (Continued)

Fiscal Year Ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,780,000.00	\$ 1,659,675.00	\$ 3,439,675.00
2025	1,865,000.00	1,572,625.00	3,437,625.00
2026	1,900,000.00	1,485,600.00	3,385,600.00
2027	1,985,000.00	1,395,475.00	3,380,475.00
2028	2,085,000.00	1,298,125.00	3,383,125.00
2029-2033	12,270,000.00	4,781,850.00	17,051,850.00
2034-2038	13,350,000.00	1,797,225.00	15,147,225.00
2039	1,790,000.00	35,800.00	1,825,800.00
	<u>\$ 37,025,000.00</u>	<u>\$ 14,026,375.00</u>	<u>\$ 51,051,375.00</u>

Bonds Authorized but not Issued

As of June 30, 2023, the School District had no bonds authorized but not issued.

Note 8. Pension Plans

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 Comprehensive Financial Report (ACFR) which can be found at <http://www.nj.gov/treasury/pensions/financial-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 ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

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

**HAZLET TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 8. Pension Plans (continued)

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.

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 fiscal year 2021, the State's pension contribution was less than the actuarial determined amount.

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

Pension Liability, Pension Expense and Deferred Outflows/Inflows of Resources - At June 30, 2023, the School District reported a liability of \$11,249,505.00 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined using update procedures to roll forward the total pension liability from an actuarial valuation as of July 1, 2021, to the measurement date of June 30, 2022. The School District's proportion of the net pension liability was based on the School District's actual contributions to the plan relative to the total of all participating employers' contributions for the year ended June 30, 2022. The School District's proportion measured as of June 30, 2022, was 0.0745426014%, which was a decrease of 0.00113144% from its proportion measured as of June 30, 2021.

**HAZLET TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 8. Pension Plans (Continued)

For the year ended June 30, 2023, the School District recognized full accrual pension expense of (\$619,268.00) in the government-wide financial statements. This pension expense was based on the pension plans June 30, 2022 measurement date. At June 30, 2023 the School 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	\$ 81,194.00	\$ 71,601.00
Changes of Assumptions	34,855.00	1,684,496.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	465,607.00	-
Changes in Proportion and Differences between School District Contributions and Proportionate Share of Contributions	463,443.00	209,092.00
School District contributions subsequent to measurement date	999,924.00	-
	\$ 2,045,023.00	\$ 1,965,189.00

\$999,924 is reported as deferred outflows of resources resulting from school district contributions subsequent to the measurement date is estimated based on unadjusted 2022-2023 total salaries for PERS employees multiplied by an employer pension contribution rate of 15.98%. The payable is due on April 1, 2024 and will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2024	\$ (914,101.00)
2025	(440,750.00)
2026	(188,884.00)
2027	573,922.00
2028	49,723.00
	\$ (920,090.00)

**HAZLET TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 8. Pension Plans (Continued)

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

Inflation:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75% - 6.55% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	
PERS	Pub-2010 General Below-Median Income Employee mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021
Period of Actuarial Experience	
Study upon which Actuarial Assumptions were Based	July 1, 2014 - June 30, 2018

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

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

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2022) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2022 are summarized in the following table:

**HAZLET TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 8. Pension Plans (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate - The following presents the School District's proportionate share of the net pension liability as of June 30, 2022, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>At 1% Decrease (6.00%)</u>	<u>At Current Discount Rate (7.00%)</u>	<u>At 1% Increase (8.00%)</u>
School District's Proportionate Share of the Net Pension Liability	\$ 14,574,714.00	\$ 11,249,505.00	\$ 8,595,969.00

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2023 and 2022:

	<u>06/30/23</u>	<u>06/30/22</u>
Collective Deferred Outflows of Resources	\$ 1,660,772,008	\$ 1,164,738,169
Collective Deferred Inflows of Resources	3,236,303,935	8,339,123,762
Collective Net Pension Liability	15,219,184,920	11,972,782,878
School District's portion	0.074543%	0.075670%

**HAZLET TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 8. Pension Plans (Continued)

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, are Chapter 366, P.L. 2001 and Chapter 133, P.L. 2001. The amounts contributed on behalf of the local participating employers under the legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute under the legislation directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers related to the legislation. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the 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 employers as well as revenue in an amount equal to the nonemployer contributing entities' total proportionate share of the collective pension expense associated with the local participating employer.

School District Special Fund Allocation Pension Expense for the year ending June 30, 2023 totaled \$23,669.

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description - TPAF is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which 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 Division. For additional information about TPAF, please refer to the Division's annual financial statements which can be found at www.nj.gov/treasury/pensions/financial-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, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

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

**HAZLET TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 8. Pension Plans (Continued)

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 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions - The contribution policy for TPAF is set by N.J.S.A 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 7.5% in State fiscal year 2018. 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 fiscal year 2021, the State's pension contribution was less than the actuarial determined amount.

As mentioned previously, 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, the School District is considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the School District does not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers.

Pension Liability and Pension Expense - The State's proportionate share of the TPAF net pension liability, attributable to the School District as of June 30, 2023 was \$106,431,106.00. The School District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The State's proportionate share of the net pension liability associated with the District was based on projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2022, the State proportionate share of the TPAF net pension liability attributable to the School District was 0.2062841576%, which was a decrease of 0.0087145211% from its proportion measured as of June 30, 2021.

For the fiscal year ended June 30, 2023, the State of New Jersey recognized a pension expense in the amount of \$2,864,358.00 for the State's proportionate share of the TPAF pension expense attributable to the School District. This pension expense was based on the pension plans June 30, 2022 measurement date.

**HAZLET TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 8. Pension Plans (Continued)

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

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75% - 5.65% Based on Years of Service
Investment Rate of Return	7.00%

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

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

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

**HAZLET TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 8. Pension Plans (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.12%
Non-U.S. Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
Private Equity	13.00%	11.80%
Real Estate	8.00%	11.19%
Real Assets	3.00%	7.60%
High Yield	4.00%	4.95%
Private Credit	8.00%	8.10%
Investment Grade Credit	7.00%	3.38%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Risk Mitigation Strategies	3.00%	4.91%
	<u>100.00%</u>	

Discount Rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on 100% of 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 projected benefit payments in determining the total pension liability.

Sensitivity of the School District's proportionate share of the Net Pension Liability to Changes in the Discount Rate – As previously mentioned, TPAF has a special funding situation where the State pays 100% of the School District's annual required contribution. The following represents the State's proportionate share of the net pension liability, attributable to the School District calculated using the discount rate of 7.00% as well as what the State's proportionate share of the net pension liability, attributable to the School District's would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>At 1% Decrease (6.00%)</u>	<u>At Current Discount Rate (7.00%)</u>	<u>At 1% Increase (8.00%)</u>
State of New Jersey's Proportionate Share of Net Pension Liability associated with the School District	\$ 124,792,733.00	\$ 106,431,106.00	\$ 90,963,742.00

**HAZLET TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 8. Pension Plans (Continued)

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

Additional Information - The following is a summary of the collective balances of the local group at June 30, 2023 and 2022:

	<u>06/30/23</u>	<u>06/30/22</u>
Collective Deferred Outflows of Resources	\$ 6,373,530,834	\$ 9,626,548,228
Collective Deferred Inflows of Resources	27,363,906	14,591,988,841
Collective Net Pension Liability	48,165,991,182	65,993,498,688
School District's portion	0.20628%	0.21500%

C. Defined Contribution Retirement Plan (DCRP)

Plan Description - The Defined Contribution Retirement Program (DCRP) was established July 1, 2007, under the provisions of N.J.S.A. 43:15C-1 et seq. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage.

Individuals eligible for membership in the DCRP include:

- State or local officials who are elected or appointed on or after July 1, 2007;
- 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 established “maximum compensation” limits;
- Employees enrolled in the Police and Firemen’s Retirement System (PFRS) or State Police Retirement System (SPRS) after May 21, 2010, who earn salary in excess of established “maximum compensation” limits;
- Employees otherwise eligible to enroll in the PERS or TPAF on or after November 2, 2008, who do not earn the minimum annual salary for PERS or TPAF Tier 3 enrollment but who earn salary of at least \$5,000 annually. The minimum salary in 2018 is \$8,300 and is subject to adjustment in future years.
- Employees otherwise eligible to enroll in the PERS or TPAF after May 21, 2010, who do not work the minimum number of hours per week required for PERS or TPAF Tier 4 or Tier 5 enrollment but who earn salary of at least \$5,000 annually. The minimum number is 35 hours per week for State employees, or 32 hours per week for local government or local education employees.

**HAZLET TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 8. Pension Plans (Continued)

Contributions - The contribution policy is set by N.J.S.A. 43:15C-3 and requires active members and contribution employers. When enrolled in the DCRP, members are required to contribute 5.5% of their base salary to a tax-deferred investment account established with Prudential Financial, which jointly administers the DCRP investments with the Division of Pension and Benefits. Member contributions are matched by a 3% contribution from the School District.

For the year ended June 30, 2023, employee contributions totaled \$16,331.69, and the School District recognized an expense for payments made to the Defined Contribution Retirement program in the amount of \$12,026.01.

Note 9. Other Post-Retirement Benefits

General Information about the OPEB Plan

The State of New Jersey reports a liability as a result of its statutory requirements to pay other postemployment (health) benefits for State Health Benefit Local Education Retired Employees Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions*. The State Health Benefit Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A 52:14-17.32f. According to N.J.S.A 52:14- 17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 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 total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits are the responsibility of the individual local education employers.

Basis of Presentation

The Schedule presents the State of New Jersey's obligation under NJSA 52:14-17.32f. The Schedule does not purport to be a complete presentation of the financial position or changes in financial position of the State Health Benefit Local Education Retired Employees Plan or the State of New Jersey. The accompanying Schedule was prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the State of New Jersey to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

**HAZLET TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 9. Other Post-Retirement Benefits (continued)

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2022 was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%			
		<u>TPAF/ABP</u>	<u>PERS</u>	<u>PFRS</u>
Salary Increases	2.75 - 4.25%	2.75 - 6.55%	3.25 - 16.25%	
	based on service years	based on service years	based on service years	

Preretirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the Scale MP-2021. Postretirement mortality rates were based on the PUB-2010 Healthy "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the Scale MP-2021. Disability mortality was based on the PUB-2010 Healthy "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using the Scale MP-2021 for current disabled retirees. Future disabled retirees were based on Pub-2010 "Safety" (PFRS), "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 June 30, 2021 valuation were based on the results of the TPAF, PERS and PFRS experience studies prepared for July 1, 2018 to June 30, 2021.

OPEB Obligations and OPEB Expense - The State's proportionate share of the total Other Post Employment Benefits Obligations, attributable to the School District as of June 30, 2022 was \$109,865,644.00. The School District's proportionate share was \$0.

The OPEB Obligation was measured as of June 30, 2022, and the total OPEB Obligation used to calculate the OPEB Obligation was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. The State's proportionate share of the OPEB Obligation associated with the District was based on projection of the State's long-term contributions to the OPEB plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2022, the State proportionate share of the OPEB Obligation attributable to the School District was 0.21692659%, which was an increase of 0.00050722% from its proportion measured as of June 30, 2021.

For the fiscal year ended June 30, 2023, the State of New Jersey recognized an OPEB expense in the amount of \$2,564,060.00 for the State's proportionate share of the OPEB expense attributable to the School District. This OPEB expense was based on the OPEB plans June 30, 2022 measurement date.

**HAZLET TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 9. Other Post-Retirement Benefits (continued)

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend rate is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend rate is initially -3.54% in fiscal year 2023, increasing to 15.19% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate for June 30, 2022 was 3.54%, respectively. 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 Total Nonemployer OPEB Liability to changes in discount rate:

The following presents the total nonemployer OPEB liability as of June 30, 2022, respectively, calculated using the discount rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2022		
	At 1% Decrease (2.54%)	At Discount Rate (3.54%)	At 1% Increase (4.54%)
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 129,135,507.72	\$ 109,865,644.00	\$ 94,421,811.61
State of New Jersey's Total Nonemployer OPEB Liability	\$ 59,529,589,697.00	\$ 50,646,462,966.00	\$ 43,527,080,995.00

**HAZLET TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 9. Other Post-Retirement Benefits (continued)

Sensitivity of Total Nonemployer OPEB Liability to changes in the healthcare trend rate:

The following presents the total nonemployer OPEB liability as of June 30, 2022, calculated using the healthcare trend rate as disclosed above as well as what the total nonemployer OPEB liability would be if it was calculated using a healthcare trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	June 30, 2022		
	1% Decrease	Healthcare Cost Trend Rate *	1% Increase
State of New Jersey's Proportionate Share of Total OPEB Obligations Associated with the School District	\$ 90,810,670.05	\$ 109,865,644.00	\$ 134,895,509.38
State of New Jersey's Total Nonemployer OPEB Liability	\$ 41,862,397,291.00	\$ 50,646,462,966.00	\$ 62,184,866,635.00

* See Healthcare Cost Trend Assumptions for details of rates.

Additional Information

Collective balances of the Local Group at June 30, 2022 are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected & Actual Experience	\$ 9,042,402,619.00	\$ 15,462,950,679.00
Change in Assumptions	8,765,620,577.00	17,237,289,230.00
Contributions Made in Fiscal Year Ending 6/30/2022 After Measurement Date	TBD	N/A
	\$ 17,808,023,196.00	\$ 32,700,239,909.00

**HAZLET TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 9. Other Post-Retirement Benefits (continued)

Additional Information (continued):

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

Fiscal Year Ending June 30,		
2023	\$	(2,517,151,602.00)
2024		(2,517,151,602.00)
2025		(2,517,151,602.00)
2026		(2,175,449,761.00)
2027		(1,243,951,140.00)
Thereafter		(3,921,361,006.00)
	\$	<u>(14,892,216,713.00)</u>

** Employer Contributions made after June 30, 2022 are reported as a deferred outflow of resources, but are not amortized in expense.

Plan Membership

At June 30, 2021, the Program membership consisted of the following:

Active Plan Members	213,148
Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	151,669
	<u>364,817</u>

Changes in the Total OPEB Liability

The change in the State's Total OPEB liability for the fiscal year ended June 30, 2023 (measurement date June 30, 2022) is as follows:

Total OPEB Liability	
Service Cost	\$ 2,770,618,025.00
Interest Cost	1,342,187,139.00
Difference Between Expected & Actual Experience	1,399,200,736.00
Changes of Assumptions	(13,586,368,097.00)
Contributions: Member	42,650,252.00
Gross Benefit Payments	(1,329,476,059.00)
	<u>(9,361,188,004.00)</u>
Net Change in Total OPEB Liability	(9,361,188,004.00)
Total OPEB Liability (Beginning)	60,007,650,970.00
	<u>60,007,650,970.00</u>
Total OPEB Liability (Ending)	\$ 50,646,462,966.00
	<u>50,646,462,966.00</u>
Total Covered Employee Payroll	14,753,355,408.00
Net OPEB Liability as a Percentage of Payroll	343.29%

**HAZLET TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 10. On-Behalf Payments for Fringe Benefits and Salaries

As previously mentioned, the School District receives on-behalf payments from the State of New Jersey for normal costs and post-retirement medical costs related to the Teachers’ Pension and Annuity Fund (TPAF) pension plan. The School District is not legally responsible for these contributions. The on-behalf payments are recorded as revenues and expenditures in the government-wide and general fund financial statements. For the fiscal year ended June 30, 2022, the on-behalf payments for pension, social security, post-retirement medical costs, and long-term disability were \$8,611,820.00, \$1,717,702.40, \$2,012,069.00 and \$2,897.00, respectively.

Note 11. Risk Management

The School 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.

New Jersey Unemployment Compensation Insurance – The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the “Benefit Reimbursement Method”. Under this plan the School District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The School District is billed quarterly for amounts due to the State. The following is a summary of School District contributions, reimbursements to the State for benefits paid and the ending balance of the School District’s trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>School District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>	
				<u>Unemployment Fund Balance</u>	<u>Unemployment Trust Liability</u>
2022-2023	\$ -	\$ 55,734.88	\$ 40,223.19	\$ 173,799.28	\$ 141,641.24
2021-2022	-	68,131.69	5,001.36	173,799.28	126,129.55
2020-2021	-	49,165.10	37,900.72	173,799.28	62,999.22

Property and Liability Insurance – The School District maintains commercial insurance coverage for property, liability, student accident and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Annual Comprehensive Financial Report.

Note 12. Contingencies

State and Federal Grantor Agencies - The School District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the School District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2022 may be impaired. In the opinion of the School District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

Litigation – The School District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the School Districts’ attorney that resolution of these matters will not have a material adverse effect on the financial condition of the School District.

**HAZLET TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 12. Contingencies (Continued)

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

Note 13. Deferred Compensation

The School District offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, which are administered by the entities listed below, permits 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:

AXA Equitable Met Life	Lincoln Investment Planning, Inc. The Legend Group	Valic Investments
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Note 14. Compensated Absences

The School District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 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.

School District employees are granted varying amount of vacation and sick leave in accordance with the School District's personnel policies. Upon termination, employees are paid for accrued vacation. The School District 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 School District for the unused sick leave in accordance with School Districts’ agreements with the various employee unions.

The liability for vested compensated absences of the governmental fund types is recorded in the Statement of Net Position. At June 30, 2023, the liability for compensated absences reported was \$2,928,791.46.

Note 15. Tax Abatements

As defined by the Governmental Accounting Standards Board (GASB) Statement No. 77, a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district’s local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

**HAZLET TOWNSHIP SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023 (Continued)**

Note 15. Tax Abatements (Continued)

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

Note 16. Calculation of Excess Surplus

The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A.18A:7F-7. New Jersey school districts are required to reserve General Fund 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, 2023 was \$3,109,118.86.

Note 17. Fund Balances

General Fund – Of the \$17,746,625.10 General Fund fund balance at June 30, 2023, \$3,092,921.53 has been restricted for the Capital Reserve Account; \$1,100,000.00 has been restricted for the Maintenance Reserve Account; \$250,000.00 has been restricted for the Emergency Reserve Account; \$173,799.28 has been restricted for the Unemployment Reserve Account; \$147,446.79 has been assigned for other purposes; \$4,519,817.77 has been assigned for subsequent year's expenditures; \$3,489,217.23 is restricted for prior year excess surplus – designated for subsequent year's expenditures; \$3,109,118.86 has been restricted for excess surplus; and \$1,864,303.64 is unassigned.

Special Revenue Fund – Of the \$141,144.81 Special Revenue Fund fund balance at June 30, 2023, \$97,846.20 is restricted for student activities; \$43,298.61 has been restricted for school scholarships.

Debt Service Fund – Of the \$2.93 Debt Service Fund fund balance at June 30, 2023, \$2.93 is restricted for future debt service payments.

Note 18. Deficit in Net Position

Unrestricted Net Position – The School District governmental activities had a deficit in unrestricted net position in the amount of \$(9,339,328.68) at June 30, 2023. The primary causes of this deficit is the School District not recognizing the receivable for the last two state aid payments and the recording of the net pension liability for the Public Employee's Retirement System (PERS) as of June 30, 2023. This deficit in unrestricted net position for governmental activities does not indicate that the School District is facing financial difficulties.

Note 19. Commitments

The District has contractual commitments at June 30, 2023 to various vendors, which are recorded in the General Fund as Fund Balance Assigned to Other Purposes in the amount of \$147,446.79.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

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C. Budgetary Comparison Schedules

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HAZLET TOWNSHIP SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2023

ACCOUNT NUMBERS	JUNE 30, 2023				VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:					
Local Sources:					
Local Tax Levy	\$ 42,887,528.00	\$ -	\$ 42,887,528.00	\$ 42,887,528.00	\$ -
Tuition From Individuals	153,900.00	-	153,900.00	170,165.00	16,265.00
Tuition From Other LEAs Within State	60,000.00	-	60,000.00	60,000.00	-
Transportation Fees From Individuals	40,000.00	-	40,000.00	60,775.00	20,775.00
Transportation Fees From Other LEAs	20,000.00	-	20,000.00	-	(20,000.00)
Interest on Investments	40,050.00	-	40,050.00	699,421.96	659,371.96
Rents and Royalties	25,000.00	-	25,000.00	23,085.00	(1,915.00)
Unrestricted Miscellaneous Revenues	100,000.00	-	100,000.00	71,046.06	(28,953.94)
Total Local Sources	43,326,478.00	-	43,326,478.00	43,972,021.02	645,543.02
State Sources:					
Categorical Transportation Aid	91,986.00	-	91,986.00	91,986.00	-
Extraordinary Aid	365,000.00	-	365,000.00	903,307.00	538,307.00
Categorical Special Education Aid	1,936,203.00	-	1,936,203.00	1,936,203.00	-
Equalization Aid	6,312,760.00	-	6,312,760.00	6,312,760.00	-
Stabilization Aid	-	336,545.00	336,545.00	1,403,336.00	1,066,791.00
Categorical Security Aid	71,011.00	-	71,011.00	71,011.00	-
Other State Aids	-	-	-	17,149.00	17,149.00
Nonbudgeted:					
TPAF Pension (on-behalf)	-	-	-	8,313,967.00	8,313,967.00
TPAF Social Security (reimbursed)	-	-	-	1,762,360.80	1,762,360.80
TPAF Post Retirements (on-behalf)	-	-	-	2,184,059.00	2,184,059.00
TPAF Long-Term Disability Insurance (on-behalf)	-	-	-	2,992.00	2,992.00
Total State Sources	8,776,960.00	336,545.00	9,113,505.00	22,999,130.80	13,885,625.80
Federal Sources:					
Medicaid Reimbursement	38,104.00	-	38,104.00	45,161.97	7,057.97
Total Federal Sources	38,104.00	-	38,104.00	45,161.97	7,057.97
Total Revenues	52,141,542.00	336,545.00	52,478,087.00	67,016,313.79	14,538,226.79

HAZLET TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2023

	ACCOUNT NUMBERS	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Current Expense:					
Regular Programs - Instruction:					
Preschool - Salaries of Teachers	11-105-100-101	308,400.00	(29,868.80)	278,531.20	-
Kindergarten - Salaries of Teachers	11-110-100-101	852,400.00	21,905.29	874,305.29	14,298.14
Grades 1-5 - Salaries of Teachers	11-120-100-101	5,286,630.00	(529,089.42)	4,757,540.58	7,316.95
Grades 6-8 - Salaries of Teachers	11-130-100-101	3,509,329.00	(154,406.50)	3,354,922.50	1,118.58
Grades 9-12 - Salaries of Teachers	11-140-100-101	5,300,470.00	(201,589.00)	5,098,881.00	10,900.88
Regular Programs - Home Instruction:					
Salaries of Teachers	11-150-100-101	50,000.00	30,846.50	80,846.50	-
Purchased Professional - Educational Services	11-150-100-320	12,000.00	12,214.16	24,214.16	0.16
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	11-190-100-106	60,300.00	34,295.00	94,595.00	-
Purchased Professional - Educational Services	11-190-100-320	1,000.00	-	1,000.00	1,000.00
Purchased Technical Services	11-190-100-340	397,224.00	5,000.00	402,224.00	26,282.27
Other Purchased Services	11-190-100-500	154,700.00	(65,324.75)	89,375.25	26,813.15
General Supplies	11-190-100-610	793,506.00	413,375.84	1,206,881.84	233,451.18
Textbooks	11-190-100-640	29,100.00	(400.00)	28,700.00	15,851.32
Other Objects	11-190-100-800	55,037.00	(4,950.00)	50,087.00	28,089.54
Total Regular Programs - Instruction		16,810,096.00	(467,991.68)	16,342,104.32	365,122.17
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	11-204-100-101	794,550.00	30,754.67	825,304.67	14,203.07
Other Salaries for Instruction	11-204-100-106	480,496.00	234,334.36	714,830.36	2,327.97
General Supplies	11-204-100-610	11,450.00	21.00	11,471.00	2,544.46
Textbooks	11-204-100-640	750.00	(21.00)	729.00	625.27
Total Learning and/or Language Disabilities		1,287,246.00	265,089.03	1,552,335.03	19,700.77
Special Education - Instruction:					
Resource Room/Resource Center:					
Salaries of Teachers	11-213-100-101	2,291,634.00	74,862.38	2,366,496.38	22,844.83
Other Salaries	11-213-100-106	593,259.00	60,189.29	653,448.29	29,171.45
General Supplies	11-213-100-610	7,500.00	-	7,500.00	5,098.13
Total Resource Room/Resource Center		2,892,393.00	135,051.67	3,027,444.67	57,114.41

HAZLET TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2023

	ACCOUNT NUMBERS	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Special Education - Instruction:					
Preschool Disabilities - Part-Time:					
Salaries of Teachers	11-215-100-101	120,600.00	5,400.00	126,000.00	-
General Supplies	11-215-100-600	1,200.00	-	1,200.00	1,200.00
Total Preschool Disabilities - Part-Time		121,800.00	5,400.00	127,200.00	1,200.00
Total Special Education - Instruction		4,301,439.00	405,540.70	4,706,979.70	4,628,964.52
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	11-230-100-101	705,050.00	143,950.00	849,000.00	848,505.44
General Supplies	11-230-100-610	1,000.00	-	1,000.00	1,000.00
Total Basic Skills/Remedial - Instruction		706,050.00	143,950.00	850,000.00	848,505.44
Bilingual Education - Instruction:					
Salaries of Teachers	11-240-100-101	213,300.00	6,820.00	220,120.00	-
Total Bilingual Education - Instruction		213,300.00	6,820.00	220,120.00	-
School-Sponsored Coccircular/Extra Curricular Activities - Instruction:					
Salaries	11-401-100-100	189,036.00	5,464.00	194,500.00	194,260.00
Supplies and Materials	11-401-100-600	36,343.00	-	36,343.00	29,453.76
Other Objects	11-401-100-800	18,417.00	1,086.96	19,503.96	16,046.47
Total School-Sponsored Coccircular/Extra Curricular Activities - Instruction		243,796.00	6,550.96	250,346.96	239,760.23
School-Sponsored Athletics - Instruction:					
Salaries	11-402-100-100	533,977.00	11,883.12	545,860.12	541,990.12
Purchased Services	11-402-100-500	1,320.00	-	1,320.00	1,086.17
Supplies and Materials	11-402-100-600	79,555.00	14,688.02	94,243.02	87,220.24
Other Objects	11-402-100-800	55,644.00	11,000.00	66,644.00	62,182.05
Transfers to Cover Deficit (Agency Funds)	11-402-100-930	49,347.00	(356.29)	48,990.71	48,990.71
Total School-Sponsored Athletics - Instruction		719,843.00	37,214.85	757,057.85	741,469.29
Before/After School Programs - Instruction:					
Salaries of Teachers	11-421-100-101	35,858.00	-	35,858.00	30,951.20
Total Before/After School Programs - Instruction		35,858.00	-	35,858.00	30,951.20

HAZLET TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2023

	ACCOUNT NUMBERS	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Undistributed Expenditures - Instruction (Tuition):					
Tuition to Other LEAs Within State - Regular	11-000-100-561	-	14,746.12	14,746.12	-
Tuition to Other LEAs Within State - Special	11-000-100-562	507,486.00	22,252.40	529,738.40	12,090.90
Tuition to County Vocational School - Regular	11-000-100-563	292,348.00	(14,746.20)	277,601.80	21,414.40
Tuition to County Vocational School - Special	11-000-100-564	143,566.00	-	143,566.00	28,401.10
Tuition to County Special Services & Regular Day Schools	11-000-100-565	-	40,000.00	40,000.00	651.00
Tuition to Private School Disabled - Within State	11-000-100-566	924,667.00	16,860.69	941,527.69	1,562.46
Total Undistributed Expenditures - Instruction (Tuition)		1,868,067.00	79,113.01	1,947,180.01	64,119.86
Undistributed Expenditures Attendance and Social Work:					
Salaries	11-000-211-100	332,713.00	9,161.96	341,874.96	-
Supplies and Materials	11-000-211-600	600.00	-	600.00	-
Total Undistributed Expenditures Attendance and Social Work		333,313.00	9,161.96	342,474.96	-
Undistributed Expenditures - Health Services:					
Salaries	11-000-213-100	651,000.00	70,117.10	721,117.10	2,157.69
Purchased Professional & Technical Services	11-000-213-300	31,703.00	42,890.00	74,593.00	2,749.16
Other Purchased Services	11-000-213-500	120.00	-	120.00	120.00
Supplies and Materials	11-000-213-600	17,500.00	1,140.00	18,640.00	2,433.99
Other Objects	11-000-213-800	4,600.00	-	4,600.00	1,485.56
Total Undistributed Expenditures - Health Services		704,923.00	114,147.10	819,070.10	8,946.40
Undistributed Expenditures - Speech, OT, PT and Related Services:					
Salaries	11-000-216-100	426,840.00	12,160.00	439,000.00	-
Supplies and Materials	11-000-216-600	4,769.00	(2,418.00)	2,351.00	-
Total Undistributed Expenditures - Speech, OT, PT and Related Services		431,609.00	9,742.00	441,351.00	-
Undistributed Expenditures - Other Support Services - Extra Services:					
Salaries	11-000-217-100	523,078.00	(96,137.67)	426,940.33	4,448.76
Purchased Professional - Educational Services	11-000-217-320	532,169.00	9,013.68	541,182.68	32.05
Supplies and Materials	11-000-217-600	41,700.00	(14,223.54)	27,476.46	0.98
Total Undistributed Expenditures - Other Support Services - Extra Services		1,096,947.00	(101,347.53)	995,599.47	4,481.79

HAZLET TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2023

	ACCOUNT NUMBERS	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Undistributed Expenditures - Guidance:					
Salaries of Other Professional Staff	11-000-218-104	619,387.00	(31,916.00)	587,471.00	586,194.50
Salaries of Secretaries & Clerical Assistants	11-000-218-105	68,574.00	3,142.80	71,716.80	71,716.80
Purchased Professional - Educational Services	11-000-218-320	12,500.00	(800.00)	11,700.00	463.92
Other Purchased Professional and Technical Services	11-000-218-390	45,500.00	317.77	45,817.77	-
Other Purchased Services	11-000-218-500	115.00	-	115.00	16.92
Supplies and Materials	11-000-218-600	21,900.00	312.35	22,212.35	14,063.48
Other Objects	11-000-218-800	17,382.00	(317.77)	17,064.23	11,929.70
Total Undistributed Expenditures - Guidance		785,358.00	(29,260.85)	756,097.15	730,203.09
Undistributed Expenditures - Child Study Teams:					
Salaries of Other Professional Staff	11-000-219-104	814,800.00	(8,786.70)	806,013.30	806,013.30
Salaries of Secretaries & Clerical Assistants	11-000-219-105	159,054.00	(7,151.61)	151,902.39	151,902.39
Purchased Professional - Educational Services	11-000-219-320	137,376.00	122,422.31	259,798.31	258,467.17
Other Purchased Prof. and Tech. Services	11-000-219-390	12,060.00	460.00	12,520.00	12,520.00
Other Purchased Services	11-000-219-500	2,700.00	(791.37)	1,908.63	1,907.78
Supplies and Materials	11-000-219-600	17,595.00	(1,631.90)	15,963.10	15,918.19
Other Objects	11-000-219-800	10,914.00	(6,114.09)	4,799.91	4,708.54
Total Undistributed Expenditures - Child Study Teams		1,154,499.00	98,406.64	1,252,905.64	1,251,437.37
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisors of Instruction	11-000-221-102	827,335.00	(21,454.52)	805,880.48	805,878.70
Salaries of Other Professional Staff	11-000-221-104	122,434.00	-	122,434.00	113,633.31
Salaries of Sec. and Clerical Assist.	11-000-221-105	51,846.00	-	51,846.00	51,845.76
Other Purchased Services	11-000-221-500	2,500.00	-	2,500.00	839.82
Supplies and Materials	11-000-221-600	1,300.00	-	1,300.00	358.46
Other Objects	11-000-221-800	18,760.00	-	18,760.00	10,018.00
Total Undistributed Expenditures - Improvement of Instruction Services		1,024,175.00	(21,454.52)	1,002,720.48	982,574.05
Undistributed Expenditures - Educational Media Services/Library:					
Salaries	11-000-222-100	275,389.00	(39,806.61)	235,582.39	235,582.39
Supplies and Materials	11-000-222-600	9,000.00	(2,200.00)	6,800.00	4,462.75
Total Undistributed Expenditures - Educational Media Services/Library		284,389.00	(42,006.61)	242,382.39	240,045.14

HAZLET TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2023

	ACCOUNT NUMBERS	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Undistributed Expenditures -					
Instructional Staff Training Services:					
Other Salaries	11-000-223-110	15,000.00	3,429.66	18,429.66	4,206.50
Other Purchased Services	11-000-223-500	9,200.00	-	9,200.00	269.77
Other Objects	11-000-223-800	46,099.00	(5,000.00)	41,099.00	8,040.33
Total Undistributed Expenditures -		70,299.00	(1,570.34)	68,728.66	12,516.60
Instructional Staff Training Services					56,212.06
Undistributed Expenditures -					
Support Services - General Administration:					
Salaries	11-000-230-100	635,396.00	10,729.52	646,125.52	646,125.36
Legal Services	11-000-230-331	81,000.00	7,359.45	88,359.45	88,359.45
Audit Fees	11-000-230-332	38,000.00	-	38,000.00	36,750.00
Other Purchased Professional Services	11-000-230-339	38,000.00	142,695.00	180,695.00	150,707.71
Purchased Technical Services	11-000-230-340	65,208.00	-	65,208.00	50,658.13
District Insurance	11-000-230-520	170,907.00	(24,050.70)	146,856.30	134,262.08
Communications/Telephone	11-000-230-530	89,660.00	(1,343.82)	88,316.18	67,314.61
BOE Other Purchased Professional Services	11-000-230-585	-	8,600.00	8,600.00	651.85
Other Purchased Services	11-000-230-590	15,300.00	(8,600.00)	6,700.00	1,818.54
General Supplies	11-000-230-610	8,750.00	73.69	8,823.69	3,628.10
Miscellaneous Expenditures	11-000-230-890	55,650.00	60.00	55,710.00	39,523.37
BOE Membership Dues and Fees	11-000-230-895	25,500.00	-	25,500.00	21,970.65
Total Undistributed Expenditures -		1,223,371.00	135,523.14	1,358,894.14	1,241,769.85
Support Services - General Administration					117,124.29
Undistributed Expenditures -					
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	11-000-240-103	1,477,090.00	24,353.26	1,501,443.26	1,501,442.62
Salaries of Other Professional Staff	11-000-240-104	341,228.00	4,200.17	345,428.17	345,428.13
Salaries of Secretaries & Clerical Assistants	11-000-240-105	591,216.00	6,240.08	597,456.08	588,327.05
Other Salaries	11-000-240-110	8,682.00	-	8,682.00	8,595.19
Other Purchased Services	11-000-240-500	5,900.00	-	5,900.00	3,663.84
Supplies and Materials	11-000-240-600	18,200.00	(44.95)	18,155.05	12,751.28
Other Objects	11-000-240-800	15,950.00	-	15,950.00	10,890.00
Total Undistributed Expenditures -		2,458,266.00	34,748.56	2,493,014.56	2,471,098.11
Support Services - School Administration					21,916.45

HAZLET TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2023

	ACCOUNT NUMBERS	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL	
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET		
Undistributed Expenditures - Central Services:						
Salaries	11-000-251-100	555,012.00	1,454.70	556,466.70	556,276.80	189.90
Purchased Technical Services	11-000-251-340	45,931.00	-	45,931.00	35,847.55	10,083.45
Miscellaneous Purchased Services	11-000-251-592	5,000.00	-	5,000.00	1,836.06	3,163.94
Supplies and Materials	11-000-251-600	10,500.00	1,400.00	11,900.00	9,911.74	1,988.26
Miscellaneous Expenditures	11-000-251-890	11,150.00	-	11,150.00	6,813.29	4,336.71
Total Undistributed Expenditures - Central Services		627,593.00	2,854.70	630,447.70	610,685.44	19,762.26
Undistributed Expenditures - Administrative Information Technology:						
Salaries	11-000-252-100	129,919.00	4,695.92	134,614.92	134,614.92	-
Total Undistributed Expenditures - Administrative Information Technology		129,919.00	4,695.92	134,614.92	134,614.92	-
Undistributed Expenditures - Required Maintenance for School Facilities:						
Salaries	11-000-261-100	-	100.00	100.00	-	100.00
Cleaning, Repair & Maintenance Services	11-000-261-420	401,650.00	186,372.25	588,022.25	534,424.77	53,597.48
Lead Testing of Drinking Water	11-000-261-421	-	435.00	435.00	435.00	-
General Supplies	11-000-261-610	192,000.00	34,891.70	226,891.70	202,094.51	24,797.19
Other Objects	11-000-261-800	4,200.00	-	4,200.00	3,227.00	973.00
Total Undistributed Expenditures - Required Maintenance for School Facilities		597,850.00	221,798.95	819,648.95	740,181.28	79,467.67
Undistributed Expenditures - Custodial Services:						
Salaries	11-000-262-100	2,846,626.00	(314,647.16)	2,531,978.84	2,515,371.95	16,606.89
Purchased Professional and Technical Services	11-000-262-300	309,950.00	19,431.89	329,381.89	327,036.64	2,345.25
Cleaning, Repair & Maintenance Services	11-000-262-420	221,598.00	36,609.71	258,207.71	188,161.16	70,046.55
Rental of Land & Bldg. Other Than Lease Purch.	11-000-262-441	2,500.00	-	2,500.00	1,000.00	1,500.00
Other Purchased Property Services	11-000-262-490	120,676.00	10,748.32	131,424.32	127,018.30	4,406.02
Insurance	11-000-262-520	356,135.00	(10,000.00)	346,135.00	344,791.17	1,343.83
Miscellaneous Purchased Services	11-000-262-590	3,675.00	-	3,675.00	778.18	2,896.82
General Supplies	11-000-262-610	141,023.00	40,314.75	181,337.75	162,390.47	18,947.28
Energy (Natural Gas)	11-000-262-621	234,000.00	20,000.00	254,000.00	251,556.50	2,443.50
Energy (Electricity)	11-000-262-622	427,500.00	(20,000.00)	407,500.00	378,452.76	29,047.24
Other Objects	11-000-262-800	5,050.00	1,616.72	6,666.72	6,666.72	-
Total Undistributed Expenditures - Custodial Services		4,668,733.00	(215,925.77)	4,452,807.23	4,303,223.85	149,583.38

HAZLET TOWNSHIP SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2023

	ACCOUNT NUMBERS	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
		ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Undistributed Expenditures -					
Care and Upkeep of Grounds:					
Salaries	11-000-263-100	132,081.00	1,846.33	133,927.33	-
Cleaning, Repair & Maintenance Services	11-000-263-420	180,400.00	2,051.00	182,451.00	2,358.27
General Supplies	11-000-263-610	78,900.00	22,462.28	101,362.28	23,087.06
Total Undistributed Expenditures -		391,381.00	26,359.61	417,740.61	25,445.33
Care and Upkeep of Grounds					
Security:					
Salaries	11-000-266-100	141,500.00	19,951.87	161,451.87	-
Purchased Professional and Technical Services	11-000-266-300	270,000.00	(11,180.00)	258,820.00	50,564.12
Cleaning, Repair, and Maintenance Services	11-000-266-420	41,300.00	7,980.00	49,280.00	1,722.00
Total Security		452,800.00	16,751.87	469,551.87	52,286.12
Undistributed Expenditures -					
Student Transportation Services:					
Salaries of Non-Instructional Aides	11-000-270-107	22,000.00	11,581.32	33,581.32	-
Salaries of Pupil Transportation (Between Home & School) - Regular	11-000-270-160	63,828.00	607.68	64,435.68	-
Other Purchased Prof. and Technical Serv.	11-000-270-390	7,500.00	-	7,500.00	1,300.00
Contract Services - Aid in Lieu Payments - Non Public Schools	11-000-270-503	35,000.00	12,012.00	47,012.00	511.00
Contract Services (Between Home & School) - Vendors	11-000-270-511	1,490,000.00	190,284.88	1,680,284.88	23,491.65
Contract Services (Other Than Between Home & School) - Vendors	11-000-270-512	272,000.00	(55,073.12)	216,926.88	37,997.60
Contract Services (Special Education) - Vendors	11-000-270-514	704,000.00	425,322.46	1,129,322.46	30,970.92
Contract Serv.(Spl. Ed. Students)-ESCs & CTSA	11-000-270-517	86,000.00	161,372.27	247,372.27	13,334.22
Contract Services (Special Education) - ESCs & CTSA	11-000-270-518	241,402.00	238,949.56	480,351.56	47,406.63
Miscellaneous Purchased Services - Transportation	11-000-270-593	500.00	-	500.00	75.00
General Supplies	11-000-270-610	1,500.00	(1,000.00)	500.00	500.00
Miscellaneous Expenditures	11-000-270-800	500.00	-	500.00	87.72
Total Undistributed Expenditures -		2,924,230.00	984,057.05	3,908,287.05	155,674.74
Student Transportation Services					

HAZLET TOWNSHIP SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2023

ACCOUNT NUMBERS	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Unallocated Benefits:				
Group Insurance	8,000.00	50.00	8,050.00	7,492.99
Social Security Contributions	670,000.00	5,946.01	675,946.01	671,911.22
Other Retirement Contributions - PERS	896,291.00	69,615.23	965,906.23	963,542.84
Workmen's Compensation	356,896.00	(61,500.00)	295,396.00	294,318.15
Health Benefits	8,357,185.00	(475,466.57)	7,881,718.43	6,527,077.27
Tuition Reimbursement	57,000.00	(13,311.81)	43,688.19	36,851.00
Other Employee Benefits	78,434.00	(4,281.29)	74,152.71	74,152.71
Total Unallocated Benefits	10,423,806.00	(478,948.43)	9,944,857.57	8,575,346.18
Nonbudgeted:				
TPAF Pension (on-behalf)	-	-	-	8,313,967.00
TPAF Social Security (reimbursed)	-	-	-	1,762,360.80
TPAF Post Retirements (on-behalf)	-	-	-	2,184,059.00
TPAF Long-Term Disability Insurance (on-behalf)	-	-	-	2,992.00
Total Undistributed Expenditures	31,651,528.00	846,846.46	32,498,374.46	42,587,375.51
Total Expenditures - Current Expense	54,681,910.00	978,931.29	55,660,841.29	65,274,128.34
Capital Outlay:				
Undistributed Expenditures:				
Undist. Expend. - Required Maint for School Fac.	-	88,606.24	88,606.24	88,606.24
Undist. Expend. - Custodial Services	7,254.00	-	7,254.00	4,607.72
Total Equipment	7,254.00	88,606.24	95,860.24	93,213.96
Facilities Acquisition & Construction Services:				
Construction Services	5,000,000.00	50,125.00	5,050,125.00	50,125.00
Assessment for Debt Service on SDA Funding	2,579.00	-	2,579.00	2,579.00
Total Facilities Acquisition & Construction Services	5,002,579.00	50,125.00	5,052,704.00	52,704.00
Total Capital Outlay	5,009,833.00	138,731.24	5,148,564.24	145,917.96
				5,002,646.28

HAZLET TOWNSHIP SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2023

ACCOUNT NUMBERS	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
Special Schools:				
Summer School - Instruction:				
Salaries of Teachers	121,500.00	(22,364.94)	99,135.06	-
Other Salaries for Instruction	40,000.00	(1,491.50)	38,508.50	-
General Supplies	5,140.00	(4,743.78)	396.22	301.16
Other Objects	3,000.00	(3,000.00)	-	-
Total Summer School - Instruction	169,640.00	(31,600.22)	138,039.78	137,944.72
Summer School - Support Services:				
Salaries	10,500.00	(3,380.00)	7,120.00	-
Total Summer School - Support Services	10,500.00	(3,380.00)	7,120.00	-
Total Special Schools	180,140.00	(34,980.22)	145,159.78	95.06
Total Expenditures	59,871,883.00	1,082,682.31	60,954,565.31	65,565,111.02
Excess/(Deficiency) of Revenues Over/ (Under) Expenditures Before Other Financing Sources/(Uses)	(7,730,341.00)	(746,137.31)	(8,476,478.31)	1,451,202.77
Other Financing Sources/(Uses):				
Cancellation of Prior Year Accounts Payable	-	-	-	108,038.07
Total Other Financing Sources/(Uses)	-	-	-	108,038.07

HAZLET TOWNSHIP SCHOOL DISTRICT
 GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2023

ACCOUNT NUMBERS	JUNE 30, 2023			VARIANCE FINAL TO ACTUAL
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	
	(7,730,341.00)	(746,137.31)	(8,476,478.31)	1,559,240.84
	17,011,362.26	-	17,011,362.26	10,035,719.15
	\$ 9,281,021.26	\$ (746,137.31)	\$ 8,534,883.95	\$ 18,570,603.10
				\$ 10,035,719.15

RECAPITULATION OF FUND BALANCE

Restricted Fund Balance:	
Capital Reserve	\$ 3,092,921.53
Maintenance Reserve	1,100,000.00
Emergency Reserve	250,000.00
Unemployment Reserve	173,799.28
Excess Surplus	3,109,118.86
Excess Surplus Designated for Subsequent Year's Expenditures	3,489,217.23
Assigned Fund Balance:	
Year-End Encumbrances	147,446.79
Designated for Subsequent Year's Expenditures	4,519,817.77
Unassigned Fund Balance	2,688,281.64
Subtotal	18,570,603.10
Reconciliation to Governmental Funds Statements (GAAP):	
Last State Aid Payments Not Recognized on GAAP Basis	(823,978.00)
Fund Balance per Governmental Funds (GAAP)	\$ 17,746,625.10

**HAZLET TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2023**

	JUNE 30, 2023				VARIANCE FINAL TO ACTUAL (OVER)/ UNDER
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	ACTUAL	
Revenues:					
Local Sources	\$ 15,000.00	\$ 236,558.19	\$ 251,558.19	\$ 163,267.48	\$ 88,290.71
State Sources	64,000.00	33,319.00	97,319.00	160,732.19	(63,413.19)
Federal Sources	2,188,192.00	725,121.41	2,913,313.41	2,218,191.99	695,121.42
Total Revenues	2,267,192.00	994,998.60	3,262,190.60	2,542,191.66	719,998.94
Expenditures:					
Instruction:					
Salaries of Teachers	423,000.00	226,955.17	649,955.17	448,871.67	201,083.50
Purchased Professional - Educational Services	99,000.00	64,043.00	163,043.00	156,399.00	6,644.00
Other Purchased Services (400-500 Series)	513,025.00	(14,285.00)	498,740.00	498,628.00	112.00
General Supplies	279,275.00	171,205.68	450,480.68	347,986.10	102,494.58
Textbooks	5,000.00	4,042.00	9,042.00	8,995.24	46.76
Other Objects	-	4,460.00	4,460.00	3,327.70	1,132.30
Total Instruction	1,319,300.00	456,420.85	1,775,720.85	1,464,207.71	311,513.14
Support Services:					
Salaries of Other Professional Staff	99,000.00	122,139.90	221,139.90	120,614.71	100,525.19
Personal Services - Employee Benefits	288,098.00	266,182.00	554,280.00	428,967.74	125,312.26
Purchased Educational Services	503,294.00	(130,349.89)	372,944.11	318,811.95	54,132.16
Other Purchased Services (400-500 Series)	40,000.00	31,944.00	71,944.00	58,157.17	13,786.83
Supplies and Materials	2,500.00	10,263.12	12,763.12	7,734.19	5,028.93
Scholarships Awarded	-	1,000.00	1,000.00	575.08	424.92
Student Activities	-	158,000.00	158,000.00	153,190.18	4,809.82
Other Objects	-	15,853.62	15,853.62	6,261.50	9,592.12
Total Support Services	932,892.00	475,032.75	1,407,924.75	1,094,312.52	313,612.23
Facilities Acquisition & Construction Services:					
Noninstructional Equipment	15,000.00	63,545.00	78,545.00	30,634.17	47,910.83
Total Facilities Acquisition & Construction Services	15,000.00	63,545.00	78,545.00	30,634.17	47,910.83
Total Expenditures	2,267,192.00	994,998.60	3,262,190.60	2,589,154.40	673,036.20
Total Outflows	2,267,192.00	994,998.60	3,262,190.60	2,589,154.40	673,036.20
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	-	-	-	(46,962.74)	46,962.74
Fund Balances, July 1	188,107.55	-	188,107.55	188,107.55	-
Fund Balances, June 30	\$ 188,107.55	\$ -	\$ 188,107.55	\$ 141,144.81	\$ 46,962.74

RECAPITULATION OF FUND BALANCE

Restricted:			
Scholarship		\$ 43,298.61	
Student Activities		97,846.20	
		<u>\$ 141,144.81</u>	

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART II

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**HAZLET TOWNSHIP SCHOOL DISTRICT
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGET TO GAAP RECONCILIATION
YEAR ENDED JUNE 30, 2023**

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

	GENERAL FUND	SPECIAL REVENUE FUND
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue"		
From the Budgetary Comparison Schedule (C-Series)	\$ 67,016,313.79	\$ 2,542,191.66
Difference - Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Current Year	-	(30,830.27)
Prior Year	-	204,899.29
The last state aid payments are 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 expense (GASB 33).		
Current Year	(823,978.00)	-
Prior Year	961,005.00	-
<hr/>		
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds. (B-2)	<u>\$ 67,153,340.79</u>	<u>\$ 2,716,260.68</u>
Uses/outflows of resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule. (C-1, C-2)	\$ 65,565,111.02	\$ 2,589,154.40
Differences - budget to GAAP		
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.		
	-	174,069.02
<hr/>		
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (B-2)	<u>\$ 65,565,111.02</u>	<u>\$ 2,763,223.42</u>

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REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

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HAZLET TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)
 LAST TEN FISCAL YEARS*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.0745426014%	0.0756740434%	0.0746135862%	0.0732335786%	0.0695787700%	0.0710281551%	0.0693525333%	0.066662270%	0.0619010102%	0.0611683469%
School District's proportionate share of the net pension liability	\$ 11,249,505.00	\$ 8,964,725.00	\$ 12,167,525.00	\$ 13,195,580.00	\$ 13,695,714.00	\$ 16,534,219.00	\$ 20,540,231.00	\$ 14,965,186.00	\$ 11,589,562.00	\$ 11,690,486.00
School District's covered payroll	\$ 5,712,453.00	\$ 5,468,072.00	\$ 5,522,161.00	\$ 5,362,741.00	\$ 5,128,263.00	\$ 5,012,842.00	\$ 4,834,297.00	\$ 5,727,550.00	\$ -	See note below
School District's proportionate share of the net pension liability as a percentage of its covered payroll	196.93%	163.95%	220.34%	267.14%	329.84%	424.89%	261.28%	257.77%	257.77%	257.77%
Plan fiduciary net position as a percentage of the total pension liability	62.91%	70.33%	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

*The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

HAZLET TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF SCHOOL DISTRICT CONTRIBUTIONS
 PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS)
 LAST TEN FISCAL YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
School District's contractually required contribution	\$ 940,018	\$ 886,231	\$ 816,235	\$ 712,347	\$ 692,084	\$ 658,000	\$ 616,118	\$ 573,149	\$ 510,303	\$ 460,891
Contributions in relation to the contractually required contribution	(940,018)	(886,231)	(816,235)	(712,347)	(692,084)	(658,000)	(616,118)	(573,149)	(510,303)	(460,891)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
School District's covered payroll	\$ 5,859,149.00	\$ 5,712,453.00	\$ 5,468,072.00	\$ 5,522,161.00	\$ 5,362,741.00	\$ 5,128,263.00	\$ 5,012,842.00	\$ 4,834,297.00	\$ 5,727,550.00	\$ 4,496,144.00
Contributions as a percentage of covered payroll	16.04%	15.51%	14.93%	12.90%	12.91%	12.83%	12.29%	11.86%	8.91%	10.25%

HAZLET TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 TEACHERS' PENSION AND ANNUITY FUND (TPAF)
 LAST TEN FISCAL YEARS*

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
School District's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
School District's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the School District	106,431,106	103,361,020	143,293,165	133,139,081	140,076,226	152,510,543	178,192,982	144,591,900	122,288,990	117,574,047
	\$ 106,431,106	\$ 103,361,020	\$ 143,293,165	\$ 133,139,081	\$ 140,076,226	\$ 152,510,543	\$ 178,192,982	\$ 144,591,900	\$ 122,288,990	\$ 117,574,047
School District's covered payroll	\$ 24,220,967	\$ 23,899,582	\$ 23,017,728	\$ 23,306,438	\$ 23,570,850	\$ 23,328,518	\$ 22,687,404	\$ 22,766,416	\$ 23,955,925	\$ 22,598,548
School District's proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	32.29%	35.52%	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

*The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

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**SCHEDULES RELATED TO ACCOUNTING AND REPORTING FOR OTHER POST EMPLOYMENT
BENEFITS (GASB 75)**

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**HAZLET TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES PLAN (OPEB)
LAST SIX FISCAL YEARS***

	2023	2022	2021	2020	2019	2018
District's Total OPEB Liability						
Service Cost	\$ 6,636,462	\$ 6,636,462	\$ 3,731,366	\$ 3,551,511	\$ 4,065,289	\$ 4,893,790
Interest Cost	3,369,696	3,369,696	3,338,253	4,034,353	4,403,186	3,796,964
Changes of Benefit Terms	(138,261)	(138,261)	-	-	-	-
Difference between Expected & Actual Differences	(25,622,668)	(25,622,668)	23,585,368	(15,383,034)	(12,290,029)	-
Changes of Assumptions	128,154	128,154	27,071,507	1,384,946	(11,712,539)	(15,438,620)
Contributions: Member	86,147	86,147	78,144	84,522	94,325	102,547
Gross Benefit Payments	(2,654,376)	(2,654,376)	(2,578,178)	(2,851,341)	(2,729,198)	(2,784,888)
Net Change in District's Total OPEB Liability	(18,194,846)	(18,194,846)	55,226,460	(9,179,043)	(18,168,966)	(9,430,207)
District's Total OPEB Liability (Beginning)	129,898,179	148,093,025	92,866,565	102,045,608	120,214,574	129,644,781
District's Total OPEB Liability (Ending)	<u>\$ 111,703,333</u>	<u>\$ 129,898,179</u>	<u>\$ 148,093,025</u>	<u>\$ 92,866,565</u>	<u>\$ 102,045,608</u>	<u>\$ 120,214,574</u>
District's Covered Employee Payroll	\$ 29,367,654	\$ 28,669,179	\$ 29,161,760	\$ 29,251,975	\$ 29,146,900	\$ 28,454,762
District's Net OPEB Liability as a Percentage of Payroll	380%	453%	508%	317%	350%	350%

Note - The amounts presented for each fiscal year were determined as of the previous fiscal year end (the measurement date).

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

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NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III

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**HAZLET TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PART III
YEAR ENDED JUNE 30, 2023**

Teachers Pension and Annuity Fund (TPAF)

Changes of Benefit Terms

None noted.

Changes of Assumptions

The discount rate used as of June 30, measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2019	5.60%	2016	3.22%
2021	7.00%	2018	4.86%	2015	4.13%
2020	5.40%	2017	4.25%	2014	4.68%

The long-term expected rate of return used as of June 30, measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2019	7.00%	2016	7.65%
2021	7.00%	2018	7.00%	2015	7.90%
2020	7.00%	2017	7.00%	2014	7.90%

The mortality assumption was updated upon the direction from the Division of Pensions and Benefits.

Public Employees' Retirement System (PERS)

Changes of Benefit Terms

The June 30, 2022 measurement date includes three changes to the plan provisions, only one of which had an impact on the Total Pension Liability. Chapter 226, P.L. 2021 reopened the Prosecutors Part of PERS and made membership in the Prosecutors Part of PERS mandatory for all prosecutors.

Changes of Assumptions

The discount rate used as of June 30, measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2019	6.28%	2016	3.98%
2021	7.00%	2018	5.66%	2015	4.90%
2020	7.00%	2017	5.00%	2014	5.39%

The long-term expected rate of return used as of June 30, measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	7.00%	2019	7.00%	2016	7.65%
2021	7.00%	2018	7.00%	2015	7.90%
2020	7.00%	2017	7.00%	2014	7.90%

The mortality assumption was updated upon the direction from the Division of Pensions and Benefits.

State Health Benefit Local Education Retired Employees Plan (OPEB)

Changes of Benefit Terms

None.

Changes of Assumptions

The discount rate used as of June 30, measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2022	3.54%	2019	3.50%	2016	2.85%
2021	2.16%	2018	3.87%		
2020	2.21%	2017	3.58%		

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OTHER SUPPLEMENTARY INFORMATION

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D. School Based Budget Schedules

Not Applicable

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E. Special Revenue Fund

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**HAZLET TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2023**

	Title I	Title I - SIA Part A	Title II-A	Title III	ARP - Homeless Children & Youth II	Title IV
Revenues:						
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	-	-	-	-
Federal Sources	170,456.79	19,137.10	45,819.42	13,942.61	9,418.00	11,414.33
Total Revenues	170,456.79	19,137.10	45,819.42	13,942.61	9,418.00	11,414.33
Expenditures:						
Instruction:						
Salaries of Teachers	86,500.00	3,720.00	-	-	-	-
Purchased Professional - Educational Services	-	-	-	-	-	-
Other Purchased Services (400-500 Series)	-	-	-	-	-	-
General Supplies	1,394.81	7,032.82	-	6,231.10	-	8,086.63
Textbooks	-	-	-	-	-	-
Other Objects	-	-	-	-	-	3,327.70
Total Instruction	87,894.81	10,752.82	-	6,231.10	-	11,414.33
Support Services:						
Salaries of Other Professional Staff	-	-	14,594.00	-	-	-
Personal Services - Employee Benefits	81,343.00	269.28	372.86	-	-	-
Purchased Educational Services	-	-	20,709.00	5,854.00	-	-
Other Purchased Services (400-500 Series)	-	1,990.00	6,645.17	1,629.00	9,418.00	-
Supplies and Materials	1,218.98	-	3,498.39	228.51	-	-
Other Objects	-	6,125.00	-	-	-	-
Total Support Services	82,561.98	8,384.28	45,819.42	7,711.51	9,418.00	-
Facilities Acquisition & Construction Services:						
Noninstructional Equipment	-	-	-	-	-	-
Total Facilities Acquisition & Construction Services	-	-	-	-	-	-
Total Expenditures	170,456.79	19,137.10	45,819.42	13,942.61	9,418.00	11,414.33
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	-	-	-	-	-	-
Fund Balances, July 1	-	-	-	-	-	-
Fund Balances, June 30	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**HAZLET TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2023**

	I.D.E.A. - Basic	I.D.E.A. - Preschool	ARP - IDEA Basic	Education Stabilization Fund (CARES Act)	Education Stabilization Fund (ARPESSER)	SDA Emergent Needs Grant
Revenues:						
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	-	-	-	-	-	64,469.00
Federal Sources	724,046.50	24,816.92	571.90	372,375.06	826,193.36	-
Total Revenues	724,046.50	24,816.92	571.90	372,375.06	826,193.36	64,469.00
Expenditures:						
Instruction:						
Salaries of Teachers	-	-	-	171,725.50	186,926.17	-
Other Salaries for Instruction	-	-	-	-	-	-
Purchased Professional - Educational Services	18,500.00	-	-	-	57,279.00	-
Other Purchased Services (400-500 Series)	497,740.00	-	-	888.00	-	-
General Supplies	-	957.92	-	-	208,300.91	64,469.00
Textbooks	-	-	-	-	-	-
Other Objects	-	-	-	-	-	-
Total Instruction	516,240.00	957.92	-	172,613.50	452,506.08	64,469.00
Support Services:						
Salaries of Other Professional Staff	-	-	-	18,500.00	87,520.71	-
Personal Services - Employee Benefits	-	-	-	117,150.20	229,832.40	-
Purchased Educational Services	207,806.50	23,859.00	435.40	50,148.05	10,000.00	-
Other Purchased Services (400-500 Series)	-	-	-	-	36,875.00	-
Supplies and Materials	-	-	-	2,788.31	-	-
Other Objects	-	-	136.50	-	-	-
Total Support Services	207,806.50	23,859.00	571.90	188,586.56	364,228.11	-
Facilities Acquisition & Construction Services:						
Noninstructional Equipment	-	-	-	11,175.00	9,459.17	-
Total Facilities Acquisition & Construction Services	-	-	-	11,175.00	9,459.17	-
Total Expenditures	724,046.50	24,816.92	571.90	372,375.06	826,193.36	64,469.00
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	-	-	-	-	-	-
Fund Balances, July 1	-	-	-	-	-	-
Fund Balances, June 30	-	-	-	-	-	-

**HAZLET TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2023**

	Nonpublic Ch. 192 Auxiliary	Nonpublic Ch. 193 Handicapped	Nonpublic Textbooks	Nonpublic Nursing	Nonpublic Technology	Nonpublic Security
Revenues:						
Local Sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Sources	30,178.00	1,326.00	8,995.24	15,277.00	5,754.00	28,085.00
Federal Sources	-	-	-	-	-	-
Total Revenues	30,178.00	1,326.00	8,995.24	15,277.00	5,754.00	28,085.00
Expenditures:						
Instruction:						
Salaries of Teachers	-	-	-	-	-	-
Purchased Professional - Educational Services	30,178.00	1,326.00	-	15,277.00	5,754.00	28,085.00
Other Purchased Services (400-500 Series)	-	-	-	-	-	-
General Supplies	-	-	-	-	-	-
Textbooks	-	-	8,995.24	-	-	-
Other Objects	-	-	-	-	-	-
Total Instruction	30,178.00	1,326.00	8,995.24	15,277.00	5,754.00	28,085.00
Support Services:						
Salaries of Other Professional Staff	-	-	-	-	-	-
Personal Services - Employee Benefits	-	-	-	-	-	-
Purchased Educational Services	-	-	-	-	-	-
Other Purchased Services (400-500 Series)	-	-	-	-	-	-
Supplies and Materials	-	-	-	-	-	-
Other Objects	-	-	-	-	-	-
Total Support Services	-	-	-	-	-	-
Facilities Acquisition & Construction Services:						
Noninstructional Equipment	-	-	-	-	-	-
Total Facilities Acquisition & Construction Services	-	-	-	-	-	-
Total Expenditures	30,178.00	1,326.00	8,995.24	15,277.00	5,754.00	28,085.00
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	-	-	-	-	-	-
Fund Balances, July 1	-	-	-	-	-	-
Fund Balances, June 30	-	-	-	-	-	-

**HAZLET TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
YEAR ENDED JUNE 30, 2023**

	Sustainable NJ	School Climate Change	Carvel Foundation	Monmouth Univ. Social Justice	Safety Grant
Revenues:					
Local Sources	\$ 25,000.00	-	\$ 15,000.00	\$ 1,767.96	\$ 14,697.00
State Sources	-	6,647.95	-	-	-
Federal Sources	-	-	-	-	-
Total Revenues	25,000.00	6,647.95	15,000.00	1,767.96	14,697.00
Expenditures:					
Instruction:					
Salaries of Teachers	-	-	-	-	-
Purchased Professional - Educational Services	-	-	-	-	-
Other Purchased Services (400-500 Series)	-	-	-	-	-
General Supplies	15,000.00	5,047.95	15,000.00	1,767.96	14,697.00
Textbooks	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Instruction	15,000.00	5,047.95	15,000.00	1,767.96	14,697.00
Support Services:					
Salaries of Other Professional Staff	-	-	-	-	-
Personal Services - Employee Benefits	-	-	-	-	-
Purchased Educational Services	-	-	-	-	-
Other Purchased Services (400-500 Series)	-	1,600.00	-	-	-
Supplies and Materials	-	-	-	-	-
Other Objects	-	-	-	-	-
Total Support Services	-	1,600.00	-	-	-
Facilities Acquisition & Construction Services:					
Noninstructional Equipment	10,000.00	-	-	-	-
Total Facilities Acquisition & Construction Services	10,000.00	-	-	-	-
Total Expenditures	25,000.00	6,647.95	15,000.00	1,767.96	14,697.00
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	-	-	-	-	-
Fund Balances, July 1	-	-	-	-	-
Fund Balances, June 30	-	-	-	-	-

EXHIBIT E-1

HAZLET TOWNSHIP SCHOOL DISTRICT
 SPECIAL REVENUE FUND
 COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
 YEAR ENDED JUNE 30, 2023

	Student Activities	Private-Purpose Scholarship	Totals
Revenues:			
Local Sources	\$ 106,802.52	\$ -	\$ 163,267.48
State Sources	-	-	160,732.19
Federal Sources	-	-	2,218,191.99
Total Revenues	106,802.52	-	2,542,191.66
Expenditures:			
Instruction:			
Salaries of Teachers	-	-	448,871.67
Purchased Professional - Educational Services	-	-	156,399.00
Other Purchased Services (400-500 Series)	-	-	498,628.00
General Supplies	-	-	347,986.10
Textbooks	-	-	8,995.24
Other Objects	-	-	3,327.70
Total Instruction	-	-	1,464,207.71
Support Services:			
Salaries of Other Professional Staff	-	-	120,614.71
Personal Services - Employee Benefits	-	-	428,967.74
Purchased Educational Services	-	-	318,811.95
Other Purchased Services (400-500 Series)	-	-	58,157.17
Supplies and Materials	-	-	7,734.19
Scholarships Awarded	-	575.08	575.08
Student Activities	153,190.18	-	153,190.18
Other Objects	-	-	6,261.50
Total Support Services	153,190.18	575.08	1,094,312.52
Facilities Acquisition & Construction Services:			
Noninstructional Equipment	-	-	30,634.17
Total Facilities Acquisition & Construction Services	-	-	30,634.17
Total Expenditures	153,190.18	575.08	2,589,154.40
Excess/(Deficiency) of Revenues Over/(Under) Expenditures & Other Financing Sources/(Uses)	(46,387.66)	(575.08)	(46,962.74)
Fund Balances, July 1	144,233.86	43,873.69	188,107.55
Fund Balances, June 30	\$ 97,846.20	\$ 43,298.61	\$ 141,144.81

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F. Capital Projects Fund

Not Applicable

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H. Fiduciary Fund

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**HAZLET TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2023**

	CUSTODIAL FUND	
	ROCKET LAUNCHER FUND	CUSTODIAL TOTALS
ASSETS		
Cash & Cash Equivalents	\$ 146,583.76	\$ 146,583.76
Total Assets	\$ 146,583.76	\$ 146,583.76
LIABILITIES		
Payable for Student Related Activities	\$ 146,583.76	\$ 146,583.76
Total Liabilities	\$ 146,583.76	\$ 146,583.76

**HAZLET TOWNSHIP SCHOOL DISTRICT
ROCKET LAUNCHER CUSTODIAL FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
YEAR ENDED JUNE 30, 2023**

	BALANCE JUNE 30, 2022	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2023
Rocket Launcher	\$ 100,155.94	\$ 478,278.04	\$ 431,850.22	\$ 146,583.76
Total	<u>\$ 100,155.94</u>	<u>\$ 478,278.04</u>	<u>\$ 431,850.22</u>	<u>\$ 146,583.76</u>

I. Long-Term Debt

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HAZLET TOWNSHIP SCHOOL DISTRICT
 LONG-TERM DEBT
 SCHEDULE OF SERIAL BONDS PAYABLE
 YEAR ENDED JUNE 30, 2023

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE JUNE 30, 2022	RETIRED	BALANCE JUNE 30, 2023
			DATE	AMOUNT				
General Obligation	9/13/2017	\$ 13,090,000.00	7/15/2023	440,000.00	5.000%	\$ 11,770,000.00	\$ 440,000.00	\$ 11,330,000.00
			7/15/2024	600,000.00	5.000%			
			7/15/2025	605,000.00	4.000%			
			7/15/2026	630,000.00	5.000%			
			7/15/2027	675,000.00	5.000%			
			7/15/2028	705,000.00	5.000%			
			7/15/2029	745,000.00	5.000%			
			7/15/2030	770,000.00	5.000%			
			7/15/2031	880,000.00	5.000%			
			7/15/2032	880,000.00	5.000%			
			7/15/2033	880,000.00	4.000%			
			7/15/2034	880,000.00	4.000%			
			7/15/2035	880,000.00	4.000%			
		7/15/2036	880,000.00	4.000%				
		7/15/2037	880,000.00	4.000%				

HAZLET TOWNSHIP SCHOOL DISTRICT
 LONG-TERM DEBT
 SCHEDULE OF SERIAL BONDS PAYABLE
 YEAR ENDED JUNE 30, 2023

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATE	BALANCE	BALANCE			
			DATE	AMOUNT		JUNE 30, 2022	JUNE 30, 2023			
General Obligation	7/10/2018	25,635,000.00	7/15/2023	995,000.00	5.000%	23,845,000.00	920,000.00			
			7/15/2024	895,000.00	5.000%					
			7/15/2025	910,000.00	5.000%					
			7/15/2026	965,000.00	5.000%					
			7/15/2027	1,000,000.00	5.000%					
			7/15/2028	1,060,000.00	5.000%					
			7/15/2029	1,105,000.00	5.000%					
			7/15/2030	1,725,000.00	5.000%					
			7/15/2031	1,740,000.00	5.000%					
			7/15/2032	1,790,000.00	5.000%					
			7/15/2033	1,790,000.00	4.000%					
			7/15/2034	1,790,000.00	4.000%					
			7/15/2035	1,790,000.00	5.000%					
			7/15/2036	1,790,000.00	5.000%					
7/15/2037	1,790,000.00	4.000%								
7/15/2038	1,790,000.00	4.000%								
Refunding Bonds	3/17/2021	3,445,000.00	2/1/2024	345,000.00	4.000%	3,105,000.00	335,000.00			
			2/1/2025	370,000.00	4.000%					
			2/1/2026	385,000.00	4.000%					
			2/1/2027	390,000.00	4.000%					
			2/1/2028	410,000.00	4.000%					
			2/1/2029	425,000.00	4.000%					
			2/1/2030	445,000.00	4.000%					
			Total						\$ 38,720,000.00	\$ 1,695,000.00
									\$ 37,025,000.00	

HAZLET TOWNSHIP SCHOOL DISTRICT
 DEBT SERVICE FUND
 BUDGETARY COMPARISON SCHEDULE
 YEAR ENDED JUNE 30, 2023

	JUNE 30, 2023			VARIANCE
	ORIGINAL BUDGET	BUDGET TRANSFERS	FINAL BUDGET	FINAL TO ACTUAL
Revenues:				
Local Sources:				
Local Tax Levy	\$ 2,356,750.00	\$ -	\$ 2,356,750.00	\$ -
Interest Earnings	-	-	1.00	1.00
State Sources:				
Debt Service Aid Type II	1,081,198.00	-	1,081,198.00	-
Total Revenues	3,437,948.00	-	3,437,948.00	1.00
Expenditures:				
Regular Debt Service:				
Interest	1,742,950.00	-	1,742,950.00	1.70
Redemption of Principal	1,695,000.00	-	1,695,000.00	-
Total Regular Debt Service	3,437,950.00	-	3,437,950.00	1.70
Total Expenditures	3,437,950.00	-	3,437,948.30	1.70
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	(2.00)	-	(2.00)	0.70
Fund Balance, July 1,	2.23	-	2.23	-
Fund Balance, June 30,	\$ 0.23	\$ -	\$ 0.23	\$ 2.93
				\$ 0.70

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STATISTICAL SECTION (Unaudited)

Third Section

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Financial Trends Information

Financial trends information is intended to assist the user in understanding and assessing how the School District's financial position has changed over time. Please refer to the following exhibits for a historical view of the School District's financial performance. The Exhibits are presented for the last ten fiscal years.

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

	FISCAL YEAR ENDING JUNE 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental Activities:										
Net Investment in Capital Assets	\$ 16,810,551.88	\$ 18,278,735.44	\$ 18,669,044.59	\$ 16,522,751.93	\$ 11,439,051.42	\$ 20,360,860.42	\$ 16,372,189.00	\$ 13,383,111.00	\$ 11,733,656.00	\$ 9,244,260.00
Restricted	11,356,204.64	13,773,380.93	12,546,165.44	11,543,729.29	13,952,248.72	7,457,987.65	7,984,581.00	6,215,753.00	4,281,569.00	3,582,788.00
Unrestricted (Deficit)	(9,339,328.68)	(14,822,423.65)	(16,669,429.61)	(17,912,847.82)	(18,316,676.44)	(21,469,083.88)	(19,062,666.00)	(15,193,912.00)	(14,295,323.00)	(888,182.00)
Total Governmental Activities	\$ 18,827,427.84	\$ 17,229,692.72	\$ 7,074,623.70	\$ 6,349,764.19	\$ 5,294,104.00	\$ 4,404,952.00	\$ 1,719,902.00	\$ 11,938,866.00	\$ 10,898,361.00	\$ 8,743,728.00
Business-Type Activities:										
Net Investment in Capital Assets	\$ 163,444.26	\$ 355,064.37	\$ 361,728.01	\$ 390,090.48	\$ 414,715.10	\$ 422,949.22	\$ 448,523.00	\$ 462,554.00	\$ 480,152.00	\$ 368,180.00
Unrestricted (Deficit)	393,114.94	395,273.98	92,134.24	65,533.11	120,706.03	92,802.37	164,451.00	123,073.00	32,280.00	101,180.00
Total Business-Type Activities	\$ 556,559.20	\$ 750,338.35	\$ 535,421.13	\$ 515,751.59	\$ 612,974.00	\$ 585,627.00	\$ 512,432.00	\$ 469,360.00	\$ 356,912.00	\$ 248,466.00
District-Wide:										
Net Investment in Capital Assets	\$ 16,973,996.14	\$ 18,633,799.81	\$ 19,030,772.60	\$ 16,912,842.41	\$ 11,853,766.52	\$ 20,783,809.64	\$ 16,820,712.00	\$ 13,845,665.00	\$ 12,213,808.00	\$ 9,612,440.00
Restricted	11,356,204.64	13,773,380.93	12,546,165.44	11,543,729.29	13,952,248.72	7,457,987.65	7,984,581.00	6,215,753.00	4,281,569.00	3,582,788.00
Unrestricted (Deficit)	(8,946,213.74)	(14,427,149.67)	(16,577,295.37)	(17,847,314.71)	(18,195,970.41)	(21,376,281.51)	(18,898,215.00)	(15,070,839.00)	(14,263,043.00)	(787,002.00)
Total District Net Position	\$ 19,383,987.04	\$ 17,980,031.07	\$ 14,999,642.67	\$ 10,609,256.99	\$ 7,610,044.83	\$ 6,865,515.78	\$ 5,907,078.00	\$ 4,990,579.00	\$ 2,232,334.00	\$ 12,408,226.00

Source: ACFR Schedule A-1
*For the year ended June 30, 2021 net position was reclassified due to GASB 84.

HAZLET TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS
UNAUDITED

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
FISCAL YEAR ENDING JUNE 30,										
Expenses:										
Governmental Activities										
Instruction:										
Regular	\$ 25,808,665.67	\$ 26,251,353.94	\$ 31,390,848.88	\$ 29,186,415.54	\$ 31,777,242.48	\$ 16,611,253.00	\$ 16,589,231.00	\$ 16,736,993.00	\$ 16,832,245.00	\$ 16,606,036.00
Special Education	6,782,040.42	6,646,834.36	7,820,898.68	7,155,297.03	6,780,685.21	4,239,574.00	4,055,338.00	4,084,355.00	3,728,748.00	3,562,034.00
Other Special Education	-	-	-	-	-	599,919.00	592,534.00	581,166.00	584,004.00	568,892.00
Other Instruction	3,048,654.06	3,067,151.41	3,374,116.00	3,031,389.76	2,759,192.62	897,856.00	850,704.00	845,873.00	803,550.00	826,631.00
Support Services:										
Tuition	2,400,532.95	2,011,639.10	2,074,527.74	1,978,068.68	1,974,960.23	1,352,741.00	1,225,743.00	1,065,105.00	1,088,290.00	1,119,072.00
Student & Instruction Related Services	8,791,248.63	8,634,012.09	8,518,993.84	7,331,351.00	7,720,799.76	5,086,343.00	5,049,304.00	4,620,284.00	4,383,039.00	4,375,486.00
Other Administrative Services	1,583,013.39	1,788,077.16	1,572,479.77	1,354,447.66	1,412,263.56	1,115,506.00	1,117,991.00	1,003,664.00	951,916.00	1,042,656.00
Central Services	778,504.35	881,846.35	950,029.29	829,086.84	827,990.98	561,001.00	537,434.00	518,457.00	495,042.00	486,216.00
Administration Information Technology Services	171,607.66	172,127.45	175,257.47	157,625.83	155,520.22	95,229.00	90,959.00	91,388.00	82,245.00	207,381.00
School Administrative Services	3,150,165.20	3,141,989.36	3,268,764.74	3,078,758.28	3,396,318.71	2,353,076.00	2,239,579.00	2,292,521.00	2,289,161.00	2,264,833.00
Plant Operations & Maintenance	7,650,964.47	8,076,012.89	7,409,782.80	6,919,166.30	7,192,792.59	4,922,851.00	5,119,969.00	5,869,851.00	5,380,163.00	4,720,523.00
Pupil Transportation	4,783,845.86	4,597,827.09	3,497,308.91	3,603,613.22	3,558,940.64	2,130,142.00	2,193,567.00	2,138,402.00	2,166,430.00	1,904,319.00
Special Schools	145,064.72	91,288.75	106,088.80	135,609.06	148,694.24	154,260.00	136,990.00	137,425.00	123,789.00	109,955.00
Unallocated Benefits	1,653,937.03	1,487,179.59	1,583,044.53	1,375,889.96	1,954,569.30	17,243,809.00	20,784,364.00	18,516,378.00	12,317,691.00	12,232,998.00
Interest & Other Charges	-	-	-	-	-	244,365.00	350,668.00	217,837.00	229,087.00	246,675.00
Unallocated/Depreciation	-	-	-	-	-	842,769.00	741,110.00	608,586.00	494,563.00	446,616.00
Total Governmental Activities Expenses	66,748,244.42	66,847,339.54	71,742,141.45	66,136,719.16	69,659,970.54	58,450,692.00	61,675,485.00	59,328,285.00	51,949,963.00	50,720,323.00
Business-Type Activities:										
Food Service	1,421,305.97	1,421,744.42	809,855.92	851,256.22	1,093,335.38	953,978.00	936,277.00	929,357.00	914,441.00	955,888.00
Shared Services	40,869.75	43,513.15	53,145.26	166,773.34	148,541.66	158,641.00	140,056.00	89,992.00	85,888.00	-
Total Business-Type Activities Expense	1,462,175.72	1,465,257.57	863,001.18	1,018,029.56	1,241,877.04	1,112,619.00	1,076,333.00	1,019,349.00	1,000,329.00	955,888.00
Total District Expenses	\$ 68,210,420.14	\$ 68,312,597.11	\$ 72,605,142.63	\$ 67,154,748.72	\$ 70,901,847.58	\$ 59,563,311.00	\$ 62,751,818.00	\$ 60,347,634.00	\$ 52,950,292.00	\$ 51,676,211.00
Program Revenues:										
Operating Grants & Contributions	\$ 9,772,594.79	\$ 12,619,185.26	\$ 18,694,954.12	\$ 12,469,543.58	\$ 15,162,432.09	\$ 1,224,931.00	\$ 13,770,689.00	\$ 11,261,861.00	\$ 1,120,535.00	\$ 1,156,434.00
Total Governmental Activities Program Revenues	9,772,594.79	12,619,185.26	18,694,954.12	12,469,543.58	15,162,432.09	1,224,931.00	13,770,689.00	11,261,861.00	1,120,535.00	1,156,434.00
Business-Type Activities:										
Charges for Services:										
Food Service	769,580.26	208,130.93	521.31	457,507.75	718,390.07	652,619.00	663,120.00	658,699.00	706,164.00	715,182.00
Shared Services	30,935.90	25,741.33	42,636.82	167,351.27	165,733.38	138,045.00	160,652.00	89,992.00	85,888.00	-
Operating Grants & Contributions	467,880.41	1,527,861.41	818,081.71	313,373.00	377,423.13	328,168.00	325,456.00	312,858.00	318,600.00	342,042.00
Total Business Type Activities Program Revenues	1,268,396.57	1,761,733.67	861,239.84	938,232.02	1,261,546.58	1,118,832.00	1,149,228.00	1,061,549.00	1,110,652.00	1,057,224.00
Total District Program Revenues	\$ 11,040,991.36	\$ 14,380,918.93	\$ 19,556,193.96	\$ 13,407,775.60	\$ 16,423,978.67	\$ 2,343,763.00	\$ 14,919,917.00	\$ 12,323,410.00	\$ 2,231,187.00	\$ 2,213,658.00

HAZLET TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION - (ACCRUAL BASIS OF ACCOUNTING)
LAST TEN FISCAL YEARS
UNAUDITED

	FISCAL YEAR ENDING JUNE 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Net (Expense)/Revenue:										
Governmental Activities	\$ (56,975,649.63)	\$ (54,228,154.28)	\$ (53,047,187.33)	\$ (53,667,175.58)	\$ (54,497,538.45)	\$ (57,225,761.00)	\$ (47,904,796.00)	\$ (48,066,424.00)	\$ (50,829,428.00)	\$ (49,563,889.00)
Business-Type Activities	(193,779.15)	296,476.10	(1,761.34)	(79,797.54)	19,669.54	6,213.00	72,895.00	42,200.00	110,323.00	101,336.00
Total District-Wide Net Expense	\$ (57,169,428.78)	\$ (53,931,678.18)	\$ (53,048,948.67)	\$ (53,746,973.12)	\$ (54,477,868.91)	\$ (57,219,548.00)	\$ (47,831,901.00)	\$ (48,024,224.00)	\$ (50,719,105.00)	\$ (49,462,553.00)
General Revenues & Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 42,887,528.00	\$ 42,046,596.00	\$ 41,222,160.00	\$ 40,413,875.00	\$ 40,356,575.00	\$ 37,963,778.00	\$ 36,863,451.00	\$ 35,091,060.00	\$ 34,108,882.00	\$ 33,440,463.00
Taxes Levied for Debt Service	2,356,750.00	2,364,192.00	2,461,250.00	2,265,544.00	943,967.00	407,019.00	408,599.00	404,465.00	406,704.00	431,338.00
Grants & Contributions	12,029,773.14	11,967,152.64	12,947,708.70	13,588,686.33	13,346,788.86	19,274,977.00	12,987,815.00	13,759,123.00	17,132,507.00	17,588,018.00
Tuition Received	230,165.00	276,590.00	227,615.00	238,485.00	181,365.20	-	-	-	-	-
Miscellaneous Income	1,069,168.61	257,535.96	206,701.70	239,594.95	393,701.89	339,234.00	154,099.00	115,186.00	177,272.00	425,830.00
Investment Earnings	-	-	-	-	-	129,905.00	175,882.00	168,112.00	120,280.00	161,203.00
Total Governmental Activities	58,573,384.75	56,912,066.60	57,065,435.40	56,746,185.28	55,222,397.95	58,114,913.00	50,589,846.00	49,537,946.00	51,945,645.00	52,046,852.00
Business-Type Activities:										
Miscellaneous Income	-	-	-	-	-	21,134.00	300.00	872.00	2,125.00	7,110.00
Total Business-Type Activities	-	-	-	-	-	21,134.00	300.00	872.00	2,125.00	7,110.00
Total District-Wide	\$ 58,573,384.75	\$ 56,912,066.60	\$ 57,065,435.40	\$ 56,746,185.28	\$ 55,222,397.95	\$ 58,136,047.00	\$ 50,590,146.00	\$ 49,538,818.00	\$ 51,947,770.00	\$ 52,053,962.00
Change in Net Position:										
Governmental Activities	\$ 1,597,735.12	\$ 2,683,912.32	\$ 4,018,248.07	\$ 3,079,009.70	\$ 724,859.50	\$ 889,152.00	\$ 2,685,050.00	\$ 1,471,522.00	\$ 1,116,217.00	\$ 2,482,963.00
Business-Type Activities	(193,779.15)	296,476.10	(1,761.34)	(79,797.54)	19,669.54	27,347.00	73,195.00	43,072.00	112,448.00	108,446.00
Total District	\$ 1,403,955.97	\$ 2,980,388.42	\$ 4,016,486.73	\$ 2,999,212.16	\$ 744,529.04	\$ 916,499.00	\$ 2,758,245.00	\$ 1,514,594.00	\$ 1,228,665.00	\$ 2,591,409.00

Source: ACFR Schedule A-2

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

	FISCAL YEAR ENDING JUNE 30,									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund:										
Restricted	\$ 11,215,056.90	\$ 13,585,271.15	\$ 12,385,975.81	\$ 9,774,193.00	\$ 8,066,305.42	\$ 7,457,986.65	\$ 7,984,580.00	\$ 5,544,443.00	\$ 3,834,499.00	\$ 3,387,986.00
Assigned	4,667,264.56	875,585.76	1,286,688.80	975,260.98	1,199,066.58	246,003.69	543,865.00	515,673.00	376,127.00	387,554.00
Unassigned	1,864,303.64	1,589,500.35	10,960.22	-	-	-	-	114.00	-	-
Total General Fund	\$ 17,746,625.10	\$ 16,050,357.26	\$ 13,683,624.83	\$ 10,749,453.98	\$ 9,265,372.00	\$ 7,703,990.34	\$ 8,528,445.00	\$ 6,060,230.00	\$ 4,210,626.00	\$ 3,775,540.00
All Other Governmental Funds:										
Restricted										
Debt Service Fund	\$ 2.93	\$ 2.23	\$ 1.90	\$ 1.39	\$ 1.00	\$ 1.00	\$ 1.00	\$ 0.00	\$ 1.00	\$ -
Special Revenue Fund	141,144.81	188,107.55	160,187.73	-	-	-	-	-	-	-
Capital Projects Fund	-	-	-	1,769,534.90	5,885,942.30	(3,543,514.32)	12,244,148.00	671,311.00	447,070.00	1,854,353.00
Total All Other Governmental Funds	\$ 141,147.74	\$ 188,109.78	\$ 160,189.63	\$ 1,769,536.29	\$ 5,885,943.30	\$ (3,543,513.32)	\$ 12,244,149.00	\$ 671,311.00	\$ 447,071.00	\$ 1,854,353.00

Source: ACFR Schedule B-1

*For the year ended June 30, 2021 net position was reclassified due to GASB 84.

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenues										
Tax Levy	\$ 45,244,278.00	\$ 44,410,788.00	\$ 43,683,410.00	\$ 42,679,419.00	\$ 41,300,542.00	\$ 39,236,323.00	\$ 38,370,797.00	\$ 37,272,050.00	\$ 35,495,525.00	\$ 34,515,586.00
Tuition Charges	230,165.00	276,590.00	227,615.00	238,485.00	181,365.20	251,475.00	129,905.00	175,882.00	168,112.00	120,280.00
Transportation	60,775.00	29,992.50	3,840.00	20,112.50	36,006.50	76,657.50	40,474.00	25,756.00	51,400.00	52,350.00
Interest Earnings	-	-	-	-	-	-	64,785.00	2,307.00	-	4,924.00
Miscellaneous	931,821.50	260,868.04	256,672.59	269,915.11	421,625.01	249,108.43	233,975.00	126,036.00	63,786.00	119,998.00
State Sources	24,443,986.86	24,313,054.04	22,949,920.96	21,892,565.50	21,342,314.89	20,286,168.98	19,462,949.00	18,754,185.00	18,679,940.00	17,299,029.00
Federal Sources	2,396,524.11	1,889,409.28	1,356,057.97	1,069,930.75	1,062,601.44	1,111,623.62	1,036,959.00	989,268.00	997,538.00	954,013.00
Total Revenues	73,307,550.47	71,180,701.86	68,477,516.52	66,170,427.86	64,344,455.04	61,211,356.53	59,339,844.00	57,345,484.00	55,456,321.00	53,066,180.00
Expenditures										
Instruction:										
Regular Instruction	17,615,258.88	17,179,921.87	16,509,877.32	16,700,213.84	17,371,279.67	17,549,855.50	16,611,253.00	16,589,231.00	16,736,993.00	16,832,245.00
Special Education Instruction	4,628,964.52	4,349,950.68	4,113,366.87	4,094,198.90	3,706,714.93	3,592,550.84	4,239,574.00	4,055,338.00	4,084,355.00	3,728,748.00
Other Special Instruction	-	-	-	-	-	-	599,919.00	592,534.00	581,166.00	584,004.00
Other Instruction	2,080,806.16	2,007,264.91	1,774,601.30	1,734,534.93	1,508,334.36	1,573,396.18	897,856.00	850,704.00	845,873.00	803,550.00
Support Services:										
Tuition	1,883,060.15	1,488,348	1,449,306.84	1,489,852.01	1,414,933.57	1,623,136.90	1,352,741.00	1,225,743.00	1,065,105.00	1,088,290.00
Attendance & Social Work Services	342,474.96	41,012.32	42,923.15	55,643.62	54,894.00	54,168.96	-	-	-	-
Health Services	810,123.70	725,466.88	717,562.24	650,873.96	621,418.75	596,406.43	-	-	-	-
Student & Instruction Related Services	5,743,557.45	5,621,551.44	5,191,055.20	4,815,347.34	4,855,149.90	4,845,540.87	5,086,343.00	5,049,304.00	4,620,284.00	4,383,039.00
Other Administrative Services	1,241,769.85	1,322,941.36	1,098,566.02	1,020,149.90	1,011,797.14	1,106,585.41	1,115,506.00	1,117,991.00	1,003,664.00	951,916.00
Central Services	610,685.44	652,450.04	663,709.59	624,455.92	593,202.95	730,258.67	561,001.00	537,434.00	518,457.00	495,042.00
Administration Information										
Technology Services	134,614.92	127,351.62	122,438.40	118,721.44	111,420.36	110,786.32	95,229.00	90,959.00	91,388.00	82,245.00
School Administrative Services	2,471,098.11	2,324,657.89	2,283,624.85	2,318,875.11	2,433,246.64	2,375,664.13	2,353,076.00	2,239,579.00	2,292,521.00	2,289,161.00
Plant Operations & Maintenance	5,852,966.16	5,975,184.80	5,176,623.43	5,211,413.51	5,153,179.05	4,888,653.19	4,899,655.00	5,281,773.00	5,135,155.00	5,350,237.00
Pupil Transportation	3,752,612.31	3,401,785.87	2,443,290.41	2,714,188.07	2,549,754.93	2,490,603.32	2,130,142.00	2,193,567.00	2,138,402.00	2,166,430.00
Unallocated Benefits	20,838,724.98	20,139,079.11	18,398,918.66	18,183,062.62	18,374,998.97	15,884,304.58	15,437,885.00	13,326,176.00	13,013,295.00	12,244,895.00
Special Schools	145,064.72	91,288.75	106,088.80	135,609.06	148,694.24	146,965.97	154,260.00	136,990.00	137,425.00	123,789.00
Capital Outlay	173,973.13	1,025,420.85	2,674,694.43	5,453,691.81	20,609,040.20	19,631,301.22	4,141,049.00	2,215,870.00	3,545,257.00	2,277,412.00
Debt Service:										
Principal	1,695,000.00	1,675,000.00	1,695,000.00	939,000.00	484,000.00	469,000.00	455,000.00	300,000.00	290,000.00	275,000.00
Interest & Other Charges	1,745,527.30	1,806,695.67	1,828,356.40	2,531,960.61	979,703.36	196,706.50	216,002.00	216,977.00	228,578.00	239,577.00
Total Expenditures	71,766,282.74	69,955,371.78	66,290,003.91	68,791,792.65	81,981,763.02	77,865,884.99	60,346,491.00	56,020,170.00	56,327,918.00	53,915,580.00
Other Financing Sources/(Uses):										
Proceeds from Debt Issuance	-	-	(1,000.09)	-	25,635,000.00	15,047,700.00	15,047,700.00	748,530.00	-	-
Premium from Bond Issuance	-	-	-	-	3,342,309.75	-	-	-	-	-
Cost of Issuance	-	-	(77,225.00)	-	(349,163.49)	-	-	-	-	-
Cancellation of PY Payables	108,038.07	-	-	-	-	-	-	-	-	-
Total Other Financing Sources/(Uses)	108,038.07	-	(78,225.09)	-	28,628,146.26	15,047,700.00	15,047,700.00	748,530.00	-	-
Net Change in Fund Balances	\$ 1,649,305.80	\$ 1,225,330.08	\$ 2,109,287.52	\$ (2,621,364.79)	\$ 10,990,838.28	\$ (1,606,828.46)	\$ 14,041,053.00	\$ 2,073,844.00	\$ (871,597.00)	\$ (849,400.00)
Debt Service as a Percentage of Noncapital Expenditures	5.04%	5.24%	5.61%	5.31%	1.82%	0.86%	1.12%	0.93%	0.93%	0.96%

Source: ACFR Schedule B-2

HAZLET TOWNSHIP SCHOOL DISTRICT
 GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
 LAST TEN FISCAL YEARS

UNAUDITED

(Modified Accrual Basis of Accounting)

FISCAL YEAR ENDING JUNE 30,	INTEREST ON INVESTMENTS	TUITION FROM OTHER LEA's	TUITION OTHER	TRANSPORTATION FEES	MISCELLANEOUS	TOTAL
2023	\$ 699,421.96	\$ 60,000.00	\$ 170,165.00	\$ 60,775.00	\$ 94,131.06	\$ 1,084,493.02
2022	22,338.24	105,000.00	171,590.00	29,992.50	103,239.37	432,160.11
2021	8,467.01	108,000.00	119,615.00	3,840.00	107,014.07	346,936.08
2020	214,328.63	130,630.00	107,855.00	20,112.50	5,153.82	478,079.95
2019	202,794.86	59,115.20	122,250.00	36,006.50	154,900.53	575,067.09
2018	67,846.16	26,010.00	225,465.00	76,657.50	171,931.82	567,910.48
2017	64,785.00	-	129,905.00	40,474.00	181,776.00	416,940.00
2016	2,307.00	-	175,882.00	25,756.00	56,968.00	260,913.00
2015	-	-	168,112.00	51,400.00	29,012.00	248,524.00
2014	4,924.00	-	120,280.00	52,350.00	65,302.00	242,856.00

Source: District Records

Revenue Capacity Information

Revenue capacity information is intended to assist users in understanding and assessing the factors affecting the School District's ability to generate revenues. Please refer to the following exhibits for a historical view of these factors and how they relate to the School District's ability to generate revenues.

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HAZLET TOWNSHIP SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,
LAST TEN FISCAL YEARS
UNAUDITED

FISCAL YEAR ENDED JUNE 30,	VACANT LAND	RESIDENTIAL	OFARM	COMMERCIAL	INDUSTRIAL	APARTMENT	TOTAL ASSESSED VALUE	PUBLIC UTILITIES (a)	NET VALUATION TAXABLE	TOTAL DIRECT SCHOOL TAX RATE (b)	ACTUAL (COUNTY EQUALIZED) VALUE
2023	\$ 17,518,600.00	\$ 2,879,358,100.00	\$ 27,500.00	\$ 477,296,400.00	\$ 29,436,000.00	\$ 28,090,800.00	\$ 3,431,727,400.00	\$ 1,905,639.00	\$ 3,433,633,039.00	1.345	\$ 3,303,672,487.00
2022	15,262,600.00	2,437,855,800.00	26,400.00	444,875,600.00	28,831,100.00	27,872,300.00	2,954,723,800.00	1,815,653.00	2,956,539,453.00	1.516	2,990,044,299.00
2021	13,718,000.00	2,218,900,700.00	26,400.00	436,880,500.00	28,637,200.00	-	2,618,386,400.00	1,798,281.00	2,620,087,059.00	1.649	2,714,644,702.00
2020	20,055,400.00	2,145,113,700.00	26,400.00	424,678,800.00	28,512,100.00	-	2,517,282,600.00	1,700,659.00	2,518,958,317.00	1.648	2,592,809,839.00
2019	15,861,900.00	2,055,736,000.00	26,400.00	417,384,800.00	28,274,300.00	-	2,435,976,000.00	1,675,717.00	2,437,607,921.00	1.667	2,618,277,527.00
2018	13,851,400.00	1,985,632,000.00	26,400.00	408,327,800.00	28,138,400.00	-	2,333,392,500.00	1,631,921.00	2,334,999,744.00	1.652	2,600,721,071.00
2017	12,767,000.00	1,891,764,100.00	25,800.00	400,814,000.00	28,021,600.00	-	2,307,118,200.00	1,607,244.00	2,308,732,971.00	1.660	2,447,755,606.00
2016	12,409,700.00	1,864,827,600.00	26,400.00	401,926,700.00	27,927,800.00	-	2,263,698,900.00	1,614,771.00	2,265,331,104.00	1.638	2,383,085,230.00
2015	11,781,500.00	1,826,500,000.00	26,400.00	397,699,800.00	27,691,200.00	-	2,056,397,800.00	1,632,204.00	2,058,020,935.00	1.610	2,559,696,162.00
2014	11,095,500.00	1,632,289,500.00	25,800.00	386,952,000.00	26,035,000.00	-	2,049,387,700.00	1,623,135.00	2,051,240,177.00	1.700	2,240,388,564.00

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

- a. Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies
- b. Tax rates are per \$100

**HAZLET TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

UNAUDITED

(Rate per \$100 of Assessed Value)

FISCAL YEAR ENDED JUNE 30,	SCHOOL DISTRICT DIRECT RATE			OVERLAPPING RATES			TOTAL DIRECT AND OVERLAPPING TAX RATE
	BASIC RATE	GENERAL OBLIGATION DEBT SERVICE	TOTAL DIRECT	TOWNSHIP OF HAZLET	REGIONAL RATE	MONMOUTH COUNTY	
2023	1.329	0.016	1.345	0.494	0.066	0.232	2.137
2022	1.500	0.016	1.516	0.573	0.074	0.263	2.426
2021	1.632	0.017	1.649	0.563	0.080	0.023	2.315
2020	1.632	0.016	1.648	0.563	0.080	0.282	2.573
2019	1.651	0.016	1.667	0.566	0.080	0.300	2.613
2018	1.636	0.016	1.652	0.593	0.081	0.319	2.645
2017	1.644	0.016	1.660	0.593	0.082	0.308	2.643
2016	1.620	0.018	1.638	0.613	0.079	0.305	2.635
2015	1.592	0.018	1.610	0.625	0.078	0.319	2.632
2014	1.682	0.018	1.700	0.673	0.084	0.344	2.801

Source: Municipal Tax Collector, Monmouth County Board of Taxation.

Note: 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 prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

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

Taxpayer	2023		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Individual Taxpayer #1	\$ 28,090,800.00	1	0.940%
Individual Taxpayer #2	24,582,700.00	2	0.860%
Individual Taxpayer #3	24,239,400.00	3	0.770%
Individual Taxpayer #4	17,502,600.00	4	0.590%
Individual Taxpayer #5	17,475,200.00	5	0.600%
Individual Taxpayer #6	15,600,000.00	6	0.530%
Individual Taxpayer #7	13,601,400.00	7	0.460%
Individual Taxpayer #8	12,280,000.00	8	0.410%
Individual Taxpayer #9	11,893,900.00	9	0.370%
Individual Taxpayer #10	11,157,700.00	10	0.340%
Total	<u>\$ 176,423,700.00</u>		<u>5.870%</u>

Taxpayer	2014		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL DISTRICT NET ASSESSED VALUE
Individual Taxpayer #1	\$ 22,098,400.00	1	1.070%
Individual Taxpayer #2	22,814,300.00	2	1.010%
Individual Taxpayer #3	15,873,200.00	3	0.770%
Individual Taxpayer #4	15,830,400.00	4	0.760%
Individual Taxpayer #5	15,796,700.00	5	0.760%
Individual Taxpayer #6	14,992,600.00	6	0.730%
Individual Taxpayer #7	14,399,700.00	7	0.700%
Individual Taxpayer #8	12,792,600.00	8	0.630%
Individual Taxpayer #9	11,000,000.00	9	0.530%
Individual Taxpayer #10	8,160,600.00	10	0.400%
Total	<u>\$ 153,758,500.00</u>		<u>7.360%</u>

Source: Municipal Tax Assessor

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

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS
		AMOUNT	PERCENTAGE OF LEVY	
2023	\$ 73,317,971.00	\$ 72,962,560.00	99.52%	N/A
2022	71,748,477.00	69,006,701.00	96.18%	2,741,776.00
2021	69,220,055.00	68,713,886.00	99.27%	505,306.40
2020	67,648,536.00	66,490,067.00	98.29%	1,156,789.97
2019	66,041,326.00	N/A	N/A	N/A
2018	62,479,719.00	62,013,582.00	99.25%	N/A
2017	61,514,044.00	60,977,074.00	99.13%	823,024.00
2016	60,827,606.00	59,910,981.00	98.49%	921,364.00
2015	59,532,901.00	58,666,205.00	98.54%	866,696.00
2014	57,689,059.00	56,954,108.00	98.73%	734,798.00

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.

Debt Capacity Information

Debt capacity information is intended to assist users in understanding and assessing the School District's debt burden and its ability to issue additional debt. Please refer to the following exhibits for historical view of the School District's outstanding debt and its debt capacity.

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

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES			TOTAL DISTRICT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	GENERAL OBLIGATION BONDS	CAPITAL LEASES	BOND ANTICIPATION NOTES			
2022	\$ 37,025,000.00	\$ -	\$ -	\$ 37,025,000.00	0.19%	1,796.11
2022	38,720,000.00	-	-	38,720,000.00	0.18%	1,903.92
2021	40,395,000.00	-	-	40,395,000.00	0.18%	2,079.00
2020	42,465,000.00	-	-	42,465,000.00	0.17%	2,133.06
2019	43,245,000.00	-	-	43,245,000.00	0.16%	2,156.75
2018	17,940,000.00	-	-	17,940,000.00	0.40%	896.33
2017	5,170,000.00	462,000.00	15,000,000.00	20,632,000.00	0.34%	258.58
2016	5,480,000.00	607,000.00	-	6,087,000.00	1.08%	272.68
2015	5,780,000.00	750,000.00	-	6,530,000.00	0.75%	286.66
2014	6,070,000.00	-	-	6,070,000.00	0.79%	300.30

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.
See Exhibit J-14 for personal income and population data.

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

FISCAL YEAR ENDED JUNE 30,	ESTIMATED SCHOOL DISTRICT POPULATION	NET ASSESSED VALUATION TAXABLE	NET GENERAL BONDED DEBT OUTSTANDING	PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
2023	20,614	\$ 3,433,633,039.00	\$ 37,025,000.00	1.08%	1,796.11
2022	20,337	2,956,539,453.00	38,720,000.00	1.31%	1,903.92
2021	19,430	2,620,087,059.00	40,395,000.00	1.54%	2,079.00
2020	19,908	2,518,958,317.00	42,465,000.00	1.69%	2,133.06
2019	20,051	2,437,607,921.00	43,245,000.00	1.77%	2,156.75
2018	20,015	2,334,999,744.00	17,940,000.00	0.77%	896.33
2017	19,994	2,308,732,971.00	5,170,000.00	0.22%	258.58
2016	20,097	2,265,331,104.00	5,480,000.00	0.24%	272.68
2015	20,163	2,058,020,935.00	5,780,000.00	0.28%	286.66
2014	20,213	2,051,240,177.00	6,070,000.00	0.30%	300.30

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

See Exhibit J-6 for property tax data.

Population data can be found in Exhibit J-14.

**HAZLET TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
YEAR ENDED JUNE 30, 2023
UNAUDITED**

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE	SHARE OF OVERLAPPING DEBT
Debt Repaid With Property Taxes:			
Township of Hazlet	\$ 26,626,279.01	100.0%	\$ 26,626,279.01
Other Debt:			
County of Monmouth - Township's Share (%)	485,746,545.92	2.036679%	<u>9,893,099.70</u>
Subtotal, Overlapping Debt			36,519,378.71
Hazlet District Direct Debt			<u>37,025,000.00</u>
Total Direct & Overlapping Debt			<u><u>\$ 73,544,378.71</u></u>

Sources: Monmouth County Office of the Treasurer, Township of Hazlet.

NOTE: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Hazlet. 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.

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.

HAZLET TOWNSHIP SCHOOL DISTRICT
 LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS
 UNAUDITED
 (Dollars in Thousands)

	FISCAL YEAR									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Debt Limit	\$ 120,111,486.51	\$ 109,952,521.88	\$ 105,234,487.69	\$ 103,503,522.05	\$ 100,887,473.33	\$ 97,086,638.99	\$ 93,456,460.00	\$ 91,901,353.00	\$ 61,000,539.00	\$ 93,576,026.00
Total Net Debt Applicable to Limit	\$ 37,025,000.00	\$ 38,720,000.00	\$ 40,395,000.00	\$ 42,465,000.00	\$ 43,245,000.00	\$ 17,940,000.00	\$ 5,170,000.00	\$ 5,480,000.00	\$ 5,780,000.00	\$ 6,070,000.00
Legal Debt Margin	\$ 83,086,486.51	\$ 71,232,521.88	\$ 64,839,487.69	\$ 61,038,522.05	\$ 57,642,473.33	\$ 79,146,638.99	\$ 88,286,460.00	\$ 86,421,353.00	\$ 55,220,539.00	\$ 87,506,026.00
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	30.83%	35.22%	38.39%	41.03%	42.86%	18.48%	5.53%	5.96%	9.48%	6.49%

Legal Debt Margin Calculation

Equalized Valuation Basis	
2022	\$ 3,303,672,487.00
2021	2,990,044,299.00
2020	2,714,644,702.00
	<u>\$ 9,008,361,488.00</u>
	<u>\$ 3,002,787,162.67</u>
	\$ 120,111,486.51
	<u>37,025,000.00</u>
	\$ 83,086,486.51

Average Equalized Valuation of Taxable Property

Debt Limit (4% of Average Equalization Value)

Net Bonded School Debt

Legal Debt Margin

Source: Equalized valuation bases were obtained from the Mommouth County Board of Taxation

Demographic and Economic Information

Demographic and economic information is intended (1) to assist users in understanding the socioeconomic environment within the School District operates and (2) to provide information that facilitates comparisons of financial statement information over time and among school districts.

Please refer to the following exhibits for a historical view of the demographic and economic statistics and factors prevalent in the location in which the School District operates.

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**HAZLET TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED**

YEAR	POPULATION (a)	PERSONAL INCOME (b)	PER CAPITA PERSONAL INCOME (c)	UNEMPLOYMENT RATE (d)
2023	20,614	N/A	N/A	3.50%
2022	20,337	N/A	N/A	6.80%
2021	19,430	\$ 1,789,872,170	\$ 92,119	7.30%
2020	19,908	1,713,899,628	86,091	2.90%
2019	20,051	1,649,595,770	82,270	3.50%
2018	20,015	1,586,168,735	79,249	4.30%
2017	19,994	1,517,064,744	75,876	4.90%
2016	20,097	1,468,568,178	73,074	5.30%
2015	20,163	1,426,854,858	70,766	6.20%
2014	20,213	1,363,993,453	67,481	8.50%

Source: U.S. Department of Commerce, Bureau of Economic Analysis. These numbers are estimated by the Bureau and may be revised from year to year.

a Population information provided by the NJ Dept of Labor and Workforce Development. These numbers are estimated by the Department and may be revised from year to year.

b Personal income has been estimated based upon the county population and per capita personal income presented.

c Per capita personal income by county estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

d Unemployment data provided by the NJ Dept of Labor and Workforce Development. Note that that there is recent revised data for the years 2004 through 2001 due to the new unemployment estimation procedure.

**HAZLET TOWNSHIP SCHOOL DISTRICT
 PRINCIPAL EMPLOYERS
 CURRENT YEAR AND NINE YEARS AGO
 UNAUDITED**

	2023	
		PERCENTAGE OF TOTAL EMPLOYMENT
EMPLOYEES	RANK	

DATA NOT AVAILABLE

Total	-	0.00%
Total Employment - (Estimated)	-	

Source: Monmouth County Department of Economic Development and Tourism;
 The Township of Hazlet, Official Statements

Operating Information

Operating information is intended to provide contextual information about the School District's operations and resources to assist readers in using financial statement information to understand and assess the School District's economic condition. Please refer to the following exhibits for a historical view of the factors and statistics pertinent to the School District's operations.

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

Function/Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Instruction:										
Regular	242	238	192	192	229	220	217	220	217	218
Special Education	49	48	104	117	104	103	100	100	100	100
Support Services:										
Student & Instruction Related Services	85	72	65	73	44	44	43	43	43	42
General Administration	4	4	6	7	5	6	5	5	5	5
School Administrative Services	33	28	31	32	31	25	25	25	25	25
Central Services	8	8	8	8	9	9	7	7	7	7
Administrative Information Technology	6	6	5	5	5	5	4	4	4	4
Plant Operations & Maintenance	48	49	51	51	46	51	53	53	53	53
Pupil Transportation	1	1	1	1	1	1	1	1	1	1
Other Support Services	1	1	1	1	1	1	1	1	1	1
Total	477	455	464	487	475	465	456	459	456	456

Source: District Personnel Records

HAZLET TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

FISCAL YEAR	ENROLLMENT	OPERATING EXPENDITURES (a)	COST PER PUPIL	PERCENTAGE CHANGE	TEACHING STAFF (b)	PUPIL/TEACHER RATIO (d)			AVERAGE DAILY ENROLLMENT (ADE) (c)	AVERAGE DAILY ATTENDANCE (ADA) (c)	% CHANGE IN AVERAGE DAILY ENROLLMENT	STUDENT ATTENDANCE PERCENTAGE
						ELEM	MIDDLE	SENIOR HIGH				
2023	2,734	\$ 65,419,193.06	\$ 23,928.02	4.31%	300	9.1:11	8.4:1	10.3:1	2,643.10	2,489.50	-0.96%	94.19%
2022	2,766	63,450,062.37	22,939.29	-13.00%	315	11.6:1	10.4:1	12.6:1	2,668.80	2,520.00	0.74%	94.42%
2021	2,716	58,712,529.70	21,617.28	0.57%	293	7:7:1	8:6:1	10:3:1	2,649.20	2,564.80	3.06%	96.81%
2020	2,740	58,744,112.26	21,439.46	5.86%	291	8:6:1	8:5:1	9:6:1	2,570.50	2,491.30	-7.62%	96.92%
2019	2,902	56,398,999.66	19,434.53	5.02%	283	9:1	9:7:1	10.2:1	2,782.60	2,645.50	-3.51%	95.07%
2018	2,926	54,425,913.00	18,600.79	4.55%	287	9:1	9:2:1	10.4:1	2,883.70	2,752.20	-0.19%	95.44%
2017	2,952	51,271,396.00	17,368.36	8.89%	289	8.6:1	9:3:1	10.1:1	2,889.20	2,752.00	0.19%	95.25%
2016	3,028	50,110,930.00	16,549.18	3.57%	287	10.1:1	9.1:1	10.2:1	2,883.70	2,752.20	-4.91%	95.44%
2015	3,065	48,910,734.00	15,957.83	6.36%	294	8.6:1	8.1:1	8.5:1	3,032.60	2,890.80	0.90%	95.32%
2014	3,182	48,416,067.00	15,215.61	2.13%	285	9.2:1	8.7:1	8.9:1	3,005.60	2,866.50	-2.63%	95.37%

Sources: District records

Note: Enrollment based on annual October district count from the year prior.

a Operating expenditures equal total expenditures less debt service, capital outlay, and on-behalf TPAF Pension and reimbursed TPAF social security contributions.

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b Teaching staff includes only full-time equivalents of certificated staff.

c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

d Pupil/Teacher ratio was obtained from the Comparative Spending Guide

**HAZLET TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>DISTRICT BUILDINGS</u>										
Elementary Schools:										
Beers Street Elementary (1966):										
Square Feet	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000	36,000
Capacity	290	290	290	290	290	290	290	290	290	290
Enrollment	187	173	198	239	226	221	252	267	265	259
Cove Road School (1962):										
Square Feet	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000	35,000
Capacity	320	320	320	320	340	340	340	340	340	340
Enrollment	188	207	184	170	178	206	215	195	191	216
Lillian Drive School (1962):										
Square Feet	35,000	35,000	35,000	35,500	35,500	35,500	35,500	35,500	35,500	35,500
Capacity	340	340	340	340	340	340	340	340	340	340
Enrollment	257	241	239	260	253	250	245	253	278	265
Middle Road School (1957):										
Square Feet	41,900	41,900	41,900	41,900	41,900	41,900	41,900	41,900	41,900	41,900
Capacity	350	350	350	350	350	350	350	350	350	350
Enrollment	270	270	252	250	277	263	264	288	297	301
Raritan Valley School (1967):										
Square Feet	42,250	42,250	42,250	42,250	42,250	42,250	42,250	42,250	42,250	42,250
Capacity	350	350	350	350	350	350	350	350	350	350
Enrollment	249	252	239	253	244	257	265	280	275	280
Sycamore Drive School (1963):										
Square Feet	33,763	33,763	33,763	33,763	33,763	28,400	28,400	28,400	28,400	28,400
Capacity	270	270	270	270	270	270	270	270	270	270
Enrollment	281	272	281	273	269	271	279	298	276	299
Middle School:										
Hazlet Middle School (1965):										
Square Feet	69,150	69,150	69,150	69,150	69,150	69,150	69,150	69,150	69,150	69,150
Capacity	620	620	620	620	620	620	620	620	620	620
Enrollment	402	394	396	402	451	465	463	493	512	520
High School:										
Raritan High School (1959):										
Square Feet	196,100	196,100	196,100	196,100	195,100	195,100	195,100	195,100	195,100	195,100
Capacity	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050	1,050
Enrollment	768	820	848	893	876	899	918	954	971	1,030

**HAZLET TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>DISTRICT BUILDINGS</u>										
Other:										
Maintenance Building (1959):	20,900	20,900	20,900	20,900	20,900	20,900	20,900	20,900	20,900	20,900
Square Feet										
Total Enrollment	2,602	2,629	2,637	2,740	2,774	2,832	2,901	3,028	3,065	3,170
Number of Schools at June 30, 2023:										
Elementary = 6										
Middle School = 1										
Senior High School = 1										
Other = 1										

Source: District Facilities Office, District Records

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

HAZLET TOWNSHIP SCHOOL DISTRICT
 GENERAL FUND
 SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
 LAST TEN FISCAL YEARS
 UNAUDITED

SCHOOL FACILITIES	PROJECT # (s)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
High Schools:											
Raritan High School	N/A	\$ 296,062	\$ 542,987	\$ 455,881	\$ 371,216	\$ 317,492	\$ 303,167	\$ 375,408	\$ 439,134	\$ 451,632	\$ 507,083
Middle Schools:											
Hazlet Middle School	N/A	104,934	192,453	161,579	131,572	112,529	107,452	149,367	174,722	179,694	201,757
Elementary Schools:											
Beers Street Elementary	N/A	54,629	100,192	84,119	68,497	58,584	55,941	77,671	90,855	93,441	104,914
Cove Road Elementary	N/A	52,812	97,409	81,783	66,594	56,956	54,387	70,700	82,702	85,055	95,498
Lillian Drive Elementary	N/A	52,812	97,409	81,783	66,594	56,956	54,387	91,611	107,163	110,213	123,744
Middle Road Elementary	N/A	63,583	116,613	97,906	79,723	68,185	65,109	86,633	101,339	104,223	117,019
Raritan Valley Elementary	N/A	64,114	117,587	98,724	80,389	68,754	65,652	85,637	100,174	103,025	115,674
Sycamore Drive Elementary	N/A	51,235	93,966	78,892	64,241	54,943	52,464	58,751	68,724	70,680	79,358
Grand Total		\$ 740,181	\$ 1,358,616	\$ 1,140,667	\$ 928,826	\$ 794,399	\$ 758,559	\$ 995,778	\$ 1,164,813	\$ 1,197,963	\$ 1,345,047

**HAZLET TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2023
UNAUDITED**

	COVERAGE	DEDUCTIBLE
SCHOOL PACKAGE POLICY:		
Building and Contents (All Locations) (1)	\$ 150,916,284.00	\$ 5,000.00
Boiler and Machinery (1)	Included w/ above *	5,000.00
General Automobile Liability (Physical Damage) (1)	1,000,000.00	1,000.00
School Board Legal Liability (3)	10,000,000.00	10,000.00
Employers Liability (3)	2,000,000.00	-
Workers Compensation (3)	3,000,000.00	-
Umbrella - Liability (1)	10,000,000.00	-
Liability NJUEP Program (6)	30,000,000.00	-
Accident Coverage for Volunteers (7)	25,000.00	-
School Accident Insurance:	1,000,000.00	-
SURETY BONDS:		
Treasurer (8)	300,000.00	N/A
Board Secretary/Business Administrator (9)	125,000.00	N/A
GENERAL LIABILITY:		
Each Occurrence (1)	1,000,000.00	-
ABUSE OR MOLESTATION POLICY:		
Each Abusive Act Limut (1)	1,000,000.00	-
CYBERLIABILITY:		
Security and Privacy Liability Insurance (4)	1,000,000.00	50,000.00
Regulatory Action Sublimit of Liability (4)	1,000,000.00	50,000.00
Event Mangement Insurance (4)	1,000,000.00	50,000.00
Cyber Extortion Insurance (4)	1,000,000.00	50,000.00
POLLUTIN LIABILITY:		
Per Pollution Condition Limit (10)	1,000,000.00	50,000.00
Excess Workers Compensation (2)	7 Day Elimination	N/A
Flood - Middle School (5)	500,000.00	5,000.00
Travel Accident	100,000.00	
LIST INSURANCE COMPANY:		
(1) National Union Fire Insurance Company		
(2) Hudson Excess Insurance Company		
(3) NJSIG/MOCSSIF		
(4) Crum and Forster		
(5) Selective Insurance Co.		
(6) Starstone/Markel		
(7) QBE Insurance Corp.		
(8) CNA Surety		
(9) RLI Insurance Company		
(10) ACE/Chub		

Source: District Records

SINGLE AUDIT SECTION

Fourth Section

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Certified Public Accountants + Advisors

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EXHIBIT K-1

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable President and Members
of the Board of Education
Hazlet Township School District
County of Monmouth
Hazlet, NJ 07730

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, each major fund and the aggregate remaining fund information of the Hazlet Township School District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated November 28, 2023.

Report On Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Hazlet Township 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 School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Hazlet Township School 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 have not been identified.

Report On Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School 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 determination of 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 School District'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, and federal and state awarding agencies and pass-through entities, in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Jerry W. Conaty
Certified Public Accountant
Public School Accountant, No. 2407

Lakewood, New Jersey
November 28, 2023



EXHIBIT K-2

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08

Honorable President and Members
of the Board of Education
Hazlet Township School District
County of Monmouth
Hazlet, NJ 07730

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the Hazlet Township School District's compliance with types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the New Jersey State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the School District's major federal and state programs for the fiscal year ended June 30, 2023. The Hazlet Township School District's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Hazlet Township School 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, 2023.

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; Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*; New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*; and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards, the Uniform Guidance and New Jersey's OMB Circular 15-08 are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Hazlet Township School 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 School 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 of grant agreements applicable to the Hazlet Township School District's federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Hazlet Township School 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, New Jersey OMB's Circular 15-08 and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey 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 compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School 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 New Jersey OMB's Circular 15-08, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School District's compliance with compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and New Jersey OMB's Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of the School 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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and New Jersey OMB's Circular 15-08 and which are described in the accompanying schedule of findings and questioned costs as Finding 2023-001. Our opinion on each major federal and state program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform procedures on the School District's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The School District's response was not subjected to other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as Finding 2023-001 to be a significant deficiency.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the School District's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The School District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 New Jersey OMB's Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Respectfully Submitted,

HOLMAN FRENIA ALLISON, P.C.

Jerry W. Conaty
Certified Public Accountant
Public School Accountant, No. 2407

Lakewood, New Jersey
November 28, 2023

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HAZLET TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEARENDED JUNE 30, 2023

FEDERAL ASSISTANCE LISTING NUMBER	FEDERAL GRANTOR PASS-THROUGH GRANTOR PROGRAM TITLE OR CLUSTER	FEDERAL AWARD IDENTIFICATION NUMBER	PASS THROUGH IDENTIFYING NUMBER	PROGRAM OR AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2022	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS	ADJUSTMENTS	UNEARNED REVENUE	BALANCE JUNE 30, 2023	
												ACCOUNTS RECEIVABLE	DUE TO GRANTOR
93.778	2005N05MAP	100-054-7540-211	100-054-7540-211	\$ 45,161.97	7/1/22-6/30/23	\$ -	\$ 45,161.97	\$ (45,161.97)	\$ -	\$ -	\$ -	\$ -	\$ -
							\$ 45,161.97	\$ (45,161.97)	\$ -	\$ -	\$ -	\$ -	\$ -
							\$ 45,161.97	\$ (45,161.97)	\$ -	\$ -	\$ -	\$ -	\$ -
							\$ 51,214.86	\$ (57,967.44)	\$ -	\$ -	\$ -	\$ -	\$ (4,752.58)
10.553	21NF04N109	100-010-3350-028	100-010-3350-028	57,967.44	7/1/22-6/30/23	(29,019.70)	29,019.70	(57,967.44)	-	-	-	-	(4,752.58)
10.553	22NF04N099	100-010-3350-028	100-010-3350-028	283,774.09	7/1/21-6/30/22	(29,019.70)	82,234.56	(57,967.44)	-	-	-	-	(4,752.58)
10.555	23NF04N199	100-010-3350-028	100-010-3350-028	318,940.69	7/1/22-6/30/23	-	296,913.73	(318,940.69)	-	-	-	-	(22,026.96)
10.555	22NF04N099	100-010-3350-028	100-010-3350-028	1,041,529.01	7/1/21-6/30/22	(89,566.44)	89,566.44	-	-	-	-	-	-
10.555	202121H170341	100-010-3350-118	100-010-3350-118	136,128.53	7/1/22-6/30/23	-	136,128.53	(136,128.53)	-	-	-	-	-
10.555	23NF04N199	Unavailable	Unavailable	85,565.05	7/1/22-6/30/23	-	85,565.05	(85,565.05)	-	-	-	-	-
10.555	22NF04N099	Unavailable	Unavailable	148,522.66	7/1/21-6/30/22	(79,567.96)	608,173.75	(540,634.27)	-	(9,998.48)	-	-	(22,026.96)
							\$ 690,408.31	\$ (598,601.71)	\$ -	\$ (9,998.48)	\$ -	\$ -	\$ (26,779.54)
							\$ 690,408.31	\$ (598,601.71)	\$ -	\$ (9,998.48)	\$ -	\$ -	\$ (26,779.54)
Total U.S. Department of Health and Human Services													
U.S. Department of Agriculture													
							\$ 193,200.00	\$ (170,456.79)	\$ -	\$ (19,824.52)	\$ -	\$ -	\$ (76,240.00)
84.010	S010A220030	100-034-5064-194	100-034-5064-194	193,200.00	7/1/22-6/30/23	(10,992.69)	114,043.31	(170,456.79)	-	-	-	-	(76,240.00)
84.010	S010A210030	100-034-5064-194	100-034-5064-194	141,286.00	7/1/21-6/30/22	23,055.00	10,992.69	-	-	-	-	-	-
84.010	S010A210030	100-034-5064-132	100-034-5064-132	19,003.00	7/1/22-6/30/23	-	7,754.94	(19,137.10)	-	-	-	-	(8,511.00)
							\$ 132,974.00	\$ (189,593.89)	\$ -	\$ (16,955.30)	\$ -	\$ -	\$ (84,751.00)
84.367	S367A220029	100-034-5063-290	100-034-5063-290	61,430.00	7/1/22-6/30/23	-	40,568.88	(45,819.42)	-	(10,936.46)	-	-	(16,187.00)
84.367	S367A210029	100-034-5063-290	100-034-5063-290	67,728.00	7/1/21-6/30/22	(8,985.12)	8,985.12	-	-	(10,936.46)	-	-	(16,187.00)
84.365	S365A220030	100-034-5064-187	100-034-5064-187	14,253.00	7/1/22-6/30/23	-	12,188.46	(13,942.61)	-	1,754.15	-	-	-
84.365	S365A210030	100-034-5064-187	100-034-5064-187	11,772.00	7/1/21-6/30/22	(6,495.34)	6,495.34	-	-	-	-	-	-
84.365	S365A210030	100-034-5064-187	100-034-5064-187	813.00	7/1/22-6/30/23	(6,835.34)	19,044.00	(13,942.61)	-	1,754.15	-	-	-
84.424	S434A220031	100-034-5063-348	100-034-5063-348	11,935.00	7/1/22-6/30/23	(1,527.51)	13,675.49	(11,414.33)	-	(2,261.16)	-	-	-
84.424	S434A210031	100-034-5063-348	100-034-5063-348	16,559.00	7/1/21-6/30/22	(1,527.51)	15,203.00	(11,414.33)	-	(2,261.16)	-	-	-
Special Education Cluster:													
84.027	H027A220100	100-034-5065-016	100-034-5065-016	746,409.00	7/1/22-6/30/23	-	713,566.50	(724,046.50)	-	(49,644.00)	-	-	(60,134.00)
84.027	H027A210100	100-034-5065-016	100-034-5065-016	721,202.00	7/1/21-6/30/22	(92,121.95)	21,682.50	-	-	-	-	-	(92,693.85)
84.027X	H027X210100	100-034-5065-094	100-034-5065-094	125,976.00	7/1/21-9/30/22	(113,804.45)	735,239.00	(724,618.40)	-	(49,644.00)	-	-	(152,827.85)
84.173	H173A220114	100-034-5065-020	100-034-5065-020	29,900.00	7/1/22-6/30/23	(13,763.00)	38,431.00	(24,816.92)	-	148.92	-	-	-
							\$ 38,431.00	\$ (24,816.92)	\$ -	\$ 148.92	\$ -	\$ -	\$ -
							\$ 773,670.00	\$ (749,435.32)	\$ -	\$ (49,495.08)	\$ -	\$ -	\$ (152,827.85)
Total Special Education Cluster													
Education Stabilization Fund													
84.425D	S425D210027	100-034-5120-518	100-034-5120-518	686,764.00	3/13/20-9/30/23	(31,220.71)	180,343.00	(325,816.36)	-	-	-	-	(176,694.07)
84.425D	S425D210027	100-034-5120-518	100-034-5120-518	44,073.00	3/13/20-9/30/23	-	8,907.00	(12,458.70)	-	-	-	-	(3,551.70)
84.425D	S425D210027	100-034-5120-518	100-034-5120-518	45,000.00	3/13/20-9/30/23	-	26,495.00	(34,100.00)	-	-	-	-	(7,605.00)
84.425W	S425W210027	100-034-5064-233	100-034-5064-233	10,000.00	4/23/21-10/31/24	-	9,418.00	(9,418.00)	-	-	-	-	-
84.425U	S425U210027	100-034-5120-523	100-034-5120-523	1,543,457.00	3/13/20-9/30/24	(540,805.57)	955,948.00	(614,120.37)	-	-	-	-	(198,977.94)
84.425U	S425U210027	100-034-5120-523	100-034-5120-523	224,216.00	3/13/20-9/30/24	(14,520.44)	99,816.00	(78,557.94)	-	-	-	-	(78,741.94)
84.425U	S425U210027	100-034-5120-523	100-034-5120-523	40,000.00	3/13/20-9/30/24	-	18,570.00	(17,857.94)	-	-	-	-	(310.27)
84.425U	S425U210027	100-034-5120-523	100-034-5120-523	40,000.00	3/13/20-9/30/24	-	7,278.00	(8,121.12)	-	-	-	-	(843.12)
84.425U	S425U210027	100-034-5120-523	100-034-5120-523	45,000.00	3/13/20-9/30/24	(586,546.72)	1,327,025.00	(1,207,986.42)	-	-	-	-	(467,508.14)
							\$ 2,317,470.00	\$ (2,218,191.99)	\$ -	\$ (77,893.91)	\$ -	\$ -	\$ (72,127.99)
Total U.S. Department of Education													
U.S. Department of Treasury													
21.027	SLF020EUSIS	100-034-5065-096	100-034-5065-096	39,370.00	7/1/21-6/30/22	(39,370.00)	39,370.00	-	-	-	-	-	-
							\$ 39,370.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
							\$ 39,370.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
							\$ 3,092,410.28	\$ (2,861,955.67)	\$ -	\$ (87,892.39)	\$ -	\$ -	\$ (748,053.53)
Total U.S. Department of Treasury													
Total Expenditures of Federal Awards													
The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule													

HAZLET TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2023

STATE GRANTOR/ PROGRAM TITLE	GRANTOR STATE PROJECT NUMBER	AWARD AMOUNT	GRANT PERIOD	BALANCE JUNE 30, 2022	CASH RECEIVED	BUDGETARY EXPENDITURES	PASSED THROUGH TO PRIOR YEARS' BALANCES	ADJUSTMENT	BALANCE JUNE 30, 2023		MEMO	
									UNEARNED REVENUE	RECEIVABLE	RECEIVABLE	EXPENDITURES
New Jersey Department of Education:												
General Fund:												
Special Education Categorical Aid	495-034-5120-089	\$ 1,936,203.00	7/1/22-6/30/23	\$ -	\$ 1,936,203.00	\$ (1,936,203.00)	\$ -	\$ -	\$ -	\$ -	\$ 189,679.74	1,936,203.00
Security Aid	495-034-5120-084	71,011.00	7/1/22-6/30/23	-	71,011.00	(71,011.00)	-	-	-	-	6,921.42	71,011.00
Equalization Aid	495-034-5120-078	6,312,760.00	7/1/22-6/30/23	-	6,312,760.00	(6,312,760.00)	-	-	-	-	618,395.48	6,312,760.00
Stabilization Aid	100-034-5120-494	336,545.00	7/1/22-6/30/23	-	336,545.00	(336,545.00)	-	-	-	-	-	336,545.00
Supplemental Stabilization Aid	100-034-5120-494	1,066,791.00	7/1/22-6/30/23	-	1,066,791.00	(1,066,791.00)	-	-	-	-	-	1,066,791.00
Total State Aid Public				-	9,723,310.00	(9,723,310.00)	-	-	-	-	814,996.64	9,723,310.00
Transportation Aid	495-034-5120-014	91,986.00	7/1/22-6/30/23	-	91,986.00	(91,986.00)	-	-	-	-	8,981.36	91,986.00
Extracurricular Aid	495-034-5120-044	903,307.00	7/1/22-6/30/23	-	903,307.00	(903,307.00)	-	-	-	-	-	903,307.00
Additional Non-Public Transportation Aid	495-034-5120-044	814,496.00	7/1/21-6/30/22	(814,496.00)	-	-	-	-	-	(903,307.00)	-	-
Additional Non-Public Transportation Aid	495-034-5120-014	171,110.00	7/1/21-6/30/22	(171,110.00)	-	-	-	-	-	(17,149.00)	-	171,490.00
Student Over-Child Support (Allywash Law)	495-034-5120-014	158,776.00	7/1/21-6/30/22	(158,776.00)	-	-	-	-	-	(158,776.00)	-	-
Not Available												
Reimbursed TPAF Social Security Contributions	495-034-5094-003	1,762,360.80	7/1/22-6/30/23	-	1,762,360.80	(1,762,360.80)	-	-	-	-	-	1,762,360.80
TPAF - Post Retirement	495-034-5094-003	1,717,702.40	7/1/21-6/30/22	(85,199.53)	85,199.53	-	-	-	-	-	-	-
Medical (Noncash Assistance)	495-034-5094-001	2,184,059.00	7/1/22-6/30/23	-	2,184,059.00	(2,184,059.00)	-	-	-	-	-	2,184,059.00
TPAF - Pension	495-034-5094-002	8,313,967.00	7/1/22-6/30/23	-	8,313,967.00	(8,313,967.00)	-	-	-	-	-	8,313,967.00
Contributions (Noncash Assistance)	495-034-5094-002	2,992.00	7/1/22-6/30/23	-	2,992.00	(2,992.00)	-	-	-	-	-	2,992.00
TPAF - Long-Term Disability	495-034-5094-004			(1,075,581.53)	22,995,480.33	(22,999,130.80)	-	-	(1,079,232.00)	-	823,978.00	22,999,130.80
Insurance (Noncash Assistance)												
Total General Fund				-	22,995,480.33	(22,999,130.80)	-	-	-	-	823,978.00	22,999,130.80
Special Revenue Fund:												
Non-Public Aid:												
Textbooks	100-034-5120-064	9,042.00	7/1/22-6/30/23	-	9,042.00	(8,995.24)	-	0.24	-	-	47.00	8,995.24
Textbooks	100-034-5120-064	5,642.00	7/1/21-6/30/22	3,012.88	-	-	(3,012.88)	-	-	-	-	-
Nursing Services	100-034-5120-070	15,344.00	7/1/22-6/30/23	-	15,344.00	(15,277.00)	-	-	-	-	67.00	15,277.00
Nursing Services	100-034-5120-070	28.00	7/1/21-6/30/22	28.00	-	-	(28.00)	-	-	-	-	-
Transportation	100-034-5120-373	5,754.00	7/1/22-6/30/23	-	5,754.00	(5,754.00)	-	-	-	-	-	5,754.00
Security Aid	100-034-5120-509	28,085.00	7/1/22-6/30/23	-	28,085.00	(28,085.00)	-	-	-	-	-	28,085.00
Auxiliary Services Aid (Chapter 192):												
Compensatory Education	100-034-5120-067	6,424.00	7/1/22-6/30/23	-	6,424.00	(6,424.00)	-	-	-	-	-	6,424.00
English as a Second Language	100-034-5120-067	23,754.00	7/1/22-6/30/23	-	23,754.00	(23,754.00)	-	-	-	-	-	23,754.00
English as a Second Language	100-034-5120-067	29,232.00	7/1/21-6/30/22	8,587.00	-	-	(8,587.00)	-	-	-	-	-
Handicapped Services (Chapter 193):												
Examination and Classification	100-034-5120-066	1,326.00	7/1/22-6/30/23	-	1,326.00	(1,326.00)	-	-	-	-	-	1,326.00
Corrective Speech	100-034-5120-066	930.00	7/1/22-6/30/23	-	930.00	(930.00)	-	-	-	930.00	-	-
SDA Emergent Needs and Capital Maintenance	100-034-5120-519	64,469.00	7/1/22-6/30/23	-	64,469.00	(64,469.00)	-	-	-	-	-	64,469.00
School Climate Change	100-034-5120-519	6,660.00	7/1/22-6/30/23	-	6,660.00	(6,647.95)	-	-	-	-	-	6,647.95
Total Special Revenue Fund				11,627.88	161,788.00	(160,732.19)	-	0.24	-	1,044.00	-	160,732.19
Debt Service Fund:												
Debt Service Aid	495-034-5120-017	1,081,198.00	7/1/22-6/30/23	-	1,081,198.00	(1,081,198.00)	-	-	-	-	-	1,081,198.00
Total Debt Service Fund				-	1,081,198.00	(1,081,198.00)	-	-	-	-	-	1,081,198.00
New Jersey Department of Agriculture:												
Enterprise Fund:												
National School Lunch Program	495-010-3350-002	15,528.34	7/1/22-6/30/23	-	14,456.00	(15,528.34)	-	-	(1,072.34)	-	-	15,528.34
National School Lunch Program	495-010-3350-002	24,434.68	7/1/21-6/30/22	(2,061.28)	-	-	-	-	-	-	-	-
National School Breakfast Program	495-010-3350-004	5,027.90	7/1/22-6/30/23	-	4,618.00	(5,027.90)	-	-	(409.90)	-	-	5,027.90
Total Enterprise Fund				(2,061.28)	21,135.28	(20,556.24)	-	-	-	(1,482.24)	-	20,556.24
Total State Financial Assistance				\$ (1,066,014.93)	\$ 24,259,601.61	\$ (24,261,617.23)	\$ -	\$ 0.24	\$ -	\$ (1,080,714.24)	\$ 1,044.00	\$ 823,978.00
State Financial Assistance Programs not Subject to Calculation for Major Program Determination:												
TPAF - Post Retirement	495-034-5094-001	\$ 2,184,059.00	7/1/22-6/30/23	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Medical (Noncash Assistance)												
TPAF - Pension	495-034-5094-002	8,313,967.00	7/1/22-6/30/23	-	-	-	-	-	-	-	-	-
Contributions (Noncash Assistance)												
TPAF - Long-Term Disability	495-034-5094-004	2,992.00	7/1/22-6/30/23	-	-	-	-	-	-	-	-	-
Insurance (Noncash Assistance)												
Total State Financial Assistance Subject to Calculation for Major Program Determination												
												\$ (13,760,599.23)

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule

HAZLET TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2023

Note 1. Basis of Presentation

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 Hazlet Township School District. The School District is defined in Note 1 of the basic financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and New Jersey OMB's Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. All federal and state awards 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 schedule of expenditures of federal awards and state financial assistance.

Note 2. Summary of Significant Accounting Policies

The accompanying schedules of expenditures of federal awards and state financial assistance are presented using the budgetary basis of accounting with the following exception: programs recorded in the enterprise fund are presented using the accrual basis of accounting and programs recorded in the capital projects fund are presented using the modified accrual basis of accounting. These bases of accounting are described in Note 1 to the School District's basic financial statements. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

The School District did not elect the 10-percent de minimis indirect cost rate as discussed in 2 CFR 200.414.

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the School District for the year ended June 30, 2023. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2023.

HAZLET TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS AND STATE
FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2023 (Continued)

Note 3. Relationship to Basic Financial Statements

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the 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 grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with *N.J.S.A.* 18A:22-4.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$137,027.00 for the general fund and \$174,069.02 for the special revenue fund. See Exhibit C-3 Note A of the basic financial statements, for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance expenditures reported in the School District's basic financial statements on a GAAP basis are presented as follows:

<u>Fund</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 45,161.97	\$ 23,136,157.80	\$ 23,181,319.77
Special Revenue Fund	2,351,362.14	226,631.06	2,577,993.20
Debt Service Fund	-	1,081,198.00	1,081,198.00
Food Service Fund	598,601.71	20,556.24	619,157.95
Total Awards & Financial Assistance	<u>\$ 2,995,125.82</u>	<u>\$ 24,464,543.10</u>	<u>\$ 27,459,668.92</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. Federal and State Loans Outstanding

The Hazlet Township School District had no loan balances outstanding at June 30, 2023.

**HAZLET TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued	_____	Unmodified
Internal control over financial reporting:		
1) Material weakness(es) identified?	_____ yes	_____ <u>X</u> no
2) Significant deficiency(ies) identified?	_____ yes	_____ <u>X</u> none reported
Noncompliance material to financial statements noted?	_____ yes	_____ <u>X</u> no

Federal Awards

Internal control over major programs:		
1) Material weakness(es) identified?	_____ yes	_____ <u>X</u> no
2) Significant deficiency(ies) identified?	_____ yes	_____ <u>X</u> none reported
Type of auditor's report issued on compliance for major programs	_____	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 section .516(a) of Uniform Guidance?		
	_____ yes	_____ <u>X</u> no

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>FAIN Number(s)</u>	<u>Name of Federal Program or Cluster</u>
_____ 84.425D	_____ S425D210027	Education Stabilization Fund: CRRSA - ESSER II
_____ 84.425D	_____ S425D210027	CRRSA - Learning Acceleration
_____ 84.425D	_____ S425D210027	CRRSA - Mental Health Grant
_____ 84.425W	_____ S425W210027	ARP - Homeless Child & Youth II
_____ 84.425U	_____ S425U210027	ARP - ESSER II
_____ 84.425U	_____ S425U210027	ARP - Accel. Learning Coach
_____ 84.425U	_____ S425U210027	ARP - Summer Learning
_____ 84.425U	_____ S425U210027	ARP - Beyond the School Day
_____ 84.425U	_____ S425U210027	ARP - Mental Health Support

Dollar threshold used to determine Type A programs	\$ _____	750,000.00
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Auditee qualified as low-risk auditee?	_____ <u>X</u> yes	_____ no
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**HAZLET TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

Section I - Summary of Auditor's Results (Continued)

State Financial Assistance

Dollar threshold used to determine Type A programs	\$	750,000.00
Auditee qualified as low-risk auditee?	<u> X </u> yes	<u> </u> no
Internal control over major programs:		
1) Material weakness(es) identified?	<u> </u> yes	<u> X </u> no
2) Significant deficiency(ies) identified?	<u> X </u> yes	<u> </u> none reported
Type of auditor's report issued on compliance for major programs		Unmodified
Any audit findings disclosed that are required to be reported in accordance with New Jersey OMB Circular 15-08?	<u> </u> yes	<u> X </u> no

Identification of major programs:

<u>State Grant/Project Number(s)</u>	<u>Name of State Program</u>
495-034-5120-089	State Aid Public: Special Education Categorical Aid
495-034-5120-084	Security Aid
495-034-5120-078	Equalization Aid
100-034-5120-494	Stabilization Aid
100-034-5120-494	Supplemental Stabilization Aid

**HAZLET TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

Section II - Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with *Government Auditing Standards* and with audit requirements prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

None.

**HAZLET TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS & QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023**

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

This section identifies the significant deficiencies, material weaknesses and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey OMB's Circular 15-08.

FEDERAL AWARDS

None.

STATE FINANCIAL ASSISTANCE

Finding 2023-001

Information on the State Programs:

495-034-5120-089 – Special Education Categorical Aid; 495-034-5120-084 – Security Aid; 495-034-5120-078 – Equalization Aid; 100-034-5120-494 - Stabilization Aid; 100-034-5120-494 - Supplemental Stabilization Aid

Criteria or Specific Requirement:

N.J.A.C. 6A:23A-5.3(d) requires School Districts to achieve a 90 percent return rate of parental consent forms for all Medicaid Eligible students.

Condition:

The School District achieved a 79 percent return rate of parental consent forms.

Cause:

The School District was not properly monitoring participation in the SEMI program.

Known or Likely Questioned Costs:

None.

Effect or Potential Effect:

The District is not in compliance with State Aid Grant program requirements.

Recommendation:

The the School District review procedures and implement controls to ensure maximum participation in the SEMI program.

View of Responsible Officials & Corrective Action:

The School District will address this finding in the Corrective Action Plan.

**HAZLET TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
YEAR ENDED JUNE 30, 2023**

This section identifies the status of prior year findings related to the financial statements, federal awards and state financial assistance that are required to be reported in accordance with *Government Auditing Standards*, Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards (Uniform Guidance)*, and New Jersey OMB's Circular 15-08.

Financial Statement Findings

No Prior Year Findings.

Federal Awards

No Prior Year Findings.

State Financial Assistance

No Prior Year Findings.